



Reference: T15-1110#1

ILUKA RESOURCES LIMITED
ATT: SUE PALMER
GPO BOX U1988
PERTH WA 6945

By Email to: sue.palmer@iluka.com

Dear Ms Palmer

MINING LEASE APPLICATION NO 517 (ACT 1992)

The Minister on 9 May 2016 granted Mining Lease No 1736 (Act 1992) in satisfaction of this application. This authority expires on 9 May 2037. The lease is enclosed for your records.

You are reminded of the following:

- ◆ Mining operations must be conducted in accordance with a Mining Operations Plan satisfactory to the Secretary. This plan must be lodged before operations commence.
- ◆ The definition of 'land' and 'landholder' is described in the dictionary of the *Mining Act 1992*.
- ◆ Before operations commence you must also negotiate an agreement regarding compensation with any affected landholder or have compensation assessed by the Land and Environment Court.
- ◆ Notification of the grant of the lease must be served on each affected landholder not later than three months from the date of grant.

For further information, please contact me on 02 4931 6686 or the Titles Unit directly on 02 4931 6500.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Libby Richardson'.

Libby Richardson
for Secretary
11 May 2016

Mining Lease

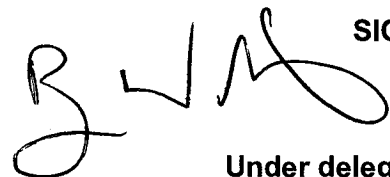
Section 63 of the *Mining Act 1992*

I, as delegate of the Minister for Industry Resources and Energy for the State of New South Wales, under delegation dated 5 December 2014 pursuant to section 63 of the *Mining Act 1992*, determine Mining Lease Application No 517 by granting a Mining Lease as described in Schedule 1 to **Iluka Resources Limited, ACN 008 675 018**, subject to the conditions set out in Schedule 2.

The conditions set out in Schedule 2 are required to:

- ensure optimal resource recovery;
- prevent, minimise, and offset adverse environmental impacts;
- provide for the ongoing environmental management of the project; and
- ensure that the areas disturbed by mineral production and exploration activities are appropriately rehabilitated.

The rights and duties of a Lease Holder are those prescribed by the *Mining Act 1992*, subject to the terms and conditions of this Lease. This lease does not override any obligation on the Lease Holder to comply with the requirements of other legislation and regulatory instruments which may apply to the Lease Holder (including all relevant development approvals) unless specifically provided in the *Mining Act 1992* or other legislation or regulatory instruments.



SIGNED

Under delegation

Bryan Whitlock
Manager Royalty and Advisory Services

Dated:

9/5/16

SCHEDULE 1

Description of Lease

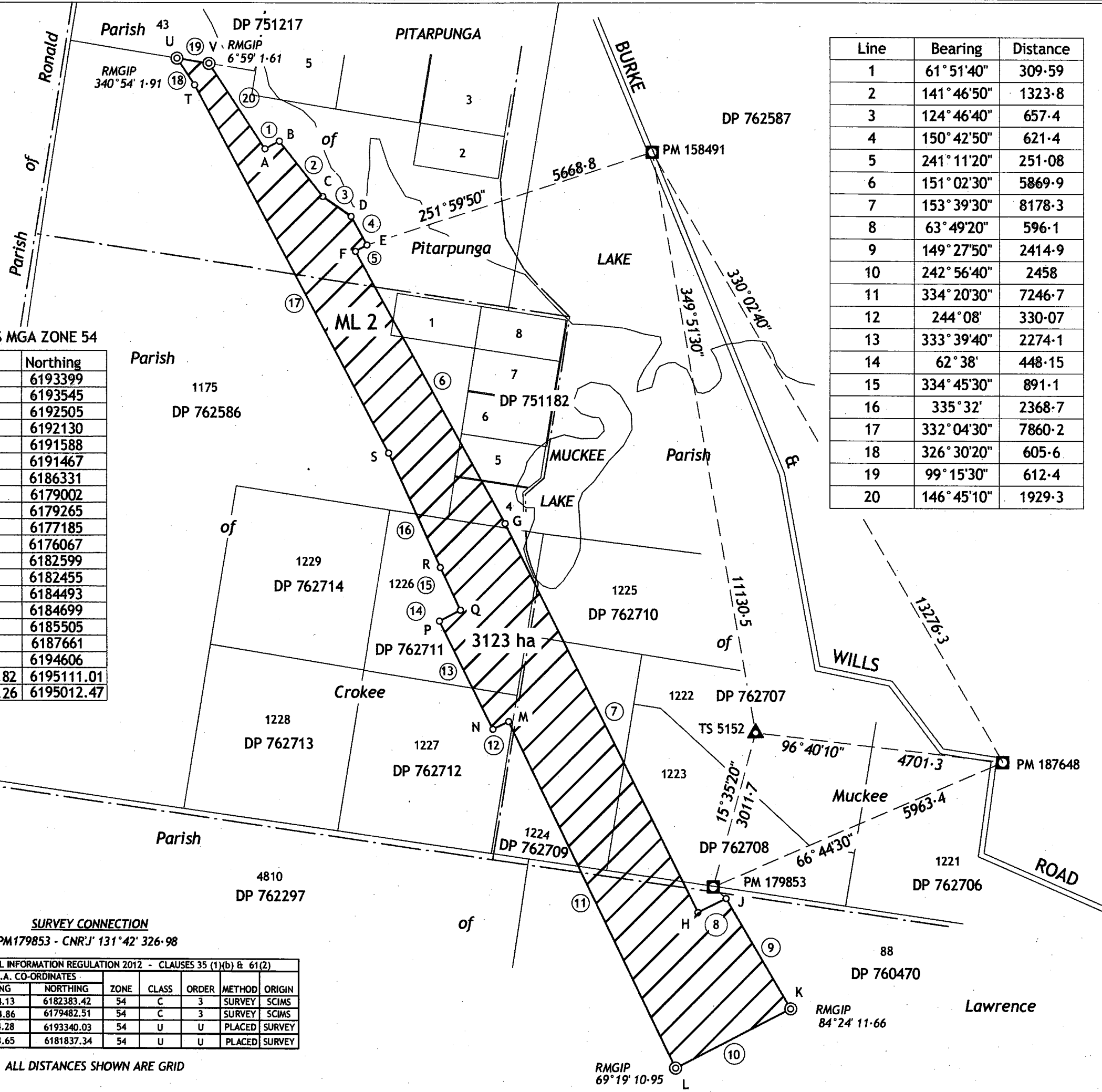
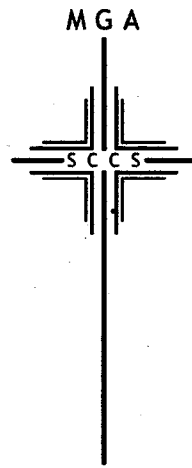
Land: The lease area embraces all land described in the attached lease plan titled **M27839** and approved on **8 April 2016**.

Minerals/ Mining Purpose: Ilmenite
Monazite
Rutile
Staurolite
Zircon

Method: Open Cutting

Term: 21 years

Due expiry date: 9 May 2037



Line	Bearing	Distance
1	61° 51' 40"	309.59
2	141° 46' 50"	1323.8
3	124° 46' 40"	657.4
4	150° 42' 50"	621.4
5	241° 11' 20"	251.08
6	151° 02' 30"	5869.9
7	153° 39' 30"	8178.3
8	63° 49' 20"	596.1
9	149° 27' 50"	2414.9
10	242° 56' 40"	2458
11	334° 20' 30"	7246.7
12	244° 08'	330.07
13	333° 39' 40"	2274.1
14	62° 38'	448.15
15	334° 45' 30"	891.1
16	335° 32'	2368.7
17	332° 04' 30"	7860.2
18	326° 30' 20"	605.6
19	99° 15' 30"	612.4
20	146° 45' 10"	1929.3

CO-ORDINATES MGA ZONE 54

Point	Easting	Northing
A	721027	6193399
B	721300	6193545
C	722119	6192505
D	722659	6192130
E	722963	6191588
F	722743	6191467
G	725585	6186331
H	729214	6179002
J	729749	6179265
K	730976	6177185
L	728787	6176067
M	725649	6182599
N	725352	6182455
P	724343	6184493
Q	724741	6184699
R	724361	6185505
S	723380	6187661
T	719699	6194606
U	719364.82	6195111.01
V	719969.26	6195012.47

PLAN OF PORTION ML 2

PARISH: PITARPUNGA, CROKEE, MUCKEE & LAWRENCE
 COUNTY: CAIRA
 MAP SHEET No. 7528 N Weimby 7529 Bidura & 7628 N Balranald
 REDUCTION RATIO 1:75000
 MINING LEASE APPLICATION No.517 (Act 1992)
 MINING DIVISION: BROKEN HILL
 APPLICANT: ILUKA RESOURCES LIMITED
 APPLICATION DATE: 11/11/2015

MINING LEASE No.
 STATUS:
 METHOD: OPEN CUT
 SURFACE EXCEPTION / DEPTH RESTRICTION
 Embraces the surface and soil below thereof to an unlimited depth.

NOTES:
 Azimuth: PM 187648 - PM 158491
 Plans used in the course of this survey/compilation:
 DP 762586 DP 751217 DP 751182 DP 762707 DP 762708
 DP 762709 DP 762710 DP 762711 DP 762712 DP 762713
 DP 762714 DP 760470 DP 762297

Survey declared on this plan for lines
 Lines 1-20
 I Andrew A Nesbitt
 Southern Cross Consulting Surveyors
 of PO Box 142 Goulburn NSW
 a surveyor registered under the Surveying and Spatial
 Information Act 2002, hereby certify that the survey
 /completion-represented in this plan is accurate and
 has been completed in accordance with the Surveying
 and Spatial Information Regulation 2012 and the
 Surveyor General's Direction for Mining Surveys and
 was completed on 14 March 2016
 Signature:
 BOSSI Identification No: 8300

SURVEY CONNECTION
 PM179853 - CNR'J' 131° 42' 326.98

SURVEYING & SPATIAL INFORMATION REGULATION 2012 - CLAUSES 35 (1)(b) & 61(2)							
M.G.A. CO-ORDINATES							
MARK	EASTING	NORTHING	ZONE	CLASS	ORDER	METHOD	ORIGIN
TS 5152	730314.13	6182383.42	54	C	3	SURVEY	SCIMS
PM 179853	729504.86	6179482.51	54	C	3	SURVEY	SCIMS
PM 158491	728354.28	6193340.03	54	U	U	PLACED	SURVEY
PM 187648	734983.65	6181837.34	54	U	U	PLACED	SURVEY

ALL DISTANCES SHOWN ARE GRID

Survey Calcs:
 Plan Investigated: 8/04/2016
 Plan Approved: 8/04/2016
 Trim No: T15-1110
 R 17001913
 D 110097490

FORM10
 M 27839

Office of State Revenue
NSW Treasury
Client No: 1846988 2372
Duty: N/A Trans No: ML1736
Asst details: MINERALS
11.5.16

MINING LEASE

MINING ACT 1992

NO 1736

DATED 9 May 2016

MINISTER FOR INDUSTRY RESOURCES
AND ENERGY

OF THE STATE

OF NEW SOUTH WALES

TO

ILUKA RESOURCES LIMITED
ACN 008 675 018

**SCHEDULE 2
MINING LEASE CONDITIONS 2013**

Definitions

- 1. Notice to Landholders**
- 2. Rehabilitation**
- 3. Mining Operations Plan and Annual Rehabilitation Report**
- 4. Compliance Report**
- 5. Environmental Incident Report**
- 6. Resource Recovery**
- 7. Security**
- 8. Cooperation Agreement**

Note: Exploration Reports (Geological and Geophysical)

Definitions:

Words used in this mining lease have the same meaning as defined in the *Mining Act 1992* except where otherwise defined below:

Act means the *Mining Act 1992*.

Department means the Division of Resources & Energy within the Department of Industry, Skills and Regional Development.

Environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Harm to the environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Landholder for the purposes of these conditions does not include a secondary landholder and includes, in the case of exempted areas, the controlling body for the exempted area.

Material harm to the environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Minister means the Minister administering the Act.

Pollution incident has the same meaning as in the *Protection of the Environment Operations Act 1997*.

MINING LEASE CONDITIONS 2013

1. Notice to Landholders

- (a) Within a period of three months from the date of grant/renewal of this mining lease, the lease holder must serve on each landholder a notice in writing indicating that this mining lease has been granted/renewed and whether the lease includes the surface. A plan identifying each landholder and individual land parcel subject to the lease area, and a description of the lease area must accompany the notice.
- (b) If there are ten or more landholders, the lease holder may serve the notice by publication in a newspaper circulating in the region where the lease area is situated. The notice must indicate that this mining lease has been granted/renewed; state whether the lease includes the surface and must contain a plan and description of the lease area. If a notice is made under condition 1(b), compliance with condition 1(a) is not required.

2. Rehabilitation

Any disturbance resulting from the activities carried out under this mining lease must be rehabilitated to the satisfaction of the Minister.

3. Mining Operations Plan and Annual Rehabilitation Report

- (a) The lease holder must comply with an approved Mining Operations Plan (MOP) in carrying out any significant surface disturbing activities, including mining operations, mining purposes and prospecting. The lease holder must apply to the Minister for approval of a MOP. An approved MOP must be in place prior to commencing any significant surface disturbing activities, including mining operations, mining purposes and prospecting.
- (b) The MOP must identify the post mining land use and set out a detailed rehabilitation strategy which:
 - (i) identifies areas that will be disturbed;
 - (ii) details the staging of specific mining operations, mining purposes and prospecting;
 - (iii) identifies how the mine will be managed and rehabilitated to achieve the post mining land use;
 - (iv) identifies how mining operations, mining purposes and prospecting will be carried out in order to prevent and or minimise harm to the environment; and
 - (v) reflects the conditions of approval under:
 - the *Environmental Planning and Assessment Act 1979*;
 - the *Protection of the Environment Operations Act 1997*; and

- any other approvals relevant to the development including the conditions of this mining lease.
- (c) The MOP must be prepared in accordance with the *ESG3: Mining Operations Plan (MOP) Guidelines September 2013* published on the Department's website at www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines
- (d) The lease holder may apply to the Minister to amend an approved MOP at any time.
- (e) It is not a breach of this condition if:
- (i) the operations which, but for this condition 3(e) would be a breach of condition 3(a), were necessary to comply with a lawful order or direction given under the *Environmental Planning and Assessment Act 1979*, the *Protection of the Environment Operations Act 1997*, the *Work Health and Safety (Mines and Petroleum Sites) Act 2013* and *Work Health and Safety (Mines and Petroleum Sites) Regulation 2014* or the *Work Health and Safety Act 2011*; and *Work Health and Safety Regulation 2011*
 - (ii) the Minister had been notified in writing of the terms of the order or direction prior to the operations constituting the breach being carried out.
- (f) The lease holder must prepare a Rehabilitation Report to the satisfaction of the Minister. The report must:
- (i) provide a detailed review of the progress of rehabilitation against the performance measures and criteria established in the approved MOP;
 - (ii) be submitted annually on the grant anniversary date (or at such other times as agreed by the Minister); and
 - (iii) be prepared in accordance with any relevant annual reporting guidelines published on the Department's website at www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines

Note: The Rehabilitation Report replaces the Annual Environmental Management Report.

4. Compliance Report

- (a) The lease holder must submit a Compliance Report to the satisfaction of the Minister. The report must be prepared in accordance with any relevant guidelines or requirements published by the Minister for compliance reporting.
- (b) The Compliance Report must include:
- (i) the extent to which the conditions of this mining lease or any provisions of the Act or the regulations applicable to activities under this mining lease, have or have not been complied with;

- (ii) particulars of any non-compliance with any such conditions or provisions,
 - (iii) the reasons for any such non-compliance;
 - (iv) any action taken, or to be taken, to prevent any recurrence, or to mitigate the effects, of that non-compliance.
- (c) The Compliance Report must be lodged with the Department annually on the grant anniversary date for the life of this mining lease.
- (d) In addition to annual lodgement under condition 4(c) above, a Compliance Report:
- (i) must accompany any application to renew this mining lease under the Act;
 - (ii) must accompany any application to transfer this mining lease under the Act; and
 - (iii) must accompany any application to cancel, or to partially cancel, this mining lease under the Act.
- (e) Despite the submission of any Compliance Report under (c) or (d) above, the titleholder must lodge a Compliance Report with the Department at any date or dates otherwise required by the Minister.
- (f) A Compliance Report must be submitted one month prior to the expiry of this mining lease, where the licence holder is not seeking to renew or cancel this mining lease.

5. Environmental Incident Report

- (a) The lease holder must notify the Department of all:
- (i) breaches of the conditions of this mining lease or breaches of the Act causing or threatening material harm to the environment; and
 - (ii) breaches of environmental protection legislation causing or threatening material harm to the environment (as defined in the *Protection of the Environment Administration Act 1991*),

arising in connection with significant surface disturbing activities, including mining operations, mining purposes and prospecting operations, under this mining lease. The notification must be given immediately after the lease holder becomes aware of the breach.

Note. www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines for notification contact details.

- (b) The lease holder must submit an Environmental Incident Report to the Department within seven (7) days of all breaches referred to in condition 5(a)(i) and (ii). The Environmental Incident Report must include:
- (i) the details of the mining lease;

- (ii) contact details for the lease holder;
- (iii) a map identifying the location of the incident and where material harm to the environment has or is likely to occur;
- (iv) a description of the nature of the incident or breach, likely causes and consequences;
- (v) a timetable showing actions taken or planned to address the incident and to prevent future incidents or breaches referred to in 5(a).
- (vi) a summary of all previous incidents or breaches which have occurred in the previous 12 months relating to significant surface disturbing activities, including mining operations, mining purposes and prospecting operations under this mining lease.

Note. The lease holder should have regard to any relevant Secretary's guidelines in the preparation of an Environmental Incident Report. Refer to www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines for further details.

- (c) In addition to the requirements set out in conditions 5(a) and (b), the lease holder must immediately advise the Department of any notification made under section 148 of the *Protection of the Environment Operations Act 1997* arising in connection with significant surface disturbing activities including mining operations, mining purposes and prospecting operations, under this mining lease.

6. Resource Recovery

The lease holder must optimise recovery of the minerals that are the subject of this mining lease to the extent economically feasible.

7. Security

The lease holder is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the mining lease, including obligations of all or any kind under the mining lease that may arise in the future.

The amount of the security deposit to be provided has been assessed by the Minister at

██████████

8. Cooperation Agreement

The lease holder must make every reasonable attempt, and be able to demonstrate its attempts, to enter into a cooperation agreement with the holder(s) of any overlapping title(s). The cooperation agreement should address but not be limited to issues such as:

- access arrangements
- operational interaction procedures
- dispute resolution
- information exchange
- well location
- timing of drilling
- potential resource extraction conflicts; and
- rehabilitation issues.

Exploration Reporting

Note: Exploration Reports (Geological and Geophysical)

The lease holder must lodge reports to the satisfaction of the Minister in accordance with section 163C of the Mining Act 1992 and in accordance with clause 57 of the Mining Regulation 2010.

Reports must be prepared in accordance with Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales.

SPECIAL CONDITIONS

Note: The standard conditions apply to all mining leases. The Division of Resources & Energy (DRE) reserves the right to impose special conditions, based on individual circumstances, where appropriate.