

RECEIVED
11 JUL 1995
YALLOURN MINE



Energy & Minerals Victoria
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AUSTRALIA
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AE8901 (14)

REF: DS\4\min5003

7 July 1995

Mr C J Fraser
General Manager Mining
Yallourn Energy Ltd
P O Box 444
MOE Vic 3825

1. File
2. Copy to m/m/y
EPE 4m
Please discuss so we
can get started on the
information required to
reduce the bond.
elg2.

Dear Mr Fraser

Work Plan and Rehabilitation Bond - Mining Licence 5003, Yallourn Mine

Thankyou for your Work Plan submission and the included report concerning rehabilitation costs for the Yallourn mine.

Part A AE8901
Part B attached Rehab data.

✓ The Work Plan is satisfactory. I would ask, however, that you provide copies of the supporting documents discussed at our recent meetings. These were to include the manual on rehabilitation principles, current forward plan for rehabilitation works and the most recent report on western batter stability.

In respect of the bond we have concerns about two matters. Firstly there is no indication in the report as to how costs were estimated. A clear description of your methodology and a more detailed break down of costs would assist in this regard. In addition it is not clear how much of the "progressive annual works" are addressing rehabilitation requirements which exist now as opposed to those which arise from further mining. Additional definition is required to support your argument that these costs are not a current liability.

As these matters are not yet resolved we propose to set the rehabilitation bond for the Yallourn mine at \$15million. This should be regarded as an interim figure until such time as we have assessed whatever additional information you are able to provide on the above matters.

Should you wish to discuss these matters please call Doug Sceney on 03 9412 7972.

Yours Sincerely

Ken Gardner
General Manager Resources Operations