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## The Critical Relationship Between Heritage and Ground Disturbance



## INTRODUCTION

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Recent events in the mining industry, such as the highly publicised Juukan Gorge incident, have highlighted the significant financial and reputational risk mining companies face operating in areas with complex cultural heritage and environmental values.

The land use permitting process is a key governance tool to allow operations and the various specialist approval groups to efficiently work together to manage the risk throughout the entire permitting lifecycle.

It's important to reflect on what has been learnt and to understand the relationship between heritage sites and ground disturbance activities to ensure that such risks or incidents don't re-occur.

# The Relationship between Heritage and Ground Disturbance

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Whilst it is essential for mining companies to have a robust system that records and manages cultural heritage sites, it is critical that those same companies put in place suitable ground disturbance processes and systems to prevent the destruction of cultural heritage, and indeed other sensitive areas such as the environment in which they operate.

Establishing beneficial relationships with key stakeholders is critical to the process of ground disturbance. Learning about the land you intend to disturb and ensuring you have the correct approvals involves conversations with the traditional owners of the land to understand the impact and risks. In most cases, you can't even walk on the land before you have the approval of traditional owners. Under the heading of Land Use Certification, you will usually need to conduct a survey of the heritage site in which you want to work, these sites may not be documented yet, or their significance may not be understood but it's essential to the process.





Along with other stakeholders, working with traditional owners is a continual engagement as this process needs to be followed before disturbing any land, every time. Traditional owners have always taken care of their land, so by disturbing shelters or historical sites, that relationship may become damaged which affects your company's future activities. Heritage sites have a significant impact on the surrounding environment which makes the process of obtaining permits a lot more complex.

The relationship between heritage sites and ground disturbance is critical as you can't have one without the other. Companies need to obtain all the right approvals and permits from the traditional owners of the land before they are allowed to disturb the ground. Without the correct approvals, your company becomes susceptible to detrimental risks.



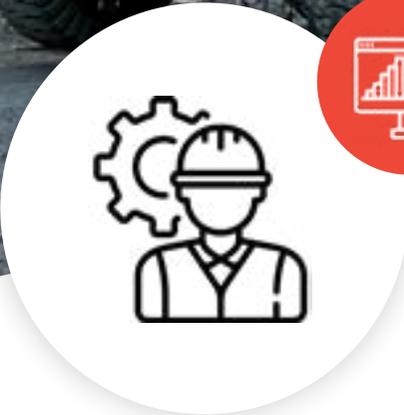
# The Costs of Getting it Wrong

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On top of the destruction of cultural heritage, we have also seen the reputational and value destruction this can cause very prominent global mining institutions. This event has put all mining companies on notice that these incidents are no longer acceptable – whether you are a large operator or a junior explorer.

As we have seen from the Juukan Gorge fallout, or indeed fallout from other recent tailing’s disasters that, they now trigger serious response from stakeholders and particularly financiers (who led the creation of the GISTM in response to Brumadinho in 2015) and can cost tier 1 organisations in excess of \$2 billion, in reputational damage for failing to follow the correct process.

Environmental, Social and Governance (ESG) risk is a corporate risk, no longer just a site-specific risk. The historically federated nature of mining decision making that was created because of real historical challenges around timely communications and strong local engagement has to be re-evaluated under continually increasing scrutiny from local communities, regulators, financiers and community expectations.



The increase in heritage, environmental and community risk profile means that an improved approach to ground disturbance permits have been brought forward as a priority. The three biggest risks being serious impacts the environment, the surrounding community, financial penalties, and a company's reputation which can affect their investment attractiveness, legal rights or compliance, social value proposition or ability to access opportunities at a global level.

It is no longer adequate for companies, especially multinational, multi operational companies to focus just on fixing one problem in one region. The world is now watching closely and the risk for all is very serious.



# K2fly as a Solution

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K2fly is a global leader in Resource Governance solutions, both mineral resources and natural resources. Our customers represent some of the biggest international mining houses. Our Natural resource governance solutions include, amongst other things, the Cultural Heritage solution and Ground disturbance solutions. K2fly is the only vendor who provides a fit for purpose commercial off the shelf (COTS) solution to the industry globally.

Our Cultural Heritage solution aims to improve stakeholder and custodian engagement resulting in reduced risk to the project and enhanced social license to operate. It ensures the protection of heritage sites, manages approvals and conditions, captures engagement and conducts

heritage surveys. Our Ground Disturbance solution assists with applying, approving, tracking, reporting and submitting closure of your permits and rehabilitation commitments surrounding ground disturbance activities.

Our current system has several features including spatial coupling integration, application of approvals datasets, spatial data processing, and handling of permit reissue and extension workflows. Permit re-issue workflows have been identified as a significant concern in managing cultural heritage risk, ensuring the correct action is taken on all active permits that are impacted by a change in or new data is a critical control point that is difficult to manage in an existing system.





### The pain points which we look to address are:

- Approval Mechanisms/Instruments, for Heritage and Environment in particular, have to be initiated years in advance of actual work on the ground. If Approvals are not planned, monitored and received in advance of Permitting then everything stops.
- Many stakeholders across the organisation need to be able to visualise the status of Approvals, Land Use Permits etc. in a Gantt style dashboard that includes Estimated and Forecast completion dates.
- Tracking ground disturbed and remaining are critical to the extension/close-out processes and compliance in general.

Above all, our main priority is ensuring your company has the tools it needs to remain compliant and act according to required regulations and codes.

# How K2fly Serves Mining Companies

Saving mining companies from the complexities and difficulties that governance entails, we have set a mission for ourselves: simplifying resource inventory, reconciliation, and ore recovery. We aim, through all our services and tools, to free mining companies from the challenges that these areas present to their businesses. Rather than worrying as to whether they comply with the stock exchanges to which they report, our clients can focus wholeheartedly on their teams' day-to-day operations.



# k2fly

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