

**MINING ACT 1992**

**EXPLORATION LICENCE**

THIS DEED made the *March* day of *January* Two thousand and *thirteen* in pursuance of the provisions of the *Mining Act 1992* (hereinafter called "the Act") BETWEEN **CHRIS HARTCHER MP, MINISTER FOR RESOURCES AND ENERGY** 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 **CGNM RESOURCES PTY LIMITED (ACN 139 443 137)** (which with its successors and transferees is hereinafter called "the licence holder") of 143 Iodine Street, Broken Hill NSW 2880.

**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 **One**.

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 term of **twenty four (24) months**, 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 Trade and Investment; Regional Infrastructure and Services; 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 2010 herein and numbered: **1 to 3 (inclusive), 6, 8, 9, 10 to 18 (inclusive), 20 to 25 (inclusive), 29 to 34 (inclusive) and 35** 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, *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 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**

1:1,000,000	BLOCK NO	UNITS
CANBERRA	2654	wxyz
CANBERRA	2655	vwx
CANBERRA	2726	bcde ghjk mnop tu z
CANBERRA	2727	abcdefghijklmnopqrstuvwxyz
CANBERRA	2799	bcde ghjk mnop
CANBERRA	2800	abcd fghj lmno

1. The exploration area embraces **71** units as specified above, 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 **10:17 am** on the **first day of May, 2012**.
  - (d) land subject to any pending application for an assessment lease, mining lease or mineral claim under the *Mining Act 1992*, made prior to **10:17 am** on the **first day of May, 2012**.
  - (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 grant of this licence.

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

- (j) land subject to any mining reserve constituted under section 367 of the *Mining Act 1992* that prohibits exploration, that was notified prior to the date of grant.
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.

# EXPLORATION LICENCE CONDITIONS 2010

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# Definitions

## A Categories of Prospecting Operations

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

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

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

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

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

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

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

\* see Definition B for Sensitive Areas

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## B. Sensitive Areas

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

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

## C. Other Definitions

"Act" means the *Mining Act 1992*

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

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

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

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

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

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# EXPLORATION LICENCE CONDITIONS 2010

## Section A APPROVAL OF PROSPECTING OPERATIONS

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

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

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

### 2. Prospecting Operations Requiring Further Approval

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

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



## Section B SPECIAL AREA CONDITIONS

### 3. Exempted Areas

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

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

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

### 6. Additional Sensitive Land

For the purpose of paragraph (q) in the definition of "Sensitive Areas", the area shown by yellow tint on the attached diagram is identified by the Director-General as Additional Sensitive Land for the purposes of this exploration licence.

*Note. All prospecting operations in Sensitive Lands are also subject to Condition 2 (Prospecting Operations Requiring Further Approval).*

### 8. Native Title Areas

The exploration licence holder must not prospect on any land or waters on which native title is claimable under the *Commonwealth Native Title Act 1993* without the prior written consent of the Minister.

### 9. Wetland Areas

The exploration licence holder must not clear, drain, fill or construct a levee on a wetland area without written approval of the Director-General. The Director General's approval may be granted subject to conditions.

*Note: Approval under this condition is subject to the concurrence of the Director-General, Department of Planning.*

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## Section C ENVIRONMENTAL MANAGEMENT OF PROSPECTING OPERATIONS

### 10. Environmental Management Conditions

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

*Note: Conditions 1 to 7 and 9 to 24 of this exploration licence are imposed pursuant to sections 238 and 239 of the Mining Act 1992. Clause 7 of Schedule 12 of the Mining Regulation 2010 saves higher penalties for a breach of condition imposed by or under sections 238 or 239 of the Act.*

### 11. Environmental Harm

- (a) The exploration licence holder must implement all practicable measures to prevent and/or minimise any harm to the environment that may result from the construction, operation or rehabilitation of any prospecting operations.
- (b) For the purposes of this condition:
  - (i) environment means components of the earth, including:
    - (A) land, air and water, and
    - (B) any layer of the atmosphere, and
    - (C) any organic or inorganic matter and any living organism, and
    - (D) human-made or modified structures and areas,and includes interacting natural ecosystems that include components referred to in paragraphs (A)–(C).
  - (ii) harm to the environment includes any direct or indirect alteration of the environment that has the effect of degrading the environment and, without limiting the generality of the above, includes any act or omission that results in pollution, contributes to the extinction or degradation of any threatened species, populations or ecological communities and their habitats and causes impacts to places, objects and features of significance to Aboriginal people.

### 12. Environmental Management Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **18. Drilling**

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

- (e) The exploration licence holder must report to the Inspector responsible for the area in which prospecting is carried out, any potentially hazardous tools or logging equipment which has been dropped in drill holes and is unable to be recovered. If directed to do so, the exploration licence holder must recover the equipment.

## 20. Core and Samples

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

## 21. Rehabilitation of land

- (a) The exploration licence holder must rehabilitate any land (including water) disturbed by, or as a result of, prospecting operations under this exploration licence to a stable and permanent form so that:
- (i) there is no adverse environmental effect outside the disturbed area;
  - (ii) the land is properly drained and protected from soil erosion;
  - (iii) the land is not a potential source of pollution;
  - (iv) the land is compatible with the surrounding land and land use requirements;
  - (v) the landforms, soils, hydrology and flora require no greater maintenance than that in, or on, the surrounding land;
  - (vi) the land does not pose a threat to public safety;
  - (vii) in cases where vegetation has been removed or damaged:
    - (A) where the previous vegetation was native, species used for revegetation are endemic to the area; or,
    - (B) where the previous vegetation was not native, species used for revegetation are appropriate to the area; and,
    - (C) any revegetation is of an appropriate density and diversity,to the satisfaction of the Director-General.

- (b) Any topsoil that is temporarily removed from an area of prospecting operations must be stored, maintained and returned as soon as possible in a manner acceptable to the Director-General.
- (c) Any shafts, drill holes and excavations, that have been abandoned as a result of previous mining or prospecting operations, and which have been opened up or used by the exploration licence holder are subject to the conditions of this exploration licence as if the shafts, drill holes and excavations were created by the holder of this exploration licence.
- (d) All rehabilitation of surface disturbance resulting from prospecting operations under this exploration licence must be completed before the expiry of this exploration licence or immediately following cancellation of this exploration licence.

## 22. Environmental Management Report

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

## 23. Environmental Incident Report

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

## 24. Additional Environmental Reports

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

## 25. Security

a) This authorisation is subject to a condition that the holder of the authorisation is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the authorisation, including obligations of all or any kind under the authorisation that may arise in the future.

b) The amount of the security deposit to be provided, not having been assessed by the Director General of the Department of Trade and Investment, Regional Infrastructure and Services, is set at the applicable minimum amount prescribed of **\$10,000**.

c) The security deposit is to be provided by way of a cash deposit (with no entitlement to any interest thereon) or in such other form as may be approved by the Director General (or their delegate).

## Section D GENERAL CONDITIONS

### 29. Safety of Operations

- (a) The exploration licence holder must notify the Inspector responsible for the area in which prospecting is carried out at least 7 days prior to the proposed commencement of any prospecting operation involving any drilling, blasting or other potentially hazardous operation.
- (b) Operations must be carried out and supervised in a manner that ensures the safety of all employees and contractors.
- (c) Operations must be carried out in a manner that ensures the safety of landholders and members of the public, stock and wildlife in the vicinity of the operations.
- (d) The measures put in place to control hazards must comply with *the Mine Health and Safety Act 2004 / Coal Mine Health and Safety Act 2002* and *Mine Health and Safety Regulation 2007 / Coal Mine Health and Safety Regulation 2006*. These measures include, but are not limited to, the development of a Safety Management Plan prepared according to relevant Departmental guidelines.



## Section E EXPLORATION PERFORMANCE

*Note: Exploration Reports (Geological and Geophysical)*

*The exploration licence holder must lodge reports to the satisfaction of the Director-General in accordance with section 163C of the Mining Act 1992 and in accordance with clause 57 of the Mining Regulation 2010.*

*Reports must be prepared in accordance with Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales (Department of Trade and Investment, Regional Infrastructure and Services, 2010).*

### 30. Expenditure

The exploration licence holder must effectively prospect the exploration licence area and, unless approved by the Director-General, must expend on operations no less than **\$55,500** per annum whilst the exploration licence is in force.

### 31. Completion of Exploration Program

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

### 32. Technical Management of Exploration

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

### 33. Cooperation Agreement

- (a) The exploration licence holder must make every reasonable attempt, and be able to demonstrate their attempts, to enter into a cooperation agreement with the holder(s) of any overlapping mineral (including coal and geothermal energy) exploration and petroleum exploration title(s).
- (b) The cooperation agreement should address but not necessarily be limited to:
  - (i) access arrangements;
  - (ii) operational interaction procedures;
  - (iii) dispute resolution;
  - (iv) information exchange;
  - (v) well location;
  - (vi) timing of drilling;
  - (vii) potential resource extraction conflicts; and,
  - (viii) rehabilitation issues.

### 34. Community and Landholder Liaison Program

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

## Section F: OWNERSHIP

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

- (a) It is a condition of this licence that, where the licence-holder is a corporation or a trust, the Minister's prior written approval is required before there occurs:
- (i) any change in the effective control of the licence-holder; or
  - (ii) any foreign acquisition of substantial control in the licence-holder.
- (b) For the purposes of this condition, there is a "change in effective control" where, after the imposition of this condition, any person:
- (i) acquires the capacity to appoint or control at least 50% of the number of directors of the licence-holder's board;
  - (ii) becomes entitled to exercise (directly or indirectly) greater than 50% of the votes entitled to be cast at any general meeting of the licence-holder; or
  - (iii) holds more than 50% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence-holder.
- (c) For the purposes of this condition, there is a "foreign acquisition of substantial control" where, after the imposition of this condition, a person:
- (i) acquires the capacity to appoint or control at least 15% of the number of directors of the licence-holder's board;
  - (ii) becomes entitled to exercise (directly or indirectly) greater than 15% of the votes entitled to be cast at any general meeting of the licence-holder; or
  - (iii) holds more than 15% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence-holder;

AND the person is either:

- (i) a natural person not ordinarily resident in Australia;
- (ii) a corporation in which a natural person not ordinarily resident in Australia or a "foreign corporation" (meaning one that is incorporated outside Australia) holds a total interest of 15% or more;
- (iii) a corporation in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold a total interest of 40% or more;
- (iv) the trustee of a trust estate, in which a natural person not ordinarily resident in Australia or a foreign corporation, holds a total interest of 15% or more; or
- (v) the trustee of a trust estate in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, holds a total interest of 40% or more.

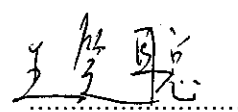
IN WITNESS WHEREOF the parties hereto have executed this Deed the day and year first abovewritten.

SIGNED AND DELIVERED  
BY

**CGNM RESOURCES PTY LIMITED**  
**(ACN 139 443 137)**

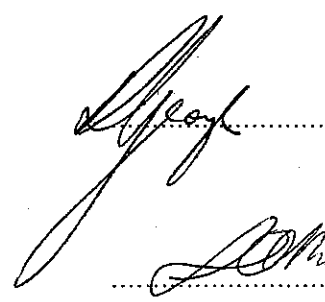
  
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in the presence of

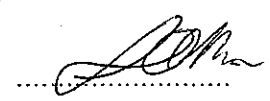
  
.....  
Witness

SIGNED AND DELIVERED  
BY

**TEAM LEADER**  
**EASTERN REGION**  
**TITLES**  
**UNDER DELEGATION FROM THE MINISTER**

  
.....

in the presence of

  
.....  
Witness

EXPLORATION LICENCE

MINING ACT 1992

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NO 8051

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DATED 9 January 2013

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THE MINISTER FOR RESOURCES AND  
ENERGY

OF THE STATE

OF NEW SOUTH WALES

TO

CGNM RESOURCES PTY LIMITED

(ACN 139 443 137)

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Certified copy of Exploration Licence No. 8051  
Examined by

..... *A. Min* .....

Date 10 January 2013