

25 November 2015

Spur Hill Management Pty Ltd
Attention: Graeme Booth
Project Director
PO Box R864
Royal Exchange NSW 1225

Via email: GBooth@malabarcoal.com.au

Dear Mr Booth

**EL7429, SPUR HILL MANAGEMENT PTY LTD
Time Extension to Approved Review of Environmental Factors (REF)**

The Division of Resources & Energy (DRE) within the Department of Industry ("the Department") acknowledges receipt of correspondence dated 19 November 2015 by Spur Hill Management Pty Ltd (INW15/57080) seeking a time extension to the following activity approvals:

1. Spur Hill Coal Exploration Drilling Program (approval dated 10 December 2013, OUT13/34781).
2. Spur Hill Coal Seismic Survey Program (approval dated 9 December 2013, OUT13/34814).

The Department completed a review of the above information and approves the time extension subject to the programs being conducted in accordance with the conditions below and additional commitments described within the time extension requests (seismic survey request INW15/57078 and exploration drilling request INW15/57077).

In accordance with condition 2 of EL7429 granted under the *Mining Act 1992*, the titleholder is granted approval to conduct exploration drilling, subject to the conditions set out below. These conditions relate specifically to this approval and are in addition to those attached to EL7429. A breach of conditions is an offence under the *Mining Act 1992*.

CONDITIONS

General conditions

1. The works must be carried out at the location(s) and in accordance with the methods contained in:
 - a) Review of Environmental Factors: Spur Hill Underground Coking Coal – Exploration Activities in EL 7429 (including all appendices) prepared by Resource Strategies for the Spur Hill Project, dated November 2013.
 - b) Conditions of this approval.

If there is any inconsistency between the above documents, the most recent document prevails to the extent of the inconsistency.

2. The Director, Environmental Sustainability must be informed immediately if any aspects of the works are not consistent with the activities described and presented in the Review of Environmental Factors.
3. The Department must be informed immediately if any complaints are received regarding the exploration program.
4. The exploration program will comply with the relevant New South Wales Environment Protection Authority noise guidelines at all drilling site locations at all times. Due to the proximity of some dwellings, some agreements regarding noise disturbance with landowner might need to be confirmed before drilling. NSW Trade & Investment - Division of Resources and Energy is to be informed of any agreements regarding noise disturbance.

Noise and vibration management

5. If so directed in writing by the Department, additional noise and vibration management practices may be required. Any written instructions given by the Department with regard to noise and vibration management are to be implemented by the operator.

Hours of operation

6. Except in emergencies, or with the written consent of all affected landholders and the Department, no activities which are likely to disturb landholders or other affected parties are permitted at drill sites or associated areas outside the daytime hours of 7:00am to 6:00pm for weekdays (excluding public holidays) and 8:00 am to 1:00 pm on Saturdays.
7. If so directed in writing by the Department, the hours of operation may be modified by the Department if landholders or other parties are being affected.

Ecological Impacts

8. Where clearance of mature trees can not be avoided, clearance would be limited (based on the advice of a suitably qualified ecologist).

Agricultural Impacts

9. No mechanical disturbance of topsoil mapped as biophysical strategic agricultural land is permitted.

If you require additional information on this matter please contact the undersigned on (02) 4931 6691.

Sincerely



Sarah Jardine
Inspector Environment