

COPY

EL 6288

Granted 23 August 2004

Exploration Licence Application No 2398

**MINING ACT 1992**

**EXPLORATION LICENCE**

THIS DEED made the \_\_\_\_\_ day of \_\_\_\_\_ Two  
Thousand and \_\_\_\_\_ in pursuance of the provisions of the Mining Act 1992  
(hereinafter called "the Act") BETWEEN **KERRY HICKEY, 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  
**MOOLARBEN COAL MINES PTY LIMITED, ACN 108 601 672** (which with its  
successors and transferees is hereinafter called "the licence holder") of **213 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 the period of **Five 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 2004 herein and numbered: **1-3 inclusive, 5-6 inclusive, 8-13 inclusive, 16-17 inclusive, 19-25 inclusive, 28-31 inclusive, 35, 39, 40-52 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.

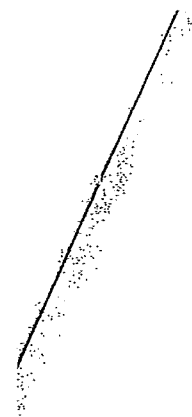
(b) THAT no implied covenant for title or for quiet enjoyment shall be contained herein.

(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 **110 square kilometres**, as shown on the diagram 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 **1pm on the twentieth day of July, 2004.**
  - (d) land subject to any pending application for an assessment lease, mining lease or mineral claim under the Mining Act 1992, made prior to **1pm on the twentieth day of July, 2004.**
  - (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.

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

MOOLARBEN COAL MINES PTY LIMITED  
ACN 108 601 672

*Travers W. Duncan*  
.....  
DIRECTOR  
TRAVERS W. DUNCAN.

in the presence of

*B. J. Flannery*  
.....  
WITNESS

DIRECTOR  
B. J. FLANNERY

SIGNED AND DELIVERED

BY DIRECTOR  
MINERALS DEVELOPMENT  
UNDER DELEGATION FROM  
THE MINISTER FOR MINERAL RESOURCES

*Signed & Witnessed*

.....

in the presence of

.....  
WITNESS

COPY

EXPLORATION LICENCE

MINING ACT 1992

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NO. 6288

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DATED 23 August A.D. 2004

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THE MINISTER FOR MINERAL RESOURCES

OF THE STATE

OF NEW SOUTH WALES

TO

MOOLARBEN COAL MINES PTY LIMITED  
ACN 108 601 672

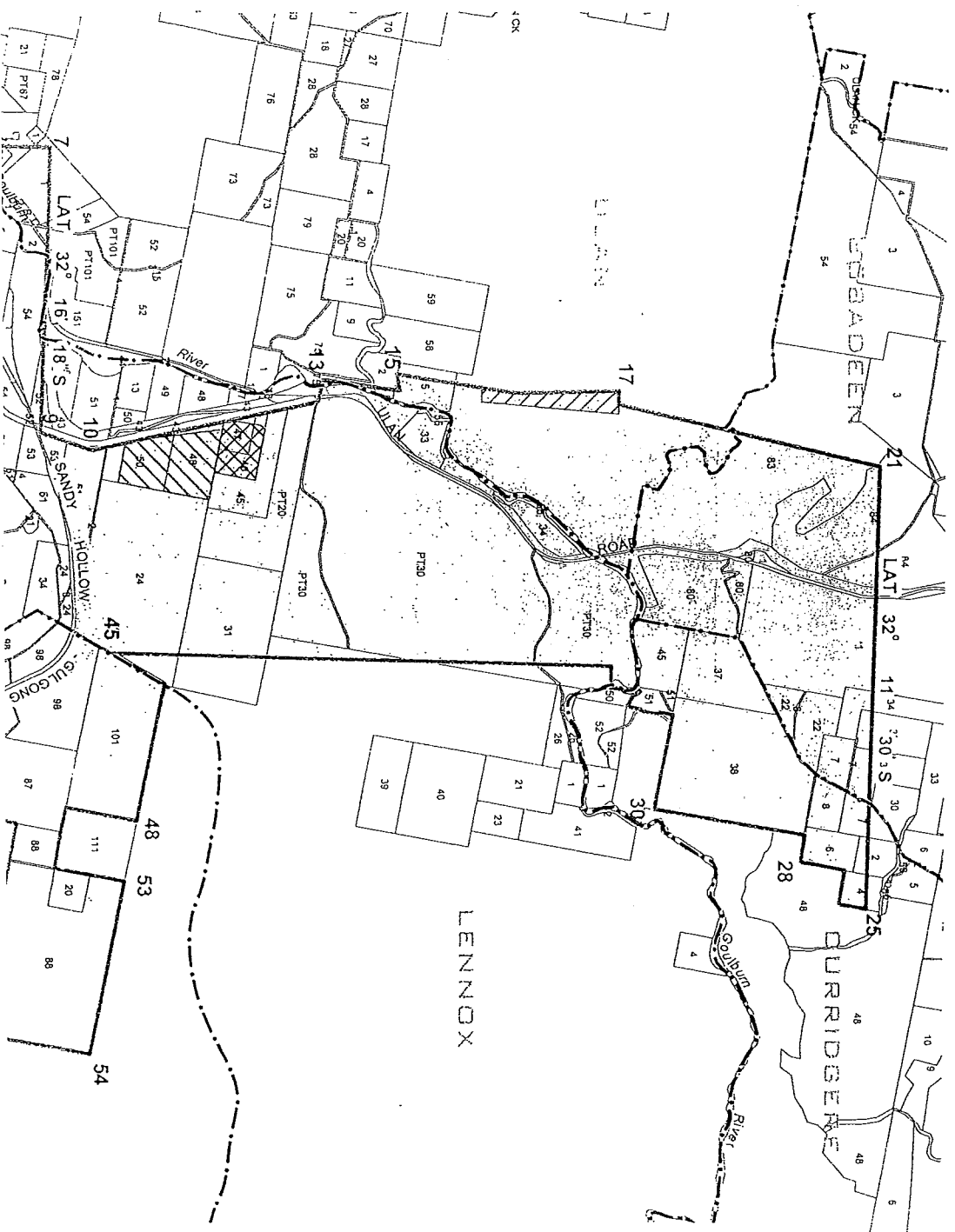
DEPARTMENT OF PRIMARY INDUSTRIES

File: C04-0752

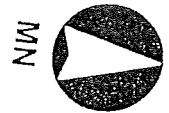
DIAGRAM OF EXPLORATION LICENCE No. (ELA No. 2398)  
 PARISHES: ULAN, BOBADEEN, DURRIDGERE & LENNOX, MOOLARBEN, WILPINJONG  
 COUNTIES: BLIGH & PHILLIP  
 SCALE 1:80000

SUBJECT TO SURVEY

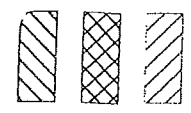
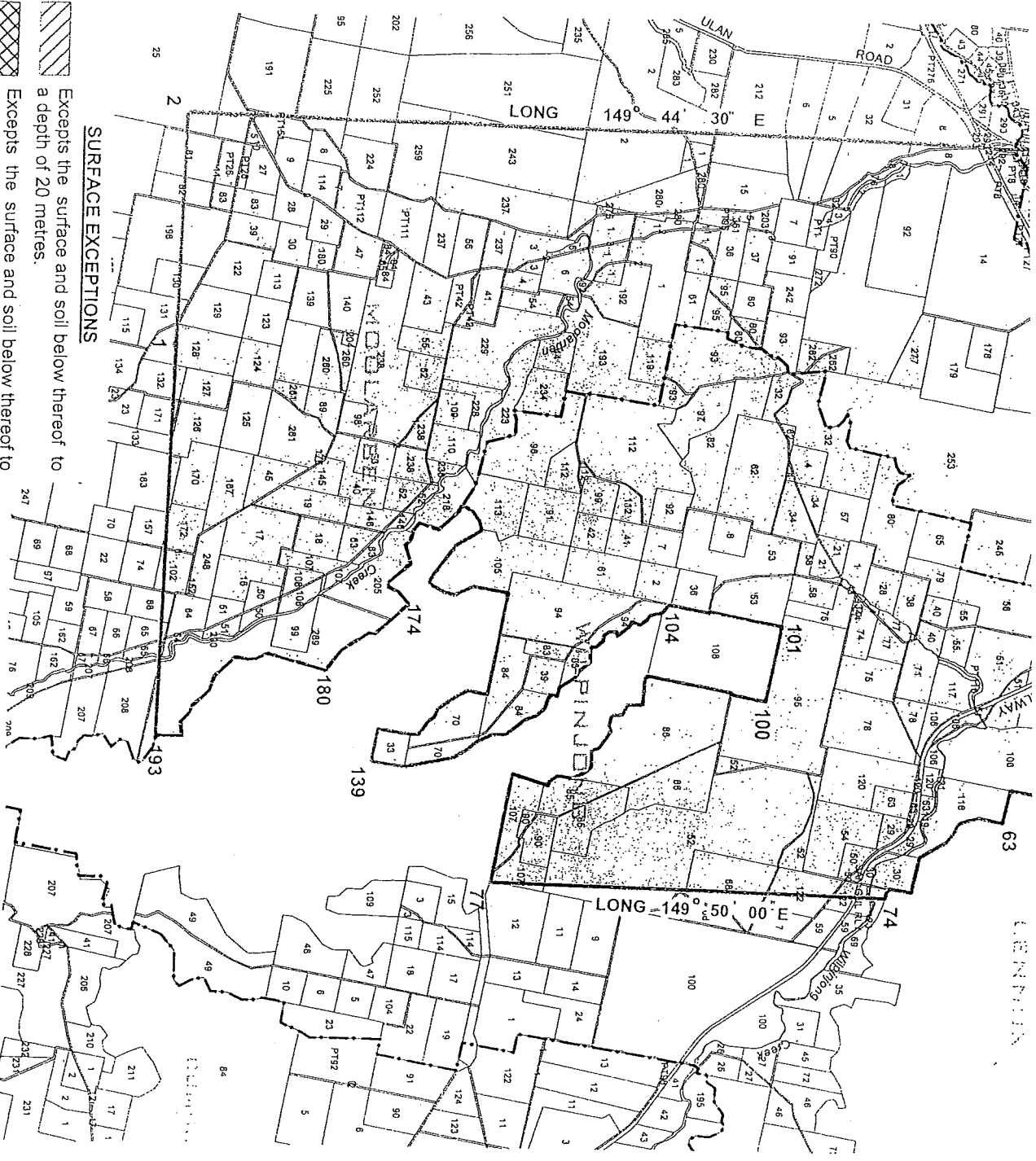
REF MAPS: 8833-1-S, 2-N & 3-N



Pt	Easting	Northing	Pt	Easting	Northing
1	780756	6445389	98	764599	642885
2	758111	6445487	99	764678	642812
3	758133	6447635	00	764692	642292
4	758180	6449483	01	763824	6422363
5	758227	6428331	02	763863	642638
6	758275	642380	03	763881	642534
7	758355	6426322	04	763894	642079
8	760711	6426262	05	763685	642104
9	76387	6426244	06	763685	642104
10	76611	6426820	07	76374	642086
11	76503	642737	08	763766	6420837
12	76104	642957	09	763831	6420753
13	760840	6429243	10	763789	6420663
14	760957	6430072	11	763844	6420644
15	760794	6430011	12	763960	6420504
16	760949	6430936	13	763911	6420495
17	760956	6432338	14	763906	6420423
18	760988	6432357	15	763953	6420360
19	76093	6432355	16	763957	6420358
20	76098	6432375	17	764011	6420355
21	76749	6435713	18	764088	6420279
22	76924	6435111	19	764092	6420225
23	76278	643504	20	76427	6420211
24	766133	6435001	21	764265	6420211
25	766499	6434992	22	764383	6420078
26	766449	6434703	23	764404	6420067
27	766089	6434762	24	764448	6420044
28	766001	6434290	25	764564	6419868
29	765713	6432749	26	764666	6419848
30	765438	6432749	27	764650	6419763
31	764398	6432938	28	764480	6419707
32	764379	6432808	29	764698	6419675
33	764398	6432786	30	7643482	6419582
34	764383	6432701	31	765121	6419277
35	764366	6432620	32	765126	6419261
36	764346	6432597	33	765208	6418953
37	76438	6432463	34	765215	6418939
38	76429	6432513	35	765305	6418736
39	764 R3	6432557	36	764 R3	6418736







EXCEPTS the surface and soil below thereof to a depth of 15.24 metres.

EXCEPTS the surface and soil below thereof to a depth of 20 metres.

EXCEPTS the surface and soil below thereof to a depth of 410 metres above Mean Sea Level.

**SURFACE EXCEPTIONS**

WARNING: INFORMATION ABOVE ON THIS DIAGRAM MAY BE USED TO CREATE PROFILES USING A MASSAGING TECHNIQUE TO DETERMINE THE ACCURACY OF THE INFORMATION HAS NOT BEEN REPRODUCED WITH ACCURACY. NO RESPONSIBILITY IS ACCEPTED FOR ANY LOSS OR DAMAGE OF ANY KIND INCLUDING LOSS OF OR DAMAGE TO ANYTHING INCLUDING LOSS OF OR DAMAGE TO ANYTHING OTHERWISE IDENTIFIED IN THIS DIAGRAM FOR ANY PURPOSE OTHER THAN AS A MAP.

AREA: abt. 110 sq. km.

43	763796	6430435	139	765459	647728
44	763783	6428086	140	765074	647800
45	763745	6427043	141	765033	647805
46	764074	6427596	142	765033	647829
47	764094	6427591	143	764981	6478375
48	765569	6427307	144	764925	6478446
49	765421	6426544	145	764857	6478483
50	765684	6426492	146	764711	6478649
51	766068	6426427	147	764612	6478825
52	766038	6426812	148	764653	6479054
53	766205	6427184	149	763950	6479175
54	768064	6426824	150	763950	6479178
55	767834	6425587	151	763475	6479264
56	765994	6425941	152	763408	6479347
57	765977	6425941	153	763503	6479861
58	765591	6426009	154	763480	6479525
59	765511	6425621	155	763408	6479395
60	765508	6425602	156	763369	6479347
61	765781	6425544	157	763266	6479402
62	765682	6425009	158	762941	6479648
63	766057	6424933	159	762941	6479648
64	766002	6424657	160	762784	6479843
65	766062	6424458	161	762567	6479843
66	766098	6424422	162	762554	6479830
67	766700	6424421	163	762490	6479724
68	766811	6424385	164	762564	6479679
69	766283	6424300	165	762272	6479449
70	766457	6424005	166	762899	6479233
71	766855	6423924	167	762787	6479159
72	766810	6423885	168	762980	6479159
73	766863	6423848	169	762949	6479103
74	766927	6423829	170	762961	6479137
75	766909	6422955	171	763368	6479096
76	766860	642107	172	763427	6478866
77	766808	641928	173	763477	6478002
78	766798	641932	174	763823	6478127
79	766794	641803	175	763801	647836
80	766707	641949	176	763817	647799
81	766677	641954	177	763977	647744
82	766588	6419356	178	763965	647679
83	766697	6419759	179	764773	6477370
84	766648	6419775	180	764413	647791
85	766584	6419855	181	764525	6478225
86	766562	6420033	182	764291	6478394
87	766546	6420187	183	764297	6478286
88	766484	6420241	184	764282	6478374
89	766290	6420241	185	764280	6478590
90	766257	6420330	186	764498	6478535
91	766071	6420454	187	764668	6478722
92	766004	6420433	188	764850	6478590
93	764885	6420433	189	764925	6478559
94	764868	6420582	190	765033	6478560
95	764753	6420634	191	765200	6478579
96	764748	6420804	192	765200	6478529
97	764406	6420822	193	765237	6478274

## EXPLORATION LICENCE CONDITIONS 2004

### Environmental Assessment

1. This Exploration Licence is granted under Part 3 (or renewed if applicable under Part 7) of the Mining Act 1992. After consideration of the environmental impact as required by Section 111 of the Environmental Planning and Assessment Act 1979, it has been determined that the type of exploration activities listed in Category 1 and in certain circumstances Category 2 may be conducted on the licence area provided that:
  - the licence holder has consulted the register of critical habitat kept by the Director-General of the Department of Environment and Conservation under the Threatened Species Conservation Act 1995, and considered the significance of any notations in respect of the area of any proposed exploration activity.
  - the licence holder has consulted the register of critical habitat kept under the Fisheries Management Act 1994.
  - the activities do not contravene Part 6 (Aboriginal objects and Aboriginal places) of the National Parks and Wildlife Act 1974.
  - minimal impact is caused to the local environment at the activity site and the assessment of this minimal impact takes into account the sensitivity of the local environment to potential disturbance from the activity including potential harm to any threatened species, populations and ecological communities, and their habitats, and critical habitat.
  - the activities do not cause other than minimal/nil impact on the features listed in Section 238 of the Mining Act 1992 (i.e. of Aboriginal, architectural, archaeological, historical or geological interest). Where these features are present, an Exploration Protocol acceptable to the Department must be completed prior to exploration commencing to ensure that exploration activities will not have an adverse impact on these features.
  - full rehabilitation in accordance with Departmental guidelines/standards is carried out after completion of the exploration activities.
  - notice is given (on the Department Notice of Surface Disturbing Exploration Activities pro forma) to an Environmental Officer of the Department if exploration:-
    - is to be carried out in sensitive areas (See page 3 of pro forma or Appendix 2 of "Guidelines for Environmentally Responsible Mineral Exploration in New South Wales" published by the NSW Minerals Council as a guide); or
    - may harm any threatened species, populations and ecological communities, and their habitats, and critical habitat.

The type of activity listed in Category 2 requires notification to an Environmental Officer of the Department (on the Notice of Surface Disturbing Exploration Activities pro forma) if exploration:-

- is to be carried out in sensitive areas; or
- may harm any threatened species, populations and ecological communities, and their habitats, and critical habitat; or
- where the likely impact is other than minimal.

Such activities may require an additional specific determination under Part 5 of the Environmental Planning and Assessment Act. The program submitted prior to the conduct of such activity must include a description of the activity, a schedule of events and the location of proposed surface disturbance. The sensitivity of the local environment to potential disturbance from the activity must also be included. An Environmental Officer of the Department shall give notice within 3 weeks of receipt if an additional Part 5 determination is or is not required. If an additional specific determination is not required, the provisos listed above apply. Where the proposed activities require an additional determination, operations must not commence until the written approval of the Assistant Director, Environment of the Department is obtained, and subject to any conditions that may be stipulated.

The type of activity listed in Category 3 requires notification to an Environmental Officer of the Department (on the Notice of Surface Disturbing Exploration Activities pro forma) and will normally require an additional specific determination under Part 5 of the Environmental Planning and Assessment Act. At least 4 weeks prior to the proposed commencement of any activity listed in Category 3, a Review of Environmental Factors in accord with Clause 228 of the Environmental Planning and Assessment Regulation 2000 must be submitted to the Department to enable a determination under Part 5 of the Environmental Planning and Assessment Act to be made. In these cases the Department will assess any potential impact under Parts 6 or 8A of the National Parks and Wildlife Act 1974. Exploration activities must not commence until the written approval of the Assistant Director, Environment of the Department is obtained, and subject to any conditions that may be stipulated.

#### **CATEGORY 1**

- Stream sediment and soil sampling (by hand held equipment)
- Gossan or rock sampling (by hand held equipment)
- Geological mapping
- Airborne Surveys
- Magnetic, Electromagnetic, Gravity, Radiometric Surveys
- Induced Polarisation, Resistivity, Self Potential Surveys
- Auger, reverse circulation and rotary air blast drilling (of a reconnaissance level including access clearing in non-sensitive areas)
- Percussion and diamond drilling (of a reconnaissance level including access clearing in non-sensitive areas)
- Geophysical downhole logging
- Survey gridding (axe cut line clearing only)

#### **CATEGORY 2**

- Costeaming and trenching provided any trench or costean does not exceed 50 metres length or, if longer, 60 cubic metres volume.

- Surface bulk sampling provided disturbance/removal of greater than 60 cubic metres of material is not exceeded in any one year
- Access tracks or line clearing involving formed construction or significant native vegetation disturbance
- Large diameter boreholes and calweld drill holes (greater than 360 millimetres diameter)
- Seismic Surveys
- Activities that may harm any threatened species, populations and ecological communities, and their habitats, and critical habitat.

### CATEGORY 3

- Costeaming or trenching (in excess of 60 cubic metres volume)
- Surface bulk sampling (in excess of 60 cubic metres disturbance/removal in any one year)
- Shaft Sinking
- Adit Driving
- Operations within or from the surface of natural water bodies including dredging/suction operations
- Surface disturbing operations within or close to environmentally sensitive areas such as wetlands
- Closely spaced percussion, reverse circulation, rotary air blast or diamond drilling for delineation of an orebody or for feasibility studies
- Cumulative activities from Category 1 or Category 2 of a concentrated nature.

#### 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.

#### Technical Management of Exploration

3. Exploration activities are to be conducted, or directly supervised, by the technical manager nominated in the application for this licence. All exploration reports must be prepared by the nominated technical manager. Permission to change the technical manager must be obtained, in writing, from the Assistant Director (Minerals), Geological Survey or the Assistant Director (Coal & Petroleum), Geological Survey, as the case may require.

#### Reports (For Groups 8 and 9 Minerals)

5. The licence holder must lodge reports to the satisfaction of the Director-General 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 is required if the holder wishes to lodge reports at times other than those specified.

- (a) **Summary Reports** must be lodged within fourteen (14) days after the expiry of each 6 months during the currency of the licence and must contain:

- (i) a brief summary of exploration activities 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) exploration activities carried out, including expenditure thereon, during the current term of the licence; and
  - (ii) the results of exploration activities 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.

#### **Licence to Use Reports**

6. (1) (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 Mining Act 1992.

## Confidentiality

- (2) (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 Director-General may extend the period of confidentiality.

## Terms of the non-exclusive licence

- (3) The terms of the non-exclusive copyright licence granted under sub-clause (1)(a) are:
- (a) the Minister may sub-licence 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.

## Safety

8. Operations must be carried out in a manner that ensures the safety of persons and 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 licence holder must be filled in or otherwise rendered safe to a standard acceptable to the Director-General.

## Rehabilitation

9. (a) Land disturbed must be rehabilitated to a stable and permanent form suitable for a subsequent land use acceptable to the Director-General so that:-
- there is no adverse environmental effect outside the disturbed area and that the land is properly drained and protected from soil erosion.
  - the state of the land is compatible with the surrounding land and land use requirements.
  - the landforms, soils, hydrology and flora require no greater maintenance than that in the surrounding land.
  - in cases where revegetation is required and native vegetation has been removed or damaged, the original species must be re-established. If the original vegetation was not native, any re-established vegetation must be appropriate to the area and at an acceptable density.
  - the land does not pose a threat to public safety.
- (b) Any topsoil that is removed must be stored and maintained in a manner acceptable to the Director-General.

## Drilling

10. (1) At least twenty eight days prior to commencement of drilling operations the licence holder must notify the relevant Department of Infrastructure, Planning and Natural Resources regional hydrogeologist of the intention to drill exploratory drill holes together with information on the location of the proposed holes.
- (2) If the licence holder drills exploratory drill holes he must satisfy the Director-General that:
- (a) all cored holes are accurately surveyed and permanently marked in accordance with Departmental guidelines so that their location can be easily established;
  - (b) all holes cored or otherwise are sealed to prevent the collapse of the surrounding surface;

- (c) all drill holes are permanently sealed with cement plugs to prevent surface discharge of groundwaters;
- (d) if any drill hole meets natural or noxious gases it is plugged or sealed to prevent their escape;
- (e) if any drill hole meets an artesian or sub-artesian flow it is effectively sealed to prevent contamination of aquifers.
- (f) once any drill hole ceases to be used the hole must be sealed in accordance with Departmental guidelines. Alternatively, the hole must be sealed as instructed by the Director-General.
- (g) once any drill hole ceases to be used the land and its immediate vicinity is left in a clean, tidy and stable condition.

#### **Drilling (Additional for Groups 8 and 9 Minerals)**

11. (a) Before commencing drilling within the licence area, the licence holder must carry out an assessment of the risk of gas blowouts occurring during drilling. If this assessment indicates the potential for a gas blowout occurring in any particular drillhole, that drillhole is to be drilled using a drilling rig fitted with gas blowout prevention equipment.
- (b) The licence holder must report orally and forthwith to an Inspector under the Mining Act 1992 all over-pressure gas occurrences that occur during drilling. Written notification of the occurrence is to be given to an Inspector within twenty-four hours of the occurrence.
12. The Director-General 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 Director-General are likely to be economically mineable.
13. 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 an Environmental Officer 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 to the landholder. All drillholes, which are maintained in an open condition, must be fitted with a removable cap to ensure the safety of persons and stock.

The licence holder must also comply with the requirements set out in the Department's Guidelines for Borehole Sealing Requirements on Land: Coal Exploration, where applicable.

#### **Core Samples (For Group 9 Minerals)**

16. (a) 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.

- (b) The licence holder must, if using diamond drilling methods, where solid core is recovered retain all cores in standard modular metal core boxes, the size specifications of which are obtainable from the Department's Core Library. Drilling depths shall be clearly and permanently indicated inside and outside of each box.
- (c) The licence holder must not dispose of any core without the approval of the Assistant Director (Coal & Petroleum), Geological Survey. If the Assistant Director (Coal & Petroleum), Geological Survey requires the core to be kept for archival purposes, the licence holder must deliver the required core to a nominated Department Core storage facility in standard modular metal core boxes.
- (d) The licence holder must provide to the Department such cores and samples as required by the Director-General.

### **Trees and Vegetation**

- 17. (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 a warden.
- (b) The licence holder must not cut, destroy, ringbark or remove any timber or other vegetative cover on any land subject of this licence except such as directly obstructs or prevents the carrying on of operations. Any clearing not authorised under the Mining Act 1992 must comply with the provisions of the Native Vegetation Conservation Act 1997.
- (c) The licence holder must obtain all necessary approvals or licences before using timber from any Crown land within the licence area.

### **Erosion and Sediment Controls**

- 19. If the licence holder proposes to carry out any costeaning, trenching or bulk sampling operations or any other activity likely to cause significant disturbance to the site, the licence holder must seek advice from the Department of Lands regarding erosion and sediment control before commencing such operations.

### **Prevention of Soil Erosion and Pollution**

- 20. Operations must be carried out in a manner that does not cause or aggravate air pollution, water pollution (including sedimentation) or soil contamination or erosion, unless otherwise authorised by a relevant approval. 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 Director-General in this regard.

### **Transmission Lines, Communication Lines and Pipelines**

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

### **Roads and Tracks**

22. (a) Operations must not affect any road or track unless with the prior written approval of the Director-General and subject to any conditions he may stipulate.  
  
(b) The licence holder must pay to the local council, the Department of Lands or the Roads and Traffic Authority the costs incurred in fixing any damage to roads caused by operations carried out under the licence.
23. Access tracks must be kept to a minimum and be positioned so that they do not cause any unnecessary damage to the land. Temporary access tracks must be ripped, topsoiled, rehabilitated and appropriately revegetated as soon as possible after they are no longer required for prospecting operations. The design and construction of access tracks must be in accordance with specifications of the Department of Infrastructure, Planning and Natural Resources.
24. During wet weather the use of any road or track must be restricted to prevent damage to the road or track.

### **Aboriginal object or Aboriginal place**

25. The licence holder must not knowingly destroy deface or damage any Aboriginal object or Aboriginal place within the area except in accordance with an authority issued under the National Parks and Wildlife Act, 1974. The licence holder must take every precaution in drilling, excavating or disturbing the land against any such destruction, defacement or damage.

### **Miscellaneous**

28. The flow of water in any stream or watercourse must not be interfered with.
29. The 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.
30. All refuse must be deposited in properly constructed containers. The licence holder must maintain the area in a clean and tidy condition at all times.

31. This licence is granted subject to the holder of **Exploration Licence No 5918 and 6104 (Act 1992)**, having priority over the holder of this licence in the exploration of any site subject to both this exploration licence and Exploration Licence No **5918 and 6104 (Act 1992)**. Any disputes will be determined by the Director-General whose decision will be final.

### Control of Operations

35. (a) If an Environmental Officer of the Department believes that the licence holder is not complying with any provision of the Act or any condition of this licence relating to the working of the licence, he may direct the licence holder to:-
- (i) cease working the licence; or
  - (ii) cease that part of the operation not complying with the Act or conditions;
- until in the opinion of the Environmental Officer the situation has been corrected.
- (b) The licence holder must comply with any direction given.

### Security

39. (a) A security in the sum of **\$50,000** must be lodged with the Minister by the licence holder for the purpose of ensuring the fulfilment of obligations under the 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. For the purpose of this clause the licence holder shall be deemed to have failed to fulfil the obligations of this licence if the licence holder fails to comply with any condition or provision hereof, any provision of the Act or regulations made thereunder or any condition or direction imposed or given pursuant to a condition or provision hereof or of any provision of the Act or regulations made thereunder.
- (b) The licence holder must provide the security required by sub-clause (a) hereof in one of the following forms:-
- (i) cash,
  - (ii) a security certificate in a form approved by the Minister and issued by an authorised deposit-taking institution.

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SPECIAL CONDITIONS

40. The licence holder shall transfer part or all of this Exploration Licence (which has largely replaced existing Authorisations or part Authorisations held by the Department) to the Department should the Minister for Mineral Resources determine that the Conditions and/or Special conditions of this Exploration Licence have not been satisfactorily met or complied with:
41. The licence holder shall ensure that during the term of this licence, the work programs and further studies nominated in the successful Expression of Interest (EOI) document are satisfactorily completed.
42. The licence holder must, within 3 months of the grant of this licence, submit to the satisfaction of the Department a detailed work program of all exploration activities and expenditure to be carried out under the terms of this licence.
43. The licence holder shall seek development consent by the end of year 3 of the term of the licence to construct an Ultra Clean Coal (UCC) demonstration plant as outlined in the EOI document within or adjacent to the subject area, and produce UCC for further commercial trials by the end of year 4 of the licence.
44. The licence holder shall provide a detailed (confidential) annual report to the Department at the end of each year of the licence which substantiates that all commitments and milestones regarding development of the UCC project as outlined in the EOI document are being satisfactorily met. This report should also demonstrate that expenditure commitments made by the licence holder to this project are being satisfactorily met.
45. The licence holder shall complete a full feasibility study, including costing for rail upgrading and building an unloading facility as outlined in the EOI.
46. The licence holder will continue to review options for other potential on site coal utilisation, including a power station, and provide a confidential annual report to the Department at the end of each year of the licence which demonstrated substantial ongoing activity in this regard.
47. The licence holder shall, within twenty eight (28) days of the grant of this licence pay \$132,000, the Department of Mineral Resources being one-third of the amount of \$396,000 (including GST) for the refund of public monies previously incurred by the Department's evaluation of the area, essentially drilling programs. The second third of \$132,000 shall be paid by the licence holder at the end of year 1 of the licence and the final payment of \$132,000 shall be paid at the end of year 2 of the licence.
48. The licence holder shall, within twenty eight (28) days of the grant of this licence, pay to the Department an amount of \$60,000 to cover the Department's Expressions of Interest administration, advertising and evaluation costs.

49. The licence holder is expected to seek development consent for the development of a coal mine within the licence area (as outlined in the EOI document) prior to the end of year 3 of the licence.
50. The licence holder shall, within one month of the grant of this licence, establish a "Moolarben Project Community Consultative Committee". This committee is to be chaired by a person appointed by the Minister for Mineral Resources. Regular meetings are to be held as determined by the Chairperson. All costs associated with the Chairpersons involvement and the maintenance of the operations of the committee (excluding the personal costs of other committee members) are to be borne by the licence holder.
51. The licence holder shall nominate a senior officer responsible for all community contact/inquiries/issues. This officer shall be appointed within two months of the grant of this licence.
52. The licence holder shall hold regular open days, the event of which is to be well publicised in the local area, to keep the public fully informed of the progress of the exploration and feasibility program.