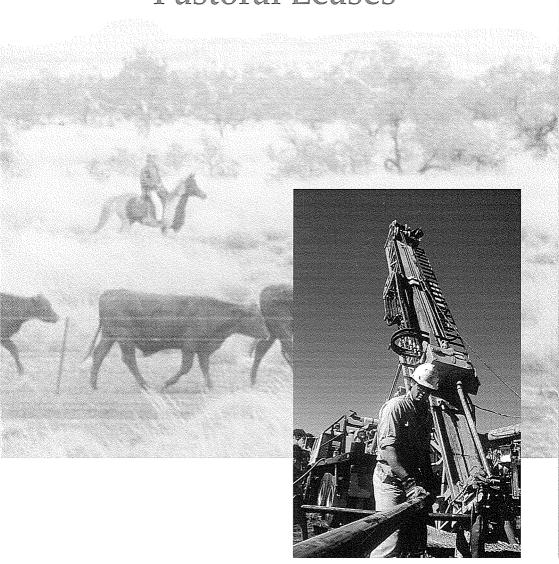
Code of Conduct for Mineral Exploration on Pastoral Leases





THE CHAMBER OF MINERALS AND ENERGY OF WESTERN AUSTRALIA INC





THE PASTORALISTS AND GRAZIERS ASSOCIATION OF W.A. (INC.)

Printed February 1999

5000 copies

CODE OF CONDUCT FOR MINERAL EXPLORATION ON PASTORAL LEASES

INDEX

INTRODUCTION1			
	1.	PRE-AMBLE	.3
	2.	GENERAL PRINCIPLES	.3
	3.	PRE-EXPLORATION	.5
	4.	DURING EXPLORATION	.7
		Access	.7
		Livestock and Property Improvements	.9
		Environment	10
		Marker Pegs	12
	5.	POST - EXPLORATION	12
	6.	THE PASTORAL LEASEHOLDER	14
APPENDIX15			
Exploration Disputes Committee1			15
Operation			15

CONTACT INFORMATION

INTRODUCTION

The Code of Conduct for Mineral Exploration on Pastoral Leases ("the Code") is jointly endorsed by the Pastoralists & Graziers Association of WA (Inc), the Chamber of Minerals and Energy of Western Australia Inc, and the Association of Mining and Exploration Companies (Inc), (the Signatories).

The aim of the Code is to foster and improve working relationships between pastoral leaseholders and mineral tenement holders who are permitted by the conditions of their respective leases to conduct differing activities on common ground. The Code is designed as a field guide and framework for discussion between mineral explorers and pastoral leaseholders before and during exploration.

The Code recognises that land leased for pastoral purposes remains the property of the Crown and is therefore available for multiple land use. These activities can occur simultaneously on common ground without undue interference to each other provided that the needs of each group are recognised, understood and respected. This Code illustrates how mineral exploration should be conducted on land leased for pastoral purposes.

The Code is a guideline for the relevant parties and does not attempt to take the place of the legal structures which regulate the pastoral and mineral exploration industries of Western Australia. The Land Act and the Mining Act are the two principal pieces of legislation which regulate the pastoral and mineral exploration industries of Western Australia. Pastoral leaseholders and mineral explorers should be aware of the rights and obligations contained in these relevant Acts.

Adherence to this Code and these principles by the relevant parties creates a more positive working relationship, the harmony of which will add to the future success and development of the Western Australian pastoral and mineral industries.

The Signatories will collectively and individually use their influence to:

- a) educate all parties in respect of their responsibilities which are described in the Code of Conduct for Mineral Exploration on Pastoral Leases;
- b) effect amicable settlements where complaints and disputes arise; and
- c) use their best endeavours in an ongoing fashion to effectively create a situation where harmony is promoted between all parties.

P JOHNSTON

P. B. Johnston

President Chamber of Minerals and Energy of Western Australia Inc

February 1999

W RYAN

President
Association of Mining
and Exploration
Companies (Inc)

B COURT

President Pastoralists & Graziers Association of WA

2

1. PRE-AMBLE

On all land, including land leased for pastoral purposes, mineral exploration tenement holders are required to abide by the Mining Act and Regulations. These require the tenement holders to be accountable for all exploration activity on their tenements. However, the tenement holder is often not the person or company which actually carries out the exploration work on the ground; the people on the ground are often employees, joint venturers, contractors and so on. In this Code the phrase "Mineral Explorer" refers to any person working on behalf of the tenement holder, including their employees, contractors and joint venturers.

It is therefore important that this Code be read and adhered to by all parties involved in exploration on a pastoral lease. The Department of Minerals and Energy "Information Series 5" paper and the Pastoralists and Graziers Association document "The Series 5 Paper and You" provide additional references.

2. GENERAL PRINCIPLES

- 2.1 Every party involved in the exploration of a mineral tenement, including employees of the tenement holder, contractors and sub-contractors, should be given a copy of and be made familiar with this Code and any special conditions agreed with the pastoral leaseholders.
- 2.2 Where a mineral explorer, contractor or subcontractor undertakes mineral exploration activities on behalf of the tenement holder, the tenement holder will use its best endeavours to ensure that the mineral explorer, contractor or sub-contractor complies with the conditions specified in this Code.

- 2.3 The mineral explorer should ensure that a company contact is nominated at the outset to initiate and maintain close liaison with the pastoral leaseholder.
- 2.4 The mineral explorer should avoid unnecessary damage to pastoral improvements and natural vegetation.
- 2.5 The mineral explorer should minimise disturbance to the management of the pastoral lease and to livestock on that property.
- 2.6 Any damage caused to pastoral improvements by the mineral explorer (including employees, contractors and joint venturers) should be reported to the pastoral leaseholder without delay.
 - It is suggested that arrangements regarding specific repairs for damages to pastoral improvements or payment in lieu of repairs should be made in writing setting out obligations, quantities, payments and completion dates.
- 2.7 The mineral explorer should report damage to natural vegetation and rehabilitate significant disturbances to soil and vegetation (in accordance with conditions applying to the mineral tenement).
- 2.8 The mineral explorer shall at all times comply with the requirements of the Mining Act and Regulations concerning:
 - a) formal notices to the pastoral leaseholder; and

- b) compensation or restoration for substantiated loss or damage arising from mineral exploration activity. Details of the requirements are contained in the Department of Minerals and Energy "Information Series Number 5".
- 2.9 Mutual understandings between a mineral explorer and a pastoral leaseholder should be confirmed in writing by both parties if appropriate.
- 2.10 If either party wishes, any matter contained in this Code may be referred to the representative organisations (the Signatories) for a decision as to whether or not the matter should be referred to the Exploration Disputes Committee (see Appendix).

3. PRE-EXPLORATION

- 3.1 The mineral explorer should arrange for its nominated representative to contact, and if necessary to visit, the pastoral leaseholder on whose property the exploration will take place. This should be effected in a reasonable time before commencement of an exploration program. Issues which should be discussed include: area of lease affected, duration, type of operation, equipment to be used, water requirements and for the pastoral leaseholder to specify areas of concern (see 3.3, 3.4, 3.5).
- 3.2 Prior to exploration, at the request of either party, the mineral explorer and the pastoral leaseholder should discuss any pastoral improvements likely to be effected by the proposed exploration activity.

The mineral explorer recognises that compensation might be payable for damage to improvements and direct losses arising from the damage pursuant to the relevant provisions of the Mining Act.

- 3.3 Whenever practicable, within the requirements of the Mining Act and work commitments in other areas, the mineral explorer should consider the pastoral leaseholder's programs (eg; mustering, calving, lambing, shearing, rangeland regeneration programs) when arranging exploration activity.
- 3.4 The pastoral leaseholder should advise of any regeneration areas which should be avoided. Suitable precautions to minimise damage should be taken if it is not possible to avoid these areas.
- 3.5 Areas which should be avoided or which present potential physical problems, such as:
 - water pipe lines (whether buried or on the surface);
 - tanks, troughs;
 - contour banks;
 - fragile land areas;
 - young tree plantings;
 - shade clumps; and
 - rangeland monitoring sites:-

should be identified and discussed by the pastoral leaseholder and the exploration program altered if possible (eg; relocation of a drilling grid if feasible). If that is not possible, it might be appropriate to discuss a rehabilitation program or compensation.

It is suggested that the intent of such arrangements be confirmed in writing by both parties.

3.6 Where practical, the mineral explorer will give the pastoral leaseholder the opportunity to quote for relevant contract work required on the exploration tenements on the pastoral lease.

The mineral explorer should endeavour to employ local people wherever possible.

4. DURING EXPLORATION

- 4.1 The pastoral leaseholder must be advised of geophysical investigations, particularly airborne programs and significant changes to the exploration program where these are likely to disturb pastoral programs or livestock.
- 4.2 The location of semi-permanent campsites should be discussed with the pastoral leaseholder, prior to their establishment.

Access

4.3 Entry routes and access ways to sites required for exploration should be jointly defined and adhered to on a best endeavour basis, unless physical circumstances make compliance impossible (for example wash outs).

It is understood that mineral exploration companies are required to use station roads where possible. However, where the usage is likely to be regular or constant, or to provide passage for heavy vehicles, agreement should be reached with the pastoral leaseholder as to the most suitable road which should be used. Any damage caused through such use should be repaired.

- 4.4 The pastoral leaseholder's permission should always be obtained before using his airstrip.
- 4.5 To reduce dust nuisance and disturbance of livestock, extra caution should be taken when driving near homesteads, water points, dams and any areas where people are working.
- 4.6 Where possible, vehicle routes should be chosen to avoid environmentally sensitive areas such as creek banks and locations subject to erosion control work.
- 4.7 In wet conditions vehicle movement should be avoided where possible to avoid undue damage to roads. Vehicle movement should be avoided on any area where this could lead to an erosion hazard. The mineral explorer should seek where possible the pastoralist's advice on use of roads in wet conditions. Any damage caused by wet weather movement should be repaired as soon as practicable.
- 4.8 Gates should be used wherever possible and they should be left open or closed as they are found. Fences should not be opened without the consent of the pastoral leaseholder except in the event of an emergency.
 - a) If a new gate or fence is required by the mineral explorer, its position and design should be discussed and agreed with the pastoral leaseholder.

b) Where it is necessary to open a fence, temporary gates or fences which are stockproof should be erected immediately. It is the mineral explorer's responsibility to either have a competent fencing contractor effect permanent repairs, or provide for repair through agreement with the pastoral leaseholder.

Where several days are liable to elapse between the various stages of the work, the temporary gates should be checked for stock security.

Livestock and Property Improvements

- 4.9 Stock disturbance should be kept to a minimum, particularly when watering, lambing, calving or mustering is in progress.
- 4.10 Water from natural pools, springs, soaks, lakes, streams etc, should be used with discretion; if large quantities are to be drawn from these sources, the pastoral leaseholder should be informed accordingly.

Water must not be taken from the pastoral leaseholder's bores, dams, troughs or other improvements without the agreement of the pastoral leaseholder.

4.11 Excavations created during the program which might be hazardous to people or livestock should be fenced or filled in, or otherwise protected in accordance with the provisions of the Mining Act, at the completion of a program.

Environment

- 4.12 No domestic animals or firearms are to be brought onto the pastoral lease without the pastoral leaseholder's permission.
- 4.13 The mineral explorer should:
 - a) provide adequate catchment facilities for drilling fluids to avoid ground/soil contamination;
 - b) avoid spillage of oil during servicing of machinery;
 - c) avoid pollution of water courses, dams and ground water through any means such as drilling fluids, fuel, rubbish or detergents; and
 - d) control saline water or direct it to a suitable collection site, as agreed with the pastoral leaseholder.
- 4.14 Avoid spreading declared plants. Be familiar with the requirements for the control of declared plants applying to the district.

Liaise with the pastoral leaseholder to obtain information on the location of existing infestations of declared plants.

The mineral explorer should take precautions to prevent the further spread of such plants by exploration activity.

- 4.15 To avoid erosion, clearing on hillsides, slopes, water courses, shade or shelter belts should be minimised. Clearing is only to be carried out when absolutely necessary. Precautions should be taken to avoid damage to existing vegetation. Soil disturbance should be minimised.
- 4.16 In any major excavation where soil and overburden must be stripped, topsoil should be retained in a separate stockpile to be returned over disturbed areas at the completion of exploration activities. Cleared vegetation should not be burned, but should be included in the topsoil pile.
- 4.17 The size of excavations should be minimised by using appropriate equipment, such as a trench digger in preference to a bulldozer, wherever possible.
- 4.18 Bulldozing of grid lines and access lines should be carried out only when absolutely necessary and then, unless impractical, with the blade of the dozer above the ground. The type of vegetation, the soil type, the ground slope and the ground hydrology characteristics should be considered.
- 4.19 If potable or stock quality water is encountered in any drilling program, the pastoral leaseholder should be advised of its existence.
- 4.20 Drill holes should be capped or filled in as soon as practicable.
- 4.21 Worksites and camp sites should be kept clean and tidy. Littering is to be avoided at all times.

- 4.22 Sample bags should be removed at the completion of a program. A suitable central collection site for long term storage might need to be discussed with the pastoral leaseholder.
- 4.23 Fire prevention is essential. Consult the local authority and abide by any fire bans in force. Fire suppression devices should be carried where appropriate.

Marker Pegs

- 4.24 Permanent marker pegs should be positioned, wherever feasible, where they are not likely to cause injury to stock or hinder machine movement. All temporary markers should be removed as soon as possible at the request of the pastoral leaseholders.
- 4.25 Where practicable, use wooden rather than steel survey pegs and ensure they are clearly visible. Steel pegs of less than 1m height above the ground must not be used. The use of steel pegs should be avoided where possible.
- 4.26 Marker pegs should not be located in airstrips, roads, or where they might cause injury to livestock or people, or interfere with the movement of vehicles or equipment.

5. POST - EXPLORATION

5.1 Upon completion of the exploration activities the nominated representative should ensure that all matters relating to this Code and any undertakings are finalised. If compensation is payable or rehabilitation is required, it should be finalised without delay.

- 5.2 Subject to the conditions attached to the tenement by the Department of Minerals and Energy, the following procedures should generally be implemented, in accordance with local pastoral practice (contact with the local Land Conservation District Committee and/or Agriculture WA is recommended):
 - Topsoil should be replaced on disturbed areas, seeding with local species carried out where appropriate and surfaces left in a condition that will minimise erosion. Where seeding is not appropriate, the surface should be left in a broken condition so that native seeds will be trapped to aid revegetation. Fertilising may be appropriate in some cases.
 - Holes and excavations which are no longer required should be filled in. Those to be retained should be capped or fenced to ensure that they do not present a hazard to livestock or people.
- 5.3 An offer should be made to close off and, if necessary, rip up roads constructed during the exploration program, unless the pastoral leaseholder wishes to continue using them.
- 5.4 If the pastoral leaseholder requests, a final joint inspection of all relevant sites should be made to ensure that they have been left in a reasonable condition.

6. THE PASTORAL LEASEHOLDER

- 6.1 The pastoral leaseholder, or the leaseholder's agent, should respond with minimum delay to requests for information or to official notices from the mineral explorer.
- 6.2 The pastoral leaseholder should abide by undertakings given to the mineral explorer and advise the mineral explorer of any changes to stock or other management programs.
- 6.3 The pastoral leaseholder should advise the mineral explorer of the responsible contact when the pastoral leaseholder leaves the property.
- 6.4 The pastoral leaseholder should respect the confidential nature of exploration work and refrain from seeking or discussing detailed information.
- 6.5 The pastoral leaseholder should advise the mineral explorer of existing infestations of declared plants.
- 6.6 The pastoral leaseholder should advise the mineral explorer of any existing land care requirements.

APPENDIX

Exploration Disputes Committee

- An Exploration Disputes Committee shall be established, comprising an independent Chairman and one member each from an official panel of representatives furnished by each of the signatories to this Code.
- The purpose of the Disputes Committee is to provide an avenue for the settlement of disputes arising during mineral exploration programs on pastoral leases in Western Australia where these disputes have defied the normal negotiations between the two parties; ie the mineral explorer and pastoral leaseholder.

Operation

The Committee will operate according to the following procedures:

- a) a complaint from any party may be introduced into the Exploration Disputes Committee and the disputes settlement procedure only through one of the respondent industry organisations whichever is appropriate;
- b) any complaint entered for resolution should provide a written statement of the problem listing prior attempts to resolve the issue and including any relevant evidence;
- c) the Committee will as far as is feasible, operate on the basis of amicable resolution of any dispute, but where necessary and appropriate will suggest the terms and conditions on which the dispute could be settled in an equitable manner; and
- d) should the Exploration Dispute Committee fail to effect an amicable agreement between the two parties, then the Committee will have no further part in the discussion and it will be the responsibility of the disputing parties to take any action they feel is required outside this procedure whether it be submission of the dispute to the Mining Warden, or through civil action.

CONTACT INFORMATION

Code of Conduct for Mineral Exploration on Pastoral Leases is available from:

The Chamber of Minerals and Energy of Western Australia Inc

7th Floor 12 St George's Terrace PERTH WA 6000

Telephone: (08) 9325 2955 Facsimile: (08) 9221 3701

Web Site: http://www.mineralswa.asn.au

Association of Mining and Exploration Companies (Inc)

Level 3

33 Ord Street

WEST PERTH WA 6005

Telephone: (08) 9321 3999 Facsimile: (08) 9321 3260

Web site: http://amec.miningworld.com

Pastoralists & Graziers Association of WA (Inc)

1st Floor, Pastoral House 277 - 279 Great Eastern Highway BELMONT WA 6104

Telephone: (08) 9479 4599 Facsimile: (08) 9277 7311

Web site: http://www.pgaofwa.org.au



PGA PERSONNEL

A Division of The Pastoralists & Graziers Association of WA (Inc.)

Specialists in the supply of Rural Staff.

Phone: (08) 9479 4544 Fax: (08) 9479 5343 Email: pga@pgaofwa.org.au Suite 3, 277-279 Great Eastern Highway, BELMONT WA 6104