Trade & Investment
Resources & Energy

Reference: 13/1044

Ms Belinda Clayton
Tahmoor Coal Pty Ltd
PO Box 100
TAHMOOR NSW 2573

Dear Ms Clayton

MINING LEASE 1308 (ACT 1992)

In accordance with the provisions of Section 114(1) (a) of the *Mining Act 1992*, the Minister renewed the lease subject to the terms and conditions set out in the attached Instrument of Renewal document and Instrument of Amendment to Condition 6 – Extraction Plan Condition.

The renewal took effect on 24 June 2014.

Please note prior to any mining activities being undertaken on the lease, a current Mining Operations Plan must be approved by the Secretary. The holder of the lease may also be required to hold a current development consent/project approval before commencing activities in accordance with the *Environmental Planning & Assessment Act 1979*.

An overview of the environmental assessment and approval requirements for mining, in addition to guidelines regarding the preparation of a Mining Operations Plan are available from the Environment section of the Department's website: www.resourcesandenergy.nsw.gov.au.

In regard to Condition 9 (Cooperation Agreement) -- the TASMAP system located on the Department's website (www.minerals.nsw.gov.au) will be of assistance in determining the presence of overlapping petroleum titles.

For further information, please contact the undersigned on 02 4931 6439.

Yours faithfully

Lisa Keevill
for Secretary
18 August 2014

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Trade & Investment Resources & Energy

File No. 14/1985

TAHMOOR COAL PTY LTD
PO BOX 100
TAHMOOR
NSW 2573

Dear Sir/Madam

Mining Lease 1308 (Act 1992)
AMENDMENT OF THE SUBSIDENCE MANAGEMENT PLAN CONDITION

In accordance with the provisions of Section 239(2) of the *Mining Act 1992*, the Minister has amended the Subsidence Management Plan (SMP) condition on this lease by imposing an alternative Extraction Plan condition.

The new condition supports the unification of the Department of Planning & Environment (DPE) Extraction Plan with the Division of Resources and Energy (DRE) Subsidence Management Plan process. This will result in one plan and one approval and is a significant reduction in red tape. The new process is also consistent with, and will facilitate an orderly transition to the new *Work Health and Safety (Mines) Act 2013* regulatory framework.

The new condition requires the lease holder to have an approved Extraction Plan in place which provides for the effective management of subsidence risks prior to undertaking underground mining operations that may cause subsidence. Importantly, the condition:

- Recognises Extraction Plans approved by the Minister for Planning as an approved Extraction Plan for the purposes of the Mining Lease
- Saves existing Subsidence Management Plans and recognises them as Extraction Plans for the purpose of the Mining Lease
- Allows lease holders time to transition to the new requirements by providing for the approval of Subsidence Management Plans submitted on or before 31 December 2014 as Extraction Plans for the purposes of the Mining Lease

The amendment takes effect from 1 July 2014.

Rather than approving future Extraction Plans, DRE will advise DPE in their approval process. DRE will also be able to direct or take other compliance actions to require lease holders to amend deficient plans. Any compliance actions undertaken by DRE will be in the context of mining and safety legislative requirements only and are subject to procedural fairness.

The existing DRE Subsidence Management Plan and draft DPE Extraction Plan guidelines are intended to be replaced with a single revised Extraction Plan guideline covering the regulatory requirements of both DPE and DRE. These guidelines will provide further clarity as to the approval process and regulatory responsibilities of each agency.

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Further information can be found at www.resourcesandenergy.nsw.gov.au/miners-and-explorers/applications-and-approvals/environmental-assessment/subsidence-management or by contacting Paul Langley, DRE Subsidence Executive Officer on 4931 6448 or at paul.langley@trade.nsw.gov.au.

The enclosed Instrument of Amendment should be placed with the original documents for this authority.

Thank you for your assistance in implementing this important reduction in red tape.

Yours sincerely

B. W. Mullard

Brad Mullard
Executive Director

Encl.

INSTRUMENT OF AMENDMENT

I, as delegate of the Minister for Resources and Energy for the State of New South Wales, under delegation dated 30 November 2010, and pursuant to section 239(2) of the Mining Act 1992, amend Mining Lease 1308 (Act 1992) as follows:

Condition 6 is amended by deleting the existing condition and replacing it with the condition set out below.

Extraction Plan Condition

(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.

This amendment is effective from 1 July 2014.

SIGNED

Under delegation
Brad Mullard
Executive Director, Mineral Resources
Dated: 30 June 2014

INSTRUMENT OF RENEWAL

LEASE:	Mining Lease No 1308 (Act 1992)
HOLDER:	Tahmoor Coal Pty Ltd (ACN 076 663 968)
DATE OF LEASE:	2 March 1993
EXPIRY DATE OF LEASE:	2 March 2014
PERIOD OF RENEWAL UNTIL:	2 March 2035
AREA:	13.16 hectares
AS SHOWN BY CATOLOGUE NO:	D6998
SURFACE EXCEPTION:	Whole 152.4 metres surface exception
DEPTH RESTRICTION:	Maximum Depth of 900 metres below Australian Height Datum (AHD)
MINERALS:	Coal Petroleum
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 2013 (Coal) numbered:

1-9 (inclusive)

Conditions 2 to 6 are identified as conditions relating to environmental management for the purposes of Section 378D of the *Mining Act 1992*.

Note: Conditions 2 to 6 *of this mining lease are imposed pursuant to sections 238 and 239 of the Mining Act 1992. Clause 7 of Schedule 12 of the Mining Regulation 2010 saves higher penalties for a breach of condition imposed by or under sections 238 or 239 of the Act.*

We, Tahmoor Coal Pty Ltd (ACN 076 663 968), hereby accept the renewal of this Lease and agree to be bound by the conditions specified.

Peter Vale
.....
Tahmoor Coal Pty Ltd
(ACN 076 663 968)

Renewed this 24th **day of** June **2014.**

.....
Minister for Resources and Energy

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. Subsidence Management
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/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.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;

(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;

(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. Subsidence Management

The lease holder must not commence or undertake underground mining operations that may cause subsidence of the surface other than in accordance with an Eligible Subsidence Management Plan approved by the Director-General.

For the purposes of this condition, an 'Eligible Subsidence Management Plan' means:

(i) A Subsidence Management Plan prepared in accordance with current government guidelines for the preparation of Subsidence Management Plans; or

(ii) Those parts of an Extraction Plan or another type of plan:

- prepared, either in whole or in part, with reference to current government guidelines for the preparation of a Subsidence Management Plan; and
- approved for the purposes of the *Environmental Planning and Assessment Act 1979* (or any planning legislation which replaces that Act) by the Minister or Director-General of the Department of Planning & Infrastructure, or another officer of that Department authorised to approve such a plan,

which relate to issues of subsidence.

7. (A) Resource Recovery

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

(B) Any proposed activity from time to time in regard to methane drainage and capture should be advised to the Department's Mine Safety Operations and Environment Units for consideration. Such activities may be subject to conditions relative to each site specific case.

8. Single 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 as a single security has been assessed by the Minister at **$3,940,000.**

The leases covered by the single security include:

Consolidated Coal Lease 716 (Act 1973)

Mining Lease 1308 (Act 1992)

Mining Lease 1376 (Act 1992)

Mining Lease 1539 (Act 1992)

Mining Lease 1642 (Act 1992)

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.