·	Office of State Revenue NSW Treasury Client No: 1846988 2372 Duty: N A Trans No: 114 1642 Asst details: Pun Posis	-/
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MINING LEASE MINING ACT 1992

NO 1642

DATED 27 August 2010

THE MINISTER FOR MINERAL AND FOREST RESOURCES

OF THE STATE

OF NEW SOUTH WALES

TO

TAHMOOR COAL PTY LTD (ACN 076 663 968)

Mining Lease Application No 89

MINING ACT 1992

MINING LEASE (PURPOSES)

THIS DEED made the Twenty Seventh day of Two thousand and Ten in pursuance of the provisions of the Mining Act 1992 (hereinafter called "the Act") BETWEEN, PAUL MCLEAY, MP, MINISTER FOR MINERAL AND FOREST 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 TAHMOOR COAL PTY LTD (ACN 076 663 968) (which with its successors and transferees is hereinafter called "the lease holder") c/- Xstrata Coal Australia Pty Limited, Level 38, 1 Macquarie Place, SYDNEY NSW 2000.

WHEREAS

- (a) in conformity with the Act application was made for a mining lease over the lands hereinafter described; and
- (b) all conditions and things required to be done and performed before granting a mining lease 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 lease to the lease holder ALL THAT piece or parcel of land containing by admeasurement 206.38 hectares as shown on Plan No M27087 more particularly described and delineated in the plan attached for the purpose of:-
 - (1) the construction, maintenance or use (in or in connection with mining operations) of:
 - (i) any building or mining plant, or
 - (ii) any road, or
 - (iii) any reservoir, dam, drain or water race, or
 - (iv) any cable, conveyor, pipeline, telephone line or signalling system,
 - (2) the stockpiling or depositing of overburden, ore or tailings
 - (3) the storage of fuel, machinery, timber or equipment for use in or in connection with mining operations,

- (4) the generation and transmission of electricity for use in or in connection with mining operations,
- (5) the construction, maintenance and use (in or in connection with mining operations) of any drillhole or shaft for:
 - (i) drainage of gas, or
 - (ii) drainage or conveyance of water, or
 - (iii) ventilation, or
 - (iv) conveyance of electricity, or
 - (v) conveyance of materials, or
 - (vi) communications, or
 - (vii) emergency access to underground workings.

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 lease holder from and including the date of this Deed for the period of **twenty one (21) years**, for the purpose as stated and for no other purpose.
- 1. THAT in this lease 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; the word "mine" has the meaning assigned to it by the Act; 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 lease holder shall at all times during the term of this lease keep and preserve the said mine from all avoidable injury or damage and also the levels, drifts, shafts, watercourses, roadways, works, erections and fixtures therein and thereon in good repair and condition and in such state and condition shall on the expiration or sooner determination of the said term or any renewal thereof deliver possession of the land and the premises hereby demised to the Minister or other persons authorised to receive possession thereof.

3. THAT the conditions and provisions set forth in the Schedule of Mining Lease Conditions 2008 herein and numbered: 1 to 7 (inclusive), 10, 15 to 23 (inclusive), 26, 28 and 31 are embodied and incorporated within this Deed as conditions and provisions of the lease hereby granted AND that the lease holder shall observe fulfil and perform the same. Condition Nos. 2 - 7 inclusive and 17 – 23 inclusive, are identified as conditions relating to environmental management for the purposes of Sections 125(3) and 374A of the Mining Act 1992.

PROVIDED always and it is hereby declared as follows:

- (a) THAT this lease is granted subject to amendment as provided under Sections 79 and 239 of the Act.
- (b) THAT if the lease 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 lease 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 lease 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 lease holder or on such later date as is specified in the notice; and any liability incurred by the lease holder before the cancellation took effect shall not be affected.

- (c) THAT no implied covenant for title or for quiet enjoyment shall be contained herein.
- (d) THAT all the conditions and provisions contained in the Mining Act 1992 and the Regulations thereunder, the Mine Health and Safety Act 2004 and the Coal Mine Health and Safety Act 2002 or any other law hereafter to be passed or prescribed shall be incorporated within this Deed as conditions and provisions of the lease granted. The lease holder hereby covenants to observe, fulfil and perform the same.
- (e) 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 lease holder, shall be read and construed as covenants by the lease holder with the Minister which are to be observed and performed.

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

SIGNED AND DELIVERED BY

TAHMOOR COAL PTY LTD (ACN 076 663 968)

in the presence of

SIGNED AND DELIVERED BY

Under delegation from the Minister

in the presence of

x Differ

Witness

MINING LEASE CONDITIONS 2008

1. Notice to Landholders

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.

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

The leaseholder shall implement all practicable measures to prevent and/or minimise any harm to the environment that may result from the construction, operation or rehabilitation of the development.

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 of the Department of Primary Industries.
- (b) The MOP must:
 - 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 on site 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
 - vi) 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* 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.

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(e) A MOP ceases to have affect 7 years after date of approval or other such period as identified by the Director-General. An approved amendment to the MOP under condition 5 does not constitute an approval for the purpose of this paragraph unless otherwise identified by the Director-General.

4. Environment Management Reporting

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

5. The EMR must:

- a) report against compliance with the MOP;
- b) report on progress in respect of rehabilitation completion criteria;
- c) report on the extent of compliance with regulatory requirements; and
- d) have regard to any relevant guidelines adopted by the Director-General;
- 6. 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.

7. Rehabilitation

Disturbed land must be rehabilitated to a sustainable/agreed end land use to the satisfaction of the Director-General.

10. Control of Operations

- (a) If an Environmental Officer of the Department believes that the lease holder is not complying with any provision of the Act or any condition of this lease relating to the working of the lease, he may direct the lease holder to:-
 - (i) cease working the lease; 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 is rectified.
- (b) The lease holder must comply with any direction given. The Director-General may confirm, vary or revoke any such direction.
- (c) A direction referred to in this condition may be served on the Mine Manager.

15. 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 and Climate Change.

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(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 and Climate Change.

16. 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 filled in or otherwise rendered safe to a standard acceptable to the Director-General.

17. Exploratory Drilling

- (a) At least twenty eight days prior to commencement of drilling operations the lease 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 location of the proposed holes.
- (b) If the lease holder drills exploratory drill holes he must satisfy the Director-General that:-
 - (i) all cored holes are accurately surveyed and permanently marked in accordance with Departmental guidelines so that their location can be easily established;
 - (ii) all holes cored or otherwise are sealed to prevent the collapse of the surrounding surface;
 - (iii) all drill holes are permanently sealed with cement plugs to prevent surface discharge of groundwaters;
 - (iv) if any drill hole meets natural or noxious gases it is plugged or sealed to prevent their escape;
 - (v) if any drill hole meets an artesian or sub-artesian flow it is effectively sealed to prevent contamination of aquifers.
 - (vi) 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.
 - (vii) once any drill hole ceases to be used the land and its immediate vicinity is left in a clean, tidy and stable condition.

18. Prevention of Soil Erosion and Pollution

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, and in accordance with an accepted Mining Operations Plan. For the purpose of this condition, water shall be taken to include any watercourse, waterbody or groundwaters. The lease holder must observe and perform any instructions given by the Director-General in this regard.

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19. 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 he may stipulate.

20. Fences, Gates

- (a) Activities on the lease must not interfere with or damage fences without the prior written approval of the owner thereof or the Minister and subject to any conditions the Minister may stipulate.
- (b) Gates within the lease area must be closed or left open in accordance with the requirements of the landholder.

21. Roads and Tracks

- (a) Operations must not affect any road unless in accordance with an accepted Mining Operations Plan or with the prior written approval of the Director-General and subject to any conditions he may stipulate.
- (b) The lease holder must pay to the designated authority in control of the road (generally the local council or the Roads and Traffic Authority) the cost incurred in fixing any damage to roads caused by operations carried out under the lease, less any amount paid or payable from the Mine Subsidence Compensation Fund.
- 22. 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 and revegetated as soon as possible after they are no longer required for mining operations. The design and construction of access tracks must be in accordance with specifications fixed by the Department of Environment and Climate Change.

23. Trees and Timber

- (a) The lease holder must not fell trees, strip bark or cut timber on the lease 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 lease holder must not cut, destroy, ringbark or remove any timber or other vegetative cover on the lease area 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 Act 2003*.
- (c) The lease holder must obtain all necessary approvals or licences before using timber from any Crown land within the lease area.

26. 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

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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.

28. Single Security (extended)

- (a) The single security given and maintained with the Minister by the lease holder for the purpose of ensuring the fulfilment by the lease holder of obligations under Consolidated Coal Lease No 716 (Act 1973), Mining Lease No 1308 (Act 1992), Mining Lease No 1376 (Act 1992) and Mining Lease 1539 (Act 1992) is extended to apply to this lease.
- (b) If the lease holder fails to fulfil any one or more of the obligations under this lease, then the security held may be applied at the discretion of the Minister towards the cost of fulfilling such obligations. For the purpose of this clause the lease holder shall be deemed to have failed to fulfil the obligations of the lease if the lease 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.

31. 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 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.

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Details of MINING LEASE 1642 (Act 1992)

Main Holder : TAHMOOR COAL PTY LTD

Postal Address : XSTRATA COAL AUSTRALIA PTY LIMITED

P O BOX R1543 ROYAL EXCHANGE SYDNEY NSW 1225

Other Holders : NONE

Agent : NONE

Grant Date : 27-AUG-2010 Due Expiry Date : 27-AUG-2031

Title Status : CURRENT Determination Date :

Was Application : MINERAL/MINING LEASE APPLICATION 89 (Act 1992)

File Number : C97-1012

Colliery/Mine Name: TAHMOOR

Postal Address : TAHMOOR COAL PTY LTD

P O BOX 100 TAHMOOR NSW 2573

Current Division : SYDNEY Region : CENTRAL

Total Area : 206.4 HECTARES

Plan Catalogue No : M27087

Surface Exception : NIL

Depth Restriction : PART 15.24m; 152.4m

Location : About 8.04km SSW of PICTON

Map Sheets : 9029-3-N BARGO 1:25,000

9029-4-S PICTON 1:25,000

Joint Security Id : CCL 716 1973 Joint Security Held : \$3,940,000

Joint Security Req: \$3,940,000 Individ Security Held: \$0

Details of Securities

\$3,940,000 CERTIFICATE ANZ Banking Group Cert No R293110N dated 9 December 2010 issued by ANZ

Banking Group Limited, Lending Processing, 14/100 Queen St MELBOURNE VIC 3000 at the request of Xstrata Coal Pty

Limited on behalf of Tahmoor Coal Pty Ltd.

Labour : 0 Expenditure : \$0

Royalty Rate : NIL

1 Mineral : COAL

14 Methods/Purposes : ANY BUILDING OR MINING PLANT

ANY CABLE, CONVEYOR, PIPELINE, TELEPHONE LINE OR SIGNAL ANY DRILLHOLE OR SHAFT FOR VENTILATION, DRAINAGE, ACCESS

ANY RESERVOIR, DAM, DRAIN OR WATER RACE

COMMUNICATIONS

Page 1 of 2 Date: 23-DEC-10 11:20 AM

Details of MINING LEASE 1642 (Act 1992)

CONVEYANCE OF ELECTRICITY

CONVEYANCE OF MATERIALS

DRAINAGE OF GAS

DRAINAGE OF WATER

EMERGENCY ACCESS TO UNDERGROUND WORKINGS

GENERATION AND TRANSMISSION OF ELECTRICITY

ROAD

STOCKPILING OR DEPOSITING OF OVERBURDEN, ORE OR TAILINGS

STORAGE OF FUEL, MACHINERY, TIMBER OR EQUIPMENT

Dealing Types affecting this Title : $\label{eq:NONE} {\tt NONE}$

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Date: 23-DEC-10 11:20 AM



Reference: 97/1012

Ian Shepherd Manager – Environment and Community Tahmoor Coal Pty Ltd PO Box 100 TAHMOOR NSW 2573

Dear Sir

MINING LEASE APPLICATION NO 89

The Minister on 27 August 2010 granted Mining Lease No 1642 (Act 1992) in satisfaction of this application. This authority expires on 27 August 2031. The lease is enclosed for your records.

You are reminded of the following:

- Mining operations must be conducted in accordance with a Mining Operations Plan satisfactory to the Director-General. This plan must be lodged before operations commence.
- The definition of 'land' and 'landholder' is described in the dictionary of the Mining Act 1992.
- Before operations commence you must also negotiate an agreement regarding compensation with any affected landholder or have compensation assessed by the Land and Environment Court.
- Notification of the grant of the lease must be served on each affected landholder not later than 3 months from the date of grant.

Authorisation 206 (Act 1973) has now ceased to exist over the land of this mining lease.

In regard to Condition 31 (Cooperation Agreement) -- the TASMAP system located on the Departmental website http://www.dpi.nsw.gov.au/minerals/titles/online-services/tasmap will be of assistance in determining the presence of overlapping petroleum titles.

For further information, please contact the undersigned on (02) 4931 6578.

Yours faithfully,

Jeff Inman

Coal & Petroleum Titles

23 December 2010

PLAN OF PORTION ML 8 PARISH: BARGO & COURIDJAH COUNTY: CAMDEN MAP SHEET No. 9029-3-N & 4-S Reduction Ratio A1-1:5000 MINING LEASE APPLICATION No. 89 MINING DIVISION: APPLICANT: TAHMOOR COAL PTY LTD APPLICATION DATE: 21/07/1997 MINING LEASE No. 1642 (Act 1992) STATUS: METHOD: MINING PURPOSES SURFACE EXCEPTION / DEPTH RESTRICTION COMPRISES THE SURFACE & LAND BELOV THEREOF TO A DEPTH OF 15.24M COMPRISES THE SURFACE & LAND BELOV THEREOF TO A DEPTH OF 152.4M NOTES: Azimuth: PM 46933 - PM 60501 PLANS USED FOR SURVEY PM 46940 - PM 46942 (LOT 441 DP 751270) Plans used in the course of this survey **SEE TABLE** Survey declared on this plan for all lines I. BRUCE ERNEST SMITH a surveyor registered under the Surveying Act 2002.

C4036 2041, DP 645314

DENOTES PARISH BOUNDARY

DP 240715, C1924 2041 DP 1054184, DP 234743 DP 120968, DP 751270 DP 751250, DP 777104 DP 725680, FP 192361 C3796 2041

AMENDMENTS TO THE PLAN ON 29/8/2008 REVISED ML8 POSITION AROUND LEASE **DEALING No 6866199N**





of CRAVEN ELLISTON & HAYES (DAPTO) PTY LTD hereby certify that the survey/compilation represented in this plan is accurate and has been completed in accordance with the Surveying Regulation 2006 and the Surveyor General's Direction for Mining Surveys and was completed on 20/4/2007

Signature: 1) & fmth.

Surveyors Reference: D17/0407

P. Gorrel Survey Calcs: Plan Investigated : PCC 10.11.08 Plan Approved : Mark 19-11-08

Paper No: C97 - 1012

