

20th July 2021

Compliance Branch

Ms Jennifer Rowe
Senior Compliance Officer
Department of Planning, Industry and Environment
Submission via the Major Planning Portal

Dear Ms Rowe

Charbon Colliery Independent Environmental Audit

Charbon Colliery has completed an Independent Environmental Audit (IEA) and submits a copy of the audit report and Centennial's response to recommendations contained within the report to the Department for consideration.

The IEA was completed as per the approved extensions, dated 29 January 2021 and 24 May 2021. Copies of the extension letters are enclosed.

In accordance with Schedule 5, Condition 9 of Project Approval 08_0211, Charbon Colliery is submitting a copy of the IEA report and Centennial's response to recommendations contained within the report. A copy of the audit report and Centennial's response is enclosed.

If any further information is required please contact Diana Barnes, Environment and Community Coordinator on 02 6354 8723 or at diana.barnes@centennialcoal.com.au.

Yours sincerely,



David Craft
Mine Manager

Enclosed

1. DPIE Letter dated, 29 January 2021
2. DPIE Letter dated, 24 May 2021
3. 2021 IEA Report
4. Centennial's IEA Response



Charbon Coal Pty Limited
Attention: Mr James Wearne
PO BOX 1000
Toronto New South Wales 2283

29/01/2021

Dear Mr Wearne

**Charbon Coal (MP08_0211)
Extension of Time for IEA**

I refer to Charbon Coal Pty Limited's (Charbon) letter dated 27 January 2021, submitted to the Department Planning, Industry and Environment (Department) requesting an extension of time to complete the Independent Environmental Audit (IEA) for the Charbon Coal Project, as required under Schedule 5 Conditions 8 and Condition 9 of Approval MP08_0211 (Approval).

The Department notes that due to a number of factors affecting the schedule of the IEA and the availability of the auditors, Charbon have requested an extension of time to complete the IEA by 30th April 2021, thus extending the timeframe in which the IEA Report will be submitted to the Department by six (6) weeks post audit.

The Department has reviewed your request and accordingly, the Planning Secretary grants an extension of time for the IEA to be completed by no later than 30 April 2021.

Therefore, in accordance with Schedule 5 Condition 9, within 6 weeks of completing the IEA (30th April 2021), the IEA Report together with Charbons' response to any recommendations is to be submitted to the Department for approval.

If you wish to discuss the matter further, please contact Jennifer Rowe on 0242471851.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. O'Reilly', enclosed in a rectangular box.

Katrina O'Reilly
Team Leader - Compliance
Compliance
As nominee of the Planning Secretary

Charbon Coal Pty Limited
Attention: Mr James Wearne
PO BOX 1000
Toronto New South Wales 2283

24/05/2021

Dear Mr Wearne

**Charbon Coal Project (MP08_0211)
Extension of Time to Submit IEA Report**

I refer to your request, submitted to the Department Planning Industry and Environment on 19 May 2021, seeking the Secretary's agreement to extend the submission of the 2021 Independent Environment Audit report to 20 July 2021. In accordance with Schedule 5 Condition 9 for the Charbon Coal Project Consent (MP08_0211, as modified) the audit report is required to be submitted within 6 weeks of the completing of the audit, unless otherwise agreed by the Planning Secretary.

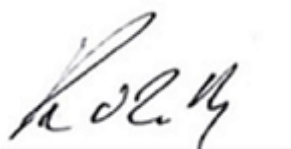
The Department notes that MCW Environmental Consulting undertook the audit on 27 April 2021 and has requested an additional 6 weeks to complete the audit report to allow for a more comprehensive and complete audit.

Accordingly, the Planning Secretary grants the requested extension.

It is requested that the Independent Environment Audit report together with your response to the recommendations is submitted to the Department by no later than **COB 20 July 2021** via the major project website.

If you wish to discuss the matter further, please contact Jennifer Rowe on 0242471851.

Yours sincerely



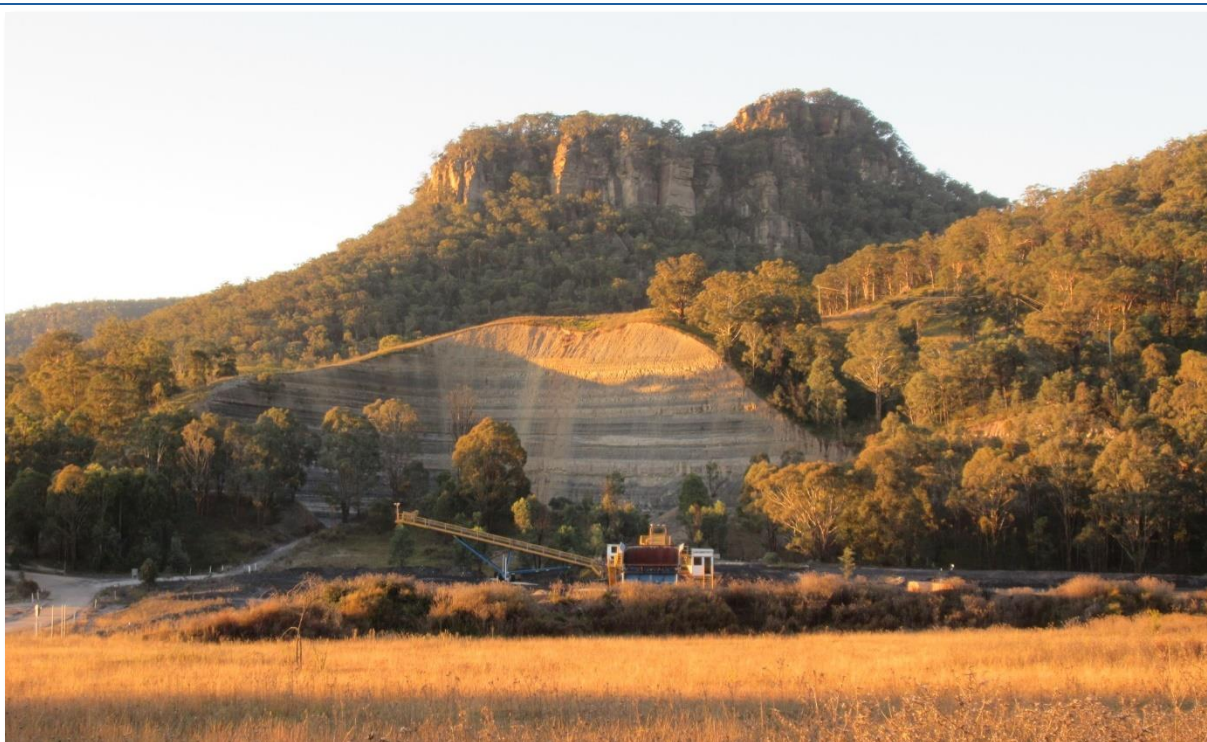
Katrina O'Reilly
Team Leader - Compliance
Compliance

As nominee of the Planning Secretary

Independent Environmental Audit 2021

Charbon Colliery

June 2021



Document History

Revision		Lead Auditor	Auditor	Issue date	Comments
Final	0	Michael Woolley	Helen Onus	30 June 2021	

Report Issued by:

MCW Environmental Consulting Pty Limited
mcwenvironmental@bigpond.com.au

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Table of Contents

Executive Summary	1
1 Introduction	2
1.1 Background.....	2
1.2 The Project.....	2
1.3 IEA Audit Team	3
1.4 IEA Scope and Methodology	3
1.4.1 Scope of Work	3
1.4.2 Period of the IEA.....	4
1.4.3 IEA Process.....	4
1.4.4 Key Approvals and Licence	5
1.5 Compliance Criteria.....	7
1.6 Consultation with Key Government Agencies	7
2 Site Observations and Photographs	8
3 Rehabilitation and Closure.....	22
3.1 Rehabilitation and Closure Mining Operations Plan	22
3.2 Privately Owned Lands Mining Operations Plan	22
3.3 Rehabilitation Monitoring.....	23
3.4 Rehabilitation Observations during Audit.....	24
3.5 Implementation of Rehabilitation Schedule	25
3.6 Recommendations in Relation to Rehabilitation	31
4 Environmental Performance	32
4.1 Regulatory Action.....	32
4.1.1 Development Control Order 14, 12 June 2019 – Progressive rehabilitation and disturbance outside approved footprint.....	32
4.1.2 Section 240 Notice, March 2020 – REA	32
4.1.3 Section 248B Notice, 2 March 2018 – Weed monitoring	32
4.1.4 EPA Show Cause Letter, 23 May 2018 – Failure to undertake monitoring	33
4.1.5 EPA Official Caution, 13 June 2018 – Drilling mud.....	33
4.1.6 EPA Advisory letter, 3 September 2018 – Wild dog baiting program.....	33
4.2 Environmental Incidents	34
4.3 Complaints	40
5 Environmental Management	41
5.1 Environmental Management Strategy.....	41
5.2 Environment Management Plans	41
5.3 Compliance Database	44
6 Summary of Non-compliances and Recommendations.....	45
6.1 Summary of Report Recommendations	45
6.2 Summary of Non-Compliances and Recommendations	46
6.3 Additional Recommendations relating to Compliant Conditions.....	62
7 Limitations of Report	63

Appendices

Appendix A Compliance Assessment

- **A1: Project Approval 08_0211**
- **A2: Environmental Protection Licence 528**
- **A3: Mining Lease 1647**
- **A4: Statement of Commitments**

Appendix B Status of Recommendations from 2018 IEA

Appendix C Consultation with Relevant Authorities

Appendix D DPIE Endorsement of IEA Auditors

Appendix E Auditor Declaration

Tables

Table ES-1-1: Compliance Assessment Summary	1
Table 1-1: Scope of Work.....	3
Table 1-2: Regulatory Approvals	5
Table 1-3: Compliance Assessment Criteria	7
Table 2-1: Site Inspection Photographs	8
Table 3-1 Progress of implementation of Rehabilitation Schedule	26
Table 4-1: Summary of Externally Reported Incidents.....	35
Table 5-1: Adequacy Review of Key Management Plans and Programs	42
Table 6-1 Summary of Recommendations relating to site observations and management plans	45
Table 6-2: Non-Compliances and Recommendations	47
Table 6-3: Additional Recommendations for Compliant Conditions.....	62

Abbreviations

Abbreviation	Description
ACHMP	Aboriginal Cultural Heritage Management Plan
AQMP	Air Quality Management Plan
CC	Centennial Coal Pty Ltd
CCC	Community Consultation Committee
CCL	Consolidated Coal Lease
CD	Compliance database
CEMP	Construction Environmental Management Plan
C'lth	Commonwealth
DECCW	Former Department of Environment, Climate Change and Water now EPA
DoE	Department of Environment (Commonwealth) previously Department of Sustainability, Environment, Water, Population and Communities
DPIE	NSW Department of Planning, Industry and Environment
DPI	NSW Department of Primary Industries
DPI- MR	Department of Primary Industries – Mineral Resources (became DRE, now DRG)
DPI Water	Division of Water within the NSW Department of Primary Industries (previously NSW Office of Water)
DRE	Division of Resources and Energy within the NSW Department of Industry (now DRG)
DRG	Division of Resources and Geoscience within NSW Department of Planning and Environment (previously DRE and DPI-MR)
EA	Environmental Assessment
EC	Electrical Conductivity ($\mu\text{S}/\text{cm}$)
ECD	Centennial Coal's Environment Compliance Database
EIS	Environmental Impact Statement
EMP	Environmental Management Plan
EMS	Environmental Management Strategy
EP&A Act	Environmental Planning and Assessment Act 1979 (NSW)
EPA	NSW Environment Protection Authority
EPL	Environment Protection Licence
ESCP	Erosion and Sediment Control Plan
HVAS	High Volume Air Sampler
I&I NSW	Former Department of Industry and Investment, now Resources Regulator
IEA	Independent Environmental Audit
LDP	Licensed Discharge Point
MCW Environmental	MCW Environmental Consulting Pty Ltd
mm	millimetre
m	metre
ML	Mining Lease
MOP	Mining Operations Plan
Mtpa	Million tonnes per annum
MWRC	Mid-Western Regional Council
NOW	NSW Office of Water (now DPIE - Water Division)
NSW	New South Wales
OEH	Office of Environment and Heritage
OFI	Opportunity for Improvement
PA	Project Approval
PIRMP	Pollution Incident Response Management Plan
POEO Act	<i>Protection of the Environment Operations Act 1997 (NSW)</i>

Abbreviation	Description
PRP	Pollution Reduction Program
ROM	Run of Mine
Secretary	Secretary of Department of Planning and Environment or delegate
SMP	Subsidence Management Plan
SOC	Statement of Commitments from the EA
Charbon Coal	Charbon Coal Pty Ltd
TSP	Total Suspended Particulate
TSS	Total Suspended Solids
WMP	Water Management Plan
WRACHMP	Western Region Aboriginal Cultural Heritage Management Plan

Executive Summary

MCW Environmental Consulting Pty Ltd (MCW Environmental) was engaged by Charbon Coal to conduct an Independent Environmental Audit (IEA) of the Charbon Colliery. Charbon Colliery is a former underground (bord and pillar) and open cut coal mine located in the Western Coalfields of New South Wales approximately 87 km north-west of Lithgow and 3 km south of Kandos. Following the depletion of approved coal reserves, Charbon ceased mining in 2015.

The IEA was conducted to meet the requirements of Project Approval (PA) 08_0211 Schedule 5 Condition of Approval (CoA) 8 which requires that by 31 December 2011 and every 3 years thereafter, Charbon Coal must commission an IEA of the project.

The IEA process was based on the Post Approval Requirements – Independent Audit (NSW Government, 2020), the auditing standard AS/NZS ISO 19011:2019 and MCW Environmental Consulting Pty Ltd.'s proposal to conduct the work dated 26 November 2020.

This IEA, being the fourth IEA conducted at Charbon, covers the period from 8 January 2018 (the end date of the previous IEA audit period) to 27 April 2021 (the last day of the site visit of this IEA).

The IEA included an assessment of environmental performance including an assessment of compliance with key approvals and licences applicable to Charbon, a review of the adequacy of environmental management plans and an assessment of rehabilitation activities. Non-compliances and recommendations are provided in Section 6. Detailed compliance assessments including IEA findings and recommendations are provided in Appendix A. The overall compliance status is summarised in Table ES-1-1.

Table ES-1-1: Compliance Assessment Summary

Key Approval and Licence	Compliant Conditions of Consent Note (%)	Non-compliant Conditions of Consent (No.)
Project Approval 08_0211	88	6
Environmental Protection Licence No. 528	82	7
Mining Lease 1647	85	2
PA 08_0211 Appendix 3 Statement of Commitments	100	0
Total	88	15

Note: In assessing the percentage compliance, where a condition has multiple parts, if one part has been assessed as non-compliant then the whole condition has been counted as non-compliant. Conditions assessed as complete, not triggered or noted have not been included in the total when calculating the percentage compliant.

1 Introduction

1.1 Background

Charbon Colliery is owned and operated by Charbon Coal Pty Limited (Charbon Coal), a joint venture between Centennial Coal Company Limited (Centennial Coal) (95%) and SK Networks Resources Australia Pty Ltd (5%). MCW Environmental Consulting Pty Ltd (MCW Environmental) was engaged by Charbon Coal to conduct an Independent Environmental Audit (IEA) of the Charbon Colliery. Charbon Colliery is a former underground (bord and pillar) and open cut coal mine located in the Western Coalfields of New South Wales approximately 87 km north-west of Lithgow and 3 km south of Kandos. Following the depletion of approved coal reserves, Charbon ceased mining in 2015.

The IEA was conducted to meet the requirements of Project Approval (PA) 08_0211 Schedule 6 Condition of Approval (CoA) 8 which requires that by 31 December 2011 and every 3 years thereafter, Charbon Coal must commission an IEA of the project.

1.2 The Project

Charbon Colliery commenced operation in the 1920s. Over the years various planning approvals were issued for the extension of mining operations. In 2010, the Planning Assessment Commission of New South Wales granted Project Approval (PA 08_0211) for the continuation of operations at the Charbon. This approval included the development of additional areas of extraction including Western Underground and Open Cut, Southern Open Cut Extension, Western Outlier and Southern Outlier. The approval permitted the extraction and processing of up to 1.5 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal. Coal from the Colliery was transported to Port Kembla and Newcastle by rail for shipping and also up until 2011 supplied coal to a local customer via road transport. Charbon currently covers an area of approximately 2,692 hectares.

After over 90 years of mining, Charbon has depleted its approved coal reserves and ceased mining operations in 2015. Underground mining operations were completed on 7 March 2014 and open cut mining operations ceased on 14 August 2015.

Prior to the cessation of mining, Charbon Coal operations consisted of:

- Six open cut mining areas: Western Open Cut (Haystack), Central Open Cut (Areas 6 and 7), 8 Trunk Open Cut, Southern Open Cut, Western Outlier and Southern Outlier;
- Two former underground mining areas: Western Underground and Charbon (Eastern) Underground including entry portals, ventilation fans and other associated pit top infrastructure;
- Coal handling and processing plant (CHPP) including washery, crusher, coal bins and conveyors;
- Two reject emplacement areas (REAs): Main REA and Northern REA;
- Product and ROM coal stockpile areas;
- Rail loop and loading facilities;
- Coal handling areas at 8 Trunk and 2 Trunk including coal loading, conveyors, hardstand / laydown areas, mechanical workshops, diesel storage;
- Bathhouse and administration buildings, store warehouse, hydrocarbon storage;
- Electrical sub-station;
- Power and pipeline infrastructure;
- Sewerage treatment system including one licenced discharge point with irrigation disposal;
- Network of sediment, retention, pollution control and discharge dams including five licenced discharge points and associated water management infrastructure.
- Existing rehabilitation areas including: Third Entry Open Cut area (Evaporation Dam Rehabilitation Area), areas adjacent to former Areas 3 and 4 (Haystack Junction Rehabilitation Area), and the eastern area of the Southern Open Cut.

In July 2019 PA 09_0211 was modified (MOD 1) for the transfer of up to 170 ML/year of water from Charbon Colliery to Airly Coal Mine by rail.

Since the cessation of mining Charbon has entered a Rehabilitation and Closure phase and activities have focussed on:

- Detailed mine closure planning;
- Progressive rehabilitation of disturbed areas;
- Removal of redundant infrastructure, as required;
- Maintenance of equipment as required in order to satisfy Mining Act and Work Health Safety requirements; and
- Environmental management and monitoring.

1.3 IEA Audit Team

The IEA was conducted by the following qualified, experienced and independent auditors:

- Michael Woolley, Lead Auditor (MCW Environmental); and
- Helen Onus, Auditor (Ethos Environmental).

Michael Woolley and Helen Onus are certified as Lead Environmental Auditors by Exemplar Global.

The auditors were approved by the DPIE in a letter dated 13 January 2021 (Appendix D). No additional experts were specified by the DPIE as being required for the IEA.

Due to various matters, Charbon requested an extension from DPIE to complete the site visit aspect of the audit by 30 April 2021, which was approved by DPIE on 29 January 2021.

1.4 IEA Scope and Methodology

1.4.1 Scope of Work

The IEA was conducted in accordance with the requirements set out in PA 08_0211 Schedule 5 CoA 8 as detailed in Table 1-1:.

Table 1-1: Scope of Work

Project Approval Condition	Requirement	IEA Reference
PA 08_0211 Schedule 5 CoA 8*	<i>By 31 December 2011, and every 3 years thereafter, unless the Planning Secretary directs otherwise, the Proponent must commission at its own cost an Independent Environmental Audit of the project. This audit must:</i>	This Report
(a)	<i>be conducted by a suitably qualified, experienced and independent team of experts whose appointment has been endorsed by the Planning Secretary;</i>	Section 1.3 and Appendix D
(b)	<i>include consultation with the relevant agencies;</i>	Appendix C
(c)	<i>assess the environmental performance of the project and assess whether it is complying with the relevant requirements in this approval and relevant EPL or Mining Lease (including any assessment, plan or program required under these approvals);</i>	Sections 4 and 6 and Appendix A

Project Approval Condition	Requirement	IEA Reference
(d)	<i>review the adequacy of strategies, plans or programs required under these approvals; and, if appropriate;</i>	Section 5
(e)	<i>recommend measures or actions to improve the environmental performance of the project, and/or any assessment, plan or program required under these approvals; and</i>	Section 6
(f)	<i>be completed within 2 months of the approval of the audit team.</i>	
Note	<i>This audit team must be led by a suitably qualified auditor and include experts in any fields specified by the Planning Secretary.</i>	Section 1.3

*DPIE approved an extension to the date of completion of the IEA to 30 April 2021.

1.4.2 Period of the IEA

This IEA covers the period from 8 January 2018 (the end date of the previous IEA audit period) to 27 April 2021 (the last day of the site visit of this IEA).

1.4.3 IEA Process

The following activities were undertaken for the IEA:

- The IEA methodology was developed to be consistent with ISO 19011:2002 – Guidelines for Quality and/or Environmental Systems Auditing and in consideration of the Independent Audit Post Approval Requirements (DPIE, May 2020).
- Initial discussions were held with Charbon to plan the IEA, develop the scope, introduce the IEA team, identify key Charbon personnel, request documentation, and confirm logistics of the site visit.
- A two day site visit was held on the 26 and 27 April 2021. Tasks undertaken during the IEA site visit included:
 - Opening meeting on the 26 April 2021.
 - Site inspections of the mine on the 26 and 27 April 2021
 - Review of documentation
 - Interviews with the Mine Manager, Project Manager Rehabilitation, Compliance Manager, Environment and Community Coordinator, Group Manager Environment.
 - Preliminary close out meeting on the 27 April 2021.
- Provision and review of additional documentation after the site visits.
- Review of feedback received from DPIE, other regulatory agencies and the Community Consultative Committee (CCC), on the environmental performance of the project during the period of the IEA (summarised in Appendix C).
- Detailed assessment of rehabilitation (Section 3)
- Assessment of the environmental performance of the mine through review of regulatory action, incidents and complaints (Section 4)
- A high level review of the environmental management system and adequacy of environmental management plans (Section 5)
- An assessment of compliance was undertaken for each condition within the selected regulatory approvals based on a review of documentation, observations during site inspections, interviews, implementation of management and monitoring plans, incidents, complaints and regulatory action (Appendix A).

- Provision of recommendations for non-compliances and for conditions that were assessed as compliant and, where there was opportunity for continual improvement, additional recommendations were provided (Section 6).
- Assessment of the status of implementation of actions for recommendations (for non-compliances) in the previous IEA (Appendix B)
- Preparation of a draft IEA report and provision to Charbon Mine to provide an opportunity for additional information and /or correction of fact; and finalisation of the IEA report.

1.4.4 Key Approvals and Licence

Charbon currently operates under the regulatory approvals, licences and authorisations listed in Table 2-1. These approvals include Project Approval (PA), Environment Protection Licence (EPL), Mining Leases (ML), Consolidated Coal Leases (CCL), Mining Purposes Leases (MPL), Subsidence Management Plan (SMP) Approval, Water Access Licences (WAL) for groundwater and surface water extraction, Environment Protection and Biodiversity Conservation Act (EPBC) Approval and commitments from environmental assessment documentation referred to in PA 08_0211.

Table 1-2: Regulatory Approvals

Regulator	Reference	Description	Date Approved or Renewed	Expiry
DPIE	PA 08_0211	Project Approval for the continuation of operations at the Charbon Colliery as described in the Environmental Assessment (EA) prepared by RW Corkery & Co Pty Limited and dated November 2009. It approves the continuation of mining activities until 31 August 2015; the extraction and processing of up to 1.5 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal; and the transportation of up to 250,000 tonnes per annum of product coal from the site by public roads.	07/09/2009	31/08/2025
DPIE	PA 08_0211 MOD 1	Modification 1 (MOD1) to the Project Approval was received in July 2019 for the transfer of up to 170 ML/year of water from Charbon Colliery to Airly Coal Mine by rail.	30/07/2019	
EPA	EPL 528	Environment Protection Licence (EPL) 528 authorises and regulates the carrying out of activities at Charbon. EPL 528 was varied once by notice during the period of the IEA: <u>18 September 2019</u> • The licensee sought to align the licence with the conditions of Project Approval 08_0211 and remove the reference to drilling mud and/or muddy waters from the table in licence condition L4.1. D. • On 13 August 2019 the EPA undertook a review of the licence as mining activities at the premises have ceased and is undergoing rehabilitation. This review identified the need to vary or remove a number of licence conditions to reflect the current rehabilitation activities at the premises.	Last reviewed 13/09/2019	Next review due 13/08/2024
RR	CCL 732	Consolidated Coal Lease	28/01/2005	02/12/2025
RR	CCL 726	Part CCL 726 subleased by Charbon from Kandos Collieries PL	29/06/1982	17/01/2030
RR	ML 1318	Mining Lease	26/06/2014	29/06/2026

Regulator	Reference	Description	Date Approved or Renewed	Expiry
RR	ML 1384	Mining Lease	19/01/1996	18/01/2038
RR	ML 1501	Mining Lease	21/12/2001	20/12/2022
RR	ML 1524	Mining Lease	28/10/2002	27/10/2023
RR	ML 1545	Mining Lease	19/01/2004	09/01/2025
RR	ML 1647	Mining Lease	17/12/2010	17/12/2031
RR	ML 1663	Mining Lease	09/01/2012	09/01/2033
RR	MPL 270	Mining Purposes Lease	08/08/2014	29/01/2026
RR	MPL 499	Mining Purposes Lease	02/02/2005	28/05/2026
RR	MPL 505	Mining Purposes Lease	23/01/2009	11/08/2026
RR	MPL 526	Mining Purposes Lease	28/01/2005	14/12/2024
RR	MPL 670	Mining Purposes Lease	28/01/2005	26/03/2024
RR	MPL 964	Mining Purposes Lease	28/01/2005	20/11/2023
RR	SMP Approval	Eastern Underground – extraction and development of pillars in and adjacent to the 4, 5, 6 and 7 Trunk Panels.	12/03/2012	
DPI-Water	WAL 27890	Extraction of 30 ML/year of groundwater.	21/11/2012	In perpetuity
DPI-Water	WAL 35022	Extraction of 105 ML/year of surface water.	13/11/2013	In perpetuity
DPI Water	WAL 27890	Extraction of 231 ML/year of surface water.	28/10/2013	In perpetuity
DPI Water	80BL620187	Monitoring bore licence.	14/06/2011	In perpetuity
DPI Water	80BL236248	Extraction of 10 ML/year of groundwater for domestic and stock use.	20/02/1995	In perpetuity
DPI Water	80BL243771	Extraction of 5 ML/year of groundwater.	22/03/2007	In perpetuity
C'lth DoE	EPBC 2010/5498	Details clearing limits and offset requirements for the project.	19/11/2010	21/10/2025

This IEA has focussed on the following selected regulatory approvals considered most relevant and a detailed assessment of compliance with their conditions and requirements has been undertaken:

- PA 08_0211;
- Statement of Commitments made in the EA and referred to in PA 08_0211;
- EPL 528; and
- ML 1647.

It is noted that there are a large number of mining authorisations (MLs, CCLs and MPLs) and that most authorisations have very similar terms and conditions. ML 1647 was chosen as being representative of these authorisations. ML 1647 broadly encompasses the Southern Outlier, Western Outlier, Southern Open Cut Extension and Haystack Western Underground operational areas and is

particularly relevant as it covers some of the mining operations and much of the rehabilitation works undertaken during the audit period.

The EPBC Act is a Commonwealth Act and hence not considered to be part of the scope for this audit.

1.5 Compliance Criteria

The assessment of compliance was based on evidence provided in documentation supported by observation and interview, and is provided in Appendix A. Compliance status categories are described in Table 2-2 and are based on the Post Approval Requirements: Independent Audit (NSW Government, May 2020) with an additional compliance criterion included for conditions considered complete.

Table 1-3: Compliance Assessment Criteria

Criteria	Definition
Compliant	The auditor has collected sufficient verifiable evidence to demonstrate that all elements of the requirement have been complied with within the scope of the audit.
Non-compliant	The auditor has determined that one or more specific elements of the conditions or requirements have not been complied with within the scope of the audit.
Not triggered	A requirement has an activation or timing trigger that has not been met during the temporal scope of the audit being undertaken (may be a retrospective or future requirement), therefore an assessment of compliance is not relevant.
Complete	The requirement relates to a historical requirement that has been assessed in previous IEAs and there are no ongoing or future requirements.

1.6 Consultation with Key Government Agencies

The following agencies were contacted in April and May 2021 as part of the consultation requirements of this audit:

- DPIE
- Resources Regulator (RR)
- EPA
- Community Consultative Committee Chair
- Forestry Corporation of NSW
- Mid-Western Regional Council
- Water NSW
- Natural Resources Access Regulator
- Biodiversity Conservation and Science Directorate

A summary of the feedback and responses is summarised in Appendix C.

2 Site Observations and Photographs

IEA site inspections were undertaken on 26 and 27 April 2021 and included:

- Areas of recent rehabilitation Strips 9 & 10 open cut void, 8 Trunk workshop void and 8 trunk stockpile base.
- Open cut voids – Southern Open Cut and Western (Haystack) Open Cut.
- Strip 8 North area, used as landfarm for contaminated material excavated from 8 trunk workshop area.
- Strip 8 South area, void was being filled with dispersive spoil from 2/3 Area.
- Main Reject Emplacement Area (REA) and Northern REA.
- Big Rim workshop lay down area.
- Main CHPP facilities, product stockpile area and rail loop.
- Sediment, retention, pollution control and discharge dams including Licenced Discharge Points (LDPs) 2 to 6.
- Areas rehabilitated in previous IEA (Western Outlier, Southern Outlier, Southern Open Cut Extension, part Southern Open Cut and Stony Creek Gully) and areas of older rehabilitation (Haystack Junction and Evaporation Dam Rehabilitation Area).
- Indigenous heritage site (AHIMS 36-3-0723) scar tree, (AHIMS 36-6-0643) art site and site of artefact reburial.
- Northern on-site compensatory habitat area (drive past only).

During the IEA site inspections, the weather conditions were sunny and mild. The following photographs provide an indication of the observations made or referenced during the site inspections. Site inspections were hosted by Charbon Coal personnel. Where available and relevant, photographs from the 2018 IEA are provided in the left hand side of the table to enable an assessment of the changes in a particular area over the audit period to be seen.

Table 2-1: Site Inspection Photographs

Photo No.	Applicable CoA: Photo Description	Photo
Photo 1.	Coal handling and preparation infrastructure.	

Photo No.	Applicable CoA: Photo Description	Photo
Photo 2.	Load out of fines from the Northern Reject Emplacement Area (REA). The material was being placed in the Main REA (see photo 8).	
Photo 3.	As above – load out of fines from the Northern REAs to the Main REAs.	
Photo 4.	The contents of Northern REA 4 were still to be moved the Main REA.	
Photo 5.	Main Reject Emplacement Area (REA) in the background behind the CHPP in the middle ground and the Northern REA Sediment Dam in the foreground.	

Photo No.	Applicable CoA: Photo Description	Photo
Photo 6.	Some erosion gullies were observed in the Northern REA. These were to be addressed as part of the removal of the Northern REA. Charbon had placed temporary ERSSED controls in the area to manage the works.	
Photo 7.	Main REA looking south.	
Photo 8.	Main REA – Cell 4. Location of a trial for use of Northern REA Material as a capping layer on the main REA. The capping was being compacted on the day of the site inspection.	
Photo 9.	Main REA – View to the CHPP and Northern REA in the valley to the right of picture.	

Photo No.	Applicable CoA: Photo Description	Photo
Photo 10.	Temporary filling of adits in the former workshop area.	
Photo 11.	8 Trunk workshop area and open cut in 2018 (pre rehabilitation – photo from previous IEA)	8 Trunk workshop area and open cut post rehabilitation in 2021
		
Photo 12.	8 Trunk workshop area and open cut in 2018 (pre rehabilitation – photo from previous IEA)	8 Trunk workshop area and open cut post rehabilitation in 2021
		

Photo No.	Applicable CoA: Photo Description	Photo
Photo 13.	Western Outlier: On left of road is woodland mix; on right is pasture and woodland as requested by private landowners.	 A photograph showing a dirt road. To the left of the road is a mix of woodland trees. To the right is a grassy area with some trees, likely pasture and woodland. The date stamp in the bottom right corner reads 26/04/2021.
Photo 14.	Western Outlier – forest mix. Weeds were observed in some areas. Vegetation growth was observed since the previous IEA given significant rains in the 2020-2021 period.	 A photograph showing a field of dense, green vegetation and weeds. The date stamp in the bottom right corner reads 26/04/2021.
Photo 15.	Charbon reported that the landowner required water to be contained on his property hence Charbon truncated a number of contour drains to contain flows. These have a potential to overflow and cause erosion/rilling at the drainage points.	 A photograph showing a pond or water containment area. A fence is visible in the foreground. The date stamp in the bottom right corner reads 26/04/2021.
Photo 16.	Western outlier looking into the privately held property (pasture and sparse woodland) in 2018.  A photograph showing a view of a field with sparse vegetation and a fence. The date stamp in the bottom right corner reads 08.01.2018 15:32.	Same area in 2021 showing significantly more growth, particularly in the wetter conditions.  A photograph showing the same area in 2021, showing significantly more growth, particularly in the wetter conditions. The date stamp in the bottom right corner reads 26/04/2021.

Photo No.	Applicable CoA: Photo Description	Photo
Photo 17.	Western Outlier where timber had been placed (2018)	Western outlier with timber showing areas of weed in the foreground and native plants in the background.
		
Photo 18.	Road between the Southern and Western Outliers (2018)	Same area 2021 showing significant growth of vegetation.
		
Photo 19.	Rehabilitation of Western Outlier (2018) – on private land with seed mix for pasture and sparse woodland	Rehabilitation of Western Outlier (2021). Less shrubs and trees evident compared to forest areas due to pasture seeds in the seeding mix.
		

Photo No.	Applicable CoA: Photo Description	Photo
Photo 20.	Stony Creek Gully Rehabilitation (2018)	Stony Creek Gully Rehabilitation (2021). Charbon indicated dispersive materials had been removed and grey Permian rock was used which had shown significant success.
		
Photo 21.	Stony Creek Gully Rehabilitation – contour drains and berms (2018)	Stony Creek Gully Rehabilitation – contour drains and berms (2021) showing significant growth of vegetation since 2018.
		
Photo 22.	Stony Creek Gully Rehabilitation – sediment dam in the catchment. Charbon reported that the dam had not over flowed in the audit period.	
		

Photo No.	Applicable CoA: Photo Description	Photo
Photo 23.	Void (Strip) 9 in 2018 prior to filling; recountouring and rehabilitation.	Void (Strip) 9 Rehabilitation (2021). This area was deep ripped and re-seeded in October 2020 to address some poorer areas of rehabilitation. Some bare areas remained. Charbon will continue to monitor this area.
		
Photo 24.	Void/Strip 9 North	

Photo No.	Applicable CoA: Photo Description	Photo
Photo 25.	Fallen Aboriginal Scar Tree 36-6-0723 within protective fencing (2018 below).	  
Photo 26.	Area where artefacts from historical excavations were reburied. Location identified in consultation with Registered Aboriginal Parties.	
Photo 27.	Strip 8 South looking north to Strip 8. The area was being filled. Charbon reported that a high wall failure had occurred and the base was being filled to stabilise the wall.	

Photo No.	Applicable CoA: Photo Description	Photo
Photo 28.	3rd Entry Lake area rehabilitation. This area was originally planned to be rehabilitated to pasture. In the previous IEA it was observed that the area was mostly weeds and not pasture. Charbon has placed rocky material; deep ripped and re-seeded a strip of the area to see if this produced a successful woodland outcome. This was not inspected in detail. Outcomes of the trial are understood to be pending.	
Photo 29.	Strip 8 North: Soil has been placed in the area for removal of hydrocarbon contamination in windrows. These are turned at regular intervals. The area drains to a contained pond within the open cut.	
Photo 30.	Haystack mining area. Rehabilitation of this area is yet to commence.	

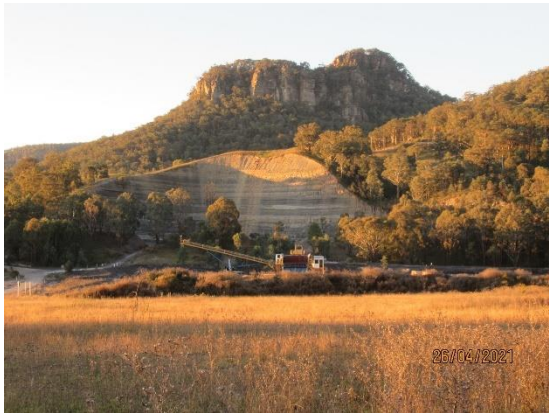
Photo No.	Applicable CoA: Photo Description	Photo
Photo 31.	Haystack mining area. There are few ERSED controls in the area of the Haystack; other than sediment basins within the catchment of the area as detailed in the Water Management Plan.	
Photo 32.	Trunk 2 Box Cut.	
Photo 33.	Pipe network for filling water carriages to go to Airly during 2019.	
Photo 34.	Dam at LDP6 below the Haystack mining area.	

Photo No.	Applicable CoA: Photo Description	Photo
Photo 35.	Blackberry weeds were evident in many pasture areas such as upgradient of LDP6 dam.	
Photo 36.	Big Rim workshop still used for lay down and other activities.	
Photo 37.	LDP5 Discharge Dam (2018) filled with sediment and reeds prior to de-silting.	LDP5 Discharge Dam (2021). The dam was desilted in 2020 and now holds significantly greater volumes of water. A new pipe has been installed to drain the dam to lower levels to allow for a greater capacity to be held in the dam prior to overflow. 

Photo No.	Applicable CoA: Photo Description	Photo
Photo 38.	Compensatory Habitat Area within the mining lease.	
Photo 39.	Older rehabilitation in the area of the Haystack Junction. Areas on the periphery contained weeds but these reduced into the vegetation.	
Photo 40.	Former Bath house. The building will be demolished as part of closure activities.	
Photo 41.	A weed species thought to be African Daisy (<i>Senecio pterophorus</i>) was observed to be across the site in disturbed mining areas as well as invading adjacent undisturbed woodland.	

Photo No.	Applicable CoA: Photo Description	Photo
Photo 42.	Woody weed (possibly African Box Thorn) near the administration building that was not being controlled as part of the weed control program. This was raised in the previous IEA.	
Photo 43.	28,000 L bulk diesel tank used only for Centennial vehicles. Contractor plant filled by service truck.	

3 Rehabilitation and Closure

Works at Charbon during the audit period comprised rehabilitation and closure activities, along with maintenance of environmental controls and environmental monitoring. This section details the management approach to rehabilitation; progress against the Rehabilitation Schedule within the Development Control Order, results of monitoring and observations from the audit site inspection.

3.1 Rehabilitation and Closure Mining Operations Plan

The Rehabilitation and Closure Mining Operations Plan Charbon Colliery January 2019 to December 2025 (Rehabilitation and Closure MOP) applies to the whole of the Charbon Colliery holdings with the exception of the privately owned lands in the south. The Rehabilitation and Closure MOP has incorporated the Landscape Management Plan, Rehabilitation and Offsets Management Plan and Mine Closure Plan requirements of the Project Approval, and Amendment C was approved by the Resources Regulator on 18 July 2019.

The Rehabilitation and Closure MOP considers all areas disturbed by mining both in terms of its existing operational or functional purpose (primary domain) and its post mining land use (secondary domain). The primary domains are: Infrastructure Areas; Reject Emplacement Areas; Water Management Areas; Stockpiled Materials; Open Cut Mining Areas; Existing Rehabilitation Areas; Underground Mining Area; Compensatory Habitat Area; and Rehabilitation Works Area. The secondary domains are: Retained Infrastructure; Rehabilitation Area – Forest; Retained Water Management Area; and Compensatory Habitat Area.

General rehabilitation objectives are defined in Schedule 4 Condition 4 of the Project Approval. In order to achieve these general rehabilitation objectives, specific rehabilitation objectives are defined in the MOP for each primary and secondary domain.

The MOP defines six rehabilitation phases (Decommissioning; Landform Establishment; Growth Medium Development; Ecosystem and Land Use Establishment; Ecosystem and Land Use Sustainability; and Land Relinquishment) which will progressively be worked through in order to achieve the agreed post mining land use. The MOP also defines performance indicators and completion criteria for each relevant domain during each rehabilitation phase. These completion criteria will be used to demonstrate progress and ultimate success of rehabilitation and achievement of rehabilitation objectives.

The Rehabilitation and Closure MOP sets a program for the progressive rehabilitation of the site. Plans for each year during the term of the MOP indicate the rehabilitation phase that each area is planned to have achieved.

A detailed review of the Rehabilitation and Closure MOP was not undertaken. Charbon was considered to be generally compliant with the MOP in respect of staging of rehabilitation activities and management of environmental issues. Discussion of implementation of the rehabilitation schedule is provided in Section 3.4.

3.2 Privately Owned Lands Mining Operations Plan

A second MOP, "Mining Operations Plan Charbon Colliery Lot 8 DP 593262 and Lot 1 DP1148217 October 2015 to October 2022" (Privately Owned Lands MOP) only applies to the privately-owned lands (being Lot 8 DP 593262 and Lot 1 DP1148217) which are located in the south of the colliery holdings. It was developed in accordance with two s240 Notices (refer Section 4.5 for more detail) to include final rehabilitation and closure plans specifically for the privately owned lands. Operational areas that lie within these privately owned lands include parts of the Western Outlier, Southern Open Cut and Southern Open Cut Extension, and all of the Southern Outlier. The Privately Owned Lands MOP was approved by RR on 7 December 2015.

Rehabilitation works on the privately-owned lands covered by this MOP were largely implemented during 2016 and 2017. Rehabilitation of these areas has included bulk earthworks to establish post mining landforms; growth media development including spreading of topsoil; establishment of new drainage including ripping along the contour, construction of berms and sediment basins; and ecosystem establishment including seeding with either native forest or woodland species mixes, and also cover crops. During the audit period, Charbon was in the 'ecosystem and land use development' and 'monitoring and inspection' rehabilitation phase.

A detailed review of the Privately Owned Lands MOP was not undertaken. The Privately Owned Lands MOP was prepared in consultation with relevant agencies and approved by the Resources Regulator. Implementation of this MOP appears to have been generally consistent with the proposed rehabilitation activities and timelines described in the MOP's Section 7 Rehabilitation Implementation.

3.3 Rehabilitation Monitoring

A rehabilitation monitoring program was established in December 2016. Four rehabilitation sites and three control sites were established within the Charbon owned lands and four rehabilitation and four control sites have been established within the privately owned lands.

Charbon engaged SLR to undertake baseline monitoring within the Charbon owned lands in 2016 and annual rehabilitation monitoring in 2017, 2018, 2019 and 2020. The objectives of the monitoring program are to assess the long term stability and functioning of the re-established ecosystems when compared to adjacent control sites, assess rehabilitation performance against closure criteria and facilitate continuous improvement in rehabilitation practice. The annual inspections of rehabilitated areas assess soil condition, landform condition, drainage and sediment control structures, presence of microorganisms and invertebrates, revegetation germination rates, plant health and weed inspection.

The findings of the 2020 Rehabilitation Monitoring Report for the Charbon owned lands (SLR, 2021) indicated the following:

- General achievement of the physical landform rehabilitation objectives, including final landform, land surface stability and drainage performance.
- Ecosystem composition and structural characteristics are yet to be achieved considering the age of the vegetation, however assuming continued development it is likely the ecosystem composition and structure will progress further towards completion criteria over the coming years
- Weeds generally do not pose a risk to rehabilitation. Two priority weed species (blackberry and St John's wort) were identified in low abundance in several areas.
- Pests / feral animals generally do not pose a risk to rehabilitation

The 2020 Rehabilitation Report for the privately owned lands (SLR, 2021) indicated the following:

For the Privately Owned Lands, baseline monitoring was established in 2017 (following seeding) and annual monitoring undertaken by SLR in 2018, 2019 and 2020. The monitoring assessed general rehabilitation, vegetation, soil chemistry, soil microbes and geotechnical stability.

The results of the monitoring within the Privately Owned Lands indicated:

- Generally, landform is considered stable and meeting majority of geotechnical closure criteria.
- Several major weed infestations (blackberry) were identified that require immediate attention. No feral animal populations or erosion issues were noted.
- Vegetation is in the early stages of plant growth and establishment and therefore not indicative of target vegetation types identified in Privately Owned Lands MOP criteria.
- Soil analytes within the Privately Owned Lands rehabilitation areas were non-limiting for the growth of native vegetation. No addition of fertiliser or soil ameliorants are considered to be required at this stage.

- Soil microbial communities in rehabilitation areas are still recovering. This can take from 5-10 years post disturbance.

The 2020 Rehabilitation Report recommended:

- Implementing targeted weed control on identified weed infestations
- Quarterly inspections continue to be undertaken to check on weed growth and for the presence of any new priority weed species or new infestations.
- Any re-seeding of bare areas or seeding to supplement understorey species be conducted during favourable conditions

3.4 Rehabilitation Observations during Audit

Key areas of rehabilitation undertaken during the audit period (2018-2021) included Void (Strip) 9, Strip 10, 8 Trunk Workshop Void, Strip 8 South area. These are discussed further in Section 3.5 below which focuses on implementation of the rehabilitation schedule within the Rehabilitation and Closure MOP and Development Control Order 14.

Prior to 2018, rehabilitation had focused on areas within and adjacent to the privately-owned lands in the southern portion of the mine area, including Stony Creek Gully, Southern Open Cut Extension, Southern Outlier and Western Outlier areas. Older more established areas of rehabilitation included Haystack Junction and Evaporation Dam rehabilitation areas. These areas were visited during the audit site inspection. The following observations are noted relating to older areas of rehabilitation or rehabilitation in general. Refer also to site photographs in Section 2:

- Some minor structures, plant and equipment have been dismantled and removed (sold for re-use or recycling where possible) from infrastructure areas.
- Generally, forest and woodland species seed mixes were being used in revegetation, although woodland grassland mix was being used in some privately owned lands in accordance with landowner requirements.
- Weed control spraying was observed however weeds remain an ongoing challenge particularly following higher rainfall in the period since February 2020. Of note was a weed thought to be African Daisy which was abundant in selected areas of the mine and adjacent woodland. The Roche Pad area also contained a significant area of weeds. Further, blackberry thickets were observed in various areas across the mine area in some areas of rehabilitation and outside of rehabilitated areas such as along the access road to LDP6 and near LDP3.
- Evidence of native fauna such as wombats, kangaroos, as well as insects and spiders were observed within some rehabilitation areas.
- Post mining landforms appeared to be generally stable.
- Use of contour ripping, contour berms, sediment basins, rocky substrates, cover crops in rehabilitation areas appeared to be effective in controlling sediment and erosion. In one area on the Western Outlier, some contour drains had been truncated on the request of the landowner with a small capacity for water prior to overtopping. Over topping of these contour drains in high rainfall events has a potential to cause localised erosion and should be monitored.
- No public infrastructure was observed as having been damaged requiring repair.
- No public safety hazards were observed, high walls are generally bermed or fenced and mine adits have been temporarily sealed awaiting permanent sealing.
- A feral pig was sighted in the rehabilitated areas of the Western Outlier.
- The age of much of the rehabilitation means further time is required to assess whether rehabilitation criteria can be met in the longer term. Ongoing monitoring and maintenance of the existing and planned rehabilitation including weed control; re-seeding of poorly revegetated areas;

and addressing eroded areas will be required if rehabilitation performance is to be achieved and criteria met.

- In many rehabilitated areas a significant level of growth and increase in species richness in vegetation was observed since the 2018 IEA site inspection.
- There remain large areas still to be rehabilitated such as the Strip 8 Central & West areas; Areas 6 & 7, Haystack, SHPP, REAs & Main Stockpile, and the Southern Open Cut erosion resistant capping material source area (further discussed in Section 3.5 below).

In the conduct of this audit MCW Environmental has relied on the annual rehabilitation monitoring reports in relation to assessment of the rehabilitation and the above comments are high level in nature based on brief site inspections during the audit. This audit is not considered a detailed audit of the rehabilitation performance. Given the recent and still to be conducted rehabilitation, the assessment of rehabilitation performance will need to be ongoing for a number of years.

3.5 Implementation of Rehabilitation Schedule

Development Control Order 14 was issued to Charbon on the 12 June 2019 with an amended schedule for rehabilitation activities. The Development Control Order is discussed further in Section 4.1.1.

Table 3-1 reproduces the rehabilitation schedule within the Development Control Order and provides an update on activities undertaken during the audit period. As shown in Table 3-1, Charbon was on track with implementation of the schedule.

Table 3-1 Progress of implementation of Rehabilitation Schedule

Rehabilitation Area	Date for completion	Activities undertaken during audit period	Photos from audit site inspection or provided by Charbon (as referenced)
Southern Open Cut (SOC) Strips 9 & 10 large open cut void	30/12/2019	- Strip 9 (also referred on site as Void 9) filled with dispersive spoil and coal materials in 2019 - Contouring completed and final landform established - Topsoil spread over final landform - Charbon reported that SOC Strip 9 & 10 areas were seeded via aerial seed/ fertiliser campaigns November 2018 and a follow up seed / fertiliser campaign was completed in October 2020. - Charbon reported that hand seeding utilising Rylstone Ag Mix / cover crop / fertiliser was applied on lower areas in Strip 9 as earthworks were completed and prior to aerial seeding Spring 2020 to assist landform stability. As recommended by Global Soil Systems (GSS) no extra seeding of Strip 9 lower areas were required as follow up to seeding campaign due to successful establishment of local grasses & natural establishment of native trees from surrounding forest & topsoil utilised that was previously removed from Strip 9 prior to bulk earthworks mining.	 Photo from Charbon Community Consultative Committee meeting March 2019 showing earthworks filling Strip (Void) 9  Strip (Void) 9 area at the time of the audit site inspection

Rehabilitation Area	Date for completion	Activities undertaken during audit period	Photos from audit site inspection or provided by Charbon (as referenced)
			 SOC Strip 10 as provided by Charbon (dated 5-12-18)

Rehabilitation Area	Date for completion	Activities undertaken during audit period	Photos from audit site inspection or provided by Charbon (as referenced)
8 Trunk workshop void and 8 Trunk stockpile base	30/12/2020	• Void had been filled • Contouring completed and final landform established • Deep contour ripping had occurred to reduce runoff and facilitate infiltration of rainfall to allow plant establishment • 11.9 ha seeded with native forest seed mix in December 2020. This mix includes introduced pasture species for quick establishment of groundcover to reduce erosion risk.	 8 Trunk Precinct progress (May 2020) Photo provided by Charbon, showing progress in May 2020. Note tree shown by white arrow for reference.  26/04/2021 Photo taken during audit site inspection. Tree marked for comparison with previous photo. Pasture species had established. Some acacia and eucalypt seedlings also observed.

Rehabilitation Area	Date for completion	Activities undertaken during audit period	Photos from audit site inspection or provided by Charbon (as referenced)
Strip 8 South area	30/12/2021	Commenced void filling with dispersive spoil from 2/3 area (Blueberry Hill) in 2020	 Strip 8 South area being filled with spoil during audit site inspection
Strip 8 North area	30/12/2022	- Rehabilitation activities not yet commenced. - Planned for 2022 - Currently used as landfarm for contaminated material excavated from 8 trunk workshop area	 Strip 8 North used as landfarm for soil treatment. Base was lined with clay. Stockpiled materials watered regularly and rotated monthly.

Rehabilitation Area	Date for completion	Activities undertaken during audit period	Photos from audit site inspection or provided by Charbon (as referenced)
Strip 8 Central & West areas	30/12/2023	- Rehabilitation activities not yet commenced. - Planned for 2023	Refer to Section 2 for site photos
Areas 6 & 7, Haystack, SHPP, REAs & Main Stockpile Rehabilitation of Southern Open Cut erosion resistant capping material source area	30/12/2025	- Rehabilitation activities not yet commenced. - Planned for 2024	Refer to Section 2 for site photos

3.6 Recommendations in Relation to Rehabilitation

Key recommendations in relation to rehabilitation and closure include:

2021 IEA REC 01 - Implement further and ongoing controls in weed management in rehabilitation and all mine areas.

2021 IEA REC 02 - Seek specialist advice on the management and control of the small yellow flowering weed thought to be African Daisy.

2021 IEA REC 03 – Address any erosion that occurs due to truncation of contour drains at the Western Outlier as was requested by the landholder.

2021 IEA REC 04 - Consider further feral pig control following sighting of a single feral pig during the site inspection.

2021 IEA REC 05 - Implement actions as defined in the Annual Rehabilitation Monitoring reports by SLR.

4 Environmental Performance

This section assesses the environmental performance of the development through a review of regulatory action, incidents and complaints. Compliance with Approvals and Licences is also a key indicator of environmental performance and is discussed in Section 6. Environmental performance of closure and rehabilitation activities is discussed in Section 3.

4.1 Regulatory Action

4.1.1 Development Control Order 14, 12 June 2019 – Progressive rehabilitation and disturbance outside approved footprint

During the previous audit period, Charbon was issued with a Development Control Order to remedy a breach of consent, namely the failure to comply with CoA 4.5 to undertake progressive rehabilitation as soon as practicable following disturbance and with CoA 2.2 for stockpiling of overburden outside of the approved footprint. The Order, dated 16 October 2017, required Charbon to undertake rehabilitation works on all existing areas of disturbance, including disturbed areas outside open cut approved areas and provided a schedule for the rehabilitation works.

In March 2019, Charbon requested DPIE to revise the Order by aligning the rehabilitation schedule with the rehabilitation schedule in the revised MOP.

DPIE issued Development Control Order 14 on the 12 June 2019 which revoked the previous Order dated 16 October 2017. The new order provided an amended schedule for rehabilitation activities. Discussion of progress of rehabilitation against the schedule is provided in Section 3.

4.1.2 Section 240 Notice, March 2020 – REA

RR performed a planned inspection of tailings / reject management activities at the site in May 2020 and identified that there was a risk related to adverse impact to the environment, through limitations identified regarding mine closure planning for reject / tailings facilities.

RR issued Charbon with a Notice under Section 240 of the Mining Act on the 27 May 2020 requiring the execution of a capping trial of the Rejects Emplacement Area, a MOP amendment which incorporates the outcomes and learnings of the trial and a risk assessment to be completed by 31 May 2021. At the time of the audit inspection, Charbon was completing the capping trial and progressing its response to the Notice. The reports required of the Notice were considered to be outside the audit period hence were not assessed as part of the audit.

4.1.3 Section 248B Notice, 2 March 2018 – Weed monitoring

Charbon was issued with a Notice under Section 248B of Mining Act 1992 by RR on the 2 March 2018 to provide records of weed monitoring inspections undertaken in the period November 2016 to October 2017.

Charbon responded by letter dated 15 March 2018 with attachments of the record sheets provided by the contractor who undertook the weed control, SMARTtrain. The attached document index indicated that 31 days of weed control activity had been undertaken.

The RR provided Charbon with its investigation outcome by letter dated 10 May 2018. RR stated that its investigation determined that weed monitoring and management was generally being conducted in an effective manner and in accordance with the MOP and that it had been determined that there was no breach of Section 378 of the Mining Act 1992.

4.1.4 EPA Show Cause Letter, 23 May 2018 – Failure to undertake monitoring

In reviewing the 2016/2017 Annual Return, the EPA noted that not all of the monitoring required under licence condition M2.2 and M6.1 had been undertaken. The EPA issued Charbon was a 'show cause' letter dated 23 May 2018 inviting Charbon to explain in writing why the EPA should not take regulatory action for this breach of licence conditions.

Charbon responded to the show cause letter in writing on the 30 May 2018.

It is noted the show cause related to breaches outside of the audit period for this IEA.

4.1.5 EPA Official Caution, 13 June 2018 – Drilling mud

Prior to 18 September 2019, Charbon was permitted under its EPL to receive up to 6,000 L/week of drilling mud / muddy water from drilling operations. During the Annual Review meeting held at the Mine on the 6 June 2018, the EPA became aware that the volume limit for the drilling mud was exceeded on the 12 and 20 December 2017 and that drilling mud was being disposed of in a sediment dam which drains to LDP04. The EPA considered that the Mine had breached Condition O4.1 of the EPL which requires activities, including the handling of materials, to be carried out in a competent manner.

The EPA issued Charbon with an Official Caution on the 13 June 2018 for failing to comply with the following conditions of its EPL:

- a) Failing to undertake all monitoring required by condition M2.2 (as noted in the 'show cause' letter dated 23 May 2018)
- b) Exceeding the volume limit in condition L4.2 of the licence
- c) Failing to handle materials in a competent manner

The EPA required that Charbon immediately cease the disposal of drilling mud into the dirty water management system and instead dispose of it to the tailings storage facility. It also requested that Charbon provide details regarding the proposed disposal requirements for drilling mud into the future, including likely volumes and timing of disposal.

In its response to the Official Caution, Charbon reported that it had not received any deliveries of drilling mud at the site since the 6 June 2018 and that it was in the process of reviewing its drilling operations and would provide a proposed delivery schedule and volumes to the EPA once the review was complete. The auditors could not verify whether this was provided.

Charbon reported that it ceased receiving drilling mud from exploration drilling in June 2018. Records of drilling mud receipt were not able to be located.

The EPL was varied on the 18 September 2019 to remove drilling mud and / or muddy waters from the being permitted to be received at the site. .

4.1.6 EPA Advisory letter, 3 September 2018 – Wild dog baiting program

The EPA received a report alleging three domestic dogs from a property neighbouring the mine died from 1080 poisoning sourced from the mine site as part of the mine's a wild dog baiting program. The property owners did not receive notification of the baiting program from Centennial Coal.

The EPA undertook an investigation of the allegations and found that there had been no breach of the *Pesticide Control (1080 Bait Products) Order 2017*. Under the Order, notification must be provided to occupiers of properties within one kilometre of the baiting location. The nearest baiting location on the mine was over 1.3 km from the boundary of the residential property. The EPA stated that in addition, it was not able to obtain evidence confirming the death of the dogs was caused by baiting at the Mine.

The EPA did however identify several areas where the baiting program could be improved including updating the mailing list for public notification, including details of the dates that 1080 baits will be laid

on the premises, including an additional location for 1080 poisoning notices on the western corner of Centennial Coal land on 109 Mount View Road and using more robust signage for the 1080 notices. Charbon reported that there has not been any further baiting on the mine since the EPA provided the recommendations.

4.2 Environmental Incidents

Details of environmental incidents recorded during the period of the IEA in Annual Reviews, Annual Returns and Centennial Coal's Environmental Compliance Database (ECD) are provided in Table 4-1.

Two incidents were recorded relating to unlicensed discharges from the Haystack Area. As noted in the Water Management Plan, the Haystack sediment dams do not have the capacity to contain dirty water from this catchment in a significant rainfall event and Charbon relies on pumping the water to the LDP2 Discharge Dam to contain the dirty water and treat it prior to discharge. The incidents were caused by the pumps not being able to keep up with the high water inflow into the dam. In addition, the water in the dam had a high sediment load as a result of landform erosion at the Haystack Area. The Haystack Area was inspected during the audit and observed to have limited erosion control measures in place to reduce the sediment load entering the Haystack sediment dams. Refer photos in Section 2. Recommendations have been made to review sediment and erosion controls in this area.

The air quality incidents were investigated and determined to be caused by regional dust events and not attributed to activities at the Mine.

Table 4-1: Summary of Externally Reported Incidents

Incident Date	CoC / EPL	Description	Action Taken by Charbon	Notification / Reporting	Regulatory Response
WATER (Potential to pollute, unlicensed discharges)					
23 March 2021	EPL L1.1 PA CoA 3.28 Water Management Plan	- High rainfall event over a four-day period (150.4mm). Pumping infrastructure was unable to keep up with water inflow into dams resulting in unlicensed discharge from two dams in the Haystack South area into a drainage line that reports to Riley's Creek - Based on the relatively small size of the two dams that overflowed, the long distance of grassy cover within the drainage line (approximately 180m+) between the dams and Riley Creek and the water results that indicate downstream results were within EPL 528 limits for LDPs at the Charbon site, Charbon considered that the overflow from both dams is unlikely to have caused actual or potential harm to the environment.	- Dams treated with flocculant and pumped to LDP2 Discharge Dam for controlled discharge through LDP 2. - Commitment to review landform erosion in Haystack Area and install preventative measures in the form of groundcover or geofabric.	- Reported to EPA and DPIE on the 23 March 2021 - Incident report provided within 7 days on the 30 March 2021.	- Acknowledgment of report received by letter from DPIE and confirmation that no further information requested. - No response provided by EPA (as reported by Charbon)
27 July 2020	EPL L1.1 PA CoA 3.28 Water Management Plan	Discharge of water from Haystack Transfer Dam to LDP2. Water discharged from the dam flowed along drainage lines before entering Riley's Creek. The discharge event occurred during a period of rainfall (32.2 mm on the 26.07.2020 and 9.6mm on the 27.07.2020).	- Pump started at the Haystack Transfer Dam to begin transferring water to the LDP2 Discharge Dam - Commitment to review the capacity of the Haystack Transfer Dam to LDP 2 to determine the capacity required to capture the surface runoff generated from a 44mm rainfall event.	- Reported to EPA on 27 July 2020 - DPIE and RR notified on 3 August 2020 - Follow up water quality data provided to EPA on 20 August 2020 and DPIE and RR on 25 August 2020.	- Acknowledgment of report received by letter from DPIE and confirmation that no further information requested. - No response provided by EPA (as reported by Charbon)

Incident Date	CoC / EPL	Description	Action Taken by Charbon	Notification / Reporting	Regulatory Response
WATER (Exceedance of discharge quality limits provided by EPL)					
14 March 2019	EPL L2.4	- Water began discharging from LDP3 discharge dam on the 4th March 2019. On the 14th March 2019 water was discharged from LDP3 that had a pH level of 9.0. - The volume of water in the LDP3 discharge dam was reducing as the water level was falling and the pH level of the water in the dam increased and did not meet the pH criteria prescribed in EPL 528.	Stop discharging from LDP3	Reported to EPA in 2019 Annual Return	None (as reported by Charbon)
WATER (Failure to monitor in accordance with EPL)					
28 August 2020	EPL M2.2	Water was discharging from LDP03 Discharge Dam. Water sample indicated electrical conductivity exceedance (measure in the field). Samples collected for laboratory testing were lost in transit to the laboratory by the courier and so TSS and oil and grease were not determined as required under EPL	Commitment to review the location and capacity of water storages in the vicinity of the LDP3 Discharge Dam that could be used to transfer water to so that dirty water is not discharged from the LDP3 Discharge Dam.	Reported to EPA in 2020 Annual Return	None (as reported by Charbon)

Incident Date	CoC / EPL	Description	Action Taken by Charbon	Notification / Reporting	Regulatory Response
4 April 2020	EPL M2.2	Water samples not collected from LDP05 for monitoring during discharge over the period 4-5 April 2020	- ALS to investigate why alerts monitoring station at LDP5 is not sending alerts prior to discharge of water - Develop water management dashboard to outline LDP dam levels and capacities so that information visible to all site personnel - Review Water Management Plan and TARPs - Review pumping infrastructure for management of water at the mine site.	Reported to EPA in 2020 Annual Return	None (as reported by Charbon)
3 March 2019	EPL M2.2	On the 4th March 2019 water was discharged from LDP4, water samples were collected but the sample was not tested for Oil and Grease.	Communicated requirements for testing to consultants	Reported to EPA in 2019 Annual Return	None (as reported by Charbon)
AIR QUALITY (Exceedance of Project Approval air quality criteria)					
9, 15, 21, 27 January and 2 February 2020	PA CoA 3.19	- PM₁₀ remained below 24 hour limit of 50 µg/m³ - Annual average remained above limit of 25 µg/m³ during this period.	Attributed to smoke from Wollemi bush fire and regional dust events.	Email to DPIE on 14 February 2020	None (as reported by Charbon)
4, 10, 16, 22 December 2019	PA CoA 3.19	- PM₁₀ results above 50 µg/m³ 24 hour limit - Annual average results above 25 µg/m³ annual average limit (results pr	Attributed to smoke from Wollemi bush fire	Multiple emails to DPIE on 9 January 2020 (results provided)	None (as reported by Charbon)
12 November to 14 December 2019	PA CoA 3.19	Depositional dust level of 4.3 g/m³/month (above 4 g/m³/month annual average)	Attributed to regional dust events	Emails to DPIE on 9 January 2020	None (as reported by Charbon)

Incident Date	CoC / EPL	Description	Action Taken by Charbon	Notification / Reporting	Regulatory Response
28 November 2019	PA CoA 3.19	- PM₁₀ result of 114 µg/m³ (above 50 µg/m³ 24 hour limit). - Annual average increased to 26 mg/m³ (above 25 µg/m³ annual average limit).	Attributed to smoke from Wollemi bush fire	Email to DPIE on 5 December 2019	None (as reported by Charbon)
22 November 2019	PA CoA 3.19	PM₁₀ result of 219 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to smoke from Wollemi bush fire	Email to DPIE on 4 December 2019	None (as reported by Charbon)
16 November 2019	PA CoA 3.19	PM₁₀ result of 92.1 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to smoke from Wollemi bush fire	Email to DPIE on 27 November 2019	None (as reported by Charbon)
29 October 2019	PA CoA 3.19	PM₁₀ result of 52 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to smoke from Wollemi bush fire	Email to DPIE on 15 November 2019	None (as reported by Charbon)
23 October 2019	PA CoA 3.19	PM₁₀ result of 274 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to smoke from Wollemi bush fire	Email to DPIE on 7 November 2019	None (as reported by Charbon)
13 February 2019	PA CoA 3.19	PM₁₀ result of 67.6 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to regional dust event		
11 December 2018 - 14 January 2019	PA CoA 3.19	Three depositional dust gauges at Charbon Colliery recorded a total insoluble matter result of 4.4 g/m²/month at DM-South, 4.3 g/m²/month at DM-West and 5.2 g/m²/month at the Pit Top monitoring site. A limit of 4 g/m²/month (annual average) is included in Charbon's Project Approval.	A regional dust event was recorded to have occurred during this period on the 14 and 15 December 2018.		
15 December 2018	PA CoA 3.19	PM₁₀ result of 138 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to regional dust event	Email to DPIE on 10 January 2019	None (as reported by Charbon)
21 November 2018	PA CoA 3.19	PM₁₀ result of 73.8 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to regional dust event	Email to DPIE on 4 December 2018	None (as reported by Charbon)

Incident Date	CoC / EPL	Description	Action Taken by Charbon	Notification / Reporting	Regulatory Response
18 July 2018	PA CoA 3.19	PM₁₀ result of 68.6 µg/m³ (above 50 µg/m³ 24 hour limit)	Attributed to regional dust event	Email to DPIE 3 August 2018	None (as reported by Charbon)

4.3 Complaints

Charbon operated a Community Information Hotline on (02) 6357 9206 for the purposes of receiving both requests for information and complaints from the community. This number was tested during the audit period and found to be disconnected. Charbon reported that it had contacted its IT Department and intends to update the number provided on the website. It is noted that complaints can be made via the 'Contact Us' number provided on the Centennial website.

Complaints are handled in accordance with Charbon work procedure CHB-ENV-1807 Community Complaint or Request for Information dated June 2017 with complaint details recorded on the Community Complaints and Request for Information Form. The record includes: reference number; complainant details; date, time and who received the complaint; complaint details, investigation / cause; response actions and their effectiveness; and follow up with the complainant.

Charbon maintains a Community Complaints Register summarising details of all complaints received by Charbon from the community. The Community Complaints Register is updated monthly and is publicly available on the Centennial Coal website. Up until July 2020 this was included under the Community tab of the Charbon Operation page. Since then, it has been included within the monthly Environmental Monitoring Reports. Complaints are also reported in the Annual Reviews and Annual Returns.

One complaint was received during the audit period. This related to the wild dog baiting program and is discussed in Section 4.1.

5 Environmental Management

This Section provides a high level review of the adequacy of the strategies, plans and programs required under the Project Approval.

5.1 Environmental Management Strategy

The Charbon Colliery Environmental Management Strategy (EMS) has been developed to satisfy the requirements of Project Approval 08_0211 Schedule 5 Condition 1 and to be consistent with the Centennial Coal Environmental Management System Framework objectives. The current approved EMS which is available on the Charbon website is dated July 2018 and reflects rehabilitation and closure activities.

The EMS includes:

- The strategic framework for environmental management;
- Statutory approvals that apply to Charbon Coal (as relevant in March 2017);
- Approaches to Environmental Management including reference to the MOP and Management Plans relevant at Charbon;
- Environmental Non Compliance and Emergency Procedures
- Stakeholder consultation including the CCC; website information; and complaints management
- Reporting and Review including Annual Reviews; EPL Annual Returns; Reviews of the EMS; and Continual Improvement.
- Role, responsibility, authority and accountability of key personnel involved in the environmental management;

The revised EMS is considered to have been developed generally in accordance with Schedule 5, Condition 1. The following recommendations are provided below:

2021 IEA REC 06: Update EMS to reflect MOD 1 and most recent Rehabilitation and Closure MOP January 2019 to December 2025.

2021 IEA REC 07: Include a plan depicting all the monitoring being carried out as required by CoA 5.1 (f) within the Environmental Management Strategy.

5.2 Environment Management Plans

Charbon Coal has developed a number of management plans and programs to support the implementation of its Environmental Management Strategy and to fulfil the requirements of its Project Approval, Mining Leases and other approvals. At the time of the IEA management plans approved for the site comprised:

- Noise Management Plan (June 2018)
- Blast Monitoring Plan (March 2018)
- Western Region Aboriginal Cultural Heritage Management Plan (July 2017)
- Air Quality Management Plan (June 2018)
- Water Management Plan (October 2012) includes Surface Water and Ground Water Monitoring Programs
- Erosion and Sediment Control Plan (April 2012)
- Greenhouse Gas and Energy Management Plan (April 2012)
- Subsidence Monitoring and Contingency Plan (June 2012) – for Western Underground
- Subsidence Management Plan (November 2011) – for Eastern Underground
- Privately Owned Lands Mining Operations Plan October 2015 to October 2022

- Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 (incorporates Landscape, Rehabilitation, Offsets, and Mine Closure Management Plans)

Of the above management plans and programs, the following had been updated during the audit period to reflect rehabilitation and closure activities and had been submitted to DPIE but had not been approved:

- Water Management Plan (includes Surface Water and Ground Water Monitoring Programs and Erosion and Sediment Control Plan) (October 2019)
- Greenhouse Gas and Energy Management Plan (March 2017)

A high-level assessment of the general adequacy of key management plans was undertaken and is provided in Table 5-1. It is noted, however, that MCW Environmental did not undertake a technical or detailed assessment of these management plans and the outcomes of the review are general in nature.

Table 5-1: Adequacy Review of Key Management Plans and Programs

Management Plans and Programs	Adequacy Review and Recommendations
Air Quality Management Plan (June 2018)	The Air Quality Management Plan was revised in June 2018 to reflect rehabilitation and closure activities and approved by DPIE in June 2018. The Plan was considered in general to adequately address air quality management during the Rehabilitation and Closure Phase of the project noting there have been no dust complaints during the audit period. However, it is noted the Plan was not updated following the approval of MOD 1 in July 2019 to reflect the change in annual PM10 criteria from 30 µg/m3 to 25 µg/m3. 2021 IEA REC 08: Update the Air Quality Management Plan to reflect the lower annual PM10 criteria of 25 µg/m3 which came into effect in July 2019 with the approval of MOD 1.
Noise Management Plan (March 2017)	The Noise Management Plan was revised in June 2018 to reflect rehabilitation and closure activities and approved June 2018. The Plan was considered in general to adequately address noise management during the Rehabilitation and Closure Phase of the project noting there were no noise complaints in the audit period; and reduced noise sources following closure. It was noted that the Plan does not include a figure showing the monitoring locations. 2021 IEA REC 09: Update the Noise Management Plan to include a Figure which shows the noise monitoring locations.
Aboriginal Cultural Heritage Management Plan Western Region (July 2017)	The Aboriginal Cultural Heritage Management Plan for Charbon was incorporated into the Centennial Western Region Aboriginal Cultural Heritage Management Plan dated July 2017. The revised plan was prepared by RPS and provided to various Aboriginal groups for consultation as summarised in Attachment 8 and 8A of the Plan. The Plan was approved by DPIE on the 27.10.2017. The plan requires updating to reflect changes at the site since 2017, including: • Completion of measures relating to repositioning of the fallen scar tree and inclusion of ongoing maintenance measures • Reburying of recovered artefacts and registering of the burial site in AHIMS • Additional artefacts identified during surveys in 2018. Charbon reported that it is in the process of updating the plan and has already addressed some of the above issues. 2021 IEA REC 10: Update the ACHMP to reflect changes since 2017 and submit for DPIE approval.

Management Plans and Programs	Adequacy Review and Recommendations
Water Management Plan (October 2019)	The approved Water Management Plan (2012) was developed to meet the requirements of Schedule 3 Conditions 29 to 33 of PA 08_0211 along with other approval, licensing and regulatory requirements. It was revised in early 2017 by GHD in consultation with the EPA and DPI Water in order to reflect the mine's transition to a rehabilitation and closure phase. The revised plan was submitted to DPE for approval in March 2017 but approval was not received. The Water Management Plan was further revised in 2019 to: • Reflect MOD 1 consent conditions relating to the transfer of water from Charbon to Airly Mine via train • Reflect changes to EPL 528 • Update baseline data • Derive Site Specific Guideline Values • Reflect changes to water management The revised Plan (Revision 3) was submitted to DPIE on the 30 October 2019. It is understood the revised Plan has not been approved. The following recommendations have been made relating to the Water Management Plan (Revision 3, October 2019): 2021 IEA REC 11: Review the Surface Water Storage Capacity Assessment in Section 3.2.3 of the Water Management Plan in light of recent improvements to the dirty water management system and identify whether additional controls are required. 2021 IEA REC 12: Include discussion of monitoring of potential acid mine drainage and potential leakage or spillage from reject emplacement area or effluent irrigation in the Water Management Plan as required by CoA 3.32 (c). 2021 IEA REC 13: Review the water management measures in the catchment of the Haystack works, including assessment of the capacity of the Haystack Transfer Dam and the Haystack South sediment pond to receive and transfer high flow events. Following this review, implement appropriate controls as may be identified in the review and monitor their effectiveness.
Erosion and Sediment Control Plan (October 2019)	The approved Erosion and Sediment Control Plan (2012) was developed to meet the requirements of Schedule 3 Condition 31 of PA 08_0211 along with other approval, licensing and regulatory requirements. It was revised in early 2017 by GHD in consultation with the EPA and DPI Water in order to reflect the mine's transition to a rehabilitation and closure phase. The revised plan was submitted to DPE for approval in March 2017 but approval was not received. The Erosion and Sediment Control Plan was further revised in 2019 to: • Reflect MOD 1 consent conditions • Reflect changes to EPL 528 • Update baseline data and derive Site Specific Guideline Values • Reflect changes to water management with progressive rehabilitation In light of recent incidents in the Haystack Area, the following recommendation is made in relation to the Erosion and Sediment Control Plan: 2021 IEA REC 14: Review erosion controls in the Haystack South area and update the Erosion and Sediment Control Plan to include specific controls for the Haystack Area with the aim of reducing erosion at the source and minimise the sediment load entering the Haystack sediment dams.

5.3 Compliance Database

Charbon Coal has implemented an Environmental Compliance Database (ECD) which has been developed as the primary tool for tracking compliance with CoA, Licences and Leases. This was used during the audit to access documents relevant to the audit.

6 Summary of Non-compliances and Recommendations

Recommendations relating to observations of general environmental management and the review of the management plans / programs are summarised in Table 6-1.

The findings of the IEA compliance assessment for conditions within the selected regulatory approvals listed in Section 2.3, including verification evidence, are included in:

- **Appendix A1:** Project Approval 08_0211
- **Appendix A2:** Environment Protection Licence 528
- **Appendix A3:** Mining Lease 1647
- **Appendix A4:** Statement of Commitments

The requirements considered to be non-compliant and the associated recommendations have been consolidated and are summarised in Table 6-2.

Opportunities for improvement relating to conditions that were assessed as compliant are summarised in Table 6-3.

A summary of non-compliances and recommendations that were documented in the previous IEA (Charbon Colliery Independent Environmental Audit 2018 by MCW Environmental, June 2018), along with an assessment of their current status, is provided in Appendix B.

6.1 Summary of Report Recommendations

Table 6-1 Summary of Recommendations relating to site observations and management plans

Source	REC #	Recommendation
Rehabilitation and closure review	2021 IEA REC 01	Implement further and ongoing controls in weed management in rehabilitation and all mine areas
Rehabilitation and closure review	2021 IEA REC 02	Seek specialist advice on the management and control of the small yellow flowering weed thought to be African Daisy
Rehabilitation and closure review	2021 IEA REC 03	Address any erosion that occurs due to truncation of contour drains at the Western Outlier as was requested by the landholder
Rehabilitation and closure review	2021 IEA REC 04	Consider further feral pig control following sighting of a single feral pig during the site inspection
Rehabilitation and closure review	2021 IEA REC 05	Implement actions as defined in the Annual Rehabilitation Monitoring reports by SLR
Environmental Management Strategy	2021 IEA REC 06	Update EMS to reflect MOD 1 and most recent Rehabilitation and Closure MOP January 2019 to December 2025
Environmental Management Strategy	2021 IEA REC 07	Include a plan depicting all the monitoring being carried out as required by CoA 5.1 (f) within the Environmental Management Strategy
Air Quality Management Plan	2021 IEA REC 08	Update the Air Quality Management Plan to reflect the lower annual PM10 criteria of 25 µg/m3 which came into effect in July 2019 with the approval of MOD 1
Noise Management Plan	2021 IEA REC 09	Update the Noise Management Plan to include a Figure which shows the noise monitoring locations
Aboriginal Cultural Heritage Management Plan Western Region	2021 IEA REC 10	Update the ACHMP to reflect changes since 2017 and submit for DPIE approval.

Source	REC #	Recommendation
Water Management Plan	2021 IEA REC 11	Review the Surface Water Storage Capacity Assessment in Section 3.2.3 of the Water Management Plan in light of recent improvements to the dirty water management system and identify whether additional controls are required
Water Management Plan	2021 IEA REC 12	Include discussion of monitoring of potential acid mine drainage and potential leakage or spillage from reject emplacement area or effluent irrigation in the Water Management Plan as required by CoA 3.32 (c)
Water Management Plan	2021 IEA REC 13	Review the water management measures in the catchment of the Haystack works, including assessment of the capacity of the Haystack Transfer Dam and the Haystack South sediment pond to receive and transfer high flow events. Following this review, implement appropriate controls as may be identified in the review and monitor their effectiveness
Erosion and Sediment Control Plan	2021 IEA REC 14	Review erosion controls in the Haystack South area and update the Erosion and Sediment Control Plan to include specific controls for the Haystack Area with the aim of reducing erosion at the source and minimise the sediment load entering the Haystack sediment dams

6.2 Summary of Non-Compliances and Recommendations

Conditions assessed as non-compliant and corresponding recommendations are summarised in Table 6-2 and detailed in Appendix A.

Table 6-2: Non-Compliances and Recommendations

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
Project Approval 08_0211				
2.2	Terms of Approval The Proponent must carry out the project generally in accordance with the: (a) EA; (b) Statement of Commitments; and (c) Conditions of this approval. <i>Note: The general layout of the project is shown in Appendix 2.</i>	Evidence detailed against CoA and SoC as part of this IEA	a) A detailed review of the EA was not conducted as part of this audit. Charbon has historically been non-compliant with this condition for stockpiling overburden and conducting related activities outside of the approved disturbance areas and not in accordance with the EA. During the audit period works were being undertaken in accordance with a Development Order that requires Charbon to undertake rehabilitation works on all existing areas of disturbance, including disturbed areas outside open cut approved areas. This is discussed further under CoA 4.5 and in the main report. b) Refer assessment against the SoCs (Appendix B) in this table below. No non-compliances were identified with the SoC c) Refer to assessment against Conditions of Approval (Appendix A) in this table. Non compliances were identified with the following CoAs: 3.28, 3.29, 3.32, 4.6 and 5.6. On the basis of non-compliances identified during this audit period (2018-2021) this condition has been assessed as non-compliant.	Non-compliant Refer to recommendations made against specific CoA
3.28	Discharge Limits The Proponent must not discharge any water from the site or irrigate any waste water except as may be expressly provided by an EPL, or in accordance with section 120 of the Protection of the Environment Operations Act 1997.	Charbon Annual Review 2018, 2019 & 2020 Annual Returns 2018, 2019 & 2020 Incident Report for 23.03.2021 unlicensed discharge event Incident Report for 27.07.2020 unlicensed discharge event	Charbon's Environment Protection Licence (EPL) 528 provides six licence discharge points (LDPs): - LDP1 for the discharge of treated wastewater effluent to land via spray irrigation with various operational requirements stipulated; and - LDP2 to LDP6 for the discharge of waters from the mine site to Rileys and Reedy Creeks. The EPL specifies concentration limits for oil and grease, pH, total suspended solids (TSS) and turbidity, as well as monitoring requirements. Charbon's Annual Reviews for 2018, 2019 and 2020 and EPL 528 Annual Returns for 2018, 2019 and 2020 and incident reports indicate two instances where unlicensed discharges occurred from the site as follows:	Non-compliant 2021 IEA REC 13 Review the water management measures in the catchment of the Haystack works, including assessment of the capacity of the Haystack Transfer Dam and the Haystack South sediment pond to receive and transfer high flow events.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			- 23.03.2021: unlicensed discharge from two dams in Haystack South area into drainage line that reports to Riley's Creek following high rainfall event (150.4mm over four day period). - 27.07.2020: unlicensed discharge from Haystack transfer dam to LDP2 dam during a period of rainfall (32.2 mm on the 26.07.2020 and 9.6mm on the 27.07.2020) The cause of the March 2021 incident was identified as the pumps at both dams not being able to keep up with the high water inflow to the dams. The high sediment levels were as a result of landform erosion at the Haystack area. The incident report identified a preventative measure to install erosion control measures at the Haystack area. The causes of the July 2020 incident were identified as the pump in the Haystack Transfer Dam not operating and the size of dam not large enough to contain surface runoff from the rainfall event. The incident report included two corrective actions, to consider the feasibility of installing a pump with an automatic start switch triggered by the water level in the Haystack Transfer Dam to LDP2 Dam and to review the capacity of the Haystack Transfer Dam to determine the capacity required to capture the surface water runoff generated from a 44mm rainfall event. Charbon reported that these options were reviewed at the time and not considered feasible, however following the March 2021 incident, options are being reviewed and reconsidered. The Haystack Area was inspected during the audit and observed to have limited erosion control measures in place to reduce the sediment load entering the Haystack sediment dams. Refer photos in main report. As noted in the Water Management Plan (discussed below), the Haystack sediment dams do not have the capacity to contain dirty water from this catchment in a significant rainfall event and Charbon relies on pumping the water to the LDP2 Discharge Dam to contain the dirty water and treat it prior to discharge.	2021 IEA REC 14 Review erosion controls in the Haystack South area and update the Erosion and Sediment Control Plan to include specific controls for the Haystack Area with the aim of reducing erosion at the source and minimise the sediment load entering the Haystack sediment dams. 2021 IEA REC 15 Implement identified erosion controls in the Haystack Area. 2021 IEA REC 16 Monitor the effectiveness of implemented controls at the Haystack Area.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.29	Site Water Management Plan The Proponent must prepare and implement a Water Management Plan for the project to the satisfaction of the Planning Secretary. This plan must: (a) be prepared in consultation with the Water Division and EPA, and be submitted to the Planning Secretary for approval within 12 months of the date of this approval; and (b) include a: • Site Water Balance; • Erosion and Sediment Control Plan; and • Surface Water and Groundwater Monitoring Programs.	Water Management Plan, Revision 3 October 2019 2018 IEA, MCW Environmental Letter to DPIE dated 30.10.2019 submitting revised Water Management Plan Annual Reviews 2018, 2019 & 2020 Site observations Interviews with site personnel Monthly Inspection Sheets (13.01.2020, 28.05.2020, 19.08.2020, 27.02.2019, 28.10.2019, 23.05.2018, 20.12.2018) Chabon Coal_ECD Data Import Sheet_updated as at 210406 Airlly Water Transfer Excel workbook Charbon Aquatic Ecology Report, Spring 2020, GHD, February 2021 Charbon Aquatic Ecology Report, Spring 2019, GHD, July 2020 Charbon Aquatic Ecology Report, Spring 2018, GHD, April 2019 Charbon Aquatic Ecology Autumn 2020 data report, July 2020 Charbon Aquatic Ecology Autumn 2019 data report, January 2020	Preparation The Water Management Plan was revised in 2017 to reflect rehabilitation and closure activities. The 2018 IEA sighted evidence of submission of the revised plan to DPIE however noted that DPIE approval had not been received. The Water Management Plan was further revised in 2019 following approval of MOD 1 to include the construction of the additional infrastructure to facilitate the transfer of water from Charbon to Airlly Mine via train. This included an update to the Erosion and Sediment Control Plan. The revised Plan (Revision 3) was submitted to DPIE on the 30 October 2019. It is understood the revised Plan has not been approved. Implementation The auditors have assessed implementation of the 2019 Water Management Plan as this plan reflects the rehabilitation activities occurring during the audit period and describes the management measures applicable for these activities. The last approved Water Management Plan (dated 2012) does not reflect activities occurring at the site nor current water management practices and is considered obsolete. Water Management Water management was generally as per the Water Management Plan Revision 3, 2019. Various sediment dams or pollution control dams have been established for treatment through settling prior to discharge through Licensed Discharge Points (LDPs). The Water Management Plan identified that the 2 Trunk Haul Road area, Haystack area and LDP5 Discharge Dam area sediment pond catchments do not have water storage capacities that meet the required capacities. To account for this, transfer systems are included at 2 Trunk Haul Road, Haystack area and 8 Trunk to allow for the transfer of water between storages. The following improvements were made to the dirty water management system during the audit period: - The Haul Road Sediment Dam and the Southern Open Cut Pollution Control Dam were desilted during 2018 and 2019 - The retention ponds up stream of LDP5 discharge dam were desilted in 2020 - A new pipeline and discharge outlet was installed in Q3 2020 at LDP 5 to provide more free-board and allow for better control of discharges through LDP5	Non-compliant 2021 IEA REC 17 Review and revise the Water Management Plan, including Erosion and Sediment Control Plan and submit to DPIE for approval of revised plan. 2021 IEA REC 18 Install appropriate erosion protection at the outlet of LDP4 and LDP2 to reduce potential for scour. 2021 IEA REC 19 Include discussion of the site water balance in the Annual Reviews as per commitment in Section 7.2 Water Management Plan for annual review and reporting. 2021 IEA REC 11 Review the Surface Water Storage Capacity Assessment in Section 3.2.3 the Water Management Plan in light of recent improvements to the dirty water management system and identify whether additional controls are required.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
		Charbon Aquatic Ecology Autumn 2018 data report, January 2019 Reedy Creek Dam Water Levels 3.07.2019 to 27.04.2021 (Excel workbook)	- Outlet pipes at all LDPs were replaced with higher capacity in 2020 - A new 2 ML dam was installed at the 8 trunk workshop in Q4 2020 - The LDP2 sediment dams were de-silted in August 2018 - The LDP6 sediment ponds in the Haystack North area were de-silted in Q3 2020 As reported under 3.28 above, Charbon reported two uncontrolled discharges during the audit period relating to dirty water management in the Haystack Area. Wastewater from the bathhouse and toilets is treated at the wastewater collection system and then applied to the sewage irrigation area via LDP1. <u>Monitoring</u> Site inspections were being undertaken on a monthly basis which included a review of water management structures. The following surface water quality monitoring was being undertaken as required by the EPL and other commitments in the WMP: - Daily monitoring of physiochemical parameters (electrical conductivity, oil and grease, pH, TSS and turbidity) during discharges from LDP2, LDP3, LDP4, LDP5 and LDP6 (as required by EPL) - Monthly monitoring of physiochemical parameters and dissolved metals at a reference site in the Cudgegong River - Monthly monitoring of physiochemical parameters, nutrients, major ions, dissolved metals, total metals and other parameters at CHPP Dam 3, LDP4 Discharge Dam and Reedy Creek Dam (as per MOD 1 statement of commitments). The auditors reviewed the monitoring data spreadsheet which confirmed this monitoring was being undertaken. The Water Management Plan states that groundwater monitoring is no longer considered to be required. However, a review of the monitoring data spreadsheet indicated that monthly groundwater monitoring at PB2 and PB3 continued up until March 2021. Charbon confirmed that groundwater monitoring will continue until the amended plan (incorporating the revised groundwater monitoring program) is approved. The following surface water quantity monitoring was being undertaken:	2021 IEA REC 20 Consider the recommendations of the Aquatic Ecology 2020 Spring report for an additional water quality monitoring location closer to LDP2 and LDP3 and for matching water quality sampling between Riley Creek and LDPs during discharges.

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			- monthly survey of water level in Reedy Creek Dam. - volume of water extracted from Reedy Creek Dam for compliance with WAL 35023 (no extraction has occurred during the audit period since cessation of mining). - volume of water extracted from CHPP Dam 3 for transfer to Airly mine. Charbon maintained an Excel workbook which recorded the date, water quantity, cumulative total, rainfall and any comments. No water transfer has occurred since the 20 March 2020. Monitoring of aquatic ecology was being undertaken twice per year (in autumn and spring) at four locations (two reference sites and two impact sites). This included sampling of macroinvertebrates, water quality, sediment quality and watercourse stability. The Aquatic Ecology Spring 2020 report (February 2021) recommended an additional monitoring location be identified closer to LDP2 and LDP3, in order to better differentiate between the influence of Charbon Colliery discharges and other catchment influences. It also recommended matching sets of water quality samples be collected at discharge points and within Rileys Creek during periods of discharge, so that the influence of Charbon Colliery can be better understood. These recommendations were made in response to elevated concentrations of EC and metals in the water and sediment and impacts on the macroinvertebrate community. <u>Reporting</u> The Annual Reviews for the audit period included a summary of surface water monitoring undertaken during the year as well as discussion of any exceedances of EPL discharge limits or unlicensed discharges. The Annual Reviews for the audit period included a summary of the aquatic ecology monitoring undertaken during the year. The Annual Reviews for the audit period did not include discussion of the site water balance as committed to in Section 7.2 of the Water Management Plan. Annual Returns were completed and submitted for the audit period which report on pollutant loads and compliance with the licence conditions.	

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			This condition has been assessed as non-compliant on the basis that the revised Water Management Plan had not been approved and that aspects of water management relating to the Haystack area and reporting of site water balance had not been implemented.	
3.32	The Surface Water Monitoring Program must include: (a) baseline data of surface water flows and quality in creeks and other waterbodies that could potentially be affected by the project; (b) surface water and stream health impact assessment criteria; (c) a program to monitor and assess: • impacts on surface water flows and quality; • impacts on the surface water supply of potentially affected landowners; • bank stability, riparian vegetation and macro-invertebrate populations along creek lines and ephemeral drainage lines downstream of all license discharge points; • potential acid mine drainage; • potential leakage or spillage from reject emplacement area and effluent irrigation; (d) a program for the ongoing verification and refinement of the surface water model; and (e) reporting procedures for the results of the monitoring program and model verification.	Water Management Plan, Revision 3 October 2019 2018 IEA, MCW Environmental	As reported in the 2018 IEA, the Water Management Plan was revised in 2017 to incorporate the surface water monitoring requirements directly into Plan. The 2017 revised Water Management Plan was submitted to DPIE for approval in March 2017 however was not approved. The Water Management Plan was further revised in October 2019 (Revision 3) and submitted to DPIE for approval. It is understood the revised Plan has not been approved. a) Section 5 discusses baseline data b) Section 6.2.1 and 6.2.2 discusses performance criteria. It refers to the Western Operations Regional Water Management Plan for the performance criteria which form the basis of the trigger action response plans (TARPs) provided in Appendix F. c) Section 4.2.1 discusses surface water quality monitoring Section 4.2.1 discusses water quantity monitoring Section 4.4.1 discusses monitoring of watercourse stability Section 4.4.2 discusses aquatic ecology monitoring Monitoring of potential acid mine drainage, leakage or spillage from reject emplacement area and effluent irrigation are not discussed. On this basis the Monitoring Plan does not meet all of the requirements of the condition. d) Section 7.2 discusses review of the site water balance e) Table A.1 refers to the Western Operations Regional Water Management Plan (GHD 2016b).	Non-compliant 2021 IEA REC 12 Include discussion of monitoring of potential acid mine drainage and potential leakage or spillage from reject emplacement area or effluent irrigation in the Water Management Plan as required by CoA 3.32 (c).

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
4.6	Landscape Management Plan The Proponent must prepare a Landscape Management Plan for the project to encompass all proposed mine activities and potential impacts associated with landscape management for the site and subsequently implement this Plan to the satisfaction of the Planning Secretary. This plan must: (a) be submitted to the Planning Secretary for approval within 12 months of the date of this approval; (b) be prepared by suitably qualified expert/s whose appointment/s have been endorsed by the Planning Secretary; (c) be prepared in consultation with Resource Regulator, the Water Division, BCD and Council; and (d) include a: • Rehabilitation and Offsets Management Plan; and • Mine Closure Plan.	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019 Letter from DPIE dated 20.02.2017 approving experts to update management plans – including MOP Letter from DPIE dated 4.07.2018 approving MOP Letter from DPIE RR dated 23.10.2017 approving MOP Letter to DPIE RR dated 26.10.2018 providing MOP Amendment A Letter to DPIE RR (with cc to DPIE) dated 25.03.2019 providing MOP Amendment B Letter to DPIE RR dated 18.07.2019 providing MOP Amendment C. Letter from DPIE RR approving MOP Amendment C (Letter not dated – Reference EAMSG0003650)	<u>Preparation</u> During 2017, the Mining Operations Plan was revised and consolidated by incorporating the Landscape Management Plan, Rehabilitation and Offsets Management Plan and Mine Closure Plan requirements of this Project Approval into the Rehabilitation and Closure Mining Operations Plan (MOP). DPIE approval for the consolidation of plans was provided in 2017. a) DPIE Approval of the Rehabilitation and Closure MOP January 2019 to December 2025 was provided by RR on the 23.10.2017 and DPIE on the 4.07.2018. During the audit period the following amendments were made to the MOP: - Amendment A, October 2018: to incorporate a proposal to trial to incorporate excavating fine coal reject material from the Northern Reject Emplacement Area to be blended with coal currently stockpiled on the site. The blended material will be exported via train to Port Kembla. - Amendment B, March 2019: to vary the rehabilitation schedule at Charbon whilst relevant investigations and approvals are undertaken for the import and use of coarse coal reject from Centennial's Clarence Colliery in the backfilling of the Charbon open cut void. - Amendment C, July 2019: to incorporate the transfer water from Charbon to Centennial's Airly Coal Mine by rail in accordance with MOD 1. The most recent amendment, Amendment C, July 2019 was approved by DPIE RR in 2019 (approval letter not dated). DPIE approval of Amendment C was not available to be sighted by the Auditors. b) SLR was endorsed by DPE on 20 February 2017 to prepare the document. The Amendments to the MOP were made internally by Centennial. c) Consultation with the relevant agencies was conducted on 2017 MOP and reviewed in the previous IEA. The MOP Amendments were provided to the RR. Consultation with other agencies on the MOP Amendments was not undertaken. d) Refer 4.7 and 4.8 below.	Non-compliant 2021 IEA REC 21 Review processes to ensure that MOP amendments are consulted with relevant authorities and submitted to DPIE for approval (in addition to RR).

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			<u>Implementation</u> A detailed assessment of implementation of the MOP has not been undertaken. Charbon was considered to be generally compliant with the MOP in respect of staging of rehabilitation activities and management of environmental issues. Rehabilitation is discussed further in the main report. On the basis that consultation with the Water Division, BCD and Council on MOP Amendment C had not been undertaken and that MOP Amendment C had not been submitted to DPIE for approval, this condition has been assessed as non-compliant.	
5.6	Reporting Incident Reporting The Proponent must notify the Planning 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 7 days of the date of the incident, the Proponent must provide the Planning Secretary and any relevant agencies with a detailed report on the incident.	Letters to DPIE and EPA dated 23.03.2020 notifying of incident on 23.03.2021 Letter from DPIE dated 23.04.2021 acknowledging receipt of written report submitted on 30.03.2021 Email to DPIE dated 3.08.2020 notifying of incident on 27.07.2020 Letters to DPIE and RR dated 3.08.2020 providing written report on incident of 27.07.2020 Letter to EPA dated 30.07.2020 providing written report on incident of 27.07.2020 Various emails to DPIE notifying of PM10 exceedances	The following incidents (defined under the Consent as a set of circumstances that causes or threatens to cause material harm to the environment, and/or breaches or exceeds the limits or performance measures/criteria in the approval) were reported to DPIE during the audit period: - 23.03.2021: Unlicensed discharges from Haystack sediment dams into drainage line that reports to Riley's Creek. EPA and DPIE were notified of the incident via letters dated 23.03.2021. Written report provided to DPIE on the 30.03.2021. - 27.07.2020: Unlicensed discharge from Haystack Transfer Dam to LDP2. Notified to EPA via the Environment Line on 27.02.2020. Written report provided to EPA on 30.07.2020. DPIE notified of incident via email on 3.08.2020. Written report provided to DPIE and RR on the 03.08.2020 and follow up report with water quality data provided on the 25.08.2020. DPIE was first notified of the incident by email dated 3.08.2020. This is not considered to be as soon as practicable as required by this CoA. - Various exceedances of PM10 criteria over period late October 2019 – early February 2020. These were notified to DPIE via emails and were attributed to smoke from the Wollemi bushfire and regional dust events. Other exceedances of PM10 attributed to regional dust events were recorded in 2018 also notified to DPIE via email. Other incidents were recorded and reported to the EPA as part of the Annual Returns however these were not considered to cause or threaten material harm nor exceed a limit of the approval and were therefore not reported to DPIE. Refer to Section 4.1.1 of the main report for further discussion of incidents.	Non-compliant 2021 IEA REC 22 Review procedure to ensure that DPIE are notified of incidents (as defined under the Consent) as soon as practical after Charbon becomes aware of the incident.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			On the basis that the incident of the 27 June 2020 was not notified to DPIE until seven days after Charbon became aware of it, this condition has been assessed as non-compliant. It is noted that the EPA was notified on the day of the incident via the Environment Line.	
EPL No.528				
L1.1	Pollution of waters 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.	Charbon Annual Review 2018, 2019 & 2020 Annual Returns 2018, 2019 & 2020	Charbon's Annual Reviews for 2018, 2019 and 2020 and EPL 528 Annual Returns for 2018, 2019 and 2020 and incident reports indicate two instances where unlicensed discharges occurred from the site as follows: - 23.03.2021: unlicensed discharge from two dams in Haystack South area into drainage line that reports to Riley's Creek following high rainfall event (150.4mm over four day period). - 27.07.2020: unlicensed discharge from Haystack transfer dam to LDP2 dam during a period of rainfall (32.2 mm on the 26.07.2020 and 9.6mm on the 27.07.2020) On the basis of these unlicensed discharges, this condition has been assessed as non-compliant with the condition.	Non-compliant
L2.1	Concentration limits For each monitoring/discharge point or utilisation area specified in the tables 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.	Charbon Annual Review 2018, 2019 & 2020 Annual Returns 2018, 2019 & 2020 Charbon Colliery Water Report 2018, 2019, 2020 & 2021 Daily Rainfall 2018, 2019, 2020 & 2021 Pre-start Meeting Weekly Summary Report 18.12.2019 (indicating no discharges from LDPs)	A review of the water monitoring data Annual Returns for 2018, 2019 and 2020 indicated the following exceedances of the limits in L2.4: 2021 - pH exceedances at LDP3 on two occasions, and at LDP 5 on one occasion. These were preceded by 44 mm of rain on the five days prior to the exceedance and therefore the limits are not considered to apply as per L2.5. - Turbidity and TSS exceedances at LDP2, LDP3, LDP4, LDP5 and. These were preceded by 44 mm of rain on the five days prior to the exceedance and therefore the limits are not considered to apply as per L2.5. 2020 - pH exceedances at Points 2, 3, 5 and 6 on one occasion.. These were preceded by >44mm of rain on the five days prior to the exceedance and therefore the limits are not considered to apply as per L2.5.	Non-compliant 2021 IEA REC 23 Review if there are additional measures that could be implemented to reduce the risk of non compliance with the discharge concentration limits.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			- Turbidity exceedances at Points 2, 5 and 6. These exceedances were preceded by 44 mm of rain on the five days prior to the exceedance and therefore the turbidity limits are not considered to apply as per L2.5.. - TSS exceedances at Points 2, 3, 5 and 6. These exceedances were preceded by 44 mm of rain on the five days prior to the exceedance and therefore the turbidity limits are not considered to apply as per L2.5. 2019 - pH exceedance at Point 3 on the 14 March 2019 (as reported in Annual Return). 2018 - no exceedances On the basis of the exceedance of pH in 2019 as reported in the 2019 Annual Return, this condition has been assessed as non-compliant. Noting there is an ongoing risk of non compliance with the discharge concentration limits, a recommendation has been made to review whether further measures could be implemented to improve water quality and reduce this compliance risk.	
O1.1	Activities must be carried out in a competent manner 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 b) the treatment, storage, processing, reprocessing, transport and disposal of waste generated by the activity.	EPA Official Caution dated 13.06.2018 Charbon response to Official Caution dated 27.06.2018 Site observations Selection of completed Monthly Inspection Sheets	An Official Caution was issued by the EPA on the 13 June 2018 for offences including failing to handle materials in a competent manner. This related to the disposal of drilling mud in a sediment dam which drains to LDP4. In response, Charbon excavated the sediment from the dam that was used for the disposal of drilling mud in June 2018. The Resources Regulator performed a planned inspection of tailings / reject management activities at the site in May 2020 and identified that there is a risk related to adverse impact to the environment, through limitations identified regarding mine closure planning for reject / tailings facilities. RR issued Charbon with a Notice under Section 240 of the Mining Act on the 27 May 2020 requiring the execution of a capping trial of the Rejects Emplacement Area, a MOP amendment which incorporates the outcomes and learnings of the trial and a risk assessment to be completed by the 31 May 2021. At the time of the audit inspection, Charbon was completing the capping trial and progressing its response to the Notice. Other than the above, Charbon was generally carrying out activities related to the storage and handling of materials and waste in a competent manner as evidenced by:	Non-compliant

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			- Housekeeping and waste segregation were generally observed as acceptable during the site inspection. Skip bins were available for general waste, paper and cardboard and scrap metal. - The 28,000 L diesel tank was self-bunded - Spill kits were available in key locations - Contaminated material excavated from the 8-trunk workshop area was being treated in a dedicated landfarm in Strip 8 North. It was reported that the base of the landfarm was lined with clay. Stockpiled materials were watered regularly and rotated monthly. Runoff from the landfarm was contained in a pond and reused for watering. Refer to photos in main report. - Monthly inspections were being undertaken by the Project Manager which included review of general housekeeping. On the basis of the Official Caution identifying a breach of this condition issued in 2018, and concerns raised by the RR in May 2020 relating to tailings / reject management, this condition has been assessed as non-compliant.	
M2.1	Requirement to monitor concentration of pollutants discharged 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:	Annual Returns 2018, 2019 & 2020 EPA Official Caution dated 13.06.2018	The EPA issued Charbon with an Official Caution for failing to undertake all monitoring required by Condition M2.2 in the 2016/2017 Annual Return period. Charbon reported the following non-compliances against this condition in its 2018, 2019 and 2020 Annual Returns: - 28.08.2020: failure to monitor at Point 3 daily during discharge (sample lost in transit to laboratory) - 4.04.2020 and 5.04.2020: failure to monitor at Point 5 daily during discharge (sample not collected) - 4.13.2019: discharge from Point 4 not analysed for oil and grease (laboratory oversight) On the basis that not all monitoring was undertaken as required by M2.2, this condition has been assessed as non-compliant.	Non-compliant

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
M5.1	Telephone complaints line 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.	Call to Community Information Hotline on 28.05.2021 Interviews with site personnel	Charbon operated a Community Information Hotline on (02) 6357 9206 for the purposes of receiving both requests for information and complaints from the community. The auditors dialled this number and found it to be disconnected. Charbon reported that it has contacted its IT Department and intends to update the number provided on the website. It is noted that complaints can be made via the 'Contact Us' number provided on the Centennial website.	Non-compliant 2021 IEA REC 24 Ensure a Community Information telephone line is maintained.
M5.2	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.	Call to Community Information Hotline on 28.05.2021	The Community Information Hotline is advertised on Centennial Coal's website. The website states that the line is for community information and complaints. However as discussed under M5.1 above, the Community Information Hotline was not connected when tested by the auditors in May 2021. The 'Contact Us' page on the Centennial website can be called to make a complaint however this number was not specifically advertised as a complaints line.	Non-compliant
R2.1	Notification of environmental harm Notifications must be made by telephoning the Environment Line service on 131 555.	Letter to EPA dated 23.03.2021 notifying of incident on 23.03.2021 Letter to EPA dated 30.07.2020 providing written report on incident of 27.07.2020	The following notifications to the EPA were provided by Charbon: - 23.03.2021: Unlicensed discharges from Haystack sediment dams into drainage line that reports to Riley's Creek. EPA were notified of the incident via letter dated 23.03.2021. Charbon advised that the Environment Line was not called. - 27.07.2020: Unlicensed discharge from Haystack Transfer Dam to LDP2. Notified to EPA via the Environment Line on 27.02.2020 (as noted in the written report prepared under R2.2).	Non-Compliant 2021 IEA REC 25 Review the PIRMP to ensure it includes the requirement that initial notifications of environmental harm are made to the EPA via the Environment Line service rather than by email or letter.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
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. 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.	Letter to EPA dated 30.03.2021 providing written report for incident on 23.03.2021 Letter to EPA dated 30.07.2020 providing written report for incident on 27.07.2020 Letter to EPA dated 20.08.2020 providing water quality data	A written report of the incident on the 23.03.2021 was provided to the EPA on the 30.03.2021 A written report of the incident on the 27.07.2020 was provided to the EPA on 30.07.2020. A follow up report with water quality data was provided on the 20.08.2020. Part 5.7 of the POEO Act requires that the following relevant authorities are notified of an incident causing or threatening material harm to the environment: EPA, NSW Health, Workcover NSW, Local Council and Fire and Rescue NSW. The auditors note the above incidents were reported to the EPA and DPIE (and RR for the 2020 incident). The other authorities were not notified. No further requests for information or further action was taken by the EPA at the time of writing relating to these incidents. On the basis that the other authorities were not notified, this condition has been assessed as non-compliant.	Non-compliant 2021 IEA REC 26 Review the procedures to ensure all relevant authorities are notified of incidents causing or threatening material harm as per the requirements of Part 5.7 of the Act.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
Mining Lease 1647				
5	Environmental 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 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 or 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 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.	Letter to RR dated 3.08.2020 providing written report on incident of 27.07.2020 Letter from EPA dated 3.09.2018 re wild dog baiting program	The following incidents (as defined by this Condition) were reported to RR during the audit period: - 27.07.2020: Unlicensed discharge from Haystack Transfer Dam to LDP2. Written report provided to RR on the 03.08.2020. The incident on the 23 March 2021 relating to unlicensed discharges from Haystack sediment dams into the drainage line that reports to Riley's Creek, was not reported to RR. A complaint was received from a local resident on the 28 August 2018 that three dogs had been allegedly killed from baits recently placed at Charbon. The resident raised concern that they were not notified of the baiting program. The resident also notified the EPA. The incident investigation found that the resident was outside of the notification area for the baiting program (1km radius from baiting location). A letter was received by the EPA dated 3 September 2018 providing the findings of its investigation into the incident. The EPA accepted the information provided by Centennial that the nearest baiting location was over 1.3 km from the boundary of the residential boundary. Further the EPA noted that it was not able to obtain evidence confirming the death of the dogs was caused by baiting at the mine. Refer to Section 4.1.1 of the main report for further discussion of incidents. On the basis that the incident of the 23 March 2021 and the wild dog baiting program complaint on the 28 August 2018 were not notified to RR, this condition has been assessed as non-compliant.	Non-compliant 2021 IEA REC 27 Review incident and exceedance reporting processes to ensure that incidents (as defined in this lease and including serious complaints) are reported to the Resource Regulator.

Independent Environmental Audit - Charbon Colliery 2021

Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
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.		Water management was generally as per the Water Management Plan (Rev 3, 2019) and MOP. Various sediment dams or pollution control dams have been established for treatment through settling prior to discharge through discharge points licensed under EPL 528. Charbon's Annual Reviews for 2018, 2019 and 2020 and EPL 528 Annual Returns for 2018, 2019 and 2020 and incident reports indicate two instances of unlicensed discharges during the audit period relating to dirty water management in the Haystack Area. The Haystack Area was inspected during the audit and observed to have limited erosion control measures in place to reduce the sediment load entering the Haystack sediment dams. Refer photos in main report. As noted in the Water Management Plan, the Haystack sediment dams do not have the capacity to contain dirty water from this catchment in a significant rainfall event and Charbon relies on pumping the water to the LDP2 Discharge Dam to contain the dirty water and treat it prior to discharge. On the basis of the unlicensed discharges and identified sediment and erosion control issues at the Haystack Area, this condition has been assessed as non-compliant. Refer also to CoA 3.28, 3.29 and the main section of the report.	Non-compliant Refer to recommendations under CoA 3.28 and 3.29

6.3 Additional Recommendations relating to Compliant Conditions

Conditions that were assessed as compliant and/or where recommendations were made for continuous improvement are provided in Table 6-3 and detailed in Appendix A.

Table 6-3: Additional Recommendations for Compliant Conditions

Condition	OFI #	Opportunity for Improvement
CoA 3.25	2021 IEA OFI 01	Consider further dialogue with DPIE and the Resources Regulator to gain agreement for the cessation of monitoring under the SMP.
CoA 3.34	2021 IEA OFI 02	Notify DPIE of graffiti removal works and update AHIMS Register to reflect the current status of the site.
CoA 3.45	2021 IEA OFI 03	Obtain DPIE approval of the revised Greenhouse Gas and Energy Management Plan
CoA 5.7	2021 IEA OFI 04	Work with DPIE to obtain approval of revised management plans to ensure that the most recent and relevant management plans are publicly available on the website.
CoA 5.7	2021 IEA OFI 05	Consider including the Mining Leases and Water Licences to the Centennial Charbon website
CoA 5.7	2021 IEA OFI 06	Consider including a note on the Community Complaints Register page of the Charbon website (where the complaint registers ended in July 2020) to direct people to the Environmental Monitoring Report for the latest Complaints Register.
EPL P1.3	2021 IEA OFI 07	Review the EPL and Noise Management Plan and align the noise monitoring locations

7 Limitations of Report

MCW Environmental Consulting Pty Limited (MCW Environmental) has conducted this Independent Environmental Audit (IEA) and generated this report in accordance with the usual care and thoroughness of the consulting profession for the use of Centennial Coal Pty Ltd and only those third parties who have been authorised in writing by MCW Environmental to rely on this Report.

It is based on generally accepted practices and standards at the time it was prepared. No other warranty, expressed or implied, is made as to the professional advice included in this Report. This IEA report did not assess any aspects relating to safety at the site.

The IEA Report is prepared in accordance with the scope of work and for the purpose outlined in the MCW Environmental Proposal dated 26 November 2020 and the signed contract executed between MCW Environmental and Centennial Coal Pty Limited.

Where this IEA Report indicates that information has been provided to MCW Environmental by third parties, MCW Environmental has made no independent verification of this information except as expressly stated in the Report. MCW Environmental assumes no liability for any inaccuracies in or omissions to that information.

This IEA Report was prepared between April and June 2021 and is based on the conditions encountered and information reviewed at the time of the site visits on 26-27 April 2021. MCW Environmental disclaims responsibility for any changes that may have occurred after this time.

This IEA Report should be read in full. No responsibility is accepted for use of any part of this report in any other context or for any other purpose or by third parties. This IEA Report does not purport to give legal advice. Legal advice can only be given by qualified legal practitioners.

Except as required by law, no third party may use or rely on this IEA Report unless otherwise agreed by MCW Environmental in writing. Where such agreement is provided, MCW Environmental will provide a letter of reliance to the agreed third party in the form required by MCW Environmental.

To the extent permitted by law, MCW Environmental expressly disclaims and excludes liability for any loss, damage, cost or expenses suffered by any third party relating to or resulting from the use of, or reliance on, any information contained in this IEA Report. MCW Environmental does not admit that any action, liability or claim may exist or be available to any third party.

Except as specifically stated in this section, MCW Environmental does not authorise the use of this IEA Report by any third party.

It is the responsibility of third parties to independently make inquiries or seek advice in relation to their particular requirements and proposed use of the site.

Any estimates of potential costs which have been provided are presented as estimates only as at the date of the IEA Report. Any cost estimates that have been provided may therefore vary from actual costs at the time of expenditure.

Appendix A Compliance Assessment

- **A1: Project Approval 08_0211**
- **A2: Environmental Protection Licence 528**
- **A3: Mining Lease 1647**
- **A4: Statement of Commitments**

Appendix A1: Project Approval 08_0211 (as modified) (NSW DPIE)

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
SCHEDULE 2: ADMINISTRATIVE CONDITIONS				
2.1	Obligation to Minimise Harm to the Environment The Proponent must implement all reasonable and feasible measures to prevent and/or minimise any harm to the environment that may result from the construction, operation, or rehabilitation of the project.	Charbon Annual Review 2018, 2019 & 2020 EPA Annual Returns 2018, 2019 & 2020 Site observations	The auditors conducted a review of incident occurrences at the mine during the audit period, complaints received, as well as a review of the general environmental performance of the site with Charbon's various environmental management plans. Other than where issues have been identified, in general Charbon appeared to be compliant with its obligation to minimise harm to the environment. The Environmental Management Strategy and associated management plans and procedures have been established and generally implemented to identify, plan for and manage environmental aspects and impacts related to the project.	Compliant Refer to the recommendations within this document and the audit report for areas of non-compliance and identified opportunities for improvement.
2.2	Terms of Approval The Proponent must carry out the project generally in accordance with the: (a) EA; (b) Statement of Commitments; and (c) Conditions of this approval. <i>Note: The general layout of the project is shown in Appendix 2.</i>	Evidence detailed against CoA and SoC as part of this IEA	a) A detailed review of the EA was not conducted as part of this audit. Charbon has historically been non-compliant with this condition for stockpiling overburden and conducting related activities outside of the approved disturbance areas and not in accordance with the EA. During the audit period works were being undertaken in accordance with a Development Order that requires Charbon to undertake rehabilitation works on all existing areas of disturbance, including disturbed areas outside open cut approved areas. This is discussed further under CoA 4.5 and in the main report. b) Refer assessment against the SoCs (Appendix B) in this table below. No non-compliances were identified with the SoC. c) Refer to assessment against Conditions of Approval (Appendix A) in this table. Non compliances were identified with the following CoAs: 3.28, 3.29, 3.32, 4.6 and 5.6. On the basis of non-compliances identified during this audit period (2018-2021); as well as the historic non-compliance with the boundaries as defined in the EA (not withstanding works were being undertaking in accordance with a Development Order as discussed) this condition has been assessed as non-compliant.	Non-compliant Refer to recommendations made against specific CoA
2.3	If there is any inconsistency between the above documents, the most recent document must prevail to the extent of the inconsistency. However, the conditions of this approval must prevail to the extent of any inconsistency.		No inconsistencies have been identified.	Not Triggered
2.4	The Proponent must comply with any reasonable requirement/s of the Planning Secretary arising from the Department's assessment of: (a) any reports, strategies, plans, programs, reviews, audits or correspondence that are submitted in accordance with this approval; and (b) the implementation of any actions or measures contained in these documents.		Requirements arising from the Annual Reviews and inspections are discussed under CoA 5.3. Requirements arising from the assessment of strategies, plans and audits are discussed underneath the specific requirement relating to the plan, strategy or audit.	Compliant
2.5	Limits on Approval Mining operations may take place until 31 August 2025. <i>Note: Under this approval, the Proponent is required to rehabilitate the site and perform additional undertakings to the satisfaction of the Planning Secretary and Resources Regulator. Consequently this approval will continue to apply in all other respects other than the right to conduct mining operations until the site has been properly rehabilitated.</i>		This Condition permits mining operations to take place until 31 August 2025, a time frame which has not yet been reached.	Compliant
2.6	The Proponent must not extract or process more than 1.5 million tonnes of run-of-mine coal in a calendar year.	Site observations Interviews with site personnel Charbon Annual Review 2018, 2019 & 2020	There was no coal extraction or processing during the audit period. Underground and open cut mining ceased in 2014 and 2015 respectively.	Compliant
2.7	The Proponent must not transport more than 250,000 tonnes of product coal from the site by public roads in a calendar year.	Site observations Interviews with site personnel Charbon Annual Review 2018, 2019 & 2020	No coal was produced and no coal transported on public roads during the audit period.	Compliant
2.8	Surrender of Consents	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period. The requirement was assessed in previous IEAs and is considered complete.	Complete (Historical requirement)

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
	Within 12 months of the date of this approval, or as otherwise agreed by the Planning Secretary, the Proponent must surrender all existing development consents for the project in accordance with sections 75YA and 104A of the EP&A Act and clause 97 of the EP&A Regulation, to the satisfaction of the Planning Secretary.			
2.9	Kandos State Forest The Proponent must notify State Forests NSW at least six months prior to clearing trees within each area of Kandos State Forest proposed to be mined by open cut methods or otherwise disturbed, to enable forestry operations to take place.	Interviews with site personnel Charbon Annual Review 2018, 2019 & 2020	No clearing had occurred within the Kandos State Forest during the audit period.	Not triggered
2.10	Structural Adequacy The Proponent must 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 Building Code of Australia. <i>Notes:</i> •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 for the certification of the project.	Site observations Interviews with site personnel	No new buildings or structures were reportedly constructed during the audit period.	Not Triggered
2.11	Demolition The Proponent must ensure that all demolition work is carried out in accordance with AS 2601-2001: <i>The Demolition of Structures</i> , or its latest version.	Letter to DPIE – R&G dated 7.09.2018 informing of rehabilitation progress Risk assessment for Demolition of Surface Infrastructure, 11.04.2018	Infrastructure demolition was completed in the 8T Workshop area in mid 2018. This included demolition of the rotary breaker, gantries and conveyer infrastructure and 1000 tonne bin. A number of demountable buildings were dismantled and removed from site. A risk assessment was conducted to assess the risks associated with the demolition and removal the surface infrastructure at the 8T Workshop area. The risk assessment stated that any demolition must be completed with AS 2601-2000 and included the standard as a reference document.	Compliant
2.12	Protection of Public Infrastructure The Proponent must : (a) repair, or pay the full costs associated with repairing, any publicly-owned infrastructure that is damaged by the project; and (b) relocate, or pay the full costs associated with relocating, any publicly-owned infrastructure that needs to be relocated as a result of the project.	Interviews with site personnel	It was reported that no publicly-owned infrastructure was damaged by the project or needed to be relocated as a result of the project during the audit period.	Not Triggered
2.13	Operation of Plant and Equipment The Proponent must ensure that all plant and equipment used at the site is: (a) maintained in a proper and efficient condition; and (b) operated in a proper and efficient manner.	CAT 725 Dump truck service report 12.05.2020 CAT 725 Dump truck 1000 hr service report 4.11.2019 CAT 725 Dump truck tax invoice for mechanical repair 22.02.2021 Komatsu front end loader service report and tax invoice for 250 hr service 8.11.2018 Komatsu loader tax invoice for mechanical repairs over period September to December 2020 Appointment to Operate forms for Miskle personnel dated 11.01.2019 for Komatsu front end loaders, water cart, excavator, dozer, grader, dump truck Rain Gauge Calibration Certificates 22.02.2018, 22.08.2018, Water Level Sensor Calibration Certificates 22.02.2018, 24.05.2019, 23.09.2020 Automatic Weather Station Install Verification Certificate 7.07.2020 Annual Automatic Weather Station Verification Certificate 24.05.2019	As mine has entered into a closure phase the main plant being operated on site is earth moving equipment related to rehabilitation activities. During the audit period Miskle earthmoving contractors were operating on site. Evidence that plant and equipment was maintained in a proper and efficient condition during the audit period included: - Plant maintenance records were sighted including service reports for the CAT 725 dump truck and the Komatsu front end loader. - Rain gauge, water level sensors and automatic weather station were being calibrated regularly. Plant was being operated by competent operators as evidenced by Centennial Coal Charbon Appointment to Operate forms for operators for specific plant. Based on a sample of documents as discussed above, is considered Charbon are generally compliant with this condition. Auditors did not carry out an assessment of all plant and equipment against this condition and make the assessment based on the limited documents provided.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
2.14	Planning Agreement Within 12 months of the date of this approval, unless otherwise agreed by the Planning Secretary, the Proponent must enter into a planning agreement with the Council in accordance with Division 6 of Part 4 of the EP&A Act, that provides for contributions to the Council for general community enhancement to address social amenity and community infrastructure requirements arising from the project. The agreement must provide for (at a minimum) those matters set out in general terms in Appendix 6. If there is any dispute between the Proponent and Council relating to the preparation or implementation of the planning agreement, then either party may refer the matter to the Planning Secretary for resolution.	2018 IEA, MCW Environmental Charbon Annual Review 2018, 2019 & 2020	The requirement to enter into a planning agreement with Council was confirmed as Compliant in the previous IEAs. This Condition also requires that the planning agreement provides for the matters set out in Appendix 6 of the Project Approval. Appendix 6 includes an annual community facilities contribution of \$0.01 per Run of Mine (ROM) tonnes per annum for community projects in the local area (Rylstone, Kandos, Charbon and/or Clandulla) to be paid by 31 July each year for coal hauled in the previous financial year. No coal was produced or hauled during the audit period and therefore no contributions were payable.	Compliant
2.15	Staged Submission of Strategies, Plans or Programs With the approval of the Planning Secretary, the Proponent may submit any management plan, strategy or monitoring program required by this approval on a progressive basis, or for a discrete component of the project. <i>Note: The conditions of this approval require certain strategies, plans, and programs to be prepared for the project. They also require these documents to be reviewed and audited on a regular basis to ensure they remain effective. However, in some instances, it will not be necessary or practicable to prepare these documents for the whole project at any one time, particularly as these documents are intended to be dynamic and improved over time. Consequently, the documents may be prepared and implemented on a progressive basis, subject to the conditions of this approval. In so doing, the Proponent will need to demonstrate that it has suitable documents in place to manage the existing operations of the project.</i>	Noise Management Plan (June 2018) Blast Monitoring Program (March 2017) Western Region Aboriginal Cultural Heritage Management Plan (Jul 2017) Western Region Historic Heritage Management Plan (June 2018) Air Quality Management Plan (June 2018) Water Management Plan (Oct 2019) includes Surface Water and Ground Water Monitoring Programs Erosion and Sediment Control Plan (Apr 2012) Greenhouse Gas and Energy Management Plan (Apr 2012) Subsidence Monitoring and Contingency Plan (Jun 2012) Environmental Management Strategy (July 2018) Mining Operations Plan (for Privately Owned Land) Oct 2015 to Oct 2022 Rehabilitation and Closure Mining Operations Plan Oct 2017 to Sep 2025 (incorporates Landscape, Rehabilitation, Offsets, and Mine Closure Management Plans)	No requests for staged submission of strategies, plans or programs were made during the audit period. All management plans, strategies and monitoring programs required by this approval have been submitted and approved.	Not triggered
2.16	All approved management and monitoring strategies, plans and programs required under previous development consents continue to have effect until replaced by an equivalent approved strategy, plan or program prepared and approved under this approval.	2018 IEA, MCW Environmental	Management plans approved under previous development consents were replaced by management plans, strategies and monitoring programs as required by this approval. These plans were prepared and approved in previous audit periods. This condition is considered complete.	Complete (Historical requirement)
2.17	Revision of Strategies, Plans or Programs Within 3 months of any modification to this approval, the Proponent must review and if necessary revise all management and monitoring strategies, plans and programs required under the approval which are relevant to the modification to the satisfaction of the Planning Secretary.	Letter to DPIE dated 28.11.2019 advising revision and submission of plans	Following MOD 1 which was issued in July 2019, Charbon revised the following plans and submitted them to DPIE for approval: - Rehabilitation and Closure Mining Operations Plan (submitted 18.07.2019) - Water Management Plan (submitted 30.10.2019) Charbon advised DPIE that it had reviewed the following plans which were considered to not require further changes: - Environmental Management Strategy - Blast Monitoring Program - Air Quality Management Plan - Noise Management Plan - Western Region Aboriginal Cultural Heritage Management Plan - Western Region Historic Heritage Management Plan - Greenhouse Gas Management Plan	Compliant

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																													
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																									
SCHEDULE 3: ENVIRONMENTAL PERFORMANCE CONDITIONS																													
3.1	Noise Impact Assessment Criteria The Proponent must ensure that the noise generated by the project does not exceed the noise impact assessment criteria in Table 1 at any residence on privately-owned land or on more than 25 per cent of any privately-owned land. <table><caption>Table 1: Noise Impact Assessment Criteria dB(A) LAeq (15min)</caption><thead><tr><th>Location</th><th>Day</th><th>Evening</th><th>Night</th><th>Night (LA1 (1 min))</th></tr></thead><tbody><tr><td>Residence P</td><td>35</td><td>39</td><td>39</td><td>45</td></tr><tr><td>All residences within 150 m of, and including, Residence Q</td><td>38</td><td>38</td><td>38</td><td>45</td></tr><tr><td>Residence M</td><td>36</td><td>37</td><td>35</td><td>45</td></tr><tr><td>All remaining locations</td><td>35</td><td>35</td><td>35</td><td>45</td></tr></tbody></table> Notes: •To determine compliance with the LAeq(period) noise limits, noise from the project is to be measured at the most affected point within the residential boundary, or at the most affected point within 30 metres of a dwelling (rural situations) where the dwelling is more than 30 metres from the boundary. Where it can be demonstrated that direct measurement of noise from the project is impractical, alternative means of determining compliance (see Chapter 11 of the NSW Industrial Noise Policy) may be accepted. The modification factors in Section 4 of the NSW Industrial Noise Policy must also be applied to the measured noise levels where applicable. • To determine compliance with the LA1(1 minute) noise limits, noise from the project is to be measured at 1 metre from the dwelling façade. Where it can be demonstrated that direct measurement of noise from the project is impractical, alternative means of determining compliance (see Chapter 11 of the NSW Industrial Noise Policy) may be accepted. •The noise emission limits identified in the above table apply under meteorological conditions of: wind speeds of up to 3 m/s at 10 metres above ground level; or temperature inversion conditions of up to 3°C/100m, and wind speeds of up to 2 m/s at 10 metres above ground level, determined in accordance with the NSW Industrial Noise Policy, including that exceedances of the criteria must be “systemic”. •For the locations of residences/properties named in this approval, see Appendices 1 and 4. •These limits do not apply if the Proponent has an agreement with the relevant owner/s of these residences to generate higher noise levels, and the Proponent has advised the Department in writing of the terms of this agreement.	Location	Day	Evening	Night	Night (LA1 (1 min))	Residence P	35	39	39	45	All residences within 150 m of, and including, Residence Q	38	38	38	45	Residence M	36	37	35	45	All remaining locations	35	35	35	45	Noise Management Plan, June 2018 2018 Annual Environmental Noise Monitoring, Global Acoustics 2019 Annual Environmental Noise Monitoring, GHD 2020 Annual Environmental Noise Monitoring, GHD	Potential noise impacts have significantly reduced since cessation of mining in 2015 as activities are limited to closure and rehabilitation works between 7am to 5pm Mondays to Fridays. As a result, the Noise Monitoring Program (presented in the Noise Management Plan) was revised in June 2018 to reflect the reduced activities at site and the requirement for attended noise monitoring reduced from quarterly to annually. Annual monitoring undertaken at the four locations identified in the Noise Management Plan (Locations H, L, P and Q) during the day, evening and night time in 2018, 2019 and 2020 indicated compliance with the noise criteria at all locations and all periods. It is noted Residence M had previously been acquired by the Charbon operation.	Compliant
Location	Day	Evening	Night	Night (LA1 (1 min))																									
Residence P	35	39	39	45																									
All residences within 150 m of, and including, Residence Q	38	38	38	45																									
Residence M	36	37	35	45																									
All remaining locations	35	35	35	45																									
3.2	Land Acquisition Criteria If the noise generated by the project exceeds the criteria in Table 2 at any residence on privately-owned land or on more than 25 per cent of any privately-owned land, the Proponent must, upon receiving a written request for acquisition from the landowner, acquire the land in accordance with the procedures in conditions 4-6 of schedule 6. <table><caption>Table 2: Land Acquisition Criteria dB(A) LAeq (15min)</caption><thead><tr><th>Location</th><th>Day</th><th>Evening</th><th>Night</th></tr></thead><tbody><tr><td>All residences within 150 m of, and including, Residence Q</td><td>43</td><td>43</td><td>43</td></tr><tr><td>All other locations</td><td>40</td><td>40</td><td>40</td></tr></tbody></table> Note: Noise generated by the project is to be measure din accordance with the notes below Table 1. For this condition to apply, the exceedances of the criteria must be systemic.	Location	Day	Evening	Night	All residences within 150 m of, and including, Residence Q	43	43	43	All other locations	40	40	40	2018 Annual Environmental Noise Monitoring, Global Acoustics 2019 Annual Environmental Noise Monitoring, GHD 2020 Annual Environmental Noise Monitoring, GHD 2018 IEA, MCW Environmental	No exceedances of the noise criteria in Table 2 have been reported in the Annual Noise Monitoring Reports undertaken during the audit period and reviewed as part of this audit. The 2018 IEA noted one property had been previously acquired in 2013. No other acquisitions have occurred under this condition since.	Compliant													
Location	Day	Evening	Night																										
All residences within 150 m of, and including, Residence Q	43	43	43																										
All other locations	40	40	40																										

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																													
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																									
3.3	Operating Hours The Proponent must comply with the operating hours in Table 3. <i>Table 3: Operating Hours</i> <table><tr><th>Activity</th><th>Day</th><th>Time</th></tr><tr><td rowspan="3">Open cut mining</td><td>Monday – Friday</td><td>7.00 am to 8.00 pm¹</td></tr><tr><td>Saturday</td><td>7.00 am to 6.00 pm</td></tr><tr><td>Sunday and Public Holidays</td><td>None</td></tr><tr><td>Underground mining, coal processing, run-of-mine coal management and maintenance</td><td>Any day</td><td>Any time</td></tr><tr><td>Blasting</td><td>Monday – Friday</td><td>9.00 am to 5.00 pm</td></tr><tr><td>Vegetation clearing and soil handling</td><td>Monday – Saturday</td><td>7.00 am to 5.00 pm</td></tr><tr><td>Truck dispatch</td><td>Any day</td><td>7:00 am to 6:00 pm</td></tr><tr><td>Train loading and dispatch</td><td>Any day</td><td>Any time</td></tr></table> <i>Note: Open cut mining operations on Monday – Friday must cease at 6:00 pm during Autumn months.</i>	Activity	Day	Time	Open cut mining	Monday – Friday	7.00 am to 8.00 pm ¹	Saturday	7.00 am to 6.00 pm	Sunday and Public Holidays	None	Underground mining, coal processing, run-of-mine coal management and maintenance	Any day	Any time	Blasting	Monday – Friday	9.00 am to 5.00 pm	Vegetation clearing and soil handling	Monday – Saturday	7.00 am to 5.00 pm	Truck dispatch	Any day	7:00 am to 6:00 pm	Train loading and dispatch	Any day	Any time	Interviews with site personnel Print out of Contractor Sign in / Sign out sheets for 2018, 2019, 2020 and 1 Jan – 30 April 2021	The EPL permits rehabilitation activities between 7am to 6pm Monday to Saturday. Charbon reported that it was operating Monday to Friday from 7am to 5pm. The auditors reviewed a sample of Contractor Sign in / Sign Out sheets which indicated these hours were being adhered to.	Compliant
Activity	Day	Time																											
Open cut mining	Monday – Friday	7.00 am to 8.00 pm ¹																											
	Saturday	7.00 am to 6.00 pm																											
	Sunday and Public Holidays	None																											
Underground mining, coal processing, run-of-mine coal management and maintenance	Any day	Any time																											
Blasting	Monday – Friday	9.00 am to 5.00 pm																											
Vegetation clearing and soil handling	Monday – Saturday	7.00 am to 5.00 pm																											
Truck dispatch	Any day	7:00 am to 6:00 pm																											
Train loading and dispatch	Any day	Any time																											
3.4	Noise Mitigation Measures The Proponent must achieve the modelled sound power levels for the equipment listed (or equivalent) in Table 4 below, within 6 months of the date of approval, or as otherwise agreed by the Planning Secretary. <i>Table 4: Modelled Plant Noise Sound Power Levels</i> <table><tr><th>Plant and Equipment</th><th>Make and Model</th><th>Modelled LA_{max} sound power level (SWL)</th></tr><tr><td>Coal Processing Plant</td><td>N/A</td><td>107 dB(A)</td></tr><tr><td>Haul Truck</td><td>CAT 775</td><td>116 dB(A)</td></tr><tr><td>Dozer</td><td>CAT D11</td><td>122 dB(A)</td></tr><tr><td>Front-end Loader</td><td>CAT 992</td><td>121 dB(A)</td></tr><tr><td>Drill 10</td><td>N/A</td><td>116 dB(A)</td></tr></table>	Plant and Equipment	Make and Model	Modelled LA _{max} sound power level (SWL)	Coal Processing Plant	N/A	107 dB(A)	Haul Truck	CAT 775	116 dB(A)	Dozer	CAT D11	122 dB(A)	Front-end Loader	CAT 992	121 dB(A)	Drill 10	N/A	116 dB(A)	2020 Annual Sound Power Level Survey, GHD, October 2020 2019 Annual Sound Power Level Survey, GHD, December 2019 2018 Mobile Plant Sound Power Survey, Global Acoustics	The requirement to achieve the modelled sound power levels within six months of the approval is historical and has been assessed in previous IEAs. For this audit period, Charbon engaged acoustic consultants to undertake annual sound power level surveys as per the Noise Management Plan June 2018. The mobile plant currently being used on site for rehabilitation works are not the same make and model of plant listed in the Approval. The measured sound power levels of the mobile plant on site were compared against the specified sound power levels for the type of machinery e.g. (haul truck, dozer etc). The results indicated sound power levels were below the modelled sound power levels	Complaint							
Plant and Equipment	Make and Model	Modelled LA _{max} sound power level (SWL)																											
Coal Processing Plant	N/A	107 dB(A)																											
Haul Truck	CAT 775	116 dB(A)																											
Dozer	CAT D11	122 dB(A)																											
Front-end Loader	CAT 992	121 dB(A)																											
Drill 10	N/A	116 dB(A)																											
3.5	The Proponent must provide a verification report to ensure that the sound power levels in condition 4 are achieved to the satisfaction of the Planning Secretary. This report must be: • submitted to EPA and the Department within 8 months of this approval or as otherwise agreed by the Planning Secretary; and • prepared by a suitably qualified expert, whose appointment is approved by the Planning Secretary.	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period and has been assessed in previous IEAs. This condition is considered complete.	Complete (Historical requirement)																									

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations												
3.6	Upon receiving a written request from: • the landowner of property P; or • the landowner of privately-owned land where noise monitoring shows the noise generated by the project exceeds the criteria in Table 5, then the Proponent must implement additional noise mitigation measures such as double glazing, insulation, and/or air conditioning at any residence on the property in consultation with the landowner. These additional mitigation measures must be reasonable and feasible. If within 3 months of receiving this request from the landowner, the Proponent and the 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 Planning Secretary for resolution. <table><caption>Table 5: Noise Mitigation Measures Criteria dB(A) L_{Aeq} (15min)</caption><thead><tr><th>Location</th><th>Day</th><th>Evening</th><th>Night</th></tr></thead><tbody><tr><td>All residences within 150 m of, and including, Residence Q</td><td>40</td><td>40</td><td>40</td></tr><tr><td>All other locations, excluding Residence P</td><td>37</td><td>37</td><td>37</td></tr></tbody></table> <i>Note: Noise generated by the project is to be measured in accordance with the notes below Table 1. For this condition to apply at locations other than property P, the monitored exceedances of the criteria must be systemic.</i>	Location	Day	Evening	Night	All residences within 150 m of, and including, Residence Q	40	40	40	All other locations, excluding Residence P	37	37	37	Interviews with site personnel	It was reported that no written requests under Condition 3.6 had been made during the audit period.	Not triggered
Location	Day	Evening	Night													
All residences within 150 m of, and including, Residence Q	40	40	40													
All other locations, excluding Residence P	37	37	37													
3.7	Within 3 months of the date of this approval the Proponent must notify the landowner of Property P that they are entitled to receive additional noise mitigation measures, to the satisfaction of the Planning Secretary.	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period and has been assessed in previous IEAs. This condition is considered complete	Complete (Historical requirement)												
3.8	Continuous Improvement The Proponent must: (a) implement all reasonable and feasible noise mitigation measures; (b) investigate ways to reduce the noise generated by the project, including off-site road and rail noise and maximum noise levels which may result in sleep disturbance; and (c) report on these investigations and the implementation and effectiveness of these measures in the Annual Review, to the satisfaction of the Planning Secretary.	2018 Annual Environmental Noise Monitoring, Global Acoustics 2019 Annual Environmental Noise Monitoring, GHD 2020 Annual Environmental Noise Monitoring, GHD	With cessation of mining and night time activities in 2015, noise impacts at Charbon have reduced. Attended noise monitoring reports indicate that noise criteria were met with noise from Charbon consistently attributed as “indiscernible” and “inaudible”. On this basis, additional noise mitigation measures were not considered to be required.	Compliant												
3.9	Noise Management The Proponent must prepare and implement a detailed Noise Management Plan for the project to the satisfaction of the Planning Secretary. This Plan must: (a) be prepared in consultation with EPA by a suitably qualified expert whose appointment has been approved by the Planning Secretary; (b) be submitted to the Planning Secretary for approval within 6 months of this approval; (c) include a Noise Monitoring Program; (d) include detailed procedures for identifying noise-enhancing meteorological conditions using real-time meteorological data; and (e) include reactive noise control measures to manage noise impacts for sensitive receivers.	Noise Management Plan, June 2018 DPIE letter dated 29.06.2018 approving Noise Management Plan 2018 Annual Environmental Noise Monitoring, Global Acoustics 2019 Annual Environmental Noise Monitoring, GHD 2020 Annual Environmental Noise Monitoring, GHD 2020 Annual Sound Power Level Survey, GHD 2018 & 2019 Charbon Annual Reviews 2018, 2019 & 2020 Complaint Registers 2018, 2019, 2020, 2021	<u>Preparation</u> The Noise Management Plan was revised in June 2018 to reflect rehabilitation and closure activities. DPIE endorsement of the consultants engaged to revise the Plan was provided by letter dated 20.02.17. The revised plan was provided to the EPA and DPIE for consultation. A summary of agency consultation is provided in Appendix A of the Plan. The revised Noise Management Plan was approved by DPIE on the 29.06.2018. The Noise Management Plan includes a Noise Monitoring Program. The Noise Monitoring Program was updated to reflect activities undertaken on site and attended monitoring reduced from quarterly to annually. Section 4.4 of the Plan includes procedures for identifying noise-enhancing meteorological conditions. Section 6 of the Plan includes noise control measures. Section 7 includes response procedures. <u>Implementation</u> The Noise Management Plan was being implemented as evidenced by: - Noise monitoring was being undertaken annually - Annual sound power level surveys were being conducted - Monitoring results were being reported in the Annual Review - No noise complaints were received during the audit period	Compliant												

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211												
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations								
3.10	Blasting and Vibration Blasting Impact Assessment Criteria Airblast Overpressure Limits The Proponent must ensure that the airblast overpressure level from blasting at the project does not exceed the criteria in Table 6 at any residence on privately-owned land. <table><tr><td colspan="2"><i>Table 6: Airblast Overpressure Impact Assessment Criteria</i></td></tr><tr><th>Airblast overpressure level (dB(Lin Peak))</th><th>Allowable exceedance</th></tr><tr><td>115</td><td>5% of the total number of blasts in a 12 month per</td></tr><tr><td>120</td><td>0%</td></tr></table> Notes: •The overpressure values in Table 6 apply when the measurements are performed with equipment having lower cut-off frequency of 2 Hz or less. If the instrumentation has a higher cut-off frequency a correction of 5 dB should be added to the measured value. Equipment with lower cut-off frequency exceeding 10 Hz should not be used. •The airblast overpressure noise limits do not apply if the Proponent has an agreement with the relevant owner/s of these residences/land to generate higher airblast overpressure noise levels, and the Proponent has advised the Department in writing of the terms of this agreement.	<i>Table 6: Airblast Overpressure Impact Assessment Criteria</i>		Airblast overpressure level (dB(Lin Peak))	Allowable exceedance	115	5% of the total number of blasts in a 12 month per	120	0%	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period hence this condition is not triggered.	Not triggered
<i>Table 6: Airblast Overpressure Impact Assessment Criteria</i>												
Airblast overpressure level (dB(Lin Peak))	Allowable exceedance											
115	5% of the total number of blasts in a 12 month per											
120	0%											
3.11	Ground Vibration Impact Assessment Criteria The Proponent must ensure that the ground vibration level from blasting, or any other activity at the project, does not exceed the levels in Table 7 at any residence on privately-owned land. <table><tr><td colspan="2"><i>Table 7: Ground Vibration Impact Assessment Criteria</i></td></tr><tr><th>Peak particle velocity (mm/s)</th><th>Allowable exceedance</th></tr><tr><td>5</td><td>5% of the total number of blasts in a 12 month perio</td></tr><tr><td>10</td><td>0%</td></tr></table> Note: The ground vibration limits do not apply if the Proponent has an agreement with the relevant owner/s of these residences/land to generate higher ground vibration levels, and the Proponent has advised the Department in writing of the terms of this agreement.	<i>Table 7: Ground Vibration Impact Assessment Criteria</i>		Peak particle velocity (mm/s)	Allowable exceedance	5	5% of the total number of blasts in a 12 month perio	10	0%	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting was undertaken during audit period, therefore limits for ground vibration level from blasting were not exceeded.	Not triggered
<i>Table 7: Ground Vibration Impact Assessment Criteria</i>												
Peak particle velocity (mm/s)	Allowable exceedance											
5	5% of the total number of blasts in a 12 month perio											
10	0%											
3.12	Surface Blasting Location and Frequency The Proponent may conduct surface blasting of coal or overburden only within the Southern Open Cut Pit and Southern Open Cut Extension Pit, and must not carry out more than 1 surface blast in a day or 2 surface blasts per week, unless otherwise directed by Resources Regulator to ensure the safety of the mine and its workers.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting was undertaken during audit period, therefore limits for ground vibration level from blasting were not exceeded.	Not triggered								
3.13	Property Inspections Unless previously notified under conditions of an existing consent, within 3 months of the date of this approval, the Proponent must advise all landowners within 2 km of proposed blasting activities, and any other landowner nominated by the Planning Secretary, that they are entitled to a property inspection to establish the baseline condition of the property.	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period and has been assessed in previous IEAs. This condition is considered complete.	Complete (Historical requirement)								

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.14	If the Proponent receives a written request for a property inspection from a landowner within 2 km of proposed blasting activities, who has not previously been provided with an inspection under conditions of an existing consent, the Proponent must : (a) commission a suitably qualified person within 21 days of the request, whose appointment has been approved by the Planning Secretary, to inspect and report on the condition of any building or structure on the land, and recommend measures to mitigate any potential blasting impacts; and (b) give the landowner a copy of this property inspection report.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period. It was reported that no written requests for property inspections were received from landowners during the audit period.	Not triggered
3.15	Property Investigations If any landowner within 2 km of proposed blasting activities, or any other landowner nominated by the Planning Secretary, claims that his/her property, including vibration-sensitive infrastructure such as water supply or underground irrigation mains, has been damaged as a result of blasting at the project, the Proponent must : (a) commission a suitably qualified person whose appointment has been approved by the Planning Secretary to investigate the claim and prepare a property investigation report; and (b) give the landowner a copy of the report within 6 weeks of initiating the investigation. If the investigation confirms the landowner's claim, and both parties accept the findings, then the Proponent must repair the damage to the satisfaction of the Planning Secretary. If the Proponent or landowner disagrees with the findings of the investigation, then either party may refer the matter to the Planning Secretary for resolution.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period. It was reported that no written requests for property inspections were received from landowners during the audit period.	Not triggered
3.16	Operating Conditions During mining operations on-site, the Proponent must implement best blasting practice to: (a) protect the safety of people, property, public infrastructure, and livestock; (b) protect items of Aboriginal and non-indigenous cultural heritage significance; and (c) minimise the dust and fume emissions from blasting at the project, to the satisfaction of the Planning Secretary.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period.	Not triggered
3.17	Public Notice Within 3 months of the date of this approval, the Proponent must : (a) notify the landowner/occupier of any residence within 2 kilometres of blasting operations who registers an interest in being notified about the blasting schedule at the mine, or any other landowner nominated by the Planning Secretary; and (b) publish an up-to-date blasting schedule on its website, to the satisfaction of the Planning Secretary.	2018 IEA, MCW Environmental	This requirement was reviewed in previous IEAs and it was confirmed that no landholder / occupier of any residence had registered an interest in being notified about the blasting schedule of the mine. No blasting has occurred on the Charbon Colliery holdings during the current audit period.	Not triggered
3.18	Blast Monitoring Program The Proponent must prepare and implement a Blast Monitoring Program for the project to the satisfaction of the Planning Secretary. This program must: (a) be prepared in consultation with EPA, and be submitted to the Planning Secretary for approval within 3 months of the date of this approval; and (b) include a protocol for evaluating blast-related impacts on, and demonstrating compliance with the blasting criteria in this approval for: • privately-owned residences and structures; • items of Aboriginal and non-indigenous cultural heritage significance; and • publicly-owned infrastructure.	Blast Monitoring Program, March 2017 Letter to DPIE dated 30.03.2017 providing Blast Monitoring Program for approval Email from DPIE dated 9.03.2018 requesting minor amendment to document Email from Charbon to DPIE dated 12.03.2018 stating that amendments had been made and attaching revised Blast Monitoring Program. DPIE letter dated 16.03.2018 approving Blast Management Program	<u>Preparation</u> The Blast Monitoring Program was revised in March 2017 to reflect rehabilitation and closure activities. DPIE endorsement of the consultants engaged to revise the Plan was provided by letter dated 20.02.17. The revised plan was provided to the EPA and DPIE for consultation. A summary of agency consultation is provided in Appendix 1 of the Plan. Note – this does not include all of the consultation sighted by the auditor e.g. consultation with DPIE. The revised Blast Monitoring Program was approved by DPIE on the 16.03.2018. <u>Implementation</u> No blasting has occurred on the Charbon Colliery holdings during the current audit period.	Compliant

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																											
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																							
3.19	Air Quality Impact Assessment Criteria The Proponent must ensure that the dust emissions generated by the project do not cause additional exceedances of the air quality impact assessment criteria listed in Tables 8, 9, and 10 at any residence on privately owned land, or on more than 25 percent of any privately owned land. <i>Table 8: Long-term Impact Assessment Criteria for Particulate Matter</i> <table><tr><th>Pollutant</th><th>Averaging period</th><th>Criterion</th></tr><tr><td>Total suspended particulate (TSP) matter</td><td>Annual</td><td>90 µg/m³</td></tr><tr><td>Particulate matter < 10 µm (PM₁₀)</td><td>Annual</td><td>25 µg/m³</td></tr></table> <i>Table 9: Short-term Impact Assessment Criterion for Particulate Matter</i> <table><tr><th>Pollutant</th><th>Averaging period</th><th>Criterion</th></tr><tr><td>Particulate matter < 10 µm (PM₁₀)</td><td>24 hour</td><td>50 µg/m³</td></tr></table> <i>Table 10: Long-term Impact Assessment Criteria for Deposited Dust</i> <table><tr><th>Pollutant</th><th>Averaging period</th><th>Maximum increase in deposited dust level</th><th>Maximum total deposited dust level</th></tr><tr><td>Deposited dust</td><td>Annual</td><td>2 g/m²/month</td><td>4 g/m²/month</td></tr></table> <i>Note: Deposited dust is 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.</i>	Pollutant	Averaging period	Criterion	Total suspended particulate (TSP) matter	Annual	90 µg/m³	Particulate matter < 10 µm (PM ₁₀)	Annual	25 µg/m³	Pollutant	Averaging period	Criterion	Particulate matter < 10 µm (PM ₁₀)	24 hour	50 µg/m³	Pollutant	Averaging period	Maximum increase in deposited dust level	Maximum total deposited dust level	Deposited dust	Annual	2 g/m²/month	4 g/m²/month	Chabon Coal_ECD Data Import Sheet_updated as at 210406 Charbon Environmental Website Data 201812, 201912, 202012 & March 2021 Charbon Annual Reviews 2018, 2019 & 2020	The air quality monitoring program at Charbon consists of: - depositional dust gauges at four locations (DM South, DM West, Nioka (west of southern open cut) and Pit Top), measuring insoluble solids deposited over monthly intervals; - high volume air sampler (HVAS) at one location (Nioka) measuring PM₁₀ and TSP over a 24 hour period every 6 days; and - an automatic weather station measuring meteorological conditions continuously. ALS undertakes the monitoring and the maintenance of the monitoring equipment. The ‘ECD Data Import Sheet_updated as at 201230’ provides the raw monitoring data dating back to 2010 across a range of parameters including depositional dust and HVAS. This data is used to prepare Charbon’s Monthly Environmental Monitoring Reports and Annual Reviews. It is noted the annual PM₁₀ criteria reduced from 30 µg/m³ to 25 µg/m³in July 2019 with the approval of MOD 1. A review of the monitoring results indicated the following: <u>2018</u> PM₁₀ 24 hours average exceeded 50 µg/m criteria on 3 occasions. These were attributed to regional dust events. PM₁₀ Annual average below criteria TSP and depositional dust below criteria <u>2019.</u> PM₁₀ Annual average exceeded 25 µg/m³ criteria (32 µg/m) PM₁₀ 24 hour average exceeded 50 µg/m³ criteria on 9 occasions TSP and depositional dust below criteria Elevated depositional PM₁₀ levels were recorded in February 2019 and October to December 2019. These were attributed to a regional dust event and smoke from the bushfire in the Wollemi National Park. <u>2020</u> PM₁₀ Annual and 24 hour average below criteria TSP and depositional below criteria A review of the monitoring data spreadsheet indicated samples were not obtained on a total of 5 occasions and on a further 4 occasions it was reported that the sample collection period was outside of the AS/NZS 3580.9.3 and 3580.9.6 specifications for collection within 3 days of the sample period. This represents less than 5% of the total samples and is considered not material. On the basis that the recorded non-compliances were associated with regional dust events related to bushfires and not due to activities associated with the mine, this condition has been assessed as compliant.	Compliant
Pollutant	Averaging period	Criterion																									
Total suspended particulate (TSP) matter	Annual	90 µg/m³																									
Particulate matter < 10 µm (PM ₁₀)	Annual	25 µg/m³																									
Pollutant	Averaging period	Criterion																									
Particulate matter < 10 µm (PM ₁₀)	24 hour	50 µg/m³																									
Pollutant	Averaging period	Maximum increase in deposited dust level	Maximum total deposited dust level																								
Deposited dust	Annual	2 g/m²/month	4 g/m²/month																								

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																																				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																																
3.20	Land Acquisition Criteria If the dust emissions generated by the project exceed the criteria in Tables 11, 12, and 13 at any residence on privately owned land, or on more than 25 percent of any privately owned land, the Proponent must, upon receiving a written request for acquisition from the landowner, acquire the land in accordance with the procedures in conditions 4-6 of schedule 6. <i>Table 11: Long-term Land Acquisition Criteria for Particulate Matter</i> <table><tr><th>Pollutant</th><th>Averaging period</th><th>Criterion</th></tr><tr><td>Total suspended particulate (TSP) matter</td><td>Annual</td><td>90 µg/m³</td></tr><tr><td>Particulate matter < 10 µm (PM₁₀)</td><td>Annual</td><td>25 µg/m³</td></tr></table> <i>Table 12: Short-term Land Acquisition Criteria for Particulate Matter</i> <table><tr><th>Pollutant</th><th>Averaging period</th><th>Criterion</th><th>Percentile¹</th><th>Basis</th></tr><tr><td>Particulate matter < 10 µm (PM₁₀)</td><td>24 hour</td><td>150 µg/m³</td><td>99²</td><td>Total³</td></tr><tr><td>Particulate matter < 10 µm (PM₁₀)</td><td>24 hour</td><td>50 µg/m³</td><td>98.6</td><td>Increment⁴</td></tr></table> ¹Based on the number of block 24 hour averages in an annual period. ²Excludes extraordinary events such as bushfires, prescribed burning, dust storms, sea fog, fire incidents, illegal activities or any other activity agreed by the Planning Secretary in consultation with EPA. ³Background PM10 concentrations due to all other sources plus the incremental increase in PM10 concentrations due to the mine alone. ⁴Incremental increase in PM10 concentrations due to the mine alone. <i>Table 13: Long-term Land Acquisition Criteria for Deposited Dust</i> <table><tr><th>Pollutant</th><th>Averaging period</th><th>Maximum increase in deposited dust level</th><th>Maximum total deposited dust level</th></tr><tr><td>Deposited dust</td><td>Annual</td><td>2 g/m²/month</td><td>4 g/m²/month</td></tr></table> <i>Note: Deposited dust is assessed as insoluble solids as defined by Standards Australia, AS/NZS 35801.10.1:2003: Methods for Sampling and Analysis of Ambient Air – Determination of Particulate Matter – Deposited Matter – Gravimetric Method.</i>	Pollutant	Averaging period	Criterion	Total suspended particulate (TSP) matter	Annual	90 µg/m³	Particulate matter < 10 µm (PM ₁₀)	Annual	25 µg/m³	Pollutant	Averaging period	Criterion	Percentile¹	Basis	Particulate matter < 10 µm (PM ₁₀)	24 hour	150 µg/m³	99²	Total³	Particulate matter < 10 µm (PM ₁₀)	24 hour	50 µg/m³	98.6	Increment⁴	Pollutant	Averaging period	Maximum increase in deposited dust level	Maximum total deposited dust level	Deposited dust	Annual	2 g/m²/month	4 g/m²/month	Chabon Coal_ECD Data Import Sheet_updated as at 210406 Charbon Environmental Website Data 201812, 201912, 202012 & March 2021 Charbon Annual Reviews 2018, 2019 & 2020	A review of air quality monitoring results indicated that the land acquisition air quality criteria in Tables 11, 12 and 13 of this condition have not been exceeded during the audit period. Charbon advised that no written requests for land acquisition were received during the audit period.	Not Triggered
Pollutant	Averaging period	Criterion																																		
Total suspended particulate (TSP) matter	Annual	90 µg/m³																																		
Particulate matter < 10 µm (PM ₁₀)	Annual	25 µg/m³																																		
Pollutant	Averaging period	Criterion	Percentile¹	Basis																																
Particulate matter < 10 µm (PM ₁₀)	24 hour	150 µg/m³	99²	Total³																																
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Pollutant	Averaging period	Maximum increase in deposited dust level	Maximum total deposited dust level																																	
Deposited dust	Annual	2 g/m²/month	4 g/m²/month																																	
3.21	Air Quality Mitigation Measures Twelve months prior to the commencement of mining activities associated with the Western Outlier, and provided that a written request is received from the landowner of property G (refer Appendix 1), or any other affected residence approved by the Planning Secretary, unless the landowner has requested acquisition under the terms of this approval, the Proponent must implement air quality mitigation measures, such as air conditioning, at any residence on the property, in consultation with the landowner. These additional mitigation measures must be reasonable and feasible.	2018 IEA, MCW Environmental	Compliance with this Condition was confirmed in the 2015 IEA which noted that Property G was purchased by Charbon Coal on 7 June 2013 and that no air quality mitigation measures were requested or implemented. This Condition concerns an historical requirement that pre-dates the current audit period and is considered complete.	Complete (Historical requirement)																																

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.22	Air Quality Management The Proponent must prepare and implement a detailed Air Quality Management Plan for the project to the satisfaction of the Planning Secretary. This Plan must: (a) be prepared in consultation with EPA by a suitably qualified expert whose appointment has been approved by the Planning Secretary; (b) be submitted to the Planning Secretary for approval within 6 months of this approval and prior any mining activities in either the Southern or Western Outlier Pits; (c) include an Air Quality Monitoring Program that includes:• a combination of real-time monitors (to monitor the impacts during mining operations for the Western Outlier), high volume samplers and dust deposition gauges to monitor the dust emissions of the project; and• an air quality monitoring protocol for evaluating compliance with the relevant air quality impact assessment and land acquisition criteria in this approval; (d) include protocols to ensure that the real-time air quality monitoring and meteorological monitoring data are assessed regularly, and that operations are relocated, modified and/or stopped as required to ensure compliance with the relevant air quality criteria; and (e) all reasonable and feasible measures are implemented to minimise off-site dust, odour or fume emissions generated by the project.	Air Quality Management Plan June 2018 DPIE letter dated 29.06.2018 approving Air Quality Management Plan Chabon Coal_ECD Data Import Sheet_updated as at 210406 Charbon Environmental Website Data 201812, 201912, 202012 & March 2021 Charbon Annual Reviews 2018, 2019 & 2020 Complaint Registers 2018, 2019, 2020, 2021 Selection of completed Monthly Inspection Forms (2018, 2019, 2020) Site observations Various emails to DPIE reporting PM ₁₀ exceedances Incident Reports relating to PM ₁₀ exceedances	Preparation The Air Quality Management Plan was revised in June 2018 to reflect rehabilitation and closure activities. DPIE endorsement of the consultants engaged to revise the Plan was provided by letter dated 20.02.17. The revised plan was provided to the EPA and DPIE for consultation. A summary of agency consultation is provided in Appendix A of the Plan. The revised Air Quality Management Plan was approved by DPIE on the 29.06.2018. Section 4 of the Plan includes the air quality monitoring program, which incorporates four depositional dust gauges, one HVAS and one automatic weather station. Section 4.3 of the Plan discusses meteorological monitoring and Section 7 includes response procedures. Section 6 of the Plan includes air quality control measures. Implementation The Air Quality Management Plan was being implemented as evidenced by: - Depositional dust, TSP and PM ₁₀ monitoring was being undertaken at the locations outlined in the Plan - Monitoring results were being reported in the Annual Review. - Dust control measures were being implemented including: use of water cart to water roads and trafficked areas, implementing speed limits, monthly inspections - No air quality complaints were received during the audit period. - Exceedances of the PM ₁₀ levels and were recorded in 2018 and 2019. Upon investigation, these were attributed to regional dust events associated with bushfires. These exceedances were recorded as incidents and reported to DPIE. It was reported that no response was provided.	Compliant 2021 IEA REC 08 Update the Air Quality Management Plan to reflect the lower annual PM ₁₀ criteria of 25 µg/m ³ which came into effect in July 2019 with the approval of MOD 1.
3.23	Meteorological Monitoring During the life of the project, the Proponent must ensure that there is a suitable meteorological station on the site that complies with the requirements in the Approved Methods for Sampling of Air Pollutants in New South Wales guideline.	Automatic Weather Station Install Verification Certificate 7.07.2020 (new sensors installed) Annual Automatic Weather Station Verification Certificate 24.05.2019 Extract of Meteorological Data for 2018, 2019, 2020 & 2021 Screen shot of ALS Portal	A meteorological station located at the former Big Rim workshop area was observed during the audit site inspection. The station measures wind speed, wind direction, air temperature, relative humidity, solar radiation and rainfall. ALS maintain the meteorological station and host a web-based data management system allowing remote and real time access to data. ALS undertake annual calibration of the meteorological station. A Calibration Certificate dated 24.05.2019 was observed. New sensors were installed in July 2020 and a verification certificate provided by ALS dated 7.07.2020.	Compliant
3.24	Subsidence The Proponent must ensure that surface subsidence resulting from underground mining at the Western Underground is less than 20 mm.	2018 IEA, MCW Environmental	Underground mining at Charbon ceased in March 2014. Mining at the Western Underground was limited to first workings. Subsidence impacts were assessed in previous IEAs. audits. As no underground mining occurred during the current audit period no further assessment of compliance with this Condition has been undertaken.	Complete
3.25	The Proponent must prepare and implement a Subsidence Monitoring and Contingency Plan for the Western Underground to the satisfaction of the Planning Secretary. This plan must: (a) be prepared in consultation with Resources Regulator and submitted to the Planning Secretary for approval 3 months prior to the commencement of mining operations at the Western underground; (b) include a program for monitoring pillar stability in the Western Underground; (c) include a program for baseline recording and later inspection of cliff faces and steep slopes and investigation of any occurrences or evidence of mass rock movements on the surface of the land which may be affected by mining the Western Underground; (d) provide for regular reporting to Resources Regulator and the Department; and (e) include contingency measures to address any significant subsidence-related impacts.	2018 IEA, MCW Environmental Letter to DPIE dated 30.04.2018 requesting to discharge and finalise the Subsidence Monitoring and Contingency Plan Letter to DPIE RR dated 13.04.2018 requesting reduction in frequency of subsidence monitoring inspections Subsidence Inspection Sheet 24.02.21 Interviews with site personnel	Underground mining at Charbon ceased in March 2014. Previous IEA's assessed the preparation and implementation of the Subsidence Monitoring and Contingency Plan. On the 30 April 2018, Charbon wrote to DPIE proposing to discharge and finalise the Subsidence Monitoring and Contingency Plan as survey commitments within the Plan had been completed and results demonstrated subsidence movements within predictions and less than 20mm. It was reported that no formal response was provided to this letter by DPIE. Charbon reported that it will resubmit its request via the DPIE Planning Portal. Visual inspections of subsidence areas were undertaken monthly during 2017. In April 2018, Charbon proposed a reduction of the frequency of inspections of the subsidence areas to the Resource Regulator. This was based on no unexpected subsidence related impacts being identified. The letter proposed 6 monthly inspections until bulk earthworks associated with the rehabilitation of the mine have been completed and annually thereafter until expiry of the MOP. No formal response was provided to this letter, however it was reported that it was verbally acknowledged. Charbon reported that it continues to undertake monthly visual inspections of subsidence areas as part of the monthly inspection tool.	Compliant 2021 IEA OFI 01 Consider further dialogue with DPIE and the Resources Regulator to gain agreement for the cessation of monitoring under the SMP.

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.26	The Proponent must ensure that underground mining operations within the “Existing / Approved Underground Mine Area” as shown in Figure 2 of Appendix 2 are only conducted in accordance with a Subsidence Management Plan approved by <i>Resources Regulator</i> .	2018 IEA, MCW Environmental	Underground mining at Charbon ceased in March 2014. This condition is considered complete.	Complete (Historical requirement)
3.27	Soil and Water Water Supply The Proponent must ensure that it has sufficient water for all stages of the project, and if necessary, adjust the scale of mining operations to match its licensed water entitlements, to the satisfaction of the Planning Secretary.	Interviews with site personnel Charbon Annual Review 2018, 2019 & 2020	The site's water needs have significantly reduced since mining and processing operations ceased in 2015 and the site moved to a closure and rehabilitation phase. Currently the main requirement for water is for dust control and this water is typically drawn from various sediment dams. The Annual Reviews for 2018, 2019 and 2020 reported nil water take under the site's Water Access Licences.	Compliant
3.28	Discharge Limits The Proponent must not discharge any water from the site or irrigate any waste water except as may be expressly provided by an EPL, or in accordance with section 120 of the <i>Protection of the Environment Operations Act 1997</i> .	Charbon Annual Review 2018, 2019 & 2020 Annual Returns 2018, 2019 & 2020 Incident Report for 23.03.2021 unlicensed discharge event Incident Report for 27.07.2020 unlicensed discharge event	Charbon's Environment Protection Licence (EPL) 528 provides six licence discharge points (LDPs): - LDP1 for the discharge of treated wastewater effluent to land via spray irrigation with various operational requirements stipulated; and - LDP2 to LDP6 for the discharge of waters from the mine site to Rileys and Reedy Creeks. The EPL specifies concentration limits for oil and grease, pH, total suspended solids (TSS) and turbidity, as well as monitoring requirements. Charbon's Annual Reviews for 2018, 2019 and 2020 and EPL 528 Annual Returns for 2018, 2019 and 2020 and incident reports indicate two instances where unlicensed discharges occurred from the site as follows: - 23.03.2021: unlicensed discharge from two dams in Haystack South area into drainage line that reports to Riley's Creek following high rainfall event (150.4mm over four day period). - 27.07.2020: unlicensed discharge from Haystack transfer dam to LDP2 dam during a period of rainfall (32.2 mm on the 26.07.2020 and 9.6mm on the 27.07.2020) The cause of the March 2021 incident was identified as the pumps at both dams not being able to keep up with the high water inflow to the dams. The high sediment levels were as a result of landform erosion at the Haystack area. The incident report identified a preventative measure to install erosion control measures at the Haystack area. The causes of the July 2020 incident were identified as the pump in the Haystack Transfer Dam not operating and the size of dam not large enough to contain surface runoff from the rainfall event. The incident report included two corrective actions, to consider the feasibility of installing a pump with an automatic start switch triggered by the water level in the Haystack Transfer Dam to LDP2 Dam and to review the capacity of the Haystack Transfer Dam to determine the capacity required to capture the surface water runoff generated from a 44mm rainfall event. Charbon reported that these options were reviewed at the time and not considered feasible, however following the March 2021 incident, options are being reviewed and reconsidered. The Haystack Area was inspected during the audit and observed to have limited erosion control measures in place to reduce the sediment load entering the Haystack sediment dams. Refer photos in main report. As noted in the Water Management Plan (discussed below), the Haystack sediment dams do not have the capacity to contain dirty water from this catchment in a significant rainfall event and Charbon relies on pumping the water to the LDP2 Discharge Dam to contain the dirty water and treat it prior to discharge.	Non-compliant 2021 IEA REC 13 Review the water management measures in the catchment of the Haystack works, including assessment of the capacity of the Haystack Transfer Dam and the Haystack South sediment pond to receive and transfer high flow events. 2021 IEA REC 14 Review erosion controls in the Haystack South area and update the Erosion and Sediment Control Plan to include specific controls for the Haystack Area with the aim of reducing erosion at the source and minimise the sediment load entering the Haystack sediment dams. 2021 IEA REC 15 Implement identified erosion controls in the Haystack Area. 2021 IEA REC 16 Monitor the effectiveness of implemented controls at the Haystack Area.
3.29	Site Water Management Plan The Proponent must prepare and implement a Water Management Plan for the project to the satisfaction of the Planning Secretary. This plan must: (a) be prepared in consultation with the <i>Water Division</i> and <i>EPA</i> , and be submitted to the Planning Secretary for approval within 12 months of the date of this approval; and (b) include a: • Site Water Balance; • Erosion and Sediment Control Plan; and • Surface Water and Groundwater Monitoring Programs.	Water Management Plan, Revision 3 October 2019 2018 IEA, MCW Environmental Letter to DPIE dated 30.10.2019 submitting revised Water Management Plan Annual Reviews 2018, 2019 & 2020 Site observations Interviews with site personnel Monthly Inspection Sheets (13.01.2020, 28.05.2020, 19.08.2020, 27.02.2019, 28.10.2019, 23.05.2018, 20.12.2018) Chabon Coal_ECD Data Import Sheet_updated as at 210406 Airly Water Transfer Excel workbook	<u>Preparation</u> The Water Management Plan was revised in 2017 to reflect rehabilitation and closure activities. The 2018 IEA sighted evidence of submission of the revised plan to DPIE however noted that DPIE approval had not been received. The Water Management Plan was further revised in 2019 following approval of MOD 1 to include the construction of the additional infrastructure to facilitate the transfer of water from Charbon to Airly Mine via train. This included an update to the Erosion and Sediment Control Plan. The revised Plan (Revision 3) was submitted to DPIE on the 30 October 2019. It is understood the revised Plan has not been approved. <u>Implementation</u> The auditors have assessed implementation of the 2019 Water Management Plan as this plan reflects the rehabilitation activities occurring during the audit period and describes the management measures applicable for these activities. The last approved Water Management	Non-compliant 2021 IEA REC 17 Review and revise the Water Management Plan, including Erosion and Sediment Control Plan and submit to DPIE for approval of revised plan. 2021 IEA REC 18 Install appropriate erosion protection at the outlet of LDP4 and LDP2 to reduce potential for scour.

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
		Charbon Aquatic Ecology Report, Spring 2020, GHD, February 2021 Charbon Aquatic Ecology Report, Spring 2019, GHD, July 2020 Charbon Aquatic Ecology Report, Spring 2018, GHD, April 2019 Charbon Aquatic Ecology Autumn 2020 data report, July 2020 Charbon Aquatic Ecology Autumn 2019 data report, January 2020 Charbon Aquatic Ecology Autumn 2018 data report, January 2019 Reedy Creek Dam Water Levels 3.07.2019 to 27.04.2021 (Excel workbook)	Plan (dated 2012) does not reflect activities occurring at the site nor current water management practices and is considered obsolete. <u>Water Management</u> Water management was generally as per the Water Management Plan Revision 3, 2019. Various sediment dams or pollution control dams have been established for treatment through settling prior to discharge through Licensed Discharge Points (LDPs). The Water Management Plan identified that the 2 Trunk Haul Road area, Haystack area and LDP5 Discharge Dam area sediment pond catchments do not have water storage capacities that meet the required capacities. To account for this, transfer systems are included at 2 Trunk Haul Road, Haystack area and 8 Trunk to allow for the transfer of water between storages. The following improvements were made to the dirty water management system during the audit period: - The Haul Road Sediment Dam and the Southern Open Cut Pollution Control Dam were desilted during 2018 and 2019 - The retention ponds up stream of LDP5 discharge dam were desilted in 2020 - A new pipeline and discharge outlet was installed in Q3 2020 at LDP 5 to provide more free-board and allow for better control of discharges through LDP5 - Outlet pipes at all LDPs were replaced with higher capacity in 2020 - A new 2 ML dam was installed at the 8 trunk workshop in Q4 2020 - The LDP2 sediment dams were de-silted in August 2018 - The LDP6 sediment ponds in the Haystack North area were de-silted in Q3 2020 As reported under 3.28 above, Charbon reported two uncontrolled discharges during the audit period relating to dirty water management in the Haystack Area. Wastewater from the bathhouse and toilets is treated at the wastewater collection system and then applied to the sewage irrigation area via LDP1. <u>Monitoring</u> Site inspections were being undertaken on a monthly basis which included a review of water management structures. The following surface water quality monitoring was being undertaken as required by the EPL and other commitments in the WMP: - Daily monitoring of physiochemical parameters (electrical conductivity, oil and grease, pH, TSS and turbidity) during discharges from LDP2, LDP3, LDP4, LDP5 and LDP6 (as required by EPL) - Monthly monitoring of physiochemical parameters and dissolved metals at a reference site in the Cudgegong River - Monthly monitoring of physiochemical parameters, nutrients, major ions, dissolved metals, total metals and other parameters at CHPP Dam 3, LDP4 Discharge Dam and Reedy Creek Dam (as per MOD 1 statement of commitments). The auditors reviewed the monitoring data spreadsheet which confirmed this monitoring was being undertaken. The Water Management Plan states that groundwater monitoring is no longer considered to be required. However, a review of the monitoring data spreadsheet indicated that monthly groundwater monitoring at PB2 and PB3 continued up until March 2021. Charbon confirmed that groundwater monitoring will continue until the amended plan (incorporating the revised groundwater monitoring program) is approved. The following surface water quantity monitoring was being undertaken: - monthly survey of water level in Reedy Creek Dam. - volume of water extracted from Reedy Creek Dam for compliance with WAL 35023 (no extraction has occurred during the audit period since cessation of mining). - volume of water extracted from CHPP Dam 3 for transfer to Airly mine. Charbon maintained an Excel workbook which recorded the date, water quantity, cumulative total, rainfall and any comments. No water transfer has occurred since the 20 March 2020. Monitoring of aquatic ecology was being undertaken twice per year (in autumn and spring) at four locations (two reference sites and two impact sites). This included sampling of macroinvertebrates, water quality, sediment quality and watercourse stability. The Aquatic Ecology Spring 2020 report (February 2021) recommended an additional monitoring location be identified closer to LDP2 and LDP3, in order to better differentiate between the influence of Charbon Colliery discharges and other catchment influences. It also recommended matching sets of water quality samples be collected at discharge points and	2021 IEA REC 19 Include discussion of the site water balance in the Annual Reviews as per commitment in Section 7.2 Water Management Plan for annual review and reporting. 2021 IEA REC 11 Review the Surface Water Storage Capacity Assessment in Section 3.2.3 the Water Management Plan in light of recent improvements to the dirty water management system and identify whether additional controls are required. 2021 IEA REC 20 Consider the recommendations of the Aquatic Ecology 2020 Spring report for an additional water quality monitoring location closer to LDP2 and LDP3 and for matching water quality sampling between Riley Creek and LDPs during discharges.

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
			within Rileys Creek during periods of discharge, so that the influence of Charbon Colliery can be better understood. These recommendations were made in response to elevated concentrations of EC and metals in the water and sediment and impacts on the macroinvertebrate community. <u>Reporting</u> The Annual Reviews for the audit period included a summary of surface water monitoring undertaken during the year as well as discussion of any exceedances of EPL discharge limits or unlicensed discharges. The Annual Reviews for the audit period included a summary of the aquatic ecology monitoring undertaken during the year. The Annual Reviews for the audit period did not include discussion of the site water balance as committed to in Section 7.2 of the Water Management Plan. Annual Returns were completed and submitted for the audit period which report on pollutant loads and compliance with the licence conditions. This condition has been assessed as non-compliant on the basis that the revised Water Management Plan had not been approved and that aspects of water management relating to the Haystack area and reporting of site water balance had not been implemented.	
3.30	The Site Water Balance must: (a) include details of: • sources and security of water supply;• water use on-site;• water management on-site; • any off-site water transfers; • a program for the ongoing verification and refinement of the site water balance model; • reporting procedures; and (b) undertake the first model verification within 12 months of the granting of project approval; and (c) investigate and implement all reasonable and feasible measures to minimise water use by the project.	Water Management Plan, Revision 3 October 2019 2018 IEA, MCW Environmental	The 2018 IEA noted that the Water Management Plan revised in 2017 included a revised Site Water and Salt Balance dated February 2017 prepared by GHD. As indicated in Condition 3.29, the revised plan had not been approved by DPIE. The site water balance was further updated as part of the Surface Water Impacts Assessment to support the Statement of Environmental Effects for MOD 1. a) A summary of the site water balance results is provided in Section 3.5 of the 2019 Water Management Plan. This includes inputs and outputs including the transfer of water to Airly Mine. Section 7.2 of the Plan commits to reviewing and revising the site water balance on an annual basis and reporting in the Annual Review. b) Historical requirement - c) Since mine closure, water use on site is limited to dust suppression and irrigation.	Compliant
3.31	The Erosion and Sediment Control Plan must: (a) be consistent with the requirements of Managing Urban Stormwater: Soils and Construction, Volume 1 and 2E, 4th Edition, 2004 (Landcom); (b) identify activities that could cause soil erosion and generate sediment; (c) describe measures to minimise soil erosion and the potential for the transport of sediment to downstream waters; (d) describe the location, function, and capacity of erosion and sediment control structures; and (e) describe what measures would be implemented to maintain the structures over time.	Water Management Plan, Revision 3 October 2019 2018 IEA, MCW Environmental	The Erosion and Sediment Control Plan (ESCP) is included as Appendix G of the Water Management Plan. The ESCP was revised in 2017 to reflect rehabilitation and closure activities. As reported in the previous IEA, the 2017 revised Water Management Plan (which included a revised ESCP) was submitted to DPIE for approval in March 2017 however was not approved. The ESCP was further revised in October 2019 to: - Reflect the approval of MOD 1 - Reflect changes to the EPL - Update baseline data and derive site specific guideline values - Reflect changes to water management with progressive rehabilitation The revised Water Management Plan including the Revised ESCP (Revision 3) was submitted to DPIE on the 30 October 2019. DPIE approval was yet to be received. a) Section 1.3.3 of the ESCP lists Managing Urban Stormwater: Soils and Construction, Volume 1 and 2E Mines and Quarries as a key guideline b) Section 2.3 identifies activities that could cause soil erosion and generate sediment c) Section 3.3 describes erosion and sediment control and soil management d) Section 3.4 describes erosion and sediment control structures. These are shown in Figures 3-2, 3-3 and 3-4. e) Section 4 discusses monitoring and maintenance of erosion and sediment control	Compliant

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.32	The Surface Water Monitoring Program must include: (a) baseline data of surface water flows and quality in creeks and other waterbodies that could potentially be affected by the project; (b) surface water and stream health impact assessment criteria; (c) a program to monitor and assess: • impacts on surface water flows and quality; • impacts on the surface water supply of potentially affected landowners; • bank stability, riparian vegetation and macro-invertebrate populations along creek lines and ephemeral drainage lines downstream of all license discharge points; • potential acid mine drainage; • potential leakage or spillage from reject emplacement area and effluent irrigation; (d) a program for the ongoing verification and refinement of the surface water model; and (e) reporting procedures for the results of the monitoring program and model verification.	Water Management Plan, Revision 3 October 2019 2018 IEA, MCW Environmental	As reported in the 2018 IEA, the Water Management Plan was revised in 2017 to incorporate the surface water monitoring requirements directly into Plan. The 2017 revised Water Management Plan was submitted to DPIE for approval in March 2017 however was not approved. The Water Management Plan was further revised in October 2019 (Revision 3) and submitted to DPIE for approval. It is understood the revised Plan has not been approved. a) Section 5 discusses baseline data b) Section 6.2.1 and 6.2.2 discusses performance criteria. It refers to the Western Operations Regional Water Management Plan for the performance criteria which form the basis of the trigger action response plans (TARPs) provided in Appendix F. c) Section 4.2.1 discusses surface water quality monitoring Section 4.2.1 discusses water quantity monitoring Section 4.4.1 discusses monitoring of watercourse stability Section 4.4.2 discusses aquatic ecology monitoring Monitoring of potential acid mine drainage, leakage or spillage from reject emplacement area and effluent irrigation are not discussed. On this basis the Monitoring Plan does not meet all of the requirements of the condition. d) Section 7.2 discusses review of the site water balance e) Table A.1 refers to the Western Operations Regional Water Management Plan (GHD 2016b).	Non-compliant 2021 IEA REC 12 Include discussion of monitoring of potential acid mine drainage and potential leakage or spillage from reject emplacement area or effluent irrigation in the Water Management Plan as required by CoA 3.32 (c).
3.33	The Groundwater Monitoring Program must include: (a) baseline data of the natural variation in groundwater levels, yield and quality; (b) groundwater impact assessment criteria (including for monitoring bores and privately-owned bores); (c) a program to monitor the impacts of underground or open cut mining on groundwater resources.		As reported in the 2018 IEA, the Water Management Plan was revised in 2017 to incorporate the groundwater monitoring requirements directly into Plan. The 2017 revised Water Management Plan was submitted to DPIE for approval in March 2017 however was not approved. The Water Management Plan was further revised in October 2019 (Revision 3) and submitted to DPIE for approval. It is understood the revised Plan has not been approved. a) Section 5 discusses baseline data b) Section 6.2.1 and 6.2.2 discusses performance criteria. It refers to the Western Operations Regional Water Management Plan for the performance criteria which form the basis of the trigger action response plans (TARPs) provided in Appendix F. c) Section 4.3 and Table A.1 state that groundwater monitoring is no longer required following cessation of mining operations.	Compliant

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.34	Aboriginal Heritage Aboriginal Cultural Heritage Management Plan The Proponent must prepare and implement an Aboriginal Cultural Heritage Management Plan for the project to the satisfaction of the Planning Secretary. This plan must: (a) be prepared in consultation with Heritage NSW and the Aboriginal community, and be submitted to the Planning Secretary for approval within 12 months of the date of this approval and prior to any activities that would disturb either known Aboriginal sites or Sensitive Archaeological Landforms within the 8 Trunk Open Cut Pit area; (b) include a: • detailed assessment of the Sensitive Archaeological Landform located within the 8 Trunk Open Cut pit area; • detailed salvage program and management plan for Aboriginal sites and potential archaeological deposits within the project disturbance area and measures to provide a keeping place for any salvaged objects; • detailed description of the measures that would be implemented to protect and monitor Aboriginal sites outside the project disturbance area; • description of the measures that would be implemented if any new Aboriginal objects or skeletal remains are discovered during the project; and • protocol for the ongoing consultation and involvement of the Aboriginal communities in the conservation and management of Aboriginal cultural heritage on the site.	Letter from DPIE dated 27.10.17 approving Western Region Aboriginal Cultural Heritage Management Plan Letters dated 14.05.2018 to various Aboriginal Groups providing details of upcoming Aboriginal Heritage Field Surveys and requesting Site Office to attend as representative of the organisation. Photographs dated 10.12.2019 provided by Charbon showing process of removing graffiti from Aboriginal rock shelter. Charbon Mine, Aboriginal Heritage Surveys, August 2018 Western ACHMP Committee Meeting presentations 02.05.2018, 07.11.2018, 15.05.2019, 27.11.2019, 06.05.2020, May 2021	<u>Preparation</u> The Aboriginal Cultural Heritage Management Plan (ACHMP) for Charbon was incorporated into the Centennial Western Region Aboriginal Cultural Heritage Management Plan dated July 2017. The revised plan was prepared by RPS and provided to various Aboriginal groups for consultation as summarised in Attachment 8 and 8A of the Plan. The Plan was approved by DPIE on the 27.10.2017. The Plan requires updating to reflect changes that have occurred on site since 2017 (discussed further under the Implementation section below) including: - Completion of measures relating to repositioning of the fallen scar tree and inclusion of ongoing maintenance measures - Reburying of recovered artefacts and registering of the burial site in AHIMS - Additional artefacts identified during surveys in 2018 Charbon reported that it was in the process of updating the ACHMP and has already addressed some of the above issues. <u>Implementation</u> The Plan includes site specific management measures for the Scarred Tree (AHIMS 36-6-0723) which had fallen in September 2016 due to extreme weather. The Plan states that consultation had occurred with Registered Aboriginal Parties and a Regional ACHMP Committee Meeting was held on the 26 October 2016. During this meeting it was recommended that the most effective method to preserve the scar was to stand the trunk up or lay the trunk horizontally, but elevated off the ground and to protect the tree from the elements by a building structure with a roof. This work was completed in June 2018. The tree was placed horizontally on a supported platform elevated off the ground to protect it from ground moisture. The root ball was trimmed and cleaned free of dirt. The scar was placed to face the orientation prior to falling over. A roof structure was constructed over the tree to help keep the tree dry to assist mitigate decay. A photo of the completed works was included in the ACHMP Committee Meeting presentation in the 7 November 2018. A meeting was held on site in June 2019 with a representative of one of the Reregistered Aboriginal Parties and senior managers from Banpu (owners of Centennial) from Thailand, to explain the significance of the scar tree. It was reported that the meeting was well received and during the meeting Centennial was presented with a ceremonial smoking tool. The Art site (AHIMS 36-6-0643) had been historically impacted by graffiti. Charbon reported that the graffiti was present when the site was identified and registered in AHIMS and therefore there was no separate notification to OEH. During the audit period, Charbon engaged specialists, Artcare, to remove the graffiti without damaging the art. These works were completed in December 2019. Artefacts recovered from historical excavations were reburied in a location identified in consultation with the Registered Aboriginal Parties in the Southern Open Cut on the 27 November 2019. A smoking ceremony was proposed to be held after the ACHMP Meeting on the 27 November 2019 to repatriate the artefacts back to country, however it was reported that due to wind conditions and the risk of bushfire, the smoking ceremony did not occur. It was reported that the site has been registered as an AHIMS. The area was inspected during the audit and noted to be fenced and signposted as an environmentally sensitive area. An Aboriginal Cultural Heritage Survey was undertaken on the 5, 6 and 7 June 2018 by heritage consultants from RPS and representatives from Registered Aboriginal Parties. Three new surface artefact sites were identified during the visual inspection comprising one artefact scatter and two isolated finds. It was reported that these were left in-situ and protected with fencing and signage and registered with AHIMS (not sighted). During the previous audit period Charbon were prosecuted and found guilty of the destruction of indigenous heritage site CH-OS6 and fined \$175,000 plus costs during construction of a haul road outside the Project Approval approved area of disturbance resulted in the destruction of the indigenous heritage site. The judgement indicates that physical measures and procedures to protect the heritage site that were required under the Aboriginal Cultural Heritage Management Plan were not put in place. In response, Charbon reported that it installed fencing and signage to protect the site.	Compliant 2021 IEA REC 10 Update the ACHMP to reflect changes since 2017 and submit for DPIE approval. 2021 IEA OFI 02 Notify DPIE of graffiti removal works and update AHIMS Register to reflect the current status of the site.

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.35	Transport Road Construction Prior to 31 August 2011, the Proponent must seal Charbon Road: (a) to the north of its intersection with Standard Avenue for a distance 50 m; and (b) for a distance of 100 m either side of any other residential driveways north of Standard Avenue, to the satisfaction of the Planning Secretary.	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period and was assessed in previous IEAs. This condition is considered complete.	Complete (Historical requirement)
3.36	Contributions for Road Infrastructure The Proponent must pay Council: (a) an annual road maintenance contribution of \$0.05 per tonne per kilometre for coal hauled on public roads to Cement Australia's Kandos facility, to be paid by 31 July each year for coal hauled in the previous financial year; (b) a road maintenance contribution fee at a rate of \$0.77 per tonne of coal transported from the mine to the Castlereagh Highway en route to Mount Piper or Wallerawang Power Stations; and (c) a contribution of \$210,000 to the Carwell Creek Bridge upgrade, to be paid within 30 days of any commencement of upgrade works by Council, to the satisfaction of the Planning Secretary . <i>Note: The contributions referenced in paragraphs (a) and (b) of this condition must be indexed in accordance with the Consumer Price Index.</i>	Charbon Annual Reviews 2018, 2019 & 2020 2018 IEA, MCW Environmental	(a) and (b) Annual Reviews for 20178-2020 report that no coal was transported on public roads during 2018, 2019 or 2020, therefore this requirement was not triggered during the audit period. (c) This part of the Condition concerns an historical requirement that pre-dates the current audit period and was assessed in previous IEAs. This requirement is considered closed.	(a) Not Triggered (b) Not Triggered (c) Complete (Historical requirement)
3.37	Within 30 days of this approval, the Proponent must pre-pay Council a road maintenance contribution bond of \$75,000. Once the progressive fee calculated on the basis of actual coal road haulage to the Castlereagh Highway reaches \$75,000, the Proponent must again pre-pay Council \$75,000, and so on, until the mine ceases production. Once mining ceases, the road contribution maintenance fee total, at that time, must be deducted from the bond and the outstanding amount must be refunded by Council to the Proponent.	2018 IEA, MCW Environmental Interviews with site personnel	Previous IEAs sighted confirmation of the road maintenance contribution bond of \$75,000. As no hauling had been carried out on Castlereagh Highway, the progressive fee did not reach \$75,000 and further payments were not triggered.	Compliant
3.38	Road Haulage From 1 September 2011, or as otherwise agreed by the Planning Secretary , the Proponent must ensure that mine-related coal haulage traffic accessing Cement Australia's Kandos facility, does so via Charbon Road only.	Charbon Annual Reviews 2018, 2019 & 2020	No road haulage of coal occurred during the audit period.	Not triggered
3.39	Except with the prior approval of the Planning Secretary , the Proponent must not dispatch more than 20 laden coal trucks per day from the site to Cement Australia's Kandos facility.	2018 IEA, MCW Environmental Charbon Annual Reviews 2018, 2019 & 2020	Haulage to Cement Australia's Kandos facility stopped in mid-2011 due to the closure of the cement plant. No road haulage of coal occurred during the audit period.	Not triggered
3.40	The Proponent must not dispatch more than 100 laden coal trucks per day from the site to either or both Wallerawang or Mount Piper power stations.	2018 IEA, MCW Environmental Charbon Annual Reviews 2018, 2019 & 2020	No road haulage of coal occurred during the audit period.	Not triggered
3.41	The Proponent must not haul coal by public roads to destinations other than Cement Australia's Kandos facility and Mount Piper and Wallerawang Power Stations.	2018 IEA, MCW Environmental Charbon Annual Reviews 2018, 2019 & 2020	No road haulage of coal occurred during the audit period.	Not triggered
3.42	Road Safety Audit and Action Plan Prior to 1 March 2011, the Proponent must : (a) undertake a road safety audit of the public roads forming the coal haulage route from Charbon mine to the Castlereagh Highway, and provide a copy of this audit report to both Council and the Department; and (b) provide an action plan for the implementation of reasonable and feasible recommendations of the study (if any), to the satisfaction of the Planning Secretary . <i>Note: The timing of the commencement of individual actions in the action plan may be influenced by the timing and extent of road haulage to power stations.</i>	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period and was assessed in previous IEAs. This condition is considered complete.	Complete (Historical requirement)

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.42A	Water Transfer to Airly Coal Mine The Proponent must not: a) transfer more than 170 megalitres (ML) of water per year to the Airly Coal Mine by rail; and b) use more than two rail movements per day to transfer water. Note: The rail transfer route is shown in Figure 5 of Appendix 8.	Airly Water Transfer Excel workbook	Water was transferred from Charbon to Airly Coal Mine via rail between August 2019 February 2020 and March 2020. Charbon maintained an Excel workbook which recorded the date, water quantity, cumulative total, rainfall and any comments. The workbook recorded a total of 100 trains transferring 72ML of water in 2019 and 26 trucks transferring 19ML of water in 2020. The records indicated no more than one train was run per day. No water transfer has occurred since the 20 March 2020.	Compliant
3.43	Visual Amenity and Lighting The Proponent must: (a) implement all reasonable and feasible measures to mitigate visual and off-site lighting impacts of the project; (b) ensure no outdoor lights shine above the horizontal; and (c) ensure that all external lighting associated with the project complies with Australian Standard AS4282 (INT) 1997 – Control of Obtrusive Effects of Outdoor Lighting, to the satisfaction of the Planning Secretary.	Complaint Registers 2018, 2019, 2020, 2021	Current site activities are limited and only relate to closure and rehabilitation. Hours worked are daytime only, hence potential lighting impacts have significantly reduced since cessation of mining in 2015. It was reported that there is no longer any significant outdoor or external lighting on site. A review of the Community Complaints Register indicates that no complaints related to visual or lighting impacts were received during the audit period. Charbon could not demonstrate that light has been assessed against the Australian Standard AS4282 (INT) 1997 – Control of Obtrusive Effects of Outdoor Lighting; however, given the lack of outside lighting being used, and that there is no mining at night, it was considered Charbon are generally compliant with this condition.	Compliant
3.44	Greenhouse Gas and Energy Efficiency The Proponent must implement all reasonable and feasible measures to minimise: (a) energy use on site; and (b) scope 1 and 2 greenhouse gas emissions produced by the project, to the satisfaction of the Planning Secretary.	Extract of NGERs reports for Charbon 2017/2018, 2018/2019 & 2019/2020	Following the cessation of underground mining in 2014 and open cut mining and coal processing in 2015, the project has significantly reduced its energy use and scope 1 and 2 greenhouse gas emissions.	Compliant
3.45	The Proponent must prepare and implement a Greenhouse Gas and Energy Management Plan for the project, to the satisfaction of the Planning Secretary. This plan must be submitted to the Planning Secretary for approval within 12 months of the date of this approval.	Greenhouse Gas and Energy Management Plan March 2017 Letter to DPIE dated 27.03.2017 submitting Plan Extract of NGERs reports for Charbon 2017/2018, 2018/2019 & 2019/2020 Summary of monthly electricity consumption for Charbon Jan 2018 – Jan 2021	<u>Preparation</u> The Greenhouse Gas and Energy Management Plan was revised in March 2017 to reflect rehabilitation and closure activities. The revised Plan was submitted to DPIE for approval on the 27.03.2017. <u>Implementation</u> Centennial is required to monitor and report its greenhouse gas emissions under the National Greenhouse Gas and Energy Reporting (NGER) Act. The extract of the NGERs reports for 2017/2018, 2018/2019 and 2019/2020 for Charbon were sighted. Charbon was tracking its electricity use and energy use on a monthly basis.	Compliant 2021 IEA OFI 03 Obtain DPIE approval of the revised Greenhouse Gas and Energy Management Plan
3.46	Waste and Hazards Waste Minimisation The Proponent must: (a) minimise the waste generated by the project; (b) ensure that the waste generated by the project is appropriately stored, handled and disposed of; (c) manage on-site sewage treatment and disposal in accordance with the requirements of the applicable EPL; and (d) report on waste management and minimisation in the Annual Review, to the satisfaction of the Planning Secretary.	Charbon Annual Reviews 2018, 2019 & 2020 JR Richards & Sons Waste Management Reports 2020, 2021 Site observations	(a) Following the cessation of underground mining in 2014 and open cut mining and coal processing in 2015, the project has significantly reduced the amount of waste being generated (as demonstrated in Table 37, Section 13.3 of the Annual Review for 2020). Waste generated during the audit period related to rehabilitation and maintenance of the mine site. (b) JR Richards & Sons manages the recycling and disposal of wastes from Charbon. JR Richards & Sons provides Charbon with a monthly report as an Excel Workbook which includes a breakdown of the types and volumes of waste removed from site and a list of the disposal locations and their EPL licence numbers. A review of the report for December 2020 (which includes all the months of 2020) indicated that waste was taken to appropriately licenced facilities. The site inspection confirmed that wastes were being appropriately segregated and stored in bins, skips and laydown areas. (c) An on-site waste water treatment facility is operated in accordance with EPL 528 conditions, refer to the EPL compliance checklist for further details. (d) Section 13 of the Annual Reviews report on waste management and minimisation.	Compliant
3.47	Bushfire Management The Proponent must: (a) ensure that the project is suitably equipped to respond to fires on site; and (b) assist the Rural Fire Service and emergency services as much as possible if there is a fire on-site during the project.	Bushfire Risk Management Plan 29.11.2019 Interviews with site personnel	MCW Environmental are not bushfire experts and are not qualified to assess bushfire preparedness, hence have not assessed compliance with this condition, however, the following general observations are made: Charbon management considers that there is sufficient infrastructure and equipment to respond to fires. A Bushfire Risk Management Plan has been prepared however it was not assessed for adequacy during this audit. Numerous potential water sources in the form of water storage and pollution control dams were observed during the site inspection to be spread across the site. It was reported that the Rural Fire Service periodically review the requirement for hazard reduction and fire trail maintenance and Charbon implement recommendations as required by the Rural Fire Service.	Not Assessed

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																
SCHEDULE 4: LANDSCAPE MANAGEMENT																				
4.1	Offsets Biodiversity Offsets Prior to 31 December 2012, or clearing of any EEC vegetation in the 8 Trunk Open Cut Pit area, or as otherwise approved by the Planning Secretary, the Proponent must implement a Biodiversity Offset Strategy, as summarised in Table 1, to the satisfaction of the Planning Secretary. <table><tr><td colspan="2">Table 1: Biodiversity Offset Strategy areas</td></tr><tr><td>Vegetation Community</td><td>(ha)</td></tr><tr><td>Grey Gum–Stringybark Forest</td><td>41</td></tr><tr><td>Mountain Grey Gum–Grey Gum–Mountain Hickory Sheltered Forest</td><td>13</td></tr><tr><td>Stringybark–Blakely's Red Gum–Yellow Box Woodland</td><td>13</td></tr><tr><td>Yellow Box – Blakely's Red Gum Woodland (EEC)</td><td>57</td></tr><tr><td>Cleared Land (to be revegetated)</td><td>47</td></tr><tr><td>Total</td><td>171 ha</td></tr></table> Notes: The quality of the areas selected to be offset is a key consideration in the Planning Secretary's consideration.	Table 1: Biodiversity Offset Strategy areas		Vegetation Community	(ha)	Grey Gum–Stringybark Forest	41	Mountain Grey Gum–Grey Gum–Mountain Hickory Sheltered Forest	13	Stringybark–Blakely's Red Gum–Yellow Box Woodland	13	Yellow Box – Blakely's Red Gum Woodland (EEC)	57	Cleared Land (to be revegetated)	47	Total	171 ha	2018 IEA, MCW Environmental Compensatory Habitat Management Plan (CHMP), August 2012 Annual Review 2018, 2019 & 2020 Charbon Compensatory Habitat Report, RPS, September 2019 Compensatory Habitat Monitoring Report 2018, RPS, February 20192020 Q4 Weed Inspection Report, HLM, November 2020 2019 Q4 Weed Inspection Report, HLM, December 2019 2019 Q3 Weed Inspection Report, HLM, November 2019 2019 Q2 Weed Inspection Report, HLM, June 2019 2019 Q1 Weed Inspection Report, HLM, March 2019 2018 Q4 Weed Inspection Report, HLM, November 2018 HLM work record showing staff on site on 23 and 24 February 2021 for weed control works. Purchase order to Apex Predator Solution dated 22.10.2019 for site monitoring for potential feral animal control.	The Compensatory Habitat Management Plan (CHMP) included as Appendix B to the MOP details the biodiversity offsets. The 2018 IEA stated that the CHMP identified 265ha of additional on-site offset areas (northern and southern offset areas) and 120ha of off-site offset areas (Nullo Mountain offset area). The CHMP shows that the number of hectares of the vegetation communities in the 265ha on-site offset areas either equals or exceeds the number of hectares of the corresponding vegetation communities in Table 1 of this Condition. The off-site offset areas were gifted to the NPWS and therefore these lands are not covered in the CHMP. The CHMP outlines measures for managing the existing remnant vegetation and related habitat within the compensatory habitat area. These were generally being implemented as evidenced by: - Existing remnant vegetation was protected via legally binding covenant (refer CoA 4.2 below) - Access to the compensatory habitat area was limited to authorised personnel and protected from stock access through fencing and signage (some fencing was observed during audit inspection) - Annual terrestrial flora and fauna monitoring surveys had been carried out for the period 2012 – 2018. From 2019, monitoring was undertaken every three years - Quarterly weed inspections were being undertaken by HLM. HLM provided reports which included a GIS map and table of weed locations and photographs and made recommendations of locations and species to target in the next quarter. These inspections and weed control included the compensatory habitat areas. The Q4 2018 Weed Inspection Report identified that extensive weed control was required in the coming three months (December 2018 to February 2019) focusing on rehabilitation areas and conservation areas along with buffer areas close to these sites. Subsequent weed inspection reports noted an excellent response to this control work. The buffer and conservation areas were further targeted in February and March 2020 and the Q4 2020 Weed Inspection Report noted that many areas were showing excellent response and further works were planned for December 2020 – February 2021. Feral animal monitoring and control was being undertaken as required. In 2019 a report was prepared that reviewed the implementation of the CHMP and the outcomes of monitoring surveys undertaken. The report recommended continued pest fauna and weed management, continuing monitoring and maintenance of sediment control structures and continued access management.	Compliant
Table 1: Biodiversity Offset Strategy areas																				
Vegetation Community	(ha)																			
Grey Gum–Stringybark Forest	41																			
Mountain Grey Gum–Grey Gum–Mountain Hickory Sheltered Forest	13																			
Stringybark–Blakely's Red Gum–Yellow Box Woodland	13																			
Yellow Box – Blakely's Red Gum Woodland (EEC)	57																			
Cleared Land (to be revegetated)	47																			
Total	171 ha																			
4.2	Prior to 31 December 2012, the Proponent must make suitable arrangements to provide appropriate long-term security for the offset areas to the satisfaction of the Planning Secretary .	2018 IEA, MCW Environmental	The previous IEA reported that as of 19 February 2014 a covenant had been placed over the 265 ha on-site offset areas to secure their long-term conservation and that the 120 ha Nullo Mountain off-site offset area was gifted to NPWS on 14 October 2015 in order to secure its long-term conservation. This condition is considered complete.	Complete (historical requirement)																
4.3	Within 6 months of the approval of the Landscape Management Plan (see condition 6 below), the Proponent must lodge a conservation and biodiversity bond with the Department to ensure that the Biodiversity Offset Strategy is implemented in accordance with the performance and completion criteria of the Landscape Management Plan. The sum of the bond must be determined by: (a) calculating the full cost of implementing the offset strategy; and (b) employing a suitably qualified quantity surveyor to verify the calculated costs, to the satisfaction of the Planning Secretary. Notes: • If the offset strategy is completed to the satisfaction of the Planning Secretary, the Planning Secretary will release the conservation bond. • If the offset strategy is not completed to the satisfaction of the Planning Secretary, the Planning Secretary will call in all or part of the conservation bond, and arrange for the satisfactory completion of the relevant works. • If amendments to the Mining Act 1992 allow the Minister for Mineral Resources to require rehabilitation securities under a mining lease which apply to the implementation of rehabilitation works outside the boundary of a mining lease, then the Proponent may transfer the conservation bond required under this approval to the Minister of Mineral Resources, provided the Planning Secretary and Resources Regulator NSW agree.	2018 IEA, MCW Environmental	The previous IEA reported that Charbon considers there is no longer a requirement for the bond as management of the Nullo Mountain offset area has now formally passed to NPWS. This condition is considered complete. Ongoing maintenance of the on-site Compensatory Habitat Area is included in the mines operating cost and has been included in the overarching rehabilitation bond required under the Mining Leases.	Complete (historical requirement)																

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations												
4.4	Rehabilitation Rehabilitation Objectives The Proponent must rehabilitate the site to the satisfaction of the Planning Secretary and Resources Regulator in accordance with the rehabilitation objectives in Table 2. <table><caption>Table 2: Rehabilitation Objectives</caption><thead><tr><th>Domain</th><th>Rehabilitation objective</th></tr></thead><tbody><tr><td>Surface facilities and infrastructure areas</td><td>Revegetate cleared areas with forest woodland and grassland communities similar to those in surrounding areas and consistent with the final landform (as reproduced in Appendix 5).</td></tr><tr><td>Other land affected by the project, including open cut areas</td><td>Progressively rehabilitate disturbed areas to: - create a stable post-mining landform that is consistent with the final landform in the EA (as reproduced in Appendix 5) and surrounding areas; - restore ecosystem function, including maintaining or establishing self-sustaining native ecosystems; - maintain the diversity of local flora; - maintain and enhance habitat of native fauna; - minimise the risk of erosion; and </td></tr><tr><td></td><td> - ensure that there is no safety hazard beyond that existing prior to mining. </td></tr><tr><td>Built features</td><td>Restore or repair public infrastructure and other built features to pre-mining condition or equivalent, except with: - the written agreement of the owner; or - where the damage is fully restored, repaired or compensated under the <i>Mine Subsidence Compensation Act 1961</i>. </td></tr><tr><td>Community</td><td>Minimise the adverse socio-economic effects associated with mine closure including the reduction in local and regional employment. Ensure public safety.</td></tr></tbody></table> <i>Note: The Proponent may be required to define other rehabilitation objectives in management plans or strategy required under this schedule.</i>	Domain	Rehabilitation objective	Surface facilities and infrastructure areas	Revegetate cleared areas with forest woodland and grassland communities similar to those in surrounding areas and consistent with the final landform (as reproduced in Appendix 5).	Other land affected by the project, including open cut areas	Progressively rehabilitate disturbed areas to: - create a stable post-mining landform that is consistent with the final landform in the EA (as reproduced in Appendix 5) and surrounding areas; - restore ecosystem function, including maintaining or establishing self-sustaining native ecosystems; - maintain the diversity of local flora; - maintain and enhance habitat of native fauna; - minimise the risk of erosion; and		ensure that there is no safety hazard beyond that existing prior to mining.	Built features	Restore or repair public infrastructure and other built features to pre-mining condition or equivalent, except with: - the written agreement of the owner; or - where the damage is fully restored, repaired or compensated under the <i>Mine Subsidence Compensation Act 1961</i>.	Community	Minimise the adverse socio-economic effects associated with mine closure including the reduction in local and regional employment. Ensure public safety.	Site observations Charbon Owned Lands - Annual Rehabilitation Monitoring Report 2020, SLR, 2021 Charbon Owned Lands Annual Rehabilitation Monitoring Report 2019, SLR, 2020 Privately Owned Lands – Annual Monitoring Report 2019, SLR, 2020 Privately Owned Lands – Annual Monitoring Report 2020, SLR, 2021 2020 Q4 Weed Inspection Report, HLM, November 2020 2019 Q4 Weed Inspection Report, HLM, December 2019 2019 Q3 Weed Inspection Report, HLM, November 2019 2019 Q2 Weed Inspection Report, HLM, June 2019 2019 Q1 Weed Inspection Report, HLM, March 2019 2018 Q4 Weed Inspection Report, HLM, November 2018 HLM work record showing staff on site on 23 and 24 February 2021 for weed control works. Purchase order to Apex Predator Solution dated 22.10.2019 for site monitoring for potential feral animal control.	The rehabilitation objectives in Table 2 of this Condition are consistent with the rehabilitation objectives adopted in the Rehabilitation and Closure Mining Operations Plan (refer Conditions 4.6, 4.7 and 4.8 below) which is currently being implemented on site. Key areas of rehabilitation undertaken during the audit period were visited during the site inspection, including Void (Strip) 9, Strip 10, 8 Trunk Workshop Void, Strip 8 South area, Stony Creek Gully, Southern Open Cut Extension, Southern Outlier and Western Outlier areas. Older more established areas of rehabilitation were also visited, including in the vicinity of the Haystack Junction. The following comments are made in reference to Table 2: - some minor structures, plant and equipment have been dismantled and removed (sold for re-use or recycling where possible) from infrastructure areas. - generally, forest and woodland species seed mixes are being used in revegetation, although woodland grassland mix was being used in some privately owned lands in accordance with landowner requirements - weed control spraying was observed however weeds remain an ongoing challenge particularly following higher rainfall in the period since February 2020. Of note was a weed thought to be African Daisy which was abundant in specific areas of the mine and adjacent woodland. The Roche Pad area also contained a significant area of weeds. Further, blackberry thickets were observed in various areas across the mine area such as along the access road to LDP6 and near LDP3. - evidence of native fauna such as wombats, kangaroos, as well as insects and spiders were observed within rehabilitation areas - post mining landforms appeared to be generally stable - use of contour ripping, contour berms, sediment basins, rocky substrates, cover crops in rehabilitation areas appeared to be effective in controlling sediment and erosion. In one area on the Western Outlier, some contour drains had been truncated on the request of the landowner with a small capacity for water prior to overtopping. Over topping of these contour drains in high rainfall events has a potential to cause localised erosion and should be monitored. - no public infrastructure was observed as having been damaged requiring repair. - socio-economic impacts of closure were minimised as a significant proportion of the workforce was transferred to Centennial's Airly operation - no public safety hazards were observed, high walls are generally bermed or fenced and mine adits have been temporarily sealed awaiting permanent sealing. - a feral pig was sighted in the rehabilitated areas of the Western Outlier. Charbon engaged SLR to undertake baseline monitoring within the Charbon owned lands in 2016 and annual rehabilitation monitoring in 2017, 2018, 2019 and 2020. The objectives of the monitoring program are to assess the long term stability and functioning of the re-established ecosystems when compared to adjacent control sites, assess rehabilitation performance against closure criteria and facilitate continuous improvement in rehabilitation practice. The annual inspections of rehabilitated areas assess soil condition, landform condition, drainage and sediment control structures, presence of microorganisms and invertebrates, revegetation germination rates, plant health and weed inspection.. The results of the monitoring within the Charbon lands indicate: - General achievement of the physical landform rehabilitation objectives, including final landform, land surface stability and drainage performance. - Ecosystem composition and structural characteristics are yet to be achieved considering the age of the vegetation, however assuming continued development it is likely the ecosystem composition and structure will progress further towards completion criteria over the coming years. - Weeds generally do not pose a risk to rehabilitation. Two priority weed species (blackberry and St John's wort) were identified in low abundance in several areas. - Pests / feral animals generally do not pose a risk to rehabilitation. For the Privately Owned Lands, baseline monitoring was established in 2017 (following seeding) and annual monitoring undertaken by SLR in 2018, 2019 and 2020. The monitoring assessed general rehabilitation, vegetation, soil chemistry, soil microbes and geotechnical stability. The results of the monitoring within the Privately Owned Lands indicate: - Generally, landform is considered stable and meeting majority of geotechnical closure criteria.	Compliant 2021 IEA REC 01 Implement further and ongoing controls in weed management in rehabilitation and all mine areas. 2021 IEA REC 02 Seek specialist advice on the management and control of the small yellow flowering weed thought to be African Daisy. 2021 IEA REC 03 Address any erosion that occurs due to truncation of contour drains in the Western Outlier as was requested by land owner. 2021 IEA REC 04 Consider further feral pig control following sighting of a single feral pig during the site inspection. 2021 IEA REC 05 Implement actions as defined in the Annual Rehabilitation Monitoring reports by SLR.
Domain	Rehabilitation objective															
Surface facilities and infrastructure areas	Revegetate cleared areas with forest woodland and grassland communities similar to those in surrounding areas and consistent with the final landform (as reproduced in Appendix 5).															
Other land affected by the project, including open cut areas	Progressively rehabilitate disturbed areas to: - create a stable post-mining landform that is consistent with the final landform in the EA (as reproduced in Appendix 5) and surrounding areas; - restore ecosystem function, including maintaining or establishing self-sustaining native ecosystems; - maintain the diversity of local flora; - maintain and enhance habitat of native fauna; - minimise the risk of erosion; and															
	ensure that there is no safety hazard beyond that existing prior to mining.															
Built features	Restore or repair public infrastructure and other built features to pre-mining condition or equivalent, except with: - the written agreement of the owner; or - where the damage is fully restored, repaired or compensated under the <i>Mine Subsidence Compensation Act 1961</i>.															
Community	Minimise the adverse socio-economic effects associated with mine closure including the reduction in local and regional employment. Ensure public safety.															

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211																		
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations														
			- Several major weed infestations (blackberry) were identified that require immediate attention. No feral animal populations or erosion issues were noted. - Vegetation is in the early stages of plant growth and establishment and therefore not indicative of target vegetation types. - Soil analytes within POL rehab areas were non-limiting for the growth of native vegetation. No addition of fertiliser or soil ameliorants required at this stage. - Soil microbial communities in rehab areas still recovering (can take 5-10 years). This condition has been assessed as compliant on the basis that Charbon was tracking towards meeting its rehabilitation objectives. Full compliance with this condition cannot be assessed until rehabilitation is complete. Rehabilitation is discussed in detail in Section 6 of the main report.															
4.5	Progressive Rehabilitation To the extent that mining operations permit, the Proponent must carry out rehabilitation progressively, that is, as soon as reasonably practicable following the disturbance.	Letter from DPIE dated 4.6.2019, Notice of Intention to Give Development Control Order Development Control Order 14, DPIE 12.06.2019 Annual Reviews 208, 2019 & 2020 Annual Rehabilitation Monitoring Report 2020, SLR, 2021 Yearly Rehabilitation Progress Plan 1.10.2019 Rehabilitation Progress Plan January – November 2019, 2.10.2019 Seeding Plan 2020 Seeding Areas 2018 - 2020 Site observations	During the previous audit period, Charbon was issued with a Development Control Order to remedy a breach of consent, namely the failure to comply with this CoA to undertake progressive rehabilitation as soon as practicable following disturbance and with CoA 2.2 for stockpiling of overburden outside of the approved footprint. The Order, dated 16 October 2017, required Charbon to undertake rehabilitation works on all existing areas of disturbance, including disturbed areas outside open cut approved areas and provided a schedule for the rehabilitation works. In March 2019, Charbon requested DPIE to revise the Order by aligning the rehabilitation schedule with the rehabilitation schedule in the revised MOP. DPIE issued Development Control Order 14 on the 12 June 2019 which revoked the previous Order dated 16 October 2017. The new Order provided the following amended schedule for rehabilitation activities: <table><thead><tr><th>Rehabilitation Area</th><th>Date for completion</th></tr></thead><tbody><tr><td>Strips 9 & 10 large open cut void.</td><td>30 December 2019</td></tr><tr><td>8 Trunk workshop void & 8 Trunk stockpile base.</td><td>30 December 2020</td></tr><tr><td>Strip 8 South area.</td><td>30 December 2021</td></tr><tr><td>Strip 8 North area.</td><td>30 December 2022</td></tr><tr><td>Strip 8 Central & West areas.</td><td>30 December 2023</td></tr><tr><td>Areas 6 & 7, Haystack, CHPP, REAs & Main Stockpile. Rehabilitation of Southern Open Cut erosion resistant capping material source area.</td><td>30 December 2025</td></tr></tbody></table> At the time of the audit site inspection, Charbon had completed the following: <u>Strips 9 & 10 and large open cut void</u> - Void filled in 2019 - Contouring completed and final landform established - Recovered topsoil spread over final landform - 12.8 ha seeded with native forest seed mix in 2019 and 2020. <u>8 Trunk workshop void and 8 Trunk stockpile base</u> - Void filled in 2020 - Contouring completed and final landform established - Deep contour ripping to reduce runoff and facilitate infiltration of rainfall to allow plant establishment - 11.9 ha seeded with native forest seed mix in December 2020. This mix includes introduced pasture species for quick establishment of groundcover to reduce erosion risk. <u>Strip 8 South area</u> - Void filling commenced in 2020 On the basis that during the audit period rehabilitation had progressed as per the schedule, this condition has been assessed as compliant. A more detailed assessment of rehabilitation is provided in the main report.	Rehabilitation Area	Date for completion	Strips 9 & 10 large open cut void.	30 December 2019	8 Trunk workshop void & 8 Trunk stockpile base.	30 December 2020	Strip 8 South area.	30 December 2021	Strip 8 North area.	30 December 2022	Strip 8 Central & West areas.	30 December 2023	Areas 6 & 7, Haystack, CHPP, REAs & Main Stockpile. Rehabilitation of Southern Open Cut erosion resistant capping material source area.	30 December 2025	Compliant
Rehabilitation Area	Date for completion																	
Strips 9 & 10 large open cut void.	30 December 2019																	
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Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
4.6	Landscape Management Plan The Proponent must prepare a Landscape Management Plan for the project to encompass all proposed mine activities and potential impacts associated with landscape management for the site and subsequently implement this Plan to the satisfaction of the Planning Secretary. This plan must: (a) be submitted to the Planning Secretary for approval within 12 months of the date of this approval; (b) be prepared by suitably qualified expert/s whose appointment/s have been endorsed by the Planning Secretary; (c) be prepared in consultation with Resource Regulator, the Water Division, BCD and Council; and (d) include a: • Rehabilitation and Offsets Management Plan; and • Mine Closure Plan.	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019 Letter from DPIE dated 20.02.2017 approving experts to update management plans – including MOP Letter from DPIE dated 4.07.2018 approving MOP Letter from DPIE RR dated 23.10.2017 approving MOP Letter to DPIE RR dated 26.10.2018 providing MOP Amendment A Letter to DPIE RR (with cc to DPIE) dated 25.03.2019 providing MOP Amendment B Letter to DPIE RR dated 18.07.2019 providing MOP Amendment C. Letter from DPIE RR approving MOP Amendment C (Letter not dated – Reference EAMSG0003650)	<u>Preparation</u> During 2017, the Mining Operations Plan was revised and consolidated by incorporating the Landscape Management Plan, Rehabilitation and Offsets Management Plan and Mine Closure Plan requirements of this Project Approval into the Rehabilitation and Closure Mining Operations Plan (MOP). DPIE approval for the consolidation of plans was provided in 2017. a) DPIE Approval of the Rehabilitation and Closure MOP January 2019 to December 2025 was provided by RR on the 23.10.2017 and DPIE on the 4.07.2018. During the audit period the following amendments were made to the MOP: - Amendment A, October 2018: to incorporate a proposal to trial to incorporate excavating fine coal reject material from the Northern Reject Emplacement Area to be blended with coal currently stockpiled on the site. The blended material will be exported via train to Port Kembla. - Amendment B, March 2019: to vary the rehabilitation schedule at Charbon whilst relevant investigations and approvals are undertaken for the import and use of coarse coal reject from Centennial's Clarence Colliery in the backfilling of the Charbon open cut void. - Amendment C, July 2019: to incorporate the transfer water from Charbon to Centennial's Airly Coal Mine by rail in accordance with MOD 1. The most recent amendment, Amendment C, July 2019 was approved by DPIE RR in 2019 (approval letter not dated). DPIE approval of Amendment C was not available to be sighted by the Auditors. b) SLR was endorsed by DPE on 20 February 2017 to prepare the document. The Amendments to the MOP were made internally by Centennial. c) Consultation with the relevant agencies was conducted on 2017 MOP and reviewed in the previous IEA. The MOP Amendments were provided to the RR. Consultation with other agencies on the MOP Amendments was not undertaken. d) Refer 4.7 and 4.8 below. <u>Implementation</u> A detailed assessment of implementation of the MOP has not been undertaken. Charbon was considered to be generally compliant with the MOP in respect of staging of rehabilitation activities and management of environmental issues. Rehabilitation is discussed further in the main report. On the basis that consultation with the Water Division, BCD and Council on MOP Amendment C had not been undertaken and that MOP Amendment C had not been submitted to DPIE for approval, this condition has been assessed as non-compliant.	Non-compliant 2021 IEA REC 21 Review processes to ensure that MOP amendments are consulted with relevant authorities and submitted to DPIE for approval (in addition to RR).

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
4.7	Rehabilitation and Offsets Management Plan The Rehabilitation and Offsets Management Plan must include: (a) the rehabilitation objectives for the site, including those listed in Table 2 above, and as otherwise proposed for offset areas; (b) a strategic description of how the rehabilitation of the site would be integrated with surrounding land use; (c) detailed performance and completion criteria for site rehabilitation and the implementation of the offset strategy; (d) a detailed description of the short and long-term measures that would be implemented to: - rehabilitate the site in accordance with the rehabilitation objectives; - implement the offset strategy (see condition 1 above); and - manage the remnant vegetation and habitat on the site and in the offset areas, including the existing Compensatory Habitat Area (see Appendix 2); (e) a detailed description of the measures that would be implemented over the next 3 years, including the procedures to be implemented for: - progressively rehabilitating disturbed areas; - implementing revegetation and regeneration within the disturbance areas and offset areas; - protecting vegetation and soils outside the disturbance areas; - undertaking pre-clearance surveys; - managing remnant vegetation and habitat on site; - minimising impacts on fauna; - minimising visual impacts; - conserving and reusing topsoil, timber, seed and habitat resources (rocks and logs); - controlling weeds, feral pests, and access; - rehabilitating creeks and drainage lines, both within and outside of disturbance areas on the site; - managing potentially acid-forming materials (including effective isolation of these materials in reject emplacement areas); - managing bushfires; and - managing any potential conflicts between the rehabilitation works and Aboriginal cultural heritage; (f) a detailed description of how the performance of the rehabilitation works and offsets would be monitored over time to achieve the stated objectives and against the relevant performance and completion criteria; (g) a program to review this plan at least every 3 years; and (h) details of who is responsible for monitoring, reviewing and implementing the plan;	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019	The Rehabilitation Management Plan requirements of this Condition have been incorporated into, and the Offsets Management Plan appended to, the Rehabilitation and Closure Mining MOP January 2019 to December 2025. DPIE approval for the consolidation of plans was provided in 2017. a) General rehabilitation objectives, including those in Table 2 above, are included in Section 4.3 of the MOP, while key rehabilitation objectives more specific to each of the 9 Primary Rehabilitation Domains and 4 Secondary Domains are included in Section 5.2 of the MOP. b) covered in d) below. c) Performance indicators and completion criteria are provided for each Rehabilitation Domain and each Rehabilitation Phase in Section 6 of the MOP. d) and e) A detailed description of measures that are to be implemented throughout the term of the MOP for each Rehabilitation Domain during each Rehabilitation Phase is provided in Section 7 of the MOP, while measures to address specific risks which may affect rehabilitation are included in Section 3.3. f) Requirements for annual or bi-annual monitoring by independent suitably qualified consultants are detailed in Section 8 of the MOP. Baseline monitoring has been undertaken. g) and h) Requirements to review, and if necessary, revise the plan and responsibilities for implementing the plan are documented in Section 12 of the MOP.	Compliant
4.8	Mine Closure Plan The Mine Closure Plan must: (a) define the objectives and criteria for mine closure; (b) investigate options for the future use of the site; (c) investigate ways to minimise the adverse socio-economic effects associated with mine closure, including reduction in local and regional employment levels; (d) describe the measures that would be implemented to minimise or manage the on-going environmental effects of the project; and (e) describe how the performance of these measures would be monitored over time. <i>Note: The plan should reflect the indicative Final Landform shown in Appendix 5.</i>	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019	The Mine Closure Plan requirements of this Condition have been incorporated into the Rehabilitation and Closure MOP January 2019 to December 2025. DPIE approval for the consolidation of plans was provided in 2017. a) General rehabilitation and closure objectives are included in Section 4.3 of the MOP, while key rehabilitation and closure objectives more specific to each of the 9 Primary Rehabilitation Domains and 4 Secondary Domains are included in Section 5.2 of the MOP. Performance indicators and completion criteria are provided for each Rehabilitation Domain and each Rehabilitation Phase in Section 6 of the MOP. b) post mining uses for the site are defined in Section 4.2. c) Minimisation of socio-economic impacts from closure is addressed in section 3.3.22 of the MOP, most notably the transfer of a significant proportion of the workforce to Centennial's Airly operation. d) Measures to manage the on-going environmental effects of the project are described in Section 3.2 of the MOP, most notably the continued implementation of the site's various Environmental Management Plans. e) In addition to the monitoring requirements in the site's Environmental Management Plans, rehabilitation monitoring requirements are included in Section 8 of the MOP.	Compliant
SCHEDULE 5: ENVIRONMENTAL MANAGEMENT, REPORTING AND AUDITING				

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
5.1	Environmental Management Environmental Management Strategy The Proponent must prepare and implement an Environmental Management Strategy for the project to the satisfaction of the Planning Secretary. The strategy must: (a) be submitted to the Planning Secretary for approval within 6 months of the date of this approval; (b) provide the strategic framework for environmental management of the project; (c) identify the statutory approvals that apply to the project; (d) describe the role, responsibility, authority and accountability of all key personnel involved in the environmental management of the project; (e) describe the procedures that would be implemented to:• keep the local community and relevant agencies informed about the operation and environmental performance of the project;• receive, handle, respond to, and record complaints;• resolve any disputes that may arise during the course of the project;• respond to any non-compliance; and• respond to emergencies; and (f) include:• copies of the various strategies, plans and programs that are required under the conditions of this approval once they have been approved; and• a clear plan depicting all the monitoring currently being carried out within the project area.	Environmental Management Strategy, July 2018 Letter from DPIE dated 4.07.2018 approving revised Strategy Charbon Annual Reviews 2018, 2019 & 2020 Complaint Registers 2018, 2019, 2020, 2021 Selection of completed Monthly Inspection Sheets (2018, 2019, 2020) CCC Meeting Minutes 16.03.2021, 22.09.2020, 24.09.2019, 19.03.2019, 6.11.2018, 11.12.2018	<u>Preparation</u> The Environmental Management Strategy was revised in March 2017 to reflect rehabilitation and closure activities. DPIE endorsement of the consultants engaged to revise the Strategy was provided by letter dated 20.02.17. The revised Strategy was approved by DPIE on the 4.07.2018. Section 2 outlines the strategic framework for environmental management of the project. Section 1.3 outlines the statutory approvals that apply to the project. Section 7 outlines the roles and responsibilities. Sections 4 and 5 describe the procedures for stakeholder consultation, complaints and non-conformances. The management plans and programs required under the CoA have been developed as stand-alone Plans. A clear plan depicting all the monitoring being carried out is not included within the Strategy. It is noted such a plan is included in the EPL 528 Monthly Environmental Monitoring Reports prepared by Charbon and available on the Centennial Charbon website. <u>Implementation</u> The EMS was being implemented as evidenced by: - Regular inspections were being undertaken - Environmental monitoring was being undertaken as required by the various management plans. - Reporting in the form of Annual Reviews, Annual Returns and Monthly Environmental Monitoring Reports were being prepared - Environmental incident and non-compliance procedures were being implemented –Refer to main report for further discussion of environmental incidents. - The Community Consultative Committee (CCC) has been established and meets twice per year. - A complaint line is operational and complaints were being recorded, investigated and followed up. Refer to the main report for further discussion of complaints.	Compliant 2021 IEA REC 07: Include a plan depicting all the monitoring being carried out as required by CoA 5.1 (f) within the Environmental Management Strategy.

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
5.2	Management Plan Requirements The Proponent must ensure that the Management Plans required under this approval are prepared in accordance with any relevant guidelines by a suitably qualified expert/s whose appointment has been endorsed by the Planning Secretary. The Plans must include: (a) detailed baseline data; (b) a description of: - the relevant statutory requirements (including any relevant approval, licence or lease conditions); - any relevant limits or performance measures/criteria; and - 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; (c) a description of the measures that would be implemented to comply with the relevant statutory requirements, limits, or performance measures/criteria; (d) a program to monitor and report on the: - impacts and environmental performance of the project; and - effectiveness of any management measures (see (c) above); (e) a contingency plan to manage any unpredicted impacts and their consequences; (f) a program to investigate and implement ways to improve the environmental performance of the project over time; (g) a protocol for managing and reporting any: - incidents; - complaints; - non-compliances with statutory requirements; and - exceedances of the impact assessment criteria and/or performance criteria; and (h) a protocol for periodic review of the plan. <i>Note: At the discretion of the Planning Secretary, some of these requirements may be waived where they are either not relevant or necessary.</i>	DPIE letter dated 20.02.2017 endorsing proposed experts for revision of plans.	The following management plans were revised during the audit period by experts endorsed by DPIE to reflect the rehabilitation and closure activities: - Air Quality Management Plan - Blast Monitoring Program - Greenhouse Gas and Energy Management Plan - Noise Management Plan - Water Management Plan - Western Region Aboriginal Cultural Heritage Management Plan - Western Region Historic Heritage Management Plan - Mining Operations Plan Amendment C January 2019 – December 2025 (comprising Landscape Management Plan, Rehabilitation and Offsets Management Plan and Mine Closure Plan) The Water Management Plan was further revised in October 2019 following MOD 1 to reflect the transfer of water via train from Charbon to the Airly Mine. The Subsidence Monitoring and Contingency Plan was not updated during the audit period as mining had ceased. An adequacy assessment of the key relevant plans has been undertaken and presented in Section 7 of the main report. Generally, plans have been developed by experts as approved by the Director -General and address the requirements of a) to h) of this Condition.	Compliant
5.3	Annual Review By 31 March 2011, and annually thereafter, the Proponent must submit a report to the Planning Secretary reviewing the annual environmental performance of the project to the satisfaction of the Planning Secretary. This review must: (a) describe the works that were carried out in the previous calendar year, and the works that are proposed to be carried out over current calendar year; (b) include a comprehensive review of the monitoring results and complaints records of the project over the previous calendar year, which includes a comparison of these results against: - the relevant statutory requirements, limits or performance measures/criteria; - the monitoring results of previous years; and - the relevant predictions in the EA; (c) identify any non-compliance over the previous calendar 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 measure will be implemented over the current calendar year to improve the environmental performance of the project.	Charbon Annual Reviews 2018, 2019 & 2020 Letter from DPIE dated 23.04.2018 accepting 2017 Annual Review Letter from DPIE dated 9.05.2019 accepting 2018 Annual Review Letter from DPIE dated 27.04.2020 accepting 2019 Annual Review Letter from DPIE dated 23.04.2021 accepting 2020 Annual Review	Annual Reviews for 2018, 2019 and 2020 had been prepared and submitted to DPIE by the 30 March each year. The 2017 Annual Review was considered by DPIE to generally satisfy the requirement of CoA 5.3 however Charbon was requested to address two comments prior to uploading the Annual Review onto the website and future Annual Reviews were requested to include a plan that shows compensatory habitats. The 2018, 2019 and 2020 Annual Reviews were approved by DPIE without comment.	Compliant

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
5.4	Revision of Strategies, Plans and Programs Within 3 months of the submission of an: (a) audit report under condition 8 of schedule 5; (b) incident report under condition 6 of schedule 5; and (c) annual review under condition 3 of schedule 5, The Proponent must review, and if necessary revise, the strategies, plans, and programs required under this approval to the satisfaction of the Planning Secretary. <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>	Letter to DPIE dated 14.07.2020 advising review of plans following 2019 Annual Review Letter to DPIE dated 28.11.2019 advising review of plans following approval of MOD 1 Letter to DPIE dated 28.06.2019 advising review of plans following 2018 Annual review Letter to DPIE dated 27.06.2018 advising review of plans following 2017 Annual Review and 2018 IEA	Strategies, plans and programs were reviewed (and where required revised) following Annual Reviews, MOD 1 and the 2018 IEA as evidenced by the following. Correspondence to DPIE dated 27.06.2018 indicates that the following plans were revised and submitted to DPIE in June 2018 following the 2017 Annual Review and the 2018 IEA: - Air Quality Management Plan - Noise Management Plan The letter advised that the remaining plans had been reviewed and no further changes required. Correspondence to DPIE dated 28.06.2019 indicates that the following plans were revised and submitted to DPIE in March 2019 following the 2018 Annual Review: -- Rehabilitation and Closure Mining Operations Plan The letter advised that the remaining plans had been reviewed and no further changes required. Correspondence to DPIE dated 28.11.2019 indicated that the following plans were revised and submitted to DPIE for approval following the approval of MOD 1: - Rehabilitation and Closure Mining Operations Plan (submitted 18.07.2019) - Water Management Plan (submitted 30.10.2019) The letter advised that the remaining plans had been reviewed and no further changes required. It is noted that the Air Quality Management Plan should have been updated to reflect the lower annual PM₁₀ limit which came into effect with MOD 1. This is discussed under CoA 3.22. Correspondence to DPIE dated 14.07.2020 indicates that the following plans, strategies and programs were being revised following the 2019 Annual Review: - Water Management Plan - Western Region Aboriginal Cultural Heritage Management Plan The letter advised that the remaining plans had been reviewed and no further changes required. Charbon advised that the above plans were still being revised and would be submitted following the 2020 Annual Review. Two incidents were reported under CoA 5.6 in 2020 and 2021 relating to unlicensed discharges from dams in the Haystack Area. As stated above, Charbon has advised that the Water Management Plan is in the process of being revised. The auditors consider that the ESCP should be revised to include specific controls for the Haystack Area. Refer to CoA 3.28 for further discussion and recommendations.	Complaint
5.5	Community Consultative Committee The Proponent must establish a Community Consultative Committee (CCC) for the Charbon Coal Project to the satisfaction of the Planning Secretary. This CCC must be operated in general accordance with the Guidelines for Establishing and Operating Community Consultative Committees for Mining Projects (Department of Planning, 2007, or its latest version) to the satisfaction of the Planning Secretary. <i>Notes:</i> • The CCC is an advisory committee. The Department and other relevant agencies are responsible for ensuring that the Proponent complies with this approval. In accordance with the Guideline, the Committee should comprise an independent chair and appropriate representation from the Proponent, affected councils, recognised environmental groups and the general community in the area of the project. • In establishing the CCC, the Department will accept the continued representation from existing CCC members, however the Proponent should ensure that adequate representation is achieved for landowners within the area surrounding the Project.	CCC Meeting Minutes (16.03.2021, 22.09.2020, 24.09.2019, 19.03.2019, 6.11.2018, 11.12.2018) Consultation with CCC Chair (email dated 7.05.2021)	The Charbon Colliery CCC was meeting twice yearly. This was reduced to annually during 2020. Meetings were held on the following dates during the audit period: - 16 March 2021 - 22 September 2020 - 24 September 2019 - 19 March 2019 - 6 November 2018 - 11 December 2018 (extraordinary meeting presenting on MOD 1) Minutes for the above meetings were viewed on the Charbon website. The independent chairperson of the CCC was interviewed as part of the consultation requirements of this audit. The findings are presented in the main report. No specific concerns were raised.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
5.6	Reporting Incident Reporting The Proponent must notify the Planning 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 7 days of the date of the incident, the Proponent must provide the Planning Secretary and any relevant agencies with a detailed report on the incident.	Letters to DPIE and EPA dated 23.03.2020 notifying of incident on 23.03.2021 Letter from DPIE dated 23.04.2021 acknowledging receipt of written report submitted on 30.03.2021 Email to DPIE dated 3.08.2020 notifying of incident on 27.07.2020 Letters to DPIE and RR dated 3.08.2020 providing written report on incident of 27.07.2020 Letter to EPA dated 30.07.2020 providing written report on incident of 27.07.2020 Various emails to DPIE notifying of PM ₁₀ exceedances	The following incidents (defined under the Consent as a set of circumstances that causes or threatens to cause material harm to the environment, and/or breaches or exceeds the limits or performance measures/criteria in the approval) were reported to DPIE during the audit period: - 23.03.2021: Unlicensed discharges from Haystack sediment dams into drainage line that reports to Riley's Creek. EPA and DPIE were notified of the incident via letters dated 23.03.2021. Written report provided to DPIE on the 30.03.2021. - 27.07.2020: Unlicensed discharge from Haystack Transfer Dam to LDP2. Notified to EPA via the Environment Line on 27.02.2020. Written report provided to EPA on 30.07.2020. DPIE notified of incident via email on 3.08.2020. Written report provided to DPIE and RR on the 03.08.2020 and follow up report with water quality data provided on the 25.08.2020. DPIE was first notified of the incident by email dated 3.08.2020. This is not considered to be as soon as practicable as required by this CoA. - Various exceedances of PM ₁₀ criteria over period late October 2019 – early February 2020. These were notified to DPIE via emails and were attributed to smoke from the Wollemi bushfire and regional dust events. Other exceedances of PM ₁₀ attributed to regional dust events were recorded in 2018 also notified to DPIE via email. Other incidents were recorded and reported to the EPA as part of the Annual Returns however these were not considered to cause or threaten material harm nor exceed a limit of the approval and were therefore not reported to DPIE. Refer to Section 4.1.1 of the main report for further discussion of incidents. On the basis that the incident of the 27 June 2020 was not notified to DPIE until seven days after Charbon became aware of it, this condition has been assessed as non-compliant. It is noted that the EPA was notified on the day of the incident via the Environment Line.	Non-compliant 2021 IEA REC 22 Review procedure to ensure that DPIE are notified of incidents (as defined under the Consent) as soon as practical after Charbon becomes aware of the incident.

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
5.7	Access to Information From 31 August 2011, the Proponent must make the following information publicly available on its website to the satisfaction of the Planning Secretary: (a) all current statutory approvals; (b) all approved strategies, plans and programs required under this approval; (c) quarterly environmental reports, which include a comprehensive summary of all monitoring results required under any strategy, plan or program approved under this approval; (d) a complaints register, updated on a quarterly basis; (e) minutes of CCC meetings; (f) Annual Reviews under this approval; (g) any Independent Environmental Audit, and the Proponent's response to the recommendations in any audit; and (h) any other matter required by the Planning Secretary. The information on the website must be kept up to date to the satisfaction of the Planning Secretary. Information required to be placed on the website under (c)-(h) above must remain on the website for a period of not less than five years.	Charbon website: https://www.centennialcoal.com.au/operations/charbon/	The Charbon website was reviewed on 11.05.2021 and observed to include the following information: a) current statutory approvals - Project Approval 08_0211 dated 7 September 2010 - MOD 1 dated July 2019 - Environment Protection Licence 528 dated 18 September 2019 - EPBC Approval dated 19 November 2010 (It was noted, however, that the Mining Leases and Water Licences were not on the website.) b) approved strategies, plans and programs required by the Project Approval: - Noise Management Plan (June 2018 and superseded November 2013) - Blast Monitoring Program (March 2017) - Western Region Aboriginal Cultural Heritage Management Plan (Jul 2017) - Western Region Historic Heritage Management Plan (June 2018) - Air Quality Management Plan (June 2018) - Water Management Plan (Oct 2012) includes Surface Water and Ground Water Monitoring Programs. Note the most recent Plan (Rev 3, October 2019) has not been approved and therefore Centennial has not included it on the website - Erosion and Sediment Control Plan (Apr 2012). Note the most recent Plan (Rev 3, October 2019) has not been approved and therefore Centennial has not included it on the website - Greenhouse Gas and Energy Management Plan (Apr 2012) - Subsidence Monitoring and Contingency Plan (Jun 2012) - Environmental Management Strategy (March 2017) - Mining Operations Plan (for Privately Owned Land) Oct 2015 to Oct 2022 - Rehabilitation and Closure Mining Operations Plan Amendment C January 2019 to December 2025 (incorporates Landscape, Rehabilitation, Offsets, and Mine Closure Management Plans) It is noted a number of the Plans on the website are not the most recent however c) monthly Environmental Monitoring Reports d) Community Complaints Register up to July 2020. It was advised that since then, the Complaints Register has been included within the monthly Environmental Monitoring Reports (this was confirmed). e) minutes of CCC meetings f) Annual Reviews g) Independent Environmental Audits and the proponent's response: - Independent Environmental Audit (Sep 2012) - Independent Environmental Audit (May 2015) - Independent Environmental Audit (April 2018) - Charbon Response to Auditor's Recommendations (May 2015) - Charbon Response to Auditor's Recommendations (April 2018) It was observed that the information on the website was up to date and for items c) to g) above the information going back at least 5 years was on the website as required by this Condition. It is noted Charbon has submitted a number of revised management plans to DPIE however formal approval of these plans has not been provided. As a result, a number of the Plans on the website are not the most recent or relevant plans. For example, the last approved Water Management Plan is dated 2012. This plan no longer reflects the activities or management measures being implemented at the site. However, as requirement b) of this condition specifies that the "approved" plans are made available, Charbon is considered compliant with this condition.	Compliant 2021 IEA OFI 04: Work with DPIE to obtain approval of revised management plans to ensure that the most recent and relevant management plans are publicly available on the website. 2021 IEA OFI 05 Consider including the Mining Leases and Water Licences to the Centennial Charbon website. 2021 IEA OFI 06 Consider including a note on the Community Complaints Register page of the Charbon website (where the complaint registers ended in July 2020) to direct people to the Environmental Monitoring Report for the latest Complaints Register.

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
5.8	Independent Environmental Audit By 31 December 2011, and every 3 years thereafter, unless the Planning Secretary directs otherwise, the Proponent must commission at its own cost an Independent Environmental Audit of the project. This audit must: (a) be conducted by suitably qualified, experienced and independent team of experts whose appointment has been endorsed by the Planning Secretary ; (b) include consultation with the relevant agencies; (c) assess the environmental performance of the project and assess whether it is complying with the relevant requirements in this approval and any relevant EPL or Mining Lease (including any assessment, plan or program required under these approvals); (d) review the adequacy of strategies, plans or programs required under these approvals; and, if appropriate; (e) recommend measures or actions to improve the environmental performance of the project, and/or any assessment, plan or program required under these approvals; and (f) be completed within 2 months of the approval of the audit team. <i>Note: This audit team must be led by a suitably qualified auditor and include experts in any fields specified by the Planning Secretary.</i>	2018 IEA, MCW Environmental DPIE letter dated 29.01.2021 approving extension of time for 2021 IEA	The previous IEA was conducted in 2018 and covered an audit period of 14 February 2015 to 8 January 2018. The next IEA is required after three years (8 January 2021) however an extension was granted by DPIE to complete the IEA (site inspection) by 30 April 2021 and thus extending the timeframe in which the IEA report will be submitted to DPIE by six weeks post audit. The site component of the 2021 audit was conducted on the 26-27 April 2021. The 2021 IEA audit team was approved by DPIE on the 13.01.2021. DPIE did not request the audit team include experts in any fields. This IEA addresses the requirements of this condition. Refer to main report.	Compliant
5.9	Within 6 weeks of the completing of this audit, or as otherwise agreed by the Planning Secretary , the Proponent must submit a copy of the audit report to the Planning Secretary , together with its response to any recommendations contained in the audit report.	Letter from DPIE dated 9.01.2018 granting extension for 2018 IEA and response submission Letter from DPIE dated 31.05.2018 responding to 2018 IEA	Charbon was granted an extension of time for the submission of the 2018 Independent Environmental Audit, until 30.04.2018. The 2018 IEA and Charbon's response to recommendations was provided to DPIE on the 28.04.2018.	Compliant
SCHEDULE 6: ADDITIONAL PROCEDURES FOR AIR QUALITY AND NOISE MANAGEMENT				
6.1	Notification of Landowners If the results of monitoring required in schedule 3 identify that impacts generated by the project are greater than the relevant impact assessment criteria, except where a negotiated agreement has been entered into in relation to that impact, then the Proponent must , within 2 weeks of obtaining the monitoring results, notify the Planning Secretary , the affected landowners and tenants (including tenants of mine-owned properties) accordingly, and provide quarterly monitoring results to each of these parties until the results show that the project is complying with the criteria in schedule 3.		As described in Conditions 3.1, 3.10 and 1.19 above, a review of noise and air quality monitoring results indicate that the relevant impact assessment criteria have not been exceeded during the audit period.	Not Triggered
6.2	Independent Review If a landowner of privately-owned land considers the project to be exceeding the impact assessment criteria in schedule 3, then he/she may ask the Planning Secretary in writing for an independent review of the impacts of the project on his/her land. If the Planning Secretary is satisfied that an independent review is warranted, the Proponent must within 3 months of the Planning Secretary's decision: (a) consult with the landowner to determine his/her concerns; (b) commission a suitably qualified, experienced and independent person, whose appointment has been approved by the Planning Secretary , to conduct monitoring on the land, to: • determine whether the project is complying with the relevant impact assessment criteria in schedule 3; and • identify the source(s) and scale of any impact on the land, and the project's contribution to this impact; and (c) give the Planning Secretary and landowner a copy of the independent review.	Interviews with site personnel	It is understood there were no written requests for an independent review of impacts by privately-owned landowners during the audit period.	Not triggered

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
6.3	If the independent review determines that the project is complying with the relevant impact assessment criteria in schedule 3, then the Proponent may discontinue the independent review with the approval of the Planning Secretary. If the independent review determines that the project is not complying with the relevant impact assessment criteria in schedule 3, then the Proponent must: (a) implement all reasonable and feasible measures, in consultation with the landowner, to ensure that the project complies with the relevant criteria, and conduct further monitoring to determine whether these measures ensure compliance; or (b) secure a written agreement with the landowner to allow exceedances of the relevant impact assessment criteria, to the satisfaction of the Planning Secretary. If the further monitoring referred to under paragraph (a) above determines that the project is complying with the relevant impact assessment criteria, then the Proponent may discontinue the independent review with the approval of the Planning Secretary.	Interviews with site personnel	It is understood there were no written requests for an independent review of impacts by privately-owned landowners during the audit period.	Not triggered
6.4	Land Acquisition Within 3 months of receiving a written request from a landowner with acquisition rights, the Proponent must make a binding written offer to the landowner based on: (a) the current market value of the landowner's interest in the property at the date of this written request, as if the property was unaffected by the project, having regard to the: • existing and permissible use of the land, in accordance with the applicable planning instruments at the date of the written request; and • presence of improvements on the property and/or any approved building or structure which has been physically commenced at the date of the landowner's written request, and is due to be completed subsequent to that date, but excluding any improvements that have resulted from the implementation of the 'additional noise mitigation measures' in condition 6 of schedule 3 or additional 'air quality mitigation measures' in condition 21 of schedule 3; (b) the reasonable costs associated with: • relocating within the same local government area, or to any other local government area determined by the Planning Secretary; and • obtaining legal advice and expert advice for determining the acquisition price of the land, and the terms upon which it is to be acquired; and (c) reasonable compensation for any disturbance caused by the land acquisition process. However, if at the end of this period, the Proponent and landowner cannot agree on the acquisition price of the land and/or the terms upon which the land is to be acquired, then either party may refer the matter to the Planning Secretary for resolution. Upon receiving such a request, the Planning Secretary must request the President of the NSW Division of the Australian Property Institute to appoint a qualified independent valuer to: • consider submissions from both parties; • determine a fair and reasonable acquisition price for the land and/or the terms upon which the land is to be acquired, having regard to the matters referred to in paragraphs (a)-(c) above; • prepare a detailed report setting out the reasons for any determination; and • provide a copy of the report to both parties. Within 14 days of receiving the independent valuer's report, the Proponent must make a binding written offer to the landowner to purchase the land at a price not less than the independent valuer's determination. However, if either party disputes the independent valuer's determination, then within 14 days of receiving the independent valuer's report, they may refer the matter to the Planning Secretary	Interviews with site personnel	It is understood that no written request was received from a land owner with acquisition rights during the current audit period.	Not triggered

APPENDIX A1 Compliance Assessment: PROJECT APPROVAL 08_0211				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
	for review. Any request for a review must be accompanied by a detailed report setting out the reasons why the party disputes the independent valuer's determination. Following consultation with the independent valuer and both parties, the Planning Secretary must determine a fair and reasonable acquisition price for the land, having regard to the matters referred to in paragraphs (a)-(c) above and the independent valuer's report. Within 14 days of this determination, the Proponent must make a binding written offer to the landowner to purchase the land at a price not less than the Planning Secretary's determination. If the landowner refuses to accept the Proponent's binding written offer under this condition within 6 months of the offer being made, then the Proponent's obligations to acquire the land must cease, unless the Planning Secretary determines otherwise.			
6.5	The Proponent must pay all reasonable costs associated with the land acquisition process described in condition 4 above	Interviews with site personnel	It is understood that no written request was received from a land owner with acquisition rights during the current audit period.	Not triggered
6.6	If the Proponent and landowner agree that only part of the land must be acquired, then the Proponent must also pay all reasonable costs associated with obtaining Council approval for any plan of subdivision (where permissible), and registration of the plan at the Office of the Registrar-General.	Interviews with site personnel	It is understood that no written request was received from a land owner with acquisition rights during the current audit period.	Not triggered



Appendix A2: Environmental Protection Licence 528 (EPA)

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)																			
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations															
A1.1	What the licence authorises and regulates 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.1 <table><tr><th>Scheduled Activity</th><th>Fee Based Activity</th><th>Scale</th></tr><tr><td>Coal works</td><td>Coal works</td><td>0 - 2000000 T annual handling capacity</td></tr></table> NOTE: Prior to 18 September 2019 the table was as follows: <table><tr><th>Scheduled Activity</th><th>Fee Based Activity</th><th>Scale</th></tr><tr><td>Coal works</td><td>Coal works</td><td>0 - 2000000 T annual handling capacity</td></tr><tr><td>Mining for coal</td><td>Mining for coal</td><td>0 - 500000 T annual production capacity</td></tr></table>	Scheduled Activity	Fee Based Activity	Scale	Coal works	Coal works	0 - 2000000 T annual handling capacity	Scheduled Activity	Fee Based Activity	Scale	Coal works	Coal works	0 - 2000000 T annual handling capacity	Mining for coal	Mining for coal	0 - 500000 T annual production capacity	Annual Reviews 2018, 2019 & 2020	The Licence was varied in 2019 to reflect the cessation of mining activities. The Annual Reviews for 2018, 2019 and 2020 reported that no coal was produced or processed during the audit period.	Compliant
Scheduled Activity	Fee Based Activity	Scale																	
Coal works	Coal works	0 - 2000000 T annual handling capacity																	
Scheduled Activity	Fee Based Activity	Scale																	
Coal works	Coal works	0 - 2000000 T annual handling capacity																	
Mining for coal	Mining for coal	0 - 500000 T annual production capacity																	
A2.1	Premises or plant to which this licence applies The licence applies to the following premises: <table><tr><th>Premises Details</th></tr><tr><td>CHARBON COAL MINES</td></tr><tr><td>CHARBON ROAD</td></tr><tr><td>CHARBON</td></tr><tr><td>NSW 2848</td></tr><tr><td> </td></tr><tr><td>THE PREMISES IS DEFINED AS THE PROJECT SITE BOUNDARY AS INDICATED IN APPENDIX 1 SCHEDULE 1 OF LAND, PAGE 23, OF THE PROJECT APPROVAL OF 7 SEPTEMBER 2010 (DA 08_0211) AND LOT 8 DP259893.</td></tr></table>	Premises Details	CHARBON COAL MINES	CHARBON ROAD	CHARBON	NSW 2848		THE PREMISES IS DEFINED AS THE PROJECT SITE BOUNDARY AS INDICATED IN APPENDIX 1 SCHEDULE 1 OF LAND, PAGE 23, OF THE PROJECT APPROVAL OF 7 SEPTEMBER 2010 (DA 08_0211) AND LOT 8 DP259893.		Noted	Noted								
Premises Details																			
CHARBON COAL MINES																			
CHARBON ROAD																			
CHARBON																			
NSW 2848																			
THE PREMISES IS DEFINED AS THE PROJECT SITE BOUNDARY AS INDICATED IN APPENDIX 1 SCHEDULE 1 OF LAND, PAGE 23, OF THE PROJECT APPROVAL OF 7 SEPTEMBER 2010 (DA 08_0211) AND LOT 8 DP259893.																			
A3.1	Information supplied to the EPA 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 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.		A review of the licence application and supporting information was not undertaken as part of this audit.	Not assessed															
P1.1	Location of monitoring/discharge points and areas 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.		Noted	Noted															

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)																																				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																																
P1.2	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. <table><tr><th colspan="4">Water and land</th></tr><tr><th>EPA Identification no.</th><th>Type of Monitoring Point</th><th>Type of Discharge Point</th><th>Location Description</th></tr><tr><td>1</td><td>Discharge to utilisation area</td><td>Discharge to utilisation area</td><td>Licence discharge point 1 - shown as LDP1 Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012</td></tr><tr><td>2</td><td>Discharge to waters; Discharge quality monitoring</td><td>Discharge to waters; Discharge quality monitoring</td><td>Licence discharge point 2 - shown as LDP2 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012</td></tr><tr><td>3</td><td>Discharge to waters; Discharge quality monitoring</td><td>Discharge to waters; Discharge quality monitoring</td><td>Licence discharge point 3 - shown as LDP3 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012</td></tr><tr><td>4</td><td>Discharge to waters; discharge quality monitoring</td><td>Discharge to waters; discharge quality monitoring</td><td>Licence discharge point 4 - shown as LDP4 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012</td></tr><tr><td>5</td><td>Discharge to waters; discharge quality monitoring</td><td>Discharge to waters; discharge quality monitoring</td><td>Licence discharge point 5 - shown as LDP5 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012</td></tr><tr><td>6</td><td>Discharge to waters; discharge quality monitoring</td><td>Discharge to waters; discharge quality monitoring</td><td>Licencedischarge point 6 - shown as LDP6 in Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan</td></tr></table>	Water and land				EPA Identification no.	Type of Monitoring Point	Type of Discharge Point	Location Description	1	Discharge to utilisation area	Discharge to utilisation area	Licence discharge point 1 - shown as LDP1 Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012	2	Discharge to waters; Discharge quality monitoring	Discharge to waters; Discharge quality monitoring	Licence discharge point 2 - shown as LDP2 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012	3	Discharge to waters; Discharge quality monitoring	Discharge to waters; Discharge quality monitoring	Licence discharge point 3 - shown as LDP3 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012	4	Discharge to waters; discharge quality monitoring	Discharge to waters; discharge quality monitoring	Licence discharge point 4 - shown as LDP4 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012	5	Discharge to waters; discharge quality monitoring	Discharge to waters; discharge quality monitoring	Licence discharge point 5 - shown as LDP5 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012	6	Discharge to waters; discharge quality monitoring	Discharge to waters; discharge quality monitoring	Licencedischarge point 6 - shown as LDP6 in Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan	Water Management Plan Rev 3, October 2019 Site observations	Each LDP was visited during the site inspection as part of this audit. The name of each LDP was clearly marked with signage. The location of each LDP appeared to be consistent with Figures 3-2, 3-3 and 3-4 in the Charbon Water Management Plan October 2019 in the Location Description of the Water and Land table of this Condition.	Compliant
Water and land																																				
EPA Identification no.	Type of Monitoring Point	Type of Discharge Point	Location Description																																	
1	Discharge to utilisation area	Discharge to utilisation area	Licence discharge point 1 - shown as LDP1 Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012																																	
2	Discharge to waters; Discharge quality monitoring	Discharge to waters; Discharge quality monitoring	Licence discharge point 2 - shown as LDP2 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012																																	
3	Discharge to waters; Discharge quality monitoring	Discharge to waters; Discharge quality monitoring	Licence discharge point 3 - shown as LDP3 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012																																	
4	Discharge to waters; discharge quality monitoring	Discharge to waters; discharge quality monitoring	Licence discharge point 4 - shown as LDP4 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012																																	
5	Discharge to waters; discharge quality monitoring	Discharge to waters; discharge quality monitoring	Licence discharge point 5 - shown as LDP5 on Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan October 2012																																	
6	Discharge to waters; discharge quality monitoring	Discharge to waters; discharge quality monitoring	Licencedischarge point 6 - shown as LDP6 in Figure 4-3 of the Charbon Coal Pty Ltd Charbon Colliery Charbon Water Management Plan																																	
P1.3	The following points referred to in the table below are identified in this licence for the purposes of weather and/or noise monitoring and/or setting limits for the emission of noise from the premises. <table><tr><th colspan="3">Noise/Weather</th></tr><tr><th>EPA identification no.</th><th>Type of monitoring point</th><th>Location description</th></tr><tr><td>7</td><td>Noise monitoring</td><td>Residence P as shown in Appendix 4 Receiver Location Plans of Project Approval 08_0211</td></tr><tr><td>8</td><td>Noise monitoring</td><td>All residences within 150m of and including residence Q as shown in Appendix 4 Receiver Location Plans of Project Approval 08_0211</td></tr><tr><td>9</td><td>Noise monitoring</td><td>Residence M as shown in Appendix 4 Receiver Location Plans of Project Approval 08_0211</td></tr><tr><td>10</td><td>Noise monitoring</td><td>All remaining locations as show in Appendix 4 Receiver Location Plans of Project Approval 08_0211</td></tr></table>	Noise/Weather			EPA identification no.	Type of monitoring point	Location description	7	Noise monitoring	Residence P as shown in Appendix 4 Receiver Location Plans of Project Approval 08_0211	8	Noise monitoring	All residences within 150m of and including residence Q as shown in Appendix 4 Receiver Location Plans of Project Approval 08_0211	9	Noise monitoring	Residence M as shown in Appendix 4 Receiver Location Plans of Project Approval 08_0211	10	Noise monitoring	All remaining locations as show in Appendix 4 Receiver Location Plans of Project Approval 08_0211	Noise Management Plan Rev 1 June 2018	Receiver locations (including residences P, Q and M) referred to in the Noise / Weather table in this Condition are not shown in the Noise Management Plan, June 2018. The Noise Management Plan states that attended noise monitoring will be undertaken at: - Location H - Location L - Location P - Location Q It is noted that Residence M had been previously acquired by the Charbon operation	Compliant 2021 IEA OFI 07 Review the EPL and Noise Management Plan and align the noise monitoring locations 2021 IEA REC 09 Update the Noise Management Plan to include a Figure which shows the noise monitoring locations														
Noise/Weather																																				
EPA identification no.	Type of monitoring point	Location description																																		
7	Noise monitoring	Residence P as shown in Appendix 4 Receiver Location Plans of Project Approval 08_0211																																		
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10	Noise monitoring	All remaining locations as show in Appendix 4 Receiver Location Plans of Project Approval 08_0211																																		
L1.1	Pollution of waters 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.	Charbon Annual Review 2018, 2019 & 2020 Annual Returns 2018, 2019 & 2020	Charbon's Annual Reviews for 2018, 2019 and 2020 and EPL 528 Annual Returns for 2018, 2019 and 2020 and incident reports indicate two instances where unlicensed discharges occurred from the site as follows: - 23.03.2021: unlicensed discharge from two dams in Haystack South area into drainage line that reports to Riley's Creek following high rainfall event (150.4mm over four day period). - 27.07.2020: unlicensed discharge from Haystack transfer dam to LDP2 dam during a period of rainfall (32.2 mm on the 26.07.2020 and 9.6mm on the 27.07.2020) On the basis of these unlicensed discharges, this condition has been assessed as non-compliant with the condition.	Non-compliant																																

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)																													
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																									
L2.1	Concentration limits 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.	Charbon Annual Review 2018, 2019 & 2020 Annual Returns 2018, 2019 & 2020 Charbon Colliery Water Report 2018, 2019, 2020 & 2021 Daily Rainfall 2018, 2019, 2020 & 2021 Pre-start Meeting Weekly Summary Report 18.12.2019 (indicating no discharges from LDPs)	A review of the water monitoring data Annual Returns for 2018, 2019 and 2020 indicated the following exceedances of the limits in L2.4: <u>2021</u> - pH exceedances at LDP3 on two occasions, and at LDP 5 on one occasion. These were proceeded by 44 mm of rain on the five days prior to the exceedance and therefore the limits are not considered to apply as per L2.5. - Turbidity and TSS exceedances at LPD2, LDP3, LDP4, LDP5 and. These were proceeded by 44 mm of rain on the five days prior to the exceedance and therefore the limits are not considered to apply as per L2.5. <u>2020</u> - pH exceedances at Points 2, 3, 5 and 6 on one occasion.. These were proceeded by >44mm of rain on the five days prior to the exceedance and therefore the limits are not considered to apply as per L2.5. - Turbidity exceedances at Points 2, 5 and 6. These exceedances were proceeded by 44 mm of rain on the five days prior to the exceedance and therefore the turbidity limits are not considered to apply as per L2.5.. - TSS exceedances at Points 2, 3, 5 and 6. These exceedances were proceeded by 44 mm of rain on the five days prior to the exceedance and therefore are the turbidity limits are not considered to apply as per L2.5. <u>2019</u> - pH exceedance at Point 3 on the 14 March 2019 (as reported in Annual Return). <u>2018</u> - no exceedances On the basis of the exceedance of pH in 2019 as reported in the 2019 Annual Return, this condition has been assessed as non-compliant. Noting there is an ongoing risk of non compliance with the discharge concentration limits, a recommendation has been made to review whether further measures could be implemented to improve water quality and reduce this compliance risk.	Non-compliant 2021 IEA REC 23 Review if there are additional measures that could be implemented to reduce the risk of non compliance with the discharge concentration limits.																									
L2.2	Where a pH quality limit is specified in the table, the specified percentage of samples must be within the specified ranges.		Noted. Refer L2.1	Noted																									
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/s.		Noted.	Noted																									
L2.4	Water and/or Land Concentration Limits POINT 2,3,4,5,6 <table border="1"> <thead> <tr> <th>Pollutant</th><th>Units of Measure</th><th>90 percentile concentration limit</th><th>3DGM concentration limit</th><th>100 percentile concentration limit</th></tr> </thead> <tbody> <tr> <td>Oil and Grease</td><td>milligrams per litre</td><td></td><td></td><td>10</td></tr> <tr> <td>pH</td><td>pH</td><td></td><td></td><td>6.5-8.5</td></tr> <tr> <td>Total suspended solids</td><td>milligrams per litre</td><td></td><td></td><td>50</td></tr> <tr> <td>Turbidity</td><td>nephelometric turbidity units</td><td></td><td></td><td>50</td></tr> </tbody> </table>	Pollutant	Units of Measure	90 percentile concentration limit	3DGM concentration limit	100 percentile concentration limit	Oil and Grease	milligrams per litre			10	pH	pH			6.5-8.5	Total suspended solids	milligrams per litre			50	Turbidity	nephelometric turbidity units			50		Noted. Refer L2.1.	Noted
Pollutant	Units of Measure	90 percentile concentration limit	3DGM concentration limit	100 percentile concentration limit																									
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pH	pH			6.5-8.5																									
Total suspended solids	milligrams per litre			50																									
Turbidity	nephelometric turbidity units			50																									
L2.5	The limits specified under Condition L2.4 for the sediment basins identified as EPA licence discharge points 2, 3, 4, 5 and 6 do not apply when the discharge occurs solely as a result of rainfall measured at the premises which exceeds; - a total of 44 millimetres of rainfall over any consecutive 5 day period. Note: A 44 mm rainfall depth is defined by the publication Managing urban stormwater: soils and construction (Landcom 2004) as the rainfall depth in millimetres for a 95th percentile 5 day rainfall event for Central Tablelands consistent with the storage capacity (recommended minimum design criteria) for Type D sediment basins for mines and quarries (Vol 2E of the Landcom 2004).		Noted. Refer L2.1	Noted																									

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)																																																																				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																																																																
L2.6	The concentration limit for Total Suspended Solids (TSS) under Condition L2.4 is deemed not to have been breached where: (a) the sample complies with the turbidity limit at the time of discharge; and (b) the EPA is advised within 3 working days of completion of the TSS testing, of any TSS results above the licence limit. Note: The purpose of this condition is to expediate the assessment and subsequent discharge of the clarified water from the sediment basins.		Noted	Noted																																																																
L3.1	Waste The licensee must not cause, permit or allow any waste to be received at the premises, except the wastes expressly referred to in the column titled “Waste” and meeting the definition, if any, in the column titled “Description” in the table below. Any waste received at the premises must only be used for the activities referred to in relation to that waste in the column titled “Activity” in the table below. Any waste received at the premises is subject to those limits or conditions, if any, referred to in relation to that waste contained in the column titled “Other Limits” in the table below. This condition does not limit any other conditions in this licence. <table><tr><th>Code</th><th>Waste</th><th>Description</th><th>Activity</th><th>Other Limits</th></tr><tr><td>NA</td><td>General or Specific exempted waste</td><td>Waste that meets all the requirements of a</td><td>As specified in each particular resource</td><td>NA</td></tr><tr><td></td><td></td><td>resource recovery order and exemption under the Protection of the Environment Operations (Waste) Regulation, as in-force from time to time.</td><td>recovery exemption</td><td></td></tr></table>	Code	Waste	Description	Activity	Other Limits	NA	General or Specific exempted waste	Waste that meets all the requirements of a	As specified in each particular resource	NA			resource recovery order and exemption under the Protection of the Environment Operations (Waste) Regulation, as in-force from time to time.	recovery exemption		EPA Official Caution dated 13.06.2018 Response to Official Caution dated 27.06.2018 Interviews with site personnel	Prior to 18 September 2019, Charbon was permitted under this condition to receive up to 6,000 L/week of drilling mud / muddy water from drilling operations. Charbon was found to be non-compliant with this requirement during the previous IEA as the volume of drilling mud received exceeded the 6,000L/week limit on two occasions in December 2017. The EPA issued Charbon with an Official Caution on the 13 June 2018. This is discussed further in Section 4.1 of the main report. In its response to the Official Caution, Charbon reported that it had not received any deliveries of drilling mud at the site since the 6 June 2018 and that it was in the process of reviewing its drilling operations and would provide a proposed delivery schedule and volumes to the EPA once the review was complete. The auditors could not verify whether this was provided. Charbon reported that it ceased receiving drilling mud from exploration drilling in June 2018. Records of drilling mud receipt were not able to be located. The EPL was varied on the 18 September 2019 to remove drilling mud and / or muddy waters from the table under L3.1. On the basis of personnel communication that drilling mud had not been received at the site during the audit period, this condition has been assessed as compliant.	Compliant																																																	
Code	Waste	Description	Activity	Other Limits																																																																
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L4.1	Noise limits Noise generated at the premises that is measured at each noise monitoring point established under this licence must not exceed the noise levels specified in Column 4 of the table below for that point during the corresponding time periods specified in Column 1 when measured using the corresponding measurement parameters listed in Column 2. POINT 10 <table><tr><th>Time period</th><th>Measurement parameter</th><th>Measurement frequency</th><th>Noise level dB(A)</th></tr><tr><td>Day, Evening, Night</td><td>LAeq (15 minute)</td><td>n/a</td><td>35</td></tr><tr><td>Night</td><td>Lmax OR LA1,1min</td><td>n/a</td><td>45</td></tr></table> POINT 7 <table><tr><th>Time period</th><th>Measurement parameter</th><th>Measurement frequency</th><th>Noise level dB(A)</th></tr><tr><td>Day</td><td>LAeq (15 minute)</td><td>n/a</td><td>35</td></tr><tr><td>Evening</td><td>LAeq (15 minute)</td><td>n/a</td><td>39</td></tr><tr><td>Night</td><td>LAeq (15 minute)</td><td>n/a</td><td>39</td></tr><tr><td>Night</td><td>Lmax OR LA1,1min</td><td>n/a</td><td>45</td></tr></table> POINT 8 <table><tr><th>Time period</th><th>Measurement parameter</th><th>Measurement frequency</th><th>Noise level dB(A)</th></tr><tr><td>Day, Evening, Night</td><td>LAeq (15 minute)</td><td>n/a</td><td>38</td></tr><tr><td>Night</td><td>Lmax OR LA1,1min</td><td>n/a</td><td>45</td></tr></table> POINT 9 <table><tr><th>Time period</th><th>Measurement parameter</th><th>Measurement frequency</th><th>Noise level dB(A)</th></tr><tr><td>Day</td><td>LAeq (15 minute)</td><td>n/a</td><td>36</td></tr><tr><td>Evening</td><td>LAeq (15 minute)</td><td>n/a</td><td>37</td></tr><tr><td>Night</td><td>LAeq (15 minute)</td><td>n/a</td><td>35</td></tr><tr><td>Night</td><td>Lmax OR LA1,1min</td><td>n/a</td><td>45</td></tr></table> Note: The above noise limits do not apply at properties where the licensee has a written agreement with the landowner to exceed the noise limits.	Time period	Measurement parameter	Measurement frequency	Noise level dB(A)	Day, Evening, Night	LAeq (15 minute)	n/a	35	Night	Lmax OR LA1,1min	n/a	45	Time period	Measurement parameter	Measurement frequency	Noise level dB(A)	Day	LAeq (15 minute)	n/a	35	Evening	LAeq (15 minute)	n/a	39	Night	LAeq (15 minute)	n/a	39	Night	Lmax OR LA1,1min	n/a	45	Time period	Measurement parameter	Measurement frequency	Noise level dB(A)	Day, Evening, Night	LAeq (15 minute)	n/a	38	Night	Lmax OR LA1,1min	n/a	45	Time period	Measurement parameter	Measurement frequency	Noise level dB(A)	Day	LAeq (15 minute)	n/a	36	Evening	LAeq (15 minute)	n/a	37	Night	LAeq (15 minute)	n/a	35	Night	Lmax OR LA1,1min	n/a	45	2018 Annual Environmental Noise Monitoring, Global Acoustics 2019 Annual Environmental Noise Monitoring, GHD 2020 Annual Environmental Noise Monitoring, GHD	Annual attended noise monitoring undertaken at the four locations identified in the Noise Management Plan (Locations H, L, P and Q) during the day, evening and night time in 2018, 2019 and 2020 indicated compliance with the noise criteria at all locations and all periods. It is noted Residence M had previously been acquired by the Charbon operation.	Compliant
Time period	Measurement parameter	Measurement frequency	Noise level dB(A)																																																																	
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Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)																				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																
L4.2	For the purpose of the tables above: a) Day is defined as the period from 7am to 6pm Monday to Saturday and 8am to 6pm Sundays and Public Holidays; b) Evening is defined as the period from 6pm to 10pm; c) Night is defined as the period from 10pm to 7am Monday to Saturday and 10pm to 8am Sundays and Public Holidays.		Noted	Noted																
L4.3	To determine compliance with condition(s) L5.1 noise must be measured at, or computed for, the locations listed in the above table. A modifying factor correction must be applied for tonal, impulsive or intermittent noise in accordance with the "Environmental Noise Management - NSW Industrial Noise Policy (January 2000)".		Noted	Noted																
L4.4	The noise emission limits identified in this licence apply under all meteorological conditions except: a) during rain and wind speeds (at 10m height) greater than 3m/s; and b) under "non-significant weather conditions". Note: Field meteorological indicators for non-significant weather conditions are described in the NSW Industrial Noise Policy, Chapter 5 and Appendix E in relation to wind and temperature inversions.		Noted	Noted																
L5.1	Blasting The airblast overpressure level from blasting operations at the premises must not exceed 115dB (Lin Peak) at any noise sensitive locations for more than five per cent of the total number of blasts over each reporting period. Error margins associated with any monitoring equipment used to measure this are not to be taken into account in determining whether or not the limit has been exceeded.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period hence this condition is not triggered.	Not Triggered																
L5.2	The airblast overpressure level from blasting operations at the premises must not exceed 120dB (Lin Peak) at any time at any noise sensitive locations. Error margins associated with any monitoring equipment used to measure this are not to be taken into account in determining whether or not the limit has been exceeded.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period hence this condition is not triggered.	Not Triggered																
L5.3	Ground vibration peak particle velocity from the blasting operations at the premises must not exceed 5mm/sec at any noise sensitive locations for more than five per cent of the total number of blasts over each reporting period. Error margins associated with any monitoring equipment used to measure this are not to be taken into account in determining whether or not the limit has been exceeded.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period hence this condition is not triggered.	Not Triggered																
L5.4	Ground vibration peak particle velocity from the blasting operations at the premises must not exceed 10mm/sec at any time at any noise sensitive location. Error margins associated with any monitoring equipment used to measure this are not to be taken into account in determining whether or not the limit has been exceeded. Note: "Noise sensitive locations" includes buildings used as a residence, hospital, school, child care centre, places of worship and nursing homes. A noise sensitive location includes the land within 30 metres of the building.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period hence this condition is not triggered.	Not Triggered																
L6.1	Hours of operation Activities at the premises may only be undertaken within the times as specified in the table below: <table><tr><th>Activity</th><th>Day</th><th>Time</th></tr><tr><td rowspan="3">Rehabilitation activities</td><td>Monday - Friday</td><td>7 am - 6 pm</td></tr><tr><td>Saturday</td><td>7 am - 6 pm</td></tr><tr><td>Sunday and Public Holidays</td><td>None</td></tr><tr><td>Train loading/unloading and dispatch</td><td>Any day</td><td>Any time</td></tr><tr><td>Truck arrival, loading/unloading and dispatch</td><td>Any day</td><td>7 am - 6 pm</td></tr></table>	Activity	Day	Time	Rehabilitation activities	Monday - Friday	7 am - 6 pm	Saturday	7 am - 6 pm	Sunday and Public Holidays	None	Train loading/unloading and dispatch	Any day	Any time	Truck arrival, loading/unloading and dispatch	Any day	7 am - 6 pm	Print out of Contractor Sign in / Sign out sheets for 2018, 2019, 2020 and 1 Jan – 30 April 2021	Current site operating hours are Monday to Friday 7:00am to 5:00pm which is in accordance with the times stated in the Hours of Operation table of this Condition. The auditors reviewed a sample of Contractor Sign in / Sign Out sheets which indicated these hours were being adhered to.	Compliant
Activity	Day	Time																		
Rehabilitation activities	Monday - Friday	7 am - 6 pm																		
	Saturday	7 am - 6 pm																		
	Sunday and Public Holidays	None																		
Train loading/unloading and dispatch	Any day	Any time																		
Truck arrival, loading/unloading and dispatch	Any day	7 am - 6 pm																		
L6.2	The licensee may undertake works outside of the hours permitted by Condition L6.1 if: (i) Those works are inaudible at non-associated residences; (ii) Those works constitute emergency works required to avoid loss of life, damage to property or environmental harm; or (iii) Those works constitute deliveries of oversized plant or structures that have been determined by the police or other authorised authorities to require special arrangements for transport along public roads for safety reasons	Interviews with site personnel	It was reported that the only works undertaken outside of normal working hours have been closing valves at the LDPs which are inaudible at non-associated residences.	Compliant																

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
O1.1	Activities must be carried out in a competent manner 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 b) the treatment, storage, processing, reprocessing, transport and disposal of waste generated by the activity.	EPA Official Caution dated 13.06.2018 Charbon response to Official Caution dated 27.06.2018 Site observations Selection of completed Monthly Inspection Sheets	An Official Caution was issued by the EPA on the 13 June 2018 for offences including failing to handle materials in a competent manner. This related to the disposal of drilling mud in a sediment dam which drains to LDP4. In response, Charbon excavated the sediment from the dam that was used for the disposal of drilling mud in June 2018. The Resources Regulator performed a planned inspection of tailings / reject management activities at the site in May 2020 and identified that there is a risk related to adverse impact to the environment, through limitations identified regarding mine closure planning for reject / tailings facilities. RR issued Charbon with a Notice under Section 240 of the Mining Act on the 27 May 2020 requiring the execution of a capping trial of the Rejects Emplacement Area, a MOP amendment which incorporates the outcomes and learnings of the trial and a risk assessment to be completed by the 31 May 2021. At the time of the audit inspection, Charbon was completing the capping trial and progressing its response to the Notice. Other than the above, Charbon was generally carrying out activities related to the storage and handling of materials and waste in a competent manner as evidenced by: - Housekeeping and waste segregation were generally observed as acceptable during the site inspection. Skip bins were available for general waste, paper and cardboard and scrap metal. - The 28,000 L diesel tank was self-bunded - Spill kits were available in key locations - Contaminated material excavated from the 8-trunk workshop area was being treated in a dedicated landfarm in Strip 8 North. It was reported that the base of the landfarm was lined with clay. Stockpiled materials were watered regularly and rotated monthly. Runoff from the landfarm was contained in a pond and reused for watering. Refer to photos in main report. - Monthly inspections were being undertaken by the Project Manager which included review of general housekeeping. On the basis of the Official Caution identifying a breach of this condition issued in 2018, and concerns raised by the RR in May 2020 relating to tailings / reject management, this condition has been assessed as non-compliant.	Non-compliant
O2.1	Maintenance of plant and equipment All plant and equipment installed at the premises or 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.	CAT 725 Dump truck service report 12.05.2020 CAT 725 Dump truck 1000 hr service report 4.11.2019 CAT 725 Dump truck tax invoice for mechanical repair 22.02.2021 Komatsu front end loader service report and tax invoice for 250 hr service 8.11.2018 Komatsu loader tax invoice for mechanical repairs over period September to December 2020 Appointment to Operate forms for Miskle personnel dated 11.01.2019 for Komatsu front end loaders, water cart, excavator, dozer, grader, dump truck Rain Gauge Calibration Certificates 22.02.2018, 22.08.2018 Water Level Sensor Calibration Certificates 22.02.2018, 24.05.2019, 23.09.2020 Automatic Weather Station Install Verification Certificate 7.07.2020 Annual Automatic Weather Station Verification Certificate 24.05.2019	Main plant being operated on site is earth moving equipment related to rehabilitation activities. During the audit period Miske earthmoving contractors were operating on site. Plant maintenance records were sighted including service reports for the CAT 725 dump truck and the Komatsu front end loader. Rain gauge, water level sensors and automatic weather station were being calibrated regularly. Plant was being operated by competent operators as evidenced by Centennial Coal Charbon Appointment to Operate forms for operators for specific plant. Based on a sample of documents as discussed above, is considered Charbon are generally compliant with this condition. Auditors did not carry out an assessment of all plant and equipment against this condition and have relied on the data provided to assess compliance with the condition.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
O3.1	Dust The premises must be maintained in a condition which minimises or prevents the emission of dust from the premises.	Selection of completed Monthly Inspection Forms (2018, 2019, 2020) Site observations Charbon Annual Reviews 2018, 2019 & 2020 Complaint Registers 2018, 2019, 2020, 2021	Dust control measures were being implemented including: use of water cart to water roads and trafficked areas, implementing speed limits, monthly inspections. No air quality complaints were received during the audit period.	Compliant
O3.2	Haulage trucks entering and leaving the premises that are carrying loads must be covered at all times, except during loading and unloading. The tailgates of all haulage trucks leaving the premises must be securely fixed prior to loading or immediately after unloading to prevent loss of material.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No coal haulage has been undertaken during the audit period as mining had ceased.	Compliant
O4.1	Effluent application to land Effluent application must not occur in a manner that causes surface runoff.	Selection of completed Monthly Inspection Forms (2018, 2019, 2020) Site observations	During the site inspection as part of this audit the effluent irrigation system was not in operation. Charbon advised that since the mine entered a closure and rehabilitation phase with a significant reduction in workforce the wastewater treatment system has generally not generated enough volume to trigger the use of the effluent irrigation system. However, when it is operational it is managed so as to prevent surface runoff. Monthly Inspection Checklists indicate that the effluent irrigation system is included as part of a site-wide monthly inspection.	Compliant
O4.2	Spray from effluent application must not drift beyond the boundary of the premises.	Interviews with site personnel	Charbon advised that when the effluent application system is operational it is managed so as to prevent surface spray from drifting beyond the premise's boundary. It is noted that the premise's boundary is a significant distance from the effluent application area.	Compliant
O4.3	The quantity of effluent/solids applied to the utilisation area must not exceed the capacity of the area to effectively utilise the effluent/solids. For the purpose of this condition, 'effectively utilise' includes the use of the effluent/solids for pasture or crop production, as well as the ability of the soil to absorb the nutrient, salt, hydraulic load and organic material.	Interviews with site personnel	Charbon advised that when the effluent application system is operational it is managed so as to ensure that the quantity of effluent applied does not exceed the capacity of the area to effectively utilise the effluent.	Compliant
O5.1	Other operating conditions The sediment basins identified as EPA licence points 2, 3, 4, 5 and 6 under condition P1.2 must be drained or pumped out within 5 days following rainfall in order to maintain the design storage capacity of the basin.	Centennial Environment Weekly Update 31.07.2020, 7.08.2020 Pre-start Meeting Weekly Summary Report 31.07.2020, 05.02.2021, 26.03.2021	Charbon was managing dirty water in accordance with this principal. Water was allowed to settle or treated with flocculant and tested prior to controlled release from the licensed discharge point. Details were recorded on the Weekly Summary Reports including approximate times of overflows and when pumping commenced and ceased. Examples of Weekly Summary Reports for weeks following rain events were sighted and demonstrated that sediment basins were being pumped out to maintain storage capacity.	Compliant
O5.2	Water discharged to comply with condition O5.1 may only be discharged from the sediment basin to waters via licence discharge points 2, 3, 4, 5 and 6 when the water quality complies with the discharge limits under condition L2.4 for this licence discharge point.	Chabon Coal_ECD Data Import Sheet_updated as at 210406 Charbon Colliery Water Report 2018, 2019, 2020 & 2021 Daily Rainfall 2018, 2019, 2020 & 2021	Water was being tested before controlled discharge from the sediment basins. Other than the incidents previously discussed or discharges as a result of rainfall exceeding 44mm over 5 consecutive days, limits under condition L2.4 were being met.	Compliant
O5.3	The licensee must undertake maintenance to desilt all sediment basins to retain their respective design storage capacities.	Site observations Interviews with site personnel; Selected completed Monthly Inspection Sheets	The following sediment dams were desilted during the audit period: - Haul Road Sediment Dam and the Southern Open Cut Pollution Control Dam: desilted during 2018 and 2019 - Retention ponds up stream of LDP5 discharge dam: desilted in 2020 - LDP2 sediment dams: desilted in August 2018 - LDP6 sediment ponds in the Haystack North area: de-silted in Q3 2020	Compliant
M1.1	Monitoring records 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.		Noted. Refer Conditions M1.2 and M1.3 below.	Noted

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)																												
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations																								
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 officer of the EPA who asks to see them.	Chabon Coal_ECD Data Import Sheet_updated as at 210406 Charbon Colliery Water Report 2018, 2019, 2020 & 2021 Daily Rainfall 2018, 2019, 2020 & 2021 2018 Annual Environmental Noise Monitoring, Global Acoustics 2019 Annual Environmental Noise Monitoring, GHD 2020 Annual Environmental Noise Monitoring, GHD	Records required by the licence including surface water monitoring, meteorological monitoring and noise monitoring were retained in a legible form electronically for greater than 4 years.	Compliant																								
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.	Charbon Colliery Water Report 2018, 2019, 2020 & 2021	The ALS Water Report Excel workbook which provides the water data includes the date, time, sample point and name of the person who collected the sample.	Compliant																								
M2.1	Requirement to monitor concentration of pollutants discharged 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:	Annual Returns 2018, 2019 & 2020 EPA Official Caution dated 13.06.2018	The EPA issued Charbon with an Official Caution for failing to undertake all monitoring required by Condition M2.2 in the 2016/2017 Annual Return period. Charbon reported the following non-compliances against this condition in its 2018, 2019 and 2020 Annual Returns: - 28.08.2020: failure to monitor at Point 3 daily during discharge (sample lost in transit to laboratory) - 4.04.2020 and 5.04.2020: failure to monitor at Point 5 daily during discharge (sample not collected) - 4.13.2019: discharge from Point 4 not analysed for oil and grease (laboratory oversight) On the basis that not all monitoring was undertaken as required by M2.2, this condition has been assessed as non-compliant.	Non-compliant																								
M2.2	Water and/ or Land Monitoring Requirements POINT 2,3,4,5,6 <table><thead><tr><th>Pollutant</th><th>Units of measure</th><th>Frequency</th><th>Sampling Method</th></tr></thead><tbody><tr><td>Conductivity</td><td>microsiemens per centimetre</td><td>Daily during any discharge</td><td>Grab sample</td></tr><tr><td>Oil and Grease</td><td>milligrams per litre</td><td>Daily during any discharge</td><td>Grab sample</td></tr><tr><td>pH</td><td>pH</td><td>Daily during any discharge</td><td>Grab sample</td></tr><tr><td>Total suspended solids</td><td>milligrams per litre</td><td>Daily during any discharge</td><td>Grab sample</td></tr><tr><td>Turbidity</td><td>nephelometric turbidity units</td><td>Daily during any discharge</td><td>Grab sample</td></tr></tbody></table>	Pollutant	Units of measure	Frequency	Sampling Method	Conductivity	microsiemens per centimetre	Daily during any discharge	Grab sample	Oil and Grease	milligrams per litre	Daily during any discharge	Grab sample	pH	pH	Daily during any discharge	Grab sample	Total suspended solids	milligrams per litre	Daily during any discharge	Grab sample	Turbidity	nephelometric turbidity units	Daily during any discharge	Grab sample		Refer Condition M2.1.	Noted
Pollutant	Units of measure	Frequency	Sampling Method																									
Conductivity	microsiemens per centimetre	Daily during any discharge	Grab sample																									
Oil and Grease	milligrams per litre	Daily during any discharge	Grab sample																									
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Total suspended solids	milligrams per litre	Daily during any discharge	Grab sample																									
Turbidity	nephelometric turbidity units	Daily during any discharge	Grab sample																									
M3.1	Testing methods - concentration limits 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.	Charbon Colliery Water Report 2018, 2019, 2020 & 2021	Charbon used ALS as its laboratory and field testing contractor. ALS is a NATA accredited laboratory The ALS Water Report Excel workbook provides details of the methods of water analysis. An assessment of these methods against the Approved Methods Publication was not conducted as part of this audit however, based on the lab being NATA accredited, Charbon is considered to be compliant with the intent of the condition.	Compliant																								
M4.1	Recording of pollution complaints The licensee must keep a legible record of all 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.	CHB-ENV-1807 Community Complaint or Request for Information dated June 2017 Complaint Registers 2018, 2019, 2020, 2021 Annual Returns 2018, 2019 & 2020 Annual Reviews 2018, 2019 & 2020	Charbon has prepared a work procedure CHB-ENV-1807 Community Complaint or Request for Information which describes the process for responding, investigating and reporting complaints. The procedure includes a Community Complaints and Request for Information Form. It is understood that the form is completed for each complaint received and logged in ECD (Centennial data management system). Charbon maintains a Community Complaints Register summarising details of all complaints received by Charbon from the community. The Community Complaints Register is updated monthly and is available on the Centennial Coal website. Up until July 2020 this was included under the Community tab of the Charbon Operation page. Since then, it has been included within the monthly Environmental Monitoring Reports. The Community Complaints Registers, Annual Reviews and Annual Returns indicate that one complaint was recorded during the audit period. The complaint was recorded in 2018 and related to the wild dog baiting program. No complaints have been recorded by the site since this time.	Compliant																								

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
M4.2	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.	CHB-ENV-1807 Community Complaint or Request for Information dated June 2017 Complaint Registers 2018, 2019, 2020, 2021	The Community Complaints and Request for Information Form referred to in M4.1 above requires all of the details set out in a) to f) of this Condition to be entered. The Community Complaints Register referred to in M4.1 above includes all of the details set out in a), b) and d) to f) of this Condition. Given that the Register is a public document, personal details of the complainant as required by c) have not been included in the Register for privacy reasons.	Compliant
M4.3	The record of a complaint must be kept for at least 4 years after the complaint was made.		Records of complaints are recorded on ECD (Centennial data management system) for Charbon Colliery going back prior to 2017.	Compliant
M4.4	The record must be produced to any authorised officer of the EPA who asks to see them.		Noted	Noted
M5.1	Telephone complaints line 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.	Call to Community Information Hotline on 28.05.2021 Interviews with site personnel	Charbon operated a Community Information Hotline on (02) 6357 9206 for the purposes of receiving both requests for information and complaints from the community. The auditors dialled this number and found it to be disconnected. Charbon reported that it had contacted its IT Department and intends to update the number provided on the website. It is noted that complaints can be made via the 'Contact Us' number provided on the Centennial website.	Non-compliant 2021 IEA REC 24 Ensure a Community Information telephone line is maintained.
M5.2	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.	Call to Community Information Hotline on 28.05.2021	The Community Information Hotline is advertised on Centennial Coal's website. The website states that the line is for community information and complaints. However as discussed under M5.1 above, the Community Information Hotline was not connected when tested by the auditors in May 2021. The 'Contact Us' page on the Centennial website can be called to make a complaint however this number was not specifically advertised as a complaints line.	Non-compliant
M5.3	The preceding two conditions do not apply until 3 months after: the date of the issue of this licence.		Noted. The licence was issued more than three months ago and so the preceding two Conditions apply.	Noted
M6.1	Blasting To determine compliance with condition(s) L5.1 to L5.4 a) Airblast overpressure and ground vibration levels experienced at the following noise sensitive locations must be measured and electronically for all blasts carried out in or on the premises; i) Lot 16 DP259893 - "Mount View" Mount View Road Clandulla b) Instrumentation used to measure the airblast overpressure and ground vibration levels must meet the requirements of Australian Standard AS 2187.2-2006. Note: A breach of the licence will still occur when airblast overpressure or ground vibration levels from the blasting operations at the premises exceeds the limit specified in conditions L5.1 to L5.4 at any "noise sensitive locations" other than the locations identified in the above condition. The airblast overpressure and ground vibration levels in conditions L5.1 to L5.4 do not apply at noise sensitive locations that are owned by the licensee of subject to a private agreement, relating to airblast overpressure and ground vibration levels, between the licensee and land owner.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period hence this condition is not triggered.	Not Triggered

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
R1.1	Annual return documents The licensee must complete and supply to the EPA an Annual Return in the approved form comprising: 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 Publish Pollution Monitoring Data; and 7. a Statement of Compliance - Environmental Management Systems and Practices. 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.	Annual Returns 2018, 2019 & 2020	Completed Annual Returns for the following reporting periods were sighted: - 31/10/2017 to 30/10/2018 - 31/10/2018 to 30/10/2019 - 31/10/2019 to 30/10/2020 Each of the above Annual Returns comprised the required Statements of Compliance and Monitoring and Complaints Summary specified in items 1 to 7 of this Condition.	Compliant
R1.2	An Annual Return must be prepared in respect of each reporting period, except as provided below.	Annual Returns 2018, 2019 & 2020	Completed Annual Returns for the following reporting periods were sighted: - 31/10/2017 to 30/10/2018 - 31/10/2018 to 30/10/2019 - 31/10/2019 to 30/10/2020	Compliant
R1.3	Where this licence is transferred from the licensee to a new licensee: 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 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.		Not triggered	Not triggered
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 triggered	Not triggered
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').	https://apps.epa.nsw.gov.au/prpoeoa/pp/Detail.aspx?instid=528&id=528&option=licence&searchrange=licence&range=POEO%20licence&prp=no&status=Issued	EPL 528 Licence Summary page on the NSW EPA website indicates that the Annual Returns for the reporting period were received within 60 days after the end of the reporting period (i.e. 30 December).	Compliant
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.		Charbon reported that records of Annual Returns were kept for the required period. Auditors sighted records for the last three years as referenced above.	Compliant
R1.7	Within the Annual Return, the Statements of Compliance must be certified and the Monitoring and Complaints Summary must be signed by: a) the licence holder; or b) by a person approved in writing by the EPA to sign on behalf of the licence holder. 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. Note: An application to transfer a licence must be made in the approved form for this purpose.	Annual Returns 2018, 2019 & 2020	The 2018, 2019 and 2020 Annual Returns were signed by a Director and Company Secretary.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
R2.1	Notification of environmental harm Notifications must be made by telephoning the Environment Line service on 131 555.	Letter to EPA dated 23.03.2021 notifying of incident on 23.03.2021 Letter to EPA dated 30.07.2020 providing written report on incident of 27.07.2020	The following notifications to the EPA were provided by Charbon: - 23.03.2021: Unlicensed discharges from Haystack sediment dams into drainage line that reports to Riley's Creek. EPA were notified of the incident via letter dated 23.03.2021. Charbon advised that the Environment Line was not called. - 27.07.2020: Unlicensed discharge from Haystack Transfer Dam to LDP2. Notified to EPA via the Environment Line on 27.02.2020 (as noted in the written report prepared under R2.2).	Non-Compliant 2021 IEA REC 25 Review the PIRMP to ensure it includes the requirement that initial notifications of environmental harm are made to the EPA via the Environment Line service rather than by email or letter.
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. 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.	Letter to EPA dated 30.03.2021 providing written report for incident on 23.03.2021 Letter to EPA dated 30.07.2020 providing written report for incident on 27.07.2020 Letter to EPA dated 20.08.2020 providing water quality data	A written report of the incident on the 23.03.2021 was provided to the EPA on the 30.03.2021 A written report of the incident on the 27.07.2020 was provided to the EPA on 30.07.2020. A follow up report with water quality data was provided on the 20.08.2020. Part 5.7 of the POEO Act requires that the following relevant authorities are notified of an incident causing or threatening material harm to the environment: EPA, NSW Health, Workcover NSW, Local Council and Fire and Rescue NSW. The auditors note the above incidents were reported to the EPA and DPIE (and RR for the 2020 incident). The other authorities were not notified. No further requests for information or further action was taken by the EPA at the time of writing relating to these incidents. On the basis that the other authorities were not notified, this condition has been assessed as non-compliant.	Non-compliant 2021 IEA REC 26 Review the procedures to ensure all relevant authorities are notified of incidents causing or threatening material harm as per the requirements of Part 5.7 of the Act.
R3.1	Written report Where an authorised officer of the EPA suspects on reasonable grounds that: 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.	EPA Show Cause letter dated 23.05.2018	The EPA issued Charbon with a 'show cause' letter on the 23 May 2018 for failure to undertake all monitoring requirements as required by the licence during the 2016/2017 reporting period. It is noted this related to breaches outside of the audit period.	Noted
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.	Letter to EPA dated 30.05.2018 responding to show cause letter dated 23.05.18	Charbon provided the EPA with a response to the 23 May 2018 'show cause' letter on the 30 May 2018. The response provided additional detail on the causes of the failure to monitor.	Compliant
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.		Refer R3.2	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A2 Compliance Assessment: ENVIRONMENT PROTECTION LICENCE No. 528 (Last varied on 18 September 2019)				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
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 request.	EPA Official Caution dated 13.06.2018 Charbon response to Official Caution dated 27.06.2018 Interviews with site personnel	An Official Caution was issued by the EPA on the 13 June 2018 for the following offences: - Failing to undertake all monitoring required by condition M2.2 - Exceeding the waste volume limit of drilling mud received at the site (this has since been removed from the licence) - Failing to handle materials in a competent manner (relating to placement of the drilling muds in a sediment dam which drains to LDP 4) Charbon provided a response to the Official Caution on the 27.06.2018 outlining: - Deliveries of drilling mud had not been received at the site since the 6 June 2018 - Centennial would provide the EPA with a proposed delivery schedule and volumes for drilling mud on completion of a review of drilling operations in the western region. Evidence that this information was provided to the EPA was not available. Interviews with site personnel indicated that no further deliveries of drilling mud were received at the site. - The sediment dam that was being used for the disposal of drilling mud had been excavated.	Compliant
G1.1	Copy of licence kept at the premises or plant A copy of this licence must be kept at the premises to which the licence applies.		A copy of EPL 528 was sighted at the premises.	Compliant
G1.2	The licence must be produced to any authorised officer of the EPA who asks to see it.		Noted	Noted
G1.3	The licence must be available for inspection by any employee or agent of the licensee working at the premises.		Employees and agents are able to view a copy of the EPL through the site Environmental Coordinator.	Compliant

Appendix A3: Mining Lease 1647

APPENDIX A3 Compliance Assessment: MINING LEASE No. 1647				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
1	Notice to Landholders 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. 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 state 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.	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period. The requirement was assessed in previous IEAs and is considered complete.	Complete (Historical requirement)
2	Environmental Harm 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. b) For the purposes of this condition: i) environment means components of the earth, including A) land, air and water, and B) any layer of the atmosphere, and C) any organic or inorganic matter and any living organism, and D) human-made or modified structures 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.	Charbon Annual Review 2018, 2019 & 2020 EPA Annual Returns 2018, 2019 & 2020 Site observations	The auditors conducted a review of incident occurrences at the mine during the audit period, complaints received, as well as a review of the general environmental performance of the site with Charbon's various environmental management plans. Other than where issues have been identified, in general Charbon appeared to be compliant with its obligation to minimise harm to the environment during the audit period. The Environmental Management Strategy and associated management plans and procedures have been established and generally implemented to identify, plan for and manage environmental aspects and impacts related to the project.	Compliant
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 Planning Secretary. b) The MOP must: 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: A) the Environmental Planning and Assessment Act 1979 B) the Protection of the Environment Operations Act 1997 C) any other approvals relevant to the development including the conditions of this lease; and D) have regard to any relevant guidelines adopted by the Planning Secretary. c) The lease holder may apply to the Planning Secretary to amend an approved MOP at any time. d) It is not a breach of this condition if: i) the operations constituting the breach were necessary to comply with a lawful order or direction given under the Mining Act 1992, the Environmental Planning and Assessment Act 1979, Protection of the Environment Operations Act 1997, Mine Health and Safety Act 2004 / Coal Mine Health and Safety Regulation 2006 or the Occupational Health and Safety Act 2000; and ii) the Planning Secretary had been notified in writing of the terms of the order or direction prior to the operations constituting the breach being carried out. e) A MOP ceases to have effect 7 years after date of approval or other such period as identified by the Planning Secretary.	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019 Mining Operations Plan, Charbon Colliery, Lot 8 DP 593262 & Lot 1 DP 1148217, October 2015 to October 2022, October 2015 Letter from DPIE RR approving MOP Amendment C (Letter not dated – Reference EAMSG0003650)	Underground mining at Charbon ceased in March 2014, open cut mining ceased in August 2015 and coal handling and processing ceased shortly thereafter. Current operations are focussed on rehabilitation and closure activities which are being implemented in accordance with two approved Mining Operations Plans: - Mining Operations Plan, Charbon Colliery, Lot 8 DP 593262 & Lot 1 DP 1148217, October 2015 to October 2022 covering privately owned lands which are located in the southern portion of Charbon's mining leases. Approved by the DPIE RR in December 2015. - Rehabilitation and Closure Mining Operations Plan, Charbon Colliery, January 2019 to December 2025 covering all other areas of Charbon's mining leases. Approved by the DPIE RR in 2019. A detailed assessment of implementation of the MOPs has not been undertaken. Charbon was considered to be generally compliant with the MOPs in respect to the staging of rehabilitation activities and management of environmental issues. Rehabilitation is discussed further in Section 6 of the main report. Environmental management performance is discussed in Section 7 of the main report.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A3 Compliance Assessment: MINING LEASE No. 1647				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
4	Environment Management Report a) The lease holder must lodge Environmental Management Reports (EMR) with the Planning Secretary annually or at dates otherwise directed by the Planning Secretary. b) The EMR must: i) report against compliance with the MOP; ii) report on progress in respect of rehabilitation completion criteria; iii) report on the extent of compliance with regulatory requirements; and iv) have regard to any relevant guidelines adopted by the Planning Secretary.	Charbon Annual Reviews 2018, 2019 & 2020 Email to RR dated 28.03.2019 submitting 2018 Annual Review Letter to RR dated 30.03.2020 submitting 2019 Annual Review Email from RR dated 31.03.2021 confirming receipt of the 2020 Annual Review	Annual Environmental Management Reports are combined with other annual reporting requirements (Project Approval and Mining Lease) and submitted as Annual Reviews to DPIE, RR and other agencies by a due date of 31 March each year. Annual Reviews for 2018, 2019 and 2020 had been prepared during the audit period. It is noted the 2019 Annual Review was submitted to DPIE on the 30 March 2020 however was not submitted to RR until the 1 May 2020. On the basis of the timing not being met for the 2019 Annual Review, this condition has been assessed as non-compliant.	Compliant
5	Environmental Incident Report d) 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. e) For the purposes of this condition, environmental incident includes: i) any incident causing or threatening 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. f) For the purposes of this condition, harm to the environment is material if: i) it involves actual or potential harm to the health or 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 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.	Letter to RR dated 3.08.2020 providing written report on incident of 27.07.2020 Letter from EPA dated 3.09.2018 re wild dog baiting program	The following incidents (as defined by this Condition) were reported to RR during the audit period: - 27.07.2020: Unlicensed discharge from Haystack Transfer Dam to LDP2. Written report provided to RR on the 03.08.2020. The incident on the 23 March 2021 relating to unlicensed discharges from Haystack sediment dams into the drainage line that reports to Riley's Creek, was not reported to RR. A complaint was received from a local resident on the 28 August 2018 that three dogs had been allegedly killed from baits recently placed at Charbon. The resident raised concern that they were not notified of the baiting program. The resident also notified the EPA. The incident investigation found that the resident was outside of the notification area for the baiting program (1km radius from baiting location). A letter was received by the EPA dated 3 September 2018 providing the findings of its investigation into the incident. The EPA accepted the information provided by Centennial that the nearest baiting location was over 1.3 km from the boundary of the residential boundary. Further the EPA noted that it was not able to obtain evidence confirming the death of the dogs was caused by baiting at the mine. Refer to Section 4.1.1 of the main report for further discussion of incidents. On the basis that the incident of the 23 March 2021 and the wild dog baiting program complaint on the 28 August 2018 were not notified to RR, this condition has been assessed as non-compliant.	Non-compliant 2021 IEA REC 27 Review incident and exceedance reporting processes to ensure that incidents (as defined in this lease and including serious complaints) are reported to the Resource Regulator.
6	Additional Environmental Reports Additional environmental reports may be required from time to time as directed in writing by the Planning Secretary and must be lodged as instructed.	Interviews with site personnel	No direction under this Condition for additional environmental reports had been received during the audit period.	Not Triggered

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A3 Compliance Assessment: MINING LEASE No. 1647				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
7	Rehabilitation Any disturbance as a result of activities under this lease must be rehabilitated to the satisfaction of the Planning Secretary.	Site observations Charbon Owned Lands - Annual Rehabilitation Monitoring Report 2020, SLR, 2021 Charbon Owned Lands - Annual Rehabilitation Monitoring Report 2019, SLR, 2020 Privately Owned Lands – Annual Monitoring Report 2019, SLR, 2020 Privately Owned Lands – Annual Monitoring Report 2020, SLR, 2021	Rehabilitation is being implemented generally in accordance with the Mining Operations Plan for privately owned land and the Rehabilitation and Closure Mining Operations Plan for all other areas (refer Condition 3 above). Rehabilitation objectives, performance indicators and completion criteria are documented in these Plans. Key areas of rehabilitation undertaken during the audit period (2018-2021) included Void (Strip) 9, Strip 10, 8 Trunk Workshop Void, Strip 8 South area. Prior to 2018, rehabilitation had focused on areas within and adjacent to the privately-owned lands in the southern portion of the mine area, including Stony Creek Gully, Southern Open Cut Extension, Southern Outlier and Western Outlier areas. Older more established areas of rehabilitation included Haystack Junction and Evaporation Dam rehabilitation areas. These areas were visited during the audit site inspection. Charbon engaged SLR to undertake baseline monitoring within the Charbon owned lands in 2016 and annual rehabilitation monitoring in 2017, 2018, 2019 and 2020. The objectives of the monitoring program are to assess the long term stability and functioning of the re-established ecosystems when compared to adjacent control sites, assess rehabilitation performance against closure criteria and facilitate continuous improvement in rehabilitation practice. The annual inspections of rehabilitated areas assess soil condition, landform condition, drainage and sediment control structures, presence of microorganisms and invertebrates, revegetation germination rates, plant health and weed inspection. The results of the monitoring within the Charbon lands, as reported by SLR, indicate: - General achievement of the physical landform rehabilitation objectives, including final landform, land surface stability and drainage performance. - Ecosystem composition and structural characteristics are yet to be achieved considering the age of the vegetation, however assuming continued development it is likely the ecosystem composition and structure will progress further towards completion criteria over the coming years. - Weeds generally do not pose a risk to rehabilitation. Two priority weed species (blackberry and St John's wort) were identified in low abundance in several areas. - Pests / feral animals generally do not pose a risk to rehabilitation. For the Privately Owned Lands, baseline monitoring was established in 2017 (following seeding) and annual monitoring undertaken by SLR in 2018, 2019 and 2020. The monitoring assessed general rehabilitation, vegetation, soil chemistry, soil microbes and geotechnical stability. The results of the monitoring within the Privately Owned Lands indicate: - Generally, landform is considered stable and meeting majority of geotechnical closure criteria. - Several major weed infestations (blackberry) were identified that require immediate attention. No feral animal populations or erosion issues were noted. - Vegetation is in the early stages of plant growth and establishment and therefore not indicative of target vegetation types. - Soil analytes within POL rehab areas were non-limiting for the growth of native vegetation. No addition of fertiliser or soil ameliorants required at this stage. - Soil microbial communities in rehab areas still recovering (can take 5-10 years). This condition has been assessed as compliant on the basis that Charbon was tracking towards meeting its rehabilitation objectives. Full compliance with this condition cannot be assessed until rehabilitation is complete. Rehabilitation is discussed in detail in Section 6 of the main report.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A3 Compliance Assessment: MINING LEASE No. 1647				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
8	Subsidence Management a) The lease holder must prepare a Subsidence Management Plan prior to commencing any underground mining operations which will potentially lead to subsidence of the land surface. b) Underground mining operations which will potentially lead to subsidence include secondary extraction panels such as longwalls or miniwalls, associated first workings (gateroads, installation roads and associated main headings, etc), and pillar extractions, and are otherwise defined by the Applications for Subsidence Management Approvals guidelines (EDG17). c) The lease holder must not commence or undertake mining operations that will potentially lead to subsidence other than in accordance with a Subsidence Management Plan approved by the Planning Secretary, an approval under the Coal Mine Health and Safety Act 2002, or the document New Subsidence Management Plan Approval Process – Transitional Provisions (EDP09). d) Subsidence Management Plans are to be prepared in accordance with the Guideline for Applications for Subsidence Management Approvals. e) Subsidence Management Plans as approved must form part of the Mining Operations Plan required under Condition 3 and will be subject to the Environmental Management Report process as set out under Condition 4. The SMP is also subject to the requirements for subsidence monitoring and reporting set out in the document New Approval Process for Management of Coal Mining Subsidence – Policy.	2018 IEA, MCW Environmental Letter to DPIE RR dated 13.04.2018 requesting reduction in frequency of subsidence monitoring inspections Subsidence Inspection Sheet 24.02.21 Interviews with site personnel	Underground mining at Charbon ceased in March 2014. Underground mining at the Western Underground was limited to first workings and hence a Subsidence Management Plan was not required for this area. However, in accordance with Project Approval Condition 3.25, a Subsidence Monitoring and Contingency Plan for the Western Underground dated April 2011 was developed. Underground mining in the Eastern Underground did include secondary workings and thus a Subsidence Management Plan was required. Previous IEAs viewed this Subsidence Management Plan dated November 2011 for the 8 and 9 Trunk extraction areas. Visual inspections of subsidence areas were undertaken by Charbon monthly during 2017. In April 2018, Charbon proposed a reduction of the frequency of inspections of the subsidence areas to the Resources Regulator. This was based on no unexpected subsidence related impacts being identified. The letter proposed 6 monthly inspections until bulk earthworks associated with the rehabilitation of the mine have been completed and annually thereafter until expiry of the MOP. No formal response was provided to this letter, however it was reported that it was verbally acknowledged. Charbon reported that it continues to undertake monthly visual inspections of subsidence areas as part of the monthly inspection tool.	Compliant
9	Working Requirement The lease holder must: a) ensure that at least 23 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 on the lease area, an amount not less than \$402,500 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.	CHJ 2018 Report Monthly CHJ 2019 Report Monthly CHJ 2020 Report Monthly CHJ 2021 Report Monthly	Charbon comprises 14 different Mining, Mining Purposes and Consolidated Coal Leases of which five have similar Working Requirement conditions: - ML 1647: employ 23 or expend \$462,500 annually - ML 1545: employ 9 or expend \$157,500 annually - ML 1524: employ 1 or expend \$17,500 annually - ML 1663: employ 3 or expend \$52,500 annually - CCL 732: employ 41 or expend \$717,500 annually The aggregate requirement is to employ 77 personnel or expend \$1,407,500 annually. Charbon provided cost reports indicating well over \$1.5 million is spent annually at Charbon.	Compliant
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 5mm/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. 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.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period.	Not triggered
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 Planning Secretary, 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 Planning Secretary.	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019	As this Condition is not regarded to be an environmental condition, and as MCW Environmental are not safety specialists, this Condition was not assessed during the audit. Notwithstanding this, during the audit site inspection the following observations were made: - Public access to site is restricted by fencing and gates at strategic locations. - Generally rural fencing to the east of the operations prevents stock entry, whereas to the west is relatively inaccessible State Forest. - Voids and highwalls were bounded by earthen safety berms; - The majority of portals had been temporarily sealed with overburden or other means. Appendix C to the Rehabilitation and Closure MOP includes the Sealing Review and Plan undertaken by SLR in January 2017. The review identified a number of key portals with various sealing status and quality. The review identified a number of actions and Charbon committed to developing a detailed sealing strategy during the MOP term. It was reported that a Sealing Strategy for 1, 2, 3, 4 and 8 trunk adits has been developed (not sighted) and that a HRA is in preparation. During the audit the 8 trunk workshop adit was sealed. It was reported that there had been no public safety incidents on the Charbon Colliery holdings during the current audit period.	Not Assessed

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A3 Compliance Assessment: MINING LEASE No. 1647				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
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.		Water management was generally as per the Water Management Plan (Rev 3, 2019) and MOP. Various sediment dams or pollution control dams have been established for treatment through settling prior to discharge through discharge points licensed under EPL 528. Charbon's Annual Reviews for 2018, 2019 and 2020 and EPL 528 Annual Returns for 2018, 2019 and 2020 and incident reports indicate two instances of unlicensed discharges during the audit period relating to dirty water management in the Haystack Area. The Haystack Area was inspected during the audit and observed to have limited erosion control measures in place to reduce the sediment load entering the Haystack sediment dams. Refer photos in main report. As noted in the Water Management Plan, the Haystack sediment dams do not have the capacity to contain dirty water from this catchment in a significant rainfall event and Charbon relies on pumping the water to the LDP2 Discharge Dam to contain the dirty water and treat it prior to discharge. On the basis of the unlicensed discharges and identified sediment and erosion control issues at the Haystack Area, this condition has been assessed as non-compliant. Refer also to CoA 3.28, 3.29 and the main section of the report.	Non-compliant Refer to recommendations under CoA 3.28 and 3.29
13	Transmission Lines, Communications 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 Planning Secretary and subject to any conditions stipulated.	Interviews with site personnel	No publicly-owned infrastructure was damaged as a result of the project during the audit period.	Compliant
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 Planning Secretary as soon as reasonably practicable after they are no longer required under this lease.	Interviews with site personnel	There is a public road / track for access to a communications tower within Kandos State Forest which passes through Charbon's lease holdings. Charbon use this track on an occasional basis to undertake subsidence monitoring within the State Forest. It is understood that Charbon do not use the track in wet conditions and that no damage has been caused. The track was not inspected during the audit. Based on information provided, Charbon is considered compliant with this condition.	Compliant
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 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. 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.	Interviews with site personnel Privately Owned Land - Annual Rehabilitation Monitoring Report 2019, SLR 2020 Annual Reviews 2018, 2019 & 2020	A negotiated agreement with the private landholder (of Location F property) was in place covering areas of disturbance on the privately owned lands (not sighted). The 2019 Privately Owned Land Annual Rehabilitation Monitoring Report reported that the landowner has reserved the right to utilise woody debris for their own purposes and therefore this material cannot be placed within the privately owned land rehabilitation areas to improve habitat for terrestrial fauna. The Rehabilitation and Closure MOP indicates that Charbon holds six various occupation permits with the Forestry Corporation of NSW (FCNSW) in the Clandulla and Kandos State Forests. No clearing had occurred within the Kandos State Forest during the audit period.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A3 Compliance Assessment: MINING LEASE No. 1647				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
17	Resource Recovery 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 Planning Secretary is of the opinion that minerals which the lease entitles the title holder to mine and which are economically recoverable at the time are not being recovered from the lease area, or that any such minerals that 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 must 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 must not specify the processes the lease holder must use to achieve the specified recovery. c) The lease holder must, when requested by the Planning Secretary, provide such information as the Planning Secretary may specify about the recovery of the mineral resources of the lease area.	Interviews with site personnel	No Notices were issued by the Planning Secretary under this Condition.	Not triggered
18	Indemnity 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 must in all respects have been observed by the lease holder or that any such accident or injury must arise from any act or thing which the lease holder may be licensed or compelled to do.		Noted.	Noted.
21	Single Security (extended) The single security given and maintained with the Minister by the lease holder for the purpose of ensuring the fulfilment by the lease holder of obligations under Mining Purposes Leases Nos 270 (Act 1973) and 499, 505, 526, 662, 663, 670, and 964 (Act 1906), Consolidated Coal Lease No 732 (Act 1973) and Mining Leases Nos 1318, 1384, 1501, 1524 and 1545 (Act 1992) is extended to apply to this lease.	DRE Rehabilitation Cost Estimation Tool – Charbon, 18 July 2019 Rehabilitation Completion and/or Review of Rehabilitation Cost Estimate ESF2 Form, 18 July 2019 Letter to Resource Regulator dated 18.07.2019 submitting MOP Amendment C listing RCE Tool and RCE Form as enclosed. Deed of Security Deposit Bond (101601/2019) dated 17.05.2019 Deed of Security Deposit Bond (DG755363418) dated 17.01.2019 Deed of Security Deposit Bond (CENTENNIAL00198) dated 25.08.2016 Deed of Security Deposit Bond (DG844053418) dated 6.02.2020	A print screen of the RCE Bond for 2021 indicated total security of \$23,581,000, comprising of: - \$7,265,650 held by Certificate 101601_2019 - \$775,000 held by Certificate DG755363418 - \$14,348,000 held by Certificate CENTENNIAL00198 - \$14,000 held by Certificate DG844053418 The Deed of Security Deposit Bond associated with the above securities for the Centennial portion were sighted. It is noted an additional \$1,178,350 of securities is held by the JV to bring the total to \$23,581,000. The certificates associated with the JV were not sighted. This correlated with the Rehabilitation Cost Estimate (RCE) of \$23,580,920 dated 18 July 2019 calculated using the Division of Resources and Energy RCE Tool and submitted with the MOP Amendment C It is noted that the RCE and Deeds of Security Deposit Bonds described above cover all of the Mining Purposes Leases, Consolidated Coal Leases and Mining Leases at Charbon, including this lease ML 1647. Auditors did not assess the accuracy or any other aspect of the Security Deposit Calculation.	Compliant
23	Suppression 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.	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019 Mining Operations Plan, Charbon Colliery, Lot 8 DP 593262 & Lot 1 DP 1148217, October 2015 to October 2022, October 2015	Underground mining at Charbon ceased in March 2014, open cut mining ceased in August 2015 and coal handling and processing ceased shortly thereafter. Current operations are focussed on rehabilitation and closure activities which are being implemented in accordance with two approved Mining Operations Plans: - Mining Operations Plan, Charbon Colliery, Lot 8 DP 593262 & Lot 1 DP 1148217, October 2015 to October 2022 covering privately owned land in the southern portion of Charbon's mining leases - Rehabilitation and Closure Mining Operations Plan, Charbon Colliery, January 2019 to December 2025 covering all other areas of Charbon's mining leases. On the understanding that rehabilitation and closure activities are considered to fall under the general definition of mining operations, then mining operations have not yet been suspended and this condition has not been triggered.	Not Triggered

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A3 Compliance Assessment: MINING LEASE No. 1647				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
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: • access arrangements • operational interaction procedures • dispute resolution • information exchange • well location • timing of drilling • potential resource extraction conflicts and • rehabilitation issues.	Interviews with site personnel	Charbon did not identify overlapping titles, hence there was no need for a Cooperation Agreement.	Not triggered
Note	<u>Exploration Reports (Geological and Geophysical)</u> The lease holder must lodge reports to the satisfaction of the Planning Secretary in accordance with section 163C of the mining Act 1992 and in accordance with clause 57 of the Mining Regulation 2010. Reports must be prepared in accordance with Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales (Department of Industry and Investment, 2010).	Interviews with site personnel Charbon Annual Review 2018, 2019 & 2020 Annual Exploration Report 2017 – June 2018 Annual Exploration Report 2018-2019, June 2019 Annual Exploration Report 2019-2020, June 2020	No exploration has occurred within the Charbon Colliery lease holdings during the current audit period. Notwithstanding, Annual Exploration Reports were developed for 2017-2018, 2018-2019 and 2019-2020. The reports state that Charbon applied for an exemption from reporting (including annual exploration activities) on the 28 September 2017 on the basis that all reserves have been extracted and no further mining will take place. RR has not responded to this request and as such Charbon has continued to submit Annual Exploration Reports stating that no surface exploration had been completed.	Compliant

Appendix A4: Statement of Commitments

APPENDIX A4 Compliance Assessment: STATEMENT OF COMMITMENTS				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
1. GENERAL				
All operations are undertaken in a manner that will minimise the environmental impacts associated with the project.				
1.1	Operate generally in accordance with the Environmental Assessment and conditions of approvals, licences or consents. <i>Timing: Continuous</i>		Charbon has generally implemented reasonable management systems and measures across its operations to prevent and/or minimise harm to the environment, and has operated generally in accordance with the Environmental Assessment, conditions of approvals and licences. A number of non-compliances and incidents were recorded during the audit period which are discussed within these Compliance Assessment Tables and elsewhere in this report. On the basis that no non-compliances have been recorded with the Statement of Commitments, this condition has been assessed as compliant.	Compliant
1.2	Develop management plans to manage and mitigation impacts of the Project. <i>Timing: Continuous</i>		Management plans have been developed, refer PA Compliance Table Condition 5.2.	Compliant
2. Hours of Operation				
All operations are undertaken within the approved operating hours.				
2.1	Land Preparation – Daylight hours, Monday to Saturday. <i>Timing: On campaign basis.</i>	2018 IEA, MCW Environmental	Previously found compliant, no longer relevant.	Complete
2.2	Underground Mining – 24 hours, 7 days per week. <i>Timing: Continuous</i>	2018 IEA, MCW Environmental	Previously found compliant, underground mining ceased in March 2014, no longer relevant.	Complete
2.3	Open Cut Mining – Monday to Friday 7:00am to 10:00pm, Saturday 7:00am to 6:00pm. <i>Timing: Continuous – winter, spring, summer.</i>	2018 IEA, MCW Environmental	Previously found compliant, open cut mining ceased in August 2015, no longer relevant.	Complete
2.4	Open Cut Mining – Monday to Saturday 7:00am to 6:00pm. <i>Timing: Continuous - autumn.</i>	2018 IEA, MCW Environmental	Previously found compliant, open cut mining ceased in August 2015, no longer relevant.	Complete
2.5	ROM Coal Loading Operations – 24 hours, 7 days per week. <i>Timing: Continuous</i>	2018 IEA, MCW Environmental	Previously found compliant, coal loading ceased in 2015, no longer relevant.	Complete
2.6	Blasting Operations – 9:00am to 5:00pm, Monday to Saturday. <i>Timing: Continuous</i>	2018 IEA, MCW Environmental	Previously found compliant. No blasting occurred during audit period or is planned, no longer relevant.	Complete
2.7	Maintenance Operations – 24 hours, 7 days per week. <i>Timing: Continuous</i>	2018 IEA, MCW Environmental	Previously found compliant, no longer relevant.	Complete
2.8	CHPP – 24 hours, 7 days per week. <i>Timing: Continuous</i>	2018 IEA, MCW Environmental	Previously found compliant, coal preparation and processing ceased in 2015, no longer relevant.	Complete
2.9	Product Coal Loading Despatch (rail) – 24 hours, 7 days per week. <i>Timing: Continuous</i>	2018 IEA, MCW Environmental	Previously found compliant, coal loading ceased in 2015, no longer relevant.	Complete
2.10	Product Coal Loading and Dispatch (road) – 6:00am to 10:00pm, 7 days per week. <i>Timing: Continuous</i>	2018 IEA, MCW Environmental	Previously found compliant, coal loading ceased in 2015, no road haulage during audit period, no longer relevant.	Complete
2.11	Rehabilitation - Daylight hours, Monday to Saturday. <i>Timing: On campaign basis.</i>	Refer PA CoA 3.3	Current site operating hours are Monday to Friday 7:00am to 5:00pm, refer PA Compliance Table Condition 3.3.	Compliant
3. Noise Management				
Project-related noise impacts on surrounding residences minimised.				
3.1	Prepare and implement a Noise Monitoring and Management Plan , including a noise monitoring protocol. <i>Timing: Within 6 months of receipt of Project approval.</i>	Refer PA CoA 3.9	Refer PA Compliance Table CoA 3.9.	Compliant
3.2	Prepare an updated noise model. <i>Timing: Within 12 months of receipt of Project approval.</i>	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period and has been assessed in previous IEAs. This condition is considered complete	Complete (Historical requirement)

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A4 Compliance Assessment: STATEMENT OF COMMITMENTS				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
3.3	Limit the hours of open cut mining operations to 7:00am to 10:00pm to avoid noise impacts on surrounding residents during the night and thereby minimise sleep disturbance and intrusion during the quietest part of the day. <i>Timing: Continuous</i>		Open cut mining ceased in 2015, no longer relevant.	Complete
3.4	Limit the hours of open cut mining operations during autumn to 7:00am to 6:00pm unless a real time noise monitoring program is developed as part of the Noise Monitoring and Management Plan. <i>Timing: Continuous</i>		Open cut mining ceased in 2015, no longer relevant.	Complete
4. Ecology Management				
Minimise Project-related impacts on flora and fauna within and surrounding the Project Site.				
4.1	Prepare a Fauna Handling and Management Plan identifying procedures for inspection of vegetation prior to removal and management of any fauna identified during the inspection or clearing operations. <i>Timing: Prior to commencement of land preparation operations.</i>	2018 IEA, MCW Environmental	Compliance confirmed in previous IEAs which sighted Fauna Handling Management Plan 2010. Land preparation operations complete.	Complete (Historical requirement)
Implementation of an appropriate ecology monitoring program to monitor undisturbed sections of the Project Site and areas undergoing rehabilitation.				
4.2	Modify and implement the existing Ecology Monitoring Program within the Compensatory Habitat Area to include other areas that would not be disturbed within the Project Site as well as areas of progressive rehabilitation. <i>Timing: Within 6 months of receipt of Project approval.</i>	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019 Refer PA CoA 4.1 and 4.4	Ecological monitoring program within the compensatory habitat area is discussed in the Compensatory Habitat Management Plan which is included Appendix B to the Rehabilitation and Closure MOP. The ecological monitoring program for the rehabilitated areas is included in the Rehabilitation and Closure MOP. Refer to PA CoA 4.1 and 4.4 for discussion of implementation of monitoring.	Compliant
4.3	Prepare a detailed Rehabilitation and Vegetation Management Plan , including a detailed description of rehabilitation procedures to be implemented and tree, shrub and grass species to be used during rehabilitation. <i>Timing: Prior to commencement of land preparation operations.</i>	Rehabilitation and Closure Mining Operations Plan January 2019 to December 2025 – Amendment C, July 2019	Requirements have been incorporated into Rehabilitation and Closure MOP which includes detailed description of rehabilitation procedures to be implemented and tree, shrub and grass species to be used during rehabilitation.	Compliant
4.4	Develop and implement an appropriate Biodiversity Land Management Strategy in consultation with the consent authority and other relevant Government agencies. <i>Timing: Within 12 months of receipt of Project approval.</i>	Refer PA CoA 4.1	Detailed within the Compensatory Habitat Management Plan August 2012 appended to the MOP. Refer PA Compliance Table Condition 4.1.	Compliant
5. Air Quality Management				
Site activities are undertaken, as far as practicable, without exceeding EPA air quality criteria or goals.				
5.1	Complete and implement an Air Quality Management Plan which identifies dust management practices that effectively minimise dust emissions including when water is not available for dust suppression. <i>Timing: Within 6 months of receipt of Project approval.</i>	Refer PA CoA 3.22	Air Quality Management Plan has been prepared and was being implemented. Refer PA Compliance Table Condition 3.22.	Compliant
5.2	Prepare and implement an Air Quality Monitoring Protocol , including continued monitoring of deposited dust, PM ₁₀ and TSP. <i>Timing: Within 6 months of receipt of Project approval.</i>	Refer PA CoA 3.22	Detailed within Air Quality Management Plan. Air quality monitoring program was being implemented. Refer PA Compliance Table Condition 3.22.	Compliant
5.3	Prepare an updated air quality model. <i>Timing: Within 12 months of receipt of Project approval.</i>	2018 IEA, MCW Environmental	This Condition concerns an historical requirement that pre-dates the current audit period and has been assessed in previous IEAs. This condition is considered complete	Complete (Historical requirement)
5.4	Continue onsite existing meteorological monitoring. <i>Timing: Continuous</i>	Refer PA CoA 3.23	The meteorological station was observed during site inspection. Refer PA Compliance Table Condition 3.23.	Compliant
Appropriate arrangement with impacted residents negotiated.				
5.5	Negotiate an appropriate arrangement with the owner of Residence G to ensure that there is no potential for adverse health-related impacts associated with dust emissions.	2018 IEA, MCW Environmental	Compliance confirmed in previous IEAs, residence G was purchased by Charbon.	Complete (Historical requirement)

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A4 Compliance Assessment: STATEMENT OF COMMITMENTS				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
	Timing: Prior to commencing mining operations within the Western Outlier.			
6. Greenhouse Gas Management Appropriately manage and minimise greenhouse gas emissions.				
6.1	Prepare an Energy Savings Action Plan in accordance with the requirements of the EPA . <i>Timing: Within 6 months of receipt of Project approval.</i>	Refer PA CoA 3.45	Greenhouse Gas and Energy Management Plan prepared dated April 2012. Refer PA Compliance Table Condition 3.45.	Compliant
7. Indigenous Heritage Management Identified and unidentified Aboriginal sites are appropriately managed.				
7.1	Prepare an Indigenous Heritage Management Plan in consultation with the registered Indigenous groups and individuals, including a procedure for managing identified sites of heritage significance or sensitivity and for limiting the potential for damage to unidentified sites. <i>Timing: Prior to commencing land preparation operations in the vicinity of identified sites of Indigenous heritage significance.</i>	Refer PA CoA 3.34	Incorporated into the Western Region Aboriginal Cultural Heritage Management Plan. Refer PA Compliance Table CoA 3.34	Compliant
7.2	Complete further investigations in the vicinity of possible scar tree CH-ST5 and SAL 4. <i>Timing: Prior to commencing land preparation operations in the vicinity of CH-ST5 and SAL 4.</i>	2018 IEA, MCW Environmental	Further assessment of CH-ST5 and SAL 4 undertaken and details included in Aboriginal Cultural Heritage Management Plan as assessed in previous IEAs.	Complete
8. Blasting Management Project-related blasting impacts within relevant Guidelines.				
8.1	Undertake blasting within the Southern Open Cut Extension only. <i>Timing: Continuous during blasting operations.</i>	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period.	Not Triggered
8.2	Do not initiate blasting outside the hours of 9:00am and 5:00pm, Monday to Saturday, except for safety or emergency reasons. <i>Timing: Continuous during blasting operations.</i>	Charbon Annual Reviews 2018, 2019 & 2020 Interviews with site personnel	No blasting has occurred on the Charbon Colliery holdings during the current audit period.	Not Triggered
8.3	Prepare a Blast Management and Monitoring Plan that includes contingencies to address any community concerns about blasting impacts to residences. <i>Timing: Within 6 months of receipt of Project approval.</i>	Refer PA CoA 3.18	Blast Monitoring Program prepared. Refer PA Compliance Table CoA 3.18	Compliant
9. Surface Water and Groundwater All surface water and groundwater managed such that water-related impacts are minimised to the greatest extent practicable.				
9.1	Prepare a Sediment and Erosion Control Plan . <i>Timing: Prior to land preparation operations in each area of proposed disturbance.</i>	Refer PA CoA 3.31	Erosion and Sediment Control Plan (ESCP) prepared and included as part of Water Management Plan. Refer PA Compliance Table CoA 3.31	Compliant
9.2	Prepare updated site water balance. <i>Timing: Within 12 months of receipt of Project approval.</i>	Refer PA CoA 3.30	Updated site water and salt balance prepared. Refer PA Compliance Table CoA 3.30.	Compliant
9.3	Prepare a salinity balance. <i>Timing: Within 12 months of receipt of Project approval.</i>	Refer PA CoA 3.30	Updated site water and salt balance prepared. Refer PA Compliance Table CoA 3.30.	Compliant
9.4	Prepare a Surface and Groundwater Water Management Plan which will include detailed water monitoring and response protocols in consultation with the NSW Office of Water. <i>Timing: Within 12 months of receipt of Project approval.</i>	Refer PA CoA 3.32	Surface water and groundwater monitoring included in revised Water Management Plan. Refer PA Compliance Table CoA 3.32.	Compliant
9.5	Complete an assessment of Downstream impacts to drainage lines and creeks. <i>Timing: Within 6 months of receipt of Project approval.</i>	2018 IEA, MCW Environmental	Assessed in previous IEAs.	Complete
9.6	Complete an assessment of onsite irrigation of effluent. <i>Timing: Within 6 months of receipt of Project approval.</i>	2018 IEA, MCW Environmental	Assessed in previous IEAs. Effluent irrigation occurring as per EPL.	Complete
10. Traffic and Transportation Management Project-related impacts on transportation and the road network surrounding the Project Site are limited.				

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A4 Compliance Assessment: STATEMENT OF COMMITMENTS				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
10.1	Prepare a Transportation Management Plan including a Driver's Code of Conduct and fatigue management procedures. <i>Timing: Within 6 months of receipt of Project approval.</i>	2018 IEA, MCW Environmental	Assessed in previous IEAs. Transportation of coal has ceased. No longer relevant	Complete
10.2	Ensure that all heavy vehicles transporting coal from the Project Site via public roads do so between the hours of 7:00am and 10:00pm. <i>Timing: Continuous.</i>		No road haulage of coal was carried out during current audit period. No longer relevant.	Complete
10.3	Develop a Voluntary Planning Agreement with Council in lieu of existing and future Section 94 contributions or revert to the Section 94 contributions process. <i>Timing: Within 12 months of receipt of Project approval.</i>	2018 IEA, MCW Environmental	Assessed in previous IEAs. Voluntary Planning Agreement with Council developed dated 29 March 2012.	Complete
11. Subsidence Management No significant surface subsidence associated with the Western Underground.				
11.1	Undertake first workings only. <i>Timing: Continuous during mining of the Western Underground.</i>	2018 IEA, MCW Environmental	Underground mining at Charbon ceased in March 2014. Mining at the Western Underground was limited to first workings. Subsidence impacts were assessed in previous IEAs. audits. As no underground mining occurred during the current audit period no further assessment of compliance with this Condition has been undertaken.	Complete
11.2	Restrict subsidence levels to < 20mm subsidence. <i>Timing: Continuous during mining of the Western Underground.</i>		Subsidence impacts were assessed in previous IEAs. audits. As no underground mining occurred during the current audit period no further assessment of compliance with this Condition has been undertaken.	Complete
11.3	Prepare a Western Underground Subsidence Monitoring Plan as part of the Strata Control Management Plan in consultation with DII. <i>Timing: Continuous during mining of the Western Underground.</i>	Refer PA CoA 3.25	Subsidence Monitoring and Contingency Plan for the Western Underground prepared. Refer to PA Compliance Table CoA 3.25. Underground mining at Charbon ceased in March 2014.	Complete
12. Visual Amenity Management Day-time visibility of site activities limited.				
12.1	Complete the proposed visual amenity plantings in the vicinity of Mount View Road. <i>Timing: As soon as practicable.</i>	2018 IEA, MCW Environmental	Compliance confirmed in previous IEAs.	Complete
12.2	Ensure that the western section of Hill B, located to the west of the Western Outlier, remains undisturbed. <i>Timing: During mining operations within the Western Outlier.</i>	2018 IEA, MCW Environmental	Compliance confirmed in previous IEAs. As mining at Charbon ceased in 2015, this Condition is no longer considered relevant and no further assessment was undertaken.	Complete
12.3	Ensure, where practicable, that mining and waste rock placement operations are undertaken behind a 4m and 5m high barrier respectively, particularly during the evening, to limit visual impacts associated with moving mining equipment and lights. <i>Timing: Continuous during mining operations.</i>	2018 IEA, MCW Environmental	Compliance confirmed in previous IEAs. As mining at Charbon ceased in 2015, this Condition is no longer considered relevant and no further assessment was undertaken.	Complete
12.4	Ensure that all open cut mining-related lights are extinguished at the completion of each day's mining operations, with the exception of those required for activities that may be undertaken between 10:00pm and 7:00am or those that are required for safety or security-related purposes. <i>Timing: Continuous during evening mining operations.</i>	2018 IEA, MCW Environmental	Compliance confirmed in previous IEAs. As mining at Charbon ceased in 2015, this Condition is no longer considered relevant and no further assessment was undertaken.	Complete
13. Soil Management The Proponent's activities do not result in soil degradation or loss.				
13.1	Prepare and implement a Soil Management Plan . This plan may be prepared as a component of the Surface and Groundwater Management Plan, or the Sediment and Erosion Control Plan or the Rehabilitation and Vegetation Management Plan . <i>Timing: Within 6 months of receipt of Project approval.</i>	Refer PA CoA 3.31	Incorporated into Erosion and Sediment Control Plan (ESCP) which forms part of the Water Management Plan. Refer PA Compliance Table 3.31.	Compliant

Independent Environmental Audit - Charbon Colliery 2021

APPENDIX A4 Compliance Assessment: STATEMENT OF COMMITMENTS				
Condition No.	Condition	Evidence	Findings	Compliance Status / Recommendations
14. Environmental Management				
Implementation of an appropriate water monitoring program to ensure continuing compliance with relevant water quality criteria.				
14.1	Expand the licensed discharge point water quality monitoring program to include the monitoring locations identified in Section 5.8.6. <i>Timing: During discharge events.</i>	Refer PA CoA 3.28	Charbon has six licensed discharge points: LDP1 for the discharge of treated wastewater effluent to land and LDP2 to LDP6 for the discharge of waters from the mine site to Rileys and Reedy Creeks. Refer PA Compliance Table CoA 3.28.	Compliant
14.2	Monitor all accessible registered bores in the vicinity of the Project Site, subject to landholder approval, for standing water level, pH and electrical conductivity. <i>Timing: Monthly</i>	Chabon Coal_ECD Data Import Sheet_updated as at 210406	Monthly groundwater monitoring at PB2 and PB3 was undertaken during the audit period. It is noted the revised (but not approved) Water Management Plan, (Revision 3, October 2019) states that groundwater monitoring is no longer required.	Compliant
14.3	Monitor all accessible registered bores in the vicinity of the Project Site, subject to landholder approval, for laboratory-based water quality analysis. <i>Timing: Annual</i>	Chabon Coal_ECD Data Import Sheet_updated as at 210406	As per Condition 14.2 above. Groundwater monitoring includes laboratory-based water quality analysis for a range of analytes.	Compliant
14.4	Monitor the volume and quality of water used or transferred around the Project Site. <i>Timing: Continuous</i>		The requirement to monitor the volume of water used or transferred around the site is not relevant in a closure scenario where there is no mining activity for water re-use. Water is pumped from different storages around the site as part of the dirty water management system, this is not considered water usage.	Not applicable

Appendix B

Status of Recommendations from 2018 IEA

Independent Environmental Audit - Charbon Colliery 2021

Condition	Risk	2018 Recommendation or Opportunity for Improvement	Charbon Coal Response	2021 Assessment	Status
PA 08_0211 CoA 3.29	Medium	Continue to discuss with DPE the need for the revised Water Management Plan to be approved along with its contained Erosion and Sediment Control Plan, Surface Water and Groundwater Monitoring Programs.	Centennial will consult with DPE regarding the approval of the Water Management Plan currently being assessed by the department.	DPIE approval of the revised Water Management Plan was not obtained. The Plan was further revised and submitted to DPIE for approval (Rev C, October 2019) however formal approval not received. Refer to new recommendation under PA CoA 3.29	Open Refer PA CoA 3.29
PA 08_0211 CoA 3.29	Medium	Continually review the performance of the site in managing surface waters and meeting discharge criteria so as to assess the ongoing performance of the implementation of measures introduced under the PRP. If required, consider and implement further controls to maintain discharge water within EPL discharge criteria.	Centennial will continue to undertake inspections to identify the capacity of water management dams and will continue to report on water discharged at licenced discharge points in monthly Environmental Monitoring Data reports.	This is an ongoing requirement. Refer to discussion under PA CoA 3.29 and new recommendations.	Ongoing
PA 08_0211 CoA 3.29	Medium	Given the high reliance of manual intervention to manage water in dams across the site; consider how more automation could be included into the system to reduce this reliance.	Centennial will consider options to install monitoring equipment with remote access to data at licenced discharge points located at water management dams at Charbon.	Telemetry included at LDP5. A text message is sent to the Project Manager when dam level (measured at the weir) is 50 mm, below the spillway, 25 mm below and when it has been overtopped.	Closed
PA 08_0211 CoA 3.29	Medium	Improve drainage within and below the Trunk 2 ROM stockpile area to fix ongoing erosion and sedimentation in the catchment.	Centennial has constructed diversion drains and a sediment basin at the Trunk 2 ROM stockpile area.	Observed during site inspection.	Closed
PA 08_0211 CoA 5.4	Low	Reviews of strategies, plans and programs should be documented regardless of whether or not a revision is required. Charbon to ensure revisions are in line with requirements of the condition.	Noted	Letters submitted to DPIE following Annual Reviews included details of which plans have been revised and which have been reviewed but are not considered to require revision. Refer discussion under PA CoA 5.4	Closed
PA 08_0211 CoA 5.4	Low	Continue to discuss with DPE the need for the revised Management Plans to be approved.	Centennial will consult with DPE regarding the approval of management plans currently being assessed by the department.	A number of revised management plans are yet to be approved by DPIE. Refer to new recommendation under PA CoA 5.4	Open Refer PA CoA 5.4
PA 08_0211 CoA 5.6	Low	Ensure reporting of exceedences of water quality criteria to DPE meets the requirements of the condition and the expectations for reporting of DPE.	Not included in response to IEA.	Refer to new recommendation under PA CoA 5.6	Open Refer PA CoA 5.6
PA 08_0211 CoA 3.19	Not verified	Charbon to consider if further actions are required to ensure monitoring is able to be consistently undertaken by the HVAS.	The power supply to the HVAS was reconfigured during 2017. The HVAS will continue to be audited and calibrated.	Air quality data has been obtained more consistently during the audit period. Missing data accounted for less than 5% of total samples and is considered not material.	Closed
PA 08_0211 CoA 3.19	Not verified	Either ensure the dust depositional gauge is operational at DM-HL or secure another monitoring location.	The Air Quality Management Plan currently being assessed by the department does not include a dust deposition gauge at DM-HL.	Dust monitoring locations updated in revised Air Quality Management Plan (June 2018) and approved by DPIE.	Closed
Erosion and Sediment Control	Improvement	Improvements in drainage in the 2 Trunk Stacker area are considered to be required in order to reduce erosion and sedimentation in this area.	Centennial has constructed diversion drains and a sediment basin at the 2 Trunk Stacker area.	Sighted a sediment basin at the base of the drainage line. While erosion is still likely, the area is to be rehabilitated and the sediment basin will provide some controls, hence issue closed.	Closed
Erosion and Sediment Control	Improvement	Long term solutions to erosion of the former waste rock dump upstream of the Stacker Sediment Dam Lower is required to gain a stable landform.	Noted. This area is identified to be rehabilitated in the Rehabilitation and Closure MOP for Charbon Colliery.	On the basis that the area is to be rehabilitated in the short term, this issue closed for the purposes of this report.	Closed
Weed Control	Improvement	Consider proactive control of the woody weed (possibly African Box Thorn) which is prolific at the site entrance administration building.	The control of weeds will continue to be undertaken at Charbon Colliery.	Weed control is an ongoing requirement across the site and the action remains open.	Open Refer Section 3.6
EMS	Improvement	That the EMS be updated with the most recent approvals following approval by the Department of the management plans submitted for approval during 2017, e.g. the most recently approved MOP (2017) for Charbon.	Centennial will update the Environmental Management Strategy with the most recent approvals following approval by the Department of the management plans submitted during 2017.	The EMS was revised in March 2017 and approved by DPIE in July 2018.	Closed

Independent Environmental Audit - Charbon Colliery 2021

Condition	Risk	2018 Recommendation or Opportunity for Improvement	Charbon Coal Response	2021 Assessment	Status
Air Quality Management Plan	Improvement	Continue to liaise with DPE on the need for the revised Air Quality Management Plan to be approved.	Centennial will consult with DPE regarding the approval of the Air Quality Management Plan currently being assessed by the department.	The revised Air Quality Management Plan was approved by DPIE in June 2018.	Closed
Noise Management Plan	Improvement	Incorporate recent variations of the EPL into the Noise Management Plan (specifically changes in the specified EPL noise limit criteria). Following the update resubmit the Noise Management Plan to DPE for approval	Centennial will update the Noise Management Plan with the recent variations to the noise limit criteria prescribed in the EPL and submit the Noise Management Plan to DPE for approval.	The revised Noise Management Plan was approved by DPIE in June 2018.	Closed
Water Management Plan	Improvement	Continue to liaise with DPE on the need for the revised Water Management Plan, along with the Erosion and Sediment Control Plan, to be approved	Centennial will consult with DPE regarding the approval of the Water Management Plan currently being assessed by the department.	DPIE approval of the revised Water Management Plan was not obtained. The Plan was further revised and submitted to DPIE for approval (Rev C, October 2019) however formal approval not received. Refer to new recommendation under PA CoA 3.29	Open Refer PA CoA 3.29
Water Management Plan	Improvement	In subsequent revisions to the Water Management Plan, fully reflect variations of the EPL into the Plan (specifically changes in the rainfall event criteria and LDP discharge volume limits).	Noted.	Revised Water Management Plan reflects current EPL which no longer includes discharge volume limits.	Closed
Water Management Plan	Improvement	Consider periodic monitoring of LDP4 discharges (given that this is the higher risk catchment containing the Reject Emplacement Area) for a broad spectrum of analytes to verify that the pollution of waters by any pollutant other than those specified in the EPL is not occurring	Monitoring of discharged water at LDP4 will be undertaken in accordance with the monitoring requirements outlined in the Water Management Plan currently being assessed by the department.	LDP 4 (as well as CHPP Dam 3, Discharge Dam and Reedy Creek Dam) are monitoring monthly for a broader suite of pollutants including nutrients, metals, major ions and other parameters as per revised Water Management Plan	Closed
Rehabilitation	Improvement	Continue rehabilitation monitoring to ascertain rehabilitation performance of each area of rehabilitation; so that performance can be assessed and modifications made to ongoing rehabilitation efforts as required	Noted. The current monitoring program is undertaken to monitor the progress of rehabilitation against the rehabilitation objectives outlined in the Rehabilitation and Closure MOP for Charbon Colliery.	Annual rehabilitation monitoring has continued to be undertaken. Refer discussion under CoA 4.4.	Ongoing
Rehabilitation	Improvement	Continue ongoing implementation of the two MOPs as required	Noted.	Implementation of the MOPs is an ongoing requirement.	Ongoing
Greenhouse Gas and Energy Management Plan	Improvement	Continue to discuss with DPE the need for the revised Greenhouse Gas and Energy Management Plan to be approved.	Centennial will consult with DPE regarding the approval of the Greenhouse Gas and Energy Management Plan currently being assessed by the department.	DPIE approval of the revised Greenhouse Gas and Energy Management Plan was not obtained. Refer to new recommendation under PA CoA 3.45	Open Refer PA CoA 3.45
EMS	Improvement	Continue to liaise with DPE to gain approval of the updated Environmental Management Strategy.	Centennial will consult with DPE regarding the approval of the Environmental Management Strategy currently being assessed by the department.	The EMS was revised in March 2017 and approved by DPIE in July 2018.	Closed
Access to Information	Improvement	Consider including on the website the EPBC Approval (Commonwealth), Mining Leases, Water Licences, revised 2015 Annual Review, proponent's response to 2012 IEA and the Community Complaints Register prior October 2016.	Noted. Centennial will continue to maintain access to information as prescribed Condition 7 of Schedule 5 in Project Approval 08_0211.	Not addressed. This OFI is still considered relevant. Refer to new recommendation under PA CoA 5.7	Open Refer PA CoA 5.7

Appendix C

Consultation with Relevant Authorities



Independent Environmental Audit - Charbon Colliery 2021

Agency / Community Representative	Consultation	Topics	Comments and/or section where topics are addressed in this IEA
DPIE - Compliance	Email request for consultation 26 March 2021 Email response received on 22 April 2021	The IEA needs to ensure that it addresses all the IEA requirements as outlined in the Consent	This IEA
		The IEA is to be consistent with ISO 19011:2002 – Guidelines for Quality and/or Environmental Systems Auditing, or updated versions of this guideline. However, in preparing the audit the Department would like you to also consider the Independent Audit Post Approval Requirements, dated May 2020	This IEA is consistent with ISO 19011:2002 Guidelines for Quality and/or Environmental Systems Auditing and DPIE's Independent Audit: Post Approval Requirements, May 2020.
		The IEA is to consider the following: Rehabilitation activities, generally and whether they are addressing/achieving the requirements of mine closure;	Section 3
		Noise compliance and monitoring;	Annual attended noise monitoring indicated compliance with noise criteria. Refer Appendix A1, CoA 3.1.
		Groundwater quality monitoring, including any impacts at the nearest groundwater bore receptors;	The revised Water Management Plan (Rev 3, October 2019), states that as water will not be sourced from the deep groundwater environment during the rehabilitation and closure phase of the Project continued monitoring at the two former production bores (PB2 and PB3) is not required. The Plan states that no groundwater monitoring of the private bores that surround the site will be undertaken during the rehabilitation and closure phase of the Project. The revised Water Management Plan has not been approved by DPIE. Monthly groundwater monitoring at PB2 and PB3 for a range of analytes was being undertaken. The auditors did not independently analyse this data. The 2020 Annual Review states that the quality is typical of groundwater quality within the Shoalhaven Group which was deposited in a marine environment is therefore brackish to saline and very hard (dominated by magnesium / calcium and sulfate). It also states that some metals in the groundwater are naturally elevated.
		Any issues/trends raised in complaints;	Section 4.3
		The water transfer to Airly Coal Mine, and	Water was transferred from Charbon to Airly Coal Mine via rail between August 2019 and March 2020. A total of 100 trains transferring 72ML of water in 2019 and 26 trucks transferring 19ML of water in 2020 were recorded. No water transfer has occurred since 20 March 2020. Refer Appendix A1, CoA 4.42A.
		Review and revisions of strategies, plans, and programs as per the requirements of Schedule 5 Condition 4.	Plans were reviewed and revised (and where required revised) following the approval of MOD1, 2018 IEA and Annual Reviews. It is noted a number of plans have been submitted to DPIE on multiple occasions but have not been formally approved. Refer Appendix A1, CoA 5.4.
		The IEA is to include consultation with relevant agencies, but not limited to the following: - EPA - DPI Water - WaterNSW - Water Division - Council - Resource Regulator	This Appendix.
EPA	Email request for consultation 25 April 2021 Email response provided on 7 May 2021	the Department issued a Development Control Order on 12 June 2019, to undertake rehabilitation works on all existing areas of disturbance at the Premises. As part of the IEA, review whether the rehabilitation schedule in the Order, is being met for the rehabilitation area outlined in the schedule against the date for completion.	Section 3.5
		The Charbon Mine is effectively a rehabilitation site although it still holds Environment Protection Licence No. 528 for 'Coal works' activities. There is an application in with DPIE – yet to be determined – for the transfer of coal washery reject from Clarence Colliery to Charbon Mine for rehab purposes although this does not require any variation to the existing licence conditions should the project be approved. The EPA has not received any complaints from neighbours in recent years (with the exception of one in relation to a 1080 baiting program performed on the premises in mid 2018 – perhaps beyond the scope of your audit). The only issues that have arisen in the past few years primarily relate to dirty water management on site. Recurring non-compliances reported in recent Annual Returns include the ad-hoc failures to collect samples or to analyses for a particular pollutant. An Official Caution was issued to Charbon in June 2018 for alleged breaches of licence conditions (failure to monitor for water, material handling issues and volumes of waste received in relation to drilling mud).	Noted. Complaints are discussed in Section 4.3 Dirty water management reviewed as part of assessment of compliance with CoA and EPL. Refer A1, CoA 3.28 and 3.29 and A2, Conditions L1.1 and L2.1.
Resources Regulator		The Resources Regulator requires that the following issues be addressed in independent environmental audits undertaken in accordance with a planning consent condition.	

Independent Environmental Audit - Charbon Colliery 2021

Agency / Community Representative	Consultation	Topics	Comments and/or section where topics are addressed in this IEA
	Email request for consultation 25 April 2021 Email with letter response provided on 21 May 2021	Review relevant mining leases and exploration licences as agreed with Resources Regulator.	Charbon operates under a large number of mining authorisations (MLs, CCLs and MPLs) most of which have very similar terms and conditions. ML 1647 was chosen as being representative of these authorisations. ML 1647 broadly encompasses the Southern Outlier, Western Outlier, Southern Open Cut Extension and Haystack Western Underground operational areas and is particularly relevant as it covers some of the mining operations and much of the rehabilitation works undertaken during the audit period.
		Undertake an assessment of compliance against the conditions of title related to environmental management.	Appendix A3
		Verify that there is a current Mining Operations Plan (MOP) in place and it has been approved by the Regulator – review compliance against any conditions of approval of the MOP.	- Mining Operations Plan, Charbon Colliery, Lot 8 DP 593262 & Lot 1 DP 1148217, October 2015 to October 2022 covering privately owned lands which are located in the southern portion of Charbon's mining leases. Approved by the DPIE RR in December 2015. - Rehabilitation and Closure Mining Operations Plan, January 2019 to December 2025, Amendment C July 2019 covering all other areas of Charbon's mining leases. Approved by the DPIE RR (letter not dated).
		Undertake a critical review of the MOP, including an assessment of its compatibility with the description of operations contained in the planning approval.	A detailed review of the MOPs was not undertaken as part of this IEA. The audit did not undertake a full assessment of whether all aspects of the MOP were compatible with the Project Approval. A high level review of the Rehabilitation and Closure MOP Amendment C indicated that the MOP is generally compatible with the Planning Approval as evidenced by: - The Project Approval is referenced throughout the document as a key approval document and the requirements of the relevant CoA included in the MOP (as summarised in Table 2) - The Project Description describes the activities authorised by PA 08_0211 - In addition to meeting RR guidelines for the preparation of a MOP, the Rehabilitation and Closure MOP was also prepared to satisfy the requirements of a Landscape Management Plan, Rehabilitation and Offsets Management Plan and Mine Closure Plan as required by Schedule 4, Conditions 6 to 8 of PA 08_0211. - The Proposed Rehabilitation Schedule (Table 9) reflects the Rehabilitation Schedule within the Development Control Order issued by DPIE on the 12 June 2019. A high level review of the MOP for Privately Owned Land indicated that the MOP is generally compatible with the Planning Approval as evidenced by: - The Project Approval is referenced throughout the document as a key approval document and the requirements of the relevant CoA included in the MOP (as summarised in Table 7) - The Project Description describes the activities authorised by PA 08_0211
		In particular: - Review the rehabilitation strategy as outlined in the MOP to determine if it is consistent with the Project Approval in terms of progressive rehabilitation schedule; and proposed final land use(s). - Review the rehabilitation objectives and completion criteria as outlined in the MOP to determine if they have been developed in accordance with the proposed final land use(s) as outlined in the Project Approval.	The Proposed Rehabilitation Schedule (Table 9) reflects the Rehabilitation Schedule within the Development Control Order issued by DPIE on the 12 June 2019. The rehabilitation objectives and completion criteria outlined in the MOPs reflect the Rehabilitation Objectives specified by CoA 4.4 of the Project Approval. The final landform included with the MOP (Plan 4) reflects the indicative Final Landform included in the EA and reproduced as Appendix 5 to the Project Approval.
		Review the development and implementation of any rehabilitation monitoring programs to assess performance against the nominated objectives and completion criteria – verified by reviewing monitoring reports and rehabilitation inspection records.	Charbon engaged SLR to undertake baseline monitoring in 2016 and annual rehabilitation monitoring in 2017, 2018, 2019 and 2020. The objectives of the monitoring program are to assess the long term stability and functioning of the re-established ecosystems when compared to adjacent control sites, assess rehabilitation performance against closure criteria and facilitate continuous improvement in rehabilitation practice. The annual inspections of rehabilitated areas assess soil condition, landform condition, drainage and sediment control structures, presence of microorganisms and invertebrates, revegetation germination rates, plant health and weed inspection. The annual rehabilitation monitoring covers both the Charbon owned land and the privately owned land. Refer Appendix A1, CoA 4.4.
		Determine if a rehabilitation care and maintenance program has been developed and implemented based on the outcomes of monitoring program – verified by reviewing Annual Rehabilitation Programs or similar documentation.	Annual rehabilitation monitoring assesses the status of rehabilitation and provides recommendations for improvement. Refer Appendix A1, CoA 4.4.

Independent Environmental Audit - Charbon Colliery 2021

Agency / Community Representative	Consultation	Topics	Comments and/or section where topics are addressed in this IEA
		Confirm that mining operations are being conducted in accordance with the approved MOP (production, mining sequence etc.), including within the designated MOP approval boundary – to be verified by site plans and site inspection.	Underground mining at Charbon ceased in March 2014, open cut mining ceased in August 2015 and coal handling and processing ceased shortly thereafter. Current operations are focussed on rehabilitation and closure activities in accordance with the Rehabilitation and Closure MOP and MOP for privately owned Land. Charbon has historically stockpiled overburden outside of the approved disturbance boundary. In order to remedy this breach of consent, Charbon was issued with a Development Control Order to undertake rehabilitation works on all existing areas of disturbance, including disturbed areas outside open cut approved areas. Implementation of progress against the Development Control Order is discussed in Section 3.5.
		Confirm that rehabilitation progress is consistent with the approved MOP as verified by site plans and a site inspection. This should include an evaluation against rehabilitation targets and whether the final landform is being developed in accordance with conceptual final landform in the Project Approval.	An annual rehabilitation monitoring program has been conducted each year since 2016 with the report summarised in the AR during the period of the IEA. The monitoring includes the following components: Landscape Function Analysis, vegetation dynamics, habitat complexity, disturbance assessment and photographic monitoring; and provides comparison and trends to previous results; and recommendations to improve the management and performance of rehabilitated landforms. Four rehabilitation sites and three control sites have been established within the Charbon owned lands and four rehabilitation and four control sites have been established within the privately owned lands. The 2020 Rehabilitation Monitoring Report for the Charbon owned lands (SLR, 2021) indicates the following: - General achievement of the physical landform rehabilitation objectives, including final landform, land surface stability and drainage performance. - Ecosystem composition and structural characteristics are yet to be achieved considering the age of the vegetation, however assuming continued development it is likely the ecosystem composition and structure will progress further towards completion criteria over the coming years - Weeds generally do not pose a risk to rehabilitation. Two priority weed species (blackberry and St John's wort) were identified in low abundance in several areas. - Pests / feral animals generally do not pose a risk to rehabilitation The report concluded that no significant issues within the rehabilitation areas were recorded within the 2020 monitoring period. Rilling and minor tunnel erosion was identified within one of the rehabilitation sites (R3) and ongoing monitoring by site personnel was recommended. The 2020 Rehabilitation Report for the privately owned lands (SLR, 2021) indicates the following: Generally, landform is considered stable and meeting majority of geotechnical closure criteria. - Several major weed infestations (blackberry) were identified that require immediate attention. No feral animal populations or erosion issues were noted. - Vegetation is in the early stages of plant growth and establishment and therefore not indicative of target vegetation types. - Soil analytes within POL rehab areas were non-limiting for the growth of native vegetation. No addition of fertiliser or soil ameliorants required at this stage. - Soil microbial communities in rehab areas still recovering (can take 5-10 years).
		Based on a visual inspection, determine if there are any rehabilitation areas that appear to have failed or that have incurred an issue that may result in a delay in achieving the successful rehabilitation outcomes.	Refer to Section 3 for discussion and photos of rehabilitation. Some areas were noted to contain a high proportion of weeds and in some areas rehabilitation growth was limited. Annual rehabilitation monitoring should report on areas where delays may occur in achieving successful rehabilitation outcomes.
		Review progress of the implementation of the Rejects Emplacement Area capping strategy, and in particular the capping trial.	At the time of the audit site inspection, Charbon was nearing completion of the MREA capping trial and was preparing the required reports for submission to RR by the 31 May 2021. These were not available for assessment by the auditors at the time of the site visit and hence were not reviewed as part of the audit.
DPIE – Biodiversity, Conservation and Science Directorate	Email request for consultation 25 April 2021 Email response provided on 6 May 2021	BCS has had limited interaction with Charbon Mine since the 2018 audit. Recommend that the audit include a review of quantified progress towards performance criteria in the rehabilitation and offsets management plan required by schedule 4, condition 7 of the development consent.	Section 3 and Appendix A1, CoA 4.4 and 4.7

Independent Environmental Audit - Charbon Colliery 2021

Agency / Community Representative	Consultation	Topics	Comments and/or section where topics are addressed in this IEA
Community Consultation Committee	Email request for consultation 25 April 2021 Email response provided on 7 May 2021	No matters of concern were raised by the CCC. Mining has ceased at Charbon and activity at the mine is focused on rehabilitation. The only two matters that did raise some questions during the audit period and further discussion at committee meetings was the proposed modifications to transfer water to the Airly Mine via rail transport and the proposal to use coarse coal rejects from Clarence for Charbon's void rehabilitation, all of which have been recorded in the minutes and available on the Centennial website. Coarse coal reject from Clarence to Charbon open cut discussed at November 2018 meeting – composition of coal, progress of rehabilitation and mine closure. This continued through to March 2021 meeting. Modification to transfer up to 170ML/per year to Airly Mine pit top by rail transport discussed at December 2019 extraordinary meeting- volume of Reedy Creek dam, reduction of downstream flow into Cumber Melon Creek and Cudgegong River – no impact to groundwater or Windamere Dam, number of trains, duration – concern on moving water from western to eastern catchment – no release. Positive use of train track.	Noted. The transfer of water to Charbon to Airly Coal Mine occurred via rail over the period August 2019 to March 2020. A total of 100 trains transferring 72ML of water in 2019 and 26 trucks transferring 19ML of water in 2020 were recorded. No water transfer has occurred since 20 March 2020. Refer Appendix A1, CoA 4.42A. The proposal to use coarse rejects from Clarence for Charbon's void rehabilitation (MOD 2) is still being assessed by DPIE and has yet to be approved. Therefore, it has not been reviewed as part of the scope of this IEA.
Mid-Western Regional Council	Contacted via telephone on the 17 May 2021	Mid-Western Regional Council were contacted and did not raise any concerns regarding operations and activities at Charbon during the audit period, however noted that one councillor previously raised a concern about potential local impacts of water being used from Riley's Creek dam for transport to Airly Mine during the drought in 2019.	Noted
Natural Resources Access Regulator	Email request for consultation 19 May 2021 Automated acknowledgement received. No feedback provided by the date of final report.		
Water NSW	Email request for consultation 19 May 2021 Automated acknowledgement received. No feedback provided by the date of final report.		

Appendix D

DPIE Endorsement of IEA Auditors



Charbon Coal Pty Limited
Attention: Mr James Wearne
PO BOX 1000
Toronto New South Wales 2283

13/01/2021

Dear James Wearne

**Charbon Coal (MP08_0211)
IEA Auditor Approval Request**

I refer to your letter dated 18 December 2020 seeking the Secretary's endorsement for an auditor to undertake the Independent Environmental Audit (audit) for the Charbon Coal Project MP08_0211 (Approval).

The Department has reviewed the nominations and information you have provided and is satisfied that the MCW Environmental Consulting Pty Limited (MCW) Audit Team is suitably qualified and experienced. Consequently, I can advise that the Secretary approves the appointment of MCW to prepare the Independent Environmental Audit Report.

In accordance with Schedule 5 Condition 8 of MP08_0211 and the Independent Audit Post Approval Requirements, the Secretary has agreed to the following audit team:

- Michael Woolley – Lead Auditor
- Helen Onus - Auditor

Please ensure this correspondence is appended to the Independent Audit Report.

The Audit must ensure it has addressed all the Independent Environmental Audit conditions of Consent. Furthermore, the Audit is to be prepared, undertaken and finalised in accordance with *AS/NZS ISO 19011 Australian/New Zealand Standard: Guidelines for quality and/or environmental management systems auditing* and consider the requirements of the Independent Audit Post Approval Requirements. Failure to meet these requirements may require revision and resubmission.

The Department reserves the right to request an alternate auditor or audit team for future audits.

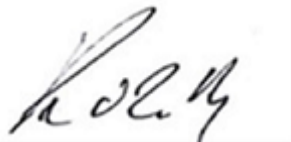
Notwithstanding the agreement for the above listed audit team for this Project, each respective project approval or consent requires a request for the agreement to the auditor or audit team be submitted to the Department, for consideration of the Secretary. Each request is reviewed and depending on the complexity of future projects, the suitability of a proposed auditor or audit team will be considered.

Within 6 weeks of completing the audit, you are required to submit a copy of the audit report to the Secretary, together with your response to any recommendations contained in the audit report and a timetable to implement the recommendations.

Prior to submitting the audit report to the Secretary, it is recommended that you review the report to ensure it complies with the relevant conditions of consent.

If you wish to discuss the matter further, please contact Jennifer Rowe on 0242471851.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K O'Reilly', is enclosed within a thin black rectangular border.

Katrina O'Reilly
Team Leader - Compliance
Compliance

As nominee of the Planning Secretary

Charbon Coal Pty Limited
Attention: Mr James Wearne
PO BOX 1000
Toronto New South Wales 2283

24/05/2021

Dear Mr Wearne

**Charbon Coal Project (MP08_0211)
Extension of Time to Submit IEA Report**

I refer to your request, submitted to the Department Planning Industry and Environment on 19 May 2021, seeking the Secretary's agreement to extend the submission of the 2021 Independent Environment Audit report to 20 July 2021. In accordance with Schedule 5 Condition 9 for the Charbon Coal Project Consent (MP08_0211, as modified) the audit report is required to be submitted within 6 weeks of the completing of the audit, unless otherwise agreed by the Planning Secretary.

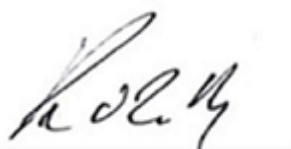
The Department notes that MCW Environmental Consulting undertook the audit on 27 April 2021 and has requested an additional 6 weeks to complete the audit report to allow for a more comprehensive and complete audit.

Accordingly, the Planning Secretary grants the requested extension.

It is requested that the Independent Environment Audit report together with your response to the recommendations is submitted to the Department by no later than **COB 20 July 2021** via the major project website.

If you wish to discuss the matter further, please contact Jennifer Rowe on 0242471851.

Yours sincerely

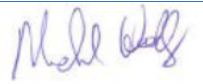


Katrina O'Reilly
Team Leader - Compliance
Compliance

As nominee of the Planning Secretary

Appendix E

Auditor Declaration

Statement of Independence	
Project Name	Charbon Colliery
Consent Number	PA 08_0211
Description of Project	Underground and open cut coal mine that closed in 2015 and has entered a rehabilitation and closure phase
Project Address	Charbon Road, Charbon NSW
Proponent	Charbon Coal Pty Ltd
Title of Audit	Charbon Colliery Independent Environmental Audit 2021
Date	29/06/2021
I am not related to any proponent, owner, operator or other entity involved in the delivery of the project. Such a relationship includes that of employer/employee, a business partnership, sharing a common employer, a contractual arrangement outside an Independent Audit, or that of a spouse, partner, sibling, parent, or child;	
I do not have any pecuniary interest in the project, proponent or related entities. Such an interest includes where there is a reasonable likelihood or expectation of financial gain (other than being reimbursed for performing the audit) or loss to the auditor, or their spouse, partner, sibling, parent, or child;	
I have not provided services (not including independent reviews or auditing) to the project with the result that the audit work performed by themselves or their company, except as otherwise declared to the Department prior to the audit;	
I am not an Environmental Representative for the project; and	
I will not accept any inducement, commission, gift or any other benefit from auditee organisations, their employees or any interested party, or knowingly allow colleagues to do so.	
Signature	
Lead Auditor	Michael Woolley
Auditor Certification	Exemplar Global
Company	MCW Environmental Consulting Pty Ltd
Signature	
Auditor	Helen Onus
Auditor Certification	Exemplar Global
Company	Ethos Environmental