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ASX Code: **WLC**

Wollongong Coal Limited reaches resolution with Department

Wollongong Coal Limited (WLC) refers to the following previous market announcements:

- 14 March 2018 announcement in relation to the Department of Planning and Environment (DPE) commencing proceedings in the Local Court with respect to a number of late payments of mining authorisation fees payable under Part 14A of the Mining Act 1992;
- 5 February 2018 announcement of the DPE's 'show cause' notice with respect to a proposed suspension of operations of the Company at the Russell Vale Colliery and Wongawilli Colliery.

WLC has offered an enforceable undertaking to address the concerns of the DPE in relation to the payment of authorisation fees for the next five years. The enforceable undertaking relates to the court attendance notices for failure to pay authorisation fees issued by the Department on 8 March 2018, and the convictions recorded against WLC on 8 November 2017, which are currently on appeal to the District Court.

In summary, the joint Wollongong Coal Limited and Wongawilli Coal Pty Ltd undertaking proposes to;

- a. Engage an independent person to conduct a review of Wollongong Coal Limited and Wongawilli Coal Pty Ltd systems and processes for meeting their obligations and payments required under the Mining Act;
- b. Provide a report on recommendations and actions of the systems review to the Regulator;
- c. Conduct an independent review and audit of the financial capacity of Wollongong Coal Limited and Wongawilli Coal Pty Ltd;
- d. Provide an audit report setting out the review findings and recommendations to the Regulator;
- e. Provide refresher training to all relevant Wollongong Coal Limited and Wongawilli Coal Pty Ltd administrative staff concerning compliance obligations under the Mining Act;
- f. Pay the authorisation fees for 2018 within one month of acceptance of the undertaking;
- g. Pay the fees for 2019 to 2022 for each Authorisation 12 months in advance of each due date;
- h. Provide two bank guarantees each of \$150,000 (\$300,000 in total) as an assurance of the future payment of authorisation fees;



- i. Pay an additional penalty of 15% of the payment due if any payments are made between 1 and 30 days late;
- j. Pay an annual donation of \$5,000 each (\$10,000 total) to a local charity or community group by 30 June each year until 1 January 2023;
- k. Pay the Regulator's investigation and legal costs of \$24,350;
- l. Lease Wollongong Coal Limited property to Little School Preschool Inc for \$1 per annum (reduced from \$26,000 per annum) for at least until 1 January 2023;
- m. Withdraw Wollongong Coal Limited and Wongawilli Coal Pty Ltd appeals in the District Court upon acceptance of the undertaking; and

- n. Report to the Regulator on the progress of the undertaking.

The Secretary of the Department of Planning and Environment has accepted the terms of the undertaking and has confirmed it will not take further action in relation to the 'show cause' notice. In accordance with terms of the undertaking, WCL and WWC will discontinue their appeal to the District Court. Under section 378ZFH of the Mining Act 1992, the Secretary must take all reasonable steps necessary to have the 8 March 2018 court attendance notices withdrawn and proceedings discontinued as soon as possible.

The companies are pleased with the outcome.

For further information, please feel free to contact the company secretary.

Yours sincerely
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