

AGR2134

CRP263
(MB)

6 - JUL 2000

J Gregory
M Brown



NSW DEPARTMENT OF MINERAL RESOURCES
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The Secretary
Ashton Coal Interests Pty Limited
C/- Iluka Resources Limited
Level 5, 553 Hay Street
PERTH WA 6000

C00/0285

Dear Sir,

**Nardell Underground Colliery
Renewal of Mining Lease No.1349**

It is advised that, in accordance with Section 114 of the Mining Act 1992, Mining Lease No.1349 (Act 1992) has been renewed for a further term of 21 years from the date of expiry of the current lease term (31 December 2002), subject to the terms and conditions set out in the attached Instrument of Renewal.

Should you have any queries please contact Terry Beattie on (02) 9901-8558.

Yours faithfully,

T. Beattie - 30/6/2000

T.A.Beattie
For Director General

FILE COPY

INSTRUMENT OF RENEWAL

MINING LEASE NO.1349 (ACT 1992)

HOLDERS: ASHTON COAL INTERESTS PTY LIMITED ACN 059 853 235

DATE OF LEASE: 3 JUNE 1994 EXPIRY DATE OF LEASE: 31 DECEMBER 2002

PERIOD OF RENEWAL UNTIL: 31 DECEMBER 2023

AREA: approximately 1931 HECTARES

PLAN: Catalogue No.D7377

DEPTH RESTRICTION: NIL

SURFACE EXCEPTION: VARIOUS

ROYALTY PAYABLE at the rates which, from time to time, may be prescribed.

MINERALS: COAL

AMENDMENTS TO THE CONDITIONS OF THE LEASE:

- (a) All conditions contained in the lease prior to the renewal have been deleted.
- (b) The lease is now subject to the attached Conditions of Authority - 1999 (COAL) MINING LEASES numbered:-1 to 3 (inclusive), 9,11,17 to 21 (inclusive),24,25,30 to 33 (inclusive),41,44 to 50 (inclusive) & 54.

ASHTON COAL INTERESTS PTY LIMITED ACN 059 853 235 hereby accept the renewal of this Lease and agree to be bound by the conditions specified.

The Common Seal of **ASHTON COAL INTERESTS PTY. LIMITED** was hereunto affixed by authority of the Directors in the presence of:.....



.....
LEASE HOLDER

..... WITNESS

Renewed this 13th day of

JUNE

Director 2000

Katow

Director / Secretary

K. Gregory

M. G. G. G.

Director-General
By delegation from the Minister

~~15 JUN 2000~~

SCHEDULE OF
CONDITIONS OF AUTHORITY - 1999 (COAL)

EXTRACTION OF COAL

- 1 The lease holder shall extract as large a percentage of the coal in the subject area as is practicable consistent with the provisions of the Coal Mines Regulations Act 1982 and the Regulations thereunder and shall comply with any direction given or which may be given in this regard by the Minister.

MINING, REHABILITATION, ENVIRONMENTAL MANAGEMENT PROCESS (MREMP)

MINING OPERATIONS PLAN (MOP)

- 2 (1) Mining operations, including mining purposes, must be conducted in accordance with a Mining Operations Plan (the Plan) satisfactory to the Director-General. The Plan together with environmental conditions of development consent and other approvals will form the basis for:-
- (a) ongoing mining operations and environmental management; and
 - (b) ongoing monitoring of the project.
- (2) The Plan must be prepared in accordance with the Director-General's guidelines current at the time of lodgement.
- (3) A Plan must be lodged with the Director-General:-
- (a) prior to the commencement of operations;
 - (b) subsequently as appropriate prior to the expiry of any current Plan; and
 - (c) in accordance with any direction issued by the Director-General.
- (4) The Plan must present a schedule of proposed mine development for a period of up to seven (7) years and contain diagrams and documentation which identify:-
- (a) area(s) proposed to be disturbed under the Plan;
 - (b) mining and rehabilitation method(s) to be used and their sequence;
 - (c) areas to be used for disposal of tailings/waste;
 - (d) existing and proposed surface infrastructure;
 - (e) progressive rehabilitation schedules;
 - (f) areas of particular environmental sensitivity;
 - (g) water management systems (including erosion and sediment controls);

- (h) proposed resource recovery; and
 - (i) where the mine will cease extraction during the term of the Plan, a closure plan including final rehabilitation objectives/methods and post mining landuse/vegetation
- (5) The Plan when lodged will be reviewed by the Department of Mineral Resources.
 - (6) The Director-General may within two (2) months of the lodgement of a Plan, require modification and relodgement.
 - (7) If a requirement in accordance with clause (6) is not issued within two months of the lodgement of a Plan, lease holder may proceed with implementation of the Plan submitted subject to the lodgement of the required security deposit within the specified time.
 - (8) During the life of the Mining Operations Plan, proposed modifications to the Plan must be lodged with the Director-General and will be subject to the review process outlined in (5) - (7) above.

ANNUAL ENVIRONMENTAL MANAGEMENT REPORT (AEMR)

- 3 (1) Within 12 months of the commencement of mining operations and thereafter annually or, at such other times as may be allowed by the Director-General, the lease holder must lodge an Annual Environmental Management Report (AEMR) with the Director-General.
- (2) The AEMR must be prepared in accordance with the Director-General's guidelines current at the time of reporting and contain a review and forecast of performance for the preceding and ensuing twelve months in terms of:-
 - (a) the accepted Mining Operations Plan;
 - (b) development consent requirements and conditions;
 - (c) Environment Protection Authority and Department of Land and Water Conservation licences and approvals;
 - (d) any other statutory environmental requirements;
 - (e) details of any variations to environmental approvals applicable to the lease area. and
 - (f) where relevant, progress towards final rehabilitation objectives.
- (3) After considering an AEMR the Director-General may, by notice in writing, direct the lease holder to undertake operations, remedial actions or supplementary studies in the manner and within the period specified in the notice to ensure that operations on the lease area are conducted in accordance with sound mining and environmental practice.
- (4) The lease holder shall, as and when directed by the Minister, co-operate with the Director-General to conduct and facilitate review of the AEMR involving other government agencies.

BARRIERS

9 The lease holder shall not work or cause to be worked any seam of coal within the subject area without leaving, if the Minister, so directs, a barrier of such width or a protective pillar or pillars of such size or sizes against any surface improvements of any feature whether natural or artificial.

11 The lease holder unless with the consent of the Minister and subject to such conditions as the Minister may impose shall not work or cause to be worked any seam of coal by underground methods within the subject area within the barrier defined as follows:

The land within the zone beneath and adjacent to the Great Northern Railway enclosed by an angle of draw of 35° from either side of the railways lands excluding lands not related to railway operations such as carparks or quarries, such angle of draw being measured outwards from the point on the vertical plane of the said boundary at the surface or at the level of the horizontal plane of the railway track, whichever may be the higher, to the floor of the coal seam in which mining operations are being carried out.

DUST

17 The lease holder shall take such precautions as are necessary to abate any dust nuisance.

MANAGEMENT AND REHABILITATION OF LANDS (GENERAL)

18 The lease holder shall not interfere in any way with any fences on or adjacent to the subject area unless with the prior written approval of the owner thereof or the Minister and subject to such conditions as the Minister may stipulate.

19 The lease holder shall observe any instruction given or which may be given by the Minister with a view to minimising or preventing public inconvenience or damage to public or private property.

20 If required to do so by the Minister and within such time as may be stipulated by the Minister the lease holder shall carry out the satisfaction of the Minister surveys of structures, buildings and pipelines on adjacent landholdings to determine the effect of operations on any such structures, buildings and pipelines.

21 If so directed by the Minister the lease holder shall rehabilitate to the satisfaction of the Minister any lands within the subject area which may have been disturbed by the lease holder.

24 The lease holder shall take all precautions against causing outbreak of fire on the subject area.

- 25 The lease holder shall provide and maintain to the satisfaction of the Minister efficient means to prevent contamination, pollution, erosion or siltation of any river, stream, creek, tributary, lake, dam, reservoir, watercourse or catchment area or any undue interference to fish or their environment and shall observe any instruction given or which may be given by the Minister with a view to preventing or minimising the contamination, pollution, erosion or siltation of any river, stream, creek, tributary, lake, dam, reservoir, watercourse or catchment area or any undue interference to fish or their environment.

SOIL EROSION

- 30 The lease holder shall conduct operations in such a manner as not to cause or aggravate soil erosion and the lease holder shall observe and perform any instructions given or which may be given by the Minister with a view to minimising or preventing soil erosion.

ROADS

- 31 The lease holder shall pay to **Singleton Shire** Council, Department of Land and Water Conservation or the Chief Executive, Roads and Traffic Authority the cost incurred by such Council or Department or Chief Executive of making good any damage caused by operations carried on by or under the authority of the lease holder to any road adjoining or traversing the surface or the excepted surface or the excepted surface, as the case may be of the subject area.

PROVIDED HOWEVER that the amount to be paid by the lease holder as aforesaid shall be reduced by such sum of money if any as may be paid to the said Council the Department of Conservation and Land Management or the Chief Executive, Roads and Traffic Authority as the case may be from the Mine Subsidence Compensation Fund constituted under the Mine Subsidence Compensation Act, 1961, in settlement of a claim for compensation for the same damage.

- 32 In the event of operations being conducted on the surface of any road, track or firetrail traversing the subject area or in the event of such operations causing damage to or interference with any such road, track or firetrail the lease holder, at his own expense, shall if directed to do so by the Minister provide to the satisfaction of the Minister an alternate road, track or firetrail in a position as required by the Minister and shall allow free and uninterrupted access along such alternate road, track or firetrail and, if required to do so by the Minister, the lease holder shall upon completion of operations rehabilitate the surface of the original road, track or firetrail to a condition satisfactory to the Minister.

CATCHMENT AREAS

- 33 (a) Operations shall be carried out in such a way as not to cause any pollution of the **Hunter River** Catchment Area.
- (b) If the lease holder is using or about to use any process which in the opinion of the Minister is likely to cause contamination of the waters of the said Catchment Area the lease holder shall refrain from using or cease using as the case may require such process within twenty four (24) hours of the receipt by the lease holder of a notice in writing under the hand of the Minister requiring the lease holder to do so.
- (c) The lease holder shall comply with any regulations now in force or hereafter to be in force for the protection from pollution of the said Catchment Area.

TRANSMISSION LINES, COMMUNICATION LINES AND PIPELINES

- 41 The lease holder shall as far as is practicable so conduct operations as not to interfere with or impair the stability or efficiency of any transmission line, communication line or pipeline traversing the surface or the excepted surface of the subject area and shall comply with any direction given or which may be given by the Minister in this regard.

LABOUR/EXPENDITURE

- 44 The lease holder shall during each year of the term of the authority:
- (a) ensure that at least **78** workers are efficiently employed on the subject area or
 - (b) expend on operations carried out in the course of prospecting or mining the subject area, an amount of not less than **\$1,365,000**.

The Minister may, at any time after a period of two (2) years from the date on which this authority has effect or from the date on which the renewal of this authority has effect, increase or decrease the amount of expenditure of labour required.

ADDITIONAL INFORMATION

- 45 The lease holder shall if directed by the Minister and within such time as the Minister may stipulate furnish to the Minister:
- (a) information regarding the ownership of the land within the subject area;
 - (b) information regarding the ownership of the coal within the subject area prior to 1st January, 1982;
 - (c) an indemnity in a form approved by the Minister indemnifying the Crown and the Minister against any wrong payment effected as a result of incorrect information furnished by the lease holder;
 - (d) information regarding the financial viability of the lease holder and operations within and associated with the subject area; and
 - (e) information regarding shareholdings in the lease holder.

SERVICE OF NOTICES

- 46 Within a period of three (3) months from the date of this authority or a period of three (3) months from the date of service of the notice of renewal, or within such further time as the Director General may allow the lease holder shall serve on each owner and occupier of the private land and on each occupier of the Crown land held under a pastoral lease within the subject area a notice in writing indicating that this authority has been granted or renewed and whether the authority includes the surface. The notice shall be accompanied by an adequate plan and description of the subject area.

If there are ten (10) or more owners or occupiers affected the lease holder may serve the notice by publication in a newspaper circulating in the region where the subject area is situated. The notice shall indicate that this authority has been granted or renewed, state whether the authority includes the surface and shall contain an adequate plan and description of the subject area.

INSPECTORS

- 47 (a) Where an Inspector under the Mining Act 1992 is of the opinion that any condition of this authority relating to operations within the subject area, or any provision of the Mining Act, 1992, relating to operations within the subject area, are not being complied with by the lease holder, the Inspector may serve on the lease holder a notice stating that and give particulars of the reason why, and may in such notice direct the lease holder:
- (i) to cease operations within the subject area in contravention of that condition or Act; and
 - (ii) to carry out within the specified time works necessary to rectify or remedy the situation.
- (b) The lease holder shall comply with the directions contained in any notice served pursuant to sub paragraph (a) of this condition. The Director General may confirm, vary or revoke any such direction.
- (c) A notice referred to in his condition may be served on the Colliery Manager.

INDEMNITIES

- 48 The lease holder shall indemnify and keep indemnified the Crown from and against all actions suits and claims and demands of whatsoever nature and all costs charges and expense which may be brought against the lease holder or which the lease holder may incur 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 boundaries of the subject area or in connection with any of the operations notwithstanding that all other conditions of this authority 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 which the lease holder may be licensed or compelled to do hereunder.
- 49 The lease holder shall save harmless the Crown from payment of compensation and from and against all claims, actions, suits or demands whatsoever in the event of any damage resulting from mining operations under or near the subject area.

PROSPECTING (GENERAL)

- 50 (a) Where the lease holder desires to commence prospecting operations in the subject area the lease holder shall notify the Director General in writing and shall comply with such additional conditions as the Minister may impose including any condition requiring the lodgement of an additional bond of other form of security or rehabilitation of the area affected by such operations.
- (b) Where the lease holder notifies the Director General pursuant to sub paragraph (a) of this condition the lease holder shall furnish with that notification details of the type of prospecting methods that would be adopted and the extent and location of the area that would be affected by them.