

## Instrument of Grant

I, **Kylie Hargreaves, Deputy Secretary Division of Resources and Geoscience**, as delegate for the **Minister for Resources** for the State of New South Wales, under delegation dated 1 May 2017, and pursuant to section 22 of the *Mining Act 1992*, determined to grant an Exploration Licence in satisfaction of **Exploration Licence Application No 5353 (Act 1992)** to **Ulan Coal Mines Ltd, ACN 000 189 248**:

In respect of **Group 9 minerals**;

- (a) For the term of **six years** ending on **31 January 2024**; and
- (b) Over the exploration area described in Schedule 1; and
- (c) Subject to the conditions set out in Schedule 2 and Schedule 3; and
- (d) In compliance with any Activity Approvals in Schedule 4; and
- (e) In accordance with the approved work program referenced in Schedule 5.

SIGNED



**Kylie Hargreaves**  
**Deputy Secretary**

**Division of Resources and Geoscience**

**Dated:** 31/1/2018

# EXPLORATION LICENCE

Operational allocation licence - section 13C of the *Mining Act 1992*

<b>EXPLORATION LICENCE NUMBER:</b>	<b>8687</b>
<b>GRANT DATE:</b>	<b>31 January 2018</b>
<b>TERM:</b>	<b>Six years</b>
<b>DUE EXPIRY DATE:</b>	<b>31 January 2024</b>
<b>LICENCE HOLDER:</b>	<b>ULAN COAL MINES LTD</b>  <b>ACN 000 189 248</b>
<b>EXPLORATION AREA:</b>	<b>See Schedule 1</b>
<b>RESOURCE:</b>	<b>Group 9 minerals</b>

## Information about this licence

This exploration licence is issued under the *Mining Act 1992*. The licence holder may:

- Apply for the renewal of this exploration licence; or
- Apply for the transfer of this exploration licence to another person.

Renewal applications are to be submitted within the period of two months prior up to midnight on the expiry date of the licence consistent with the *Mining Act 1992*.

The following fees are payable in connection with this licence:

- An annual rental fee; and
- An annual administrative levy.

Additional rights and responsibilities of licence holders are set out in the *Mining Act 1992* and the *Mining Regulation 2016*.

Please note that licence holders may also be required to obtain approvals and comply with requirements of other legislation when carrying out exploration activities, including (but not limited to):

- The *Environmental Planning and Assessment Act 1979*;
- The *Protection of the Environment Operations Act 1997*; and
- The *Water Act 1912* and the *Water Management Act 2000*.

### Rights of the licence holder under this licence

This licence gives the licence holder an exclusive right to prospect for:

- The group(s) of minerals to which this licence relates; and
- In respect of the land to which this licence relates.

### Restrictions on the exercise of rights under this licence

It is the responsibility of the licence holder to apprise themselves of the restrictions on the exercise of rights under this licence that exist under NSW and Commonwealth legislation.

### Exploration Area (Schedule 1)

The land to which this licence applies is set out at Schedule 1 of this licence.

### Licence Conditions (Schedules 2 and 3)

This licence is subject to the conditions in Schedule 2 and Schedule 3. The licence holder must conduct prospecting operations in accordance with these conditions, as well as any conditions imposed by the *Mining Act 1992* and *Mining Regulation 2016*. In particular:

- The conditions set out in Schedule 2 are general conditions; and
- The conditions (if any) set out in Schedule 3 are additional conditions.

Contravention of licence conditions is an offence under the *Mining Act 1992*.

### **Further Approvals under this licence (Schedule 4)**

The licence holder may need to obtain further approvals or Ministerial consent before carrying out prospecting operations on the land subject to this licence (see in particular the activity approval requirements for assessable prospecting operations section 23A of the *Mining Act 1992*, which requires an activity approval to be obtained prior to commencing any assessable prospecting operation).

### **Work Program (Schedule 5)**

Condition 1 of Schedule 2 of this licence requires the licence holder to comply with the Work Program. The Work Program unique identifier is set out at Schedule 5 of this licence. The Work Program may be varied on application of the licence holder, with the approval of the Minister.

### Licence History

Identifier	Effective date	Reason for Update
1	31 January 2018	Grant of EL 8687 (1992)

## DEFINITIONS

In this licence:

- (a) A reference to a Code or Guideline is a reference to that document as amended or replaced from time to time, and
- (b) Words have the meaning given to those terms in the *Mining Act 1992* unless otherwise defined below:

**Change in effective control of the licence holder** means any occurrence which results in any person, not being a related body corporate of the licence holder, newly being in one or more of the following positions:

- (a) having the capacity to appoint or control more than 50% of the number of directors of the licence-holder's board;
- (b) being entitled to exercise (directly or indirectly) more than 50% of the votes entitled to be cast at any general meeting of the licence-holder; or
- (c) holding 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.

**Environmental incident notifications and reports** means any notifications and reports to be provided to relevant authorities under Part 5.7 or Part 5.7A of the *Protection of the Environment Operations Act 1997*.

**Foreign acquisition of substantial control in the licence holder** means any occurrence which results in a foreign party, not being a related body corporate of the licence holder, newly being in one or more of the following positions:

- (a) having the capacity to appoint or control 15% or more of the number of directors of the licence-holder's board;
- (b) being entitled to exercise (directly or indirectly) 15% or more of the votes entitled to be cast at any general meeting of the licence-holder; or
- (c) holding interests in 15% or more 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.

**National park, regional park, historic site, nature reserve, karst conservation reserve and Aboriginal area** have the meaning given to those terms in the *National Parks and Wildlife Act 1974*.

**Related Body Corporate** has the same meaning given to that term in the *Corporations Act 2001 (Cth)*.

**Relevant authorities** has the meaning given to that term in section 148 of the *Protection of the Environment Operations Act 1997*.

**Work Program** means the approved work program referred to in Schedule 5 of this licence, as amended from time to time with the approval of the Minister.

## EXPLORATION AREA

The exploration area comprises of an area of **1994 hectares** as shown on Plan No **E5353-01**, and exclusive of any land:-

- (a) excluded by section 19 of the *Mining Act 1992*;
- (b) being a residence area or business area referred to in clause 1, Part 1 of Schedule 11 of the *Mining Regulation 2003* and over which an authority may not be granted in accordance with that clause;
- (c) subject of any mining reserve constituted under section 367 of the *Mining Act 1992* prior to the grant of this licence which prohibits the grant of new exploration licences;
- (d) vested in the Commonwealth of Australia; or
- (e) within any national park, regional park, historic site, nature reserve, karst conservation reserve or Aboriginal area at the date of the grant of this licence.

**Note:** *This exclusion includes reserves created under the National Parks & Wildlife Act 1974 and established under other legislation.*

The boundaries of the exploration area are indicated on the following diagram.

### DISCLAIMER

The boundaries of the exploration area in the diagram are indicative only, based on knowledge and understanding at the time this licence was granted. However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date. No warranty about the accuracy, currency or completeness of any information in this diagram is inferred (including, without limitation, any information provided by third parties). While all reasonable care has been taken in the compilation of this diagram, to the extent permitted by law, the NSW Department of Planning and Environment excludes all liability for the accuracy or completeness of the information, or for any injury, loss, or damage whatsoever (including without limitation liability for negligence and consequential losses) suffered by any person acting, or purporting to act, in reliance upon anything contained herein. Users should rely upon their own advice, skills, interpretation and experience in applying the information in the diagram.

# RESOURCES & GEOSCIENCE

File: T16-1508

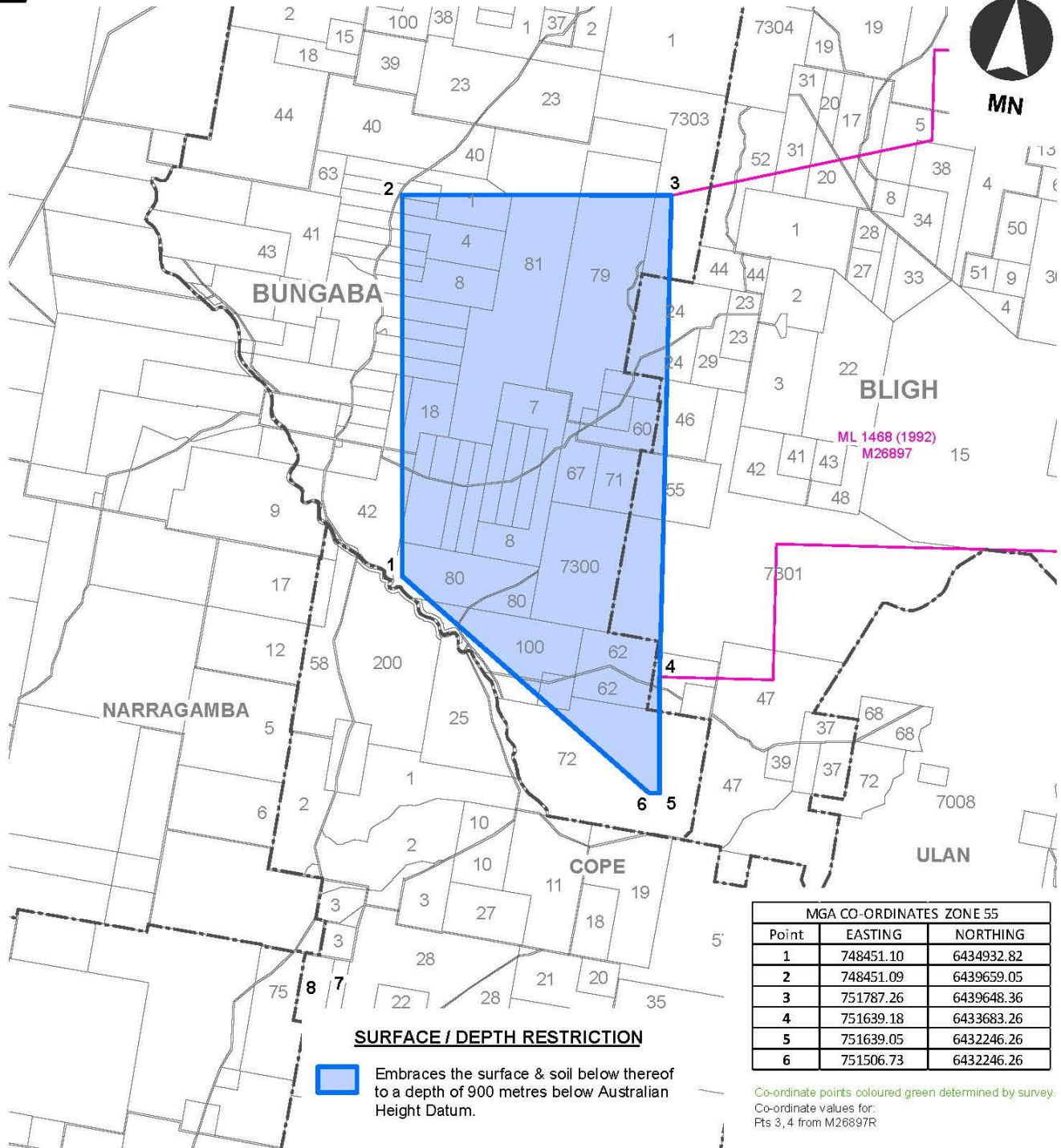
PLAN No. E5353-01

**DIAGRAM OF EXPLORATION LICENCE No.**  
**HOLDER: ULAN COAL MINES LTD**  
**PARISHES: BUNGABA & BLIGH**  
**COUNTY: BLIGH**  
**SCALE 1:90000**

**(ELA No. 5353)**

**REF MAPS: 8833-4-S**

## SUBJECT TO SURVEY



### SURFACE / DEPTH RESTRICTION

Embraces the surface & soil below thereof to a depth of 900 metres below Australian Height Datum.

MGA CO-ORDINATES ZONE 55		
Point	EASTING	NORTHING
1	748451.10	6434932.82
2	748451.09	6439659.05
3	751787.26	6439648.36
4	751639.18	6433683.26
5	751639.05	6432246.26
6	751506.73	6432246.26

Co-ordinate points coloured green determined by survey.  
 Co-ordinate values for:  
 Pts 3, 4 from M26897R



**AREA: abt.1994 ha**

**Prepared by: S Grace**  
**Date: 21-10-2017**  
**Approved by: P Hord**  
**Date: 25-09-2017**  
**Drafting Services**  
**Operations & Programs**

**DISCLAIMER:** The compilation of information shown on this diagram is derived from plans and data, some of which has been produced and provided by third parties. Title boundaries have been adjusted to maintain their relationship with the digital cadastral database in some circumstances, thereby creating certain inaccuracies in the data. The Department and the State of New South Wales make no statement, representation or warranty that the titles information shown on this diagram is complete, accurate or free from error. Users rely on the titles information supplied on this diagram at their own risk. The Department and the State of New South Wales accepts no responsibility for any person, acting on, or relying on, or upon any of the titles information shown on this diagram, and disclaims all liability for any loss, damage, cost, expense or injury (including death) incurred or arising by reason of any person using or relying on the titles information contained on this diagram by reason or by any error, omission, defect or misstatement (whether such error, omission or misstatement is caused by or arises from negligence, lack of care or otherwise). Users should always verify historical material by making and relying upon their own separate inquiries prior to making any important decisions or taking any action on the basis of titles information.



## GENERAL CONDITIONS

### Work Program

1. The licence holder must carry out the operations, and any other activities, described in the Work Program and comply with any commitments in relation to the conduct of operations specified in the Work Program, as for the time being in force, in respect of this licence.

### Native Title

2. The licence holder must not prospect on any land or waters within the exploration area on which Native Title has not been extinguished under the Native Title Act 1993 (Cth) without the prior written consent of the Minister.

### Community Consultation

3. The licence holder must carry out community consultation in relation to the planning and conduct of activities under this licence in accordance with the *Exploration Code of Practice: Community Consultation* (NSW Department of Planning and Environment).

### Protection of the Environment

4. The licence holder must prevent, or if that is not reasonably practicable, minimise so far as is reasonably practicable, any harm to the environment arising from activities carried out under this licence.

### Security

5. The licence holder must provide a security deposit to secure funding for the fulfilment of obligations under this licence (including obligations that may arise in the future) as follows:

- (a) Amount: **\$ 10,000.00**
- (b) Licence holder's entitlement to interest: none.

### Rehabilitation

6. The licence holder must carry out rehabilitation of all disturbance caused by activities carried out under this licence in accordance with the requirements in Part B of the *Exploration Code of Practice - Rehabilitation* (NSW Department of Planning and Environment) to the satisfaction of the Minister.

### Environmental Incident Reporting

7. The licence holder must provide environmental incident notifications and reports to the Secretary no later than seven days after those notifications and reports are provided to relevant authorities under the *Protection of the Environment Operations Act 1997*.

## **Annual Activity Reporting**

8. Unless otherwise approved by the Secretary, the licence holder must submit annual activity reports prepared in accordance with the *Exploration Guideline: Annual Activity Reporting for Prospecting Titles* (NSW Department of Planning and Environment) at the following times:

- (a) Annually, within one calendar month following the grant anniversary date of this licence;
- (b) On any other date or dates directed by the Secretary in writing; and
- (c) Within one calendar month following the cancellation or expiry of this licence.

## **Change in Control**

9. Subject to condition 10, if the licence holder is a corporation or a trust, the Minister's prior written approval is required before any:

- (a) Change in effective control of the licence holder; or
- (b) Foreign acquisition of substantial control in the licence holder.

10. The Minister's approval is not required where a change in effective control of the licence holder, or a foreign acquisition of substantial control of the licence holder, occurs as a result of the acquisition of shares or other securities on a registered stock exchange.

## ADDITIONAL CONDITIONS

### Drilling Notification

11. At least 28 days before commencing any drilling operation (for assessable prospecting operations), the licence holder must provide a written notice to DPI Water [drilling.mineralsandenergy@dpi.nsw.gov.au](mailto:drilling.mineralsandenergy@dpi.nsw.gov.au) which sets out:

- (a) the licence holder's intention to drill the exploratory holes; and
- (b) a description of the nature and location of the proposed exploratory holes.

### Recovery of public money

12. On grant of this licence, the licence holder is required pay the Government for the refund of public expenditure previously incurred by the Government for exploration and evaluation within and outside the licence area in the amount of **A\$885,994.00**.

13. Any future mining lease or leases granted over the licence area will be subject to a condition requiring the payment of any unpaid public money expended on exploration and evaluation within and outside the mining lease area.

### Financial contributions

14. Subject to ongoing tenure of this licence, on future grant of a mining lease(s) over the licence area, the licence holder is required to pay the Government the agreed financial contributions in accordance with the *Guidelines for exploration licence applications for operational allocation purposes* (NSW Department of Planning and Environment, dated December 2015).

## **FURTHER APPROVALS**

Further approval and consents may be granted after the commencement of this licence.

The licence holder is required to comply with all approvals and consent which have been granted after the commencement of this licence.

**WORK PROGRAM**

In accordance with Condition 1 of this licence the approved Work Program is the document identified by the identification number:

**WP-EL8687-2018-2024**