

## Instrument of Renewal

I, **Georgina Beattie, Deputy Secretary Mining, Exploration and Geoscience**, as delegate for the Minister administering the *Mining Act 1992* for the State of New South Wales, and pursuant to section 114 of the *Mining Act 1992*, determine to renew **Exploration Licence 7407 (Act 1992)** held by **Coalworks (Vickery South) Pty Ltd, ACN 138 395 141, and Vickery South Pty Ltd, ACN 142 525 282**:

In respect of **Group 9 (Coal) minerals**;

- (a) For the further term ending on **21 October 2027**; and
- (b) Over the exploration area described in Schedule 1; and
- (c) Subject to the conditions set out in Schedule 2 and 3; and
- (d) In compliance with any Activity Approvals in Schedule 4; and
- (e) In accordance with the approved work program referenced in Schedule 5.

Signed this 31st day of March 2022



**Georgina Beattie**  
**Deputy Secretary Mining, Exploration and Geoscience**  
**Department of Regional NSW**  
**As delegate for the Minister administering the *Mining Act 1992***  
**Delegation dated: 14 May 2018**

# EXPLORATION LICENCE

Issued under the *Mining Act 1992*

<b>EXPLORATION LICENCE NUMBER:</b>	<b>7407 (Act 1992)</b>
<b>RENEWAL DATE:</b>	<b>31 March 2022</b>
<b>DUE EXPIRY DATE:</b>	<b>21 October 2027</b>
<b>LICENCE HOLDER:</b>	<b>Coalworks (Vickery South) Pty Ltd ACN 138 395 141 and Vickery South Pty Ltd ACN 142 525 282</b>
<b>EXPLORATION AREA:</b>	<b>See Schedule 1</b>
<b>RESOURCE:</b>	<b>Group 9 (coal) minerals</b>

## Information about this licence

This exploration licence is issued under the *Mining Act 1992*. The licence holder may:

- Apply for the renewal of this exploration licence; or
- Apply for the transfer of this exploration licence to another person.

Renewal applications are to be submitted within the period of two months prior up to midnight on the expiry date of the licence consistent with the *Mining Act 1992*.

The following fees are payable in connection with this licence:

- An annual rental fee; and
- An annual administrative levy.

Additional rights and responsibilities of licence holders are set out in the *Mining Act 1992* and the Mining Regulation 2016.

Please note that licence holders may also be required to obtain approvals and comply with requirements of other legislation when carrying out exploration activities, including (but not limited to):

- The *Environmental Planning and Assessment Act 1979*;
- The *Protection of the Environment Operations Act 1997*; and
- The *Water Act 1912* and the *Water Management Act 2000*.

## Rights of the licence holder under this licence

This licence gives the licence holder an exclusive right to prospect for the mineral(s) or group(s) of minerals on the land to which this licence relates.

However, in accordance with section 45 of the *Aboriginal Land Rights Act 1983*, this licence does not give the licence holder the right to prospect for any minerals except coal, on land vested in an Aboriginal Land Council or Local Land Council at the original date of grant of this licence.

## Restrictions on the exercise of rights under this licence

It is the responsibility of the licence holder to apprise themselves of the restrictions on the exercise of rights under this licence that exist under NSW and Commonwealth legislation.

## Exploration Area (Schedule 1)

The land to which this licence applies is set out at Schedule 1 of this licence.

## Licence Conditions (Schedules 2 and 3)

This licence is subject to the conditions in Schedule 2 and Schedule 3. The licence holder must conduct prospecting operations in accordance with these conditions, as well as any conditions imposed by the *Mining Act 1992* and Mining Regulation 2016. In particular:

- The conditions set out in Schedule 2 are general conditions; and
- The conditions (if any) set out in Schedule 3 are additional conditions.

Contravention of licence conditions is an offence under the *Mining Act 1992*.

## Further Approvals under this licence (Schedule 4)

The licence holder may need to obtain further approvals or Ministerial consent before carrying out prospecting operations on the land subject to this licence (see in particular the activity approval requirements for assessable prospecting operations section 23A of the *Mining Act 1992*, which requires an activity approval to be obtained prior to commencing any assessable prospecting operation).

## **Work Program (Schedule 5)**

Condition 1 of Schedule 2 of this licence requires the licence holder to comply with the Work Program. The Work Program unique identifier is set out at Schedule 5 of this licence. The Work Program may be amended on application of the licence holder, with the approval of the Minister.

## LICENCE HISTORY from 31 March 2022

Identifier	Effective date	Reasons for update
30	31 March 2022	Renewal of EL7407 (Act 1992)

## DEFINITIONS

In this licence:

- (a) A reference to a Code or Guideline is a reference to that document as amended or replaced from time to time, and
- (b) Words have the meaning given to those terms in the *Mining Act 1992* unless otherwise defined below:

**Change in effective control of the licence holder** means any occurrence which results in any person, not being a related body corporate of the licence holder, newly being in one or more of the following positions:

- (a) having the capacity to appoint or control more than 50% of the number of directors of the licence-holder's board;
- (b) being entitled to exercise (directly or indirectly) more than 50% of the votes entitled to be cast at any general meeting of the licence-holder; or
- (c) holding 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.

**Environmental incident notifications and reports** means any notifications and reports to be provided to relevant authorities under Part 5.7 or Part 5.7A of the *Protection of the Environment Operations Act 1997*.

**Foreign acquisition of substantial control in the licence holder** means any occurrence which results in a foreign party, not being a related body corporate of the licence holder, newly being in one or more of the following positions:

- (a) having the capacity to appoint or control 20% or more of the number of directors of the licence-holder's board;
- (b) being entitled to exercise (directly or indirectly) 20% or more of the votes entitled to be cast at any general meeting of the licence-holder; or
- (c) holding interests in 20% or more 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.

**National park, regional park, historic site, nature reserve, karst conservation reserve and Aboriginal area** have the meaning given to those terms in the *National Parks and Wildlife Act 1974*.

**Related Body Corporate** has the same meaning given to that term in the *Corporations Act 2001 (Cth)*.

**Relevant authorities** have the meaning given to that term in section 148 of the *Protection of the Environment Operations Act 1997*.

**Work Program** means the approved work program identified in Schedule 5 of this licence, as amended from time to time with the approval of the Minister.

## EXPLORATION AREA

The exploration area comprises of an area of **720 hectares** as shown on Plan No. **E3773-05**, and exclusive of any land:

- (a) vested in the Commonwealth of Australia; or
- (b) that was not subject to the licence immediately before this renewal.

**Note:** *This exclusion (b) may include land that, at the date this licence was initially granted, was:*

- *subject to an authority, or an application for an authority;*
- *subject to a residence area or business area referred to in clause 1, Part 1 of Schedule 11 of the Mining Regulation 2003;*
- *subject to any mining reserve constituted under section 367 of the Mining Act 1992 which prohibited the grant of new exploration licences;*
- *vested in the Commonwealth of Australia;*
- *located within a national park, regional park, historic site, nature reserve, karst conservation area or Aboriginal area established under the National Parks & Wildlife Act 1974 or other legislation.*

The boundaries of the exploration area are indicated on the following diagram.

### DISCLAIMER

The boundaries of the exploration area in the diagram are indicative only, based on knowledge and understanding at the time this licence was granted. However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date. No warranty about the accuracy, currency or completeness of any information in this diagram is inferred (including, without limitation, any information provided by third parties). While all reasonable care has been taken in the compilation of this diagram, to the extent permitted by law, Regional NSW excludes all liability for the accuracy or completeness of the information, or for any injury, loss, or damage whatsoever (including without limitation liability for negligence and consequential losses) suffered by any person acting, or purporting to act, in reliance upon anything contained herein. Users should rely upon their own advice, skills, interpretation and experience in applying the information in the diagram.

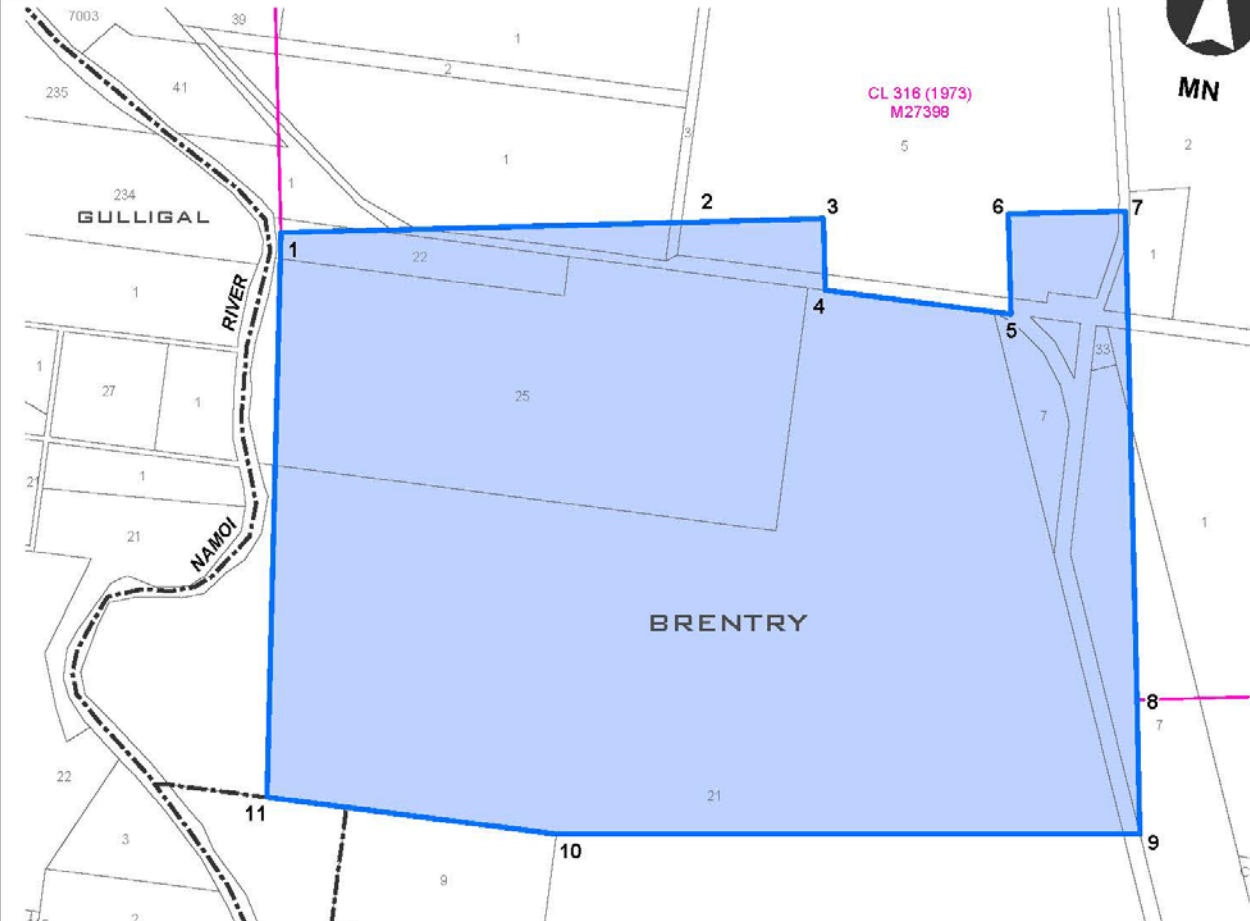
PLAN No. E3773-05

# MINING, EXPLORATION & GEOSCIENCE

TMS: REN-2021-130

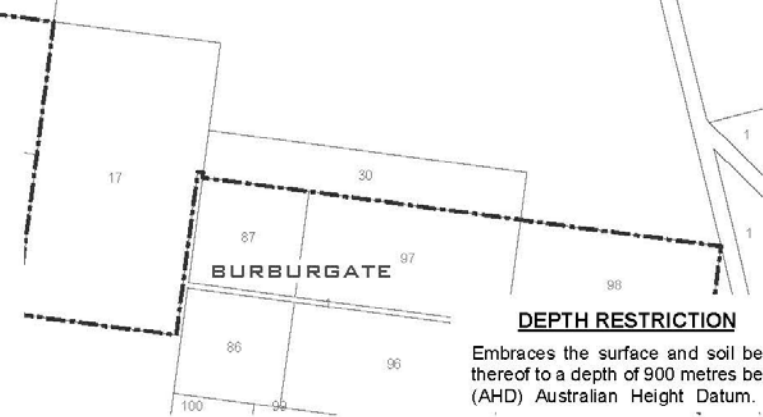
**DIAGRAM OF EXPLORATION LICENCE No. 7407 Dealing 30 REN (ELA No. 3773)**  
**HOLDER: COALWORKS (VICKERY SOUTH) PTY LTD & VICKERY SOUTH PTY LTD**  
**PARISH: BRENTY**  
**SCALE 1: 25000**  
**COUNTY: NANDEWAR**  
**REF MAP: 8936-3-N**

**SUBJECT TO SURVEY**



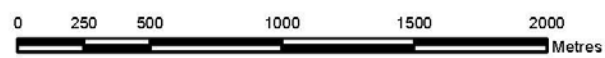
MGA CO-ORDS ZONE 56		
Point	Eastings	Northing
1	228954.643	6591153.878
2	230550.262	6591194.168
3	231004.946	6591205.461
4	231011.612	6590944.773
5	231714.646	6590850.275
6	231705.075	6591223.11
7	232145.87	6591234.221
8	232192.139	6589386.135
9	232202	6588878
10	229995	6588877
11	228901	6589004

Co-ordinate points coloured green determined by survey.  
 Co-ordinate values for Pts 1-8 from M27398



**DEPTH RESTRICTION**

Embraces the surface and soil below thereof to a depth of 900 metres below (AHD) Australian Height Datum.



**AREA: abt. 720 ha**

Prepared by: G. Barrett  
 Date: 30-NOV-2021  
 Checked by F. Schiavo  
 Date: 28-JAN-2022  
 Spatial Services  
 Assessments & Systems

**DISCLAIMER:** The completion of information shown on this diagram is derived from plans and data, some of which has been produced and provided by third parties. The boundaries have been adjusted to maintain their relationship with the digital cadastral database in some circumstances, thereby creating certain inaccuracies in the data. The Department 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. The Department and the State of New South Wales accepts 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 or by 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. For more information on the titles information shown on this diagram, please refer to the relevant titles information.



## GENERAL CONDITIONS

### 1. Work Program

The licence holder must carry out the operations, and any other activities, described in the Work Program and comply with any commitments in relation to the conduct of operations specified in the Work Program, as for the time being in force, in respect of this licence.

### 2. Native Title

The licence holder must not prospect on any land or waters within the exploration area on which Native Title has not been extinguished under the *Native Title Act 1993 (Cth)* without the prior written consent of the Minister.

### 3. Community Consultation

The licence holder must carry out community consultation in relation to the planning and conduct of activities under this licence in accordance with the *Exploration Code of Practice: Community Consultation* (March 2016).

### 4. Protection of the Environment

The licence holder must prevent, or if that is not reasonably practicable, minimise so far as is reasonably practicable, any harm to the environment arising from activities carried out under this licence.

### 5. Security

The licence holder must provide a security deposit to secure funding for the fulfilment of obligations under this licence (including obligations that may arise in the future) as follows:

- (a) Amount: **\$103,000**
- (b) Licence holder's entitlement to interest: none.

### 6. Rehabilitation

The licence holder must carry out rehabilitation of all disturbance caused by activities carried out under this licence in accordance with the requirements in Part B of the *Exploration Code of Practice - Rehabilitation* (July 2015) to the satisfaction of the Minister.

### 7. Environmental Incident Reporting

The licence holder must provide environmental incident notifications and reports to the Secretary no later than seven days after those notifications and reports are provided to relevant authorities under the *Protection of the Environment Operations Act 1997*.

### 8. Annual Activity Reporting

Unless otherwise approved by the Secretary, the licence holder must submit annual activity reports prepared in accordance with the *Exploration Guideline: Annual Activity Reporting for Prospecting Titles* (July 2015) at the following times:

- (a) Annually, within one calendar month following the grant anniversary date of this licence;
- (b) On any other date or dates directed by the Secretary in writing; and
- (c) Within one calendar month following the cancellation or expiry of this licence.

## **9. Change in Control**

If the licence holder is a corporation, the Secretary must be notified within 30 days of any:

- (a) Change in effective control of the licence holder; or
- (b) Foreign acquisition of substantial control in the licence holder.

Notification is not required where a change in effective control of the licence holder, or a foreign acquisition of substantial control of the licence holder, occurs as a result of the acquisition of shares or other securities on a registered stock exchange.

## ADDITIONAL CONDITIONS

### 10. Activity Approvals Issued Prior To 1 March 2016

Any prospecting operations the subject of an activity approval granted pursuant to this exploration licence before 1 March 2016 must, in addition to any requirements of that approval, be carried out in accordance with the following Codes of Practice:

- (a) Part B of the *Exploration Code of Practice: Environmental Management*
- (b) Part B of the *Exploration Code of Practice: Produced Water Management, Storage and Transfer*

and these codes prevail to the extent of any inconsistency with a requirement of such an activity approval.

### 11. Cooperation agreement

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 titles 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.

### 12. Aboriginal Land Council Notification

The licence holder must inform the relevant Local Aboriginal Land Council of the renewal of this exploration licence within 28 days of the renewal.

## **FURTHER APPROVALS**

Further approvals and consents may be granted after the commencement of this licence.

The licence holder is required to comply with all approvals and consents which have been granted after commencement of this licence.

## **WORK PROGRAM**

In accordance with Condition 1 of this licence the approved Work Program is the document identified by the identification number:

**WP-EL7407-2021-2027**

**RENEWAL OF EXPLORATION LICENCE 7407 (ACT 1992)  
HELD BY COALWORKS (VICKERY SOUTH) PTY LTD ACN 138 395 141  
and VICKERY PTY LTD ACN 142 525 282**

**Section 114 of the *Mining Act 1992***

I, as delegate of the Minister for Industry, Resources and Energy for the State of New South Wales, under delegation and pursuant to section 114 of the *Mining Act 1992*, hereby renew Exploration Licence No. **7407** subject to the terms and conditions set out below:

1. The Licence is renewed for a further term ending on **21 October 2021**.
2. The Licence is renewed over the land described in Schedule 1 (the Exploration Licence Area).
3. The Licence conditions are amended upon renewal and are set out in Schedule 2.
4. The Licence authorises the Licence Holder to prospect for the minerals prescribed as Group 9 (Coal) and 9A (Oil Shale) minerals within the Exploration Licence Area.

Renewed on this **22nd** day of **November** 2016



Zane West  
Manager Royalties and Advisory Services  
As Delegate for the  
Minister Industry, Resources and Energy  
**22-Nov-16**

**Schedule 1****EXPLORATION AREA**

The exploration area embraces an area of about **720** hectares, as shown on **Plan No E3773-04** hereunder exclusive of any land:-

- (a) excluded by section 19 of the *Mining Act 1992*;
- (b) on which, at the date of the initial grant of this EL, mining operations were being lawfully carried out by the owner of a privately owned mineral (or some person with his consent), and over which an exploration licence may not be granted under Schedule 6, clause 98(2) of the *Mining Act 1992*;
- (c) vested in the Commonwealth of Australia; or
- (d) that was not subject to the licence immediately before this renewal.

# RESOURCES & ENERGY

File: 14/3100

DIAGRAM OF EXPLORATION LICENCE No. 7407

(ELA No. 3773)

HOLDER: COALWORKS (VICKERY SOUTH) PTY LTD & VICKERY PTY LTD

PARISH: BRENTRY

COUNTY: NANDEWAR

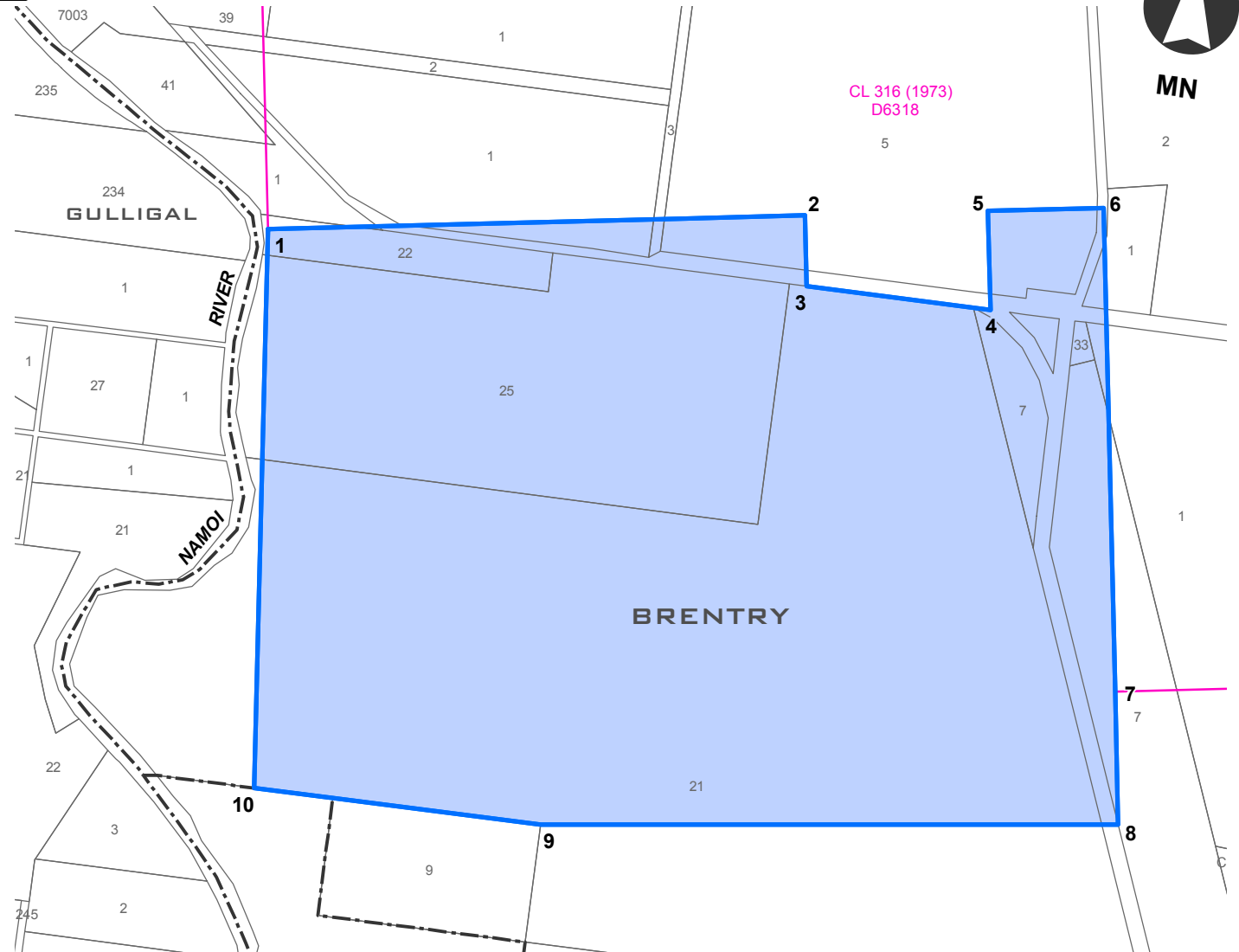
SCALE 1: 25000

REF MAP: 8936-3-N

SUBJECT TO SURVEY



MN



MGA CO-ORDS ZONE 56		
Point	Easting	Northing
1	228 954.64	6 591 153.88
2	231 004.96	6 591 205.12
3	231 011.61	6 590 944.77
4	231 714.65	6 590 850.28
5	231 705.08	6 591 222.74
6	232 145.87	6 591 234.22
7	232 192.14	6 589 386.14
8	232 202	6 588 878
9	229 995	6 588 877
10	228 901	6 589 004

Co-ordinate points coloured green determined by survey.  
Co-ordinate values for Pts 1-7 from D6318

**DEPTH RESTRICTION**

Embraces the surface and soil below thereof to a depth of 900 metres below (AHD) Australian Height Datum.

**FILE COPY - DO NOT REMOVE**

UNIVERSAL TRANSVERSE MERCATOR PROJECTION  
HORIZONTAL DATUM: GDA94



**AREA: abt. 720 ha**

Prepared by: S Collins  
Date: 10-10-2014  
Approved by: P Hord  
Date: 29-10-2014  
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. The Department 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. The Department and the State of New South Wales accepts no responsibility for any person, acting on, or relying on, or upon any of the titles information shown on this diagram, and disclaims 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 or by 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 (PRE-IMER)**

### **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.

**Department** means the Department of Industry, Skills and Regional Development.

**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.

**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.

**Secretary** means the Secretary of the Department.

**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*.

Exploration Licence Conditions (Coal) 2012 (PRE-IMER)	Version Date: September 2016
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## CONDITIONS

Conditions 1, 6 to 17, 21 to 26 and 33 to 47 of this exploration licence are identified as conditions relating to environmental management.

### Approvals under this licence

1. The licence holder may need to obtain further approvals or Ministerial consent before carrying out prospecting operations on the land subject to this licence (see in particular the activity approval requirements for assessable prospecting operations section 23A of the *Mining Act 1992*, which requires an activity approval to be obtained prior to commencing any assessable prospecting operation).

### Native Title

2. 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

3. The licence holder must engage with the community in relation to the planning for and conduct of prospecting operations authorised under this exploration licence.
4. 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.
5. 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](http://www.resources.nsw.gov.au)

### Access to exploration licence and relevant documents

6. 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

7. 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.

Exploration Licence Conditions (Coal) 2012 (PRE-IMER)	Version Date: September 2016
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### Erosion and sediment control

8. 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.
9. 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

10. 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;
    - 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 Secretary.
  - 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

11. 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.
12. 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

13. 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.
14. The noise limits identified in condition 13 will not apply where the licence holder has negotiated a written agreement with:
  - 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

15. 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

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

Exploration Licence Conditions (Coal) 2012 (PRE-IMER)	Version Date: September 2016
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## Infrastructure

18. 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

19. 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.
20. 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

21. Except where otherwise approved under condition 1, 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.
22. 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

23. 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

24. 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;

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- 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) Implement appropriate controls to manage any risks associated with natural or noxious gases, both during and after drilling;
  - d) 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;
  - e) 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*;
  - f) Remove equipment and logging tools from the borehole prior to plugging and abandonment of the borehole, unless otherwise approved by the Minister; and;
  - g) 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.
25. 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.

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

## Waste Management

26. 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.
27. 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.*

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## Safety

28. 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 Secretary.
29. 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.
30. 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 Work Health and Safety (Mines and Petroleum Sites) Act 2013 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

31. 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.
32. 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

33. 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

34. a) It is a condition of this licence that, where the licence-holder is a corporation or a trust, the Minister's prior written approval is required before there occurs:
  - (i) any change in the effective control of the licence-holder; or

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- (ii) any foreign acquisition of substantial control in the licence-holder.
- b) Subject to Clause (d), for the purposes of this condition, there is a "change in effective control" where, after the imposition of this condition, any Third Party or Trustee of a Trust Estate:
  - (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.
- c) Subject to Clause (d), for the purposes of this condition, there is a "foreign acquisition of substantial control" where, after the imposition of this condition, a Foreign Party:
  - (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; or
  - (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;

For the purposes of this condition a Foreign Party means:

- (iv) a natural person not ordinarily resident in Australia (foreign person);
- (v) a corporation incorporated outside Australia (foreign corporation);
- (vi) a corporation in which a foreign person or foreign corporation is a shareholder holding more than 15% of issued capital entitled to vote at any general meeting of the licence holder;
- (vii) a corporation in which 2 or more persons, each of whom is either a foreign person or a foreign corporation are shareholders and collectively hold not more than 40% of issued capital entitled to vote at general meetings of the corporation;
- (viii) the trustee of a trust estate, in which a foreign person or a foreign corporation is a beneficiary of the trust estate and holds more than 15% of the beneficial interest in the trust estate; or
- (ix) the trustee of a trust estate in which 2 or more persons, each of whom is either a foreign person or a foreign corporation, are beneficiaries of the trust estate and collectively hold more than 40% of the beneficial interest in the trust estate, provided that a foreign party shall not include a related body corporate of the licence holder.



- d) Approval under (a) is not required where a change in effective control of the licence holder or a foreign acquisition of substantial control of the licence holder occurs as a result of the acquisition of shares or other securities on a registered stock exchange.
- e) For the purpose of this condition:
  - (i) Related Body Corporate means in relation to a body corporate, a body corporate which is a related body corporate of the first mentioned body corporate for the purposes of the *Corporations Act 2001 (Cth)*; and
  - (ii) Third Party means any person who is not a Related Body Corporate of the licence holder.

## Rehabilitation

- 35. 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.
- 36. 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.
- 37. 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.
- 38. The licence holder must comply with any relevant guidelines issued by the Secretary in the rehabilitation of disturbance resulting from prospecting operations under this exploration licence.
- 39. 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.
- 40. 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

41. 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.
42. The report must be prepared in accordance with any Secretary'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 Secretary.

### Environmental Incident and Complaint Reporting

43. 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](http://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;

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- iii) a map showing the area of concern;
- 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 Secretary's guidelines in the preparation of an Environmental Incident and Complaints Report. Refer to [www.resources.nsw.gov.au/environment](http://www.resources.nsw.gov.au/environment) for further details.*

## SECURITY

### Security

- 44. 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.
- 45. The amount of the security deposit to be provided has been assessed by the Secretary at **\$103,000**.

### Group Security

- 46. NOT USED.
- 47. NOT USED.

## EXPLORATION MANAGEMENT

*Note: Exploration Reports (Geological and Geophysical)*

*The exploration licence holder must lodge reports to the satisfaction of the Secretary in accordance with section 163C of the Mining Act 1992 and in accordance with clause 59 of the Mining Regulation 2016.*

*Reports must be prepared in accordance with Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales (Department of Industry, Skills and Regional Development, updated 2016).*

### Samples

- 48. The licence holder must:
  - a) if using non-core drilling methods, retain representative cuttings at least every three (3) metres of formation drilled, or change of formation. Such samples must be stored appropriately and securely labelled with at least the hole name, company name and depth or depth limits; and
  - b) if using core drilling methods, retain the cores (other than material required from the cores for the purpose of assay) in standard modular durable core boxes. Core boxes must be stored appropriately and securely labelled with at least the hole name, company name and depth intervals.
- 49. 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.

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50. The licence holder must not dispose of the cores or samples referred to in Condition 48 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 50 and 51 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.*

51. 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**

52. 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**

53. The licence holder must inform the relevant Local Aboriginal Land Council of the grant or renewal of this exploration licence within 28 days of the grant or renewal.

## ENDORSEMENT SCHEDULE

In accordance with the provisions of Section 122(3) of the *Mining Act 1992*, the Director-General on 7 July 2011 registered Coalworks (Vickery South) Pty Ltd ACN 138 395 141 and ICRA Vickery Pty Ltd ACN 142 525 282 as the holders of Exploration Licence 7407 (Act 1992)

The transfer is subject to the conditions set out in the attached Schedule:

  
Ian Elsholz  
Titles

# EXPLORATION LICENCE CONDITIONS 2010

## Definitions

- A Categories of Prospecting Operations
- B. Sensitive Areas
- C. Other Definitions

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- 2. Prospecting Operations Requiring Further Approval

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- 31. Completion of Exploration Program
- 32. Technical Management of Exploration
- 33. Cooperation Agreement
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## Section F: OWNERSHIP

- 35. Minister's Approval of Change in Control

# Definitions

## A Categories of Prospecting Operations

Three categories of prospecting operations are defined under this exploration licence, as follows:

### **Category 1 Reconnaissance and low intensity prospecting operations, including:**

- (a) Geological mapping
- (b) Airborne surveys
- (c) Sampling and coring using hand held equipment
- (d) Geophysical surveys and downhole logging, but not seismic surveys
- (e) Shallow reconnaissance drilling involving no more than minimal site preparation
- (f) Minor clearing or cutting of native vegetation
- (g) Minor excavations excluding costeaning or bulk sampling
- (h) Vehicle access that does not require construction of new tracks

### **Category 2 Prospecting operations which have potential for moderate disturbance to the land surface, native vegetation or other environmental value, including:**

- (a) Operations under Category 1 (c) to (h) within or adjacent to Sensitive Areas\*
- (b) Operations under Category 1 (c) to (h) of a concentrated or cumulative nature
- (c) Seismic surveys
- (d) Excavating or bulk sampling not exceeding 60 cubic metres
- (e) Non-intensive drilling involving no more than moderate site preparation, excluding drilling holes exceeding 400 millimetre diameter
- (f) Camp construction
- (g) Access tracks, drill pads or line clearing involving no more than moderate native vegetation disturbance

### **Category 3 Prospecting operations which have potential to cause significant environmental impact involving, for example, considerable land surface disturbance or native vegetation clearing including:**

- (a) Operations under Category 2 (c) to (g) within or adjacent to Sensitive Areas\*
- (b) Operations under Category 2 (c) to (g) of a concentrated or cumulative nature
- (c) Excavations or bulk sampling in excess of 60 cubic metres
- (d) Shaft sinking or tunnelling
- (e) Drilling holes in excess of 400 millimetre diameter
- (f) Intensive drilling, such as for resource definition purposes.
- (g) Access tracks involving formed construction

\* see Definition B for Sensitive Areas

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## B. Sensitive Areas

For the purposes of this exploration licence, **Sensitive Areas** include the following:

- (a) land reserved as a State Conservation Area under the *National Parks and Wildlife Act 1974*;
- (b) land declared as an Aboriginal place under the *National Parks and Wildlife Act 1974*;
- (c) land identified as wilderness under the *Wilderness Act 1987*;
- (d) land subject to a 'conservation agreement' under the *National Parks and Wildlife Act 1974*;
- (e) land acquired by the Minister for Climate Change and the Environment under Part 11 of the *National Parks and Wildlife Act 1974*;
- (f) land proposed to be reserved under the *National Parks and Wildlife Act 1974*.
- (g) land within State forests identified as Forestry Management Zone 1, 2 or 3;
- (h) wetlands subject to SEPP 14 - Coastal Wetlands;
- (i) wetlands listed under the Ramsar Wetlands Convention;
- (j) lands subject to SEPP 26 - Littoral Rainforests;
- (k) areas listed on the Register of National Estate;
- (l) areas listed under the *Heritage Act 1977* for which a plan of management has been prepared;
- (m) land declared as critical habitat under the *Threatened Species Conservation Act 1995*;
- (n) land within a restricted area prescribed by a controlling water authority;
- (o) waterfront land, meaning the following:
  - (i) the bed of any river, together with any land lying between the bed of the river and a line drawn parallel to, and 40 metres inland of, the highest bank of the river, or
  - (ii) the bed of any lake, together with any land lying between the bed of the lake and a line drawn parallel to, and 40 metres inland of, the shore of the lake, or
  - (iii) the bed of any estuary, together with any land lying between the bed of the estuary and a line drawn parallel to, and 40 metres inland of, the mean high water mark of the estuary, or
- (p) land reserved or dedicated under the *Crown Lands Act 1989* for the preservation of flora, fauna, geological formations or other environmental protection purpose; and
- (q) any other land identified as additional Sensitive Land by the Director-General

## C. Other Definitions

"Act" means the *Mining Act 1992*

"Department" means the Department of Trade and Investment, Regional Infrastructure and Services

"Director-General" means the Director-General of the Department

"Inspector" means an Inspector under the *Mine Health and Safety Act 2004* and/or *Coal Mine Health and Safety Act 2002*.

"Minister" means the Minister administering the *Mining Act 1992*

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"Wetland Areas" means wetlands mapped as such under State Environmental Planning Policy No 14 - Coastal Wetlands;

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# EXPLORATION LICENCE CONDITIONS 2010

## Section A APPROVAL OF PROSPECTING OPERATIONS

### 1. Prospecting Operations Permitted under the Exploration Licence

Category 1 prospecting operations may be conducted on the exploration licence area without further approval by the Director-General, provided that:

- (a) the operations do not cause more than minimal impact on the environment, taking into account the sensitivity of the local environment to disturbance;
- (b) the operations do not cause harm to any threatened species, population or ecological community, or their habitats, including critical habitat;
- (c) the operations do not cause damage to Aboriginal objects or Aboriginal places;
- (d) the operations do not cause damage to the values and features listed in section 238 of the Act; and,
- (e) the requirements of all State conservation, threatened species, environmental protection, heritage and related legislation are met.

### 2. Prospecting Operations Requiring Further Approval

- (a) The following prospecting operations require notification to the Director-General in the form of a Surface Disturbance Notice prior to commencement:
  - (i) prospecting operations listed in Category 1 where the requirements set out in Condition 1 cannot be satisfied;
  - (ii) prospecting operations listed in Category 2 or 3; and,
  - (iii) any other surface disturbing prospecting operations not listed in Categories 1, 2 or 3.
- (b) In the case of prospecting operations listed in Category 3, a Review of Environmental Factors (REF) must be prepared in accordance with the Director-General's guidelines, and must accompany the Surface Disturbance Notice.
- (c) The exploration licence holder must not commence prospecting operations other than those subject to Condition 1 without prior written approval from the Director-General.
- (d) The Director-General's approval may be granted subject to conditions.

*Note: The Director-General, after considering the Surface Disturbance Notice, will determine whether a REF must be prepared and notify the exploration licence holder in writing. Any REF must be prepared in accordance with the Director-General's guidelines. If the impact of prospecting operations on the environment is determined as likely to be significant in terms of Part 5 of the EP&A Act, then the Director-General will require the exploration licence holder to submit an Environmental Impact Statement (EIS).*

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## Section B SPECIAL AREA CONDITIONS

### 3. Exempted Areas

- (a) The exploration licence holder must not commence prospecting operations in an exempted area under the Act without the prior written consent of the Minister. The Minister's consent may be granted subject to conditions.
- (b) Applications for the Minister's consent to exercise rights under this exploration licence in an exempted area must:
  - (i) include formal confirmation of any requirements of the controlling body for the exempted area; and,
  - (ii) be submitted to the Titles Program.

*Note: "Exempted areas" under the Act are lands set aside for public purposes. They include travelling stock reserves, road reserves, water supply reserves, State forests, public reserves and permanent commons. Under Section 30 of the Act, the "exercise of rights" under an exploration licence is subject to the consent of the Minister. The "exercise of rights" includes the right to conduct prospecting operations.*

*All activities within exempted areas require submission of a Surface Disturbance Notice and / or a Review of Environmental Factors as per Category 2 / 3 prospecting operations.*

### 8. Native Title Areas

The exploration licence holder must not prospect on any land or waters on which native title is claimable under the *Native Title Act 1994* (Cth) without the prior written consent of the Minister.

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## **Section C ENVIRONMENTAL MANAGEMENT OF PROSPECTING OPERATIONS**

### **10. Environmental Management Conditions**

- (a) Conditions attached to any consent or approval given pursuant to the Act or this exploration licence are taken to be conditions of this exploration licence and are enforceable under the Act as such.
- (b) For the purposes of section 374A(1) of the Act, Conditions 1 to 7 and 9 to 24 (if included in the exploration licence) are identified as conditions related to environmental management.

*Note: Conditions 1 to 7 and 9 to 24 of this exploration licence 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.*

### **11. Environmental Harm**

- (a) The exploration licence holder must implement all practicable measures to prevent and/or minimise any harm to the environment that may result from the construction, operation or rehabilitation of any prospecting operations.
- (b) For the purposes of this condition:
  - (i) environment means components of the earth, including:
    - (A) land, air and water, and
    - (B) any layer of the atmosphere, and
    - (C) any organic or inorganic matter and any living organism, and
    - (D) human-made or modified structures and areas,and includes interacting natural ecosystems that include components referred to in paragraphs (A)–(C).
  - (ii) 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.

### **12. Environmental Management Plan**

- (a) If directed in writing by the Director-General, the exploration licence holder must prepare an Environmental Management Plan (EMP) for all prospecting operations under this exploration licence or for a specific aspect of the operations.
- (b) The EMP must be prepared and lodged in accordance with any guidelines or other requirements of the Director-General.
- (c) The exploration licence holder must comply with an EMP approved by the Director-General.

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### **13. Trees and Vegetation**

- (a) The exploration licence holder must not fell trees, strip bark or cut timber on any land subject of this exploration licence without the consent of the landholder who is entitled to the use of the timber.
- (b) The exploration licence holder must contact Forests NSW and obtain any required permit, licence or approval before taking timber from any Crown land within the exploration licence area.

*Note: Any clearing not authorised under the Act must comply with the requirements of the Native Vegetation Act 2003. Any clearing or taking of timber on Crown land is subject to the requirements of the Forestry Act 1916.*

### **14. Roads and Tracks**

- (a) The exploration licence holder must pay to the relevant roads authority in control of the road or track the reasonable costs incurred by the roads authority in making good any damage to roads or tracks caused by operations carried out under this exploration licence.

*Note: Prospecting operations are subject to all requirements of the Roads Act 1993.*

- (b) During wet weather the use of any road or track must be restricted so as to prevent damage to the road or track.
- (c) Existing access tracks should be used for all operations where reasonably practicable. New access tracks must be kept to a minimum and be positioned in order to minimise damage to the land, watercourses or vegetation.
- (d) Temporary access tracks must be rehabilitated and revegetated to the satisfaction of the Director-General as soon as reasonably practicable after they are no longer required for prospecting operations under this exploration licence.

### **15. Prevention of soil erosion and pollution**

Prospecting operations must be carried out in a manner that does not cause or aggravate air pollution, water (including groundwater) pollution, soil contamination or erosion, unless otherwise authorised by an approval under this exploration licence.

### **16. Refuse, Chemicals, Fuels and Waste Materials**

- (a) Precautions must be taken to prevent spills and soil contamination. All chemicals, fuels and oils must be stored in sound containers and kept in spill trays or in a bunded area. A supply of appropriate spill and dust prevention and oil absorbent materials must be maintained at drill sites.
- (b) All drill cuttings and fluids must be contained in above-ground tanks or in-ground sumps.
- (c) In-ground sumps must be lined with an impermeable barrier where there is a potential risk of contamination from drill cuttings or fluids.
- (d) Any drilling by-products contaminated by chemicals, oils or fuels must be collected and remediated or disposed of lawfully.
- (e) All refuse and waste materials must be collected, segregated and deposited in properly constructed containers and removed to an approved landfill.

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*Note: Waste (including contaminated materials) is regulated under the Protection of the Environment Operations Act 1997. Contact Local Council or the Department of Environment, Climate Change and Water for details of these requirements.*

## **17. Public and Private Property**

The exploration licence holder must observe any instructions given by the Director-General in connection with minimising or preventing public inconvenience or damage to public or private property.

## **18. Drilling**

- (a) At least 28 days prior to commencement of drilling operations other than Category 1 drilling, the exploration licence holder must notify the NSW Office of Water (NOW), within the Department of Environment, Climate Change and Water of the intention to drill exploratory drill holes together with information on the nature and location of the proposed holes.
- (b) During exploration drilling under this exploration licence, the exploration licence holder must ensure that:
- (i) all drill holes are constructed and operated in a manner which prevents:
    - (A) harm to users of the land, including livestock and wildlife
    - (B) the collapse of the surrounding surface;
  - (ii) waters flowing from drill holes are managed, contained and disposed of in an approved manner;
  - (iii) if any drill hole meets an artesian or sub-artesian flow, the drill hole is effectively cased to prevent contamination or cross-contamination of any ground water source;
- to the satisfaction of the Director-General.
- (c) Where the exploration licence holder wishes to temporarily maintain a drill hole in an open condition for monitoring purposes, the exploration licence holder must inform the Director-General and provide reasons for leaving the hole open, to the satisfaction of the Director-General. All drill holes which are maintained in an open condition must be fitted with a removable cap to ensure the safety of persons, stock and wildlife.
- (d) Following the completion of any exploration drilling under this exploration licence, the exploration licence holder must ensure that:
- (i) all drill holes are plugged and abandoned in a manner which prevents:
    - (A)harm to users of the land, including livestock and wildlife
    - (B)the collapse of the surrounding surface;
  - (ii) if any drill hole encountered an artesian or sub-artesian flow, the drill hole is permanently sealed with cement plugs to prevent surface discharge of groundwater; and,
  - (iii) if any drill hole encountered natural or noxious gases, it is permanently sealed to prevent their escape,
  - (iv) the drill hole is surveyed and marked in accordance with any Departmental guidelines or as instructed by the Director-General,
- to the satisfaction of the Director-General.
- (e) The exploration licence holder must report to the Inspector responsible for the area in which prospecting is carried out, any potentially hazardous tools or logging equipment

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which has been dropped in drill holes and is unable to be recovered. If directed to do so, the exploration licence holder must recover the equipment.

## **19. Drilling (Additional for Group 8 and 9 Minerals)**

- (a) Before commencing any drilling within the exploration licence area, the exploration licence holder must carry out an assessment of the risk of gas blowouts to the satisfaction of the Director-General. Details of the assessment must be provided to the Inspector responsible for the area in which prospecting is carried out at least 7 days prior to the proposed commencement of drilling. If this assessment indicates that there is potential for a gas blowout to occur in any particular drill hole, that drill hole must be drilled using a drilling rig fitted with gas blowout prevention equipment according to the "Schedule of Onshore Petroleum Exploration and Production Safety Requirements".
- (b) The exploration licence holder must provide a written report of all over-pressure gas occurrences that occur during drilling, within 24 hours of the occurrence to the Inspector responsible for the area in which prospecting is carried out.
- (c) The Director-General may direct the exploration licence holder to undertake analyses and tests on any or all coal seams intersected in drill holes which in the opinion of the Director-General are likely to be economically mineable.

## **20. Core and Samples**

- (a) Where the exploration licence holder obtains a core in the course of drilling any drill hole under this exploration licence, the core (except any material used for analysis), and any samples obtained from it must be labelled and properly stored by the exploration licence holder on the completion of the drill hole.
- (b) The exploration licence holder must not dispose of any core or samples obtained during the course of exploration in the exploration licence area without first offering it to the Director-General for archival storage. On cancellation or expiry of this exploration licence, the exploration licence holder must advise the Director-General of plans regarding the continued storage or disposal of core or samples.
- (c) If directed by the Director-General, the exploration licence holder must lodge selected core or samples with the Department's Core Library at Londonderry in standard modular metal core boxes, the size specifications of which are obtainable from the Core Library.
- (d) If using non-core drilling methods, the exploration licence holder must retain and securely label representative cuttings.
- (e) Any cores and samples stored under subsection (a) or (b) must at all times be available for examination by a Departmental officer.
- (f) Portions of cores or samples stored under subsection (a) or (b) may be taken by a Departmental officer for the purpose of analysis or other examination.

## **21. Rehabilitation of land**

- (a) The exploration licence holder must rehabilitate any land (including water) disturbed by, or as a result of, prospecting operations under this exploration licence to a stable and permanent form so that:
  - (i) there is no adverse environmental effect outside the disturbed area;
  - (ii) the land is properly drained and protected from soil erosion;
  - (iii) the land is not a potential source of pollution;

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- (iv) the land is compatible with the surrounding land and land use requirements;
- (v) the landforms, soils, hydrology and flora require no greater maintenance than that in, or on, the surrounding land;
- (vi) the land does not pose a threat to public safety;
- (vii) in cases where vegetation has been removed or damaged:
  - (A) where the previous vegetation was native, species used for revegetation are endemic to the area; or,
  - (B) where the previous vegetation was not native, species used for revegetation are appropriate to the area; and,
  - (C) any revegetation is of an appropriate density and diversity,
 to the satisfaction of the Director-General.
- (b) Any topsoil that is temporarily removed from an area of prospecting operations must be stored, maintained and returned as soon as possible in a manner acceptable to the Director-General.
- (c) Any shafts, drill holes and excavations, that have been abandoned as a result of previous mining or prospecting operations, and which have been opened up or used by the exploration licence holder are subject to the conditions of this exploration licence as if the shafts, drill holes and excavations were created by the holder of this exploration licence.
- (d) All rehabilitation of surface disturbance resulting from prospecting operations under this exploration licence must be completed before the expiry of this exploration licence or immediately following cancellation of this exploration licence.

## 22. Environmental Management Report

- (a) The exploration licence holder must submit an **Environmental Management Report (EMR)** with the Director-General as part of any application for renewal of the exploration licence, or within 30 days of the expiry or cancellation of the exploration licence.
- (b) The EMR must:
  - (i) be prepared according to any relevant Departmental guidelines;
  - (ii) include details of:
    - (A) all prospecting operations that have resulted in surface disturbance or other environmental impacts;
    - (B) rehabilitation carried out in the exploration licence area or in any part of the exploration licence that has ceased to have effect;
    - (C) how the requirements of Conditions 1 to 7 and 9 to 24 have been satisfied.
  - (iii) be prepared to the satisfaction of the Director-General.

## 23. Environmental Incident Report

- (a) The exploration licence holder must report any environmental incidents to the Director-General. The report must:
  - (i) be prepared according to any relevant Departmental guidelines;
  - (ii) be submitted within 24 hours of the environmental incident occurring;
- (b) For the purposes of this condition, environmental incident includes:

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- (i) any incident causing or threatening material harm to the environment
  - (ii) any breach of Conditions 1 to 7 and 9 to 24;
  - (iii) any breach of environment protection legislation; or,
  - (iv) a serious complaint from landholders or the public.
- (c) For the purposes of this condition, harm to the environment is material if:
- (i) it involves actual or potential harm to the health or safety of human beings or to ecosystems that is not trivial, or
  - (ii) it results in actual or potential loss or property damage of an amount, or amounts in aggregate, exceeding \$10,000, where loss includes the reasonable costs and expenses that would be incurred in taking all reasonable and practicable measures to prevent, mitigate or make good harm to the environment.

## 24. Additional Environmental Reports

Additional environmental reports may be required on specific surface disturbing operations or environmental incidents from time to time as directed in writing by the Director-General and must be lodged as instructed.

## 25. Security

A security in the sum of **\$103,000** must be given and maintained with the Minister by the exploration licence holder for the purpose of ensuring the fulfilment by the exploration licence holder of obligations under this exploration licence.

## Section D      GENERAL CONDITIONS

### 29.      Safety of Operations

- (a) The exploration licence holder must notify the Inspector responsible for the area in which prospecting is carried out at least 7 days prior to the proposed commencement of any prospecting operation involving any drilling, blasting or other potentially hazardous operation.
- (b) Operations must be carried out and supervised in a manner that ensures the safety of all employees and contractors.
- (c) Operations must be carried out in a manner that ensures the safety of landholders and members of the public, stock and wildlife in the vicinity of the operations.
- (d) The measures put in place to control hazards must comply with *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*. These measures include, but are not limited to, the development of a Safety Management Plan prepared according to relevant Departmental guidelines.

## Section E EXPLORATION PERFORMANCE

Note: Exploration Reports (Geological and Geophysical)

*The exploration licence holder must lodge reports to the satisfaction of the Director-General 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).*

### 31. Completion of Exploration Program

The exploration licence holder must satisfactorily complete the work program nominated in the application for this exploration licence or for renewal of this exploration licence.

### 32. Technical Management of Exploration

- (a) Prospecting operations are to be conducted, or directly supervised, by the Technical Manager nominated in the application for this exploration licence.
- (b) The nominated Technical Manager must prepare or supervise and approve all exploration reports.
- (c) Any proposed personnel changes to the nominated Technical Manager must be notified to, and to the satisfaction of the Director-General.

### 33. Cooperation Agreement

- (a) The exploration 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 mineral (including coal and geothermal energy) exploration and petroleum exploration title(s).
- (b) The cooperation agreement should address but not necessarily be limited to:
  - (i) access arrangements;
  - (ii) operational interaction procedures;
  - (iii) dispute resolution;
  - (iv) information exchange;
  - (v) well location;
  - (vi) timing of drilling;
  - (vii) potential resource extraction conflicts; and,
  - (viii) rehabilitation issues.

### 34. Community and Landholder Liaison Program

- (a) Prior to the commencement of any prospecting operations, the exploration licence holder must establish a Community and Landholder Liaison Program that can effectively address inquiries from landholders and community members within the area of the exploration licence.

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- (b) As part of this program, the exploration licence holder must contact all Local Councils within the area covered by the exploration licence and inform them of:
  - (i) the existence and extent of the exploration licence;
  - (ii) a contact person and phone number for inquiries, which has an after hours voice mail system;
  - (iii) the information material available on the Departmental website regarding landholders' rights; and,
  - (iv) any other relevant material regarding the exploration licence, such as the exploration licence holder's websites or information brochures or newsletters.
- (c) The exploration licence holder must effectively communicate to landholders and community members within the area of the exploration licence, whether by newspaper advertisement or other means, information regarding:
  - (i) the existence and extent of the exploration licence;
  - (ii) a contact person and phone number for inquiries which has an after hours voice mail system;
  - (iii) the information available on the Departmental website regarding landholders' rights; and make available paper copies of the landholders' rights brochure produced by the Department;
  - (iv) any other relevant material regarding the exploration licence such as the exploration licence holder's website address, information brochures or newsletters.
- (d) Monitor community inquiries regarding the exploration licence and if appropriate, adjust the Community and Landholder Liaison Program to ensure the inquiries are being adequately addressed.

## Section F: OWNERSHIP

### 35. Minister's Approval of Change in Control

- (a) It is a condition of this licence that, where the licence-holder is a corporation or a trust, the Minister's prior written approval is required before there occurs:
- (i) any change in the effective control of the licence-holder; or
  - (ii) any foreign acquisition of substantial control in the licence-holder.
- (b) For the purposes of this condition, 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.
- (c) For the purposes of this condition, 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; or
  - (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 either:
- (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.

EXPLORATION LICENCE

MINING ACT 1992

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NO. 7407

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DATED 21 OCTOBER 2009

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THE MINISTER FOR MINERAL RESOURCES

OF THE STATE

OF NEW SOUTH WALES

TO

**COALWORKS (VICKERY SOUTH)**

**PTY LTD**

**(ACN 138 395 141)**

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**MINING ACT 1992**

**EXPLORATION LICENCE**

THIS DEED made the **Twenty-First** day of **October** Two Thousand and Nine in pursuance of the provisions of the Mining Act 1992 (hereinafter called "the Act") **BETWEEN IAN MACDONALD, MLC, MINISTER FOR MINERAL RESOURCES** of the State of New South Wales (hereinafter called "the Minister" which expression shall where the context admits or requires include the successors in office of the Minister and the person acting as such Minister for the time being) **AND COALWORKS (VICKERY SOUTH) PTY LTD (ACN 138 395 141)** (which with its successors and transferees is hereinafter called "the licence holder") of Level 5, 44 Miller Street, NORTH SYDNEY NSW 2060.

**WHEREAS**

- (a) in conformity with the Act application was made for an exploration licence over the lands hereinafter described; and
- (b) all conditions and things required to be done and performed before granting an exploration licence under the Act have been done and performed **NOW THIS DEED WITNESSETH** that in consideration of the observance and performance of the covenants contained in this Deed, the Minister in pursuance of the provisions of the Act **DOES HEREBY** demise and licence to the licence holder **ALL THAT** piece or parcel of land described in the Exploration Area annexed hereto for the purpose of prospecting for the minerals prescribed as **Group Nine**.

**TO HOLD** the said land together with any appurtenances thereon subject to:



- (a) such rights and interests as may be lawfully subsisting therein or which may be reserved by the Act at the date of this Deed; and
- (b) such conditions, provisos and stipulations as are contained in this Deed UNTO the licence holder from and including the date of this Deed for a term of **Five (5) Years**, for the purpose as stated and for no other purpose.

1. THAT in this licence except insofar as the context otherwise indicates or requires:

- (a) any reference to an Act includes that Act and any Act amending or in substitution for the same; "Director General" means the person for the time being holding office or acting as Director General, Department of Primary Industries; words importing the singular number shall include the plural, the masculine gender the feminine or neuter gender and vice versa; and
- (b) any covenant on the part of two or more persons shall be deemed to bind them jointly and severally.

2. THAT the licence holder shall during the said term pay to the Minister in Sydney in respect of all such minerals as stated, recovered from the land hereby demised, royalty at the rate or rates prescribed by the Act and the Regulations thereunder at the time the minerals are recovered, or at the rate or rates fixed by the Minister from time to time during the term of this demise in exercise of the power in that behalf conferred upon him by the Act.

3. THAT the conditions and provisions set forth in the Schedule of Exploration Licence Conditions 2009 herein and numbered **1-3 (inclusive), 8, 10-24 (inclusive), 26-29 (inclusive), 32-36 (inclusive), 38, 41, 42 and 44-48 (inclusive)** are embodied and incorporated within this Deed as conditions and provisions of the licence hereby granted AND that the licence holder shall observe fulfil and perform the same.

PROVIDED always and it is hereby declared as follows:

- (a) THAT if the licence holder at any time during the term of this demise -
  - (i) fails to fulfil or contravenes the covenants and conditions herein contained; or
  - (ii) fails to comply with any provision of the Act or the Regulations with which the licence holder is required to comply; or
  - (iii) fails to comply with the requirements of any agreement or assessment in relation to the payment of compensation, this licence may be cancelled by the Minister by instrument in writing and the cancellation shall have effect from and including the date on which notice of the cancellation is served on the licence holder or on such later date as is specified in the notice; and any liability incurred by the licence holder before the cancellation took effect shall not be affected.
- (b) THAT no implied covenant for title or for quiet enjoyment shall be contained herein.
- (c) THAT all the conditions and provisions contained in the Mining Act 1992 and the Regulations thereunder, the Mines Inspection Act 1901 and the Coal Mines Regulation Act 1982 or any other law hereafter to be passed or prescribed shall be incorporated within this Deed as conditions and provisions of the licence granted. The licence holder hereby covenants to observe, fulfil and perform the same.
- (d) THAT such of the provisions and conditions declared and contained in this Deed as requiring anything to be done or not to be done by the licence holder, shall be read and construed as covenants by the licence holder with the Minister which are to be observed and performed.

## EXPLORATION AREA

1. The exploration area embraces an area of about **720 hectares** as shown on **Plan No E3773-01** as shown hereunder exclusive of:-
  - (a) land subject to any assessment lease, mining lease or mineral claim under the Mining Act, 1992, at the date of grant of this licence.
  - (b) land subject to any residence area or business area, granted under the Mining Act 1906, at the date of grant of this licence.
  - (c) 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 **4.00 pm** on the **twenty-sixth** day of **August, 2009**.
  - (d) land subject to any pending application for an assessment lease, mining lease or mineral claim under the Mining Act 1992, made prior to **4.00 pm** on the **twenty-sixth** day of **August, 2009**.
  - (e) land subject to any prospecting licence taken to be an exploration licence pursuant to Clause 31 of the Transitional Provisions and Savings to the Mining Act, 1973.
  - (f) land subject to any exploration licence continuing to have effect, pursuant to the provisions of Section 29(2) of the Mining Act, 1992, by virtue of an application for an assessment lease, mining lease or mineral claim.
  - (g) land on which mining operations are being carried out 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.

- (h) land vested in the Commonwealth of Australia.
- (i) land subject to any national park, regional park, historic site, nature reserve, karst conservation reserve or Aboriginal area at the date of this licence.

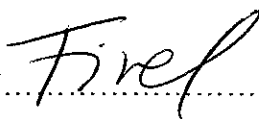
**Note:** This exclusion includes national parks and Aboriginal areas contained within Community Conservation Area Zones 1 and 2 established under the *Brigalow and Nandewar Community Conservation Area Act 2005*

2. In respect of land vested in or owned by an Aboriginal Land Council under the provisions of the Aboriginal Land Rights Act 1983, this licence does not apply to any mineral vested in any such Council.

IN WITNESS WHEREOF the parties hereto have executed this Deed the day and year first abovewritten.

**SIGNED AND DELIVERED BY**

**Coalworks (Vickery South) Pty Ltd  
(ACN 138 395 141)**

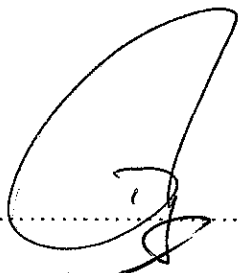
  
.....

in the presence of

  
.....  
WITNESS

**SIGNED AND DELIVERED BY:**

**Manager, Coal & Petroleum Titles And Systems  
Under Delegation From The Minister**

  
.....

In the presence of

  
.....  
WITNESS

# EXPLORATION LICENCE CONDITIONS 2009

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## Definitions

### 1 Categories of Prospecting Operations

Three categories of prospecting operations are defined under this licence, as follows:

**Category 1: Reconnaissance and low intensity activities, including:**

- (a) Geological mapping
- (b) Airborne surveys
- (c) Sampling and coring using hand held equipment
- (d) Geophysical surveys and downhole logging, but not seismic surveys
- (e) Shallow reconnaissance drilling involving no more than minimal site preparation
- (f) Minor clearing or cutting of native vegetation
- (g) Minor excavations excluding costeaning or bulk sampling
- (h) Vehicle access that does not require construction of new tracks

**Category 2: Operations which have potential for moderate disturbance to the land surface, native vegetation or other environmental value, including:**

- (a) Operations under Category 1 (c) to (h) within or adjacent to Sensitive Areas\*
- (b) Operations under Category 1 (c) to (h) of a concentrated or cumulative nature
- (c) Seismic surveys
- (d) Excavating or bulk sampling not exceeding 60 cubic metres
- (e) Non-intensive drilling involving no more than moderate site preparation, excluding drilling holes exceeding 400 millimetre diameter
- (f) Camp construction
- (g) Access tracks, drill pads or line clearing involving no more than moderate native vegetation disturbance

**Category 3: Operations which have potential to cause significant environmental impact involving, for example, considerable land surface disturbance or native vegetation clearing, including:**

- (a) Operations under Category 2 (c) to (g) within or adjacent to Sensitive Areas\*
- (b) Operations under Category 2 (c) to (g) of a concentrated or cumulative nature
- (c) Excavations or bulk sampling in excess of 60 cubic metres
- (d) Shaft sinking or tunnelling
- (e) Drilling holes in excess of 400 millimetre diameter
- (f) Intensive drilling, such as for resource definition purposes.
- (g) Access tracks involving formed construction

\* see definition 2 for Sensitive Areas



## 2 Sensitive Areas

For the purposes of the licence, **Sensitive Areas** include the following:

- (a) land reserved as a State Conservation Area under the *National Parks and Wildlife Act 1974*;
- (b) land declared as an Aboriginal place under the *National Parks and Wildlife Act 1974*;
- (c) land identified as wilderness under the *Wilderness Act 1987*;
- (d) land subject to a 'conservation agreement' under the *National Parks and Wildlife Act 1974*;
- (e) land acquired by the Minister for the Environment under Part 11 of the *National Parks and Wildlife Act 1974*;
- (f) land proposed to be reserved under the *National Parks and Wildlife Act 1974*.
- (g) land within State forests mapped as Forestry Management Zone 1, 2 or 3;
- (h) wetlands mapped under SEPP 14 - Coastal Wetlands;
- (i) wetlands listed under the Ramsar Wetlands Convention;
- (j) lands mapped under SEPP 26 - Littoral Rainforests;
- (k) areas listed on the Register of National Estate;
- (l) areas listed under the *Heritage Act 1977* for which a plan of management has been prepared;
- (m) land declared as critical habitat under the *Threatened Species Conservation Act 1995*;
- (n) land within a restricted area prescribed by a controlling water authority;
- (o) land reserved or dedicated under the *Crown Lands Act 1989* for the preservation of flora, fauna, geological formations or other environmental protection purpose; and
- (p) any other land identified as Sensitive Land by the Department

It should be noted that some of these areas are also "exempted areas" under the Act.

## 3 Other Definitions

"Act" means the *Mining Act 1992*

"Department" means the Department of Primary Industries

"Minister" means the Minister administering the *Mining Act 1992*

"Wetlands" means wetlands mapped as such under State Environmental Planning Policy No 14 - Coastal Wetlands;

# EXPLORATION LICENCE CONDITIONS 2009

## Section A APPROVAL OF PROSPECTING OPERATIONS

### 1 Prospecting Operations Permitted under the Licence

The prospecting operations listed in Category 1 may be conducted on the licence area provided that:

- (a) the operations do not cause more than minimal impact on the environment, taking into account the sensitivity of the local environment to disturbance;
- (b) the operations do not cause harm to any threatened species, population or ecological community, or their habitats, including critical habitat;
- (c) the operations do not cause damage to Aboriginal objects or Aboriginal places;
- (d) the operations do not cause damage to the values and features listed in section 238 of the Act;
- (e) the requirements of section 30 of the Act are met, if relevant; and
- (f) the requirements of all State conservation, threatened species, environmental protection, heritage and related legislation are met.

### 2 Prospecting Operations Requiring Further Approval

All prospecting operations not covered by Condition 1 require additional approval. Such operations comprise:

- (a) prospecting operations listed in Category 1 where the provisos listed under Condition 1 cannot be satisfied;
- (b) prospecting operations listed in Category 2 or 3; and
- (c) surface disturbing prospecting operations not listed in Categories 1, 2 or 3.

All such prospecting operations require prior notification on a Surface Disturbance Notice form to the Department.

Approval by the Department requires assessment and determination under Part 5 of the *Environmental Planning and Assessment Act 1979 (EP&A Act)*.

In the case of prospecting operations listed in Category 3, a review of environmental factors (REF) must be prepared, and must accompany the Surface Disturbance Notice. In respect of prospecting operations not listed under Category 3, the Department, after consideration of the completed Surface Disturbance Notice form, will determine whether a REF must be prepared and notify the licence holder in writing. Any REF must be prepared in accordance with Departmental guidelines. If the impact of prospecting operations on the environment is determined as likely to be significant in terms of Part 5 of *the EP&A Act*, then the Department will require the licence holder to submit an Environmental Impact Statement (EIS).

The licence holder must not commence the operations without prior written approval from the Department.

## **Section B SPECIAL AREA CONDITIONS**

### **3 Exempted Areas**

The licence holder must not commence prospecting operations in an exempted area under the Act without obtaining prior written consent from the Minister.

“Exempted areas” under the Act are lands set aside for public purposes. They include travelling stock reserves, road reserves, water supply reserves, State forests, and public reserves and permanent commons. Under Section 30 of the Act the “exercise of rights” under an exploration licence is subject to the consent of the Minister. The “exercise of rights” includes the right to conduct prospecting operations. The Minister’s consent requires assessment and determination under Part 5 of the *EP&A Act*.

Applications for the Minister’s consent to exercise rights under the licence may address Category 1 prospecting operations only, or may also address prospecting operations requiring further approval under Condition 2. If an application for the Minister’s consent is submitted in terms of Category 1 prospecting operations only, then if granted it will contain a condition requiring approval of further prospecting operations under Condition 2. If the application also addresses prospecting operations requiring further approval under Condition 2, then it will satisfy the requirements of Condition 2 for prior notification to and approval by the Department of those operations. The Minister’s consent may be granted subject to conditions.

Applications for the Minister’s consent to exercise rights under the licence are to be submitted to the Titles Program, accompanied by any necessary Surface Disturbance Notice form, REF or EIS (see Condition 2). Inclusion of the views and requirements of the agency or council controlling the exempted area will speed up the consent process.

### **8 Native Title Areas**

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

## Section C ENVIRONMENTAL MANAGEMENT OF PROSPECTING OPERATIONS.

### 10 Environmental Management Conditions

- (a) Conditions attached to any consent or approval given pursuant to the Act or this licence are taken to be conditions of this licence and are enforceable under the Act as such.
- (b) Without limiting the generality of paragraph (a) conditions attached to the following approvals and consents are taken to be conditions of this licence and are enforceable as such:
  - i) Approvals under conditions 2, 6, 9, 16(a), 17, 20(b) and 21(a) (if included in the licence); and
  - ii) Consents under conditions 3 and 4 (if included in the licence).
- (c) For the purposes of Sections 125(3) and 374A(1) of the Act, Conditions 1 to 6 and 9 to 32 (if included in the licence) are identified as being related to environmental management.
- (d) For the purposes of Division 3 of Part 11 of the Act, Conditions 1 to 6 and 9 to 28 (if included in the licence) are identified as being imposed under Division 2 of Part 11 of the Act, as well as being imposed under Section 26(1), 114(4) or 121(3) of the Act as the case may be.

### 11 Environmental Management – General

- (a) Environmental management of operations must be carried out according to current best environmental practice\* or, alternately, it must conform to a specific Environmental Management Plan prepared by the licence holder which is acceptable to the Department.

\*As a guide see "Onshore Minerals and Petroleum Exploration", 1996 Commonwealth Department of the Environment and Heritage or "Guidelines for Environmentally Responsible Mineral Exploration in NSW" 1998 NSW Minerals Council.

- (b) Approval of Category 3 prospecting operations may be subject to a requirement to prepare an Environmental Management Plan (EMP). When directed in writing by the Department, the licence holder must prepare an EMP for the operations or for a specific aspect of the operations. The EMP must be prepared in a format and with content as specified and to a timetable specified by the Department.

### 12 Aboriginal Cultural Heritage

- (a) Prior to carrying out any prospecting operations the licence holder must consider potential impacts on Aboriginal Heritage according to Guidelines for Aboriginal Heritage Impact Assessment in the Exploration and Mining Industries (NPWS, October 1997).
- (b) Aboriginal Cultural Heritage issues must be satisfactorily addressed in any notification under Condition 2 of this licence.
- (c) The licence holder must not knowingly destroy, deface or damage any Aboriginal object or Aboriginal place within the area except in accordance with a consent issued under the *National Parks and Wildlife Act 1974*. The licence holder must take all necessary precautions in drilling, excavating or disturbing the land against any such destruction, defacement or damage.

### **13 Threatened Species, Populations, Ecological Communities and their Habitats, and Critical Habitat**

- (a) Prior to carrying out any prospecting operations the licence holder must consider potential impacts on threatened species (of plants, animals and fish), populations and ecological communities and their habitats, and critical habitat, and plan the activities to minimise any such impacts.
- (b) Threatened species populations and ecological communities and their habitats, and critical habitat, must be satisfactorily addressed in any notification under Condition 2 of this licence.
- (c) The licence holder must comply with legislation relating to threatened species, populations, ecological communities and their habitat, and critical habitat. Should prospecting operations require a licence under the *National Parks and Wildlife Act 1974* or the *Threatened Species Conservation Act 1995* then the licence holder must obtain such a licence.

### **14 Heritage Items**

- (a) Prior to carrying out any prospecting operations the licence holder must consider potential impacts on items of heritage significance including old mine relics and workings. The licence holder must take all necessary precautions in drilling, excavating or disturbing the land against causing any damage to or destruction of items of heritage significance.
- (b) Heritage items must be satisfactorily addressed in any notification under Condition 2 of this licence.
- (c) The licence holder must not disturb any item of heritage significance within the area except in accordance with an approval issued under the *Heritage Act 1977*.

### **15 Trees and Vegetation**

- (a) The licence holder must not fell trees, strip bark or cut timber on any land subject of this licence 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 the Mining Warden.
- (b) The licence holder must not cut, destroy, ringbark or remove any timber or other vegetative cover on any land the subject of this licence other than in accordance with the conditions of this licence and any approval granted thereunder. Any clearing not authorised under the Act must comply with the provisions of the *Native Vegetation Act 2003*.
- (c) The licence holder must have any necessary licence from the Department's State Forests Division before using timber from any Crown land within the licence area.

### **16 Roads and Tracks**

- (a) Operations must not affect the public's normal use of any road or track unless with the prior written approval of the Department.
- (b) Operations must not affect the availability of existing roads on any land for use for fire fighting.

- (c) The licence holder must pay to the designated authority in control of the road or track (generally the local council or the Roads and Traffic Authority) the reasonable costs incurred by the designated authority in fixing any damage to roads caused by operations carried out under the licence.
- (d) During wet weather the use of any road or track must be restricted so as to prevent damage to the road or track.
- (e) Existing access tracks should be used for all operations where possible. New access tracks must be kept to a minimum and be positioned so that they do not cause any unnecessary damage to the land, watercourses or vegetation.
- (f) The design, construction, repair and rehabilitation of constructed access tracks must be in accordance with specifications given in any Review of Environmental Factors required (Condition 2) or an Environmental Management Plan (Condition 11) which has been accepted by the Department.
- (g) As soon as possible after they are no longer required for prospecting operations temporary access tracks must be rehabilitated and revegetated to the satisfaction of the Department.
- (h) Rehabilitation activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28 (a).

## **17 Streams and Watercourses**

The licence holder must not interfere with the flow of water in any stream or watercourse without the prior written approval of the Department, and subject to any conditions that may be stipulated.

## **18 Erosion and Sediment Controls**

- (a) All operations must be planned and carried out in a manner that minimises erosion and controls sediment movement. The licence holder must observe and perform any instructions given by the Department in this regard.
- (b) For operations requiring approval under Condition 2 the licence holder must document in any Review of Environmental Factors required a plan setting out the proposed methods for minimising erosion and controlling sediment movement.
- (c) The procedures undertaken to minimise erosion and control of sediment movement must be included in reports prepared in accordance with Condition 28 (a).

## **19 Prevention and Monitoring of Pollution**

- (a) Operations must be planned and carried out in a manner that does not cause or aggravate air pollution, water pollution (including sedimentation) or soil contamination. For the purpose of this condition, water shall be taken to include any watercourse, waterbody or groundwaters. The licence holder must observe and perform any instructions given by the Department in this regard.
- (b) For operations requiring approval under Condition 2 the licence holder must document in any Review of Environmental Factors required the proposed methods for minimising air pollution, water pollution and soil contamination.

- (c) The licence holder must carry out environmental monitoring as directed by the Department to assess environmental performance in relation to prevention of pollution and rehabilitation of affected areas.
- (d) The procedures and results of monitoring of the activities undertaken to minimise air pollution, water pollution and soil contamination must be included in reports prepared in accordance with Condition 28 (a).

## **20 Refuse, Chemicals, Fuels and Waste Materials**

- (a) The licence holder must maintain operations areas in a clean and tidy condition at all times.
- (b) All refuse and waste materials must be collected, segregated and deposited in properly constructed containers and removed to an approved landfill or buried in an approved manner at an approved location.
- (c) Sanitation collection should be in accordance with the requirements of the local authority, or the licence holder must make such provisions for sanitation as may be directed by the Department.
- (d) Precautions must be taken to prevent spills and soil contamination. All chemicals, fuels and oils must be stored in sound containers and kept spill trays or in a bunded area. A supply of appropriate spill and dust prevention and oil absorbent materials must be maintained at drill sites.
- (e) All drill cuttings and fluids must be contained in above-ground tanks or in-ground sumps. To prevent contamination of the groundwater or soils in-ground sumps must be plastic lined whenever toxic or non-biodegradable drilling fluids are used or when drilling into rock potentially containing high concentrations of toxic metals or metalloids.
- (f) Any soil contaminated by chemicals, oils and fuels, or drilling mud or drill core containing toxic metals must be collected and remediated or disposed of in an approved manner, and the site rehabilitated with clean soil.
- (g) Activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28 (a).

## **21 Transmission Lines, Communication Lines, Pipelines and other Public Utilities**

- (a) Operations must not interfere with or impair the stability or efficiency of any transmission line, communication line, pipeline or any other public utility without the prior written approval of the Department and subject to any conditions that may be stipulated.
- (b) If the operation in any way impacts on the utility the licence holder must inform the authority in control of the utility and provide sufficient information for the authority to assess the proposal or its impacts. The licence holder must pay costs for remediation or repair of damage to utilities caused by prospecting operations and associated activities.

## **22 Public and Private Property**

The licence holder must observe any instructions given by the Department in connection with minimising or preventing public inconvenience or damage to public or private property.

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## 23 Drilling

- (a) At least 28 days prior to commencement of drilling operations other than Category 1 drilling the licence holder must notify the relevant Department of Water and Energy regional Hydrologist of the intention to drill exploratory drill holes together with information on the nature and location of the proposed holes.
- (b) If the licence holder drills exploratory drill holes he must satisfy the Department that during and after the activity:
  - i) all holes cored or otherwise are constructed and/or sealed to prevent the collapse of the surrounding surface;
  - ii) if any drill hole meets natural or noxious gases it is plugged or sealed to prevent their escape;
  - iii) if any drill hole meets an artesian or sub-artesian flow it is effectively sealed to prevent contamination or cross-contamination of aquifers, and is permanently sealed with cement plugs to prevent surface discharge of groundwater;
  - iv) potentially hazardous tools or logging equipment dropped in holes and unable to be recovered must be reported to the Regional Inspector of Mines and if directed to do so the licence holder must recover the equipment;
  - v) waters flowing from any drill holes must be managed and contained. Disposal of any such waters must be in accordance with the ANZECC 2000 "Australian and New Zealand Guidelines for Fresh and Marine Water Quality Guidelines" so as to meet the environmental values of the receiving Climate
  - vi) once any drill hole ceases to be used the land and its immediate vicinity is to be rehabilitated to its former condition;
  - vii) activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28(a).

## 24 Drilling (Additional for Group 8 and 9 Minerals)

- (a) Before commencing drilling within the licence area, the licence holder must carry out an assessment of the risk of gas blowouts to the satisfaction of the Department. If this assessment indicates that there is potential for a gas blowout to occur in any particular drillhole, that drillhole is to be drilled using a drilling rig fitted with gas blowout prevention equipment according to the Schedule of Onshore Petroleum Exploration and Production Safety Requirements.
- (b) The licence holder must report orally and forthwith to the Department all over-pressure gas occurrences that occur during drilling. Written notification of the occurrence is to be given to the Inspector within 24 hours of the occurrence.
- (c) The Department may direct the licence holder to undertake analyses and tests on any or all coal seams intersected in drill holes which in the opinion of the Department are likely to be economically mineable.
- (d) once any drill hole ceases to be used the hole must be sealed, surveyed and marked in accordance with Departmental Guidelines for Borehole Sealing on Land: Coal Exploration. Alternatively, the hole must be sealed as instructed by the Department.



## 26 Maintenance of Open Drillholes

Where the licence holder wishes to temporarily maintain a drillhole in an open condition for monitoring purposes, or where a landholder requests that a drillhole be left open for water supply purposes, the licence holder shall inform the Department and provide reasons for leaving the hole open. If leaving the drillhole open at the request of a landholder, the licence holder must produce a signed copy of a document transferring the responsibility of that drillhole and its licencing requirements to the landholder. All drillholes which are maintained in an open condition must be cased to prevent collapse and fitted with a removable cap to ensure the safety of persons and stock.

## 27 Rehabilitation of land

- (a) Land disturbed must be rehabilitated to a stable and permanent form suitable for a subsequent land use acceptable to the Department so that:-
  - i) there is no adverse environmental effect outside the disturbed area and the land is properly drained and protected from soil erosion;
  - ii) the state of the land is compatible with the surrounding land and land use requirements;
  - iii) the landforms, soils, hydrology and flora require no greater maintenance than that in or on the surrounding land;
  - iv) in cases where native vegetation has been removed or damaged, and where vegetation is required, species endemic to the area must be re-established. If the previous vegetation was not native, any re-established vegetation must be appropriate to the area or to the satisfaction of the landholder. Any re-established vegetation must be at an acceptable density and diversity; and
  - v) the land does not pose a threat to public safety.
- (b) Any topsoil that is temporarily removed from an area of prospecting operations must be stored, maintained and returned as soon as possible in a manner acceptable to the Department.
- (c) Any shafts, drill holes and excavations, that remain abandoned from previous mining or exploration, which are opened up or used by the licence holder must be filled in or otherwise rehabilitated to a standard acceptable to the Department.
- (d) All rehabilitation of disturbed areas should be completed before the expiry of the licence or immediately following termination of the licence.
- (e) Activities undertaken in regard to this Condition must be included in reports prepared in accordance with Condition 28(a).

## 28 Environmental Reporting

- (a) An **Environmental and Rehabilitation Report** must be submitted to the Department as follows:
  - i) The reports must be prepared according to Departmental Guidelines for environmental and rehabilitation reporting on exploration licences.
  - ii) The reports must be lodged within one month of expiry or earlier termination of the licence or whenever part of the licence ceases to have effect.

- iii) The reports must be prepared to the satisfaction of the Department and include information on all surface disturbing prospecting operations and rehabilitation carried out in the licence area or in the part of the licence that has ceased to have effect. They should include sufficient information to demonstrate that the requirements of Conditions 1 to 6 and 9 to 27 or those of them included in the licence have been satisfied.
- (b) An **Incident and Complaints Report** must be submitted to the Department as follows:
- i) The report is to be submitted within 24 hours of confirmation of any serious environmental incident, breach of Conditions 1 to 27 or those of them included in the licence or breach of other environmental regulations, or a serious complaint from landholders or the public.
  - ii) The report must include the details of the exploration licence, contact details for the exploration manager, complainant and landholder, a map showing the area of concern, the nature of the incident or complaint, likely causes and consequences, and a timetable showing actions taken or planned to fix the problem.
  - iii) Details of all incidents or complaints occurring whilst the licence is in force must be included in reports prepared in accordance with Condition 28 (a).
- (c) Additional environmental reports may be required on specific surface disturbing operations or environmental incidents from time to time as directed in writing by the Department and must be lodged as instructed.

## 29 Security

- (a) A security in the sum of **\$20,000** must be given and maintained with the Minister by the licence holder for the purpose of ensuring the fulfilment by the licence holder of obligations under this licence. If the licence holder fails to fulfil any one or more of such obligations, the said sum may be applied at the discretion of the Minister towards the cost of fulfilling such obligations.
- (b) The licence holder must provide the security required by paragraph (a) in one of the following forms:
  - i) cash, or
  - ii) a security certificate in a form approved by the Minister and issued by an authorised deposit-taking institution.

## 32 Failure to Fulfil Obligations

For the purposes of Condition 29, the licence holder shall be deemed to have failed to fulfil the obligations of this licence if the licence holder fails to comply with:

- (a) any condition or provision of the licence;
- (b) any condition of a consent or approval given pursuant to the Act or the licence;
- (c) any provision of the Act or regulations made thereunder; or
- (d) any direction or other instruction given by the Department pursuant to paragraphs (a) – (c) above.

## **Section D            GENERAL CONDITIONS**

### **33    Control of Operations**

- (a) If the Department believes that the licence holder is not complying with any provision of the Act or Regulations, or any condition or provision of this licence, the Department may direct the licence holder to:
  - i)    cease all prospecting operations and other activities authorised by the licence; or
  - ii)   cease those prospecting operations and other activities not complying;  
      until in the opinion of the Department the situation has been corrected.
- (b) The licence holder must comply with any direction given under this Condition.

### **34    Landholder Liaison Program (Group 9 Minerals)**

The licence holder must establish a Landholder Liaison Program. This program must have procedures for addressing all landholder inquiries or complaints.

Notification of the program is to be given to all landholders within the licence area and to the Department.

### **35    Aboriginal Land Council Notification**

The licence holder must inform the relevant Local Aboriginal Land Council of the grant of the licence.

### **36    Safety of Operations**

- (a) The licence holder must give notification to the Department at the Department's nearest regional office at least 7 days before commencement of any field exploration activity involving drilling, blasting or other potentially hazardous operation.
- (b) Operations must be carried out in a manner that ensures the safety of landholders and members of the public, stock and wildlife in the vicinity of the operations.
- (c) The measures put in place to control hazards must comply with the *Mine Health and Safety Act 2004* and *Mine Health and Safety Regulation 2007*. These measures include, but are not limited to, the development of a Safety Management Plan prepared according to Departmental guidelines.
- (d) Operations must be carried out and supervised in a manner that ensures the safety of all employees and contractors.

### **38    Core Samples (For Group 8 and 9 Minerals)**

- (a) Where a person obtains a core in the course of drilling any borehole, the core (except any material used for analysis) and any samples obtained there from shall be labelled and properly stored by the person on the completion of the borehole.
- (b) The licence holder must, if using non core drilling methods, retain representative cuttings of every three (3) metres of formation drilled, or change of formation and such samples must be at least 100 grams in weight, dried, bagged and securely labelled with depth limits.

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- (c) Cores and samples labelled and stored as required under subsection (a) or (b) shall at all times be available for examination by the Manager Coal Advice of the Department.
- (d) Portions of cores or samples labelled and stored as required under subsection (a) or (b) may be taken by the Manager Coal Advice referred to in subsection (c) for the purpose of analysis or other examination.
- (e) Any information obtained by any person as the result of any action taken under subsection (c) shall not be made public without the consent of the person carrying out the drilling from which the cores or samples were obtained unless the Manager Coal Advice directs otherwise.
- (f) If a person who has obtained cores or samples in the course of drilling any borehole proposes to dispose of the cores or samples:
  - (i) the person shall advise the Manager Coal Advice in writing, and
  - (ii) the Manager Coal Advice may take possession of the cores and samples within 28 days after being given that notice.
- (g) This section does not apply to boreholes or sections of boreholes sunk in surface gravel or alluvial ground.

## **Section E            EXPLORATION PERFORMANCE AND REPORTING CONDITIONS**

### **41 Completion of Exploration Program**

The licence holder must satisfactorily complete the work program nominated in the application for this licence or for renewal of this licence. Any change to the proposed program must be approved by the Department.

### **42 Technical Management of Exploration**

Prospecting operations are to be conducted, or directly supervised, by the Technical Manager nominated in the application for this licence. The nominated technical manager must prepare or supervise and approve all exploration reports. Any change to the Technical Manager must be approved by the Department.

### **44 Exploration Reports (For Group 8 and 9 Minerals)**

The licence holder must lodge reports to the satisfaction of the Department detailing the operations conducted. The reports must comply with Departmental guidelines and be lodged, as specified in this condition, and include all maps, plans and data necessary to satisfactorily interpret and evaluate the reports. Approval by the Department is required if the holder wishes to lodge reports at times other than those specified.

- (a) Summary Reports must be lodged within twenty eight (28) days after the expiry of each 6 months during the currency of the licence and must contain:
  - i) a brief summary of prospecting operations carried out, including expenditure thereon, during the 6 month period; and
  - ii) the results and conclusions of all surveys and other operations; and
  - iii) the proposed exploration to be conducted during the following 6 month period.
- (b) Application for Renewal Report must accompany any application for renewal of the licence and contain a comprehensive report of:
  - i) prospecting operations carried out, including expenditure thereon, during the current term of the licence; and
  - ii) the results of prospecting operations and the conclusions reached as to the coal resources potential of the licence area.
- (c) Airborne Geophysical Survey Results must be lodged within 6 calendar months of the completion of any airborne geophysical survey. The results must be in digital form and comply with Departmental Guidelines for the Submission of Digital Coal & Petroleum Exploration Data.
- (d) A Final Report must be lodged on the expiry or earlier termination of the licence and must contain:
  - i) details of all surveys and other operations (including details of the expenditure incurred) carried out by or on behalf of the licence holder during the full term of the licence from grant to termination; and
  - ii) the results of the surveys and operations and the conclusions reached by the licence holder as to the coal resources potential of the licence area; and
  - iii) if detailed data has been included in previous reports the Final Report may consist of a summary of all work conducted, and the main results and conclusions of each phase of operations.

- (e) Additional Reports on surveys and other operations may be required from time to time and must be lodged as instructed.

## **45 Confidentiality of Reports**

- (a) All exploration reports lodged in accordance with the conditions of this licence will be kept confidential while the licence is in force, except in cases where:
  - i) the licence 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 licence.
- (b) Confidentiality will be continued beyond the termination of a licence where an application for a flow-on title was lodged during the currency of the licence. The confidentiality will last until that flow-on title or any subsequent flow-on title, has terminated.
- (c) Continued confidentiality is subject to the licence holder lodging a report that covers all exploration conducted on the areas not covered by the flow-on title. This report will be made public.
- (d) The Department may extend the period of confidentiality.

## **46 Licence to Use Reports**

- (a) The licence 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 consent for the purposes of section 365 of the Act.

## **47 Terms of the non-exclusive licence**

The terms of the non-exclusive copyright licence granted under Condition 46(a) are:

- (a) the Minister may sub-license others to publish, print, adapt and reproduce but not on-licence reports.
- (b) the Minister and any sub-licensee will acknowledge the licence 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 licence holder does not warrant ownership of all copyright works in any report and, the licence holder will use best endeavours to identify those parts of the report for which the licence holder owns the copyright.
- (d) there is no royalty payable by the Minister for the licence.
- (e) if the licence 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 licence holder, that licence is revocable on the giving of a period of not less than three months notice.

## 48 Cooperation Agreement

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 petroleum 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.