



Reference: 10/4799

Mr Greg Tarrant
Technical Services Manager
Metropolitan Collieries Pty Ltd
PO Box 402
HELENSBURGH NSW 2508

Dear Sir

MINING LEASE NO 1610 (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.

The renewal took effect on 7 May 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.resources.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 6442.

Yours faithfully


Ian Elsholz
for Secretary
19 May 2014

INSTRUMENT OF RENEWAL

LEASE:	MINING LEASE NO 1610 (ACT 1992)
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HOLDER:	METROPOLITAN COLLIERIES PTY LTD (ACN 003 135 635)
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DATE OF LEASE:	12 FEBRUARY 2009
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EXPIRY DATE OF LEASE:	26 FEBRUARY 2011
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PERIOD OF RENEWAL UNTIL:	18 DECEMBER 2031
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AREA:	543.3 HECTARES
	AS SHOWN BY PLAN NO: M27128

SURFACE EXCEPTION:	152.4 METRES
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DEPTH RESTRICTION:	WHOLE 900 METRES BELOW AHD
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MINERALS:	COAL PETROLEUM
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ROYALTY PAYABLE:	AT THE RATE WHICH, FROM TIME TO TIME, MAY BE PRESCRIBED.
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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: 1-10(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 METROPOLITAN COLLIERIES PTY LTD (ACN 003 135 635), hereby accept the renewal of this Lease and agree to be bound by the conditions specified.


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METROPOLITAN COLLIERIES PTY LTD
(ACN 003 135 635)
26/11/13


MURRAY PAUL HUNDLEBY
Company Secretary
26/11/13

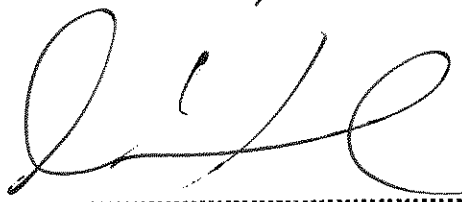
Renewed this

7th 8

day of

MAY

2014


.....
MINISTER FOR RESOURCES AND ENERGY



PLAN OF PORTION ML 618

PARISH HEATHCOTE AND SOUTHDOWN
COUNTY LUNenburg
MAP SHEET No. APRIN 9024 1-5
REDUCTION RATIO: 1:5000
PART TRANSFERRED 11/74 (ACT 1973)
FRONT OVERLAP: 500m

APPLICANT: METROPOLITAN COLLEGE PTY LTD
APPLICATION DATE: 29 JANUARY 2000
MINING LEASE No. 1610 (ACT 1992)
STATUS

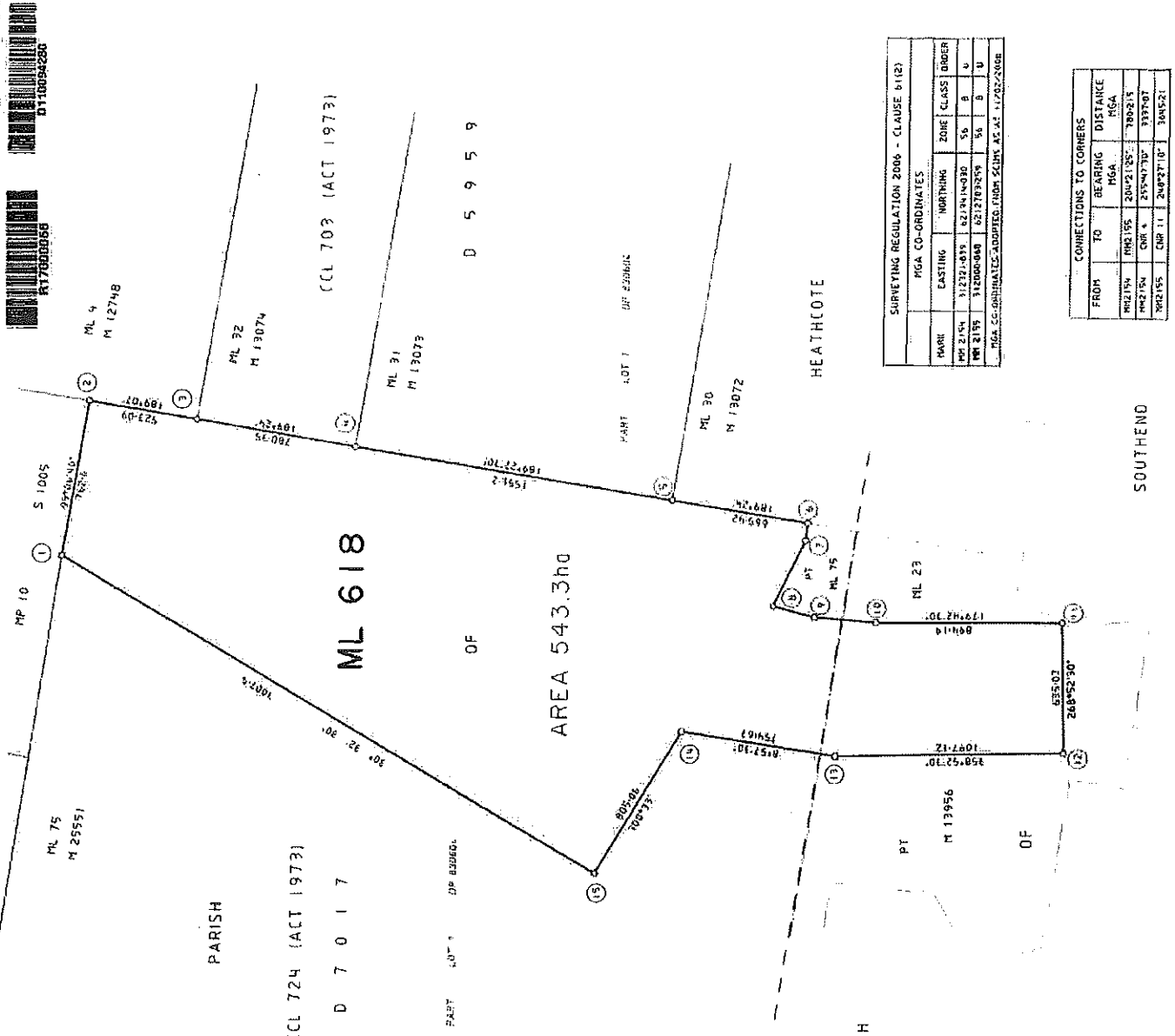
METHOD: UNDERGROUND
SURFACE EXCEPTION / DEPTH RESTRICTION
EMBODIES THE STRATA BETWEEN 1524 METRES BELOW THE SURFACE
TO A DEPTH OF 700 METRES BELOW AUSTRALIAN HEIGHT DATUM (AHD)

NOTES

As shown: MH2155, MH2156
Please used in the course of this survey/compilation
B 7011 D 5954 M 2555, S 1005 M 12748 M 13074
M 13074 M 13072 M 13076
Survey ordered on this plan for these

1. Andrew A. Hendill
at Southern Cross Consulting Surveyors, PO Box 142, LOULBURN NSW
2. Land & Mining Surveyors registered under the Surveying Act 2002
hereby certify that the survey/compilation represented
in this plan is accurate and has been compiled in
accordance with the Surveying Regulation 2000 and
the Surveyor General's Direction for Mining Surveys
and was completed on 12 February 2000
Signature: *Andrew A. Hendill*
Licence Reference: 21202 DWG 2002/1

Survey No. 101-0112
M 27128
20-10-08
23-10-2008



SURVEYING REGULATION 2000 - CLAUSE 6(12)

MGA CO-ORDINATES			
MARK	EASTING	NORTHING	ZONE CLASS ORDER
ML 2154	512721.815	6212414.030	56 B U
ML 2155	512000.048	621278725	56 B U

MGA CO-ORDINATES ADDED FROM ZONES AS AT 1/1/02/2008

CONNECTIONS TO CORNERS

FROM	TO	BEARING	DISTANCE	MGA
ML 1394	ML 1395	204°21'05"	780.215	
ML 1394	COR 4	255°47'30"	933.707	
ML 1395	COR 11	204°27'10"	364.521	

PERIMETER CO-ORDINATES

CH	MGA ZONE 56	EASTING	NORTHING
1	50000.555	6211153.74	
2	50045.52	621073.97	
3	50052.53	621555.85	
4	50040.02	621700.01	
5	50040.05	621151.20	
6	50000.09	621250.71	
7	50001.39	621250.71	
8	50002.30	621250.71	
9	50002.19	621250.71	
10	50005.04	621250.71	
11	50005.04	621150.02	
12	50005.04	621150.02	
13	50005.04	621150.02	
14	50005.04	621150.02	
15	50005.04	621150.02	

SHORT LINE TABLE

LINE	BEARING	DIST
6-7	275° 50'	86.16
7-8	235° 34'	75.78
8-9	105° 12'	200.74
9-10	104° 20'	255.44

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**
- 10. Drainage**

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. 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. Group 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 group security has been assessed by the Minister at **\$4,725,000**.

The leases covered by the group security include: **Consolidated Coal Lease No.703, Coal Lease No.379, Mining Purposes Lease No.320 (Act 1973) and Mining Lease No.1610 (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.

10. Drainage

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 Environmental Sustainability Unit for consideration and possible imposition of conditions relative to each site specific case.