

MINING LEASE
MINING ACT 1992

NO 1703

DATED 9 December 2014

THE MINISTER FOR RESOURCES AND
ENERGY

OF THE STATE
OF NEW SOUTH WALES

TO

DONALDSON COAL PTY LTD
(ACN 073 088 945)

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 & Energy within the Department of Trade and Investment, Regional Infrastructure and Services.

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 of this mining lease, the lease holder must serve on each landholder a notice in writing indicating that this mining lease has been granted 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, 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.resources.nsw.gov.au/environment
- (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 *Mine Health and Safety Act 2004 / Coal Mine Health and Safety Act 2002* and *Mine Health and Safety Regulation 2007 / Coal Mine Health and Safety Regulation 2006* or the *Work Health and Safety Act 2011*; and
 - (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.resources.nsw.gov.au/environment.

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;

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- (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 Administration Act 1991*),

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.resources.nsw.gov.au/environment 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;

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- (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 Director General's guidelines in the preparation of an Environmental Incident Report. Refer to www.resources.nsw.gov.au/environment 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.

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- (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 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 Trade and Investment; Regional Infrastructure and Services 2010).

SPECIAL CONDITIONS

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

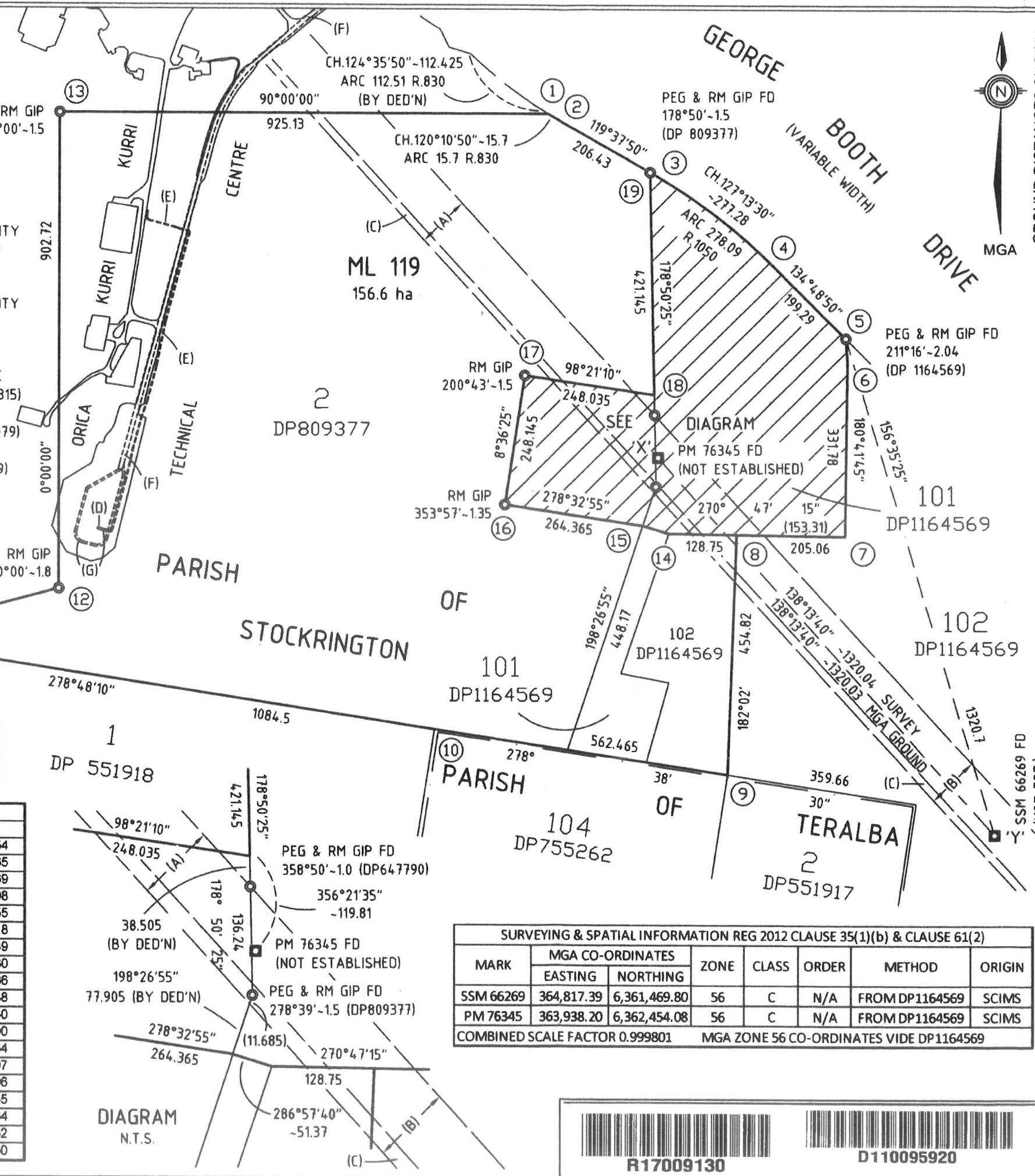
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NOTES:
 (1) SURVEY MARKS MAY BE SUBJECT TO MOVEMENT BY MINE SUBSIDENCE
 (2) GNSS OBSERVATIONS WERE USED TO DERIVE PART OF THIS SURVEY

- (A) PROPOSED EASEMENT FOR ELECTRICITY TRANSMISSION LINES, UNDERGROUND ELECTRICAL CABLES AND ACCESS THERETO 100 WIDE (DP647790)
 (B) PROPOSED EASEMENT FOR ELECTRICITY TRANSMISSION LINES AND ACCESS THERETO 100 WIDE (DP647790)
 (C) EASEMENT FOR PIPELINE 15 WIDE LIMITED IN DEPTH TO 20 BELOW THE EXISTING GROUND SURFACE (DP1099315)
 (D) EASEMENT FOR ELECTRICITY AND OTHER PURPOSES 4.5 WIDE (DP1172979)
 (E) EASEMENT FOR ELECTRICITY AND OTHER PURPOSES 2 WIDE (DP1172979)
 (F) RIGHT OF CARRIAGEWAY 8 WIDE (DP1172979)
 (G) RIGHT OF CARRIAGEWAY 4 WIDE (DP1172979)

LINE	BEARING	DISTANCE
5 - 6	175°24'45"	44.525
19 - 3	119°38'20"	9.920

MGA CO-ORDINATES ZONE 56		
Corner	Easting	Northing
1	363,729.10	6,363,104.54
2	363,742.66	6,363,096.65
3	363,930.69	6,362,989.69
4	364,151.43	6,362,821.98
5	364,292.78	6,362,681.55
6	364,296.34	6,362,637.18
7	364,292.31	6,362,305.49
8	364,087.32	6,362,308.30
9	364,071.19	6,361,853.86
10	363,515.24	6,361,938.38
11	362,443.72	6,362,104.30
12	362,804.15	6,362,202.00
13	362,804.15	6,363,104.54
14	363,958.60	6,362,310.07
15	363,909.48	6,362,325.06
16	363,648.10	6,362,364.35
17	363,685.24	6,362,609.64
18	363,930.59	6,362,573.62
19	363,922.07	6,362,994.60



MARK	MGA CO-ORDINATES		ZONE	CLASS	ORDER	METHOD	ORIGIN
	EASTING	NORTHING					
SSM 66269	364,817.39	6,361,469.80	56	C	N/A	FROM DP1164569	SCIMS
PM 76345	363,938.20	6,362,454.08	56	C	N/A	FROM DP1164569	SCIMS

COMBINED SCALE FACTOR 0.999801 MGA ZONE 56 CO-ORDINATES VIDE DP1164569



PLAN OF PORTION ML 119

PARISH: STOCKRINGTON
 COUNTY: NORTHUMBERLAND
 MAP SHEET No. 9232-3-N
 REDUCTION RATIO 1: 8000
 MINING LEASE APPLICATION No. 426
 MINING DIVISION: SINGLETON
 APPLICANT: DONALDSON COAL PTY. LTD.
 APPLICATION DATE: 10-05-2012

MINING LEASE No. 1703 (Act 1992)
 STATUS:
 METHOD: UNDERGROUND

SURFACE EXCEPTION / DEPTH RESTRICTION

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

Embraces the surface and soil below thereof to a depth 900 metres below Australian Height Datum

NOTES:
 Azimuth: PM 76345 TO SSM 66269
 Plans used in the course of this survey/compilation DP 647790, DP 809377, DP 1099315, DP 1164569, DP 1172979
 Survey declared on this plan for lines 15-18 and 11-1

I JAMES BRIAN PURDIE of SCOPE SURVEYING 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 29/11/13
 Signature :
 Surveyor's Reference : 8376

Survey Calcs :
 Plan Investigated : SGM 27-02-2014
 Plan Approved : P Purdie 27-02-2014
 Paper No : 12/1510

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