

ELECTRICITY INDUSTRY ACT 1993

MINING LICENCE NO 5003

This mining licence is granted to **Yallourn Energy Ltd C/- PO Box 444 Moe 3825**. This licence is granted under section 47A of the Electricity Industry Act 1993, for a term of thirty years from the date of issuing this licence by the Governor in Council.

This licence is subject to the following Conditions and Schedule of Conditions attached:-

1. The authority given under this licence applies only within the land indicated on the attached plan and is subject to the depth restrictions, if any, indicated on that plan under Section 15(9) or 16(5) of the Mineral Resources Development Act 1990.
2. The licensee must keep a copy of -
 - (a) this licence; and
 - (b) any approved work or approved variation to a work plan; and
 - (c) any registered authority to commence work at a location near the licensed area;so that an Inspector and any other authorised officer can readily inspect them.
3. On receiving a registered authority to commence work, the licensee must notify an Inspector of Mines and if required by that Inspector must arrange an on-site briefing for any people the Inspector may nominate.
4. On discovering additional economic deposits of minerals, the licensee must report the occurrence to the Minister giving the estimated size, grade, suitability for mining, and an estimate of value at the time of discovery.
5. Pursuant to Section 47A of the Electricity Industry Act 1993 the Work Plan, including the Rehabilitation Plan and the Authority to Commence Work are deemed to be registered from the date of issuing of this licence by the Governor in Council.



APPROVED

BY THE GOVERNOR IN COUNCIL

19 MAR 1996

[Signature]
CLERK OF THE EXECUTIVE COUNCIL



Department of
Energy and
Minerals

Government of Victoria

PLAN OF AREA

APPLIED FOR ON LICENCE
under Mineral Resources Development Act 1990

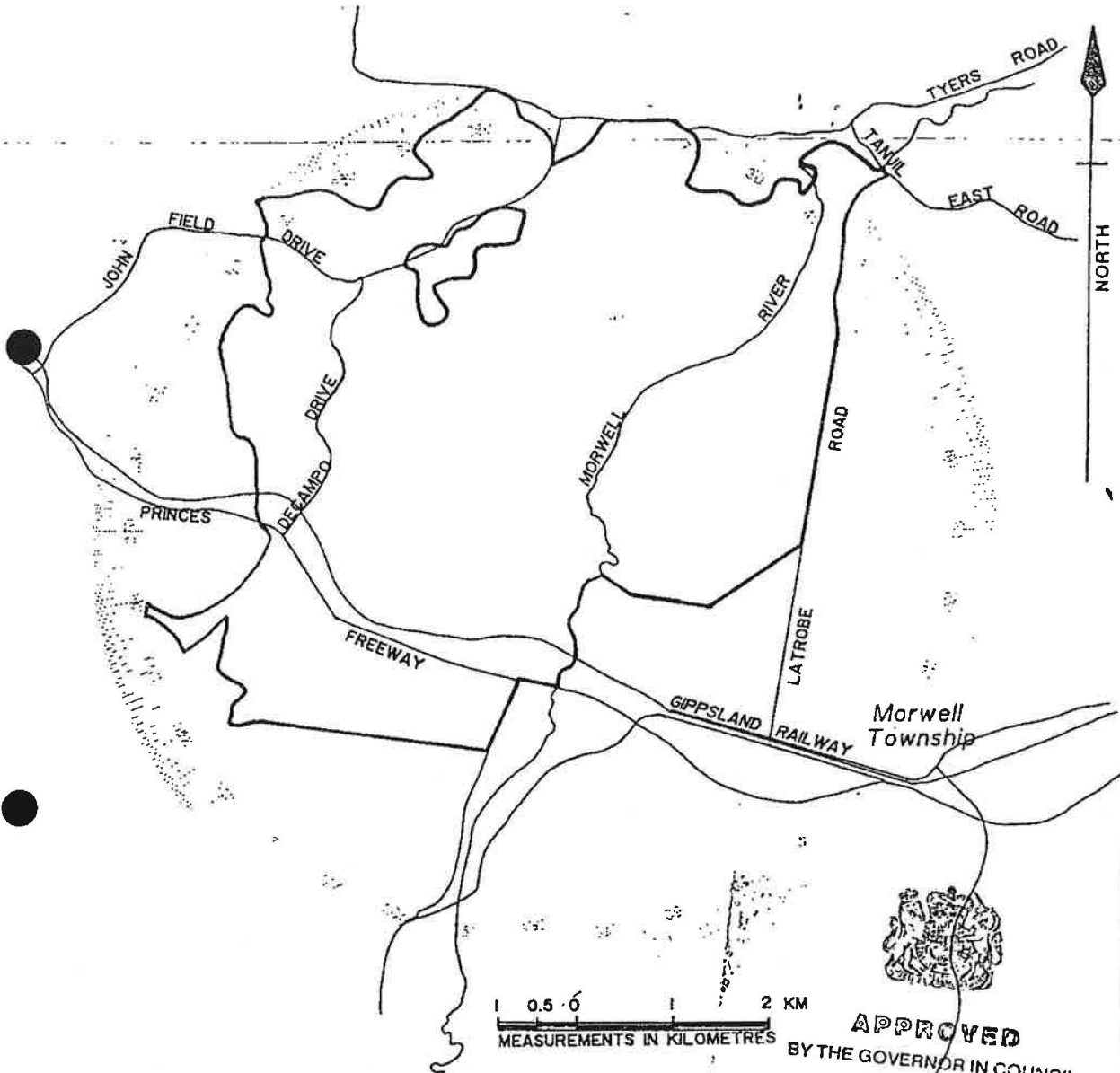
Min. No. 5003

Name of Applicant **Yallourn Energy Ltd.**

SHIRE OF **LATROBE**

TOTAL AREA **± 5361** Hectares

NET AREA Hectares



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- * General Location Plan (Subject to survey)
- * Land Ownership Detail Not Shown
- * YALLOURN POWER STATION & INDUSTRIAL AREA NOT INCLUDED WITHIN THIS LICENCE
- * PRIOR LICENCES ARE NOT INCLUDED WITHIN THIS LICENCE

Certified correct
Licensed Surveyor **AS PER WORKING PLAN**
Date

Checked **Christy Thiagarajah**
Date **16 / 06 / 95**
Record plan


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SCHEDULE OF CONDITIONS MINING LICENCE NO. 5003

1. WORK PLANS & ENVIRONMENTAL MANAGEMENT

- 1.1 Work shall be carried out in accordance with the Approved Work Plan, (incorporating a Rehabilitation Plan) as amended from time to time in accordance with the Mineral Resources Development Act 1990 (MRD Act) including without limitation variations to reflect plans for the development and operation of the Maryvale Field. Where any inconsistency occurs between the workplan and other licence conditions or regulations, the licence conditions and regulations have precedence.
- 1.2 The licensee shall, within 60 days of being requested by the Executive Director, Minerals and Petroleum of the Department of Agriculture, Energy and Minerals, submit a report on the status of work as per Schedule 14 of the MRD Act.
- 1.3 An Environmental Review Committee (ERC) shall be formed, comprising a representative of the Department of Agriculture, Energy and Minerals (DAEM), representatives of the licensee, the Environment Protection Authority, Department of Conservation and Natural Resources, the responsible water authority and a representative of the Minister responsible for the Water Act, 1989, the LaTrobe Council and any other relevant agency with an interest or control over the site or operations. The community shall also be represented, with nominations to come from the Latrobe Council. Up to two community representatives may be selected for renewable fixed terms. The ERC shall be convened at least once in every 6 months to review environmental effects of the project.
- 1.4 Results of environmental monitoring conducted under the Environmental Monitoring Program (EMP) shall be regularly reported to the ERC in a format agreed to by the Committee to enable it to assess environmental performance.
- 1.5 The ERC may from time to time recommend variations to the EMP and licence conditions where appropriate. Any variations to the EMP as accepted by the licensee and DAEM shall be registered as a variation to the Work Plan and shall be implemented.

2. FENCING AND SECURITY

- 2.1 Where public access is a safety hazard within the mining licence, the licensee must fence and signpost the area to ensure public safety is maintained.
- 2.2  When directed by an Inspector of Mines (hereinafter referred to as an Inspector), a fence or fences shall be erected around specified work site areas to a written specification which may include time limits. Gates of a similar standard shall be provided when directed. Gates and fences shall be maintained during the term of the licence to the satisfaction of an Inspector.

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3. ROADS

- 3.1 Internal roads additional to those shown in the working plan shall be sited as approved or directed by an Inspector after consultation with the Department of Conservation and Natural Resources in the case of Crown land.
- 3.2 Subject to the approval of the Mine Manager and appropriate site induction any such road may be used:
- (a) by officers of, or persons authorised by the Department of Conservation and Natural Resources, officers of the DAEM or employees or persons engaged in fire control. (Mine Managers approval not required by authorised fire fighters in an emergency provided they are under the supervision of a mine employee).
 - (b) for the extraction of forest produce or for mining purposes by any other licensee under the MRD Act 1990 or Forests Act 1958 (or any successor legislation) under such conditions as may be determined by agreement between the parties concerned; and
 - (c) by the landowners or their agents where the licence covers private land.
- 3.3 The licensee shall ensure that all internal roads are properly formed, drained, surface treated and maintained to the satisfaction of an Inspector and that any dust nuisance originating from use of the roads by the licensee shall be controlled to the satisfaction of an Inspector.

4. SURFACE DISTURBANCE

- 4.1 The area of surface disturbance must be kept to a minimum.
- 4.2 Adequate provision shall be made for the separate stockpiling or immediate utilisation for rehabilitation of any soils. These materials, if stored, are to be stored in neat and tidy dumps not exceeding 2 metres in height and such dumps are to be protected from erosion.
- 4.3 No area shall be opened up for exploration, mining and ancillary operations, except where approved as part of the Approved Work Plan.
- 4.4 Where the licence covers Crown land, all surface activity may be subject to compliance with the Forests Act 1958 and Regulations.
- 4.5 Where the licence covers private land, such fire fighting equipment and appliances shall be kept on site in working order as may be required by the Country Fire Authority. With respect to public land, the Forest Fire Regulations 1992 require the provision of fire fighting equipment and the provision of spark arrestors on engine powered equipment.
- 4.6 Burning of any timber at the site shall be done in accordance with any requirements of the Local Municipality, Department of Conservation and Natural Resources and the Country Fire Authority.

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5. **DRAINAGE AND DISCHARGE CONTROL**

- 5.1 Any discharges from the licence area shall be minimised and any water discharged must be as free as possible of pollutants, save as provided by any licence issued pursuant to the Environment Protection Act.
- 5.2 All discharges shall meet the standards required under the State Environment Protection Policies under the Environment Protection Act 1970.
- 5.3 Sediment retention structures, including dams, shall be constructed in accordance with the Approved Work Plan. An Inspector may also direct such works to be undertaken, where necessary, to control drainage from any disturbed area.
- 5.4 Rainfall and other natural waters shall be diverted away from works area so as to control erosion, pursuant to Condition 7. However, such works shall, as far as practicable, not cause undue alteration to the general drainage pattern beyond the licensed area.

6. **TAILING DAMS**

- 6.1 All proposed work associated with the construction of tailing dams or other tailing impoundment areas, shall be subject to written approval by the Chief Administrator (or his delegate) on the advice of the interdepartmental Mineral Treatment Committee or following certification by an approved geotechnical engineer.

7. **GROUNDWATER**

- 7.1 Any aquifer dewatering and/or depressurisation must be carried out in accordance with the conditions specified in the Groundwater Licence issued by the Minister responsible for the Water Act 1989.
- 7.2 A monitoring program consistent with the programs previously carried out by the State Electricity Commission of Victoria and Generation Victoria to determine the impacts of dewatering/depressurisation both on site and regionally must be maintained to the satisfaction of an Inspector and the responsible Minister under the Water Act 1989 or his delegate.

The licensee shall ensure that results of the monitoring program are reported to the responsible Minister under the Water Act 1989 or his delegate and the Environmental Review Committee annually and at whatever times required by the Groundwater Licence.

- 7.3 In the event that the monitoring program in 7.2 indicates material adverse impacts beyond those evident at the date of issue of the licence which are attributable to the dewatering/depressurisation by the licensee after the date of issuing of the licence then the licensee must institute such reasonable remedial action as may be required by the Inspector and the responsible Minister under the Water Act 1989 or his delegate to ameliorate these effects, proportionate to the licensee's contribution.



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7.4 For the purposes of 7.3 material adverse impacts comprise effects on aquifers in the LaTrobe Valley such that the interests of other users are materially prejudiced or subsidence on a significant scale occurs as a direct result of ground water extraction which materially adversely affects private property or public lands.

7.5 Any remedial action under 7.3 must be to the satisfaction of the Inspector and the responsible Minister under the Water Act 1989 or his delegate.

8. EROSION

8.1 The licensee shall undertake all necessary works to ensure that the potential for erosion of land affected by mining is minimised.

8.2 Should erosion occur, the licensee shall take all practical steps to minimise the erosion to the satisfaction of an Inspector.

9. HYDROCARBONS

9.1 Storage of hydrocarbons shall be undertaken in general accordance with AS 1940. Bunding or other methods to the satisfaction of an Inspector, capable of containing 125% of the maximum volume stored, shall be constructed around all fuel and lubricant storage facilities.

9.2 Any drainage from an area that may be subject to hydrocarbon spillage, such as a machinery maintenance area, shall be free from hydrocarbon contamination and directed to a sump or interceptor trap.

10. DUST EMISSIONS

10.1 Dust control measures must be in place to minimise dust generation so that detriment is not caused to surrounding areas and residents.

10.2 Dust resulting from all operations including extraction, loading, transport and stockpiling shall be controlled to the satisfaction of an Inspector. The licensee must install any dust control measures to the satisfaction of an Inspector.

11. NOISE

11.1 Precautions to the satisfaction of an Inspector shall be taken to ensure that noise emissions comply with the provisions of any regulations under the MRD Act as they relate to noise exposure to workmen. Noise emissions measured at any residence within the vicinity of the licensed area shall comply with limits set using the procedures described in State Environment Protection Policy No. N1 (SEPPN-1) or any other limit set under the Environment Protection Act where SEPPN-1 is not applicable.

11.2 The mines are permitted to operate 24 hours per day 7 days per week.

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12. PARKING AREAS

Parking areas are to be provided within the licensed area for all vehicles used in connection with the operation, including private vehicles used by employees and visitors.

13. DERELICT AND REDUNDANT PLANT

All derelict and redundant plant, vehicles, machinery and equipment shall be either:

- removed from the licensed area and deposited at an appropriate waste disposal site; or
- properly stored/stockpiled on the licensed area in a location and manner approved by an Inspector.

14. BUFFER ZONES AND VISUAL SCREENING

- 14.1 No excavation shall take place within 20 metres of the licence boundary, except that this requirement shall not apply with respect to any common licence boundary with an adjacent mining licence.
- 14.2 Existing vegetation outside of the area subject to surface disturbance shall be preserved and maintained provided due regard is taken of fire protection arrangements.
- 14.3 The licensee shall supplement existing vegetation by additional planting to provide a screen for mining and allied operations as required by the Rehabilitation Plan and any additional plantings as required by an Inspector. The fire protection at the site shall be considered.
- 14.4 Unless otherwise approved by an Inspector, the licensee shall take precautions to ensure that no species inconsistent with the surrounding vegetation are introduced to the area.

15. PROGRESSIVE REHABILITATION

- 15.1 Progressive reclamation will be conducted as per the Rehabilitation Plan. In addition, any further rehabilitation work will be carried out at the direction of an Inspector.
- 15.2 As and when directed by an Inspector of Mines, despite any compensation agreements between the licensee and the owner of any private land in the licence, the licensee shall undertake progressive reclamation of land on the area subject to surface disturbance.

16. FINAL REHABILITATION

16.1 Final reclamation will be in accordance with the Rehabilitation Plan and any additional requirements as directed by an Inspector.

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- 16.2 Failure to complete works in accordance with the Rehabilitation Plan or in accordance with the directions of an Inspector, shall constitute grounds upon which the rehabilitation bond may be forfeited either in whole or in part in accordance with Section 83 of the MRD Act.

17. HERITAGE SITES

- 17.1 Any significant historic sites or relics that are to be removed shall be accurately mapped and documented prior to the commencement of any mining or allied operations. Such documentation shall be made available to the Department of Conservation and Natural Resources.

- 17.2 Tenure of this licence does not exempt the holder from the following provisions of the Archaeological and Aboriginal Relics Preservation Act 1972:

Section 21(1) - "A person who wilfully or negligently defaces or damages or otherwise interferes with a relic or carries out an act likely to endanger a relic shall be guilty of an offence against this Act"; and

Section 23(1) - "A person who discovers a relic shall forthwith report the discovery unless he has reasonable grounds to believe that the relic is recorded in the register". Reports in compliance with Section 23(1) should be submitted to:

The Director
Aboriginal Affairs Victoria
Department of Health and Community Services
2nd Floor
115 Victoria Parade
FITZROY VIC 3065
(Telephone (03) 9412 7498)

18. BUILDINGS

- 18.1 No buildings shall be erected before any relevant building permits have been obtained.

- 18.2 All fixed plant and buildings shall be painted or surface treated in a colour to blend with the surroundings to the satisfaction of an Inspector in consultation with the local municipality and in the case of Crown land, Department of Conservation and Natural Resources.

19. ROYALTY

- 19.1 Each mining company must pay to the Minister for payment to the Consolidated Fund in each financial year an amount equal to the prescribed amount in respect of each gigajoule unit of coal produced from its brown coal workings in the State and used or sold by the company in the last preceding financial year.

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19.2 For the purposes of 19.1, a gigajoule unit of coal is a quantity of coal which, when mined, has a net wet specific energy content of 1 gigajoule.

19.3 The net wet specific energy content of coal produced by a company from its brown coal workings and used or sold by the company in a financial year shall be calculated in such manner and in accordance with such method of sampling as is agreed to by the Minister and the company or as is, in default of the agreement, determined by the Governor in Council.

19.4 For the purposes of 19.1, the prescribed amount shall be the amount derived by multiplying \$0.0239 by

△where-

B

A is the consumer price index number in respect of the relevant quarter; and

B is the consumer price index in respect of the quarter ending on 30 June 1993.

19.5 The payment of the amount to the Minister under 19.1 shall be made in accordance with the Mineral Resources (Royalties) Regulations 1991.

19.6 In this section -

“consumer price index number” means the all groups consumer price index number for Melbourne published by the Commonwealth Statistician in respect of the quarter ending on 30 June in each year or, if that statistic is no longer calculated, the nearest substitute for it;

“relevant quarter” means the quarter ending on 30 June immediately preceding the financial year in relation to which the prescribed amount is being calculated.

20. REHABILITATION BOND

20.1 The licensee shall lodge with the DAEM a rehabilitation bond as described in Section 80(1) of the Act when required in accordance with these conditions. The bond must be lodged in the form of a bank guarantee issued by a bank licensed under the Banking Act 1959 (Cth).

20.2 The licensee shall be required to lodge that bond upon the licensee ceasing to be a State Owned Corporation and upon being directed to do so by the Minister for Energy and Minerals.

20.3 The level of this bond has initially been assessed at \$15 million.

21. APPLICATION OF REGULATIONS

21.1 The Mineral Resources (Health and Safety for large Open Cut Mines) Regulations 1995 will apply to the licensee.

21.2 Any subsequent Regulations issued under the act will also apply.

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AUTHORITY TO COMMENCE WORK
Sec 47A of the Electricity Industry Act 1993

MINING LICENCE NUMBER: Mining Licence No 5003
NAME(S) OF LICENSEE(S): Yallourn Energy Ltd
ADDRESS(S) OF LICENSEE(S): P O Box 444 Moe Vic 3825
AREA TO WHICH AUTHORITY:
TO COMMENCE WORK RELATES As per Work Plan
LOCATION OF LICENCE: La Trobe Valley
STRATUM OF LAND: Not applicable

AN AUTHORITY TO COMMENCE WORK IS HEREBY GRANTED

Date of Registration ____/____/____
Time of Registration _____am/pm
MINING REGISTRAR MRDA 1990

Our Ref: *WORKAUTH.DOC/DS/ga*

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