

MINING ACT 1992

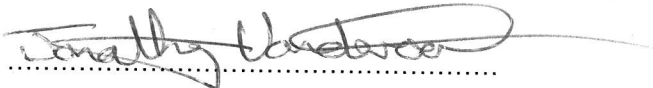
INSTRUMENT OF RENEWAL OF EXPLORATION LICENCE 6861 HELD BY COALWORKS LIMITED

I, **CHRIS HARTCHER MP, MINISTER FOR RESOURCES AND ENERGY** for the State of New South Wales **HEREBY RENEW THE LICENCE** subject to the terms and conditions set out below:

1. The licence is renewed for a further term until **28 August 2015**.
2. The conditions of the licence are amended by deleting all the conditions contained in the licence prior to this renewal and by including the attached **Exploration Licence Conditions 2012** numbered:

1-48 (inclusive) and 51-55 (inclusive)
3. The licence is renewed over the land described hereunder and shown on the **Exploration Area** attached hereto.
4. Mineral Group covered by this licence: Group 9. (Coal & Oil Shale).

We, **Coalworks Limited ACN 114 702 831**, hereby accept the renewal of this Exploration Licence and agree to be bound by the conditions specified.



COALWORKS LIMITED
ACN 114 702 831

Renewed this DO NOT day of DATE 20

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MINISTER FOR RESOURCES AND ENERGY

EXPLORATION AREA

The exploration area embraces an area of about **5480 Hectares**, as shown on the **Plan No E3053-02** hereunder exclusive of:-

- (a) land subject to any assessment lease, mining lease or mineral claim under the *Mining Act 1992*, at the date this renewal has effect.
 - (b) land subject to any pending application for a mining lease, mining purposes lease or claim under the *Mining Act 1973* or any application for a coal lease under the *Coal Mining Act 1973*, made prior to **9:30am** on the **Twentieth** day of **March, 2007**.
 - (c) land subject to any pending application for an assessment lease, mining lease or mineral claim under the *Mining Act 1992*, made prior to **9:30am** on the **Twentieth** day of **March, 2007**.
 - (d) land on which bona fide mining operations were being carried out at the date of grant of the licence by the owner of the mineral or some person with his consent and over which the exploration licence was not granted by virtue of the provisions of Section 23(4) of the *Coal Mining Act 1973*.
 - (e) land on which mining operations were being carried out at the date of grant of the licence by the owner of the mineral or some person with his consent and over which an exploration licence may not be granted by virtue of the provisions of Section 20 of the *Mining Act 1992*.
 - (f) land vested in the Commonwealth of Australia.
 - (g) land subject to any national park, regional park, historic site, nature reserve, karst conservation reserve or Aboriginal area at the date of grant of this licence.
- Note:** This exclusion includes national parks and Aboriginal areas contained within Community Conservation Area Zones 1 and 2 established under the *Brigalow and Nandewar Community Conservation Area Act 2005*.
- (h) any other land that was not subject to the licence immediately before this renewal.
 - (i) land subject to any mining reserve constituted under section 367 of the *Mining Act 1992* that prohibits exploration, that was notified prior to the date of grant.

INDUSTRY & INVESTMENT

File: 07-556

DIAGRAM OF EXPLORATION LICENCE No. 6861

(ELA No. 3053)

HOLDER: COALWORKS LIMITED

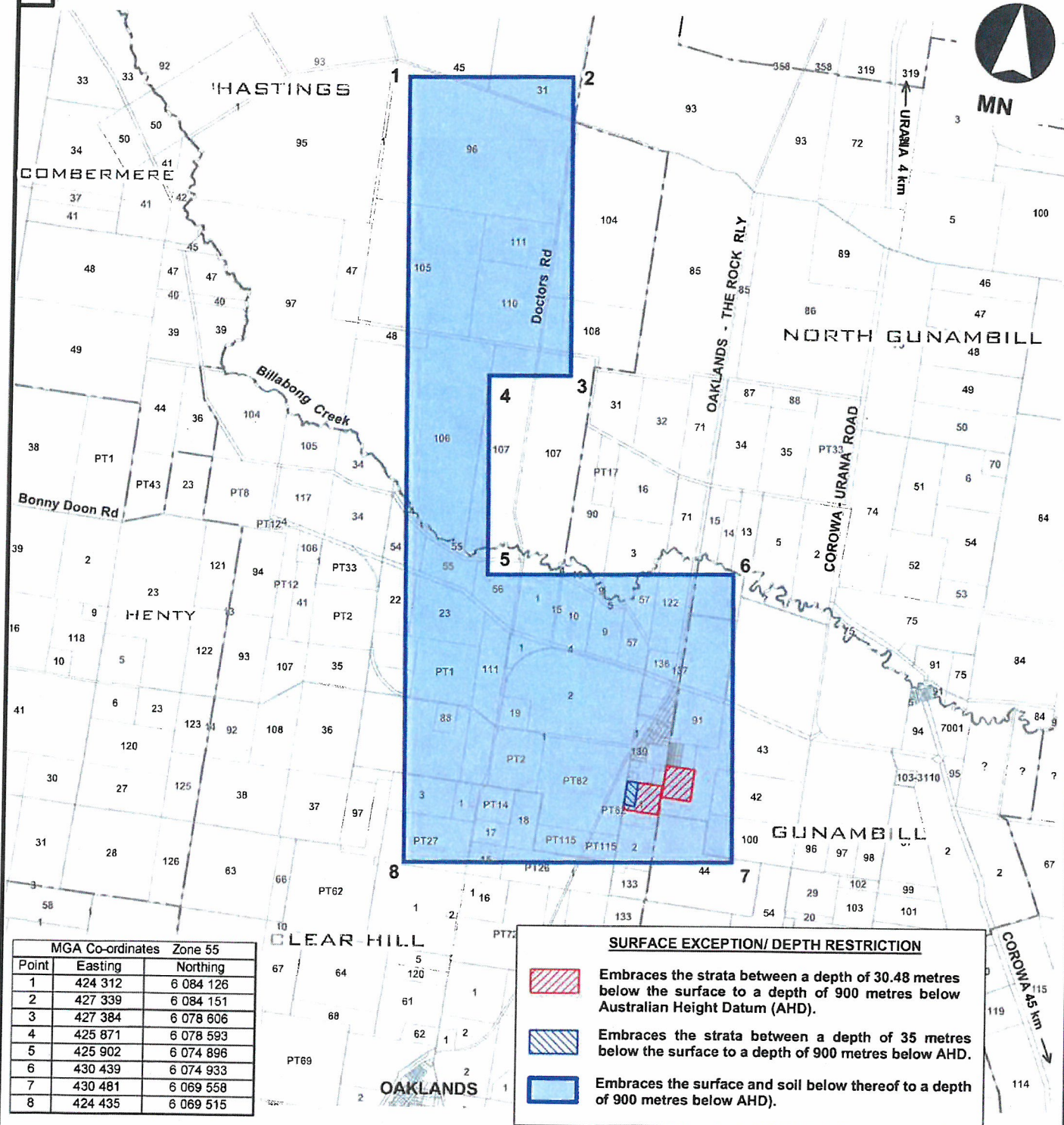
PARISHES: HASTINGS, NORTH GUNAMBILL, CLEAR HILL & GUNAMBILL

COUNTY: URANA

SCALE 1: 100000

REF MAPS: 8127-3-S & 8126-4-N

SUBJECT TO SURVEY



UNIVERSAL TRANSVERSE MERCATOR PROJECTION
HORIZONTAL DATUM: GDA84



Industry & Investment
MINERAL RESOURCES

0 0.5 1 2 3 4
Kms

AREA: abt. 5480 ha

Prepared by: G. Walker
Date: 10-08-2010
Checked by: P.Hord
Date: 12-08-2010
Maitland Regional Office

DISCLAIMER: The compilation of information shown on this diagram is derived from plans and data, some of which has been produced and provided by third parties. Title boundaries have been adjusted to maintain their relationship with the digital cadastral database in some circumstances, thereby creating certain inaccuracies in the data. This information does not constitute part of the record required under Section 153 of the Mining Act 1992 or Section 95 of the Petroleum (Onshore) Act 1991. Industry & Investment NSW and the State of New South Wales make no statement, representation or warranty that the titles information shown on this diagram is complete, accurate or free from error. Users rely on the titles information supplied on this diagram at their own risk. Industry & Investment NSW and the State of New South Wales accept no responsibility for any person, acting on, or relying on, or upon any of the titles information shown on this diagram, and disclaim all liability for any loss, damage, cost, expense or injury (including death) incurred or arising by reason of any person using or relying on the titles information contained on this diagram by reason of any error, omission, defect or misstatement (whether such error, omission or misstatement is caused by or arises from negligence, lack of care or otherwise). Users should always verify historical material by making and relying upon their own separate inquiries prior to making any important decisions or taking any action on the basis of titles information.

EXPLORATION LICENCE CONDITIONS (COAL) 2012

DEFINITIONS

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

Act means the *Mining Act 1992*.

Borehole means any hole made by drilling or boring, but excludes sampling and coring using hand held equipment.

Category 1 prospecting operations means development to which clause 10(2) of the Mining SEPP applies.

Category 2 prospecting operations means:

- a) Development of a kind described in clause 10(2) of the Mining SEPP but that is not exempt development because it will not take place on land that is described in clause 10(1);
- b) Construction of an access way such as a track or road;
- c) Excavations (including bulk samples) totalling less than 100 cubic metres;
- d) Non-intensive drilling of boreholes;
- e) Construction of water monitoring bores required in connection with prospecting operations; and
- f) Seismic surveys.

Category 3 prospecting operations means:

Development, not being development to which clause 10(2) of the Mining SEPP applies, which is:

- a) Excavation totalling more than 100 cubic metres, including bulk samples, but not if the bulk sample is permissible only with consent under the EP&A Act;
- b) Intensive drilling of boreholes;
- c) Shaft sinking or tunnelling; and
- d) Any other prospecting operations not being Category 1 prospecting operations or Category 2 prospecting operations.

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

Director-General means the Director-General of 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*.

EP&A Act means the *Environmental Planning and Assessment Act 1979*.

Exploration licence area means the land and water which is subject to this exploration licence.

Exploration Licence Conditions (Coal) 2012	Version Date: 7 December 2012
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Harm to the environment includes any direct or indirect alteration of the environment that has the effect of degrading the environment and, without limiting the generality of the above, includes any act or omission that results in pollution, contributes to the extinction or degradation of any threatened species, populations or ecological communities and their habitats and causes impacts to places, objects and features of significance to Aboriginal people.

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*.

Standard working hours means:

- a) Monday to Friday 7am to 6pm;
- b) Saturday 8am to 1pm; and
- c) No work on Sundays or Public Holidays.

Mining SEPP means the *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007*, as amended from time to time.

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

Water land has the same meaning as in section 198A of the *Fisheries Management Act 1994*.

Wetland has the same meaning as in section 198A of the *Fisheries Management Act 1994*.

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CONDITIONS

Conditions 1 to 3, 8 to 19, 23 to 29 and 38 to 50 of this exploration licence are identified as conditions relating to environmental management.

Prospecting operations permitted under this exploration licence

1. The licence holder may conduct Category 1 prospecting operations on the exploration licence area subject to the conditions of this licence.

Note. a) The licence holder must comply with the requirements of the Act and other relevant legislation.

b) Category 1 prospecting operations:

- i) must be of minimal environmental impact;
- ii) cannot be carried out in critical habitat of an endangered species, population or ecological community (identified under the Threatened Species Conservation Act 1995 or the Fisheries Management Act 1994); and
- iii) can not be carried out in a wilderness area (identified under the Wilderness Act 1987).

Prospecting operations requiring further approval

2. The licence holder must obtain the Minister's written approval prior to carrying out any of the following prospecting operations on the exploration licence area:

- a) Category 2 prospecting operations; and
- b) Category 3 prospecting operations.

Note: The information required to be submitted as part of the licence holder's request for written approval under this condition is set out in the "Note" following condition 3 below.

3. The licence holder must comply with the conditions of an approval under condition 2 when carrying out those prospecting operations.

Note: In the case of prospecting operations identified in condition 2 as requiring approval by the Minister, the application for approval must be accompanied by a Surface Disturbance Notice (SDN). A Review of Environmental Factors and Agricultural Impact Statement may be required for Category 2 prospecting operations if the Minister is of the opinion that the prospecting operations may result in more than minimal environmental impact.

A Surface Disturbance Notice, Review of Environmental Factors and Agricultural Impact Statement are required for all Category 3 prospecting operations.

If the impact of prospecting operations on the environment is determined as likely to significantly affect the environment (including critical habitat) or threatened species, populations or ecological communities, or their habitats, in terms of Part 5 of the EP&A Act, then the licence holder will be required to submit an Environmental Impact Statement (EIS).

Applications may also require a Groundwater Monitoring and Modelling Plan (see condition 12)).

Native Title

4. The licence holder must not prospect on any land or waters on which native title exists without the prior written consent of the Minister.

Community consultation

5. The licence holder must engage with the community in relation to the planning for and conduct of prospecting operations authorised under this exploration licence.
6. The consultation must be undertaken in accordance with the *Guideline for community consultation requirements for the exploration of coal and petroleum, including coal seam gas* (NSW Trade & Investment, 2012) as amended from time to time.

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7. An annual report on Community Consultation must be submitted to the Department within 28 days of the anniversary of this licence being granted, together with evidence that the consultation has been undertaken in accordance with the Guideline.

Note: Copies of the Guideline are available from www.resources.nsw.gov.au

Access to exploration licence and relevant documents

8. The licence holder must ensure that a copy of this exploration licence and any relevant documentation relating to the conduct of prospecting operations is:
 - a) accessible on the site of active prospecting operations authorised by this exploration licence; and
 - b) made available to all supervisors or other persons concerned in the day to day management of prospecting operations authorised by this exploration licence.

Note: For the purposes of this condition, relevant documentation includes, but is not limited to:

- a) access arrangements required under Part 8 of the Act;*
- b) exempted area consents required under section 30 of the Act;*
- c) approvals under condition 2 of this exploration licence, and any document specified as forming part of that approval, such as a Review of Environmental Factors; and*
- d) the approved Groundwater Monitoring and Modelling Plan under condition 12 of this exploration licence.*

Environmental harm

9. The licence holder must implement all reasonably practicable measures to prevent and/or minimise harm to the environment that may result from the conduct of any prospecting operations under this exploration licence.

Erosion and sediment control

10. The licence holder must prevent erosion and pollution of watercourses resulting from the conduct of prospecting operations by implementing effective erosion and sediment control measures.
11. The planning, design and construction of erosion and sediment control measures must be conducted generally in accordance with *Managing Urban Stormwater: Soils and Construction* (DECC 2007), as amended or replaced from time to time.

Groundwater Monitoring and Modelling Plan

12. Prior to conducting prospecting operations involving the construction and use of boreholes, the licence holder must:
 - a) Prepare a Groundwater Monitoring and Modelling Plan in consultation with the NSW Office of Water;
 - b) Ensure that the Groundwater Monitoring and Modelling Plan:
 - i) describes methods for identifying aquifers, their depths, behaviour, containing layers and connectivity with surrounding aquifers or surface water systems;
 - ii) describes methods for collection of data relevant to the type, quantity and quality of water contained within aquifer systems likely to be encountered during prospecting operations;
 - iii) provides for the future development of a conceptual model of regional groundwater behaviour;
 - iv) provides for the future development of a calibrated computer model of regional groundwater behaviour, to enable the impacts of any proposed mining operations to be assessed;

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- v) describes how records of all data collected will be maintained;
 - vi) describes the staging process for implementation of the plan; and
 - vii) is prepared in accordance with any additional requirements prescribed by the Director-General.
- c) The Groundwater Monitoring and Modelling Plan must address the requirements identified in b)i) to b)vii) in a level of detail commensurate with the scale, timing and potential impact of proposed operations;
 - d) Have the Groundwater Monitoring and Modelling Plan approved by the Minister; and
 - e) Implement and comply with the approved Groundwater Monitoring and Modelling Plan.

Note. The Groundwater Monitoring and Modelling Plan is required to ensure:

- (a) there is sufficient groundwater data available to assess future operations against the Aquifer Interference Policy (NSW Office of Water, 2012), as amended or replaced from time to time; and*
- (b) 2 years of baseline data is available prior to submitting an application for any future production operations.*

An application may be made to the Department at any time to vary an approved Groundwater Monitoring and Modelling Plan.

Use of Chemicals and Fuel

13. The licence holder must ensure that all chemicals, fuels and oils, excluding those contained within plant and equipment and those for personal use, are:
 - a) stored and handled in accordance with the relevant Material Safety Data Sheet and Australian Standards for the material;
 - b) stored in appropriate containers that are in good condition and labelled to clearly identify the stored product; and
 - c) kept in a facility or area which is capable of containing at least 100% of the largest container capacity stored within that area;
 unless otherwise approved by the Minister.
14. The licence holder must ensure that adequate spill prevention and oil absorbent materials required to manage spills and leaks for all chemicals, fuels and oils on site are readily available at all times where prospecting operations are being carried out. Equipment and/or materials to capture drips and spills must be used during transfer of chemicals, fuels and oils, and when maintaining oil or fuel filled components.

Noise

15. The licence holder must carry out operations in accordance with the requirements of the *Interim Construction Noise Guidelines* (DECC, 2009), as amended or replaced from time to time. Unless otherwise approved by the Minister, the licence holder must ensure that:
 - a) noise levels during standard working hours do not exceed the Rating Background Level (RBL) +10dB at any residence or other sensitive receiver (as defined in the *Interim Construction Noise Guidelines*).
 - b) noise levels outside of standard working hours do not exceed the RBL +5dB.
16. The noise limits identified in condition 15 will not apply where the licence holder has negotiated a written agreement with:

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- a) the relevant landholder; or
- b) in the case of a prospecting operation that will result in an exceedance of the criteria at a dwelling or other sensitive receiver, the resident of that dwelling or occupier of the sensitive receiver;
- c) to allow different limits and the licence holder complies with those limits.

Vegetation Clearing

17. Vegetation clearing and vegetation disturbance must be limited to the minimum extent necessary to facilitate the conduct of prospecting operations authorised by this exploration licence.

Note: Any clearing of native vegetation which is not authorised under the Mining Act 1992 is subject to the Native Vegetation Act 2003.

Additional approvals may also be required before using timber from Crown land.

Fire prevention

18. The licence holder must take all reasonably practicable precautions against causing an outbreak of fire.
19. The licence holder must not burn off any grass, foliage or herbage without the consent of the landholder and the local fire authority.

Infrastructure

20. The licence holder must ensure that prospecting operations do not interfere with or impair the stability or efficiency of any transmission line, communication line, pipeline or any other utility without the prior written approval of the infrastructure owner and subject to any conditions that may be stipulated by the infrastructure owner.

Passage of stock

21. The licence holder must permit the passage of stock through the exploration licence area and must conduct operations in a manner so as not to cause danger to travelling stock.
22. The licence holder must not interfere with or prevent the access of stock to any watering places or approaches to such watering places without the approval of the landholder.

Roads and Tracks

23. Except where otherwise approved under condition 2, the licence holder must ensure that:
 - a) Existing roads and tracks are used in preference to constructing new roads and tracks;
 - b) The planning, design, construction and maintenance of unsealed roads and tracks is constructed generally in accordance with *Managing Urban Stormwater: Soils and Construction, Volume 2C, Unsealed Roads* (DECC 2007) as amended or replaced from time to time; and
 - c) All water land and wetland crossing works are constructed in accordance with the requirements of the Policy and Guidelines for Fish Friendly Waterway Crossings (NSW DPI 2003) and Why do Fish Need to Cross the Road? Fish Passage Requirements for Waterway Crossings (NSW Fisheries 2003) as amended or replaced from time to time.

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24. The licence holder must restrict the use of any unsealed road or track during wet weather to prevent damage to that road or track unless the road or track has been designed and constructed for use in wet weather.

Topsoil management

25. The licence holder must ensure that all topsoil removed in the course of prospecting operations is stockpiled for later use in rehabilitating those operations.

Drilling

26. The licence holder must:
- a) Construct, maintain and decommission all boreholes and petroleum wells in accordance with standards equivalent to or exceeding the *Minimum Construction Requirements for Water Bores in Australia* (NUDLC 2012), as amended or replaced from time to time. Where this condition is inconsistent with other conditions set out in this exploration licence, those conditions prevail to the extent of that inconsistency.
 - b) Ensure that the construction, operation, maintenance and decommissioning of boreholes does not cause or enhance:
 - i) hydraulic connection between aquifers;
 - ii) contamination or cross-contamination of aquifers;
 - iii) the escape of natural or noxious gases;
 - iv) the uncontrolled surface discharge of ground waters;
 - v) collapse of the surrounding surface; or
 - vi) hazards to persons, stock and wildlife;
 - c) Before commencing any drilling within the exploration licence area, carry out an assessment of the risk of blowouts. Details of the assessment must be notified to the Department at least 7 days prior to the proposed commencement of drilling. If this assessment indicates that there is potential for a blowout to occur, blowout prevention equipment must be installed, in accordance with the *Schedule of Onshore Petroleum Exploration and Production Safety Requirements* (DMR 1992), as amended or replaced from time to time;
 - d) Implement appropriate controls to manage any risks associated with natural or noxious gases, both during and after drilling;
 - e) Contain all drill cuttings, fluids and groundwater returned to the surface as part of the drilling process in above-ground tanks or in-ground sumps pending re-circulation or disposal. In-ground sumps must be lined with an impermeable barrier where there is a potential risk of contamination from drill cuttings or fluids;
 - f) Survey boreholes to a minimum of 0.5 metre accuracy at collar, with the survey to be carried out by a surveyor registered with the Board of Surveying and Spatial Information under the *Surveying and Spatial Information Act 2002*;
 - g) Remove equipment and logging tools from the borehole prior to plugging and abandonment of the borehole, unless otherwise approved by the Minister; and;
 - h) Once a borehole ceases to be used, the borehole must be completely filled with cement grout during drill rod withdrawal and plugged, unless otherwise approved by the Minister.
27. The licence holder must report any blowout associated with prospecting operations to the Department:
- a) immediately; and
 - b) provide a written report within 24 hours.

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Note. The licence holder should have regard to any Director-General's guidelines related to the drilling, operation and abandonment of boreholes.

Waste Management

28. The licence holder must ensure that:

- a) the sites of prospecting operations are maintained in a clean and tidy condition at all times;
- b) all waste, including contaminated residues, must be collected, segregated and securely deposited in properly constructed containers and disposed lawfully;
- c) drilling by-products contaminated by chemicals, oils or fuels must be collected and remediated or disposed lawfully; and
- d) all drill cuttings and drilling fluids not being reused in drilling operations are disposed lawfully.

Note. Alternative reuse of drill cuttings and treated fluids may be approved by the Minister under condition 2 of this exploration licence.

29. The licence holder must maintain records of:

- a) all waste generated as a result of prospecting operations under this exploration licence; and
- b) the means of disposal of all waste.

Note. Waste is regulated under the Protection of the Environment Operations Act 1997 and the NSW Waste Regulations. Contact the Local Council or the Environment Protection Authority for details of those requirements.

Safety

30. The licence holder must notify the Department at least 7 days prior to the proposed commencement of any prospecting operation involving any drilling, blasting or other potentially hazardous operation. This notification must be made in the form approved by the Director-General.

31. The licence holder must carry out operations in a manner that ensures the safety of members of the public, stock and wildlife in the vicinity of the operations.

32. The licence holder must put in place measures to control safety hazards. These measures include, but are not limited to, the development of a Safety Management Plan prepared in accordance with relevant Departmental guidelines.

Note: Mining activities in NSW, including exploration, are subject to the Work Health and Safety Act 2011 which is the main Act dealing with the health, safety and welfare of persons at work. The Work Health and Safety Act 2011 is to be read in conjunction with the Coal Mine Health and Safety Act 2002 which deals with health, safety and welfare of people at work at coal operations or related places and puts in place special provisions necessary for the control of particular risks arising from the exploration for coal.

Technical Manager

33. The licence holder must ensure that prospecting operations are conducted, or directly supervised, by a Technical Manager, being:

- a) a person with tertiary qualifications in geoscience, petroleum or mining engineering; or
- b) a person having other qualifications or exploration experience approved by the Minister.

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34. The licence holder must advise the Minister of the name and contact details of the Technical Manager(s) within ten (10) working days of any changes to the nominated Technical Manager or their contact details.

Cooperation with other title holders

35. The licence holder must make every reasonable attempt, and be able to demonstrate their attempts, to enter into a cooperation agreement with the holder(s) of any overlapping authorisations under the *Mining Act 1992* or petroleum title under the *Petroleum (Onshore) Act 1991*. The cooperation agreement should address but not be limited to:
- a) access arrangements;
 - b) operational interaction arrangements;
 - c) dispute resolution;
 - d) information exchange;
 - e) location of prospecting operations;
 - f) timing of drilling;
 - g) potential resource extraction conflicts; and
 - h) integrated rehabilitation activities.

Minister's approval of change in control

36. The Minister's prior written approval is required prior to:
- a) any change in the effective control of the licence holder; or,
 - b) any foreign acquisition of substantial control in the licence holder.
37. For the purposes of condition 36:
- a) There is a "change in effective control" where, after the imposition of this condition, any person:
 - i) acquires the capacity to appoint or control at least 50% of the number of directors of the licence holder's board;
 - ii) becomes entitled to exercise (directly or indirectly) greater than 50% of the votes entitled to be cast at any general meeting of the licence holder; or,
 - iii) holds more than 50% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence holder.
 - b) There is a "foreign acquisition of substantial control" where, after the imposition of this condition, a person:
 - i) acquires the capacity to appoint or control at least 15% of the number of directors of the licence holder's board;
 - ii) becomes entitled to exercise (directly or indirectly) greater than 15% of the votes entitled to be cast at any general meeting of the licence holder;
 - iii) holds more than 15% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence holder;AND the person is:
 - i) a natural person not ordinarily resident in Australia;
 - ii) a corporation in which a natural person not ordinarily resident in Australia or a "foreign corporation" (meaning one that is incorporated outside Australia) holds a total interest of 15% or more;

- iii) a corporation in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold a total interest of 40% or more;
- iv) the trustee of a trust estate, in which a natural person not ordinarily resident in Australia or a foreign corporation, holds a total interest of 15% or more; or,
- v) the trustee of a trust estate in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, holds a total interest of 40% or more.

Rehabilitation

38. All disturbance resulting from prospecting operations carried out under this exploration licence must be rehabilitated by the licence holder to the satisfaction of the Minister.
39. In rehabilitating the disturbance resulting from prospecting operations, the licence holder must ensure that:
 - a) all machinery, buildings and other infrastructure is removed from the area;
 - b) the area is left in a clean, tidy and stable condition
 - c) there is no adverse environmental effect outside the disturbed area;
 - d) the land is properly drained and protected from soil erosion;
 - e) the land is not a potential source of pollution;
 - f) the land is compatible with the surrounding land and land use requirements;
 - g) the landforms, soils, hydrology and flora require no greater maintenance than that in, or on, the surrounding land;
 - h) the land does not pose a threat to public safety; and
 - i) in cases where vegetation has been removed or damaged:
 - i) where the previous vegetation was native, species used for revegetation are endemic to the area; or
 - ii) where the previous vegetation was not native, species used for revegetation are appropriate to the area; and
 - iii) any revegetation is of an appropriate density and diversity.
40. The licence holder must ensure that all water land and wetland crossings that are disturbed during prospecting operations are rehabilitated such that the natural flow of water is unimpeded and bank stability is maintained to prevent erosion.
41. The licence holder must comply with any relevant guidelines issued by the Director-General in the rehabilitation of disturbance resulting from prospecting operations under this exploration licence.
42. All rehabilitation of disturbance resulting from prospecting operations under this exploration licence must be completed before the expiry of this exploration licence or as soon as practicable following cancellation of this exploration licence, unless otherwise approved by the Minister.
43. Boreholes that have been abandoned as a result of previous mining or prospecting operations, and which have been opened up or used by the licence holder are subject to the conditions of this exploration licence as if the boreholes were constructed by the holder of this exploration licence.

REPORTING

Environmental Management Report

44. The licence holder must submit an Environmental Management Report to the Department in the following circumstances:
- a) where the licence holder is seeking to renew this exploration licence, an Environmental Management Report must accompany an exploration licence renewal application; or
 - b) where the licence holder is seeking to cancel or part cancel this exploration licence, an Environmental Management Report must accompany an exploration licence cancellation application;
 - c) where the licence holder is not seeking to renew or cancel this exploration licence, an Environmental Management Report must be submitted prior to the expiry of this exploration licence.
45. The report must be prepared in accordance with any Director-General's requirements for environmental and rehabilitation reporting on exploration licences and include information on all disturbance resulting from prospecting operations and rehabilitation carried out within the exploration licence area. The report must be prepared to the satisfaction of the Director-General.

Environmental Incident and Complaint Reporting

46. The licence holder must, in addition to the requirements under section 148 of the *Protection of the Environment Operations Act 1997*:
- a) Notify the Department of all:
 - i) pollution incidents causing or threatening material harm to the environment;
 - ii) breaches of the conditions of this exploration licence; and
 - iii) breaches of environment protection legislation (as defined in the *Protection of the Environment Administration Act 1991*),arising in connection with prospecting operations under this exploration licence.
 - b) The notification must be given immediately, i.e. promptly and without delay, after the licence holder becomes aware of the incident, breach or complaint.

Note. Refer to www.resources.nsw.gov.au/environment for notification contact details.

- c) Submit an Environmental Incident and Complaints Report to the Department within seven (7) days of all:
 - i) pollution incidents causing or threatening material harm to the environment;
 - ii) breaches of the conditions of this exploration licence;
 - iii) breaches of environment protection legislation (as defined in the *Protection of the Environment Administration Act 1991*); and
 - iv) complaints from landholders or the public alleging environmental harm or a breach of conditions of this exploration licence or of environment protection legislation,arising in connection with prospecting operations under this exploration licence.
- d) The Environmental Incident and Complaints Report must include:
 - i) the details of the exploration licence;
 - ii) contact details for the licence holder, complainant and landholder;
 - iii) a map showing the area of concern;

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- iv) a description of the nature of the incident or complaint, likely causes and consequences;
 - v) a timetable showing actions taken or planned to address the incident or complaint; and
 - vi) a summary of all previous incidents or complaints relating to prospecting operations under this exploration licence.

Note. The licence holder should have regard to any relevant Director-General's guidelines in the preparation of an Environmental Incident and Complaints Report. Refer to www.resources.nsw.gov.au/environment for further details.

SECURITY

Security

- 47. This authorisation is subject to a condition that the holder of the authorisation is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the authorisation, including obligations of all or any kind under the authorisation that may arise in the future.
- 48. The amount of the security deposit to be provided has been assessed by the Director-General at **\$40,000**.

Group Security

- 49. Not used.
- 50. Not used.

EXPLORATION MANAGEMENT

Samples

51. The licence holder must:
- a) if using non-core drilling methods, retain representative cuttings every one (1) metre drilled. Such samples must be at least 200 grams in dry weight, dried, stored appropriately, and securely labelled with depth limits; and
 - b) if using core drilling methods, retain the cores (other than material required from the cores for the purpose of assay) and samples in standard modular durable core boxes and label the cores and samples after the completion of the borehole.
52. Cores and samples must be made available for examination and/or sampling by officers of the Department for the purpose of analysis or other testing upon request.
53. The licence holder must not dispose of the cores or samples referred to in Condition 51 without approval of the Minister and without first offering them to the Department for archival storage. If so directed, the licence holder must lodge selected core and samples with one of the Department's Core Libraries. Selected core must be lodged with the Department in standard modular core boxes. Information on the borehole and drilling depths must be clearly and permanently indicated on both the inside and outside of each box.
- Note: Conditions 51 and 53 do not apply to boreholes or sections of boreholes sunk in surface gravel or alluvial ground.*
- Specifications for standard modular core boxes can be obtained by contacting the Department.*
54. The licence holder must undertake analyses and tests on any or all coal seams intersected in boreholes if directed to do so by the Minister.

Work Program

55. Unless otherwise approved by the Minister, the licence holder must implement and complete the work program specified in the **renewal** application for this exploration licence.

SPECIAL CONDITIONS

Aboriginal Land Council Notification

56. Not used.

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