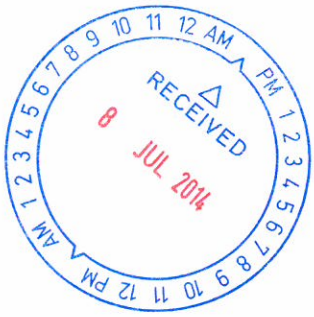
Trade & Investment
Resources & Energy



File No. 14/1985

ASTON COAL 2 PTY LTD
PO Box 56
BOGGABRI
NSW 2382

Dear Sir/Madam

Coal Lease 375 (Act 1973)
AMENDMENT OF THE SUBSIDENCE MANAGEMENT PLAN CONDITION

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

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

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

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

The amendment takes effect from 1 July 2014.

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

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

Mineral Resources – Office of the Executive Director
516 High Street MAITLAND NSW 2320 Australia
PO Box 344 Hunter Region Mail Centre NSW 2310 Australia
Tel: +612 4931 6422 Fax: +612 4931 6793 www.resources.nsw.gov.au ABN: 72 189 919 072

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

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

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

Yours sincerely

B. W. Mullard

Brad Mullard
Executive Director

Encl.

INSTRUMENT OF AMENDMENT

I, as delegate of the Minister for Resources and Energy for the State of New South Wales, under delegation dated 30 November 2010, and pursuant to section 239(2) of the Mining Act 1992, amend Coal Lease 375 (Act 1973) as follows:

Condition 8 is amended by deleting the existing condition and replacing it with the condition set out below.

Extraction Plan Condition

(a) In this condition:

(i) **approved Extraction Plan** means a plan, being:

A. an extraction plan or subsidence management plan approved in accordance with the conditions of a relevant development consent and provided to the Secretary; or

B. a subsidence management plan relating to the mining operations subject to this lease:

I. submitted to the Secretary on or before 31 December 2014; and

II. approved by the Secretary.

(ii) **relevant development consent** means a development consent or project approval issued under the *Environmental Planning & Assessment Act 1979* relating to the mining operations subject to this lease.

(b) The lease holder must not undertake any underground mining operations that may cause subsidence except in accordance with an approved Extraction Plan.

(c) The lease holder must ensure that the approved Extraction Plan provides for the effective management of risks associated with any subsidence resulting from mining operations carried out under this lease.

(d) The lease holder must notify the Secretary within 48 hours of any:

(i) incident caused by subsidence which has a potential to expose any person to health and safety risks;

(ii) significant deviation from the predicted nature, magnitude, distribution, timing and duration of subsidence effects, and of the potential impacts and consequences of those deviations on built features and the health and safety of any person; or

(iii) significant failure or malfunction of a monitoring device or risk control measure set out in the approved Extraction Plan addressing:

A. built features;

B. public safety; or

C. subsidence monitoring.

This amendment is effective from 1 July 2014.

SIGNED

B. W. Mullard

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

Trade & Investment
Resources & Energy

RECEIVED
14 JUN 2013
BY:

Reference: 11/3032

Hugh Jennings
Aston Coal 2 Pty Ltd
PO Box 56
BOGGABRI NSW 2382

Dear Sir

COAL LEASE NO 375 (ACT 1973)

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

The renewal took effect on 9 May 2013.

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

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

In regard to Condition 24 (Cooperation Agreement) -- the TASMAP system located on the Department's website (www.minerals.nsw.gov.au) will be of assistance in determining the presence of overlapping petroleum titles.

For further information, please contact the undersigned on (02) 4931 6451.

Yours faithfully

Margaret Lannen
Coal & Petroleum Titles
7 June 2013

Minerals - Titles 516 High Street Maitland NSW 2320
PO Box 344 Hunter Region Mail Centre NSW 2310
Email: webmineral.titles@industry.nsw.gov.au OR webcoal.titles@industry.nsw.gov.au
Fax: 02 4931 6776
www.resources.nsw.gov.au
ABN 72 189 919 072

INSTRUMENT OF RENEWAL

LEASE:	COAL LEASE NO 375 (ACT 1973)
HOLDER:	ASTON COAL 2 PTY LTD (ACN 139 472 567) ICRA MC PTY LTD (ACN 147 657 074) J-POWER AUSTRALIA PTY LTD (ACN 002 307 682)
DATE OF LEASE:	4 JUNE 1991
EXPIRY DATE OF LEASE:	4 JUNE 2012
PERIOD OF RENEWAL UNTIL:	4 JUNE 2033
AREA:	4154 HECTARES AS SHOWN BY PLAN NO D6509
SURFACE EXCEPTION:	PART 20 METRES
DEPTH RESTRICTION:	900 METRES BELOW AHD
MINERALS:	COAL AND PETROLEUM
ROYALTY PAYABLE:	At the rate which, from time to time, may be prescribed.

AMENDMENTS TO THE CONDITIONS OF THE LEASE:

(a) All the Conditions contained in the lease prior to the renewal have been deleted.

(b) The lease is now subject to the attached Mining Lease Conditions 2010 numbered:

1-15 (Inclusive), 17, 18, 19 and 23-25 (Inclusive)

Conditions 2 to 8 and 12 to 16 (if included in the mining lease) are identified as conditions relating to environmental management for the purposes of Section 378D of the *Mining Act 1992.*

Note: Conditions 2 to 8 and 12 to 15 *of this mining lease are imposed pursuant to sections 238 and 239 of the Mining Act 1992. Clause 7 of Schedule 12 of the Mining Regulation 2010 saves higher penalties for a breach of condition imposed by or under sections 238 or 239 of the Act.*

We ASTON COAL 2 PTY LTD (ACN 139 472 567), ICRA MC PTY LTD (ACN 147 657 074) AND J-POWER AUSTRALIA PTY LTD (ACN 002 307 682), hereby accept the renewal of this Lease and agree to be bound by the conditions specified.

.....

ASTON COAL 2 PTY LTD
(ACN 139 472 567)

.....

ICRA MC PTY LTD
(ACN 147 657 074)

.....

J-POWER AUSTRALIA PTY LTD
(ACN 002 307 682

Renewed this 9 **day of** MAY **2013**

.....

Minister for Resources and Energy.

MINING LEASE CONDITIONS 2010

Content

Definition

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Note: Exploration Reports (Geological and Geophysical)

Definition:

"Director-General" means the Director-General of the Department of Industry and Investment

MINING LEASE CONDITIONS 2010

1. Notice to Landholders

(a) Within a period of three months from the date of grant/renewal of this lease or within such further time as the Minister may allow, the lease holder must serve on each landholder of the land a notice in writing indicating that this lease has been granted/renewed and whether the lease includes the surface. An adequate plan and description of the lease area must accompany the notice.

(b) If there are ten or more landholders affected, the lease holder may serve the notice by publication in a newspaper circulating in the region where the lease area is situated. The notice must indicate that this lease has been granted/renewed; state whether the lease includes the surface and must contain an adequate plan and description of the lease area.

2. Environmental Harm

(a) The lease 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 activities under this lease.

(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.

3. Mining Operations Plan

(a) Mining operations must not be carried out otherwise than in accordance with a Mining Operations Plan (MOP) which has been approved by the Director-General.

(b) The MOP must:

(i) identify areas that will be disturbed by mining operations;

(ii) detail the staging of specific mining operations;

(iii) identify how the mine will be managed to allow mine closure;

(iv) identify how mining operations will be carried out in order to prevent and or minimise harm to the environment;

(v) reflect the conditions of approval under:

- the *Environmental Planning and Assessment Act 1979*
- the *Protection of the Environment Operations Act 1997*
- and any other approvals relevant to the development including the conditions of this lease; and
- have regard to any relevant guidelines adopted by the Director-General.

(c) The leaseholder may apply to the Director-General to amend an approved MOP at any time.

(d) It is not a breach of this condition if:

(i) the operations constituting the breach were necessary to comply with a lawful order or direction given under the *Mining Act 1992*, the *Environmental Planning and Assessment Act 1979*, *Protection of the Environment Operations Act 1997*, *Mine Health and Safety Act 2004 / Coal Mine Health and Safety Act 2002* and *Mine Health and Safety Regulation 2007 / Coal Mine Health and Safety Regulation 2006* or the *Occupational Health and Safety Act 2000*; and

(ii) the Director-General had been notified in writing of the terms of the order or direction prior to the operations constituting the breach being carried out.

(e) A MOP ceases to have effect 7 years after date of approval or other such period as identified by the Director-General.

4. Environment Management Report

(a) The lease holder must lodge Environmental Management Reports (EMR) with the Director-General annually or at dates otherwise directed by the Director-General.

(b) The EMR must:

- (i) report against compliance with the MOP;
- (ii) report on progress in respect of rehabilitation completion criteria;
- (iii) report on the extent of compliance with regulatory requirements; and
- (iv) have regard to any relevant guidelines adopted by the Director-General;

5. Environmental Incident Report

(a) The lease holder must report any environmental incidents. 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:

- (i) any incident causing or threatening material harm to the environment
- (ii) any breach of Conditions 1 to 9 and 11 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.

6. Additional Environmental Reports

Additional environmental reports may be required from time to time as directed in writing by the Director-General and must be lodged as instructed.

7. Rehabilitation

Any disturbance as a result of activities under this lease must be rehabilitated to the satisfaction of the Director-General.

8. Subsidence Management

(a) The lease holder shall prepare a Subsidence Management Plan prior to commencing any underground mining operations which will potentially lead to subsidence of the land surface.

(b) Underground mining operations which will potentially lead to subsidence include secondary extraction panels such as longwalls or miniwalls, associated first workings (gateroads, installation roads and associated main headings, etc), and pillar extractions, and are otherwise defined by the Applications for Subsidence Management Approvals guidelines (EDG17)

(c) The lease holder must not commence or undertake underground mining operations that will potentially lead to subsidence other than in accordance with a Subsidence Management Plan approved by the Director-General, an approval under the *Coal Mine Health & Safety Act 2002*, or the document New Subsidence Management Plan Approval Process – Transitional Provisions (EDP09).

(d) Subsidence Management Plans are to be prepared in accordance with the Guideline for Applications for Subsidence Management Approvals.

(e) Subsidence Management Plans as approved shall form part of the Mining Operations Plan required under Condition 3 and will be subject to the Environmental Management Report process as set out under Condition 4. The SMP is also subject to the requirements for subsidence monitoring and reporting set out in the document New Approval Process for Management of Coal Mining Subsidence - Policy.

9. Working Requirement

The lease holder must:

(a) ensure that at least **167** competent people are efficiently employed in relation to the mining process or mining operations on the lease area

OR

(b) expend on operations carried out in the course of prospecting or mining the lease area, an amount of not less than **$2,922,500** per annum whilst the lease is in force.

The Minister may at any time or times, by instrument in writing served on the lease holder, increase or decrease the expenditure required or the number of people to be employed.

10. Blasting

(a) Ground Vibration

The lease holder must ensure that the ground vibration peak particle velocity generated by any blasting within the lease area does not exceed 10 mm/second and does not exceed 5 mm/second in more than 5% of the total number of blasts over a period of 12 months at any dwelling or occupied premises as the case may be, unless determined otherwise by the Department of Environment, Climate Change and Water.

(b) Blast Overpressure

The lease holder must ensure that the blast overpressure noise level generated by any blasting within the lease area does not exceed 120 dB (linear) and does not exceed 115 dB (linear) in more than 5% of the total number of blasts over a period of 12 months, at any dwelling or occupied premises, as the case may be, unless determined otherwise by the Department of Environment, Climate Change and Water.

11. Safety

Operations must be carried out in a manner that ensures the safety of persons or stock in the vicinity of the operations. All drill holes shafts and excavations must be appropriately protected, to the satisfaction of the Director-General, to ensure that access to them by persons and stock is restricted. Abandoned shafts and excavations opened up or used by the lease holder must be notified in writing to the Department and filled in or otherwise rendered safe to a standard acceptable to the Director-General.

12. 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 a relevant approval, and in accordance with an accepted Mining Operations Plan.

13. Transmission lines, Communication lines and Pipelines

Operations must not interfere with or impair the stability or efficiency of any transmission line, communication line, pipeline or any other utility on the lease area without the prior written approval of the Director-General and subject to any conditions stipulated.

14. Roads and Tracks

(a) The lease 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 lease less any amount paid or payable from the Mine Subsidence Compensation Fund.

(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 under this lease.

15. Trees and Vegetation

(a) The lease holder must not fell trees, strip bark or cut timber on any land subject of this lease without the consent of the landholder who is entitled to the use of the timber.

(b) The lease holder must contact Forests NSW and obtain any required permit, licence or approval before taking timber from any Crown land within the lease 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.

subject to any conditions stipulated.

17. Resource Recovery

(a) Notwithstanding any description of mining methods and their sequence or of proposed resource recovery contained within the Mining Operations Plan, if at any time the Director-General is of the opinion that minerals which the lease entitles the lease holder to mine and which are economically recoverable at the time are not being recovered from the lease area, or that any such minerals which are being recovered are not being recovered to the extent which should be economically possible or which for environmental reasons are necessary to be recovered, notice in writing to the lease holder may be given requiring the holder to recover such minerals.

(b) The notice shall specify the minerals to be recovered and the extent to which they are to be recovered, or the objectives in regard to resource recovery, but shall not specify the processes the lease holder shall use to achieve the specified recovery.

(c) The lease holder must, when requested by the Director-General, provide such information as the Director-General may specify about the recovery of the mineral resources of the lease area.

18. Indemnity

The lease holder must indemnify and keep indemnified the Crown from and against all actions, suits, claims and demands of whatsoever nature and all costs, charges and expenses which may be brought against the lease holder or which the lease holder may incur in respect of any accident or injury to any person or property which may arise out of the construction, maintenance or working of any workings now existing or to be made by the lease holder within the lease area or in connection with any of the operations notwithstanding that all other conditions of this lease shall in all respects have been observed by the lease holder or that any such accident or injury shall arise from any act or thing which the lease holder may be licensed or compelled to do.

19. Security

A security in the sum of **$120,000** must be given and maintained with the Minister by the lease holder for the purpose of ensuring the fulfilment by the lease holder of obligations under this lease.

23. Suspension of Mining Operations

The holder of a mining lease may not suspend mining operations in the mining area other than in accordance with the consent of the Minister.

24. Cooperation Agreement

The lease 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 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.

Note: *Exploration Reports (Geological and Geophysical)*

The lease 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 Industry and Investment, 2010).

25. Trigonometrical Stations and Survey Marks

(a) A person must not remove, damage, destroy, displace, obliterate or deface any marks in connection with any trigonometrical station, permanent mark or survey mark unless authorised to do so by the Surveyor-General.

(b) A person must not insert in any land any mark resembling a permanent survey mark unless authorised to do so by the *Surveying and Spatial Information Regulation 2006*.

(c) At all times while exercising the powers of entry, a person must carry, and produce on demand, a certificate of authority in the form prescribed by the *Surveying and Spatial Information Regulation 2006.*