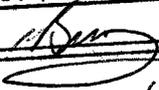


Office of State Revenue
NSW Treasury
Client No: 1846988 2372
Duty: N/A Trans No: ML 1756
Asst details: COAL


67-2017

MINING LEASE

MINING ACT 1992

NO 1756

DATED 30 JUNE 2017

THE MINISTER FOR RESOURCES

OF THE STATE

OF NEW SOUTH WALES

TO

DONALDSON COAL PTY LTD

ACN 073 088 945

Mining Lease Application No 416

Mining Lease

Section 63 of the *Mining Act 1992*

I, **THE HON DON HARWIN MLC, MINISTER FOR RESOURCES** for the State of New South Wales, pursuant to section 63 of the *Mining Act 1992*, determine **Mining Lease Application No 416** by granting a Mining Lease as described in Schedule 1 to **Donaldson Coal Pty Ltd, ACN 073 088 945**, subject to the conditions set out in Schedule 2.

The conditions set out in Schedule 2 are required to:

- ensure optimal resource recovery;
- prevent, minimise, and offset adverse environmental impacts;
- provide for the ongoing environmental management of the project; and
- ensure that the areas disturbed by mineral production and exploration activities are appropriately rehabilitated.

The rights and duties of a Lease Holder are those prescribed by the *Mining Act 1992*, subject to the terms and conditions of this Lease. This lease does not override any obligation on the Lease Holder to comply with the requirements of other legislation and regulatory instruments which may apply to the Lease Holder (including all relevant development approvals) unless specifically provided in the *Mining Act 1992* or other legislation or regulatory instruments.

SIGNED



Don Harwin MLC
Minister for Resources

Dated:

30.6.17

SCHEDULE 1

Description of Lease

Land: The lease area embraces all land described in the attached lease plan titled **M27325** and approved on **15 July 2015**.

Area: **1078 hectares**

Surface Exception: **15 metres**

Depth Restriction: **900 metres below AHD**

Minerals: **Coal**

Method: **Underground**

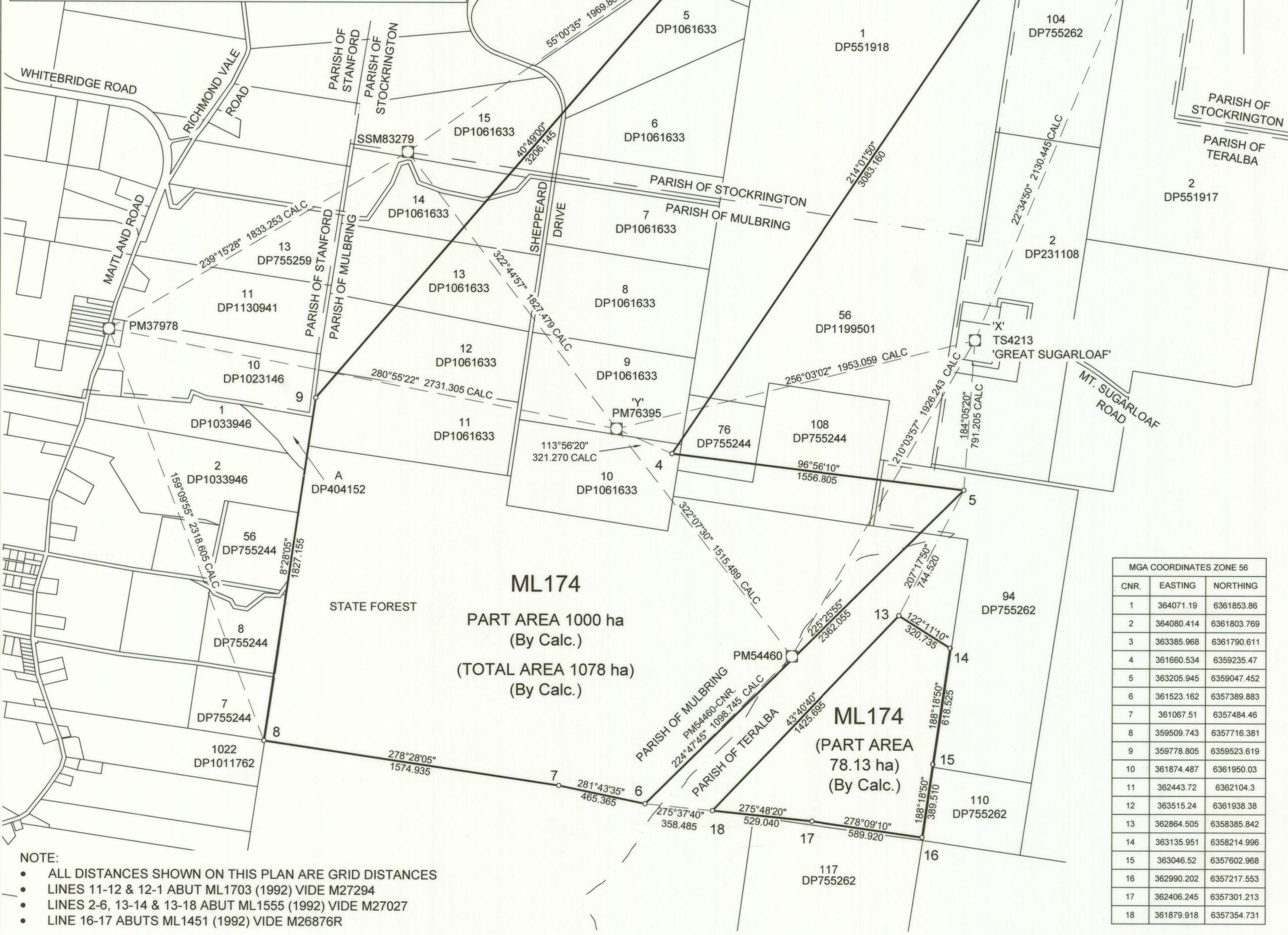
Term: **21 years**

Due expiry date: **30 June 2038**

SURVEYING & SPATIAL INFORMATION REGULATION 2012-CLAUSE 35(1)(b) & CLAUSE 61(2)

MARK	M.G.A. COORDINATES		CLASS	ORDER	METHOD	ORIGIN
	EASTING	NORTHING				
TS4213	363262.360	6359836.643	2A	0	N/A	SCIMS
PM37978	358685.076	6359883.372	A	1	N/A	SCIMS
PM54460	362297.322	6358169.576	B	U	N/A	SCIMS
PM76395	361366.899	6359365.829	C	4	N/A	SCIMS
SSM83279	360260.713	6360820.488	C	4	N/A	SCIMS

AVERAGE COMBINED SCALE FACTOR: 0.999804
M.G.A. ZONE 56
SOURCE: M.G.A. COORDINATES ADOPTED FROM SCIMS 23/01/2015



PLAN OF PORTION ML174

PARISH: MULBRING, STOCKRINGTON & TERALBA

COUNTY: NORTHUMBERLAND

MAP SHEET No.9132-2-S, 9232-3-N, 9232-3-S

REDUCTION RATIO 1:15,000

MINING LEASE APPLICATION No. 416

MINING DIVISION: SINGLETON

APPLICANT: DONALDSON COAL PTY LTD

APPLICATION DATE: 12-12-2011

MINING LEASE No.1756 (Act 1992)

STATUS:

METHOD: UNDERGROUND

SURFACE EXCEPTION / DEPTH RESTRICTION

Embraces the strata between the depth of 15metres below the surface to a depth of 900metres below Australian Height Datum.

NOTES:

CORNER 16 & 17 MGA COORDINATES HAVE BEEN TRANSFORMED FROM ISG COORDINATES SHOWN ON PLAN M26876R USING GEOD TRANSFORMATION SOFTWARE.

Azimuth: TS4213 - PM76395

Plans used in the course of this survey/compilation
M26876R, M27027, M27294,
.....

Survey declared on this plan for lines
.....

I GREGORY DAVID PETTIT
of CADENCE CONSULTING SURVEYORS PTY. LTD.
a surveyor registered under the Surveying and Spatial Information Act 2002, hereby certify that the survey/compilation represented in this plan is accurate and has been completed in accordance with the Surveying and Spatial Information Regulation 2012 and the Surveyor General's Direction for Mining Surveys and was completed on 12 / 06 / 2015

Signature :
BOSSI Identification No : 7596

MGA COORDINATES ZONE 56		
CNR.	EASTING	NORTHING
1	364071.19	6361853.86
2	364080.414	6361803.769
3	363385.968	6361790.611
4	361660.534	6359235.47
5	363205.945	6359047.452
6	361523.162	6357389.883
7	361067.51	6357484.46
8	359509.743	6357716.381
9	359778.805	6359523.619
10	361874.487	6361950.03
11	362443.72	6362104.3
12	363515.24	6361938.38
13	362864.505	6358385.842
14	363135.951	6358214.996
15	363046.52	6357602.968
16	362990.202	6357217.553
17	362406.245	6357301.213
18	361879.918	6357354.731

- NOTE:**
- ALL DISTANCES SHOWN ON THIS PLAN ARE GRID DISTANCES
 - LINES 11-12 & 12-1 ABUT ML1703 (1992) VIDE M27294
 - LINES 2-6, 13-14 & 13-18 ABUT ML1555 (1992) VIDE M27027
 - LINE 16-17 ABUTS ML1451 (1992) VIDE M26876R

Survey Calcs :
Plan Investigated : 15-07-2015
Plan Approved : 15-07-2015
Paper No : 11/6538 R 17009139 D 110096090

Schedule 2
MINING LEASE CONDITIONS 2013

Definitions

1. **Notice to Landholders**
2. **Rehabilitation**
3. **Mining Operations Plan and Annual Rehabilitation Report**
4. **Compliance Report**
5. **Environmental Incident Report**
6. **Extraction Plan**
7. **Resource Recovery**
8. **Security**
9. **Cooperation Agreement**

Note: Exploration Reports (Geological and Geophysical)

Definitions:

Words used in this mining lease have the same meaning as defined in the *Mining Act 1992* except where otherwise defined below:

Act means the *Mining Act 1992*.

Department means the Division of Resources & Geoscience within the Department of Planning and Environment..

Environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Harm to the environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Landholder for the purposes of these conditions does not include a secondary landholder and includes, in the case of exempted areas, the controlling body for the exempted area.

Material harm to the environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Minister means the Minister administering the Act.

Pollution incident has the same meaning as in the *Protection of the Environment Operations Act 1997*.

MINING LEASE CONDITIONS 2013

1. Notice to Landholders

- (a) Within a period of three months from the date of grant/renewal of this mining lease, the lease holder must serve on each landholder a notice in writing indicating that this mining lease has been granted/renewed and whether the lease includes the surface. A plan identifying each landholder and individual land parcel subject to the lease area, and a description of the lease area must accompany the notice.
- (b) If there are ten or more landholders, 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 indicate that this mining lease has been granted/renewed; state whether the lease includes the surface and must contain a plan and description of the lease area. If a notice is made under condition 1(b), compliance with condition 1(a) is not required.

2. Rehabilitation

Any disturbance resulting from the activities carried out under this mining lease must be rehabilitated to the satisfaction of the Minister.

3. Mining Operations Plan and Annual Rehabilitation Report

- (a) The lease holder must comply with an approved Mining Operations Plan (MOP) in carrying out any significant surface disturbing activities, including mining operations, mining purposes and prospecting. The lease holder must apply to the Minister for approval of a MOP. An approved MOP must be in place prior to commencing any significant surface disturbing activities, including mining operations, mining purposes and prospecting.
- (b) The MOP must identify the post mining land use and set out a detailed rehabilitation strategy which:
- (i) identifies areas that will be disturbed;
 - (ii) details the staging of specific mining operations, mining purposes and prospecting;
 - (iii) identifies how the mine will be managed and rehabilitated to achieve the post mining land use;
 - (iv) identifies how mining operations, mining purposes and prospecting will be carried out in order to prevent and or minimise harm to the environment; and
 - (v) reflects the conditions of approval under:
 - the *Environmental Planning and Assessment Act 1979*;
 - the *Protection of the Environment Operations Act 1997*; and

- any other approvals relevant to the development including the conditions of this mining lease.
- (c) The MOP must be prepared in accordance with the *ESG3: Mining Operations Plan (MOP) Guidelines September 2013* published on the Department's website at www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines
- (d) The lease holder may apply to the Minister to amend an approved MOP at any time.
- (e) It is not a breach of this condition if:
- (i) the operations which, but for this condition 3(e) would be a breach of condition 3(a), were necessary to comply with a lawful order or direction given under the *Environmental Planning and Assessment Act 1979*, the *Protection of the Environment Operations Act 1997*, the *Work Health and Safety (Mines and Petroleum Sites) Act 2013* and *Work Health and Safety (Mines and Petroleum Sites) Regulation 2014* or the *Work Health and Safety Act 2011*; and *Work Health and Safety Regulation 2011*
 - (ii) the Minister had been notified in writing of the terms of the order or direction prior to the operations constituting the breach being carried out.
- (f) The lease holder must prepare a Rehabilitation Report to the satisfaction of the Minister. The report must:
- (i) provide a detailed review of the progress of rehabilitation against the performance measures and criteria established in the approved MOP;
 - (ii) be submitted annually on the grant anniversary date (or at such other times as agreed by the Minister); and
 - (iii) be prepared in accordance with any relevant annual reporting guidelines published on the Department's website at www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines

Note: The Rehabilitation Report replaces the Annual Environmental Management Report.

4. Compliance Report

- (a) The lease holder must submit a Compliance Report to the satisfaction of the Minister. The report must be prepared in accordance with any relevant guidelines or requirements published by the Minister for compliance reporting.
- (b) The Compliance Report must include:
- (i) the extent to which the conditions of this mining lease or any provisions of the Act or the regulations applicable to activities under this mining lease, have or have not been complied with;

- (ii) particulars of any non-compliance with any such conditions or provisions,
 - (iii) the reasons for any such non-compliance;
 - (iv) any action taken, or to be taken, to prevent any recurrence, or to mitigate the effects, of that non-compliance.
- (c) The Compliance Report must be lodged with the Department annually on the grant anniversary date for the life of this mining lease.
- (d) In addition to annual lodgement under condition 4(c) above, a Compliance Report:
- (i) must accompany any application to renew this mining lease under the Act;
 - (ii) must accompany any application to transfer this mining lease under the Act; and
 - (iii) must accompany any application to cancel, or to partially cancel, this mining lease under the Act.
- (e) Despite the submission of any Compliance Report under (c) or (d) above, the titleholder must lodge a Compliance Report with the Department at any date or dates otherwise required by the Minister.
- (f) A Compliance Report must be submitted one month prior to the expiry of this mining lease, where the licence holder is not seeking to renew or cancel this mining lease.

5. Environmental Incident Report

- (a) The lease holder must notify the Department of all:
- (i) breaches of the conditions of this mining lease or breaches of the Act causing or threatening material harm to the environment; and
 - (ii) breaches of environmental protection legislation causing or threatening material harm to the environment (as defined in the *Protection of the Environment Operations Act 1997*),

arising in connection with significant surface disturbing activities, including mining operations, mining purposes and prospecting operations, under this mining lease. The notification must be given immediately after the lease holder becomes aware of the breach.

Note. Refer to www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines for notification contact details.

- (b) The lease holder must submit an Environmental Incident Report to the Department within seven (7) days of all breaches referred to in condition 5(a)(i) and (ii). The Environmental Incident Report must include:
- (i) the details of the mining lease;

- (ii) contact details for the lease holder;
- (iii) a map identifying the location of the incident and where material harm to the environment has or is likely to occur;
- (iv) a description of the nature of the incident or breach, likely causes and consequences;
- (v) a timetable showing actions taken or planned to address the incident and to prevent future incidents or breaches referred to in 5(a).
- (vi) a summary of all previous incidents or breaches which have occurred in the previous 12 months relating to significant surface disturbing activities, including mining operations, mining purposes and prospecting operations under this mining lease.

Note. The lease holder should have regard to any relevant Secretary's guidelines in the preparation of an Environmental Incident Report. Refer to www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines for further details.

- (c) In addition to the requirements set out in conditions 5(a) and (b), the lease holder must immediately advise the Department of any notification made under section 148 of the *Protection of the Environment Operations Act 1997* arising in connection with significant surface disturbing activities including mining operations, mining purposes and prospecting operations, under this mining lease.

6. Extraction Plan

- (a) In this condition:
 - (i) **approved Extraction Plan** means a plan, being:
 - A. an extraction plan or subsidence management plan approved in accordance with the conditions of a relevant development consent and provided to the Secretary; or
 - B. a subsidence management plan relating to the mining operations subject to this lease:
 - I. submitted to the Secretary on or before 31 December 2014; and
 - II. approved by the Secretary.

- (ii) **relevant development consent** means a development consent or project approval issued under the Environmental Planning & Assessment Act 1979 relating to the mining operations subject to this lease.
- (b) The lease holder must not undertake any underground mining operations that may cause subsidence except in accordance with an approved Extraction Plan.
- (c) The lease holder must ensure that the approved Extraction Plan provides for the effective management of risks associated with any subsidence resulting from mining operations carried out under this lease.
- (d) The lease holder must notify the Secretary within 48 hours of any:
 - (i) incident caused by subsidence which has a potential to expose any person to health and safety risks;
 - (ii) significant deviation from the predicted nature, magnitude, distribution, timing and duration of subsidence effects, and of the potential impacts and consequences of those deviations on built features and the health and safety of any person; or
 - (iii) significant failure or malfunction of a monitoring device or risk control measure set out in the approved Extraction Plan addressing:
 - A. built features;
 - B. public safety; or
 - C. subsidence monitoring.

7. Resource Recovery

The lease holder must optimise recovery of the minerals that are the subject of this mining lease to the extent economically feasible.

8. Security

The lease holder is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the mining lease, including obligations of all or any kind under the mining lease that may arise in the future.

The amount of the security deposit to be provided has been assessed by the Minister at **\$10,000**.

9. Cooperation Agreement

The lease holder must make every reasonable attempt, and be able to demonstrate its 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.

Exploration Reporting

Note: Exploration Reports (Geological and Geophysical)

The lease holder must lodge reports to the satisfaction of the Minister in accordance with section 163C of the Mining Act 1992 and in accordance with clause 59 of the Mining Regulation 2016.

Reports must be prepared in accordance with Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales.

SPECIAL CONDITIONS

Note: The standard conditions apply to all mining leases. The Division of Resources & Geoscience (DRG) reserves the right to impose special conditions, based on individual circumstances, where appropriate.