

Application for surrender or partial surrender of environmental authority (exploration) or environmental authority (mineral development) code or non-code compliant level 2 mining project

A letter (or signed written statement) from the landowner/holder is mandatory in cases where: infrastructure, structures and/or temporary dwellings are to remain on site following surrender.

Question 15: The author of this report may be, for instance, a holder of the environmental authority or a consultant.

Please ensure information provided in the final rehabilitation report is complete, true and not misleading.

15. Author of this Final Rehabilitation Report

- I confirm that, to the best of my knowledge, all information provided in this final rehabilitation report is accurate and complete. I am aware that, under section 480 of the Environmental Protection Act 1994, it is an offence to give the administering authority information that I know is false, misleading or incomplete in any material particular. The maximum penalty for such action is 165 penalty units for an individual, or 825 penalty units where the applicant is a corporation (section 181B(3) of the Penalties and Sentences Act 1992).
I acknowledge that all information supplied on or with this report may be made available upon request, subject to the provisions of the Freedom of Information Act 1992 and/or by EPA administrative access arrangements.

NAME: Cameron Vorias

SIGNATURE: s.49 - Signature

DATE: 29/10/2007

16. Have you applied to the Department of Natural Resources, Mines and Water to relinquish or transfer a referable dam or bore licence relevant to activities the subject of this surrender application?

- Yes -> provide details of application and status in the FRR
No -> do you hold any such licences?
Yes -> please specify below:
No -> go to question 17

SPECIFY LICENCE DETAILS

Application for surrender or partial surrender of environmental authority (exploration) or environmental authority (mineral development) code or non-code compliant level 2 mining project

17. Have you received, from an officer of the Environmental Protection Agency, advice that the status of rehabilitation is sufficient to warrant an application for surrender?

Yes → please attach a copy of advisory letter received

Tick to indicate attachment

No

Section 3: Audit statement

Provide details in the circumstance where:

- The activities carried out on the tenement(s) have not complied with the conditions of the EA;
- The FRR is inaccurate or incomplete;
- There are ongoing environmental management needs that have not been identified or adequately addressed in the FRR; or
- The amount of financial assurance proposed to be discharged or the third party cost estimations for ongoing work have been calculated differently.

18. Outline any variation or limitation to compliance with the conditions of the EA, the accuracy of the FRR and/or the calculation of financial assurance

None Noted

ATTACH ADDITIONAL INFORMATION WHERE INSUFFICIENT SPACE

Tick to indicate attachments:

19. When, where and how was the audit undertaken?

Question 19:
Audit methods may include, for example: a desktop assessment of documentation, an interview with the landowner/holder or field operator and a site inspection.

Evidence used may include for example: photographs, statements, and other documentation (maps, plans, approvals, any monitoring results etc.).

Documents used as evidence and/or produced during the audit are to be stored in a safe location for viewing by

DATE, PLACE METHOD AND EVIDENCE USED TO VERIFY COMPLIANCE AND ACCURACY:
Brisbane, 27-10-07, review all appropriate documentation

ATTACH ADDITIONAL INFORMATION WHERE INSUFFICIENT SPACE

Tick to indicate attachments:

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the administering authority upon request (e.g. during a site inspection or as part of the final rehabilitation report assessment process).

Question 20:
A person with appropriate environmental expertise and/or experience in planning and executing site operations may be accepted as an auditor. This person may be the EA holder, or a full-time employee of the EA holder.

The auditor's position within the company holding the tenement or the relationship to the holder should be shown.

Information supplied on or with this audit statement may be made available, subject to the provisions of the *Freedom of Information Act 1992*, and/or EPA administrative access arrangements.

Documents used as evidence and/or produced during the audit are to be stored in a safe location for viewing by officers of the EPA upon request (e.g. during a site inspection or as part of the FRR assessment process).

20. Auditor's qualifications and/or experience

Qualified Mining Engineer (UNSW), 22 years experience in the coal mining industry, 7 years in i Mine Managerial positions.

CONTACT PHONE: 07 3225 5500

21. Auditor's signing

I, Cameron Vorias, Director, COO Queensland Operations
Name and position of auditor

- make this statement by or for the environmental authority holder identified in Section 1;
- confirm that, to the best of my knowledge, all information provided in this audit statement is true, correct and complete. I am aware that it is an offence, under Section 480 of the *Environmental Protection Act 1994*, to give the administering authority information that I know is false, misleading or incomplete in any material particular. The maximum penalty for such action is 165 penalty units for an individual, or 825 penalty units where the applicant is a corporation (section 181B(3) of the *Penalties and Sentences Act 1992*;
- confirm that the mining activities carried out under the relevant mining tenement(s) identified in Section 1 have complied with the conditions of the environmental authority (mining activities), subject to any qualifications outlined in question 16;
- confirm that the final rehabilitation report is accurate, subject to any qualifications outlined in question 16;

Application for surrender or partial surrender of environmental authority (exploration) or environmental authority (mineral development) code or non-code compliant level 2 mining project

• confirm that: (tick one of the following):

- an agreement/agreements on management following tenement relinquishment is in place and a copy is attached; or,
- there are no limitations on the land use of the tenement area, resulting from mining activities on the tenement.

SIGNATURE	s.49 - Signature
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POSITION AND COMPANY OF AUDITOR: Cameron Vorias, Director
--

DATE: 29/10/2007

Section 4: Certification

22. Certification by applicant

I/We, being the holder(s) of the relevant environmental authority and the applicants identified at question 1, hereby apply for the surrender (as detailed in the above application form) of:

- whole
- part

of the environmental authority (mining activities) identified at question 2.

- I/We understand that all information supplied on or with this application form may be made available upon request, subject to the provisions of the *Freedom of Information Act 1992* and/or by the EPA administrative access arrangements.
- I/We certify that the conditions of the environmental authority have been complied with.
- I/We certify that the land on which mining activities have been undertaken have been satisfactorily rehabilitated according to the conditions of the environmental authority.

Application for surrender or partial surrender of environmental authority (exploration) or environmental authority (mineral development) code or non-code compliant level 2 mining project

I, Cameron Vorias
Printed name of person signing this form

- solemnly and sincerely declare that the information provided is true and correct to the best of my knowledge and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1867*;
- am authorised to sign on behalf of the applicant(s), and commit the applicant(s) in all matters relevant to this application;
- am aware that under section 480 of the *Environmental Protection Act 1994*, that it is an offence to give the administrative authority a document that contains information that I know is false, misleading or incomplete in any material particular. The maximum penalty for such action is 165 penalty units for an individual, or 825 penalty units where the applicant is a corporation (section 181 B (3) of the *Penalties and Sentences Act 1992*). The current penalty unit value is \$75.00.

Please read carefully through the certification opposite before signing. Note that the 'applicant' may be a different person or entity to the person authorised to sign this form on behalf of the applicant.

NAME:
Cameron Vorias

You may apply for exemption from disclosing information contained in this application (pursuant to section 564 of the EP Act). An *Application for Disclosure Exemption* form is available from the EPA's Ecoaccess Customer Service Unit or NRMW Office, or at www.epa.qld.gov.au.

SIGNATURE: s.49 - Signature

To apply for a discharge, or partial discharge of your financial assurance, refer to Appendix A - *Application for amendment or discharge of financial assurance*.

POSITION OF SIGNATORY (I.E. DIRECTOR, MANAGER, OWNER, PARTNER, CEO ETC):
Director - Millennium Coal Pty Ltd

DATE:
29/10/2007

23. Applicant checklist

- Application form(s) completed and signed Fees paid or enclosed (if applicable)
 Supporting information or accreditation attached (if applicable) Appendix A completed and signed

Please return your completed application kit to:

Mining Registrar
Department of Natural Resources, Mines and Water
PO Box 1475, Coorparoo Qld 4151

Application for surrender or partial surrender of environmental authority (exploration) or environmental authority (mineral development) code or non-code compliant level 2 mining project

Appendix A - Amendment or discharge of financial assurance (section 366 Environmental Protection Act 1994)

OFFICIAL USE ONLY

RECEIVED AT (OFFICE)

RECEIVED BY (INITIALS)

DATE RECEIVED TIME RECEIVED

NRMW DISTRICT EPA DISTRICT

FILE REF.

PROJECT REF/ EA NO.

COMPLETE FORM

This attachment is the approved form for a holder of a code or non-code compliant environmental authority (exploration) or environmental authority (mineral development) for a level 2 mining project to apply to the administering authority to have financial assurance amended or discharged in conjunction with a surrender application for the environmental authority.

Application & certification

I/We (the holder of the environmental authority identified in the attached surrender application):

- hereby apply for the amendment/discharge of the financial assurance (held for the environmental authority) as indicated in Question 13 of the attached surrender application (calculated in the final rehabilitation report and as confirmed in the audit statement).
- I/we certify that the financial assurance has been calculated in the way decided by the administering authority (i.e. in accordance with the requirements of the *Code of Environmental Compliance for Exploration and Mineral Development Projects* and *Guideline 17 Financial assurances for mining activities*).
- I/we certify the information provided in this application (including calculations, supporting information and statements in the attached surrender application) is accurate, complete and not misleading^A.

Guide for applicants

^A It is an offence, under the *Environmental Protection Act 1994*, to give the administering authority information that is false, misleading or incomplete in any material particular. The maximum penalty for such action is 165 penalty units for an individual, or 825 penalty units where the applicant is a corporation (section 181B(3) of the *Penalties and Sentences Act 1992*). The current penalty unit value is \$75.00.

Where there is more than one holder, this form may be signed by the holder authorised (in writing by all other holders) to sign on their behalf and to commit in all matters relevant to this application. Where the entity that signs is a company, this form is to be signed by a person authorized (in writing) to sign for that company.

Signing

HOLDER NAME / COMPANY	
SIGNATORY NAME & POSITION	SIGNATURE & DATE

HOLDER NAME / COMPANY	
SIGNATORY NAME & POSITION	SIGNATURE & DATE

HOLDER NAME / COMPANY	
SIGNATORY NAME & POSITION	SIGNATURE & DATE



Author / Sally Clark
Directorate / South East Region (Mines)
Reference / EPC 855
Phone / 07 3238 3735
Facsimile / 07 3405 5346
Email / sally.clark@dme.qld.gov.au

Department of
Mines and Energy

29 October 2007

Millennium Coal Pty Ltd
C/- Hetherington Exploration
& Mining Title Services Pty Ltd
PO Box 13071
GEORGE STREET POST SHOP
BRISBANE QLD 4003

BLV MT12 13/11/07 ✓

Dear Sir/Madam,

EXPLORATION PERMIT FOR COAL (EPC) NO. 855

I refer to the above permit and advise that the rent for the term commencing 20 October 2007 has been underpaid by s.49 - Business Affairs

Please forward the outstanding amount to s.49 - Business Affairs this Department on or before 12 November 2007.

In accordance with Section 160(2) of the *Mineral Resources Act 1989*, failure to pay the annual rental will result in this permit being cancelled.

Please note that rental is due and payable up to and including the date of cancellation.

Yours sincerely,

s.49 - Signature

Sally Clark
A/Tenures Officer
South East Region (Mines)



Department of Mines and Energy
South East Region (Mines)
Podium 2, Ground Floor
Landcentre Building
Cnr Main and Vulture Street,
Woolloongabba Qld 4102
PO Box 1475, Coorparoo
Queensland 4151 Australia
Telephone + 61 7 3238 3730
Facsimile + 61 7 3405 5346

Departmental Correspondence Action Sheet

File:

EPK 855

Loose

Doc: M107/ 11808

1 MT20

Date of Entry: 22/10/07

Urgent

Signature: Peter Hoppner

Routine

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE: / /

DNRM RTI DL Release

Comments (if any)

- check w/ RLQ

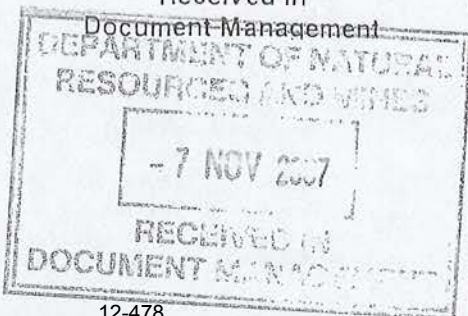
DESIGNATED OFFICER

Signature: s.49 - Signature

Date: 22/10/07

Received in

Document Management



12-478

FINAL ACTION

Departmental Minute Prepared

Yes

No

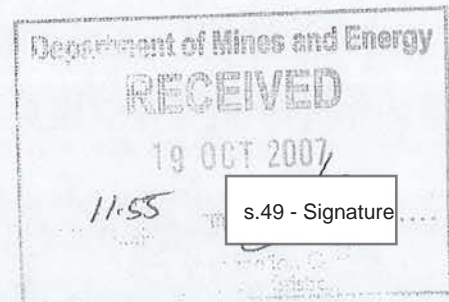
Comments

Signature: Documents

Date:

19 October 2007

Senior Tenures Officer
Tenures Support Unit
Southern Regional Office (Mines)
Department of Mines and Energy
PO Box 1475
COORPAROO QLD 4151



Dear Sir/Madam

RE: EXPLORATION PERMIT FOR COAL (EPC) 855
PROJECT: MIDDLEMOUNT - FOXLEIGH NORTH

DEPARTMENT OF MINES AND ENERGY
SALES & INFORMATION CENTRE

RECEIPT No.: 25 200197
FEE: \$.....
FOR: Peabody
INITIALS: [Signature] DATE 19/10/07

Please find enclosed a cheque for [Signature] Business Affairs for the annual rental payment in respect of the above mentioned tenement for the period 20 October 2007 to 19 October 2008.

Details of the payment are in the following table.

TENEMENT	NAME	RENTAL PERIOD	NUMBER OF SUB BLOCKS	AMOUNT
EPC 855	Middlemount - Foxleigh North	20/10/2007 to 19/10/2008	14	[Signature] Business Affairs
			TOTAL	

Yours faithfully

[Signature Box]
s.49 - Signature

CANDICE MOSS
Titles Officer, Brisbane Office

Enc Cheque # 405832

CC Peabody Energy Australia Coal Pty Ltd (Mr Cameron Vorias)



Departmental Correspondence Action Sheet

File EPE 855
Loose Doc. 1106/1052

1 MT 12

Date of Entry: 11/14/06 Urgent
Signature: [Signature] Routine

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

PROP

ACTUAL

s.49 - Business Affairs

Year 3
DNRM RTI DL Release

Comments (if any)

SOE for P/E 19/10/06
TIN 68806
CK

DESIGNATED OFFICER

Signature:

Date:

FINAL ACTION

Departmental Minute Prepared

Yes

No



Comments

Signature:

Date:

30 November 2006

Miss AM Lynam
Administration Officer – Exploration Reporting
South East Region Mines
Department of Mines and Energy
PO Box 1475
COORPAROO QLD 4151

Dear Ann Maree

RE: EXPLORATION PERMIT FOR COAL (EPC) 855
PROJECT: FOXLEIGH NORTH

On behalf of Millennium Coal Pty Ltd, I enclose for your attention an expenditure statement for EPC 855 for the period 20 October 2005 to 19 October 2006.

If you have any questions in relation to this matter please do not hesitate to contact me.

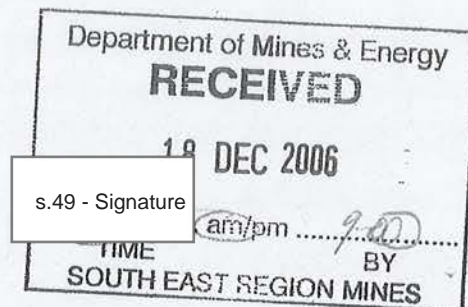
Yours faithfully,

s.49 - Signature

BRIAN MARTIN
Manager, Brisbane Office

Enc.:

cc.: Millennium Coal Pty Ltd (Mr M Creech)



EXPENDITURE STATEMENT
FOR
EPC 855
PROJECT "FOXLEIGH NORTH"

FOR THE PERIOD
20 OCTOBER 2005 TO 19 OCTOBER 2006
Millennium Coal Pty Ltd

Author – Michael Creech
November 2006

Page 13 redacted for the following reason:

s.49 - Business Affairs - Financial Information

DNRM RTI DL Release

Departmental Correspondence Action Sheet

File EPC 726,728
6855

Loose Doc. M106/10408

1 MT 9

Date of Entry: 12/12/06
Signature:

Urgent
Routine

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

Millennium Coal Pty Ltd is c/- Hetherington,
therefore no address change is required

@ 14/12/06

Comments (if any)

POSSIBLE CHANGE
OF ADDRESS
REQUIRED

DESIGNATED OFFICER

Signature:

Date:

Received in Records

DEPARTMENT OF MINES & ENERGY
RECEIVED
14 DEC 2006
DOCUMENTS

FINAL ACTION

Departmental Minute Prepared Yes No

Comments

Signature:

Date:

Freeman Nicole

From: Mayo Jason
Sent: Tuesday, 12 December 2006 9:20 AM
To: Freeman Nicole
Subject: FW: Update postal, email addresses

Good morning Nicole,

I received a phone call from the Titles office last week seeking confirmation that they can forward to me an email from a client seeking to change address details.

The Titles officer advised me that the client advised of an agreement, lodged in the NNTT, between the Barada Barna Kabalbara & Yetamarla Traditional Owners and Millennium Coal.

Therefore, they forwarded the email to Indigenous Services.

A closer review of the attached email indicates that it would seem that the client is actually notifying of their change of address details pertaining to Millennium Coal.

Would you know of a contact within Mines and Energy that the attached email should be forwarded to enable the change of address details?

cheers

Jason Mayo
 Acting State Negotiator
 Negotiations Unit
 Indigenous Services
 Department of Natural Resources and Water
 Ph: (07) 3896 3090
 Fax:(07) 3896 3281
 email jason.mayo@nrm.qld.gov.au

From: Caroline Edwards [mailto:CEdwards@peabodyenergy.com.au]
Sent: Monday, 11 December 2006 2:35 PM
To: Mayo Jason
Subject: FW: Update postal, email addresses

Thank you Jason for your assistance with this matter.

Kind regards

CAROLINE EDWARDS
 Peabody Pacific Pty Limited
 Level 27, AMP Place
 10 Eagle Street
 Brisbane Qld 4000

Phone: 61 7 3225 5500
 Fax: 61 7 3225 5555

From: Caroline Edwards

Sent: Wednesday, 6 December 2006 9:18 AM
To: 'brisbane.titling.operations@nrm.qld.gov.au'
Subject: Update postal, email addresses

Good afternoon Betty

As per our conversation on Tuesday 5 December, 2006, I give permission for your department to update the postal and contact email addresses for the following:

Millennium Coal Pty Ltd
GPO Box 164
BRISBANE QLD 4001

Wontonga Pastoral Pty Ltd
GPO Box 164
BRISBANE QLD 4001

Correspondence from DRM, NNTT and other government departments for the above companies can be forwarded to myself at the above address or via email at cedwards@peabodypacific.com.au

Confirmation of the above changes would be appreciated. Please do not hesitate to contact me should you have any queries.

Kind regards

Kind regards

CAROLINE EDWARDS
Peabody Pacific Pty Limited
Level 27, AMP Place
10 Eagle Street
Brisbane Qld 4000

Phone: 61 7 3225 5500
Fax: 61 7 3225 5555

E-mail Disclaimer: The information contained in this e-mail, and in any accompanying documents, may constitute confidential and/or legally privileged information. The information is intended only for use by the intended recipient. If you are not the intended recipient (or responsible for the delivery of the message to the intended recipient), you are hereby notified that any dissemination, distribution, copying, or other use of, or taking of any action in reliance on this e-mail is strictly prohibited. If you have received this email communication in error, please notify the sender immediately and delete the message from your system.

Holder : MILLENNIUM COAL PTY LTD Status : All

Holder	Tenure Id	Previous Id	District	Status	Sub- Status	Share %	Area Units	Area Ha
Current	EPC 726	25400BRIS	EMER	GRANTED		100.00000	18	.0000
	EPC 728	25700BRIS	EMER	GRANTED		100.00000	13	.0000
	EPC 855	BRIS10403	EMER	GRANTED		100.00000	17	.0000
	ML 70312		EMER	GRANTED		100.00000	455	454.3000
	ML 70313		EMER	GRANTED		100.00000	1953	1953.0000
	ML 70344		EMER	GRANTED		100.00000	156	155.6000
	ML 70364		EMER	APPLICATION		100.00000	20	19.6043
Former	EPC 673	42197BRIS	BRIS	NON-CURRENT	EXPIRED	100.00000	0	.0000
	EPC 726	25400BRIS	EMER	GRANTED		100.00000	18	.0000
	EPC 765	28501BRIS	EMER	NON-CURRENT	EXPIRED	100.00000	0	.0000
	EPC 784	5002BRIS	EMER	NON-CURRENT	EXPIRED	100.00000	0	.0000
	EPC 797	7902BRIS	EMER	NON-CURRENT	ABANDONED	100.00000	0	.0000
	EPC 872	31803BRIS	BRIS	NON-CURRENT	REJECTED	100.00000	0	.0000
	ML 70320		EMER	NON-CURRENT	ABANDONED	100.00000	7	6.8064
	ML 70344		EMER	GRANTED		99.00000	156	155.6000
	PP 71560		EMER	NON-CURRENT	EXPIRED	100.00000		

Departmental Correspondence Action Sheet

File EPC 726, 855

Loose Doc.

1

Date of Entry:

Urgent

Signature:

Routine

ACTION OFFICER USE

ORIGINAL ON EPC 726

copy on EPC 855

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

Comments (if any)

COMBINED ANNUAL REPORT
FOR PIE 19/10/06

AN - 68806

CR - 44742

DESIGNATED OFFICER

Signature:

Date:

Received in Records

FINAL ACTION

Departmental Minute Prepared

Yes

No

Comments

Signature:

Date:

Report Number: 44742

Reports

Report Title*	Report Type*	Author Name*	Lodger
EPC 726 (MIDDLEMOUNT), 855 (FOXLEIGH NORTH), MIDDLEMOUNT AND FOXLEIGH NORTH, COMBINED ANNUAL REPORT FOR THE PERIOD 20/10/05 TO 19/10/06	ANNUAL REPORT	CREECH, M	CLARE MASSEY
Submitter	Locality*	Map References*	Commodity*
HETHERINGTON TITLE SERVICES	S OF MIDDLEMOUNT	8652	COAL
Keywords*		Tenure*	Tenure Holder
COAL EXPLORATION, UNCASSED DRILL HOLES, DRILLING, CORE DRILLING, LITERATURE REVIEWS, BASE MAPS, GEOLOGICAL LOGS, GRAPHIC LOGS, GEOPHYSICAL LOGS, COAL QUALITY		EPC 726, EPC 855	MILLENNIUM COAL PTY LTD
Tectonic	Stratigraphy		Age Status
BOWEN BASIN	RANGAL COAL MEASURES, FORT COOPER COAL MEASURES		PERMIAN C

Dates

Date of Report*	Date of Review	Date of Receipt	Date Due for Open	Date of Open
06/11/2006	04/01/2007	15/11/2006		

Project Information

Project Names	Mines/Prospect Names	Well Names	Seismic Survey
MIDDLEMOUNT, FOXLEIGH NORTH			

Select <small>(Toggle)</small>	Comp#	Type	Title	Size(KB)	Image Type	View
	1	BODY	<u>BODY OF REPORT</u>	62	PDF	
	2	BODY	<u>FIGURE 1 - (FROM BODY OF REPORT) - BORE LOCATIONS</u>	40	PDF	
	3	BODY	<u>APPENDIX A - ACQUISITION OF HRAM AND STRUCTURAL RISK INTERPRETATION REPORT</u>	581	PDF	
	4	BODY	<u>APPENDIX A - FIGURE 1 - PROJECT AREA</u>	1998	PDF	
	5	BODY	<u>APPENDIX A - FIGURE 2 - REGIONAL MAGNETIC TMI IMAGE</u>	1092	PDF	
	6	BODY	<u>APPENDIX A - FIGURE 3 - REGIONAL MAGNETIC TMI IMAGE STRUCTURAL INTERPRETATION</u>	3616	PDF	

7	BODY	<u>APPENDIX A - FIGURE 4 - REGIONAL MAGNETIC TMI IMAGE</u>	2254	PDF
8	BODY	<u>APPENDIX A - FIGURE 4A - TMI IMAGE OVER FOXLEIGH NORTH PROJECT AREA</u>	805	PDF
9	BODY	<u>APPENDIX A - FIGURE 5 - DEM IMAGE IN FOXLEIGH NORTH PROJECT AREA</u>	543	PDF
10	BODY	<u>APPENDIX A - FIGURE 6 - STRUCTURAL INTERPRETATION</u>	232	PDF
11	BODY	<u>APPENDIX A - FIGURE 7 - STRUCTURAL INTERPRETATION WITH MIDDLEMOUNT SEAM STRUCTURE CONTOURS</u>	248	PDF
12	BODY	<u>APPENDIX A - FIGURE 8 - HIGHLIGHTED AREAS OF DEVIATIONS IN THE MIDDLEMOUNT SEAM STRUCTURE CONTOURS</u>	319	PDF
13	BODY	<u>APPENDIX A - FIGURE 9 - IGNEOUS AND STRUCTURAL INTERPRETATIONS FOR EPC 726 AND EPC 855</u>	255	PDF
14	BODY	<u>APPENDIX A - FIGURE 10 - STRUCTURAL RISK/HAZARD SUMMARY MAP FOR THE MIDDLEMOUNT PROJECT AREA</u>	322	PDF
15	BODY	<u>APPENDIX A - FIGURE 11 - STRUCTURAL RISK/HAZARD SUMMARY MAP FOR THE MIDDLEMOUNT PROJECT AREA</u>	352	PDF
16	BODY	<u>APPENDIX A - FIGURES 6A TO 6C - DEM, RTP AND RGB IMAGES</u>	299	PDF
17	BODY	<u>APPENDIX B - DRILLHOLE SUMMARY TABLE</u>	65	PDF
18	BODY	<u>COAL QUALITY ANALYSIS</u>	46	PDF
19	BODY	<u>ENGLISH LOGS FOR EPC 726</u>	70	PDF
20	BODY	<u>ENGLISH LOGS FOR EPC 855</u>	106	PDF
21	BODY	<u>APPENDIX A - APPENDIX 1 - FILTERING AND END ENHANCEMENT OF MAGNETIC DATA</u>	6087	PDF
22	BODY	<u>APPENDIX A - APPENDIX 2 - SUMMARY OF STRUCTURAL AND IGNEOUS RELATIONSHIPS</u>	2192	PDF
23	GEODATA	<u>LAS FILES - PART 1</u>	6311	ZIP
24	GEODATA	<u>LAS FILES - PART 2</u>	4942	ZIP
25	BODY	<u>EPC 726 - HOLE MO14 - GRAPHIC A</u>	24	PDF
26	BODY	<u>EPC 726 - HOLE MO14 - GRAPHIC B</u>	125	PDF

27	BODY	<u>EPC 726 - HOLE MO14 - GRAPHIC C</u>	130	PDF
28	BODY	<u>EPC 726 - HOLE MO14 - GRAPHIC D</u>	15	PDF
29	BODY	<u>EPC 726 - HOLE MO15 - GRAPHIC A</u>	113	PDF
30	BODY	<u>EPC 726 - HOLE MO15 - GRAPHIC B</u>	122	PDF
31	BODY	<u>EPC 726 - HOLE MO15 - GRAPHIC C</u>	124	PDF
32	BODY	<u>EPC 726 - HOLE MO15 - GRAPHIC D</u>	15	PDF
33	BODY	<u>EPC 726 - HOLE MO16 - GRAPHIC A</u>	20	PDF
34	BODY	<u>EPC 726 - HOLE MO16 - GRAPHIC B</u>	12	PDF
35	BODY	<u>EPC 726 - HOLE MO19 - GRAPHIC A</u>	119	PDF
36	BODY	<u>EPC 726 - HOLE MO19 - GRAPHIC B</u>	132	PDF
37	BODY	<u>EPC 726 - HOLE MO19 - GRAPHIC C</u>	14	PDF
38	BODY	<u>EPC 726 - HOLE MO33 - GRAPHIC A</u>	129	PDF
39	BODY	<u>EPC 726 - HOLE MO33 - GRAPHIC B</u>	132	PDF
40	BODY	<u>EPC 726 - HOLE MO33 - GRAPHIC C</u>	136	PDF
41	BODY	<u>EPC 726 - HOLE MO33 - GRAPHIC D</u>	26	PDF
42	BODY	<u>EPC 726 - HOLE MO34 - GRAPHIC A</u>	26	PDF
43	BODY	<u>EPC 726 - HOLE MO34 - GRAPHIC B</u>	34	PDF
44	BODY	<u>EPC 726 - HOLE MO34 - GRAPHIC C</u>	21	PDF
45	BODY	<u>EPC 726 - HOLE MC035 - GRAPHIC A</u>	14	PDF
46	BODY	<u>EPC 726 - HOLE MC035 - GRAPHIC B</u>	15	PDF
47	BODY	<u>EPC 726 - HOLE MC035 - GRAPHIC C</u>	17	PDF
48	BODY	<u>EPC 726 - HOLE MC035 - GRAPHIC D</u>	16	PDF
49	BODY	<u>EPC 855 - HOLE MO12 - GRAPHIC</u>	15	PDF
50	BODY	<u>EPC 855 - HOLE MO17 - GRAPHIC A</u>	21	PDF

51	BODY	<u>EPC 855 - HOLE MO17 - GRAPHIC B</u>	130	PDF
52	BODY	<u>EPC 855 - HOLE MO17 - GRAPHIC C</u>	132	PDF
53	BODY	<u>EPC 855 - HOLE MO17 - GRAPHIC D</u>	35	PDF
54	BODY	<u>EPC 855 - HOLE MO18 - GRAPHIC A</u>	127	PDF
55	BODY	<u>EPC 855 - HOLE MO18 - GRAPHIC B</u>	133	PDF
56	BODY	<u>EPC 855 - HOLE MO18 - GRAPHIC C</u>	23	PDF
57	BODY	<u>EPC 855 - HOLE MO20 - GRAPHIC A</u>	130	PDF
58	BODY	<u>EPC 855 - HOLE MO20 - GRAPHIC B</u>	86	PDF
59	BODY	<u>EPC 855 - HOLE MO21 - GRAPHIC A</u>	131	PDF
60	BODY	<u>EPC 855 - HOLE MO21 - GRAPHIC B</u>	134	PDF
61	BODY	<u>EPC 855 - HOLE MO21 - GRAPHIC C</u>	120	PDF
62	BODY	<u>EPC 855 - HOLE MO22 - GRAPHIC A</u>	22	PDF
63	BODY	<u>EPC 855 - HOLE MO22 - GRAPHIC B</u>	33	PDF
64	BODY	<u>EPC 855 - HOLE MO22 - GRAPHIC C</u>	26	PDF
65	BODY	<u>EPC 855 - HOLE MO23 - GRAPHIC A</u>	28	PDF
66	BODY	<u>EPC 855 - HOLE MO23 - GRAPHIC B</u>	32	PDF
67	BODY	<u>EPC 855 - HOLE MO23 - GRAPHIC C</u>	31	PDF
68	BODY	<u>EPC 855 - HOLE MO25 - GRAPHIC A</u>	116	PDF
69	BODY	<u>EPC 855 - HOLE MO25 - GRAPHIC B</u>	136	PDF
70	BODY	<u>EPC 855 - HOLE MO25 - GRAPHIC C</u>	136	PDF
71	BODY	<u>EPC 855 - HOLE MO26</u>	16	PDF
72	BODY	<u>EPC 855 - HOLE MO27 - GRAPHIC A</u>	20	PDF
73	BODY	<u>EPC 855 - HOLE MO27 - GRAPHIC B</u>	29	PDF
74	BODY	<u>EPC 855 - HOLE MO27 - GRAPHIC C</u>	28	PDF

75	BODY	<u>EPC 855 - HOLE MO27 - GRAPHIC D</u>	13	PDF
76	BODY	<u>EPC 855 - HOLE MO28 - GRAPHIC A</u>	124	PDF
77	BODY	<u>EPC 855 - HOLE MO28 - GRAPHIC B</u>	138	PDF
78	BODY	<u>EPC 855 - HOLE MO28 - GRAPHIC C</u>	78	PDF
79	BODY	<u>EPC 855 - HOLE MO28 - GRAPHIC D</u>	14	PDF
80	BODY	<u>EPC 855 - HOLE MO29 - GRAPHIC A</u>	124	PDF
81	BODY	<u>EPC 855 - HOLE MO29 - GRAPHIC B</u>	108	PDF
82	BODY	<u>EPC 855 - HOLE MO30 - GRAPHIC A</u>	125	PDF
83	BODY	<u>EPC 855 - HOLE MO30 - GRAPHIC B</u>	95	PDF
84	BODY	<u>EPC 855 - HOLE MO31 - GRAPHIC A</u>	126	PDF
85	BODY	<u>EPC 855 - HOLE MO31 - GRAPHIC B</u>	92	PDF
86	BODY	<u>EPC 855 - HOLE MO32 - GRAPHIC A</u>	125	PDF
87	BODY	<u>EPC 855 - HOLE MO32 - GRAPHIC B</u>	121	PDF
88	BODY	<u>EPC 855 - HOLE MC011 - GRAPHIC A</u>	25	PDF
89	BODY	<u>EPC 855 - HOLE MC011 - GRAPHIC B</u>	11	PDF
90	BODY	<u>EPC 855 - HOLE MC013</u>	112	PDF
91	BODY	<u>EPC 855 - HOLE MC024 - GRAPHIC A</u>	109	PDF
92	BODY	<u>EPC 855 - HOLE MC024 - GRAPHIC B</u>	76	PDF

Author Linda Russell
File / Ref number: EPC 855
Directorate / Unit South East Region (Mines)
Phone 3238 3805

B/C Environmental Protection Agency
PO Box 906
EMERALD QLD 4720

01 November 2006

For your information – a copy of the renewal application is attached.

Millennium Coal Pty Ltd
C/- Hetherington Exploration & Mining Title Services Pty Ltd
PO Box 13071
George Street Post Shop
BRISBANE QLD 4003

T Mitchell
1/11/2006

Dear Sir/Madam

EXPLORATION PERMIT FOR COAL (EPC) NO. 855

I refer to your application for renewal lodged 21 June 2006 and advise that the Acting Regional Manager, as delegate for the Minister on 31 October 2006, pursuant to section 147A of the *Mineral Resources Act 1989* (MRA), renewed Exploration Permit for Coal Number 855 for three (3) years from 20 October 2006 to 19 October 2009.

Compliance with the approved work program and expenditure commitments of this exploration permit is a condition of grant of this tenure. Failure to comply with this requirement may result in the cancellation of this tenure. Should exceptional circumstances mean that you are unable to reasonably meet these requirements, you are strongly advised to seek a variation of these conditions in accordance with Section 141C of the MRA. Also, consideration will only be given to any further renewal sought if the provisions of section 139 (1) of the MRA are met.

Pursuant to the provisions of Section 163 of the *Mineral Resources Act 1989* you are required to give each owner of land covered by the permit written notice of entry before initial entry is made by you under the authority of the permit. Such notice/s must be given at least five (5) business days before entry or within such shorter period acceptable to the owner and endorsed on the notice. Section 164 provides for the term and renewal of such notices of entry. A copy of this form is available on the Department's website.

Under section 23 of the *Aboriginal Cultural Heritage Act 2003* a person who carries out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage (the "cultural heritage duty of care"). Maximum penalties for breaching the duty of care are \$750,000 for a corporation and \$75,000 for an individual.

You will comply with the cultural heritage duty of care if you are acting in accordance with gazetted cultural heritage duty of care guidelines. An assessment of your proposed activity against the duty of care guidelines will help determine whether or to what extent Aboriginal cultural heritage may be harmed by your activity. It will also help

DEPARTMENT OF NATURAL RESOURCES AND MINES
South East Region (Mines)
Dept of Energy
Podium 2, Ground Floor
Cnr Main and Vulture Streets
Brisbane QLD 4102
PO Box 1475
Coorparoo QLD 4151 Australia
Telephone + 61 7 3238 3805
Facsimile + 61 7 3405 5349
Website www.nrm.qld.gov.au

determine whether you need to undertake a search of the cultural heritage database and register.

If following an assessment of the duty of care guidelines you believe cultural heritage may be harmed by your proposed activity, you should contact the Cultural Heritage Coordination Unit for further advice on (07) 323 83838 or e-mail cultural.heritage@nrm.qld.gov.au. Further information on cultural heritage, together with a copy of the duty of care guidelines and cultural heritage search forms, may also be obtained from www.nrm.qld.gov.au.

If, following exploration, you intend to apply for mining tenements within the boundaries of your exploration permit you should be aware that the Government's policy is that it will not grant mining tenures for the purpose of mining uranium in Queensland. Nor will it permit the treatment or processing of uranium in the State.

Health and Safety

To protect the health and safety of everyone on the mine site you must comply with the *Mining and Quarrying Safety and Health Act 1999 and Mining and Quarrying Safety and Health Regulation 2001*.

Please contact the Regional Inspector of Mines before work commences to ascertain your health and safety responsibilities.

Northern Region (07) 4760 7408

Central Region (07) 4938 4605

Southern Region (07) 3238 3785

Your endorsed original permit document is attached.

Yours faithfully

s.49 - Signature

TONYA MITCHELL
A/Regional Manager
South East Region Mines

CTS

**Under Delegation from the Minister
Pursuant to S.147A of Mineral Resources Act 1989**

Approved / not Approved

Further information required

s.49 - Signature

A/Regional Mining Registrar
As delegate of the Minister

Dated 31 / 10 / 06

**Department of Mines and Energy
BRIEFING NOTE FOR APPROVAL**

TO: A/REGIONAL MINING REGISTRAR

FROM: SENIOR TENURES OFFICER

SUBJECT: Renewal of Exploration Permit for Coal No. 855

RECOMMENDATION

- It is recommended that the Acting Regional Mining Registrar under delegation from the Minister, in accordance with section 147A of the MRA, renew EPC 855 over an area of 17 sub-blocks and for a term of three years.
- It is also recommended that the Acting Regional Mining Registrar under delegation from the Minister, in accordance with section 144(1) of the MRA, determine that the security deposit for EPC 855 be \$Nil.
- That the holder and the EPA Administering Authority be advised accordingly.

BACKGROUND

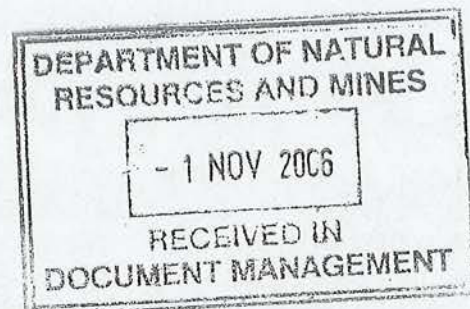
- EPC 855, held by Millennium Coal Pty Ltd (100%) was granted on 20 October 2003 for a term of three years and renewed to expire on 19 October 2006.
- Application for Renewal of EPC 855 was lodged on 21 June 2006 for a further term of three years.
- The application for renewal was lodged within the renewal period.
- The application for renewal was made in the prescribed way and the prescribed fee has been paid.

KEY ISSUES

- Assessment of the renewal application was conducted at folio 49.
- The area of the exploration permit is 17 sub-blocks.
- There has not been an assignment indication since the application for renewal was lodged.
- The technical assessment for renewal was evaluated at folio 53. It is recommended to renew the EPM over an area of 17 sub-blocks and for a term of three years. Expenditure requirements are as follows:

Yr 4	17 s/b	s.49 - Business Affairs
Yr 5	14 s/b	
Yr 6	11 s/b	

- EPC 855 has been issued with a standard environmental authority, number MIM500156703.
- EPC 855 is not within a Wild Rivers area.
- The holder has complied with the provisions of the MRA in that, rental has been paid each year by the anniversary date.
- The holder has complied with the conditions of the exploration permit, in that, expenditure and reporting requirements have been met.



RENEWAL CHECKLIST

EXPLORATION PERMIT FOR MINERAL/COAL NUMBER: 855

Was the renewal application lodged prior to 18 March 2005? YES/NO
 (If YES, then PTO has delegation to approve if NO, only the Minister can approve)

~~Is the land the subject of this exploration permit over state forest?~~ ~~YES/NO~~

Is the exploration permit High or Low Impact under the ASP's? YES/NO
 (If YES, ensure the renewal application has gone through the Expedited Procedures)

Is the exploration permit considered to be a "Swiss Cheese" EP? YES/NO
 (If YES, ensure the S176A application and renewal application have gone through the Expedited Procedures)

I AM SATISFIED THAT THE FOLLOWING REQUIREMENTS OF SECTION 147A OF THE MINERAL RESOURCES ACT 1989 (MRA) HAVE BEEN COMPLIED WITH:

1. The holder has:
 - a) observed and performed all the covenants and conditions applying to the permit and required to be observed and performed by the holder; and
 - b) complied with the MRA in relation to the permit.
2. The activities proposed to be carried out during the renewed term are appropriate and acceptable.
3. The financial and technical resources available to the holder to carry out the proposed activities during the renewed term are appropriate;
4. The public interest will not be adversely affected by the renewal.

s.49 - Signature

**Acting Regional Mining Registrar
 South East Region (Mines)**

- contains MDL.
- rent + reporting OK.
- Nil rating.
- Expenditure excellent.
- Previous NTSC accepted & finalised.
- No NT issues.



ASIC
 Australian Securities & Investments
 Commission

**National Names
 Index**

Index of corporate and
 business names

SEARCH TIPS

Extracted from ASIC's database at AEST 14:59:19 on 23/10/2006

Name MILLENNIUM COAL PTY LTD

ACN 089 566 021

ABN 21 089 566 021

Type Australian Proprietary Company, Limited By Shares

Registration Date 24/09/1999

Next Review Date 24/09/2007

Status Registered

Locality of Registered Office Brisbane QLD 4000

Jurisdiction Australian Securities & Investments Commission

Former Name(s) MODERN MINING TECHNOLOGIES PTY LTD

These are the documents that ASIC has most recently received from or in relation to this organisation. Page numbers are shown if processing is complete and the document is available for purchase.

Date	Number	Pages	Description
29/03/2006	022720409	3	484A1 Change to Company Details Change Officeholder Name Or Address
12/01/2006	022639282	3	484A1 Change to Company Details Change Officeholder Name Or Address
02/12/2005	022313651	2	483 Company Compliance Statement (Response to Return Of Particulars)

COMPLETE DOCUMENT LISTING



Billor Code: 17301
 Ref: 2290895660210

You can find out more about this company or order copies of the documents from the following ASIC information brokers:

- [eSearch](#)
- [Hazlett Information Services](#)
- [Universal Title Searches](#)
- [National Data Centre Pty Ltd](#)
- [Shelco Searches and Services](#)

RENEWAL



TECHNICAL ASSESSMENT Folio No.53
CHECKLIST AND RECOMMENDATIONS
EPC855

Date of Grant: 20-Oct-2003

Applicant/Holder (s): MILLENNIUM COAL PTY LTD	Commodity: COAL
Project Name: Middlemount – Foxleigh North	Application at: folio :47
Number of sub-blocks applied for: 17/17	

Assessment Summary

Technical and financial resources:

Satisfactory

Proposed program and concepts:

Satisfactory

Location: East of German Creek mine

Does the applicant need to submit further information in support of the application? **No/ Yes** Information requested at folio
 Information provided on (see folio)

Recommendations									
Yr	From	To	S/	Prop\$	Actual \$	Program	Keywords	Repor	Comments
1	20/10/03	19/10/04	17						Granted for 3 years exclusive land.
2	20/10/04	19/10/05	17						NSC issued Dec 04, response accepted.
3	20/10/05	19/10/06	17						
4	20/10/05	19/10/06	17	s.49 - Business Affairs		<ul style="list-style-type: none"> •Drilling •Geological & geophysical logging •Coal quality analysis 			RECOMMEND RENEW FOR YEARS 4 TO 6 OVER INITIAL AREA OF 17 SUB-BLOCKS
5	20/10/05	19/10/06	14			<ul style="list-style-type: none"> •Drilling •Geological & geophysical logging •Coal quality analysis 			
6	20/10/05	19/10/06	11			<ul style="list-style-type: none"> •Drilling •Geological & geophysical logging •Coal quality analysis 			

ADJACENT TO EPC 726 ALSO HELD BY MILLENNIUM

Sign Off and Recommendation

Technical assessment has now been completed and it is therefore recommended that the application proceed toward grant/variation subject to the proposed terms and conditions listed above.

Proceed

Signed s.49 - Signature **Date:** 25/8/2006 **Title:** Geoscientist

Senior Geologist's Approvals (Yes,No,N/A)

Grant Over Non-contiguous Sub-blocks	Under delegation from the Minister per Section 127(3) of the <i>Mineral Resources Act 1989</i> the proposed work program over non-contiguous sub-blocks is approved	N/A
Statement Acceptable	Under delegation from the Minister per Section 131(1)(g)(i,ii,iii) and (h)(i) of the <i>Mineral Resources Act 1989</i> , it is approved that the application statement is acceptable to the Minister.	Y
Special Reporting Requirements	Under delegation from the Minister per Section 141(1)(f) of the <i>Mineral Resources Act 1989</i> , it is approved that the applicant must comply with the special reporting requirements outlined above should be granted/renewed/varied.	N/A

Signed s.49 - Signature **Date:** 29/8/2006 **Title:** Senior Geologist

Technical Assessment Checklist and Recommendations (Yes,No,N/A)

Tenure APPLICATION Specific Questions

Suitability of Applicant	Are there sufficient grounds to recommend against grant under Sections 137(4) or 137(5) of the <i>Mineral Resources Act 1989</i> , for non-compliance with the technical requirements of the Act?		
Bona fide Purpose	Does the application appear to be for <i>bona fide</i> purposes under the Act as required under Section 137(1)(c) of the <i>Mineral Resources Act 1989</i> ?		

RENEWAL

Area in Excess of that Prescribed	Are there sufficient technical grounds to recommend under Section 127(4) of the <i>Mineral Resources Act 1989</i> that the tenure may be granted over an area in excess of that prescribed?		
Possible Grant Over Existing Tenure	Are there sufficient technical grounds to recommend under Section 132(1) of the <i>Mineral Resources Act 1989</i> that the tenure may be granted over other existing grants and applications for tenure under the Act?		
Reduction in Area Granted	Are there sufficient technical grounds to recommend under Section 137(1) of the <i>Mineral Resources Act 1989</i> , that the area of grant be less than that applied for?		

COMPLIANCE CHECKLIST QUESTIONS

Relinquishment	Is relinquishment compliant?		
Expenditure	Has expenditure been acceptable?		
Work Program	Has the proposed work program been complied with?		
Conditions	Have specified conditions been complied with?		
Reporting	Have the reporting requirements been adhered to? (Satisfactory/Unsatisfactory)		
Bona Fide	Do the actions of the holder appear to be bona fide		
Significant Mineralisation	Has the holder reported significant mineralisation? See Section 176 1		
Outcome	Is the holder complying with the conditions of this tenure?		

Notes and Comments

Recommendations

Reject Renewal	Show Cause	More information is required Email, letter or contact, Bringup & Review	QDEX/Leave on file
----------------	------------	---	--------------------

Print, file and get support of Senior Geologist, then forward to TM | *Print on green and forward to EXPL3 with the email for Action*

Signed _____ **Date:** 24/11/2004 **Title:** Geoscientist

Tenure RENEWAL Specific Questions

Performance History of Holder	Are there sufficient grounds to recommend against renewal under Section 141(1) or Section 160(1) of the <i>Mineral Resources Act 1989</i> , for non-compliance with the technical requirements of the Act?		N
Failure to Relinquish Land	Due to non-compliance with relinquishment requirements, does a recommendation need to be made regarding the area the Minister may direct be relinquished under Section 139(6) or Section 140(1) of the <i>Mineral Resources Act 1989</i> ?		N
Direction to Apply for Higher Tenure	Do sufficient technical grounds exist to warrant recommending to the Minister that the Holder apply for a higher form of tenure under Section 176(2) of the <i>Mineral Resources Act 1989</i> ?		N

Checklist for Applications and Renewals

Acceptable Work Program	Is the application accompanied by an acceptable statement as required under Section 133(1)(g)(i) of the <i>Mineral Resources Act 1989</i> specifying a description of the program of work proposed to be carried out under the authority of the exploration permit if granted?		Y
Variation of Term	Are there sufficient technical grounds to recommend under Section 137(3)(e) of the <i>Mineral Resources Act 1989</i> that the tenure be granted for a different term than that applied for?		N
Variation of Relinquishment Requirements	Are there sufficient technical grounds to support the recommendation of non-standard relinquishment requirements under either Section 139(3) or Section 140(1) of the <i>Mineral Resources Act 1989</i> ?		Y
Resources Committed	Is the application accompanied by an acceptable statement as required under Section 133(1)(g)(ii) of the <i>Mineral Resources Act 1989</i> specifying the human, financial and technical resources to be committed for each year of the exploration permit if granted?		Y
Financial Resources of Applicant	Does an acceptable statement as required under Section 133(1)(h)(i) of the <i>Mineral Resources Act 1989</i> detailing the applicant's financial resources accompany the application?		Y
Technical Resources of Applicant	Does an acceptable statement as required under Section 133(1)(h)(i) of the <i>Mineral Resources Act 1989</i> detailing the applicant's technical resources accompany the application?		Y
Exploration Data Captured	Is the application accompanied by an acceptable statement as required under Section 133(1)(g)(iii) of the <i>Mineral Resources Act 1989</i> detailing the exploration data captured by the applicant prior to their application?		Y
Special Technical Conditions	Are there sufficient technical grounds to warrant recommending the inclusion of special technical conditions under Section 137(3)(f) of the <i>Mineral Resources Act 1989</i> ?		N
Other Technical Matters	Are there any other technical matters that need to be raised?		N

Recommended Standard Advice in Letter of Offer

RENEWAL

Compliance with the approved work program and expenditure commitments of this exploration permit is a condition of grant of this tenure. Failure to comply with this requirement will be taken into account in the assessment of any application for the renewal of this tenure and may also result in the cancellation of this tenure. Should exceptional circumstances mean that you are unable to reasonably meet these requirements, you are advised to seek a variation of these conditions as soon as you become aware that possible non-compliance is likely.

Other Advice?

The Technical Assessment Checklist provides technical advice to the Delegated Authority on whether an application should proceed to grant. It offers a recommended course of action only and as such it should **not** be viewed as an approval document.

Existing and proposed commitments by applicant or beneficial owner (Optional*)

Number of Sub-blocks*		Expenditure Commitments	
Already Held	<input type="text"/>	For currently granted tenure	<input type="text"/>
Under other applications	<input type="text"/>	Under other applications	<input type="text"/>
Under this application	<input type="text"/>	Under this application	<input type="text"/>
Total	<input type="text"/>	Total	<input type="text"/>

* Mandatory in instances where limits apply to the number of sub-blocks that can be held (ie for Opal and in certain RAs).

General Comments Continued

Show cause issued for not doing any drilling, submission accepted

DNRM RTI DL Release

Hall Erin

From: Hall Erin
Sent: Wednesday, 19 July 2006 12:01 PM
To: Kellie Eaton
Subject: EPC's 726, 728 & 855

Importance: High

Hi Kellie,

As requested please find the required information for the above EPC's.

EPC 726 -

The exploration permit is current, with the current term to expire on 18 March 2009.

There is no outstanding rental owing on the exploration permit.

There are no mortgages, caveats, sub-leases or other encumbrances registered against the exploration permit.

The annual report for the period ending 19 March 2006 is outstanding (statement of expenditure submitted), it has been requested and is due for submission by 31 July 2006.

EPC 728 -

The exploration permit is current, with the current term to expire on 16 April 2007.

There is no outstanding rental owing on the exploration permit.

There are no mortgages, caveats, sub-leases or other encumbrances registered against the exploration permit.

The annual report for the period ending 16 April 2006 was found to be unsatisfactory as it was incomplete. The outstanding information has been requested from the tenement managers and is yet to be lodged.

EPC 855 -

The exploration permit is current, with the current term to expire on 19 October 2006 - renewal lodged.

There is no outstanding rental owing on the exploration permit.

There are no mortgages, caveats, sub-leases or other encumbrances registered against the exploration permit.

There are no other reports required to be lodged in respect of the exploration permit.

If you require any further information please contact me on the number mentioned below.

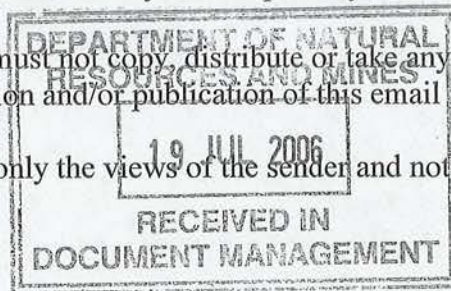
Regards

Erin Hall
Tenures Officer
Department of Natural Resources Mines & Water
South East Region Mines
T: (07) 3238 3814
F: (07) 3405 5346
W: www.nrm.qld.gov.au

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Unless stated otherwise, this email represents only the views of the sender and not the views of the Queensland Government.



Departmental Correspondence Action Sheet

Folio

51

File OPC 726, 728, 855
Loose Doc. M106/05475

MTA

Date of Entry: 14/7/06
Signature: Peter Hoppner

Urgent
 Routine

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE:

MTA
Reply email sent 19/7/06 EH

Comments (if any)

DESIGNATED OFFICER

Signature: s.49 - Signature
Date: 14/7/06

FINAL ACTION

Departmental Minute Prepared Yes No

Received in Records

DEPARTMENT OF NATURAL
RESOURCES AND MINING
19 JUL 2006
RECEIVED IN
DOCUMENT MANAGEMENT

Comments

Signature:

Date:

Hall Erin

From: Kellie Eaton [KEaton@mccullough.com.au]
Sent: Friday, 14 July 2006 9:55 AM
To: Hall Erin
Cc: Lyndal Szep
Subject: FW: EPCS

As per our conversation this morning, please see below our request for good standing.

From: Lyndal Szep
Sent: Thursday, 13 July 2006 5:26 PM
To: Freeman Nicole
Cc: Kellie Eaton
Subject: EPCS

Hi Nicole

Could you please assist us with confirming that a number of tenements have remained in good standing. We have previously conducted a due diligence on these tenements outlined below a couple of years ago but we want to check that they remain in good standing.

The following tenements include:

- ML 70312
- ML 70313
- EPC 726
- EPC 728
- EPC 855

Essentially, we need to confirm that the rent has been paid, there are no encumbrances/caveats lodged, there are no outstanding reports and that the expenditure and work program have been complied with.

Are you able to check these files and write a brief letter updating us on the standing of these tenements.

I understand that this is a time consuming task and should you require a fee for time taken to complete this please let me know.

If you have any problems please don't hesitate to give me a call on 3233 8622.

Kind regards

Lyndal Szep

Solicitor

Direct line: 07 3233 8622 | email: lszep@mccullough.com.au

McCullough Robertson Lawyers,

Level 11 Central Plaza Two, 66 Eagle Street Brisbane Qld 4000

Telephone: (07) 3233 8888 International: +617 3233 8888 Fax: (07) 3229 9949

www.mccullough.com.au

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DNRM RTI DL Release

Departmental Correspondence Action Sheet

File *EBC 855*
Loose Doc. MI06/*057*

MT9

Date of Entry: *11/7/06*

Signature: Peter Hoppner

Urgent

Routine

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE:

for filing

s.49 - Signature *11/7/06*

Comments (if any)

DESIGNATED OFFICER

Signature: s.49 - Signature

Date: *10/7/06*

FINAL ACTION

Departmental Minute Prepared

Yes

No

Received in Records

DEPARTMENT OF NATURAL
RESOURCES AND MINES

13 JUL 2006

RECEIVED IN
DOCUMENT MANAGEMENT

Comments

Signature:

Date:

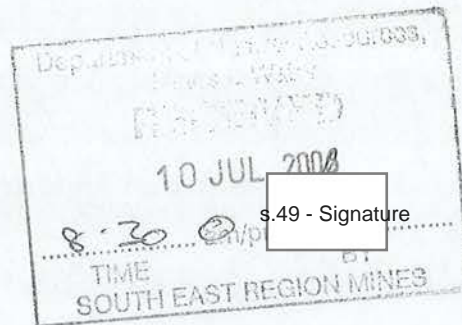


Exploration & Mining Title Services Pty. Ltd.
 A.B.N. 64 003 122 996
 www.hemts.com.au

Ref.: MillenC#75/aj

30 June 2006

Principal Tenures Officer
 Tenures Support Unit
 Department of Natural Resources, Mines and Water
 Po Box 1475
 COORPAROO QLD 4151



Dear Sir/Madame

RE: EXPLORATION PERMIT FOR COAL NUMBER (EPC) 855
PROJECT: FOXLEIGH NORTH

Reference is made to my letter and additional information document dated 21 June 2006 (copies enclosed) in which I requested a variation to sub-block retention conditions for EPC 855.

Please find enclosed a document from Steffen Robertson and Kirsten (Australasia) Pty Ltd (SRK). This document has been provided to assist in the assessment of the variation request.

Please do not hesitate to contact me should you have any questions in relation to this matter.

Yours faithfully

s.49 - Signature

BRIAN MARTIN
 Manager, Brisbane Office

CC Millennium Coal Pty Ltd (Mr M Creech)

SYDNEY

503 Willoughby Road, 1st Floor
 (Access via Prentice Lane)
 Willoughby NSW 2068
 PO Box 765 Willoughby NSW 2068
 Tel: (02) 9967 4614
 Fax: (02) 9967 4614
 E-mail: sydney@hemts.com.au

BRISBANE

Suite 41, Northpoint, 231 North Quay
 Brisbane QLD 4000
 PO Box 13071
 George Street Post Shop, Brisbane QLD 4003
 Tel: (07) 3236 1758
 Fax: (07) 3236 1758
 E-mail: brisbane@hemts.com.au

PERTH

83 Brisbane Street
 (Cnr Brisbane & Beaufort Streets)
 Perth WA 6000
 PO Box 8249, Perth Business Centre
 Perth WA 6849
 Tel: (08) 9228 9977
 Fax: (08) 9328 3710
 E-mail: perth@hemts.com.au

MILLENNIUM COAL PTY LTD

ACN 089 566 021

22 September 2005

The Deputy Director-General (Mines)
Department of Natural Resources and Mines
GPO Box 2454
BRISBANE Q 4001

Dear Sir

Please let this letter serve as notice that employees of Hetherington Exploration and Mining Title Services Pty Ltd (A.C.N. 003 122 996), are authorised by **MILLENNIUM COAL PTY LTD** (A.C.N. 089 566 021) to maintain and do such things as may be necessary from time to time to satisfy the requirements of the Queensland Mineral Resources Act 1989 in relation to Exploration Permits, Prospecting Permits, Mining Leases and Mineral Development Licences held by or applied for by this company in Queensland.

This authorisation does not apply to provide approval to relinquish any title and is to remain valid until further advised by this company.

In addition, it entitles access to any information the Department may normally make available to the applicant or holder in the course of maintaining any title.

Yours faithfully

s.49 - Signature

Name *C. ELLIS*
Position *DIRECTOR*

Yours faithfully

s.49 - Signature

Name *A. DAVIS*
Position *DIRECTOR*

Selection Criteria

Slip Classification Open
Slip Date 14/06/2006 - 14/06/2006

Security limits slip information to the current Title Officer only.
Rate Info - identifies rate source and level

Slip ID	Dates and Time	Title Officer	Units	Rate	Slip Value
Posting Status	Activity	Client	DNB Time	Rate Info	
Description	Project		Variance	Bill Status	
34	TIME 14/06/2006 WIP Prepare table showing all current expenditure commitment details. Obtain IRT map from DNRM online, edit map to show application area. Obtain EPA map showing environmentally sensitive areas from EcoAccess.	Clare Massey Billable Birla Mt Gordon General	2.00 0.00 0.00	128.00 T@1	256.00
35	TIME 14/06/2006 WIP Prepare table showing all current expenditure commitment details. Download and edit IRT map from DNRM showing new EPM application area. Obtain EPA map showing environmentally sensitive areas from EcoAccess.	Clare Massey Billable Echelon Resources Li General	2.25 0.00 0.00	128.00 T@1	288.00
36	TIME 14/06/2006 WIP ML's 90168, 90169, 90170 Chart mining lease access on graphic. Prepare email to Fiona Tromans detailing background land tenures. Prepare draft Public Notice of Application for EA for each ML application.	Clare Massey Billable Reefway Pty Ltd Mt Kelly	2.00 0.00 0.00	110.00 C@1	220.00
37	TIME 14/06/2006 WIP Admin	Clare Massey Admin Internal HEMTS General	1.25 1.25 0.00	128.00 T@1 Do Not Bill	160.00
Grand Total		Billable Unbillable Total	6.25 1.25 7.50		764.00 160.00 924.00

COPY

21 June 2006

Principle Tenures Officer
Tenures Support Unit
Department of Natural Resources and Mines
PO Box 1475
COORPAROO QLD 4151

Dear Sir

RE: EXPLORATION PERMIT NUMBER (EPC) 855
PROJECTS: MIDDLEMOUNT – FOXLEIGH NORTH

On behalf of Millennium Coal Pty Ltd, I hereby request a variation to the current sub-block retention commitments for EPC 855 pursuant to Section 139(1) of the Mineral Resources Act 1989 (MRA).

Enclosed for your attention please find the following:-

- A document detailing the specific variation and additional information to justify the request.

Please note that the Exploration Permit document is currently held by the Department pending approval of a recently submitted renewal application.

I trust you will find these documents in order and look forward to confirmation of grant of the variation in due course.

Yours faithfully

BRIAN MARTIN
Manager, Brisbane Office

CC Millennium Coal Pty Ltd (Mr Michael Creech)

COPY

**ADDITIONAL INFORMATION TO
SUPPORT VARIATION REQUEST FOR
EPC: 855
PROJECT: MIDDLEMOUNT –
FOXLEIGH NORTH**

**HOLDER:
MILLENNIUM COAL PTY LTD
ACN 089 566 021**

JUNE 2005

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2.0 GEOLOGICAL OVERVIEW	3
3.0 VARIATION REQUESTED	3
4.0 JUSTIFICATION FOR VARIATION	3
ATTACHMENT A – Authorisation Letter	

DNRM RTI DL Release

1.0 INTRODUCTION

EPC 855 is located east of the German Creek, East Highwall (within ML's 1998 and 70311). Access to the tenement is via Middlemount Road. EPC 855 was originally granted to Millennium Coal Pty Ltd (Millenium) on 20 October 2003 over a total area of 17 sub-blocks.

This document was prepared to provide additional information to support an application to renew the tenement for a further term of three years.

2.0 GEOLOGICAL OVERVIEW

The target seams are within the Rangal and underlying Fort Cooper Coal Measures, located below the Permian Triassic boundary. The seams comprise in descending order the Middlemount, the Tralee, the Pisces 1 and 2 (separated by Yarrabee Tuff) and the underlying Girrah. There is also a thin upper split of the Middlemount locally referred to as the Roper seam.

The upper portions of the Middlemount seam and the Pisces 1 seam are the main targets. The Middlemount is 4-5m thick with ash contents of between 25 to 15%. These seams are depleted in vitrinite (25 to 40%) and though the rank is high, say 1.3 to 1.4 reflectance, coking properties are suppressed as a result (CSN only about 1.5). In contrast the underlying Girrah seam contains about 70% vitrinite which results in better coking properties (CSN values of 6 to 9 common). This seam is however high in ash (generally 35%) and washing to 20-25% ash results in yields of only 65%.

Major thrust faults occur within EPC's 726 and 855. These include the Jellinbah thrust fault (down to the west) that separates the two EPC's, and the Foxleigh fault (same sense) that bounds EPC 855 to the northeast. The existence of unidentified thrust faults throwing strata up to the east may result in the reoccurrence of the target seams at shallow depths.

3.0 VARIATION REQUESTED

Pursuant to Section 139(1) of the Mineral Resources Act 1989 (MRA), the current holder hereby requests the Minister's consent to retain all currently held sub-blocks in EPC 855 for the period 20 October 2006 to 19 October 2007. Information to justify this request is provided in Section 3.0 of this document.

4.0 JUSTIFICATION

- Millennium Coal requests that the current area of EPC 855 be retained in order for the company to fully incorporate results from recent exploration activities into a broad assessment of this EPC and the adjacent EPC 726.

- The procurement of a drilling rig has been delayed, with the latest drilling campaign having commenced in March. The results of this drilling are yet to be fully incorporated in the database, including analytical work that is ongoing at present.
- During the last reporting period an aeromag survey was also flown over both EPC 855 and EPC 726 to the west. The final report has now been received and the structural analysis is currently being incorporated in the geological model. The results of drilling will be combined with the interpretation of the high resolution aeromag survey to provide a regional assessment of both EPC 855 and the adjacent EPC 726
- Reference to the recently submitted renewal application to EPC 855 indicates that the holder conducted extensive exploration activities on EPC 855 during the current term. The expected expenditure for the period is likely to exceed [s. 78B] verses a commitment of only [s. 78B]. This represents an [s.78B] increase over the minimum commitment for the tenure and demonstrates the importance Millennium places on this tenement and their intention to conduct bona-fide exploration activities.
- Despite the significant expenditure outlaid on EPC 855 during the current term, Millennium have not had sufficient time to adequately assess the coal bearing potential of the entire tenement area and as such are not in a position to relinquish sub-blocks in this point in time. A further period of twelve months at full retention of all currently held sub-blocks should allow sufficient time for Millennium to review the results date and identify sub-blocks for relinquishment prior to the next anniversary date.

DNRM RTI DL Release 2019

**ATTACHMENT A –
Authorisation Letter**

DNRM RTI DL Release



EXPLORATION PERMIT RENEWAL APPLICATION CHECKLIST

This checklist is to be completed to determine whether an application for renewal is acceptable. Note that applicants must answer every question of the prescribed application for renewal.

This checklist comprises three parts:

- Part A is to be completed to ensure that the application satisfies the requirements sections 147 and 147A. Requirements that are not met are identified where the tick is within the shaded boxes (ie. application may not be acceptable).
- Part B is to be completed to determine whether the grant of the application for renewal may be restricted.
- Part C is to be completed to determine whether the application for renewal may be accepted and recorded on the register.

EP No: *EPC 855*

Time: *2:37 AM/PM*

Date: *26/06/06*

Holder(s): *Millennium Coal Pty Ltd (100%)*

Expiry Date: *1/1/19/10/06*

PART A – APPLICATION REQUIREMENTS

Item	Requirement	Yes	No	Remarks
1	Has the holder made and signed application for renewal?	✓		
2	Is the application in or on the prescribed form?	✓		
3	Is the prescribed fee paid?	✓		
4	Is the application lodged greater than 6 months prior to the expiry date (see s147)?		✓	
5	Is the application lodged less than 3 months prior to the expiry date (see s147)? If yes: Has submission for late lodgement been submitted? If yes: forward to STO for approval.		✓	
6	Where holder is a company, is company currently registered? Is A.C.N. correct?	✓ ✓		
7	Has the Instrument of Exploration Permit been lodged?	✓		
8	Has the holder specified the length of the term to be renewed?	✓		<i>3 years</i>
9	Is a brief summary of work carried out during the current term lodged?			
10	Is a statement specifying a proposed work program and expenditure for each year of the proposed term lodged?			
11	Is a statement specifying financial and technical resources lodged?			

DEPARTMENT OF NATURAL RESOURCES AND MINES
27 JUN 2006
RECEIVED IN DOCUMENT MANAGEMENT

Item	Requirement	Yes	No	Remarks
12	Was the permit granted under an Indigenous Land Use Agreement (ILUA)?		✓	
13	Is there provision for renewal in the ILUA?	N/A		
14	Was the permit granted subject to the ASPs? If yes: the renewal application must proceed in accordance with the commonwealth native title provisions (ie. RTN, expedited procedure, ILUA).		✓	

PART B – RENEWAL APPLICATION RESTRICTION

Restriction	Yes	No	Remarks
Are there any conditions imposed on grant/former renewal that should be taken into consideration on the assessment of the application for renewal?		✓	
Is the permit within a restricted area that does not permit renewal?		✓	
Has the permit been renewed previously?		✓	
Is the permit already pending renewal?		✓	
Will the public interest be adversely affected by the renewal of the permit?		✓	

PART C – DECISION BY AUTHORISED OFFICER

- All requirements of application have been lodged. The application is acceptable and can be recorded on the register.
- The application is unacceptable because:

Refused because (refer to Part A):

Tenures Officer signature: s.49 - Signature

Time: 2:43 AM/PM

Date: 26/06/06

Full name of Tenures Officer: *Scott Douglas*

Departmental Correspondence Action Sheet

File EDC855

Loose Doc. MI06/04773

MT9

Date of Entry: 23/6/06

Urgent

Signature: Peter Hoppner

Routine

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE:

MI Records updated, request to retain 17 s/b on renewal

26/6/06

2. Tonya

- Excess expenditure justifies retention request.

Allow t/a to be retained for

4x 4

s.49 - Signature

26/6/06

Comments (if any)

17 s/b held since grant (2010/03)

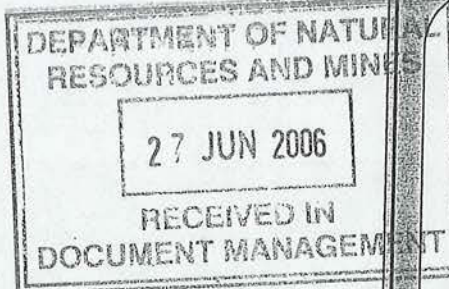
	P	A
Yr 1	50K	50 264
Yr 2	34K	34 500
Yr 3	40K	~ 349 000

DESIGNATED OFFICER

Signature: s.49 - Signature

Date: 23/6/06

Received in Records



Comments

Signature:

Date:

FINAL ACTION

Departmental Minute Prepared

Yes

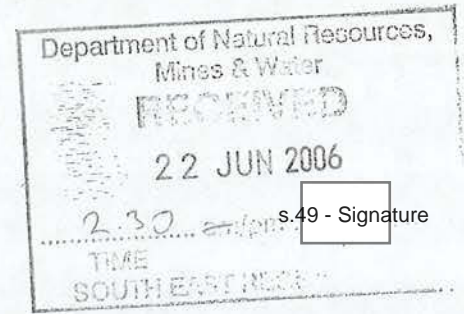
No



Exploration & Mining Title Services Pty. Ltd.
A.B.N. 64 003 122 996
www.hemts.com.au

21 June 2006

Principle Tenures Officer
Tenures Support Unit
Department of Natural Resources and Mines
PO Box 1475
COORPAROO QLD 4151



Dear Sir

RE: EXPLORATION PERMIT NUMBER (EPC) 855
PROJECTS: MIDDLEMOUNT – FOXLEIGH NORTH

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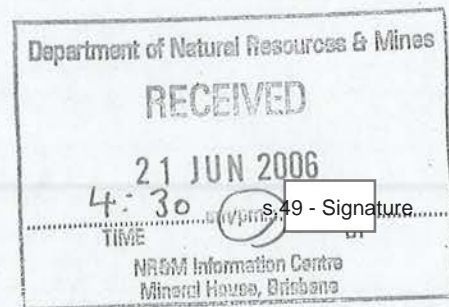
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Yours faithfully /

s.49 - Signature

BRIAN MARTIN
Manager, Brisbane Office



CC Millennium Coal Pty Ltd (Mr Michael Creech)

**ADDITIONAL INFORMATION TO
SUPPORT VARIATION REQUEST FOR
EPC: 855
PROJECT: MIDDLEMOUNT –
FOXLEIGH NORTH**

**HOLDER:
MILLENNIUM COAL PTY LTD
ACN 089 566 021**

JUNE 2005

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ATTACHMENT A – Authorisation Letter

DNRM RTI DL Release

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- Despite the significant expenditure outlaid on EPC 855 during the current term, Millennium have not had sufficient time to adequately assess the coal bearing potential of the entire tenement area and as such are not in a position to relinquish sub-blocks in this point in time. A further period of twelve months at full retention of all currently held sub-blocks should allow sufficient time for Millennium to review the results date and identify sub-blocks for relinquishment prior to the next anniversary date.

DNRM RTI DL Released

ATTACHMENT A –
Authorisation Letter

DNRM RTI DL Release

MILLENNIUM COAL PTY LTD

ACN 089 566 021

22 September 2005

The Deputy Director-General (Mines)
Department of Natural Resources and Mines
GPO Box 2454
BRISBANE Q 4001

Dear Sir

Please let this letter serve as notice that employees of Hetherington Exploration and Mining Title Services Pty Ltd (A.C.N. 003 122 996), are authorised by **MILLENNIUM COAL PTY LTD** (A.C.N. 089 566 021) to maintain and do such things as may be necessary from time to time to satisfy the requirements of the Queensland Mineral Resources Act 1989 in relation to Exploration Permits, Prospecting Permits, Mining Leases and Mineral Development Licences held by or applied for by this company in Queensland.

This authorisation does not apply to provide approval to relinquish any title and is to remain valid until further advised by this company.

In addition, it entitles access to any information the Department may normally make available to the applicant or holder in the course of maintaining any title.

Yours faithfully

s.49 - Signature

Name *C. ELLIS*
Position *DIRECTOR*

Yours faithfully

s.49 - Signature

Name *A. DAVIS*
Position *DIRECTOR*

Departmental Correspondence Action Sheet

File EPC855

Loose Doc. MI06/24771

MT9

Date of Entry: 23/6/06

Urgent

Signature: Peter Hoppner

Routine

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE:

MT13
 APPLICATION COPIED FOR EPA
 Renewal over T/A, three years requested. Permit document in storage. MI Records updated 26/06/06

PERMIT DL Release

Comments (if any)

Wild Rivers
constrained Land
not present.

DESIGNATED OFFICER

Signature: s.49 - Signature

Date: 23/6/06

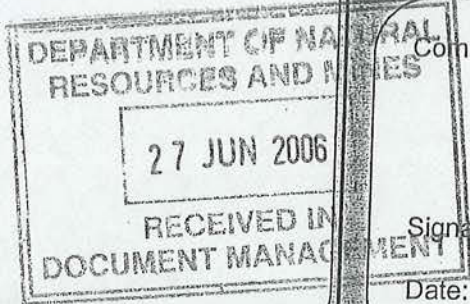
FINAL ACTION

Departmental Minute Prepared

Yes

No

Received in Records



Comments

Signature:

Date:

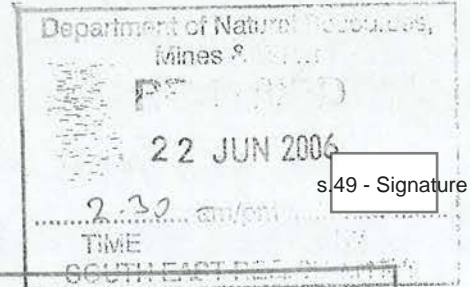


Exploration & Mining Title Services Pty. Ltd.
 A.B.N. 64 003 122 996
 www.hemts.com.au

Ref.: Millenc#72/cj

20 June 2006

Senior Tenures Officer
 Tenures Support Unit
 Southern Regional Office (Mines)
 Department of Natural Resources Mines & Energy
 PO Box 1475
 COORPAROO QLD 4151



s.49 - Signature



s.49 - Signature

Dear Sir

RE: EXPLORATION PERMIT NO (EPC) 855
PROJECT: MIDDLEMOUNT - FOXLEIGH NORTH

On behalf of Millennium Coal Pty Ltd, I herewith make application for the renewal of the tenement for a further term pursuant to Section 147 of the Mineral Resources Act 1989 (MRA).

Application is hereby made for the Ministers consent to accept this renewal application within the three month period prior to the expiry date. The commitment of the Senior Exploration Geologist to other ongoing exploration programs explains the delay in lodging this application.

The following documents are enclosed to support this renewal application:

- Duly completed Renewal Application Form.
- Additional Information document.
- A cheque for s.49 - Business Affairs for the required renewal fee of \$32.30 and annual rental payment of s.49 - Business Affairs
- The Exploration Permit document for endorsement.

I have been advised by the current holder that, all covenants and conditions with respect to EPC 855 have been complied with to date and that the holder believes that the public interest will not be adversely affected by the grant of this renewal application.

I trust you will give this application your favourable consideration.

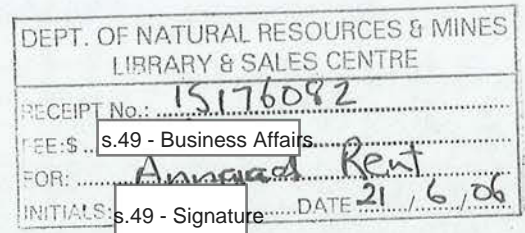
Yours faithfully

s.49 - Signature

BRIAN MARTIN
 Manager, Brisbane Office

Enc Cheque # 001944

CC Millennium Coal Pty Ltd (Mr Michael Creech)





APPLICATION FOR RENEWAL OF EXPLORATION PERMIT

Section 147
Mineral Resources Act 1989
Form Number MRA-06 Version Number 1

OFFICIAL USE ONLY	
EPM/C No.	
PART A	
Received AT SERM	Received BY s.49 - Signature
DATE 22/06/06	TIME 2 :30 PM -AM
FEE Paid \$32.30	RECEIPT no. 15176082
PART B	
ENTERED on register by (SIGNATURE) s.49 - Signature	s.49 - Signature
DATE 26/06/06	

The Queensland Government introduced Information Standard 42 - Information Privacy to establish a framework for the responsible collection and handling of personal information in the Queensland government public sector. Please refer to the section at the end of this form entitled "Privacy Statement" which provides details about why the personal information on this form is being collected and how it will be handled.

The completed original of this renewal application and any attachments, must be submitted with the prescribed fee at the Office of the Chief Executive.

Please print clearly in ink and use block letters.

All prescribed forms under the *Mineral Resources Act 1989* are available on the Departmental website: www.nrm.qld.gov.au.

1. DETAILS OF HOLDER

Company Name/Surname	1.1	MILLENNIUM COAL PTY LTD
Given Name(s)	1.2	
ACN (if company)	1.3	089 566 021
Percentage	1.4	100 %
Company Name/Surname	1.1	
Given Name(s)	1.2	
ACN (if company)	1.3	
Percentage	1.4	%
Company Name/Surname	1.1	
Given Name(s)	1.2	
ACN (if company)	1.3	
Percentage	1.4	%
Company Name/Surname	1.1	
Given Name(s)	1.2	
ACN (if company)	1.3	
Percentage	1.4	%
Total Percentage	1.5	100 %

GUIDE FOR APPLICANTS

Question 1.1

Specify company name or surname of applicant.

Question 1.2

Specify given name(s) of applicant.

Question 1.3

If company, what is the Australian Company Number (ACN)?

Question 1.4

Specify percentage of interest held by applicant.

GUIDE FOR APPLICANTS

Question 1.5

The total interest must equal 100%. If you are entering these details online, right click the 'O' and select 'Update Field'.

Question 2.1

Identify the number of the exploration permit.

Question 2.2

Specify the project name, if any.

Question 2.3

Identify the expiry date of the permit (month, date and year).

Question 2.4

Specify the term required. This term is not to exceed 5 years.

Question 3

Answer questions 3.1 and 3.2.

If you answered YES to Question 3.2, answer all remaining questions.

If you answered NO to Question 3.2, go to Question 4.

Question 4.1

Enter the day of the month.

Question 4.2

Enter the month and year.

Question 4.3

Insert full name of the applicant(s).

Question 4.4

Signature of applicant(s).

Execution of Documents by an Agent

If an agent or the holder of a power of attorney is signing a document, required to be lodged by an Act, on behalf of another, the agent or holder of the power of attorney must produce current, written evidence of their authority to act at the time of lodgement.

All of the holders of the tenure MUST execute the appointment of agent or the power of attorney for the appointment or power of attorney to be effective. A company signing an appointment of agent or power of attorney must do so in accordance with the corporation law and/or the articles of association of the company.

12-478

2. RENEWAL APPLICATION DETAILS

Exploration Permit Number

2.1

EPC 855

Project Name

2.2

MIDDLEMOUNT – FOXLEIGH NORTH

Expiry date

2.3

19 OCTOBER

,2006

Term required

2.4

3

year(s)

3. NATIVE TITLE

Was the permit originally granted after 23 December 1996?

3.1



YES



NO

Was the permit originally granted over both extinguishing and non-exclusive tenures?

3.2



YES



NO

If you answered YES to Question 3.2,

Is the land subject to an Indigenous Land Use Agreement (ILUA)?

3.3



YES



NO N/A

Is the land within an approved opal or gem mining area?

3.4



YES



NO N/A

Is the permit conditioned for high or low impact activities?

3.5



YES



NO N/A

Was the permit granted using the Expedited Procedure?

3.6



YES



NO N/A

4. SIGNATURES

Dated this:

4.1

20th

day of

4.2

JUNE

2006

4.3

Millennium Coal Pty Ltd

4.4

s.49 - Signature

BRIAN MARTIN, EMPLOYEE, HETHERINGTON EXPLORATION & MINING TITLE SERVICES PTY LTD, FOR AND ON BEHALF OF MILLENNIUM COAL PTY LTD

Full name of Applicant(s)

Signature of Applicant(s)

Page 66 of 94

GUIDE FOR APPLICANTS

Question 5

Tick the appropriate boxes to indicate compliance.

Question 5.1

The prescribed fee *must* accompany the application for renewal or the application will not be accepted.

Question 5.2

Outline proposed work program and proposed expenditure to conduct exploration.

Outline technical resources available to conduct work program.

Outline the type of machinery and equipment to be used to conduct the work program.

Question 5.3

Details of the holder's financial and technical resources to conduct the proposed exploration program must be provided.

Question 5.6

A brief description of work and expenditure completed in the term that is to lapse.

Question 5.7

The original Instrument issued upon grant of permit. This is required for endorsement.

Question 5.8

This application is required if an amendment is proposed to the current environmental authority.

5. ACCOMPANIMENTS

The following must accompany this form:

		Tick
5.1	<ul style="list-style-type: none"> • Prescribed application fee 	<input checked="" type="checkbox"/>
5.2	<ul style="list-style-type: none"> • A statement, acceptable to the Minister, specifying: <ul style="list-style-type: none"> ○ Proposed exploration program and budget for each year of the renewed term providing details of investigation methods to be used and estimated duration of each investigation; ○ The estimated human, technical and financial resources proposed to be committed to exploration work during each year of the exploration permit, if renewed; and ○ A brief description of machinery, equipment, etc to be used. 	<input checked="" type="checkbox"/>
5.3	<ul style="list-style-type: none"> • A statement, acceptable to the Minister, but separate from the statement mentioned above, detailing that the financial and technical resources available to the holder to carry out the proposed activities during the renewed term are appropriate. 	<input checked="" type="checkbox"/>
5.4	<ul style="list-style-type: none"> • A statement that the holder of the permit has— <ul style="list-style-type: none"> ○ observed and performed all the covenants and conditions applying to the permit and required to be observed and performed by the holder; and ○ complied with the Mineral Resources Act 1989 in relation to the permit. 	<input checked="" type="checkbox"/>
5.5	<ul style="list-style-type: none"> • A statement about whether the public interest will be adversely affected by the renewal of the permit. 	<input checked="" type="checkbox"/>
5.6	<ul style="list-style-type: none"> • A brief summary of exploration and expenditure for the <i>current</i> term 	<input checked="" type="checkbox"/>
5.7	<ul style="list-style-type: none"> • The original Instrument of Exploration Permit 	<input checked="" type="checkbox"/>
5.8	<ul style="list-style-type: none"> • Application for amendment of the environmental authority 	N/A

GUIDE FOR APPLICANTS

6. PRIVACY STATEMENT

The Queensland Government introduced Information Standard 42 - Information Privacy to establish a framework for the responsible collection and handling of personal information in the Queensland government public sector.

The Department of Natural Resources, Mines and Water is collecting the information on this form to process your application for renewal of an exploration permit. This is required by section 147 of the *Mineral Resources Act 1989* (the Act).

The Department is required to facilitate and regulate the carrying out of responsible mining activities and the development of a safe, efficient and viable mining industry in Queensland under the Act.

The Department maintains a Register under section 387 of the Act. This register contains information collected from a variety of sources, including application forms submitted under the Act. The particulars to be recorded in the register are prescribed in Part 11 of the Mineral Resources Regulation 2003 (the Regulations).

Under section 68 of the Regulations, the public can inspect the Register between the hours of 8.30 am and 4.30 pm on business days, and anyone may take extracts from the register and acquire, upon payment of the prescribed fee, a copy of all or part of a notice, document or information held in the register. Information contained in the register includes (but is not limited to):

- the mining tenement number;
- the full name of the holder/s of the mining tenement;
- the annual rent for the mining tenement; and
- any permitted dealings relating to the mining tenement that are approved by the Minister.

Information collected on this form, whether or not it is contained in the Register, may be provided to other Queensland Government Agencies, where such disclosure is necessary for the effective management of the mineral resources and industry in Queensland. These agencies may include the Environmental Protection Agency, the Department of Primary Industries and Fisheries and the Department of Energy.

Where information provided is commercial in confidence, it will be treated as confidential and not included in the Register or be disclosed outside the agency unless the Department is legally required to do so.

For more information on Information Privacy, please contact the Privacy Contact Officer for the Department of Natural Resources, Mines and Water on (07) 389 63705.

**INFORMATION TO SUPPORT AN
APPLICATION FOR A RENEWAL**

**EXPLORATION PERMIT FOR COAL
(EPC) 855**

**PROJECT NAME:
MIDDLEMOUNT – FOXLEIGH NORTH**

BY

MILLENNIUM COAL PTY LTD

A.C.N. 089 566 021

JUNE 2006

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Annexure A – Authorisation Letter
Annexure B – Annual Report

1.0 Background

EPC 855 is located east of the German Creek, East Highwall (within ML's 1998 and 70311). Access to the tenement is via Middlemount Road. EPC 855 was originally granted to Millenium Coal Pty Ltd (Millenium) on 20 October 2003 over a total area of 17 sub-blocks.

This document was prepared to provide additional information to support an application to renew the tenement for a further term of three years.

2.0 Geological Overview

The target seams are within the Rangal and underlying Fort Cooper Coal Measures, located below the Permian Triassic boundary. The seams comprise in descending order the Middlemount, the Tralee, the Pisces 1 and 2 (separated by Yarrabee Tuff) and the underlying Girrah. There is also a thin upper split of the Middlemount locally referred to as the Roper seam.

The upper portions of the Middlemount seam and the Pisces 1 seam are the main targets. The Middlemount is 4-5m thick with ash contents of between 25 to 15%. These seams are depleted in vitrinite (25 to 40%) and though the rank is high, say 1.3 to 1.4 reflectance, coking properties are suppressed as a result (CSN only about 1.5). In contrast the underlying Girrah seam contains about 70% vitrinite which results in better coking properties (CSN values of 6 to 9 common). This seam is however high in ash (generally 35%) and washing to 20-25% ash results in yields of only 65%.

Major thrust faults occur within EPC's 726 and 855. These include the Jellinbah thrust fault (down to the west) that separates the two EPC's, and the Foxleigh fault (same sense) that bounds EPC 855 to the northeast. The existence of unidentified thrust faults throwing strata up to the east may result in the reoccurrence of the target seams at shallow depths.

3.0 Tenement

A total of only 17 sub-blocks are being retained for renewal, which lie wholly within the Clermont Block Identification Map Sheet detailed as follows:

Clermont	Block 2432	Sub-blocks Y
	Block 2504	Sub-blocks D, E, K
	Block 2505	Sub-blocks F, G, H, J, L, M, N, O, R, S, T, X, Y

4.0 Brief Summary of Exploration and Expenditure for the Current Term (20 October 2005 to 19 October 2006)

A high resolution aeromag survey over both EPC855 and the adjoining EPC726 was acquired last year and the final report has been recently prepared. A series of major structural zones have been identified including the Foxleigh Fault (that broadly overlies the boundary between EPC855 and EPC726, and a reverse fault and NE trending structural zones that intersect the Foxleigh Nth subcrop zone within EPC855. Significant intrusions have been identified, mainly within EPC726, though intrusions are also evident associated with major structural zones within EPC855.

Drilling has incorporated three 4 inch cored holes of the Foxleigh Nth subcrop and 10 open holes exploring for Rangal Coal Measures between the Foxleigh Nth subcrop zone and the Jellinbah Fault. These holes intersected seams of the Fort Cooper Coal Measures and tentative correlations suggest that the target seams would have been located up to 500m above the ground level east of the Jellinbah Fault. Results of drilling are tabulated below (also refer to attached Borehole Location Plan). This would suggest that the Jellinbah Fault has a vertical throw of almost 700m between EPC855 and 726.

BORE	TYPE	EAST(zone55)	NORTH	RL	TD	Seams Intersected
MC011	4" core	675810.53	7469506.95	159.35	93.8	R
M012	OH	675283.15	7468726.80	150.97	35.0	Pilot Hole
MC013	4" core	675280.96	7468725.86	151.02	96.0	R, M, TR, P1, P2
M017	OH	674819.86	7466741.58	148.72	318.0	Burngrove Fmtn
M018	OH	674443.97	7466405.45	148.42	210.0	Burngrove Fmtn
M020	OH	674537.36	7468357.68	152.50	168.0	Burngrove Fmtn / Back Ck (?)
M021	OH	674037.19	7468153.15	149.29	300.0	Burngrove Fmtn
M022	OH	673616.69	7467892.00	150.00	300.0	Burngrove Fmtn
M023	OH	675853.07	7467331.88	146.64	300.0	Burngrove Fmtn
MC024	4" core	675807.96	7468725.86	157.42	161.8	R, M, TR, P1, P2
M025	OH	676725.81	7467862.45	150.02	300.0	R, M, TR, P1
M026	OH	677819.49	7468523.34	151.10	70.0	Burngrove Fmtn
M027	OH	677846.32	7466103.86	146.00	312.0	Burngrove Fmtn
M028	OH	677174.32	7465725.83	146.61	330.0	Burngrove Fmtn
TOTAL					2994.6	

Activity

Amount

Aeromag and Interp (50% total)
 Drilling
 Survey
 Analysis
 Geological Modelling
 Admin
 Accom
 Supervision

s.49 - Business Affairs

TOTAL

5.0 Proposed Exploration Programs for Renewal Term

Year 1 (Period 20 October 2006 to 19 October 2007)

Survey and Drafting
Consulting Modelling
Project Management & Supervision
Core Drilling/Geophysics
Analysis
Travel Accom

Total

s.49 - Business Affairs

Year 2 (Period 20 October 2007 to 19 October 2008)

Survey and Drafting
 Consulting Modelling
 Project Management & Supervision
 Core Drilling/Geophysics
 OH Drilling – subcrop sections
 Analysis
 Travel Accom

Total

s.49 - Business Affairs

Year 3 (Period 20 October 2008 to 19 October 2009)

Survey and Drafting
 Consulting Modelling
 Project Management & Supervision
 Core Drilling/Geophysics
 OH Drilling topline
 Analysis
 Travel Accom

Total

s.49 - Business Affairs

6.0 Numbers and Qualifications of Professional Staff Responsible for Planning, Conducting and Reporting the Investigations

The proposed exploration program will be co-ordinated and overseen by Michael Creech, Manager Geology and Resources (Excel Coal). (BSc, MSc MAusimm). Michael has 25 years experience in the mining industry, 15 of which has been involved in the coal industry. He has extensive experience in exploration for mine development and mine planning projects.

Jason Russell (BSc) will also assist in supervision and interpretation of exploration results. Jason has 4 years experience in the coal mining industry and has been employed as Millennium Project Geologist for the past two years.

Mark Benson (BSc) will conduct and coordinate the field exploration. Mark has 4 years experience in the coal mining industry and has been employed as Exploration Geologist at Millennium for the last 12 months.

7.0 Proposed Measures to Minimise Damage to the Environment

Work will be undertaken in accordance with the Code of Environmental Compliance for Exploration and Mineral Development Projects.

It is not anticipated that normal exploration activities will cause any significant disturbance to the existing environment. Access to the EPC area will primarily be by uses of suitably equipped, conventional four-wheel drive vehicles. All drilling will be carried out by truck mounted machines and support vehicles thoroughly washed down prior to mobilisation to site, so as to ensure that no noxious weeds and/or seeds are introduced to the local environment. Vehicular access will be minimized or avoided after heavy rain. Access to drilling sites will be

on pre-existing tracks as far as possible. If additional track construction and/or drill pads are required existing vegetation will be avoided and will be carried out using a backhoe or minimum sized bulldozer.

Environmental protection will be carried out following the current industry standards of best practice environmental management, in consideration of statutory and landholder requirements so as to minimize noise, soil erosion, disturbance to the floral and faunal ecology and have negligible impact on air and water quality. Impact mitigation strategies in areas of any disturbance will be routinely employed such as "blade-up" clearing where possible, construction of drains adjacent to and traversing tracks along with stockpiling of any disturbed topsoil for later replacement. Progressive rehabilitation following completion of exploration activities will be carried out in the form of levelling disturbed areas and windrows, followed by seeding with endemic local grasses.

In the event of drilling programmes being carried out, drillholes will be capped upon completion of the hole to prevent access from wildlife, and refuse removed immediately from the site. Any drilling sumps constructed will be designed to wholly contain all drilling fluids and will be promptly backfilled after use.

Firearms will not be allowed and domestic pets will not be brought into the area. Careful attention will be paid to prevent the outbreak of fires.

8.0 Financial Justification

Millenium Coal Pty Ltd is a wholly-owned subsidiary of Excel Coal Limited who will fund the proposed exploration program for EPC 855. Enclosed in Annexure B is a copy of the current annual report for Excel Coal Limited. This document provides evidence that the holder has sufficient funds to complete the proposed exploration program.

ANNEXURE A
AUTHORISATION LETTER

DNRM RTI/DL Release

MILLENNIUM COAL PTY LTD

ACN 089 566 021

22 September 2005

The Deputy Director-General (Mines)
Department of Natural Resources and Mines
GPO Box 2454
BRISBANE Q 4001

Dear Sir

Please let this letter serve as notice that employees of Hetherington Exploration and Mining Title Services Pty Ltd (A.C.N. 003 122 996), are authorised by **MILLENNIUM COAL PTY LTD** (A.C.N. 089 566 021) to maintain and do such things as may be necessary from time to time to satisfy the requirements of the Queensland Mineral Resources Act 1989 in relation to Exploration Permits, Prospecting Permits, Mining Leases and Mineral Development Licences held by or applied for by this company in Queensland.

This authorisation does not apply to provide approval to relinquish any title and is to remain valid until further advised by this company.

In addition, it entitles access to any information the Department may normally make available to the applicant or holder in the course of maintaining any title.

Yours faithfully

s.49 - Signature

Name *C. ELLIS*
Position *DIRECTOR*

Yours faithfully

s.49 - Signature

Name *A. DAVIS*
Position *DIRECTOR*

ANNEXURE B
ANNUAL REPORT

DNRM RTI DL Release

46

Contact Officer : LEAH FARMER
Contact Phone : 07 3238 3824

03 May, 2006

MILLENNIUM COAL PTY LTD
C/- HETHERINGTON EXPLORATION &
MINING TITLE SERVICES PTY LTD
PO BOX 13071
GEORGE STREET POST SHOP BRISBANE QLD 4003

✓ Blumt9 19/10/06

Dear Sir/Madam

**Exploration Permit for COAL (EPC) NO. 855
Current Term EXPIRES ON 19 October 2006**

I wish to inform you that the above stated Exploration Permit will expire on the date indicated. Please note that there is NO provision in the Mineral Resources Act 1989 to lodge a renewal application after the expiry date.

If a renewal of the permit is required, then in accordance with section 147 of the Mineral Resources Act 1989, an application for renewal must be made in writing at least 3 months prior to the expiry date. An application for renewal lodged within 3 months prior to the expiry date must be accompanied by a statement giving reasons for late lodgement. If a satisfactory statement is not received, your renewal application will not be accepted.

If the application for renewal is lodged by an agent, confirmation that the agent has the authority to lodge documents on behalf of the holder must be submitted.

The application must be accompanied by:

- information about the holder's compliance with the terms and conditions of the permit and the holder's compliance with the Act;
- the activities proposed to be carried out during the renewed term, including the financial and technical resources available;
- details showing that the public interest will not be adversely affected by the renewal of the permit; and
- the prescribed renewal fee.

Rental at the prescribed rate for the ensuing year must be paid by the anniversary date.

You are also reminded of the requirements of section 139 of the Mineral Resources Act 1989 in that you must reduce your EPM by 50%. An EPC must be reduced in accordance with the relinquishment schedule of the exploration permit document. This submission must also be lodged at least 28 days prior to the date of expiry (but separate to the renewal application) and be accompanied by an application to partially surrender the environmental authority, a final rehabilitation report and audit statement.

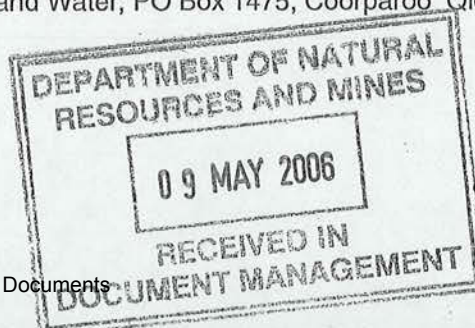
This advice is to assist holders and does not negate the holder's obligations to comply with the provisions of the Mineral Resources Act 1989. Compliance with the approved work program, relinquishment and expenditure commitments of this exploration permit is a condition of this tenure. Failure to comply with any condition of the tenure and any provision of the Mineral Resources Act 1989 will result in contravention action being taken. Contravention action may result in cancellation of the permit.

Please ensure that your application for renewal and any submissions are lodged at the office of the Director-General, Department of Natural Resources, Mines and Water, PO Box 1475, Coorparoo Qld 4151.

Yours faithfully

s.49 - Signature

NICOLE FREEMAN
Mining Registrar (Mineral & Coal)
South East Region (Mines)



Our Ref: EPC 855
Contact: Scott Douglas
Telephone: (07) 3238 3814
Facsimile: (07) 3405 5349
Email: Scott.Douglas@nrm.qld.gov.au

17 February 2006

Millennium Coal Pty Ltd
C/- Hetherington Exploration &
Mining Title Services Pty Ltd
PO Box 13071
George Street Post Shop
BRISBANE QLD 4003

Dear Sir/Madam

EXPLORATION PERMIT FOR COAL (EPC) 855

I refer to your letter dated 13 February 2006 enclosing original permit document for the above EPC for endorsement.

The document has been endorsed and is now returned to you for safekeeping.

Yours faithfully

s.49 - Signature

SCOTT DOUGLAS
Tenures Officer
Tenures Support
South East Region Mines



Southern Regional Office (Mines)
Dept. Natural Resources and Mines
Podium 2, Ground Floor Cnr Main
and Vulture Streets
Woolloongabba QLD 4102
PO Box 1475
Coorparoo QLD 4151 Australia
Telephone + 61 7 3238 3824
Facsimile + 61 7 3405 5349
Website www.dnr.qld.gov.au

Departmental Correspondence Action Sheet

File: EPC 855
Loose
Doc: M106/2453

Date of Entry: 16 12 106
Signature: Peter Hoppner
Urgent
Routine

1 MT9

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE: / /

Permit Document found. Endorsed and returned to sender. 17/02/06.

s.49 - Signature

Comments (if any)

DESIGNATED OFFICER

Signature: s.49 - Signature
Date: 16/12/106.

FINAL ACTION

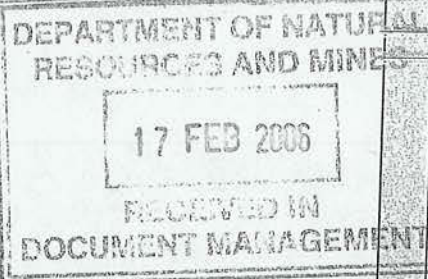
Departmental Minute Prepared Yes No

Comments

Signature:

Date: / /

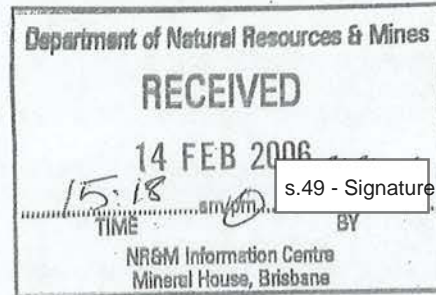
Received in Document Management



Exploration & Mining Title Services Pty. Ltd.
A.B.N. 64 003 122 996
www.hemts.com.au

13 February 2006

Ms L Farmer, Senior Tenures Officer
Tenures Support Unit
Department of Natural Resources and Mines
PO Box 1475
COORPAROO QLD 4151



Dear Leah

RE: EXPLORATION PERMIT (EPC) 855
PROJECT: MIDDLEMOUNT

Reference is made to your correspondence dated 25 January 2006 in relation to the recent approval of expenditure and sub-block retention variations for EPC 855. Please note that in your correspondence you requested that the Exploration Permit (EP) document be lodged for endorsement, however my records indicate that the document was lodged with the Department of Natural Resources and Mines on 7 November 2005 under covering letter.

If it appears that the document hasn't been lodged with the Department, please advise and I will arrange for the appropriate documentation to request that a duplicate instrument be issued.

Yours faithfully

s.49 - Signature

BRIAN MARTIN
Manager, Brisbane Office

CC Millennium Coal Pty Ltd (Mr M Creech)

Author / Erin Hall
Directorate / South East Region (Mines)
Reference / MDL 282
Phone / 07 3238 3818
Facsimile / 07 3405 5349
Email / erin.hall@nrm.qld.gov.au

25 January 2006

Hetherington Exploration &
Mining Title Services Pty Ltd
Attn: Brian Martin
PO Box 13071
George Street Post Shop
BRISBANE QLD 4003

Dear Brian,

MINERAL DEVELOPMENT LICENCE (MDL) NUMBER 282

I refer to the above licence and to your letter dated 17 January 2006. I wish to confirm that section 132 of the *Mineral Resources Act 1989* automatically excludes the area of any current Mining Claim, Mineral Development Licence or Mining Lease at the time of lodgement of a permit. As MDL 282 was granted on 10 April 2002, and EPC 855 was granted on 20 October 2003, any sections of sub-blocks that were applied for that were overlapping were automatically excluded from EPC 855 and remain a part of MDL 282.

As requested here are the meets and bounds descriptions for MDL 282 --

From the commencement point at a bearing of 261° 09' for a distance of 5130 metres, to corner 2 at the western boundary of EPC 597 at a bearing of 351° 08' for a distance of 7382 metres, to corner 3 along the western boundary of EPC 597 at a bearing of 136° 21' for a distance of 8991 metres to corner 1.

If you require further information please contact me on the number mentioned above.

Yours Sincerely

s.49 - Signature

Erin Hall
A/Tenures Officer
Tenures Support Unit
SE Region (Mines)



South East Region (Mines)
Dept. Natural Resources and Mines
Podium 2, Ground Floor Cnr Main and
Vulture Streets
Woolloongabba QLD 4102
PO Box 1475
Coorparoo QLD 4151 Australia
Telephone + 61 7 3238 3818
Facsimile + 61 7 3405 5349
Page 76 of 94
Website www.nrm.qld.gov.au

Our Ref: EPC 855
Contact: Ms Leah Farmer
Telephone: (07) 3238 3824
Facsimile: (07) 3405 5349
Email: leah.farmer@nrm.qld.gov.au

25 January 2005

Millennium Coal Pty Ltd
C/- Hetherington Exploration and Mining
Title Services Pty Ltd
Po Box 13071
George Street Post Shop
BRISBANE Q 4003

Dear Sir/Madam

EXPLORATION PERMIT FOR COAL (EPC) NO. 855

I advise that pursuant to the provisions of Section 141C(3) of the *Mineral Resources Act 1989*, approval has been given to vary the expenditure commitment for Year 2 from Section 78B(2) RTI Act. Section 78B(2) RTI Act approval has been given to vary the specified sub-blocks for Year 3 from 14 sub-blocks to 17 sub-blocks.

Also, pursuant to the provisions of Section 141(1)(a) of the *Mineral Resources Act 1989*, approval has been given to vary the required work program conditions for EPC 855 for Year 2 & 3 from drilling to:

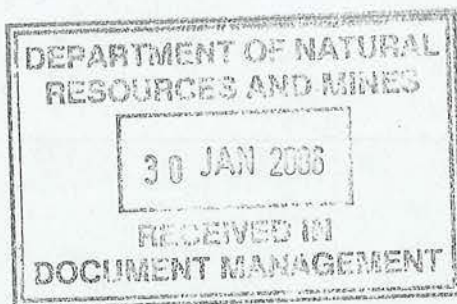
- | | |
|--------|----------------------------|
| Year 2 | Geophysical survey |
| Year 3 | Drilling |
| | Geophysical interpretation |

Please forward the original permit document for endorsement.

Yours sincerely

s.49 - Signature

Nicole Freeman
A/Principal Tenures Officer
Tenures Support



South East Region (Mines)
Dept Natural Resources, Mines and Energy
Podium 2
Ground Floor, Landcentre Building,
Cnr Main and Vulture Streets,
WOOLLOONGABBA QLD 4102
PO Box 1475 Coorparoo
Queensland 4151 Australia
Telephone + 61 7 3238 3817
Facsimile + 61 7 3405 5349
Website www.nrm.qld.gov.au
ABN 83 705 537 586

CTS

Department of Natural Resources and Mines
BRIEFING NOTE FOR APPROVAL

Under Delegation from the Minister
 Approved / not Approved
 Further information required

A/Principal Tenures Officer, TSU ... s.49 - Signature
 Dated 24 / 1 / 06

TO A/Principal Tenures Officer,
Tenures Support

SUBJECT VARIATION OF CONDITIONS OF
EXPLORATION PERMIT FOR MINERALS (EPC) NUMBER 855

PURPOSE:

To seek approval for the variation of conditions of Exploration Permit for Coal (EPC) Number 855, pursuant to sections 139, 141(1)(a) and 141C(3)(a) of the *Mineral Resources Act 1989*.

BACKGROUND

- Millennium Coal Pty Ltd (100%) is the holders of EPC 855.
- EPC 855 was granted on 20 October 2003 over an area of 17 sub-blocks for a term of 3 years.
- The required work program conditions for Year 2 & 3 states drilling.
- The permit document states that the expenditure commitment for Year 2 is 49 - Business Affairs
- The specified sub-blocks for Year 3 is 14 sub-blocks.

CURRENT ISSUES

- On 12 August 2005 & 1 November 2006, the Department received a letter from Millennium Coal Pty Ltd, requesting a variation in the specified sub-blocks for Year 3, variation in the expenditure commitment for Year 2 and a variation to the work program for Years 2 & 3.
- Technical assessment is at folio 40.
- The variation request is considered satisfactory and the variation is acceptable on technical grounds.

RECOMMENDATION

It is recommend that:

(1) It be approved under section 141(1)(a) of the *Mineral Resources Act 1989*, that the required work program conditions for EPC 855 be varied to:-

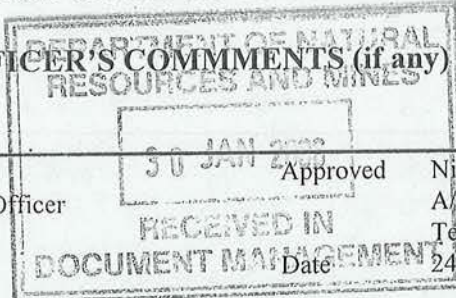
- Year 2 Geophysical survey
- Year 3 Drilling and Geophysical interpretation

(2) It be approved under section 141C(3)(a) of the *Mineral Resources Act 1989*, that the required expenditure commitment for EPC 855 be varied for Year 2:-

Year 2 49 - Business Affairs

(3) It is recommended that it be approved under section 139 of the *Mineral Resources Act 1989* to vary the specified sub-blocks for Year 3 for EPC 855 from 14 sub-blocks to 17 sub-blocks.

A/PRINCIPAL TENURES OFFICER'S COMMENTS (if any)



Briefing Officer Leah Farmer
 A/Senior Tenures Officer
 Tenures Support
 Telephone 3238 3824

Approved Nicole Freeman
 A/Principal Tenures Officer
 Tenures Support
 Date 24/01/2006

File Path G:\Tenures\Tmu\TENURES\Leah\Variations\EPC 855 Variation Work
Program_Expenditure_subblocks.doc

VARIATION



TECHNICAL ASSESSMENT
CHECKLIST AND RECOMMENDATIONS
EPC 855

Folio No.40

Date of Grant: 17/04/2001

Applicant(s): MILLENNIUM COAL PTY LTD	
Holder(s)	
Project Name: Middlemount	Commodity: Coal
Number of sub-blocks applied for: 17	Application at: folio: 28, 30 & 32

Assessment Summary

Technical and financial resources: Satisfactory
 Proposed program and concepts: Satisfactory
 Location: 48km SE of Dysart

Does the applicant need to submit further information in support of the application? **No** / **Yes** Information requested at folio _____
 Information provided on (see folio _____)

Recommendations									
Yr	From	To	S/B	Prop\$	Actual	Program	Keywords	Report	Comments
1	20/10/03	19/10/04	17			Vary from Drilling to •Data compilation & review		A	Show cause issued for not doing any drilling, submission accepted Variation to yrs
2	20/10/04	19/10/05	17			Vary from Drilling to •Geophysical survey			1,2,3 as shown at left.
3	20/10/05	19/10/06	Vary from 14 to 17	s.49 - Business Affairs		Vary from Drilling to •Drilling •Geophysical interpretation			

Reason for variation: holder unable to obtain drilling contractor and chose to fly aeromag survey to assist with a regional approach. Year 3 should see most of the drilling completed.

Sign Off and Recommendation

Technical assessment has now been completed and it is therefore recommended that the application proceed toward grant/variation subject to the proposed terms and conditions listed above.

Proceed

Signed s.49 - Signature **Date:** 17/1/06 **Title:** Geoscientist

Senior Geologist's Approvals (Yes, No, N/A)

Grant Over Non-contiguous Sub-blocks	Under delegation from the Minister per Section 127(3) of the <i>Mineral Resources Act 1989</i> the proposed work program over non-contiguous sub-blocks is approved	N/A
Statement Acceptable	Under delegation from the Minister per Section 131(1)(g)(i,ii,iii) and (h)(i) of the <i>Mineral Resources Act 1989</i> , it is approved that the application statement is acceptable to the Minister.	Y
Special Reporting Requirements	Under delegation from the Minister per Section 141(1)(f) of the <i>Mineral Resources Act 1989</i> , it is approved that the applicant must comply with the special reporting requirements outlined above should be granted/renewed/varied.	N/A

Signed s.49 - Signature **Date:** 23/1/06 **Title:** Senior Geologist

Tenure APPLICATION Specific Questions (Yes, No, N/A)

Suitability of Applicant	Are there sufficient grounds to recommend against grant under Sections 137(4) or 137(5) of the <i>Mineral Resources Act 1989</i> , for non-compliance with the technical requirements of the Act?		
Bona fide Purpose	Does the application appear to be for <i>bona fide</i> purposes under the Act as required under Section 137(1)(c) of the <i>Mineral Resources Act 1989</i> ?		
Area in Excess of that Prescribed	Are there sufficient technical grounds to recommend under Section 127(4) of the <i>Mineral Resources Act 1989</i> that the tenure may be granted over an area in excess of that prescribed?		

VARIATION

Possible Grant Over Existing Tenure	Are there sufficient technical grounds to recommend under Section 132(1) of the <i>Mineral Resources Act 1989</i> that the tenure may be granted over other existing grants and applications for tenure under the Act?			
Reduction in Area Granted	Are there sufficient technical grounds to recommend under Section 137(1) of the <i>Mineral Resources Act 1989</i> , that the area of grant be less than that applied for?			
COMPLIANCE CHECKLIST QUESTIONS				
Relinquishment	Is relinquishment compliant?			
Expenditure	Has expenditure been acceptable?			
Work Program	Has the proposed work program been complied with?			
Conditions	Have specified conditions been complied with?			
Reporting	Have the reporting requirements been adhered to? (Satisfactory/Unsatisfactory)			
Bona Fide	Do the actions of the holder appear to be bona fide			
Significant Mineralisation	Has the holder reported significant mineralisation? See Section 176 1			
Outcome	Is the holder complying with the conditions of this tenure?			
Notes and Comments				
Recommendations				
Reject Renewal	Show Cause	More information is required Email, letter or contact, Bringup & Review	QDEX/Leave on file	
<i>Print, file and get support of Senior Geologist, then forward to TM</i>		<i>Print on green and forward to EXPL3with the email for Action</i>		
Signed	Date:	Title:	Geoscientist	
Supported	Date:	Title:	Senior Geologist	
Tenure RENEWAL Specific Questions				
Performance History of Holder	Are there sufficient grounds to recommend against renewal under Section 141(1) or Section 160(1) of the <i>Mineral Resources Act 1989</i> , for non-compliance with the technical requirements of the Act?			
Failure to Relinquish Land	Due to non-compliance with relinquishment requirements, does a recommendation need to be made regarding the area the Minister may direct be relinquished under Section 139(6) or Section 140(1) of the <i>Mineral Resources Act 1989</i> ?			
Direction to Apply for Higher Tenure	Do sufficient technical grounds exist to warrant recommending to the Minister that the Holder apply for a higher form of tenure under Section 176(2) of the <i>Mineral Resources Act 1989</i> ?			
Checklist for Applications and Renewals				
Acceptable Work Program	Is the application accompanied by an acceptable statement as required under Section 133(1)(g)(i) of the <i>Mineral Resources Act 1989</i> specifying a description of the program of work proposed to be carried out under the authority of the exploration permit if granted?			Y
Variation of Term	Are there sufficient technical grounds to recommend under Section 137(3)(e) of the <i>Mineral Resources Act 1989</i> that the tenure be granted for a different term than that applied for?			N
Variation of Relinquishment Requirements	Are there sufficient technical grounds to support the recommendation of non-standard relinquishment requirements under either Section 139(3) or Section 140(1) of the <i>Mineral Resources Act 1989</i> ?			Y
Resources Committed	Is the application accompanied by an acceptable statement as required under Section 133(1)(g)(ii) of the <i>Mineral Resources Act 1989</i> specifying the human, financial and technical resources to be committed for each year of the exploration permit if granted?			Y
Financial Resources of Applicant	Does an acceptable statement as required under Section 133(1)(h)(i) of the <i>Mineral Resources Act 1989</i> detailing the applicant's financial resources accompany the application?			Y
Technical Resources of Applicant	Does an acceptable statement as required under Section 133(1)(h)(i) of the <i>Mineral Resources Act 1989</i> detailing the applicant's technical resources accompany the application?			Y
Exploration Data Captured	Is the application accompanied by an acceptable statement as required under Section 133(1)(g)(iii) of the <i>Mineral Resources Act 1989</i> detailing the exploration data captured by the applicant prior to their application?			Y
Special Technical Conditions	Are there sufficient technical grounds to warrant recommending the inclusion of special technical conditions under Section 137(3)(f) of the <i>Mineral Resources Act 1989</i> ?			N
Other Technical Matters	Are there any other technical matters that need to be raised?			N

The Technical Assessment Checklist provides technical advice to the Delegated Authority on whether an application should proceed to grant. It offers a recommended course of action only and as such it should **not** be viewed as an approval document.

VARIATION

Existing and proposed commitments by applicant or beneficial owner (Optional*)			
Number of Sub-blocks*		Expenditure Commitments	
Already Held	<input style="width: 90%;" type="text"/>	For currently granted tenure	<input style="width: 90%;" type="text"/>
Under other applications	<input style="width: 90%;" type="text"/>	Under other applications	<input style="width: 90%;" type="text"/>
Under this application	<input style="width: 90%;" type="text"/>	Under this application	<input style="width: 90%;" type="text"/>
Total	<input style="width: 90%;" type="text"/>	Total	<input style="width: 90%;" type="text"/>

* Mandatory in instances where limits apply to the number of sub-blocks that can be held (ie for Opal and in certain RAs).

General Comments Continued

DNRM RTI DL Release

File: MOL 282.
EPC 855

Loose

Doc: M106/00445

Departmental Correspondence Action Sheet

Date of Entry: 15/1/06

Urgent

Signature: Peter Hoppner

Routine

1 MT9

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE: / /

Response sent 25/1/06 s.49 - Signature

Comments (if any)

DESIGNATED OFFICER

Signature:

s.49 - Signature

Date:

19/1/06

FINAL ACTION

Departmental Minute Prepared

Yes

No

Received in Document Management



Comments

Signature:

Date:

/ /

Exploration & Mining Title Services Pty. Ltd.
A.B.N. 64 003 122 996
www.hemts.com.au

17 January 2006

The Principle Tenures Officer
Tenures Support Unit
Department of Natural Resources and Mines
PO Box 1475
COORPAROO QLD 4151



Dear Sir

RE: EXPLORATION PERMIT NO (EPC) 855

Reference is made to the copy of the enclosed MERLIN graphic sketch showing a partial overlap with MDL 282 and EPC 855.

Recent searches conducted indicate that MDL 282 was granted on 10 April 2002 and was applied for with the pre-requisite title of EPC 597. EPC 855 was applied on 1 July 2003 and subsequently granted on 20 October 2003. Reference to the exploration permit document for EPC 855 indicates that the tenure was granted exclusive of any excluded land pursuant to Section 132 of the Mineral Resources Act 1989. Based on the grant dates detailed above, it would appear that the areas of MDL 282 that overlay the current blocks of EPC 855 were excluded from the grant. Please confirm this assumption.

In order to ensure that exploration activities conducted on EPC 855 do not encroach on the area of MDL 282, please provide this office with the meets and bounds description of MDL 282 as supplied in the original application so the position of MDL 282 can be accurately identified.

I look forward to your further advice on this matter.

Yours faithfully

s.49 - Signature

BRIAN MARTIN
Manager, Brisbane Office

Enc

CC Millennium Coal Pty Ltd (Mr Michael Creech)



MILLENNIUM COAL PTY LTD

ACN 089 566 021

22 September 2005

The Deputy Director-General (Mines)
Department of Natural Resources and Mines
GPO Box 2454
BRISBANE Q 4001

Dear Sir

Please let this letter serve as notice that employees of Hetherington Exploration and Mining Title Services Pty Ltd (A.C.N. 003 122 996), are authorised by **MILLENNIUM COAL PTY LTD** (A.C.N. 089 566 021) to maintain and do such things as may be necessary from time to time to satisfy the requirements of the Queensland Mineral Resources Act 1989 in relation to Exploration Permits, Prospecting Permits, Mining Leases and Mineral Development Licences held by or applied for by this company in Queensland.

This authorisation does not apply to provide approval to relinquish any title and is to remain valid until further advised by this company.

In addition, it entitles access to any information the Department may normally make available to the applicant or holder in the course of maintaining any title.

Yours faithfully

s.49 - Signature

Name *C. ELLIS*
Position *DIRECTOR*

Yours faithfully

s.49 - Signature

Name *A. DAVISS*
Position *DIRECTOR*

396



Author: Sharon Jennings
Ref number: EPC 673, 726, 728, 784, 855
Unit: Brisbane District Office
Phone 3238 3746
Fax 3405 5346
Email sharon.jennings@nrm.qld.gov.au

20 January 2006

Millennium Coal Pty Ltd
C/- Hetherington Exploration & Mining Title Services Pty Ltd
PO Box 13071
George Street Post Shop
BRISBANE QLD 4003

Dear Sir/Madam,

RE: Notification of Change of Address

I refer to the Notification of Change of Address form sent to this office on 19 January 2006 regarding Exploration Permit for Coal (EPC) numbers 673, 726, 728 and 855..

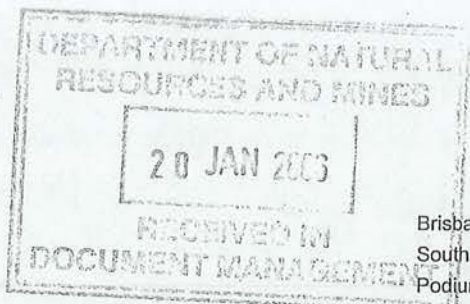
Please note that the relevant information has been updated on our register.

Please don't hesitate to contact the officer nominated above if you require anything further.

Yours sincerely

s.49 - Signature

S L Jennings
A/Tenures Officer
Brisbane District Office (Mines)



Brisbane District Office
South East Region (Mines)
Podium 2 Landcentre
Cnr Main and Vulture Streets
Woolloongabba
PO Box 1475 Coorparoo DC
Queensland 4151 Australia
Telephone + 61 7 3238 3735
Facsimile + 61 7 3405 5346
Website www.nrm.qld.gov.au
ABN 83 705 537 585

File: EPC 855
W. Hoppner
 Loose
 Doc: M106/00453

Departmental Correspondence Action Sheet

Date of Entry: 19/1/06

Urgent

Signature: Peter Hoppner

Routine

1

Sharon

- For necessary Action
- For Advice
- For Information
- Prepare Draft Reply
- Prepare Draft Reply my Signature
- Prepare Draft Reply D/G Signature
- Prepare Departmental Minute
- Prepare Ministerial Briefing
- No Action
- Copy Provided
- Please Discuss

ACTION OFFICER USE

DUE DATE: / /

① changes updated on register?

② for filing:

EPC 673

EPC 726

EPC 728

EPC 784

EPC 855

Comments (if any)

s.49 - Signature

20.1.06

DESIGNATED OFFICER

Signature: s.49 - Signature

Date: 19/1/06

FINAL ACTION

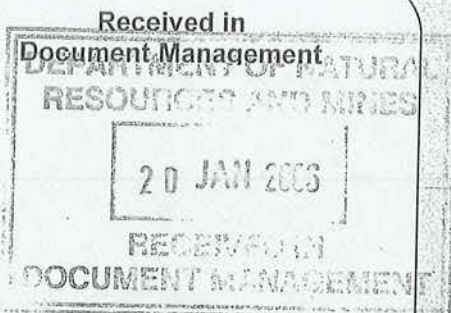
Departmental Minute Prepared

Yes No

Comments

Signature:

Date: / /



17 January 2006

Mrs L Wood
Senior Tenures Officer
Tenures Support Unit
Southern Regional Office (Mines)
Department of Natural Resources and Mines
PO Box 1475
COORPAROO QLD 4151

Dear Laura

RE: EXPLORATION PERMIT'S FOR COAL (EPC'S) 673, 726, 728, 784 AND 855

Enclosed for your attention please find a 'Notification of Change of Address' form for the above-mentioned tenements. Please amend the MERLIN database to reflect the current address for the holder of this tenement. Attached to the form is the relevant authorisation.

If you have any questions in relation to this matter please do not hesitate to contact me.

Yours faithfully /

s.49 - Signature

BRIAN MARTIN
Manager, Brisbane Office

Enc.

cc.: Millennium Coal Pty Ltd (Mr M Creech)

Department of Natural Resources,
Mines & Energy

RECEIVED

19 JAN 2006

8:30 am/pm
TIME

s.49 - Signature

SOUTH EAST REGION MINES

SYDNEY

503 Willoughby Road, 1st Floor
(Access via Prentice Lane)
Willoughby NSW 2068
PO Box 765 Willoughby NSW 2068
Tel: (02) 9967 4844
Fax: (02) 9967 4614
E-mail: sydney@hemts.com.au

BRISBANE

Suite 41, Northpoint, 231 North Quay
Brisbane QLD 4000
PO Box 13071
George Street Post Shop, Brisbane QLD 4003
Tel: (07) 3236 1768
Fax: (07) 3236 1758
E-mail: brisbane@hemts.com.au

PERTH

83 Brisbane Street
(Cnr Brisbane & Beaufort Streets)
Perth WA 6000
PO Box 8249, Perth Business Centre
Perth WA 6849
Tel: (08) 9228 9977
Fax: (08) 9328 3710
E-mail: perth@hemts.com.au

DEPARTMENT OF MINES AND ENERGY

Part 11
Form No. 6
Queensland
Mineral Resources Act 1989
Section 388

NOTIFICATION OF CHANGE OF ADDRESS AND/OR CHANGE OF PERSON NOMINATED FOR SERVICE OF CORRESPONDENCE

Please Print Clearly

Notification is hereby made of the undermentioned changes effective from 17 / 1 / 2006

Particulars of change of address

Previous address	GPO Box 2569		
	BRISBANE QLD		
	Postcode	Phone No.	Fax No.
	4001		
Current address	C/- Hetherington Exploration & Mining Title Services Pty Ltd		
	PO Box 13071 George Street Post Shop BRISBANE QLD		
	Postcode	Phone No.	Fax No.
	4003	07 3236 1768	07 3236 1758

Particulars of change of name of nominated person for service of correspondence

Change from	<input type="checkbox"/> Mr	<input type="checkbox"/> Mrs	<input type="checkbox"/> Miss/Ms	<input type="checkbox"/> Company
Person's surname or registered company name				
Person's christian or given names				
Change to	<input checked="" type="checkbox"/> Mr	<input type="checkbox"/> Mrs	<input type="checkbox"/> Miss/Ms	<input type="checkbox"/> Company
Person's surname or registered company name				
Person's christian or given names				

OFFICE USE ONLY

RECEIVED AT	<i>SEPM</i>	NO FEE	ENTERED ON REGISTER	
	s.49 - Signature		Initials	s.49 - Signature
TIME	<i>8:30 am/pm</i>		Date	<i>20/1/06</i>
DATE	<i>19/1/06</i>			

MILLENNIUM COAL PTY LTD

ACN 089 566 021

22 September 2005

The Deputy Director-General (Mines)
Department of Natural Resources and Mines
GPO Box 2454
BRISBANE Q 4001

Dear Sir

Please let this letter serve as notice that employees of Hetherington Exploration and Mining Title Services Pty Ltd (A.C.N. 003 122 996), are authorised by **MILLENNIUM COAL PTY LTD** (A.C.N. 089 566 021) to maintain and do such things as may be necessary from time to time to satisfy the requirements of the Queensland Mineral Resources Act 1989 in relation to Exploration Permits, Prospecting Permits, Mining Leases and Mineral Development Licences held by or applied for by this company in Queensland.

This authorisation does not apply to provide approval to relinquish any title and is to remain valid until further advised by this company.

In addition, it entitles access to any information the Department may normally make available to the applicant or holder in the course of maintaining any title.

Yours faithfully

s.49 - Signature

Name *C. Ellis*
Position *DIRECTOR*

Yours faithfully

s.49 - Signature

Name *A. DAVIS*
Position *DIRECTOR*

39

Lynam Ann

From: Clare Massey [clare@hemts.com.au]
Sent: Wednesday, 4 January 2006 11:14 AM
To: Lynam Ann
Subject: EPC 855

Ann Maree,

Please find attached the Statement of Expenditure for EPC 855 for the period 20/10/04 to 19/10/05.

Regards,
Clare

hetherington

Exploration & Mining Title Services Pty Ltd

Clare Massey
Titles Officer
Suite 41, Northpoint, 231 North Quay
Brisbane QLD 4000
PO Box 13071, George Street Post Shop
Brisbane QLD 4003

Tel: 07 3236 1768
Fax: 07 3236 1758
clare@hemts.com.au

DNRM RTI DL Release

EXPENDITURE STATEMENT
FOR
EPC 855
PROJECT "FOXLEIGH NORTH"

FOR THE PERIOD
20 OCTOBER 2004 TO 19 OCTOBER 2005
Millennium Coal Pty Ltd

Author – Michael Creech
December 2005

Page 124 redacted for the following reason:

s.49 - Business Affairs - Financial Information

DNRM RTI DL Release