



Reference: 14/2154

Mr W Taylor
Tarago Operations Pty Ltd
Suite 702, Level 7
191 Clarence Street
SYDNEY NSW 2000

Email: wtaylor@triusmin.com, WTaylor@HeronResources.com.au

Dear Mr Taylor

SPECIAL (CROWN & PRIVATE LAND) LEASE NO 20 (ACT 1969)

In accordance with the provisions of Section 114(1) (a) of the *Mining Act 1992*, the Minister renewed the lease subject to the terms and conditions set out in the attached Instrument of Renewal document.

The renewal took effect on 21 January 2015.

Please note prior to any mining activities being undertaken on the lease, a current Mining Operations Plan must be approved by the Secretary. The holder of the lease may also be required to hold a current development consent/project approval before commencing activities in accordance with the *Environmental Planning & Assessment Act 1979*.

As previously advised, the assessed security amount for **(S(C&PL)L 20)** of **\$3,577,000** is in addition to the **\$2,500,000** held by the department in accordance with the agreement between Veolia Environmental Services (Australia) Pty Ltd and TriAusMin Minerals Limited dated 24 September 2013.

The security amount of \$3,577,000 is to be lodged prior to commencement of any on ground activity.

An overview of the environmental assessment and approval requirements for mining, in addition to guidelines regarding the preparation of a Mining Operations Plan are available from the Environment section of the Department's website: www.resourcesandenergy.nsw.gov.au.

For further information, please contact the undersigned on 02 4931 6543.

Yours faithfully

Lee Main
for Secretary
18 February 2015

**RENEWAL OF SPECIAL (CROWN & PRIVATE LANDS) LEASE 20 (ACT 1969)
HELD BY TARAGO OPERATIONS PTY LTD ACN 127 810 413**

Section 114 of the *Mining Act 1992*

I, as delegate of the Minister for Resources and Energy for the State of New South Wales, under delegation dated 5 December 2014, and pursuant to section 114 of the *Mining Act 1992*, renew Special (Crown & Private Land) Lease 20 subject to the following:

1. The renewed Lease is as described in Schedule 1 of this document.
2. The Lease conditions are amended upon renewal and are set out in Schedule 2 of this document.
3. For the avoidance of doubt, Schedules 1 and 2 of the Lease are amended by deleting the details set out in those Schedules prior to the date of this renewal, and inserting the details set out in Schedules 1 and 2 of this document.

The conditions set out in Schedule 2 are imposed pursuant to provisions of the *Mining Act 1992* and are required to:

- ensure optimal resource recovery;
- prevent, minimise, and/or offset adverse environmental impacts;
- provide for the ongoing environmental management of the project; and
- ensure the areas disturbed by mineral production and exploration activities are appropriately rehabilitated.

The rights and duties of a Lease Holder are those prescribed by the *Mining Act 1992* and the *Mining Regulation 2010*, subject to the terms and conditions of this Lease. This lease does not override any obligation on the Lease Holder to comply with the requirements of other legislation and regulatory instruments which may apply to the Lease Holder (including all relevant development approvals), unless specifically provided in the *Mining Act 1992* or other legislation or regulatory instruments.

SIGNED



Under delegation

Andrew Lewis

Acting Director Operations & Programs

21/01/2015

Dated:

SCHEDULE 1

Description of Lease

Land: The lease area embraces all land described in the attached lease plan titled **Diagram Catalogue No. 866** and approved on **31/10/1973**.

Area: **2368 HECTARES**

Minerals/ Mining Purpose: **ANTIMONY, ARSENIC, BARITE, BISMUTH, CADMIUM, CAESIUM, CHROMITE, COBALT, COLUMBIUM, COPPER, FLUORITE, GALENA, GARNET, GERMANIUM, GOLD, ILMENITE, INDIUM, IRON MINERALS, LEAD, LITHIUM, MANGANESE, MERCURY, MOLYBDENITE, MONAZITE, NICKEL, PLATINUM, PLATINUM GROUP MINERALS, RARE EARTH MINERALS, RUBIDIUM, RUTILE, SELENIUM, SILVER, SULPHUR, TALC, TANTALUM, THORIUM, TIN, TUNGSTEN AND ITS ORES, VANADIUM, ZINC, ZIRCON, ZIRCONIA.**

Method: **OPEN CUTTING, SHAFT SINKING**

Term: **15 YEARS**

Due expiry date: **16 NOVEMBER 2029**

SCHEDULE 2

MINING LEASE CONDITIONS 2013

Definitions

1. Notice to Landholders
2. Rehabilitation
3. Mining Operations Plan and Annual Rehabilitation Report
4. Compliance Report
5. Environmental Incident Report
6. Resource Recovery
7. Security
8. Cooperation Agreement
9. Prescribed Dam

Note: Exploration Reports (Geological and Geophysical)

Definitions:

Words used in this mining lease have the same meaning as defined in the *Mining Act 1992* except where otherwise defined below:

Act means the *Mining Act 1992*.

Department means the Division of Resources & Energy within the Department of Trade and Investment, Regional Infrastructure and Services.

Environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Harm to the environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Landholder for the purposes of these conditions does not include a secondary landholder and includes, in the case of exempted areas, the controlling body for the exempted area.

Material harm to the environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Minister means the Minister administering the Act.

Pollution incident has the same meaning as in the *Protection of the Environment Operations Act 1997*.

MINING LEASE CONDITIONS 2013

1. Notice to Landholders

- (a) Within a period of three months from the date of grant/renewal of this mining lease, the lease holder must serve on each landholder a notice in writing indicating that this mining lease has been granted/renewed and whether the lease includes the surface. A plan identifying each landholder and individual land parcel subject to the lease area, and a description of the lease area must accompany the notice.
- (b) If there are ten or more landholders, 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 mining lease has been granted/renewed; state whether the lease includes the surface and must contain a plan and description of the lease area. If a notice is made under condition 1(b), compliance with condition 1(a) is not required.

2. Rehabilitation

Any disturbance resulting from the activities carried out under this mining lease must be rehabilitated to the satisfaction of the Minister.

3. Mining Operations Plan and Annual Rehabilitation Report

- (a) The lease holder must comply with an approved Mining Operations Plan (MOP) in carrying out any significant surface disturbing activities, including mining operations, mining purposes and prospecting. The lease holder must apply to the Minister for approval of a MOP. An approved MOP must be in place prior to commencing any significant surface disturbing activities, including mining operations, mining purposes and prospecting.
- (b) The MOP must identify the post mining land use and set out a detailed rehabilitation strategy which:
- (i) identifies areas that will be disturbed;
 - (ii) details the staging of specific mining operations, mining purposes and prospecting;
 - (iii) identifies how the mine will be managed and rehabilitated to achieve the post mining land use;
 - (iv) identifies how mining operations, mining purposes and prospecting will be carried out in order to prevent and or minimise harm to the environment; and
 - (v) reflects 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 mining lease.
- (c) The MOP must be prepared in accordance with the *ESG3: Mining Operations Plan (MOP) Guidelines September 2013* published on the Department's website at www.resources.nsw.gov.au/environment
- (d) The lease holder may apply to the Minister to amend an approved MOP at any time.
- (e) It is not a breach of this condition if:
- (i) the operations which, but for this condition 3(e) would be a breach of condition 3(a), were necessary to comply with a lawful order or direction given under the *Environmental Planning and Assessment Act 1979*, the *Protection of the Environment Operations Act 1997*, 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* or the *Work Health and Safety Act 2011*; and
 - (ii) the Minister had been notified in writing of the terms of the order or direction prior to the operations constituting the breach being carried out.
- (f) The lease holder must prepare a Rehabilitation Report to the satisfaction of the Minister. The report must:
- (i) provide a detailed review of the progress of rehabilitation against the performance measures and criteria established in the approved MOP;
 - (ii) be submitted annually on the grant anniversary date (or at such other times as agreed by the Minister); and
 - (iii) be prepared in accordance with any relevant annual reporting guidelines published on the Department's website at www.resources.nsw.gov.au/environment.

Note: The Rehabilitation Report replaces the Annual Environmental Management Report.

4. Compliance Report

- (a) The lease holder must submit a Compliance Report to the satisfaction of the Minister. The report must be prepared in accordance with any relevant guidelines or requirements published by the Minister for compliance reporting.
- (b) The Compliance Report must include:
- (i) the extent to which the conditions of this mining lease or any provisions of the Act or the regulations applicable to activities under this mining lease, have or have not been complied with;
 - (ii) particulars of any non-compliance with any such conditions or provisions,
 - (iii) the reasons for any such non-compliance;

- (iv) any action taken, or to be taken, to prevent any recurrence, or to mitigate the effects, of that non-compliance.
- (c) The Compliance Report must be lodged with the Department annually on the grant anniversary date for the life of this mining lease.
- (d) In addition to annual lodgement under condition 4(c) above, a Compliance Report:
 - (i) must accompany any application to renew this mining lease under the Act;
 - (ii) must accompany any application to transfer this mining lease under the Act; and
 - (iii) must accompany any application to cancel, or to partially cancel, this mining lease under the Act.
- (e) Despite the submission of any Compliance Report under (c) or (d) above, the titleholder must lodge a Compliance Report with the Department at any date or dates otherwise required by the Minister.
- (f) A Compliance Report must be submitted one month prior to the expiry of this mining lease, where the licence holder is not seeking to renew or cancel this mining lease.

5. Environmental Incident Report

- (a) The lease holder must notify the Department of all:
 - (i) breaches of the conditions of this mining lease or breaches of the Act causing or threatening material harm to the environment; and
 - (ii) breaches of environmental protection legislation causing or threatening material harm to the environment (as defined in the *Protection of the Environment Administration Act 1991*),

arising in connection with significant surface disturbing activities, including mining operations, mining purposes and prospecting operations, under this mining lease. The notification must be given immediately after the lease holder becomes aware of the breach.

Note. Refer to www.resources.nsw.gov.au/environment for notification contact details.

- (b) The lease holder must submit an Environmental Incident Report to the Department within seven (7) days of all breaches referred to in condition 5(a)(i) and (ii). The Environmental Incident Report must include:
 - (i) the details of the mining lease;
 - (ii) contact details for the lease holder;
 - (iii) a map identifying the location of the incident and where material harm to the environment has or is likely to occur;

- (iv) a description of the nature of the incident or breach, likely causes and consequences;
- (v) a timetable showing actions taken or planned to address the incident and to prevent future incidents or breaches referred to in 5(a).
- (vi) a summary of all previous incidents or breaches which have occurred in the previous 12 months relating to significant surface disturbing activities, including mining operations, mining purposes and prospecting operations under this mining lease.

Note. The lease holder should have regard to any relevant Secretary's guidelines in the preparation of an Environmental Incident Report. Refer to www.resources.nsw.gov.au/environment for further details.

- (c) In addition to the requirements set out in conditions 5(a) and (b), the lease holder must immediately advise the Department of any notification made under section 148 of the *Protection of the Environment Operations Act 1997* arising in connection with significant surface disturbing activities including mining operations, mining purposes and prospecting operations, under this mining lease.

6. Resource Recovery

The lease holder must optimise recovery of the minerals that are the subject of this mining lease to the extent economically feasible.

7. Security

The lease holder is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the mining lease, including obligations of all or any kind under the mining lease that may arise in the future.

The amount of the security deposit to be provided has been assessed by the Minister at **\$6,077,000.00**.

The additional security amount of \$3,577,000.00 is to be lodged prior to commencement of any on ground activity.

The Department shall hold the current security of \$2,500,000.00 against this lease for a period of five years as stated in the letter co-signed by Veolia Environmental Services (Australia) Pty Ltd and TriAusMin Minerals Limited dated 24 September 2013.

8. Cooperation Agreement

The lease holder must make every reasonable attempt, and be able to demonstrate its attempts, to enter into a cooperation agreement with the holder(s) of any overlapping 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.

Exploration Reporting

Note: Exploration Reports (Geological and Geophysical)

The lease holder must lodge reports to the satisfaction of the Minister 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).

SPECIAL CONDITIONS

Note: The standard conditions apply to all mining leases. The Division of Resources & Energy (DRE) reserves the right to impose special conditions, based on individual circumstances, where appropriate.

9. Prescribed Dam

- (A) Notwithstanding any Mining Operations Plan, the lease holder must not mine within any part of the lease area which is within the notification area of the **Woodlawn Notification Area** which surrounds the Woodlawn Mine Evaporation 1, Woodlawn Mine Evaporation 2, Woodlawn North Tailings, Woodlawn South Tailings and Woodlawn West Tailings Dams without the prior written approval of the Minister and subject to any conditions he may stipulate.
- (B) Where the lease holder desires to mine within the notification area he must:
- (i) at least twelve (12) months before mining is to commence or such lesser time as the Minister may permit, notify the Minister of the desire to do so. A plan of the mining system to be implemented must accompany the notice; and
 - (ii) provide such information as the Minister may direct.
- (C) The Minister must not, except in the circumstances set out in sub-paragraph (ii), grant approval unless sub-paragraph (i) of this paragraph has been complied with.
- (i) This sub-paragraph is complied with if:
 - (a) the Dams Safety Committee as constituted by Section 7 of the Dams Safety Act 1978 and the owner of the dam have been notified in writing of the desire to mine referred to in paragraph (B).
 - (b) the notifications referred to in clause (a) are accompanied by a description or plan of the area to be mined.
 - (c) the Director-General has complied with any reasonable request made by the Dams Safety Committee or the owner of the dam for further information in connection with the mining proposal.
 - (d) the Dams Safety Committee has made its recommendations concerning the mining proposal or has informed the Minister in writing that it does not propose to make any such recommendations; and
 - (e) where the Dams Safety Committee has made recommendations the approval is in terms that are:
 - (i) in accordance with those recommendations; or
 - (ii) where the Minister does not accept those recommendations or any of them - in accordance with a determination under sub-paragraph (ii) of this paragraph.
 - (ii) Where the Minister does not accept the recommendations of the Dams Safety Committee or where the Dams Safety Committee has failed to make any recommendations and has not informed the Minister in writing that it does not propose to make any recommendations, the approval shall be in terms that are, in relation to matters dealing with the safety of the dam:
 - (a) as determined by agreement between the Minister and the Minister administering the Dams Safety Act 1978; or

- (b) in the event of failure to reach such agreement - as determined by the Premier.
- (D) The Minister, on notice from the Dams Safety Committee, may at any time or times:
 - (i) cancel any approval given where a notice pursuant to Section 18 of the Dams Safety Act 1978 is given.
 - (ii) suspend for a period of time, alter, omit from or add to any approval given or conditions imposed.