

MINING LEASE

MINING ACT 1992

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NO. 1538

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DATED 25 JUNE A.D. 2003

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THE MINISTER FOR MINERAL RESOURCES  
OF THE STATE  
OF NEW SOUTH WALES  
TO


**Gloucester Coal Ltd**  
A.C.N. 008 881 712

**CIM Stratford Pty Ltd**  
A.C.N. 070 387 914

**ICA Coal Pty Ltd**  
A.C.N. 066 784 558

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RECORDED in the Department of Mineral  
Resources at Sydney, this  
1<sup>st</sup> day of July  
A.D. 2003, at the hour of 10  
o'clock in the forenoon.

  
.....  
for Director General

MINING ACT 1992

MINING LEASE  
(PURPOSES)

NSW. STAMP DUTY  
CL. No. 1848888 COAL MINING LEASE  
2002-2004-2005 1/7/03

THIS DEED made the 25<sup>th</sup> day of JUNE Two Thousand and Three in pursuance of the provisions of the Mining Act 1992 (hereinafter called "the Act") BETWEEN **The Honourable Kerry Arthur Hickey, Minister for Mineral Resources** of the State of New South Wales (hereinafter called "the Minister" which expression shall where the context admits or requires include the successors in office of the Minister and the person acting as such Minister for the time being) AND **Gloucester Coal Ltd, ACN 008 881 712, CIM Stratford Pty Ltd, ACN 070 387 914 and ICA Coal Pty Ltd ACN 066 784 558** (which with its successors and transferees is hereinafter called "the lease holder"), **Level 9, Citadel Towers, Tower B, 799 Pacific Highway, Chatswood, 2067** in the state of **New South Wales**.

WHEREAS

- (a) in conformity with the Act application was made for a mining lease over the lands hereinafter described; and
- (b) all conditions and things required to be done and performed before granting a mining lease under the Act have been done and performed NOW THIS DEED WITNESSETH that in consideration of the observance and performance of the covenants contained in this Deed, the Minister in pursuance of the provisions of the Act DOES HEREBY demise and lease to the lease holder ALL THAT piece or parcel of land containing by admeasurement **1.031 hectares** and more particularly described and delineated in the plan **Catalogue No. M27005** attached for the purpose of **the construction, maintenance or use (in or in connection with mining operations) of: any railway; any conveyor.**

TO HOLD the said land together with any appurtenances thereon subject to:

- (a) such rights and interests as may be lawfully subsisting therein or which may be reserved by the Act at the date of this Deed; and
- (b) such conditions, provisos and stipulations as are contained in this Deed UNTO the lease holder from and including the date of this Deed for the period of **21 years** for the purpose as stated and for no other purpose.

1. THAT in this lease except insofar as the context otherwise indicates or requires:
  - (a) any reference to an Act includes that Act and any Act amending or in substitution for the same; "Director-General" means the person for the time being holding office or acting as Director-General, Department of Mineral Resources, Sydney; the word "mine" has the meaning assigned to it by the Act; words importing the singular number shall include the plural, the masculine gender the feminine or neuter gender and vice versa; and
  - (b) any covenant on the part of two or more persons shall be deemed to bind them jointly and severally.
2. THAT the lease holder shall at all times during the term of this lease keep and preserve the said mine from all avoidable injury or damage and also the levels, drifts, shafts, watercourses, roadways, works, erections and fixtures therein and thereon in good repair and condition and in such state and condition shall on the expiration or sooner determination of the said term or any renewal thereof deliver possession of the land and the premises hereby demised to the Minister or other persons authorised to receive possession thereof.
3. THAT the conditions and provisions set forth in the Schedule of Conditions of Authority herein and numbered:- **2, 3, 15, 17, 18 to 25 inclusive, 27, 29 to 33 inclusive, 41, 43, 45 to 49 inclusive, and 51 inclusive** are embodied and incorporated within this Deed as conditions and provisions of the lease hereby granted AND that the lease holder shall observe fulfil and perform the same.

PROVIDED always and it is hereby declared as follows:

- (a) THAT this lease is granted subject to amendment as provided under Sections 79 and 239 of the Act.
- (b) THAT if the lease holder at any time during the term of this demise -
  - (i) fails to fulfil or contravenes the covenants and conditions herein contained; or
  - (ii) fails to comply with any provision of the Act or the Regulations with which the lease holder is required to comply; or

(iii) fails to comply with the requirements of any agreement or assessment in relation to the payment of compensation,

this lease may be cancelled by the Minister by instrument in writing and the cancellation shall have effect from and including the date on which notice of the cancellation is served on the lease holder or on such later date as is specified in the notice; and any liability incurred by the lease holder before the cancellation took effect shall not be affected.

- (c) THAT no implied covenant for title or for quiet enjoyment shall be contained herein.
- (d) THAT all the conditions and provisions contained in the Mining Act 1992 and the Regulations thereunder, the Mines Inspection Act 1901 and the Coal Mines Regulation Act 1982 or any other law hereafter to be passed or prescribed shall be incorporated within this Deed as conditions and provisions of the lease granted. The lease holder hereby covenants to observe, fulfil and perform the same.
- (e) THAT such of the provisions and conditions declared and contained in this Deed as requiring anything to be done or not to be done by the lease holder, shall be read and construed as covenants by the lease holder with the Minister which are to be observed and performed.

IN WITNESS WHEREOF the parties hereto have executed this Deed this day and year first abovewritten.

SIGNED AND DELIVERED  
BY

~~THE DIRECTOR GENERAL  
UNDER DELEGATION FROM THE  
MINISTER FOR MINERAL RESOURCES~~

*[Handwritten signature]*  
.....

in the presence of

*[Handwritten signature]*  
.....  
Witness

SIGNED SEALED AND DELIVERED  
by the said

**Gloucester Coal Ltd**  
**A.C.N. 008 881 712**



*[Handwritten signature]*  
.....  
GAVIN MAY  
CHIEF EXECUTIVE OFFICER

in the presence of

*[Handwritten signature]*  
.....  
Witness  
OPERATIONS DIRECTOR

**CIM Stratford Pty Ltd**  
**A.C.N. 070 387 914**

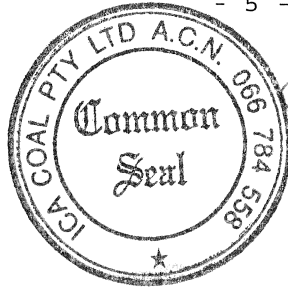


*[Handwritten signature]*  
.....  
GAVIN MAY  
DIRECTOR

in the presence of

*[Handwritten signature]*  
.....  
Witness  
OPERATIONS DIRECTOR

ICA Coal Pty Ltd  
A.C.N. 070 387 914



*Kazuo Inagaki*  
.....  
Kazuo Inagaki, Director

in the presence of

*Levi Myr*  
.....  
Witness

**SCHEDULE OF  
CONDITIONS OF AUTHORITY (COAL) (1999)**

**MINING, REHABILITATION, ENVIRONMENTAL MANAGEMENT PROCESS  
(MREMP)  
MINING OPERATIONS PLAN (MOP)**

- 2 (1) Mining operations, including mining purposes, must be conducted in accordance with a Mining Operations Plan (the Plan) satisfactory to the Director-General. The Plan together with environmental conditions of development consent and other approvals will form the basis for:-
- (a) ongoing mining operations and environmental management; and
  - (b) ongoing monitoring of the project.
- (2) The Plan must be prepared in accordance with the Director-General's guidelines current at the time of lodgment.
- (3) A Plan must be lodged with the Director-General:-
- (a) prior to the commencement of operations;
  - (b) subsequently as appropriate prior to the expiry of any current Plan; and
  - (c) in accordance with any direction issued by the Director-General.
- (4) The Plan must present a schedule of proposed mine development for a period of up to seven (7) years and contain diagrams and documentation which identify:-
- (a) area(s) proposed to be disturbed under the Plan;
  - (b) mining and rehabilitation method(s) to be used and their sequence;
  - (c) areas to be used for disposal of tailings/waste;
  - (d) existing and proposed surface infrastructure;
  - (e) progressive rehabilitation schedules;
  - (f) areas of particular environmental sensitivity;
  - (g) water management systems (including erosion and sediment controls);
  - (h) proposed resource recovery; and
  - (i) where the mine will cease extraction during the term of the Plan, a closure plan including final rehabilitation objectives/methods and post mining landuse/vegetation
- (5) The Plan when lodged will be reviewed by the Department of Mineral Resources.

## **DUMPS**

- 15 The lease holder shall comply with any direction, given or which may be given by the Inspector regarding the dumping, depositing or removal of material extracted as well as the stabilisation and revegetation of any dumps of coal, minerals, mine residues, tailings or overburden situated on the subject area or the associated colliery holding.

## **DUST**

- 17 The lease holder shall take such precautions as are necessary to abate any dust nuisance.

## **MANAGEMENT AND REHABILITATION OF LANDS (GENERAL)**

- 18 The lease holder shall not interfere in any way with any fences on or adjacent to the subject area unless with the prior written approval of the owner thereof or the Minister and subject to such conditions as the Minister may stipulate.
- 19 The lease holder shall observe any instruction given or which may be given by the Minister with a view to minimising or preventing public inconvenience or damage to public or private property.
- 20 If required to do so by the Minister and within such time as may be stipulated by the Minister the lease holder shall carry out to the satisfaction of the Minister surveys of structures, buildings and pipelines on adjacent landholdings to determine the effect of operations on any such structures, buildings and pipelines.
- 21 If so directed by the Minister the lease holder shall rehabilitate to the satisfaction of the Minister any lands within the subject area which may have been disturbed by the lease holder.
- 22 Upon completion of operations on the surface of the subject area or upon the expiry or sooner determination of this authority or any renewal thereof, the lease holder shall remove from such surface such buildings, machinery, plant, equipment, constructions and works as may be directed by the Minister and such surface shall be rehabilitated and left in a clean, tidy and safe condition to the satisfaction of the Minister.
- 23 If so directed by the Minister the lease holder shall rehabilitate to the satisfaction of the Minister and within such time as may be allowed by the Minister any lands within the subject area which may have been disturbed by mining or prospecting operations whether such operations were or were not carried out by the lease holder.
- 24 The lease holder shall take all precautions against causing outbreak of fire on the subject area.



## **CATCHMENT AREAS**

- 33 (a) Operations shall be carried out in such a way as not to cause any pollution of the **Manning Catchment Area**.
- (b) If the lease holder is using or about to use any process which in the opinion of the Minister is likely to cause contamination of the waters of the said Catchment Area the lease holder shall refrain from using or cease using as the case may require such process within twenty four (24) hours of the receipt by the lease holder of a notice in writing under the hand of the Minister requiring the lease holder to do so.
- (c) The lease holder shall comply with any regulations now in force or hereafter to be in force for the protection from pollution of the said Catchment Area.

## **TRANSMISSION LINES, COMMUNICATION LINES AND PIPELINES**

- 41 The lease holder shall as far as is practicable so conduct operations as not to interfere with or impair the stability or efficiency of any transmission line, communication line or pipeline traversing the surface or the excepted surface of the subject area and shall comply with any direction given or which may be given by the Minister in this regard.

## **ABORIGINAL PLACE OR ABORIGINAL OBJECT**

- 43 (a) The lease holder shall not knowingly destroy, deface or damage any Aboriginal object or Aboriginal place or within the subject area except in accordance with an authority issued under the National Parks and Wildlife Act, 1974, and shall take every precaution in drilling, excavating or disturbing the land against any such destruction, defacement or damage.
- (b) Prior to commencement of works, the leaseholder shall inform the NPWS of measures proposed to be taken to protect the Aboriginal object scatter No. 31.1.8 and obtain approval in writing to proceed.
- (c) Top soil removal and/or other soil disturbance shall be monitored by a suitably experienced representative of the local Aboriginal community.

## **ADDITIONAL INFORMATION**

- 45 The lease holder shall if directed by the Minister and within such time as the Minister may stipulate furnish to the Minister:
- (a) information regarding the ownership of the land within the subject area;
- (b) information regarding the ownership of the coal within the subject area prior to 1st January, 1982;
- (c) an indemnity in a form approved by the Minister indemnifying the Crown and the Minister against any wrong payment effected as a result of incorrect information furnished by the lease holder;

## INDEMNITIES

- 48 The lease holder shall indemnify and keep indemnified the Crown from and against all actions suits and claims and demands of whatsoever nature and all costs charges and expense which may be brought against the lease holder or which the lease holder may incur respect of any accident or injury to any person or property which may arise out of the construction maintenance or working of any workings now existing or to be made by the lease holder within the boundaries of the subject area or in connection with any of the operations notwithstanding that all other conditions of this authority shall in all respects have been observed by the lease holder or that any such accident or injury shall arise from any act or thing which the lease which the lease holder may be licensed or compelled to do hereunder.
49. The lease holder shall save harmless the Crown from payment of compensation and from and against all claims, actions, suits or demands whatsoever in the event of any damage resulting from mining operations under or near the subject area.

## SECURITY DEPOSIT

### 51 Single Security (extended)

The joint security of **\$4,693,000** (Four Million Six Hundred & Ninety Three Thousand Dollars) required to be lodged with the Minister by the lease holder for the purpose of ensuring the fulfilment by the lease holder of its obligations under **ML 1360 (Act 1992)**, **ML 1409 (Act 1992)**, **ML 1447 (Act 1992)** and **ML 1528 (Act 1992)** is extended to apply to this lease.

APPLICATION DATE 9 December 2002

MINING LEASE NO. 1538 (AG 1992)

STATUS

METHOD

~~SURFACE EXCEPTION~~ / DEPTH RESTRICTION

Embraces the surface and land below thereof to a depth of 15.24 metres.

NOTES

Azimuth 'X'-'Y' (MGA)

Plans used in the course of this survey/compilation

ML1 DP 979859

ML4 DP 861278

Survey declared on this plan is for lines

I, JULIAN VERNON CALVER of, CALVER deWITT & TAYLOR PTY.LTD. P.O. BOX 194 GLOUCESTER 2422

a surveyor registered under the Surveyors Act, 1929, hereby certify that the survey represented in this plan is accurate and has been completed in accordance with the Survey Practice Regulations, 1996, and the Directions for the Guidance of Mining Surveyors and was completed on 11.3.03

M27005

Signature: *JVC*

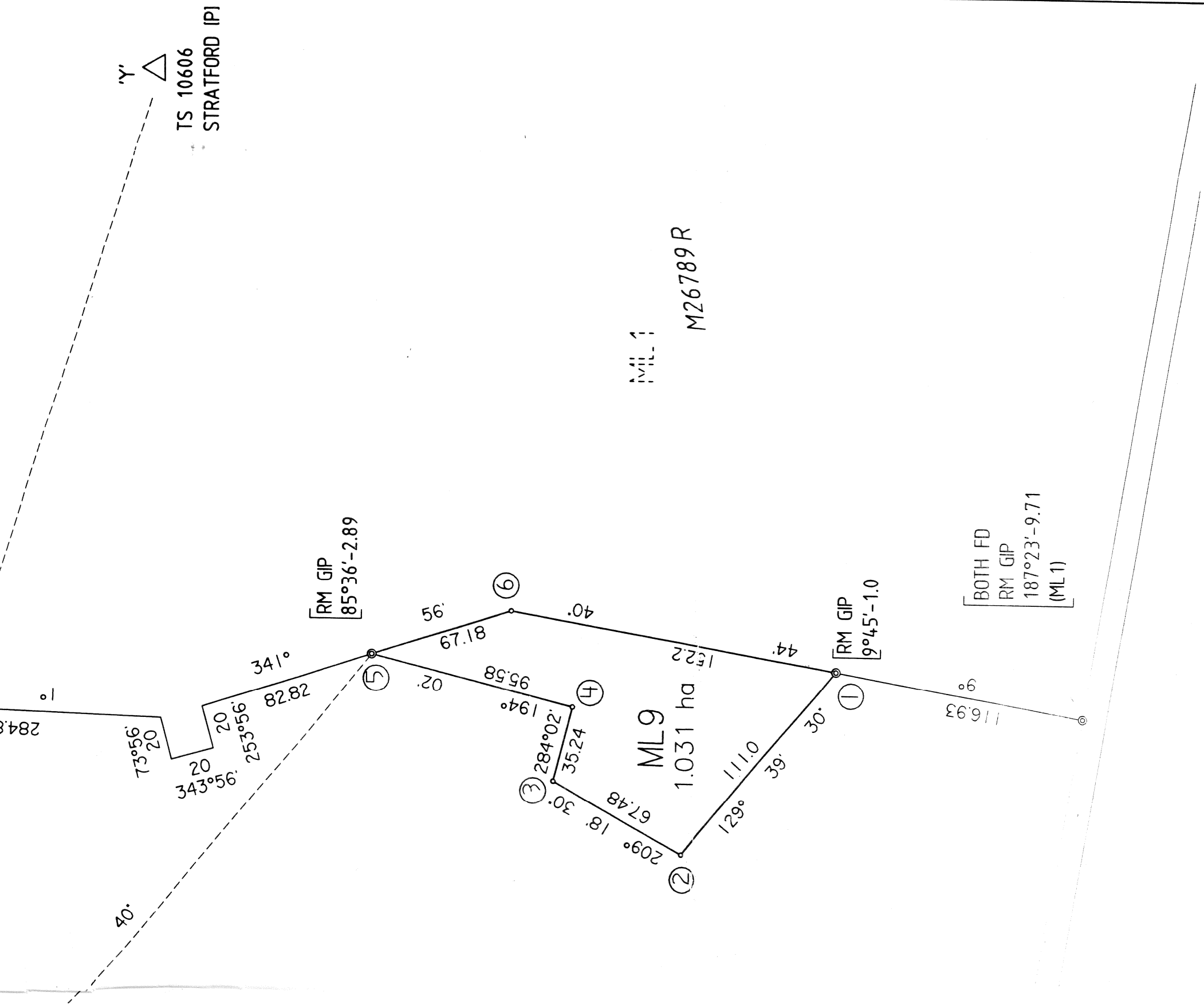
Surveyor's Reference: GL764

Survey Calcs :

Plan Investigated : *J. M. Roeske 3.4.03*

Plan Approved : *M. Roeske 4.4.03*

Paper No. : C02-0778



D.)	CLASS	ORDER	V. ACC.
4	C	U	7
3	C	U	7
2	C	U	7