



Reference: T12-1001

The Secretary  
Hera Resources Pty Limited  
P.O. Box 7058  
ORANGE NSW 2800

Dear Sir or Madam

**MINING LEASE APPLICATION NO 417**

The Minister on 16<sup>th</sup> May 2013 granted Mining Lease No 1686 (Act 1992) in satisfaction of this application. This authority expires on 16<sup>th</sup> May 2034. 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 and approved 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 three months from the date of grant.

Exploration Licence No. 6162 – Act 1992 has now ceased to exist over the land covered by this mining lease.

For further information, please contact the undersigned on (02) 6360 5341.

Yours faithfully,

Wayne D McDonald  
For Minister  
27<sup>th</sup> May 2013



Office of State Revenue  
NSW Treasury  
Client No: 1846988  
Duty: N/A  
Asst details: H.W. GRAY  
Trans No: H.W. GRAY  
2372

MINING LEASE  
MINING ACT 1992

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NO 1686

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DATED 16<sup>th</sup> May 2013

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THE MINISTER FOR RESOURCES AND  
ENERGY

OF THE STATE

OF NEW SOUTH WALES

TO

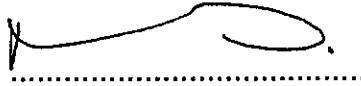
**HERA RESOURCES PTY LIMITED**  
**(ACN 138 992 999)**

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

SIGNED AND DELIVERED  
BY

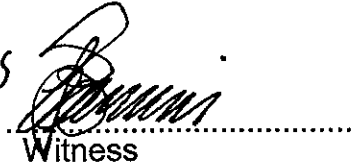
**HERA RESOURCES PTY LIMITED**  
**(ACN 138 992 999)**



.....

in the presence of

TIMOTHY WILLIAM CUMMINS  
J.P. NSW #136126



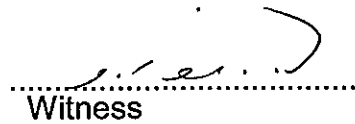
.....  
Witness

SIGNED AND DELIVERED  
BY



.....

in the presence of



.....  
Witness

**MINING ACT 1992**

**MINING LEASE**

THIS DEED made the

16

day of

May

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 HERA RESOURCES PTY LIMITED (ACN 138 992 999)** (which with its successors and transferees is hereinafter called "the lease holder") of **2 Corporation Place, Orange NSW 2800.**

**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 and the payment of royalty by the lease holder, 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 **1307.9** hectares as shown on Plan No. **M27229**, more particularly described and delineated in the plan attached for the purpose of prospecting and mining for **copper, gold, lead, silver and zinc.**

**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 term 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 Trade and Investment; Regional Infrastructure and Services; 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 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 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.
4. THAT the conditions and provisions set forth in the Schedule of Mining Lease Conditions 2010 herein and numbered: **1-7 (inclusive), 9-15 (inclusive), 17-19 (inclusive), 22, 23 and 24** 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. Conditions 2 to 8 and 12 to 16 (if included in the mining lease) are identified as conditions relating to environmental management for the purposes of Section 374A(1) of the *Mining Act 1992*.

*Note: Conditions 2 to 8 and 12 to 16 of this mining lease 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.*

PROVIDED always and it is hereby declared as follows:

- (a) THAT this lease is granted subject to amendment as provided under Section 79 and 168A 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 & Safety Act 2004*, the *Mine Health and Safety Regulation 2007* or the *Coal Mine Health & Safety Regulation 2006*, 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.





# MINING LEASE CONDITIONS 2010

## Content

1. Notice to Landholders
2. Environmental Harm
3. Mining Operations Plan
4. Environment Management Report
5. Environmental Incident Report
6. Additional Environmental Reports
7. Rehabilitation
9. Working Requirement
10. Blasting
11. Safety
12. Prevention of Soil Erosion and Pollution
13. Transmission lines, Communication lines and Pipelines
14. Roads and Tracks
15. Trees and Vegetation
17. Resource Recovery
18. Indemnity
19. Security
22. Prescribed Dam
23. Suspension of Mining Operations
24. Cooperation Agreement

### Note: Exploration Reports (Geological and Geophysical)

*Note: Exploration Reports (Geological and Geophysical)*

*The lease 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).*

### Definition:

"Director-General" means the Director-General of the Department of Trade and Investment; Regional Infrastructure and Services

Mining Lease Conditions 2010	Version Date: November 2010
Mining Lease Application No. 417 (Act 1992)	Page 1 of 10

## 1. Notice to Landholders

- (a) 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.
- (b) 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

- (a) The lease 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 activities under this lease.
- (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.

### 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.
- (b) The MOP must:
- (i) 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 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
    - 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*, *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 *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.
- (e) A MOP ceases to have effect 7 years after date of approval or other such period as identified by the Director-General.

#### **4. Environment Management Report**

- (a) The lease holder must lodge Environmental Management Reports (EMR) with the Director-General annually or at dates otherwise directed by the Director-General.
- (b) The EMR must:
  - (i) report against compliance with the MOP;
  - (ii) report on progress in respect of rehabilitation completion criteria;
  - (iii) report on the extent of compliance with regulatory requirements; and
  - (iv) have regard to any relevant guidelines adopted by the Director-General;

#### **5. Environmental Incident Report**

- (a) The lease holder must report any environmental incidents. 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 9 and 11 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.

#### **6. Additional Environmental Reports**

Additional environmental reports may be required from time to time as directed in writing by the Director-General and must be lodged as instructed.

## 7. Rehabilitation

Any disturbance as a result of activities under this lease must be rehabilitated to the satisfaction of the Director-General.

## 9. Working Requirement

The lease holder must:

- (a) ensure that at least **52** competent people are efficiently employed in relation to the mining process or mining operations on the lease area

OR

- (b) expend on operations carried out in the course of prospecting or mining the lease area, an amount of not less than **\$910,000.00** per annum whilst the lease is in force.

The Minister may at any time or times, by instrument in writing served on the lease holder, increase or decrease the expenditure required or the number of people to be employed.

## 10. 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, Climate Change and Water.

- (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, Climate Change and Water.

## **11. 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 notified in writing to the Department and filled in or otherwise rendered safe to a standard acceptable to the Director-General.

## **12. 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 a relevant approval, and in accordance with an accepted Mining Operations Plan.

## **13. 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 stipulated.

## **14. Roads and Tracks**

- (a) The lease 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 lease less any amount paid or payable from the Mine Subsidence Compensation Fund.
- (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 under this lease.

## 15. Trees and Vegetation

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

## 17. Resource Recovery

- (a) Notwithstanding any description of mining methods and their sequence or of proposed resource recovery contained within the Mining Operations Plan, if at any time the Director-General is of the opinion that minerals which the lease entitles the lease holder to mine and which are economically recoverable at the time are not being recovered from the lease area, or that any such minerals which are being recovered are not being recovered to the extent which should be economically possible or which for environmental reasons are necessary to be recovered, notice in writing to the lease holder may be given requiring the holder to recover such minerals.
- (b) The notice shall specify the minerals to be recovered and the extent to which they are to be recovered, or the objectives in regard to resource recovery, but shall not specify the processes the lease holder shall use to achieve the specified recovery.
- (c) The lease holder must, when requested by the Director-General, provide such information as the Director-General may specify about the recovery of the mineral resources of the lease area.

## 18. 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 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.

## 19. 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 has been assessed by the Director-General of the Department of Trade and Investment, Regional Infrastructure and Services at \$2,470,000.00

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).

## 22. 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 **proposed tailings storage area** without the prior written approval of the Minister and subject to any conditions stipulated.

(b) Where the lease holder desires to mine within the notification area he or she 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. This sub-paragraph is complied with if:

- (i) 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).



- (ii) the notifications referred to in clause (a) are accompanied by a description or plan of the area to be mined.
  - (iii) 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.
  - (iv) 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
  - (v) where the Dams Safety Committee has made recommendations the approval is in terms that are:
    - in accordance with those recommendations; or
    - where the Minister does not accept those recommendations or any of them - in accordance with a determination under subparagraph (ii) of this paragraph.
  - (vi) 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:
    - as determined by agreement between the Minister and the Minister administering the *Dams Safety Act 1978*; or
    - 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.

### **23. Suspension of Mining Operations**

The holder of a mining lease may not suspend mining operations in the mining area other than in accordance with the consent of the Minister.

## 24. 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 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.

**PLAN OF PORTION ML 5**

PARISH: ROSET

COUNTY: MOURAMBA

MAP SHEET No. 8133-1-N  
8133-1-S

REDUCTION RATIO 1: 20000

MINING LEASE APPLICATION No. 417

MINING DIVISION: COBAR

APPLICANT: HERA RESOURCES PTY LIMIT

APPLICATION DATE: 12-01-2012

MINING LEASE No. 1686

STATUS:

METHOD: UNDERGROUND METHODS

SURFACE EXCEPTION / DEPTH RESTRICTION

EMBRACES THE SURFACE AND SOIL BELOW THEREOF TO AN UNLIMITED DEPTH.

NOTES: CADASTRE DETERMINED FROM ORIGINAL SURROUNDING DEPOSITED PLANS AND LPI CADASTRE 2011.

Azimuth: "PEAK" - PM 26404

Plans used in the course of this survey/compass/DP765994, DP765992, DP761795, DP777959, DP7761651, DP749456.

Survey declared on this plan for lines A-B-C-D-E-F-G-H-I-K-L-M-N-P-R.

I Matthew Peter Forsyth

of PO Box 495, ORANGE, NSW, 2800.

a surveyor registered under the Surveying and Spatial Information Act 2012, hereby certify that the survey

/completions represented in this plan is accurate in

and has been completed in accordance with the Surveying and Spatial Information Regulation 2012 and the

Surveyor General's Direction for Mining Surveys as

was completed on 30 October 2012.

Signature: *M.P. Forsyth*

Surveyors Reference: 12071

Survey Cales: *M.P. Forsyth, Catherine Zilman*

Plan Investigated: *Cobar Mining Division 27/11/2012*

Plan Approved: *M.P. Forsyth, Catherine Zilman*

Paper No: *Tram: 112-1001*

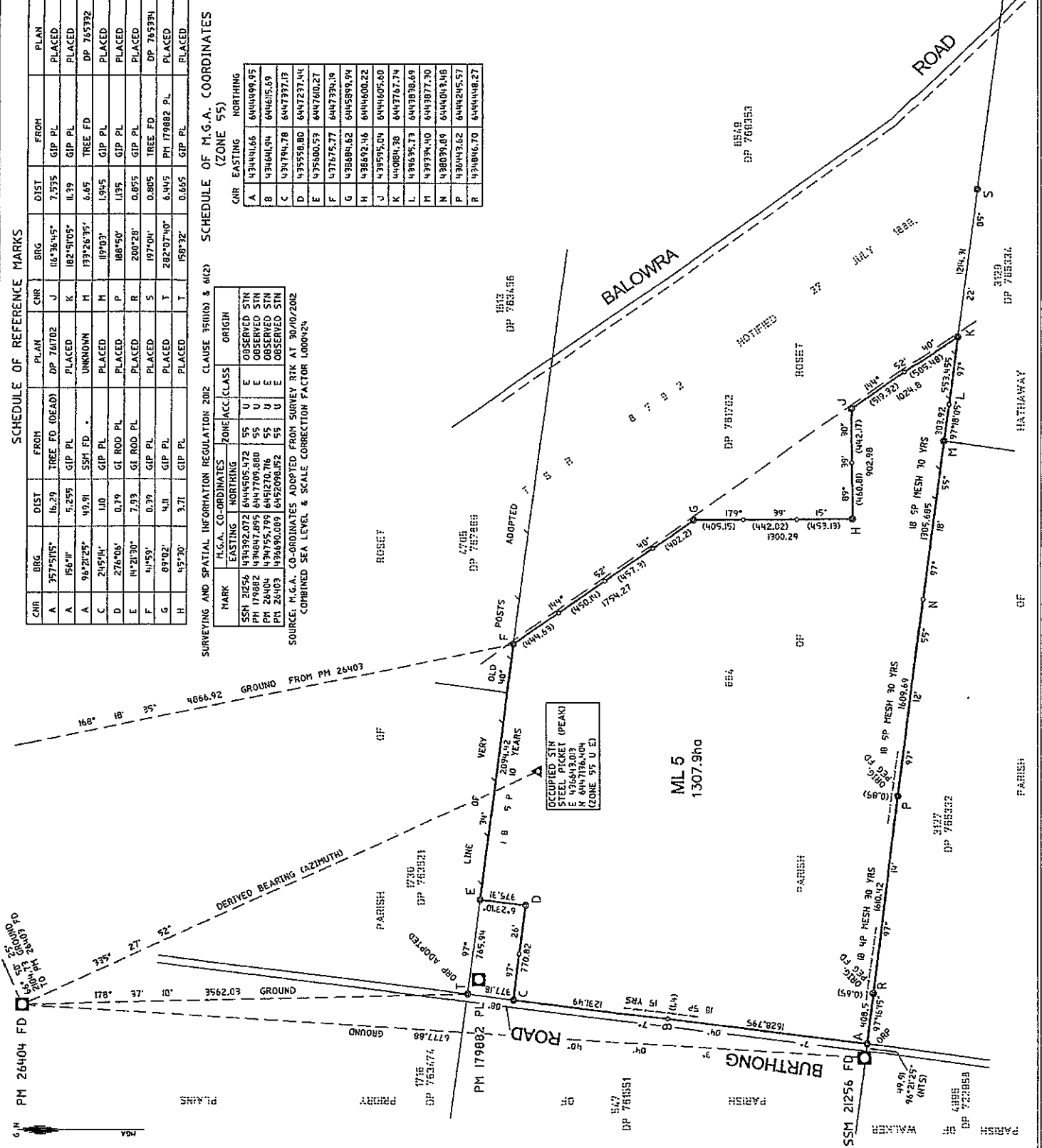
**SCHEDULE OF REFERENCE MARKS**

CNR	BRG	DIST	FROM	PLAN	CNR	BRG	DIST	FROM	PLAN
A	357°51'51"	16.29	TREE, FD, (DEAD)	DP 761702	J	106°36'45"	7.935	GIP PL	PLACED
A	156°11'	5.255	GIP PL	PLACED	K	102°31'05"	11.39	GIP PL	PLACED
A	96°21'25"	49.91	SSM, FD	UNKNOWN	M	137°26'39"	6.65	TREE, FD	DP 765372
C	245°14'	11.0	GIP PL	PLACED	P	119°03'	11.945	GIP PL	PLACED
D	276°06'	0.79	GI ROD, PL	PLACED	H	186°50'	1.135	GIP PL	PLACED
E	112°21'30"	7.93	GI ROD, PL	PLACED	R	200°28'	0.875	GIP PL	PLACED
F	141°59'	0.39	GIP PL	PLACED	S	197°04'	0.805	TREE, FD	DP 765394
G	89°02'	4.1	GIP PL	PLACED	T	282°07'40"	6.345	PM 179882, PL	PLACED
H	45°30'	3.71	GIP PL	PLACED	T	159°32'	0.665	GIP PL	PLACED

**SCHEDULE OF M.G.A. COORDINATES (ZONE 55)**

MARK	EASTING	NORTHING	ORIGIN
SSN 26256	143192.072	6444505.472	U
PM 24882	644707.880	6444505.472	U
PM 24882	143192.072	6444505.472	U
PH 26403	143660.003	6442608.192	U

SOURCE: M.G.A. COORDINATES ADOPTED FROM SURVEY RTK AT 30/06/2002  
COMBINED SEA LEVEL & SCALE CORRECTION FACTOR 1.000424



OCCUPIED STY STEEL PICKET (PEAK) N 440718.408 E 6444505.472 (ZONE 55 U E)

ML 5  
1307.9ha

PARISH OF

