

INSTRUMENT OF RENEWAL

LEASE: Coal Lease No 374 (Act 1973)

HOLDER: Wambo Coal Pty Limited
ACN 000 668 057

DATE OF LEASE: 6 December 1991

EXPIRY DATE OF LEASE: 21 March 2005

PERIOD OF RENEWAL UNTIL: 21 March 2026

AREA: 382.3 hectares

AS SHOWN BY PLAN NO D7098

DEPTH RESTRICTION: Base of the Whynot Seam

SURFACE EXCEPTION: Nil

MINERALS: Coal


ROYALTY PAYABLE: At the rate which, from time to time, may be prescribed.

AMENDMENTS TO THE CONDITIONS OF THE LEASE:

- (a) All the Conditions contained in the lease prior to the renewal have been deleted.
- (b) The lease is now subject to the attached Mining Lease Conditions 2004 numbered:
1-21 (inclusive), 23, 24, 26 and 27.

Condition Nos. 2, 3, 4, 13 – 22 (inclusive), are identified as conditions relating to environmental management for the purposes of Sections 125(3) and 374A of the Mining Act 1992.

We, Wambo Coal Pty Limited ACN 000 668 057, hereby accept the renewal of this Lease and agree to be bound by the conditions specified.


.....
Wambo Coal Pty Limited
ACN 000 668 057

Renewed this **DO NOT DATE** day of **200**

.....
by delegation from the Minister.

MINING LEASE CONDITIONS 2004

Notice to Landholders

1. 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.

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 indicate that 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.

Mining, Rehabilitation, Environmental Management Process (MREMP)

Mining Operations Plan (MOP)

2. (1) Mining operations, including mining purposes, must be conducted in accordance with a Mining Operations Plan (the Plan) satisfactory to the Director-General. The Plan together with environmental conditions of development consent and other approvals will form the basis for:-
 - (a) ongoing mining operations and environmental management; and
 - (b) ongoing monitoring of the project.
- (2) The Plan must be prepared in accordance with the Director-General's guidelines current at the time of lodgement.
- (3) A Plan must be lodged with the Director-General:-
 - (a) prior to the commencement of mining operations (including mining purposes);
 - (b) subsequently as appropriate prior to the expiry of any current Plan; and
 - (c) in accordance with any direction issued by the Director-General.
- (4) The Plan must present a schedule of proposed mine development for a period of up to seven (7) years and contain diagrams and documentation which identify:-
 - (a) area(s) proposed to be disturbed under the Plan;

- (b) mining and rehabilitation method(s) to be used and their sequence;
 - (c) areas to be used for disposal of tailings/waste;
 - (d) existing and proposed surface infrastructure;
 - (e) existing flora and fauna on the site;
 - (f) progressive rehabilitation schedules;
 - (g) areas of particular environmental, ecological and cultural sensitivity and measures to protect these areas;
 - (h) water management systems (including erosion and sediment controls);
 - (i) proposed resource recovery; and
 - (j) where the mine will cease extraction during the term of the Plan, a closure plan including final rehabilitation objectives/methods and post mining landuse/vegetation.
- (5) The Plan when lodged will be reviewed by the Department.
- (6) The Director-General may within two (2) months of the lodgement of a Plan, require modification and re-lodgement.
- (7) If a requirement in accordance with clause (6) is not issued within two (2) months of the lodgement of a Plan, the lease holder may proceed with implementation of the Plan.
- (8) During the life of the Mining Operations Plan, proposed modifications to the Plan must be lodged with the Director-General and will be subject to the review process outlined in clauses (5) - (7) above.

Annual Environmental Management Report (AEMR)

3. (1) Within 12 months of the commencement of mining operations and thereafter annually or, at such other times as may be allowed by the Director-General, the lease holder must lodge an Annual Environmental Management Report (AEMR) with the Director-General.
- (2) The AEMR must be prepared in accordance with the Director-General's guidelines current at the time of reporting and contain a review and forecast of performance for the preceding and ensuing twelve months in terms of:
- (a) the accepted Mining Operations Plan;
 - (b) development consent requirements and conditions;

- (c) Department of Environment and Conservation and Department of Planning licences and approvals;
 - (d) any other statutory environmental requirements;
 - (e) details of any variations to environmental approvals applicable to the lease area; and
 - (f) where relevant, progress towards final rehabilitation objectives.
- (3) After considering an AEMR the Director-General may, by notice in writing, direct the lease holder to undertake operations, remedial actions or supplementary studies in the manner and within the period specified in the notice to ensure that operations on the lease area are conducted in accordance with sound mining and environmental practice.
- (4) The lease holder shall, as and when directed by the Minister, co-operate with the Director-General to conduct and facilitate review of the AEMR involving other government agencies and the local council.

Subsidence Management

4. (a) The lease holder shall 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 underground mining operations that will potentially lead to subsidence other than in accordance with a Subsidence Management Plan approved by the Director-General, an approval under the *Coal Mines Regulation Act 1982*, 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 shall form part of the Mining Operations Plan required under Condition 2 and will be subject to the Annual Environmental Management Report process as set out under Condition 3. 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*.

Working Requirement

5. The lease holder must:
- (a) ensure that at least 16 competent people are efficiently employed on the lease area on each week day except Sunday or any week day that is a public holiday,
- OR
- (b) expend on operations carried out in the course of prospecting or mining the lease area, an amount of not less than \$280,000 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.

Control of Operations

6. (a) If an Environmental Officer of the Department believes that the lease holder is not complying with any provision of the Act or any condition of this lease relating to the working of the lease, he may direct the lease holder to:-
- (i) cease working the lease; or
 - (ii) cease that part of the operation not complying with the Act or conditions;
- until in the opinion of the Environmental Officer the situation is rectified.
- (b) The lease holder must comply with any direction given. The Director-General may confirm, vary or revoke any such direction.
 - (c) A direction referred to in this condition may be served on the Mine Manager.

Reports

7. The lease holder must provide an exploration report, within a period of twenty-eight days after each anniversary of the date this lease has effect or at such other date as the Director-General may stipulate, of each year. The report must be to the satisfaction of the Director-General and contain the following:
- (a) Full particulars, including results, interpretation and conclusions, of all exploration conducted during the twelve months period;
 - (b) Details of expenditure incurred in conducting that exploration;

- (c) A summary of all geological findings acquired through mining or development evaluation activities;
- (d) Particulars of exploration proposed to be conducted in the next twelve months period;
- (e) All plans, maps, sections and other data necessary to satisfactorily interpret the report.

Licence to Use Reports

- 8. (a) The lease holder grants to the Minister, by way of a non-exclusive licence, the right in copyright to publish, print, adapt and reproduce all exploration reports lodged in any form and for the full duration of copyright.
- (b) The non-exclusive licence will operate as a consent for the purposes of section 365 of the Mining Act 1992.

Confidentiality

- 9. (a) All exploration reports submitted in accordance with the conditions of this lease will be kept confidential while the lease is in force, except in cases where:
 - (i) the lease holder has agreed that specified reports may be made non-confidential.
 - (ii) reports deal with exploration conducted exclusively on areas that have ceased to be part of the lease.
- (b) Confidentiality will be continued beyond the termination of a lease where an application for a flow-on title was lodged during the currency of the lease. The confidentiality will last until that flow-on title or any subsequent flow-on title, has terminated.
- (c) The Director-General may extend the period of confidentiality.

Terms of the non-exclusive licence

- 10. The terms of the non-exclusive copyright licence granted under condition 8 (a) are:
 - (a) the Minister may sub-licence others to publish, print, adapt and reproduce but not on-licence reports.
 - (b) the Minister and any sub-licensee will acknowledge the lease holder's and any identifiable consultant's ownership of copyright in any reproduction of the reports, including storage of reports onto an electronic database.

- (c) the lease holder does not warrant ownership of all copyright works in any report and, the lease holder will use best endeavours to identify those parts of the report for which the lease holder owns the copyright.
- (d) there is no royalty payable by the Minister for the licence.
- (e) if the lease holder has reasonable grounds to believe that the Minister has exercised his rights under the non-exclusive copyright licence in a manner which adversely affects the operations of the lease holder, that licence is revocable on the giving of a period of not less than three months notice.

Blasting

11. (a) Ground Vibration

The lease holder must ensure that the ground vibration peak particle velocity generated by any blasting within the lease area does not exceed 10 mm/second and does not exceed 5 mm/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 and Conservation.

(b) Blast Overpressure

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 and Conservation.

Safety

12. 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 Director-General, 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 filled in or otherwise rendered safe to a standard acceptable to the Director-General.

Rehabilitation

13. (a) Land disturbed must be rehabilitated to a stable and permanent form suitable for a subsequent land use acceptable to the Director-General and in accordance with the Mining Operations Plan so that:-
- there is no adverse environmental effect outside the disturbed area and that the land is properly drained and protected from soil erosion.

- the state of the land is compatible with the surrounding land and land use requirements.
 - the landforms, soils, hydrology and flora require no greater maintenance than that in the surrounding land.
 - in cases where revegetation is required and native vegetation has been removed or damaged, the original species must be re-established with close reference to the flora survey included in the Mining Operations Plan. If the original vegetation was not native, any re-established vegetation must be appropriate to the area and at an acceptable density.
 - the land does not pose a threat to public safety.
- (b) Any topsoil that is removed must be stored and maintained in a manner acceptable to the Director-General.
14. The lease holder must comply with any direction given by the Director-General regarding the stabilisation and revegetation of any mine residues, tailings or overburden dumps situated on the lease area.

Exploratory Drilling

15. (1) At least twenty eight days prior to commencement of drilling operations the lease holder must notify the relevant Department of Natural Resources regional hydrogeologist of the intention to drill exploratory drill holes together with information on the location of the proposed holes.
- (2) If the lease holder drills exploratory drill holes he must satisfy the Director-General that:-
- (a) all cored holes are accurately surveyed and permanently marked in accordance with Departmental guidelines so that their location can be easily established;
 - b) all holes cored or otherwise are sealed to prevent the collapse of the surrounding surface;
 - (c) all drill holes are permanently sealed with cement plugs to prevent surface discharge of groundwaters;
 - (d) if any drill hole meets natural or noxious gases it is plugged or sealed to prevent their escape;
 - (e) if any drill hole meets an artesian or sub-artesian flow it is effectively sealed to prevent contamination of aquifers.

- (f) once any drill hole ceases to be used the hole must be sealed in accordance with Departmental guidelines. Alternatively, the hole must be sealed as instructed by the Director-General.
- (g) once any drill hole ceases to be used the land and its immediate vicinity is left in a clean, tidy and stable condition.

Prevention of Soil Erosion and Pollution

- 16. Operations must be carried out in a manner that does not cause or aggravate air pollution, water pollution (including sedimentation) or soil contamination or erosion, unless otherwise authorised by a relevant approval, and in accordance with an accepted Mining Operations Plan. For the purpose of this condition, water shall be taken to include any watercourse, waterbody or groundwaters. The lease holder must observe and perform any instructions given by the Director-General in this regard.

Transmission lines, Communication lines and Pipelines

- 17. 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 Director-General and subject to any conditions he may stipulate.

Fences, Gates

- 18. (a) Activities on the lease must not interfere with or damage fences without the prior written approval of the owner thereof or the Minister and subject to any conditions the Minister may stipulate.
- (b) Gates within the lease area must be closed or left open in accordance with the requirements of the landholder.

Roads and Tracks

- 19. (a) Operations must not affect any road unless in accordance with an accepted Mining Operations Plan or with the prior written approval of the Director-General and subject to any conditions he may stipulate.
- (b) The lease holder must pay to the designated authority in control of the road (generally the local council or the Roads and Traffic Authority) the cost incurred in fixing any damage to roads caused by operations carried out under the lease, less any amount paid or payable from the Mine Subsidence Compensation Fund.

20. Access tracks must be kept to a minimum and be positioned so that they do not cause any unnecessary damage to the land. Temporary access tracks must be ripped, topsoiled and revegetated as soon as possible after they are no longer required for mining operations. The design and construction of access tracks must be in accordance with specifications fixed by the Department of Natural Resources.

Trees and Timber

21. (a) The lease holder must not fell trees, strip bark or cut timber on the lease without the consent of the landholder who is entitled to the use of the timber, or if such a landholder refuses consent or attaches unreasonable conditions to the consent, without the approval of a warden.
- (b) The lease holder must not cut, destroy, ringbark or remove any timber or other vegetative cover on the lease area except such as directly obstructs or prevents the carrying on of operations. Any clearing not authorised under the Mining Act 1992 must comply with the provisions of the Native Vegetation Act 2003.
- (c) The lease holder must obtain all necessary approvals or licences before using timber from any Crown land within the lease area.

Resource Recovery

23. (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 Director-General is of the opinion that minerals which the lease entitles the lease holder to mine and which are economically recoverable at the time are not being recovered from the lease area, or that any such minerals which 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, he may give notice in writing to the lease holder requiring the holder to recover such minerals.
- (b) The notice shall 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 shall not specify the processes the lease holder shall use to achieve the specified recovery.
- (c) The lease holder must, when requested by the Director-General, provide such information as the Director-General may specify about the recovery of the mineral resources of the lease area.
- (d) The Director-General shall issue no such notice unless the matter has firstly been thoroughly discussed with and a report to the Director-General has incorporated the views of the lease holder.

- (e) The lease holder may object to the requirements of any notice issued under this condition and on receipt of such an objection the Minister shall refer it to a Warden for inquiry and report under Section 334 of the Mining Act, 1992.
- (f) After considering the Warden's report the Minister shall decide whether to withdraw, modify or maintain the requirements specified in the original notice and shall give the lease holder written notice of the decision. The lease holder must comply with the requirements of this notice.

Indemnity

- 24. 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 shall in all respects have been observed by the lease holder or that any such accident or injury shall arise from any act or thing which the lease holder may be licensed or compelled to do.

Security

Single Security (extended)

- 26. (a) 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 Consolidated Coal Lease 743 (Act 1973), Coal Lease 365 (Act 1973), Coal Lease 397 (Act 1973), Mining Lease 1402 (Act 1992) and Mining Lease 1572 (Act 1992) is extended to apply to this lease.
- (b) If the lease holder fails to fulfil any one or more of the obligations under this lease, then the security held may be applied at the discretion of the Minister towards the cost of fulfilling such obligations. For the purpose of this clause the lease holder shall be deemed to have failed to fulfil the obligations of the lease if the lease holder fails to comply with any condition or provision hereof, any provision of the Act or regulations made thereunder or any condition or direction imposed or given pursuant to a condition or provision hereof or of any provision of the Act or regulations made thereunder.

Prescribed Dam

- 27. (A) Notwithstanding any Mining Operations Plan, the lease holder must not mine within any part of the lease area which is within the notification area of the Wambo Tailings Dam without the prior written approval of the Minister and subject to any conditions he may stipulate.

- (B) Where the lease holder desires to mine within the notification area he must:
 - (i) at least twelve (12) months before mining is to commence or such lesser time as the Minister may permit, notify the Minister of the desire to do so. A plan of the mining system to be implemented must accompany the notice; and
 - (ii) provide such information as the Minister may direct.
- (C) The Minister must not, except in the circumstances set out in sub-paragraph (ii), grant approval unless sub-paragraph (i) of this paragraph has been complied with.
 - (i) This sub-paragraph is complied with if:
 - (a) the Dams Safety Committee as constituted by Section 7 of the Dams Safety Act 1978 and the owner of the dam have been notified in writing of the desire to mine referred to in paragraph (B).
 - (b) the notifications referred to in clause (a) are accompanied by a description or plan of the area to be mined.
 - (c) the Director-General has complied with any reasonable request made by the Dams Safety Committee or the owner of the dam for further information in connection with the mining proposal.
 - (d) the Dams Safety Committee has made its recommendations concerning the mining proposal or has informed the Minister in writing that it does not propose to make any such recommendations; and
 - (e) where the Dams Safety Committee has made recommendations the approval is in terms that are:
 - (i) in accordance with those recommendations; or
 - (ii) where the Minister does not accept those recommendations or any of them - in accordance with a determination under sub-paragraph (ii) of this paragraph.
 - (ii) Where the Minister does not accept the recommendations of the Dams Safety Committee or where the Dams Safety Committee has failed to make any recommendations and has not informed the Minister in writing that it does not propose to make any recommendations, the approval shall be in terms that are, in relation to matters dealing with the safety of the dam:

- (a) as determined by agreement between the Minister and the Minister administering the Dams Safety Act 1978; or
 - (b) in the event of failure to reach such agreement - as determined by the Premier.
- (D) The Minister, on notice from the Dams Safety Committee, may at any time or times:
 - (i) cancel any approval given where a notice pursuant to Section 18 of the Dams Safety Act 1978 is given.
 - (ii) suspend for a period of time, alter, omit from or add to any approval given or conditions imposed.