

ATTACHMENTS



WORKS COMMITTEE MEETING AGENDA

THURSDAY 14 APRIL 2016

~ REFERENCE TO ATTACHMENTS ~

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**DEED OF VARIATION
OF ORIGINAL
PLANNING AGREEMENT**

PARTIES

Cobar Shire Council
ABN 71 579 717 155

Hera Resources Pty Ltd
ABN 72 138 992 9992

BETWEEN: COBAR SHIRE COUNCIL

ABN 71 579 717 155
of 36 Linsley Street, Cobar NSW 2835.
("Council")

AND: HERA RESOURCES PTY LIMITED

ABN 72 138 992 9992
of 2 Corporation Place (PO Box 7058) Orange NSW 2800.
("Hera")

INTRODUCTION

- A. Council and Hera negotiated a Planning Agreement dated 15th and 18th March 2013 by Council and 10th April 2013 by Hera for the establishment and operation by Hera of an underground mine, processing plant and infrastructure to support the extraction and processing of up to 355,000 tonnes of gold, silver, lead and zinc ore. Called the Hera Gold Project it is located approximately 100 kms south east of Cobar and 4 kms south of the village of Nymagee.
- B. Project approval was granted by the NSW Government on 31 July 2012 to develop the Hera Gold Project. As part of the approval Hera was required to enter into a Planning Agreement with Council. That Planning Agreement is referenced in point A above.
- C. Hera agreed in the Planning Agreement to provide Development Contributions (shown in Schedule 1 of that Agreement) to Council during the construction and operational phases of the project totalling approximately seven years.
- D. Hera's most recent modification to this project is called Modification 3. As part of the latest modification both Parties have agreed to terms to amend the Planning Agreement referred to in Point A above.
- E. This Deed of Variation states the terms and conditions under which the original Planning Agreement has been amended. Henceforth the terms and conditions stated in Schedule A herein replace Schedule 1 in the original Planning Agreement. The balance of the original Planning Agreement remains unchanged.

IT IS AGREED

1. Definitions and Interpretation

1.1 Definitions

In this Deed:

- a) "Deed" means this Deed of Variation document.
- b) "Effective Date" means the date the last party signing signs this Deed.
- c) "Decision to Commence" means formal written advice from Hera Resources Pty Limited to Cobar Shire Council advising that the company has now taken action to commence the increased production rate specified in the

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Modification 3.

1.2 Interpretation

The following rules apply unless the context requires otherwise:

- a) Where a defined term is used in the Deed, it has the same meaning as in the original Planning Agreement.
- b) No provision of this Deed will be construed adversely to a Party on the ground that such Party was responsible for the preparation of this Deed or that provision.

2. Deed of Variation Commitments

2.1 The Parties agree that the terms relating to the revised Development Contributions are set out in Schedule A herein.

2.2 The original Planning Agreement is varied with effect from the Effective Date.

2.3 Subject to the variations contained in this Deed, in all other respects the terms of the original Planning Agreement remain unaltered.

3. Accrued Rights

3.1 Nothing in this Deed affects any accrued rights or remedies of a Party under the original Planning Agreement.

4. Further Assurance

4.1 Each Party must promptly at its own cost do all things necessary or desirable to give full effect to this Deed.

5. Severability

5.1 If anything in this Deed is unenforceable, illegal or void then it is severed and the rest of this Deed remains in force.

6. Costs and Outlays

6.1 Each Party is responsible for its own costs in relation to this Deed.

7. Governing Law and Dispute Resolution

7.1 The law of the State of New South Wales governs this Deed.

7.2 If there is any dispute or difference arising between the Parties to this Deed, Clause 10 of the original Planning Agreement applies.

8. Notices

8.1 Any notice, consent, information, application or request that must or may be given or made to a Party under this Deed shall be made in accordance with Clause 12 in the original Planning Agreement.

9. SCHEDULE A

The Parties agree to amend the original Planning Agreement as follows:

- a) CPI adjustments will be made to the Development Contributions listed in Schedule 1 of the original Planning Agreement, for inclusion in the April 2016 payment and in all payments thereafter;
- b) The current Planning Agreement Development Contributions plus CPI will remain in place until 31 December 2016 unless subclause c) below is enacted beforehand;
- c) If Hera decides to commence the increased production rate (Decision to Commence) contemplated in Modification 3 before 1 January 2017 it will advise Council in a timely manner and the date for revised payments will be brought forward to an agreed date and the payment will be made within 30 days of the revised date and annually thereafter;
- d) The Modification 3 Community Fund Contribution of \$32K pa will be paid by Hera to Council on 1 January 2017, or before if Hera enacts subclause c) above;
- e) The Modification 3 Road Repair and Maintenance Contribution of \$60K pa will be paid by Hera to Council on 1 January 2017, or before if Hera enacts subclause c) above;
- f) The Modification 3 Development Contributions plus CPI will remain in force until such time as:
 - i. The Parties agree to modify them; or
 - ii. The project is the subject of further DA modifications at which time the Deed and Planning Agreement may be reviewed and amended; or
 - iii. the project is sold to another party at which time the Deed and Planning Agreement may be reviewed and amended; or
 - iv. The project reaches the end of its operational life and closes; or
 - ~~iv.v. The project is placed on care and maintenance.~~
- g) Hera and Council will hold six monthly performance review meetings to discuss mine activities and Council related matters. Such meetings will be initiated by Council.

DATED:

EXECUTED AS A DEED BY BOTH PARTIES:

Executed by Cobar Shire Council. The Common Seal of Cobar Shire Council was affixed in the presence of:

Mayor (signature)

General Manager (signature)

Name (print)

Name (print)

Executed by Hera Resources Pty Limited in accordance with section 127(1) of the *Corporations Act 2001* (Cth) by authority of its directors:

Director (signature)

Director/Company Secretary (signature)

Name (print)

Name (print)

Cost Code	CAPITAL WORKS All Projects	Works Undertaken	Actual 2014/2015	Allocation 2015/2016	Actual 2015/2016	31/03/2016	Comitments 2015/2016
55147	SR36 - Paleshan Road SRV Gravel Resheeting						
	Re-establish table drains, channels and rebuild weak spots in pavement with ridge gravel.	Gravel resheeting - Complete	18,762	61,238	67,447	-	-
55146	SR46 - Rosevale Road SRV Gravel Resheeting						
	Re-establish table drains, channels and rebuild weak spots in pavement with ridge gravel.		18,842	61,158	-	-	-
55118	SR44 - Old Reservoir Road SRV Gravel Resheeting						
	Construct concrete culvert, resheet pavement with ridge gravel.		6,378	9,622	9,320	-	-
55106	MR7518 - Barnato - Tilpa Road						
	Acres Billabong Stage 1 (\$100,000 Regional Roads, \$319,900 Fixing Country Roads)	Survey/Design	538	419,362	39,871	22,136	19,804
55155	MR7518 - Resealing						
	Resealing.	Sealing - Complete	167,386	32,614	32,120	-	-
55148	MR423 - Resealing						
	Resealing.	Sealing - Complete	-	100,000	99,559	-	-
55107	MR407 - Gravel Resheeting						
	Gravel Resheeting	Gravelling - Complete	64,810	35,390	35,390	-	-
55161	MR228 - Whitbarrow Way - Construction/Reconstruction						
	Kangaroo Springs Curve/Causeway (\$700,000 Fixing Country Roads, \$63,700 Here Mine VPA, \$36,300 Regional Roads)	Construction/Sealing	-	800,000	361,916	169,042	27,989
55616	SR3 - Nelyambe Bridge Road SRV Gravel Resheeting						
	Gravel Resheeting.	Guardrail terminals	-	75,000	52,348	23,198	-
55600	SR1A - Buckanbe Road SRV						
	Stabilise creek crossing, repair headwalls and subsidence.	Gravel crushing	-	75,000	6,364	6,364	-
55651	SR12 - Yathong Road SRV Gravel Resheeting						
	Gravel Resheeting.	Winning gravel	-	50,000	18,688	18,688	-
55655	Reseal Urban Streets SRV Reseal						
	Resealing.	Resealing	-	125,000	34,154	33,278	-
55680	Reseal Rural Roads SRV Reseal						
	Resealing.		-	51,000	-	-	-
55516	MR416 - Wool Track						
	Repair program.		-	800,000	934,520	-	-
55665	SR13A - Lerida Road Resealing/Shoulder Works						
	Resealing and shoulder works		-	100,000	446	-	-
55660	SR12 - Yathong Road						
	Gravel Resheeting		-	100,000	-	-	-
55070	Shire Roads						
	Gravel Resheeting		-	100,000	81,478	-	-
	TOTAL		\$ 257,754.13	\$ 2,934,145.87	\$ 1,706,175.08	\$ 272,708.38	\$ 47,793.00
			BALANCE		\$ 1,227,970.79		\$ 1,180,177.79

Cost Code	ROADS TO RECOVERY All Projects	Works Undertaken	Actual	Allocation	Actual		Commitments
			2014/2015	2015/2016	2015/2016	31/03/2016	2015/2016
55150	SR6 - Pulpitta Road		64,317	17,425	302	-	
	Rip, reshape and compact sections of the road in conjunction with a maintenance grade of the road					-	
55110	SR12 - Yathong Road			50,000	9,832	9,832	3,575
	Supply, spread and compact 100 mm of crushed gravel to the surface of the road, in conjunction with a maintenance grade of the road	Winning gravel				-	
55111	SR20 - Grain Road		151,780	28,220	28,220	-	
	Supply, spread and compact 100 mm of crushed gravel to the surface of the road, in conjunction with a maintenance grade of the road	Gravel resheeting - Complete				-	
55735 55120	SR26 - Wilga Downs Road		77,188	430,000	138,076	-	
	Gravel and seal approximately 1.2 kilometres of Rural Road. This will extend the length of sealing for this road.					-	
55665	SR13A - Lerida Road			163,484		-	
	Resealing					-	
55650	SR10 - Belarben Road			35,000		-	
	Resealing					-	
55605	SR1B - Budda Road - Joes Crossing			150,000	9,091	9,091	
	Replace armco pipe, stabilise and seal crossing	Gravel crushing				-	
55620	SR4 - Gidgee Road			150,000	8,842	-	
	Stabilise Sandy Creek Crossing and rip, rap and seal 200m.					-	
55635	SR7 - Mount Gap Road			150,000	26,119	2,719	14,273
	Gravel Resheeting	Gravelling				-	
55705	SR20 - Grain Road			150,000	192,571	36,098	5,744
	Gravel Resheeting	Gravel formation				-	
55720	SR23 - Booberoo Road			150,000	199,613	-	
	Gravel Resheeting					-	
55730	SR25 - Wilgarron Road - Yanda Creek			125,000		-	
	Stabilise crossing and seal 200m.					-	
55725	SR24 - Mount Grace Road			200,000	209,616	-	
	Gravel Resheeting					-	
55810	SR2 - Seventyeight Mile Road			127,683	251,726	60,892	
	Gravel Resheeting	Construction				-	
55610	SR3 - Nelyambo Bridge Road			100,000	29,865	3,461	11,164
	Bridge approach sealing	Gravel crushing				-	
55075	SR20 - Grain Road			150,000		-	
	Resealing					-	
55868	Reseal Urban Streets R2R Reseal			275,000	249,120	232,867	1,283
	Resealing	Resealing				-	
	TOTAL		\$ 293,285.19	\$ 2,461,811.64	\$ 1,352,991.82	\$ 354,960.81	\$ 36,038.00
			BALANCE (Ex GST)		\$ 1,098,820.02		\$ 1,682,781.02

Cost Code	Shire Local Roads Maintenance	Length (km)	Description of Works	Expenditure			Commitments
				2014/2015	2015/2016	31/03/2016	
66011	SR1A - Buckarbo Road		Gravel crushing	-	12,076	9,536	
66011	SR1B - Bulda Road	24.70		22,158	-	-	
66020/21	SR2 - Seventy Eight Mile Road	58.00	Formation maintenance	27,228	125,259	64,697	2,651
66031	SR3 - Netyambo Bridge Road	69.20	Gravel crushing and hauling	19,337	234,209	198,459	90
66041	SR4 - Gidgee Road	29.01		-	48,121	-	
66061	SR6 - Pulpulla Road	38.00		27,564	3,483	-	
66070,71	SR7 - Mount Gap Road	47.00	Gravel haulage	52,948	143,814	19,444	12,438
66081	SR8 - Coomeratta Road	28.00	Inspections	5,873	3,997	356	
66091	SR9 - Neckarbo Road	66.30		48,656	191	-	
66101	SR10 - Belarabon Road	57.00	Inspections	111,544	1,370	474	
66111	SR11 - Bloomfield Road	51.00	Inspections	616	6,594	159	
66121	SR12 - Yathong Road	101.00	Surveillance	869	25,158	2,414	
66133/132	SR13A - Lorida Road	60.72	Potholes	9,151	7,423	1,543	1,283
66131	SR13B - Bedooba Road	69.20	Maintenance	68,542	2,274	-	4,059
66145-42	SR14 - Manuka Road	24.50	Inspections	119,988	443	-	127
66150-52	SR15 - Shulliston Road	12.50		58,079	125	-	
66161	SR16 - Sandy Creek Road	9.70		-	23,580	-	
66171	SR17 - Marri Road	53.50		104,487	467	-	
66181	SR18 - Bruce Cullenward Road	26.00					

Cost Code	Shire Local Roads Maintenance	Length (km)	Description of Works	Expenditure			Commitments
				2014/2015	2015/2016	31/03/2016	
			Inspections	91,158	638	-	731
66190-61	SR19 - Burthong Road	52.00					
			Inspections	76,265	59,464	-	263
66201	SR20 - Grain Road	89.20					
			Gravelling	82,163	68,828		-
66211	SR21 - Tallebung Road	43.00					
			Inspections	33,314	66,342	-	312
66221	SR22 - Round Hill Road	34.20					
			Inspections	37,480	16,622		922
66231	SR23 - Booberoi Road	19.10					
				30894	2716		-
66240/241	SR24 - Mount Grace Road	33.10					
			Gravelling	41,516	167,439		37,107
66250/251	SR25 - Wilgaroon Road	43.00					
			Inspections	28,425	2,730		245
66261	SR26 - Wilga Downs Road	41.00					
				7,751	6,861		-
66270-71	SR27 - Cooneybar Road	47.00					
				104,429	1,260		-
66281	SR28 - Yimkin Road	17.00					
				294	127		-
66291	SR29 - Booroemugga Road	40.00					
				23,488	3,472		-
66301	SR30 - Canbetega Road	2.60					
				107	43		-
66311	SR31 - Moolah Road	66.00					
				753	318		-
66321	SR32 - Developmental Road	67.00					
			Inspections	993	572		254
66331	SR33 - Nimagee Station Road	16.50					
				56,025			-
66341	SR34 - Wallacevale Road	11.00					
				107			-
66351	SR35 - Ostarly Downs Road	16.00					
				478			-
66361	SR36 - Palestan Road	31.00					
			Inspections	33,120	565		505
66371	SR37 - Bimbella Road	2.70					

Cost Code	Shire Local Roads Maintenance	Length (km)	Description of Works	Expenditure			Commitments
				2014/2015	2015/2016	31/03/2016	
				44	1,698	-	
65381	SR38 - CSA Access Road	4.40			1,458	-	
65391	SR39 - Coombie Road	7.20		3,219		-	
65411	SR41 - Tilpa Weir Road	1.00		227		-	
65421	SR42 - Endeavor Mine Road	13.65		2,025	4,898	-	
65431	SR43 - Sowerage Works Road	1.80		-		-	
65441	SR44 - Old Reservoir Road	2.10		8,773	1,209	-	
65461	SR46 - Rosevale Road	64.80		50,259	9,078	-	
65481	SR48 - Euabalong Tip Road	0.50		1,084	685	-	
	TOTAL	1,572.12		\$ 1,391,431.00	\$ 1,043,530.35	\$ 330,623.99	\$ 18,889.00
				Allocation 2015/2016		\$	1,261,807.00
				BALANCE TO SPEND (EX GST)		\$	218,276.65
				BALANCE TO SPEND (inc Commitments)		\$	201,387.65

Cost Code	Regional Roads Maintenance	Length (km)	Description of Works	Expenditure			Commitments
				2014/2015	2015/2016	31/03/2016	
	MR228 Whitbarrow Way						
72282	Sealed Pavement	11.15	Sealing	24,869	1,973	1,960	
	TOTAL MR228	11.15		24,869	1,973	1,960	
	MR407 Mulya Road						
74070,71,73	Sealed Pavement	57.44	Inspections	40,371	13,886	504	
74072,74	Unsealed Pavement	45.06		70,870	265,869	-	
	TOTAL MR407	102.50		111,241	279,755	504	
	MR411 Tipping Way						
74111	Sealed Pavement	68.88	Inspections	26,997	13,206	359	
74114	Unsealed Pavement			502	61	-	
	TOTAL MR411	68.88		27,499	13,268	359	
	MR416 The Wool Track						
74161	Sealed Pavement	42.01	Potholes	6,329	41,888	2,309	12,473
74162,64	Unsealed Pavement	50.14	Survey and design	26,941	610,053	14,886	
	TOTAL MR416	92.15		33,270	651,941	17,195	
	MR419 Glenwood Road						
74190	Sealed Pavement	0.39		2,801	1,821	-	
74194	Unsealed Pavement	46.59		7,766	98,934	-	
	TOTAL MR419	46.98		10,567	100,755	-	
	MR423 Lachlan Valley Way						
74230,31	Sealed Pavement	15.19	Inspections	19,698	13,906	767	
	TOTAL MR423	15.19		19,698	13,906	767	
	RR7518 Tiltagoona Road						
75180,81,85	Sealed Pavement	37.40	Inspections	76,978	5,852	902	
75182,84	Unsealed Pavement	58.40	Remove corrugations	213,947	60,001	11,899	
	TOTAL RR7518	95.80		290,925	65,853	12,800	
	RR7521 Kiacaloo Road						
75210,11,12,14	Sealed Pavement	32.83	Shoulder grading	55,952	27,510	6,972	427
	TOTAL RR7521	32.83		55,952	27,510	6,972	
	RR7522 The Wool Track						
75220,24	Unsealed Pavement	64.45		53,787	57,849	-	
	TOTAL RR7522	64.45		53,787	57,849	-	
	MR461 Priory Tank/Baldwin Road						
74611	Sealed Pavement	31.81		6,782	1,132	-	
76100	General Maintenance		Rehabilitate intersection		36,996	23,731	
74614	Unsealed Pavement	27.34	Inspections	15,173	41,668	513	
	TOTAL MR461	59.15		21,955	79,796	24,244	
	MR68 Curranyipa Road						
76800	Sealed Pavement	0.42		-	-	-	
76804	Unsealed Pavement	30.59	Maintenance grading	74,347	50,865	42,562	
	TOTAL MR68	31.01		74,347	50,865	42,562	
	MR7524 Fredrick Street						
79000	Sealed Pavement	0.49		-	170	-	
	TOTAL MR68	0.49		-	170	-	
	TOTAL	620.58		724,110.00	1,343,639.27	107,362.36	0.00
				Allocation 2015/2016		\$	1,625,082.00
				BALANCE TO SPEND (EX GST)		\$	288,805.08
				BALANCE TO SPEND (inc Commitments)		\$	288,805.08