

No. **56** of 2014.

Mining (Ok Tedi Mine Extension (Eleventh Supplemental) Agreement) Act 2014.

Certified on : **23 DEC 2014**



No. 56 of 2014.

Mining (Ok Tedi Mine Extension (Eleventh Supplemental) Agreement) Act 2014.

ARRANGEMENT OF SECTIONS.

1. Compliance with constitutional requirements.
2. Interpretation.
3. Act binds the State.
4. Approval of Agreements.
5. Effect in relation to laws of Papua New Guinea.
6. Execution of CMCA Extension Agreements and other acts binding.
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9. Schedules.

SCHEDULE 1.

SCHEDULE 2.



No. 56 of 2014.

An Act

entitled

Mining (Ok Tedi Mine Extension (Eleventh Supplemental) Agreement) Act 2014.

Being an Act to provide for the approval and implementation of the Ok Tedi Mine Extension (Eleventh Supplemental) Agreement relating to the development of mineral deposits at Mount Fubilan in Western Province, and for related purposes,

MADE by the National Parliament.

1. COMPLIANCE WITH CONSTITUTIONAL REQUIREMENTS.

(1) This Act, to the extent that it regulates or restricts a right or freedom referred to in Subdivision III.3.C (*qualified rights*) of the *Constitution*, namely -

- (a) the right to freedom from arbitrary search of person or property and entry of premises, conferred by Section 44; and
- (b) the right to freedom from conscience, thought and religion and the practice of a person's religion and beliefs, including freedom to manifest and propagate a person's religion and beliefs in such a way as not to interfere with the freedom of others, conferred by Section 45; and
- (c) the right to freedom of expression and publication conferred by Section 46; and
- (d) the right peacefully to assemble and associate and to form or belong to, or not to belong to, political parties, industrial organisations and other associations conferred by Section 47; and
- (e) the right to freedom of choice of employment in any calling for which a person has the qualifications (if any) lawfully required conferred by Section 48; and
- (f) the right to protection from unjust deprivation of property conferred by Section 53,

of the *Constitution* is a law that is made under Section 38 of the *Constitution* for the purpose of giving effect to the public interest in public safety, public order, public welfare.

(2) For the purposes of any Organic Law from time to time and for the time being implementing Part VIA of the *Constitution*, it is hereby declared that each of the following Acts relates to a matter of national interest:

- (a) the *Mining (Ok Tedi Agreement) Act* (Chapter 363A); and
- (b) the *Mining (Ok Tedi Supplemental Agreement) Act* (Chapter 363A); and
- (c) the *Mining (Ok Tedi Second Supplemental Agreement) Act* (Chapter 363B); and
- (d) the *Mining (Ok Tedi Third Supplemental Agreement) Act* (Chapter 363C); and
- (e) the *Mining (Ok Tedi Fourth Supplemental Agreement) Act* (Chapter 363D); and
- (f) the *Mining (Ok Tedi Fifth Supplemental Agreement) Act* (Chapter 363E); and
- (g) the *Mining (Ok Tedi Sixth Supplemental Agreement) Act 1986*; and
- (h) the *Mining (Ok Tedi Agreements) (Amendment) Act 1986*; and
- (i) the *Mining (Ok Tedi Seventh Supplemental Agreement) Act 1986*; and

Mining (Ok Tedi Mine Extension (Eleventh Supplemental) Agreement)

- (j) the *Mining (Restated Eight Supplemental Agreement) Act 1995*; and
- (k) the *Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) Act 2001*; and
- (l) the *Mining (Ok Tedi Mine Continuation (Tenth Supplemental) Agreement) Act 2013*,

and it is further declared that this Act deals with a matter of urgent national importance.

2. INTERPRETATION.

(1) Unless otherwise defined in this Act, words and expressions which are given a certain meaning in the Principal Agreement or in the Ok Tedi Mine Extension (Eleventh Supplemental) Agreement are used in this Act with the same meanings.

- (2) In this Act, unless the contrary intention appears -
- “CMCA Extension Agreement” means each of the agreements between the company and specified communities which are set out in Schedule 2;
 - “Foundation” means the Ok Tedi Development Foundation Limited referred to in Clause 6 of the Ninth Supplemental Agreement;
 - “Mine Closure and Decommissioning Code” means the document contained in Schedule 3 to the *Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) Act 2001*;
 - “Ninth Supplemental Agreement” means the agreement scheduled to the *Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) Act 2001*;
 - “principal agreement” means the agreement a copy of which is set out in the Schedule to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) as varied, amended, and supplemented by the agreements respectively set out in the Schedules to the Acts referred to in Sections 1(4)(b), (c), (d), (e), (f), (g), (i), (j), (k) and (l) and by the Ok Tedi Mine Extension (Eleventh Supplemental) Agreement;
 - “Ok Tedi Mine Extension (Eleventh Supplemental) Agreement” means the supplemental agreement a copy of which is set out in Schedule 1.

3. ACT BINDS THE STATE.

This Act binds the State.

4. APPROVAL OF AGREEMENTS.

(1) The Ok Tedi Mine Extension (Eleventh Supplemental) Agreement is approved and has effect according to its tenor.

(2) The CMCA Extension Agreements, including all schedules and annexures to the agreements, are approved and have effect according to their tenor.

5. EFFECT IN RELATION TO LAWS OF PAPUA NEW GUINEA.

(1) The Ok Tedi Mine Extension (Eleventh Supplemental) Agreement, including all schedules and annexures to the agreements, has the force of law for the full term provided for and applies notwithstanding -

- (a) anything to the contrary in any other law in force in the country; or
- (b) that the agreement might, but for this Act, be wholly or partly unenforceable.

(2) The CMCA Extension Agreements, including all schedules and annexures to the agreements, have the force of law for the full term provided for and apply notwithstanding -

- (a) anything to the contrary in any law in force in the country; or
- (b) that any such agreement might, but for this Act, be wholly or partly unenforceable.

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(3) Nothing in this Act affects the operation of the ***Mining (Ok Tedi Restated Eighth Supplemental Agreement) Act 1995***.

(4) The CMCA Extension Agreements represent the final and binding agreement between the parties to the agreement on compensation and benefits payable to such of them as are affected by the Project and the extension of the Project's operation as contemplated in the CMCA Extension Agreements.

(5) The fact that the Company has entered into the CMCA Extension Agreements does not derogate from the effect of the releases contained in and the compensation regime established by the ***Mining (Ok Tedi Agreement) Act*** (Chapter 363) (as amended and supplemented) in relation to any community which does not enter into such an agreement.

(6) The ***Fairness of Transactions Act 1993*** has no application to any agreement given the force of law by this Act or by any of the Acts referred to in Section 1(4).

(7) A party to the Ninth Supplemental Agreement or the Ok Tedi Mine Extension (Eleventh Supplemental) Agreement or other beneficiary of a provision of a Community Mine Continuation Agreement or a CMCA Extension Agreement may enforce that provision as if it were a party to that Community Mine Continuation Agreement or CMCA Extension Agreement, as the case may be.

6. EXECUTION OF CMCA EXTENSION AGREEMENTS AND OTHER ACTS BINDING.

(1) The signature or other execution of a CMCA Extension Agreement by a person representing or purporting to represent a community or clan, or that person's delegate, binds all of the members of that community or clan to that CMCA Extension Agreement notwithstanding -

- (a) that there is no express authority for that person to sign or execute the CMCA Extension Agreement on behalf of the members of the community or clan concerned; or
- (b) that not all representatives of the relevant community or clan have signed or otherwise executed the CMCA Extension Agreement; or
- (c) that not all members of the community are parties to the CMCA Extension Agreement; or
- (d) any requirement of the underlying law.

(2) The acts and deeds of a person described in Subsection (1) in respect of any matter referred to in the relevant CMCA Extension Agreement bind each person on behalf of whom that person purports to be acting, and where a person purports to be acting on behalf of the whole of that person's community or clan, that person's acts and deeds bind each existing and future member of that person's community or clan, including, without limitation, children and persons who are subsequently born into, or who subsequently join, that community or clan.

7. MINE CLOSURE AND DECOMMISSIONING CODE.

The Mine Closure and Decommissioning Code is amended as follows:

- (a) Section 3.5(b) is amended by substituting the number and word "6 months" for the number and word "12 months"; and
- (b) Section 3.6(a) is amended by substituting the number and word "2 years" for the number and word "3 years".

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8. TAX STATUS OF FOUNDATION.

Section 11(2) of the *Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) Act 2001* is repealed and replaced with the following:

“For the purposes of the *Goods and Services Tax Act 2003* -

- (a) tax on all supplies made by the Foundation shall be charged at zero percent; and
- (b) all supplies to the Foundation shall be zero rated and the Foundation shall receive a refund of all tax it has paid to the Internal Revenue Commission on purchases, including tax paid on imported goods, since the Foundation’s commencement of operations.”.

9. SCHEDULES.

Schedules 1 and 2 of this Act are attached as Annexures “A” and “B” respectively.

I hereby certify that the above is a fair print of the *Mining (Ok Tedi Mine Extension (Eleventh Supplemental) Agreement) Act 2014* which has been made by the National Parliament.


Acting Clerk of the National Parliament.

23 DEC 2014

I hereby certify that the *Mining (Ok Tedi Mine Extension (Eleventh Supplemental) Agreement) Act 2014* was made by the National Parliament on 26 November, 2014 by an absolute majority in accordance with the *Constitution*.


Acting Speaker of the National Parliament.

23 DEC 2014

Mining (OK Tedi Mine Extension (Eleventh Supplemental) Agreement)

ANNEXURE "A"

SCHEDULE 1. OK TEDI MINE EXTENSION (ELEVENTH
SUPPLEMENTAL AGREEMENT.)

The Independent State of Papua New Guinea
Mineral Resources Ok Tedi No. 2 Limited
Ok Tedi Mining Limited

Ok Tedi Mine Extension (Eleventh Supplemental) Agreement



**OFFICE OF THE STATE SOLICITOR
DEPARTMENT OF JUSTICE & ATTORNEY GENERAL**

TELEPHONE: 753 301 2333
FAX/MAIL: 753 301 2947
EMAIL: statesol@justice.gov.pg

Office of the State Solicitor
National Capital District
Port Moresby, PNG

Tuesday 25th November, 2014

His Excellency, Grand Chief Sir Michael Ogio, GCL, GCMG, KSt.J
Governor General of Papua New Guinea
Government Haus,
P.O.BOX 79
KONEDOBU
National Capital District

Your Excellency,

SUBJECT: LETTER OF LEGAL CORRECTNESS ELEVENTH SUPPLEMENTARY

1. Your Excellency, the attached Contract for your signature is between the Independent State of Papua New Guinea and OK Tedi Mining Ltd.
2. The purpose of the Eleventh Supplementary Agreement is to extend the application of Community Mine continuation Agreement.
3. The Community Continuation Agreement represents the final and boundary Agreement between the parties thereto on compensation and benefits.
4. The NEC in its Decision No. 360/2014 of meeting No.10/2014 25th November 2014 noted the content of the Statutory Business Paper No 158/2013 and approved for your Excellency to execute the Eleventh Supplementary Agreement, on behalf of the Independent State of Papua New Guinea (State).
5. Your Excellency, I have considered in detail the terms of the contract and the supporting documents and certify that they are satisfactory and legally in order and there are no adverse or detrimental effects against the State.
6. Your Excellency, this letter is to advise you to execute the contract for and on behalf of the State pursuant to Section 47 (1) (a) of the Act upon receipt of advice from the NEC.

Yours sincerely,

**DANIEL ROLPAGAREA
State Solicitor**

CORPORATE SERVICES

Mining
Petroleum
Forestry
Commercial Contracts
Commercial Advisory

COMMERCIAL

Project Advising
General Advising
Employment Contracts
Property Conveyance

INTERNATIONAL

Treaties
Conventions
Human Rights
Taxation
Intellectual Property

CONFIDENTIAL



NATIONAL EXECUTIVE COUNCIL

N.E.C. Meeting No: 10/2014

Statutory Business Paper No: 135/2014

ADVICE TO THE GOVERNOR-GENERAL

Your Excellency,

You are hereby informed that on the

25th

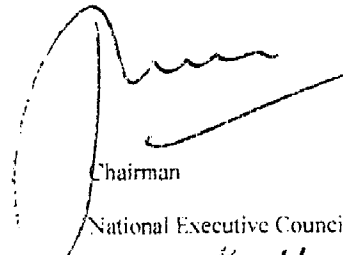
day of

November,

2014

the National Executive Council did decide to advise you to enter into and execute on behalf of the State, with *Mineral Resources No. 2 Limited* and *Ok Tedi Mining Limited* the **Ok Tedi Mine Extension (Eleventh Supplemental) Agreement,**

in accordance with the attached Contract Agreement.



Chairman
National Executive Council

Date: *25th November, 2014*



CONFIDENTIAL

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	The State and OTML have determined that Mine Extension is technically and financially feasible, and the State and the affected communities have determined that Mine Extension is socially and economically desirable. Error! Bookmark not defined.	
	The parties wish to amend the Principal Agreement accordingly.	3
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This Agreement is made on 25th November, 2014

Parties

- 1 The Independent State of Papua New Guinea (the *State*)
- 2 Mineral Resources Ok Tedi No. 2 Limited, a company incorporated in Papua New Guinea (*MROT No. 2*)
- 3 Ok Tedi Mining Limited, a company incorporated in Papua New Guinea (the *Company*)

Recitals

- A The parties wish to amend the Principal Agreement accordingly.

It is agreed as follows.

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Approved Proposals has the meaning given in Clause 1 of the Principal Agreement.

First Supplemental Agreement means the agreement scheduled to the Mining (Ok Tedi Agreement) Act (Chapter 363A).

Ok Tedi Mine means the Project as defined in the Principal Agreement.

Principal Agreement means the agreement scheduled to the *Mining (Ok Tedi Agreement) Act 1976* (as amended and supplemented).

Tabubil Township means the town facilities constructed and maintained by the Company in accordance with the Principal Agreement.

1.2 Definitions in Principal Agreement

Unless otherwise defined in this Agreement, words and expressions which are given a particular meaning in the Principal Agreement are used in this Agreement with the same meaning.

1.3 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) A reference to a *person* includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (d) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this Agreement.
- (e) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
- (f) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
- (g) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to an *agreement* includes any undertaking, Agreement, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a *document* includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (j) A reference to an *asset* includes any real or personal, present or future, tangible or intangible property or asset (including Intellectual Property) and any right, interest, revenue or benefit in, under or derived from the property or asset.
- (k) Mentioning anything after *includes, including, for example,* or similar expressions, does not limit what else might be included.
- (l) Nothing in this Agreement is to be interpreted against a party solely on the ground that the party put forward this Agreement or a relevant part of it.
- (m) A *month* means a calendar month.
- (n) A reference to time is to the time in Port Moresby, Papua New Guinea.

2 CONDITION PRECEDENT

2.1 Substantial Variation to Principal Agreement

The Parties declare that this Agreement constitutes a material or substantial alteration of the Principal Agreement and accordingly under clause 42.2 of the Principal Agreement the State must as soon as is reasonably practicable introduce and sponsor in the National Parliament a Bill for an Act to approve this Agreement, such Bill to be in a form agreed by the Parties.

2.2 Operation of Agreement

This Agreement, other than this clause 2, has no effect until the Bill referred to in clause 2.1 is passed as an Act and comes into operation.

3 EFFECT ON AND OF OTHER LAWS

This Agreement shall have the force of law for the Term and shall apply notwithstanding anything to the contrary in any other law in force in Papua New Guinea.

4 STATE ACQUISITION AND OWNERSHIP OF FACILITIES (Principal Agreement Clause 21)

The Principal Agreement is amended by deleting Clause 21.

5 MARKETING AND CONTRACTS (Principal Agreement Clause 27)

Clause 27.1(b) of the Principal Agreement is deleted.

6 OK TEDI DEVELOPMENT FOUNDATION LIMITED

Clause 6.8(b) of the agreement scheduled to the Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) Act 2001 is amended by substituting the expression "K1million" for the expression "100,000 Kina, or such higher number as approved by the Secretary of the department responsible for treasury matters."

7 FURTHER ASSURANCES

Each Party must do anything (including executing agreements and documents) that is necessary or desirable to give full effect to this Agreement and/or any document or agreement contemplated by this Agreement, and the transactions contemplated by this Agreement and/or any document or agreement. Without limitation, each Party will do so promptly at and in accordance with the request of the other Party or Parties.

8 ENTIRE AGREEMENT

This Agreement contains the entire agreement of the Parties with respect to its subject matter. It sets out the only conduct relied on by the Parties and supersedes all earlier conduct and prior agreements and understandings between the Parties connection with its subject matter.

9 COSTS AND STAMP DUTY

Each Party must bear its own costs arising out of the negotiation, preparation and execution of this Agreement. All stamp duty (including fines, penalties and interest) payable on or in connection with this Agreement must be borne by Participants in proportion to their respective Participating Interests.

10 AMENDMENT

This Agreement may be amended only by another agreement executed by all parties.

11 SEVERANCE

Any provision of this Agreement that is prohibited or unenforceable will be ineffective in to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision.

12 GOVERNING LAW

This Agreement is governed by the laws of the Independent State of Papua New Guinea and the Parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there.

Nothing in this Clause affects the operation of Clause 38 of the Principal Agreement.

13 COUNTERPARTS

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Executed as an Agreement in Port Moresby



SIGNED for and on behalf of the
**Independent State of Papua New
Guinea by Sir Michael Ogio, GCMG,
KStJ, Governor General, acting with and
in accordance with the advice of the
National Executive Council, in the
presence of:**



Witness Signature

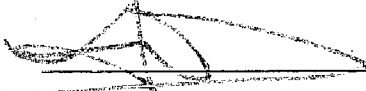


Print Name

Signature



The Common Seal of MINERAL
RESOURCES No. 2 LIMITED was
affixed in the presence of:



Director Signature


Haw. At. W. WOBIRO
Print Name



Director/Secretary Signature

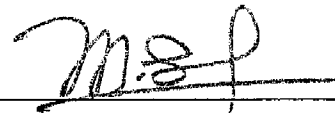
DR. MODOWA GUMOI
Print Name

The Common Seal of OK TEDI
MINING LIMITED was affixed in the
presence of:



Director Signature

DR. MODOWA GUMOI
Print Name



Director/Secretary Signature

DR. MODOWA GUMOI
Print Name



Mining (OK Tedi Mine Extension (Eleventh Supplemental) Agreement)

• ANNEXURE "B"

**SCHEDULE 2. CMCA EXTENSION AGREEMENT
MINE AREA VILLAGES.**

**CMCA EXTENSION AGREEMENT
MINE AREA VILLAGES**

THIS CMCA EXTENSION AGREEMENT is made as of the 21st day of DEC. 2012

BETWEEN:

OK TEDI MINING LIMITED (the "Company")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF:

1. Atemkit
2. Bultem
3. Finalbin
4. Kavorabip
5. Migalsimbip
6. Wangbin

or such of them whose representatives execute this Agreement (the "*Communities*").

WHEREAS:

- A. The Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities' preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties

therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.

F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"Additional Compensation and Benefits Package Agreement" means the agreement with that title between the Company and the members of each of:

- (a) Atemkit Village dated on or about 21 April 1997;
- (b) Bultem Village dated on or about 14 April 1997;
- (c) Kavorabip Village dated on or about 14 July 1997;
- (d) Migalsimbip Village dated on or about 14 April 1997; and
- (e) Wangbin Village dated on or about 1 May 1997.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement on the terms set out and substantially in the form of the Pro Forma Community Mine Continuation Agreement between the Parties scheduled to the *Mining (Ok Tedi Mine Continuation (Ninth Supplemental) Agreement) Act 2001* and:

- (a) in relation to Atemkit Village, means the agreement executed for an on behalf of the members of Atemkit Village on 21 December 2001;
- (b) in relation to Bultem Village, means the agreement executed for an on behalf of the members of Bultem Village on 21 December 2001;
- (c) in relation to Finalbin Village, means the agreement executed for an on behalf of the members of Finalbin Village on 5 April 2004;
- (d) in relation to Kavorabip Village, means the agreement executed for an on behalf of the members of Kavorabip Village on 21 December 2001; and

- (e) in relation to Migalsimbip Village, means the agreement executed for an on behalf of the members of Migalsimbip Village on 24 December 2001.

"**Condition Precedent**" means the condition precedent in Clause 3.

"**Consultations**" means the meetings and discussions that have taken place between officers of the State, the Company and the Community in which the Company has presented information to the Community regarding the opportunities and costs of extension of Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"**Downstream Communities**" means the collective residents of the villages in the Highway, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly areas.

"**Environmental Predictions**" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"**Interested Communities**" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"**Mine**" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"**Open Pit Cut Back**" means the mining of waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"**Parties**" means the Company and the Community severally.

"**Settlement Agreement**" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"**State**" means the Independent State of Papua New Guinea.

"**Termination Date**" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"Underground Operations" means the mining of ore bodies within the Mine pit using underground or sub-surface mining techniques and methods.

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
 - (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. PARTIES DEEMED TO BE BOUND BY THE CMCA

- 4.1 The Parties agree that the Company and each member of Wangbin Village shall be deemed to have acceded to and is bound by the CMCA so far as may be applicable, including without limitation clauses 3 to 14 (inclusive) of the CMCA, on and from 4 June 2009.
- 4.2 For avoidance of doubt, the Parties agree and affirm that:
 - (a) the Company shall not pay; and
 - (b) each member of Wangbin Village shall not be entitled to receive, make any claim or demand, institute proceedings or take any action for,

any amount payable by the Company under and in accordance with the CMCA prior to the date each member of Wangbin Village is deemed to have acceded to the CMCA pursuant to Clause 4.1.

5. OPERATION OF THIS AGREEMENT AND THE CMCA

- 5.1 The Parties affirm the CMCA and agree to its extend its term commensurate with the term of this Agreement.
- 5.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

6. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 6.1 The Parties acknowledge that:
- (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;
 - (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
 - (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of the operations of the Mine is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
 - (d) a decision by the State and the Company to extend operation of the Mine will have the properly informed consent of the Communities.
- 6.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

7. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 7.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in

training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.

- 7.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 7.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

8. COMMUNITIES' COMMITMENTS

8.1 The Communities, having considered:

- (a) the information disclosed to them in the Consultations;
- (b) the likely social, environmental and economic implications for themselves of the extended operations of the Mine (including the Company's commitments) in light of the Environmental Predictions; and
- (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,

have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.

8.2 The Communities acknowledge that their decision is made in the knowledge or belief that:

- (a) the extended operation of the Mine may result in increased environmental impacts for the Downstream Communities, including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts;
- (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine; and
- (c) it is fair and proper that the Downstream Communities receive compensation and benefits commensurate with the Environmental Predictions.

8.3 The Communities:

- (a) represent and warrant to the Company that they will not demand or seek additional compensation and benefits to match those to be provided to the Downstream Communities;

- (b) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
- (c) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (d) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

9. COMMUNITIES' RELEASES

- 9.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:
- (a) the disposal by the Company of tailings and waste;
 - (b) dredging, storage and release of dredged material;
 - (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
 - (d) the Settlement Agreement; and
 - (e) any public statement concerning the Mine made by the Company or the Company's shareholders.
- 9.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

10. REVISED ADDITIONAL COMPENSATION AND BENEFITS PACKAGE

- 10.1 Subject to Clause 12:
- (a) the Parties have reviewed the Additional Compensation and Benefits Package Agreement and have agreed that the Company will make annual payments to the

Community members and spend on infrastructure, construction and social business development projects in the Communities, in total, the amounts shown in Schedule 3;

- (b) the Company will make additional annual payments described in Schedule 3:
 - (i) to each member of Migalsimbip Village in full compensation for past, present and future inconvenience in relation to the use of the Ok Menga river and its banks; and
 - (ii) to each member of Wangbin Village in full compensation for past, present and future inconvenience in relation to the use of all land upon which the Tabubil town and related facilities have been established, developed and are maintained by the Company in accordance with the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented); and
- (c) in addition to the payments under paragraph 10.1(a) and (b), the Company shall make the additional annual payments described in Schedule 4 to the respective village development fund of each Community.

10.2 Save as provided in this Clause 10, the Additional Compensation and Benefits Package is affirmed.

10.3 The Company shall use its best endeavours to assist the Communities source third party funds for additional village infrastructure works and shall assist with the design and costing of other infrastructure works that will promote the long term development in the Mine area.

11. RELATIONSHIP OF REVISION OF COMPENSATION PAYABLE TO DOWNSTREAM COMMUNITIES TO ENVIRONMENTAL PREDICTIONS

The Communities acknowledge that if the environmental effects of the extended operation of the Mine exceed the Environmental Predictions, the Company may be obliged to revise the compensation and benefits of the Downstream Communities taking into account the environmental impacts not contemplated in the Environmental Predictions. The Communities acknowledge and agrees that if such a revision is made, the Communities will remain bound by Clause 10 and will not seek or demand compensation or benefits to match those provided to the Downstream Communities.

12. TIMING OF PAYMENTS

12.1 Subject to the following clauses, the payments pursuant to Clause 10 shall:

- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
- (b) be paid by the Company to the Communities in the fourth quarter of each calendar year.

12.2 The timing of payments by the Company pursuant to Clause 10 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 7, 8 and 9. In the event of non-compliance with any provision of this Agreement, in particular Clauses 7, 8 and 9, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 7, 8 and 9, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 7, 8 and 9. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the village development fund.

12.3 Notwithstanding Clauses 12.1 to 12.2 inclusive if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 10 will also cease.

13. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

14. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

15. COMMUNICATIONS

15.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:

- (a) in the case of the Company, if signed by the Managing Director of the Company;
- or
- (b) in the case of the Communities, if signed by a village councillor.

- 15.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 15.1.
- 15.3 Any formal communication shall be deemed to have reached the other Party:
- (a) in the case of personal delivery, when received by the relevant person referred to in Clause 15.1; or
 - (b) in the case of facsimile, as soon as transmission is confirmed.

16. REVIEW OF OPERATION OF AGREEMENT

- 16.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").

For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.

- 16.2 The Parties agree that:
- (a) a review under this Clause 16 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
 - (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 6;
 - (iii) Clause 7;
 - (iv) Clause 8;
 - (v) Clause 9;
 - (vi) Clause 10, except as to whether the annual payments described in Schedule 4 should be made solely to the Community members rather than to the village development fund (or vice versa);
 - (vii) Clause 11
 - (viii) Clause 12.1(a);
 - (ix) Clause 12.2; and
 - (x) Clause 12.3.
- 16.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 16.

16.4 Upon receipt of a notice in accordance with Clause 16.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which it provided conceptual information regarding the proposed extension of Mine operations. Between 3

to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 to 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

ATEMKIT VILLAGE

Year	General Compensation
2015	K79,424
2016	K83,395
2017	K87,565
2018	K91,943
2019	K96,540
2020	K101,368
2021	K106,436
2022	K111,758
2023	K117,346
2024	K123,213
2025	K129,373
TOTAL	K1,128,361

BULTEM VILLAGE

Year	General Compensation
2015	K258,734
2016	K271,670
2017	K285,254
2018	K299,517
2019	K314,492
2020	K330,217
2021	K346,728
2022	K364,064
2023	K382,267
2024	K401,381
2025	K421,450
TOTAL	K3,675,774

KAVORABIP VILLAGE

Year	General Compensation
2015	K134,348
2016	K141,065
2017	K148,118
2018	K155,524
2019	K163,300
2020	K171,465
2021	K180,038
2022	K189,040
2023	K198,492
2024	K208,417
2025	K218,838
TOTAL	K1,908,646

FINALBIN VILLAGE

Year	General Compensation
2015	K111,194
2016	K116,754
2017	K122,591
2018	K128,721
2019	K135,157
2020	K141,915
2021	K149,011
2022	K156,461
2023	K164,284
2024	K172,498
2025	K181,123
TOTAL	K1,579,709

MIGALSIMBIP VILLAGE

Year	General Compensation	Payments for Use of Ok Menga River
2015	K125,463	K105,878
2016	K131,737	K111,172
2017	K138,323	K116,730
2018	K145,240	K122,567
2019	K152,502	K128,695
2020	K160,127	K135,130
2021	K168,133	K141,886
2022	K176,540	K148,981
2023	K185,367	K156,430
2024	K194,635	K164,251
2025	K204,367	K172,464
TOTAL	K1,782,433	K1,504,183

WANGBIN VILLAGE

Year	General Compensation	Payments for Use of Land upon which Tabubil town is situated and Dablan, Yuk, Lagum, Alufela Creeks
2015	K97,734	K247,585
2016	K102,621	K259,964
2017	K107,752	K272,962
2018	K113,139	K286,610
2019	K118,796	K300,941
2020	K124,736	K315,988
2021	K130,973	K331,787
2022	K137,522	K348,377
2023	K144,398	K365,795
2024	K151,618	K384,085
2025	K159,198	K403,289
TOTAL	K1,388,486	K3,517,384

SCHEDULE 4

A TEMKIT VILLAGE

Year	Village Development Fund	
	VDF	W&C
2015	K560,000	K140,000
2016	K560,000	K140,000
2017	K560,000	K140,000
2018	K560,000	K140,000
2019	K560,000	K140,000
2020	K560,000	K140,000
2021	K560,000	K140,000
2022	K560,000	K140,000
2023	K560,000	K140,000
2024	K560,000	K140,000
2025	K560,000	K140,000
TOTAL	K6,160,000	K1,540,000

BULTEM VILLAGE

Year	Village Development Fund	
	VDF	W&C
2015	K560,000	K140,000
2016	K560,000	K140,000
2017	K560,000	K140,000
2018	K560,000	K140,000
2019	K560,000	K140,000
2020	K560,000	K140,000
2021	K560,000	K140,000
2022	K560,000	K140,000
2023	K560,000	K140,000
2024	K560,000	K140,000
2025	K560,000	K140,000
TOTAL	K6,160,000	K1,540,000

KAVORABIP VILLAGE

Year	Village Development Fund	
	VDF	W&C
2015	K560,000	K140,000
2016	K560,000	K140,000
2017	K560,000	K140,000
2018	K560,000	K140,000
2019	K560,000	K140,000
2020	K560,000	K140,000
2021	K560,000	K140,000
2022	K560,000	K140,000
2023	K560,000	K140,000
2024	K560,000	K140,000
2025	K560,000	K140,000
TOTAL	K6,160,000	K1,540,000

FINALBIN VILLAGE

Year	Village Development Fund	
	VDF	W&C
2015	K560,000	K140,000
2016	K560,000	K140,000
2017	K560,000	K140,000
2018	K560,000	K140,000
2019	K560,000	K140,000
2020	K560,000	K140,000
2021	K560,000	K140,000
2022	K560,000	K140,000
2023	K560,000	K140,000
2024	K560,000	K140,000
2025	K560,000	K140,000
TOTAL	K6,160,000	K1,540,000

MIGALSIMBIP VILLAGE

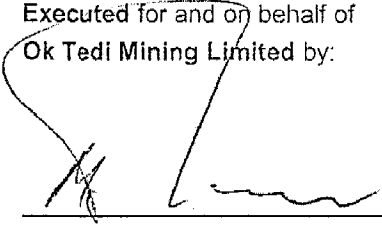
Year	Village Development Fund	
	VDF	W&C
2015	K560,000	K140,000
2016	K560,000	K140,000
2017	K560,000	K140,000
2018	K560,000	K140,000
2019	K560,000	K140,000
2020	K560,000	K140,000
2021	K560,000	K140,000
2022	K560,000	K140,000
2023	K560,000	K140,000
2024	K560,000	K140,000
2025	K560,000	K140,000
TOTAL	K6,160,000	K1,540,000

WANGBIN VILLAGE

Year	Village Development Fund	
	VDF	W&C
2015	K560,000	K140,000
2016	K560,000	K140,000
2017	K560,000	K140,000
2018	K560,000	K140,000
2019	K560,000	K140,000
2020	K560,000	K140,000
2021	K560,000	K140,000
2022	K560,000	K140,000
2023	K560,000	K140,000
2024	K560,000	K140,000
2025	K560,000	K140,000
TOTAL	K6,160,000	K1,540,000

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

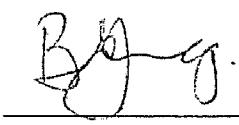
Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

Nigel Parker

Managing Director and CEO



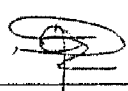
Secretary Signature

Brett Young

Company Secretary

ATEMKIT VILLAGE


Signed for and on behalf of each member of
Atemkit Village in the presence of:



Signature

Jerry Musolok


Print Name



Witness Signature

Rose Mark


Print Name



Signature

Casper Sokim

Print Name



Witness Signature

Rose Mark


Print Name



Signature

Stanley Nabaimu

Print Name



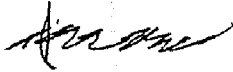
Witness Signature

Rose Mark

Print Name

BULTEM VILLAGE

Signed for and on behalf of each member of
Bultem Village in the presence of:



Signature

John Wanim

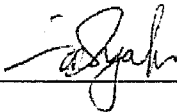
Print Name



Witness Signature

Alice Mumuyong


Print Name



Signature

Brian Yapi

Print Name



Witness Signature

Donna Wanim

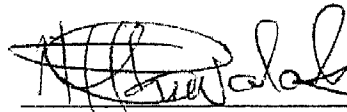
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Signature

Mike Atiang

Print Name



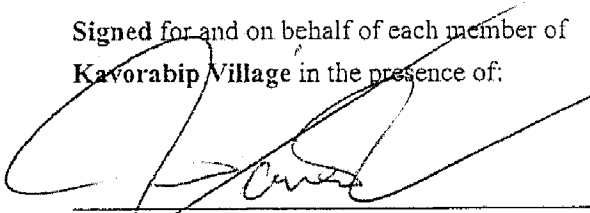
Witness Signature

Matilda Wanim

Print Name

KAVORABIP VILLAGE

Signed for and on behalf of each member of
Kavorabip Village in the presence of:



Signature

Joel Dangkim

Print Name



Witness Signature

Clara Fred

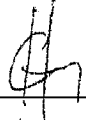
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Signature

Mark Tunoim

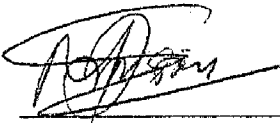
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Witness Signature

Clara Fred

Print Name



Signature

Moses Kurasim

Print Name



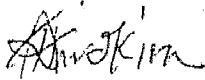
Witness Signature

Christine Babona

Print Name

FINALBIN VILLAGE

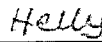
Signed for and on behalf of each member of
Finalbin Village in the presence of:



Signature

Aniok I. Kirokim

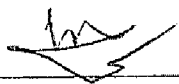
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Witness Signature

Elly Henry

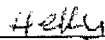
Print Name



Signature

Kelly Bineng

Print Name



Witness Signature

Elly Henry

Print Name



Signature

Tony Itulam

Print Name



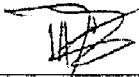
Witness Signature

Elly Henry

Print Name


MIGALSIMBIP VILLAGE

Signed for and on behalf of each member of
Migalsimbip Village in the presence of:



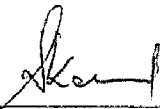
Signature
Amos Kiki

Print Name




Witness Signature
Noelyne Kasenok

Print Name




Signature
Sani Karimnak

Print Name



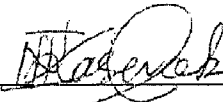
Witness Signature
Noelyne Kasenok

Print Name



Signature
Selok Baiap

Print Name




Witness Signature
Noelyne Kasenok

Print Name

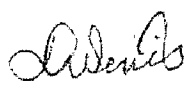
WANGBIN VILLAGE

Signed for and on behalf of each member of
Wangbin Village in the presence of:



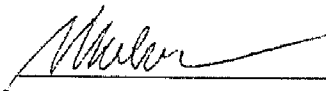
Signature
Thomas Uneng

Print Name



Witness Signature
Anora Wenis

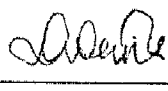
Print Name



Signature

Mark Wenis

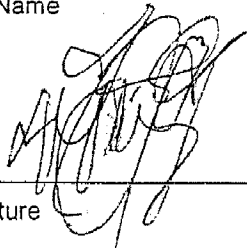
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Witness Signature

Anora Wenis

Print Name



Signature

Timothy John

Print Name



Witness Signature

Anora Wenis

Print Name

**CMCA EXTENSION AGREEMENT
SOUTH FLY - DUDI**

THIS CMCA EXTENSION AGREEMENT is made as of the 29th day of NOV. 2012

BETWEEN:

OK TEDI MINING LIMITED (the "*Company*")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. Daware
2. Katatai
3. Kadawa
4. Koabu
5. Baramura
6. Madame
7. Mutam
8. Parama
9. Severemabu
10. Sui
11. Tirio No. 1 (Madiri)
12. Tirio No. 2
13. Wederehiamo
14. Aduru (Somogi)
15. Sepe / Auti
16. U'uwo
17. Tapila/Bugumo

or such of them whose representatives execute this Agreement, of the South Bank in the South Fly region of the Western Province (together the "*Communities*").

WHEREAS:

- A. On or about 7 December 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 7 December 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has

presented information to the Communities regarding the opportunities and costs of extension of Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"Dudi Development Trust" means the trust of that name established in conjunction with the CMCA.

"Environmental Predictions" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"Interested Communities" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"Mine" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"Open Pit Cut Back" means the mining or waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"Parties" means the Company and the Communities severally.

"Settlement Agreement" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"State" means the Independent State of Papua New Guinea.

"Termination Date" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"Underground Operations" means the mining of ore bodies within the Mine pit using underground or sub-surface mining techniques and methods.

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
- (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. COMMUNITIES DEEMED TO BE BOUND BY THE CMCA

- 4.1 The Parties agree that:
- (a) each member of U'uwo village shall be deemed to have acceded to and is bound by the CMCA on and from 9 March 2011; and
 - (b) each member of Sepe / Auti village shall be deemed to have acceded to and is bound by the CMCA on and from the date this Agreement is executed for and on behalf of the members of Sepe / Auti village,
- including without limitation clauses 3 to 25 (inclusive), 28 and 32 of the CMCA.
- 4.2 For avoidance of doubt, the Parties agree and affirm that:
- (a) the Company shall not pay; and
 - (b) each member of U'uwo village and Sepe / Auti village shall not be entitled to receive, make any claim or demand, institute proceedings or take any action for,

any amount payable by the Company under and in accordance with the CMCA with respect to the period from the commencement of the CMCA to the respective date each member of U'uwo village and Sepe / Auti village is deemed to have acceded to the CMCA pursuant to Clause 4.1.

5. OPERATION OF THIS AGREEMENT AND THE CMCA

- 5.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 5.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

6. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 6.1 The Parties acknowledge that:
- (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;
 - (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
 - (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of Mine operations is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
 - (d) a decision by the State and the Company to extend the operation of the Mine will have the properly informed consent of the Communities.
- 6.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

7. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 7.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.
- 7.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 7.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

8. COMMUNITIES COMMITMENTS

- 8.1 The Communities, having considered:
- (a) the information disclosed to them in the Consultations;
 - (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and
 - (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,
- have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.
- 8.2 The Communities acknowledge that their decision is made in the knowledge or belief that:
- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
 - (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.
- 8.3 The Communities:
- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;

- (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

9. COMMUNITIES RELEASES

9.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:

- (a) the disposal by the Company of tailings and waste;
- (b) dredging, storage and release of dredged material;
- (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
- (d) the Settlement Agreement; and
- (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 9 affects the rights of the Communities under Clause 13.

9.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

10. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 12, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and funds described therein, namely:

- (a) the Community members; and
- (b) the Investment Fund and the Development Fund of the Dudi Development Trust.

11. EFFECT OF PAYMENTS

- 11.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 9 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment in the South Fly area or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:
- (a) being deprived of the possession or use of the natural surface of the land area;
 - (b) damage to or contamination of the natural surface of the land;
 - (c) severance of the land or any part of it from other land owned or occupied by the Communities;
 - (d) any loss or restriction of a right of way, easement or other right;
 - (e) any loss or damage to improvements;
 - (f) in the case of land under cultivation, loss of earnings;
 - (g) disruption of agricultural activities;
 - (h) social disruption;
 - (i) garden damage and loss of economic trees;
 - (j) loss or damage to any flora or fauna, on the land or in the water; and
 - (k) loss of use or contamination of water.
- 11.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 11.1(a) to 11.1(k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

12. TIMING OF PAYMENTS

- 12.1 Subject to the following clauses, the payments pursuant to Clause 10 shall:
- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
 - (b) be paid by the Company within the third quarter of each calendar year.
- 12.2 The timing of payments by the Company pursuant to Clause 10 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this

Agreement, and in particular Clauses 7, 8 and 9. In the event of non-compliance with any provision of this Agreement, in particular Clauses 7, 8 and 9, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 7, 8 and 9, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 7, 8 and 9. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Dudi Development Trust.

- 12.3 Notwithstanding Clauses 12.1 to 12.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 10 will also cease.

13. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing operation of the Mine exceed the Environmental Predictions, the Parties shall meet to discuss revision of the payments under Clause 10, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 10 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;
- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

14. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

15. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

16. COMMUNICATIONS

- 16.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:
- (a) in the case of the Company, if signed by the Managing Director of the Company;
or
 - (b) in the case of the Communities, if signed by the Chairman for the time being of the Dudi Development Trust.
- 16.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 16.1.
- 16.3 Any formal communication shall be deemed to have reached the other Party:
- (a) in the case of personal delivery, when received by the relevant person referred to in Clause 16.1; or
 - (b) in the case of facsimile, as soon as transmission is confirmed.

17. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

18. REVIEW OF OPERATION OF AGREEMENT

- 18.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").

For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.

18.2 The Parties agree that:

- (a) a review under this Clause 18 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
- (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 4;
 - (iii) Clause 6;
 - (iv) Clause 7;
 - (v) Clause 8
 - (vi) Clause 9;
 - (vii) Clause 10, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the respective funds of the Dudi Development Trust, (or vice versa);
 - (viii) Clause 11;
 - (ix) Clause 12.1(a)
 - (x) Clause 12.2;
 - (xi) Clause 12.3; and
 - (xii) Clause 13.

18.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 18.

18.4 Upon receipt of a notice in accordance with Clause 18.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which the Company provided conceptual information regarding the proposed extension of Mine operations.

Between 3 to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 and 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

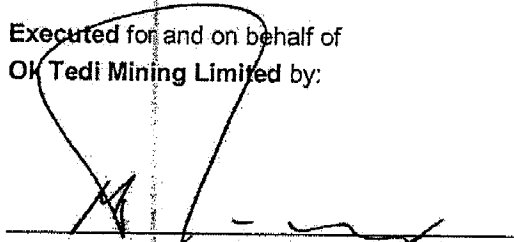
1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

Year	Community members	Investment Fund	Development Fund		Total
			VDF	W&C	
2015	2,715,434	82,914	82,914	642,584	3,523,846
2016	2,715,434	82,914	82,914	642,584	3,523,846
2017	2,715,434	82,914	82,914	642,584	3,523,846
2018	2,715,434	82,914	82,914	642,584	3,523,846
2019	2,715,434	82,914	82,914	642,584	3,523,846
2020	2,715,434	82,914	82,914	642,584	3,523,846
2021	2,715,434	82,914	82,914	642,584	3,523,846
2022	2,715,434	82,914	82,914	642,584	3,523,846
2023	2,715,434	82,914	82,914	642,584	3,523,846
2024	2,715,434	82,914	82,914	642,584	3,523,846
2025	2,715,434	82,914	82,914	642,584	3,523,846
					38,762,306

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

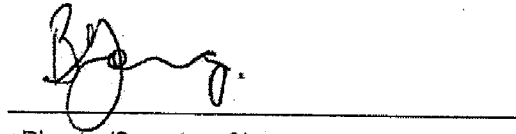
Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

Nigel Parker

Managing Director and CEO



Director/Secretary Signature

Brett Young

Company Secretary

Signed by Semo Wanapa for and on behalf of
each member of Tapila / Bugumo Village in
the presence of:



Witness Signature

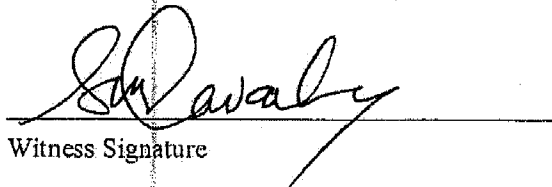
Rebecca Marke

Upper South Bank Women's Representative



Signature

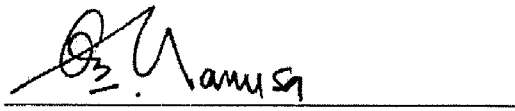
Signed by Biza Gera for and on behalf of each
member of Kadawa Village in the presence of:



Witness Signature


Susan Olewale

Lower South Bank Women's Representative



Signature

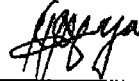
Signed by **Gomoga Tofinga** for and on behalf
of each member of **Mutam Village** in the
presence of:



Witness Signature

Rebecca Marke

Upper South Bank Women's Representative



Signature

Signed by _____ for
and on behalf of each member of
Sepe / Auti Village in the presence of:

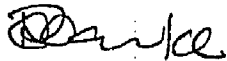
Witness Signature

Rebecca Marke

Upper South Bank Women's Representative

Signature

Signed by **Tirira Togama** for and on behalf of
each member of **Aduru (Somogi) Village** in the
presence of:



Witness Signature

Rebecca Marke

Upper South Bank Women's Representative



Signature

Signed by **Sebadi Kaisi** for and on behalf of
each member of **Baramura Village** in the
presence of:



Witness Signature

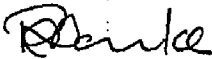
Rebecca Marke

Upper South Bank Women's Representative



Signature

Signed by **Lot Waragi** for and on behalf of
each member of **Tirio No. 2 Village** in the
presence of:



Witness Signature

Rebecca Marke

Upper South Bank Women's Representative



Signature

Signed by **Nagari Moita** for and on behalf of
each member of **Tirio No. 1 (Madiri) Village**
in the presence of:



Witness Signature

Rebecca Marke

Upper South Bank Women's Representative



Signature

Signed by Keapi Odo for and on behalf of each member of Uluwo Village in the presence of:

Anna Sumai
Witness Signature

Anna Sumai
Central South Bank Women's Representative

Keapi
Signature

Signed by Leonard Sasio for and on behalf of each member of Wederehiamo Village in the presence of:

Anna Sumai
Witness Signature

Anna Sumai
Central South Bank Women's Representative

Leonard Sasio
Signature

Signed by Topson Abari for and on behalf of each member of Madame Village in the presence of:

Anna Sumai
Witness Signature

Anna Sumai
Central South Bank Women's Representative

Topson Abari
Signature

Signed by Taina Koloney for and on behalf of each member of Koabu Village in the presence of:

Anna Sumai

Witness Signature

Anna Sumai

Central South Bank Women's Representative

Taina Koloney
Signature

Signed by Kime Sumai for and on behalf of each member of Severemabu Village in the presence of:

Anna Sumai

Witness Signature

Anna Sumai

Central South Bank Women's Representative

Anna Sumai Kime Sumai
Signature

Signed by Victor Mogeamo for and on behalf of each member of Daware Village in the presence of:

Anna Sumai

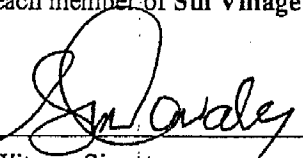
Witness Signature

Anna Sumai

Central South Bank Women's Representative

VICTOR MOGEAMO
Signature

Signed by Matia Wyben for and on behalf of each member of Sui Village in the presence of:



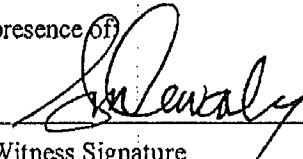
Witness Signature

Susan Olwale
Lower South Bank Women's Representative




Signature

Signed by Edgar David for and on behalf of each member of Parama Village in the presence of:



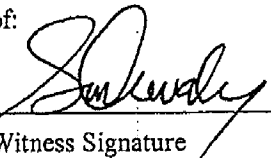
Witness Signature

Susan Olewale
Lower South Bank Women's Representative




Signature

Signed by Fred Lifu Jur. for and on behalf of each member of Katatai Village in the presence of:



Witness Signature

Susan Olewale
Lower South Bank Women's Representative



Signature

**CMCA EXTENSION AGREEMENT
SOUTH FLY - SUKI FLY GOGO**

THIS CMCA EXTENSION AGREEMENT is made as of the 15th day of NOV. 2012

BETWEEN:

OK TEDI MINING LIMITED (the "Company")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. Aewe
2. Eniyawa (Duru)
3. Gwaku
4. Kautru (Aewe No. 3)
5. Kiru
6. Puka Duka No. 1
7. Puka Duka No. 2
8. Riti (Aewe No. 2)
9. Sapuka
10. Serki
11. Sialowa
12. Dewara
13. Suame
14. Baidowa
15. Dede (Wasua)
16. Lewada

or such of them whose representatives execute this Agreement, in Suki Fly Gogo in the South Fly region of the Western Province (together the "*Communities*").

WHEREAS:

- A. On or about 7 December 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 7 December 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has

presented information to the Communities regarding the opportunities and costs of extension of Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"**Environmental Predictions**" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"**Interested Communities**" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"**Mine**" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"**Open Pit Cut Back**" means the mining or waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"**Parties**" means the Company and the Communities severally.

"**Settlement Agreement**" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"**State**" means the Independent State of Papua New Guinea.

"**Suki Fly Gogo Development Foundation**" means the trust of that name established in conjunction with the CMCA.

"**Termination Date**" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"**Underground Operations**" means the mining of ore bodies within the Mine pit using underground or sub-surface mining techniques and methods.

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
 - (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. OPERATION OF THIS AGREEMENT AND THE CMCA

- 4.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 4.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

5. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 5.1 The Parties acknowledge that:
 - (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;

- (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
- (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of Mine operations is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
- (d) a decision by the State and the Company to extend the operation of the Mine will have the properly informed consent of the Communities.

5.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

6. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 6.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.
- 6.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 6.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

7. COMMUNITIES COMMITMENTS

- 7.1 The Communities, having considered:
 - (a) the information disclosed to them in the Consultations;
 - (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and

- (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,

have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.

7.2 The Communities acknowledge that their decision is made in the knowledge or belief that:

- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
- (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.

7.3 The Communities:

- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
- (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

8. COMMUNITIES RELEASES

8.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:

- (a) the disposal by the Company of tailings and waste;
- (b) dredging, storage and release of dredged material;

- (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
- (d) the Settlement Agreement; and
- (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 8 affects the rights of the Communities under Clause 12.

- 8.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

9. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 11, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and funds described therein, namely:

- (a) the Community members; and
- (b) the Investment Fund and the Development Fund of the Suki Fly Gogo Development Foundation.

10. EFFECT OF PAYMENTS

- 10.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 8 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment in the South Fly area or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:

- (a) being deprived of the possession or use of the natural surface of the land area;
- (b) damage to or contamination of the natural surface of the land;
- (c) severance of the land or any part of it from other land owned or occupied by the Communities;
- (d) any loss or restriction of a right of way, easement or other right;
- (e) any loss or damage to improvements;
- (f) in the case of land under cultivation, loss of earnings;

- (g) disruption of agricultural activities;
- (h) social disruption;
- (i) garden damage and loss of economic trees;
- (j) loss or damage to any flora or fauna, on the land or in the water; and
- (k) loss of use or contamination of water.

10.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 10.1(a) to 10.1(k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

11. TIMING OF PAYMENTS

- 11.1 Subject to the following clauses, the payments pursuant to Clause 9 shall:
- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
 - (b) be paid by the Company within the third quarter of each calendar year.
- 11.2 The timing of payments by the Company pursuant to Clause 9 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 6, 7 and 8. In the event of non-compliance with any provision of this Agreement, in particular Clauses 6, 7 and 8, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 6, 7 and 8, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 6, 7 and 8. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Suki Fly Gogo Development Foundation.
- 11.3 Notwithstanding Clauses 11.1 to 11.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 9 will also cease.

12. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing operation of the Mine exceed the Environmental Predictions, the Parties shall meet to

discuss revision of the payments under Clause 9, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 9 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;
- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

13. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

14. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

15. COMMUNICATIONS

15.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:

- (a) in the case of the Company, if signed by the Managing Director of the Company;
or
- (b) in the case of the Communities, if signed by the chairman of each of the four Community consultation teams, namely:
 - (i) Martin Zeiye of Kiru Village;
 - (ii) Ivan Buago of Tire'ere Village;

- (iii) Kime Sumai of Severimabu Village; and
- (iv) Lewis Siware of Samari Village.

15.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 15.1.

15.3 Any formal communication shall be deemed to have reached the other Party:

- (a) in the case of personal delivery, when received by the relevant person referred to in Clause 15.1; or
- (b) in the case of facsimile, as soon as transmission is confirmed.

16. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

17. REVIEW OF OPERATION OF AGREEMENT

17.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").

For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.

17.2 The Parties agree that:

- (a) a review under this Clause 17 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
- (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 5;
 - (iii) Clause 6;
 - (iv) Clause 7
 - (v) Clause 8;

- (vi) Clause 9, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the respective funds of the Suki Fly Gogo Development Foundation (or vice versa);
- (vii) Clause 10;
- (viii) Clause 11.1(a)
- (ix) Clause 11.2;
- (x) Clause 11.3; and
- (xi) Clause 12.

- 17.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 17.
- 17.4 Upon receipt of a notice in accordance with Clause 17.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which the Company provided conceptual information regarding the proposed extension of Mine operations.

Between 3 to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 and 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

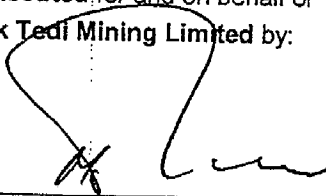
SCHEDULE 3

SUKI FLY GOGO DEVELOPMENT FOUNDATION

Year	Community members	Investment Fund	Development Fund		Total
			VDF	W&C	
2015	2,788,476	174,280	174,280	348,560	3,485,595
2016	2,788,476	174,280	174,280	348,560	3,485,595
2017	2,788,476	174,280	174,280	348,560	3,485,595
2018	2,788,476	174,280	174,280	348,560	3,485,595
2019	2,788,476	174,280	174,280	348,560	3,485,595
2020	2,788,476	174,280	174,280	348,560	3,485,595
2021	2,788,476	174,280	174,280	348,560	3,485,595
2022	2,788,476	174,280	174,280	348,560	3,485,595
2023	2,788,476	174,280	174,280	348,560	3,485,595
2024	2,788,476	174,280	174,280	348,560	3,485,595
2025	2,788,476	174,280	174,280	348,560	3,485,595
					38,341,549

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

NICOL MARKON

Print Name



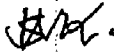
Director/Secretary Signature

BASIL YOUNG

Print Name

SUKI FLY GOGO

Signed by Sam Semnebe for and on behalf
of each member of Aewe Village in the
presence of:



Witness Signature

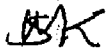
Susie Kanai

Suki Fly Gogo Women's Representative



Signature

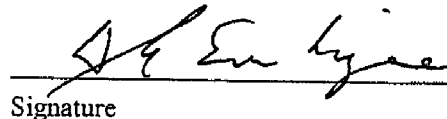
Signed by Dabra Sunakiye for and on
behalf of each member of Eniyawa (Duru)
Village in the presence of:



Witness Signature

Susie Kanai

Suki Fly Gogo Women's Representative



Signature


Signed by Nahum Yawira for and on behalf
of each member of Gwaku Village in the
presence of:



Witness Signature

Susie Kanai

Suki Fly Gogo Women's Representative



Signature

Signed by Dupki Apuga for and on behalf
of each member of Kautru (Aewe No. 3)
Village in the presence of:



Witness Signature

Susie Kanai

Suki Fly Gogo Women's Representative



Signature

Signed by Martin Zeiyer for and on behalf
of each member of Kiru Village in the
presence of:



Witness Signature

Susie Kanai

Suki Fly Gogo Women's Representative



Signature

Signed by Max Kanai for and on behalf of
each member of Puka Duka No. 1 Village
in the presence of:



Witness Signature

Susie Kanai

Suki Fly Gogo Women's Representative



Signature

Signed by Aewa Ricker for and on behalf of
each member of Puka Duka No. 2 Village
in the presence of:



Witness Signature

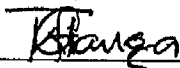
Susie Kanai

Suki Fly Gogo Women's Representative



Signature

Signed by Tom Waipa for and on behalf of
each member of Riti (Aewe No. 2) Village
in the presence of:

for 

Witness Signature

Linda Mulake

Suki Fly Gogo Women's Representative



Signature

Signed by Kisua Yusam for and on behalf
of each member of Sapuka Village in the
presence of:

for Abunga

Witness Signature

Linda Mulake

Suki Fly Gogo Women's Representative

Kisua Yusam
Signature

Signed by Nimoi Siuri for and on behalf of
each member of Serki Village in the
presence of:

for Abunga

Witness Signature

Linda Mulake

Suki Fly Gogo Women's Representative

Nimoi Siuri
Signature

Signed by Garry Smeke for and on behalf
of each member of Sialowa Village in the
presence of:

for Abunga

Witness Signature

Linda Mulake

Suki Fly Gogo Women's Representative

Garry Smeke
Signature

Signed by **Samen Tilom** for and on behalf
of each member of **Dewara Village** in the
presence of:

Banga

Witness Signature

Lovelin Wawi

Suki Fly Gogo Women's Representative

Samen

Signature

Signed by **Segela Iduama** for and on behalf
of each member of **Suame Village** in the
presence of:

Banga

Witness Signature

Lovelin Wawi

Suki Fly Gogo Women's Representative

Segela Iduama

Signature

Signed by **Bryan Paul** for and on behalf of
each member of **Baidowa Village** in the
presence of:

Banga

Witness Signature

Lovelin Wawi

Suki Fly Gogo Women's Representative

Bryan Paul

Signature

Signed by **Mark Malu** for and on behalf of
each member of **Dede (Wasua) Village** in
the presence of:

for Atunga

Witness Signature

Linda Mulake

Suki Fly Gogo Women's Representative



Signature

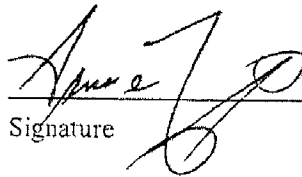
Signed by **Bruce Sobonnah** for and on
behalf of each member of **Lewada Village** in
the presence of:

Atunga

Witness Signature

Lovelin Wawi

Suki Fly Gogo Women's Representative



Signature

**CMCA EXTENSION AGREEMENT
SOUTH FLY – KIWAI AND WABADA ISLANDS**

THIS CMCA EXTENSION AGREEMENT is made as of the *22nd* day of *Nov.* 2012

BETWEEN:

OK TEDI MINING LIMITED (the "*Company*")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. **Agobaro**
2. **Abinio**
3. **Buria**
4. **Gesowa**
5. **Iasa**
6. **Ipisia**
7. **Kubira**
8. **Oromosapuo**
9. **Sagopari**
10. **Saguane**
11. **Samari**
12. **Wapaura**
13. **Wapi**
14. **Isumo**

or such of them whose representatives execute this Agreement, in Kiwai and Wabada Islands in the South Fly region of the Western Province (together the "*Communities*").

WHEREAS:

- A. On or about 7 December 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 7 December 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
 - (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. OPERATION OF THIS AGREEMENT AND THE CMCA

- 4.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 4.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

5. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 5.1 The Parties acknowledge that:
 - (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;

- (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
- (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of Mine operations is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
- (d) a decision by the State and the Company to extend the operation of the Mine will have the properly informed consent of the Communities.

5.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

6. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 6.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.
- 6.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 6.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

7. COMMUNITIES COMMITMENTS

- 7.1 The Communities, having considered:
 - (a) the information disclosed to them in the Consultations;
 - (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and

- (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,

have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.

7.2 The Communities acknowledge that their decision is made in the knowledge or belief that:

- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
- (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.

7.3 The Communities:

- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
- (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

8. COMMUNITIES RELEASES

8.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:

- (a) the disposal by the Company of tailings and waste;
- (b) dredging, storage and release of dredged material;

- (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
- (d) the Settlement Agreement; and
- (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 8 affects the rights of the Communities under Clause 12.

- 8.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

9. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 11, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and funds described therein, namely:

- (a) the Community members; and
- (b) the Investment Fund and the Development Fund of the Kiwaba Development Trust.

10. EFFECT OF PAYMENTS

- 10.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 8 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment in the South Fly area or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:

- (a) being deprived of the possession or use of the natural surface of the land area;
- (b) damage to or contamination of the natural surface of the land;
- (c) severance of the land or any part of it from other land owned or occupied by the Communities;
- (d) any loss or restriction of a right of way, easement or other right;
- (e) any loss or damage to improvements;
- (f) in the case of land under cultivation, loss of earnings;
- (g) disruption of agricultural activities;

- (h) social disruption;
- (i) garden damage and loss of economic trees;
- (j) loss or damage to any flora or fauna, on the land or in the water; and
- (k) loss of use or contamination of water.

10.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 10.1(a) to 10.1(k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

11. TIMING OF PAYMENTS

11.1 Subject to the following clauses, the payments pursuant to Clause 9 shall:

- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
- (b) be paid by the Company within the third quarter of each calendar year.

11.2 The timing of payments by the Company pursuant to Clause 9 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 6, 7 and 8. In the event of non-compliance with any provision of this Agreement, in particular Clauses 6, 7 and 8, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 6, 7 and 8, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 6, 7 and 8. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Kiwaba Development Trust.

11.3 Notwithstanding Clauses 11.1 to 11.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 9 will also cease.

12. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing operation of the Mine exceed the Environmental Predictions, the Parties shall meet to discuss revision of the payments under Clause 9, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The

Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 9 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;
- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

13. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

14. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

15. COMMUNICATIONS

15.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:

- (a) in the case of the Company, if signed by the Managing Director of the Company;
or
- (b) in the case of the Communities, if signed by the Chairman for the time being of the Kiwaba Development Trust.

- 15.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 15.1.
- 15.3 Any formal communication shall be deemed to have reached the other Party:
- (a) in the case of personal delivery, when received by the relevant person referred to in Clause 15.1; or
 - (b) in the case of facsimile, as soon as transmission is confirmed.

16. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

17. REVIEW OF OPERATION OF AGREEMENT

- 17.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").
- For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.
- 17.2 The Parties agree that:
- (a) a review under this Clause 17 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
 - (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 5;
 - (iii) Clause 6;
 - (iv) Clause 7;
 - (v) Clause 8;
 - (vi) Clause 9, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the respective funds of the Kiwaba Development Trust, (or vice versa);
 - (vii) Clause 10;

- (viii) Clause 11.1(a);
- (ix) Clause 11.2;
- (x) Clause 11.3; and
- (xi) Clause 12.

- 17.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 17.
- 17.4 Upon receipt of a notice in accordance with Clause 17.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which the Company provided conceptual information regarding the proposed extension of Mine operations.

Between 3 to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 and 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

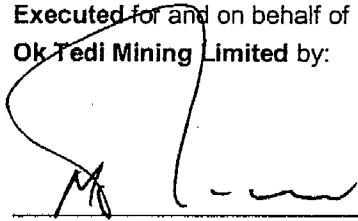
Year	Community members	Investment Fund	Development Fund		Total
			VDF	W&C	
2015	2,895,149	85,151	0	425,757	3,406,057
2016	2,895,149	85,151	0	425,757	3,406,057
2017	2,895,149	85,151	0	425,757	3,406,057
2018	2,895,149	85,151	0	425,757	3,406,057
2019	2,895,149	85,151	0	425,757	3,406,057
2020	2,895,149	85,151	0	425,757	3,406,057
2021	2,895,149	85,151	0	425,757	3,406,057
2022	2,895,149	85,151	0	425,757	3,406,057
2023	2,895,149	85,151	0	425,757	3,406,057
2024	2,895,149	85,151	0	425,757	3,406,057
2025	2,895,149	85,151	0	425,757	3,406,057
					37,466,628

*BBBecho 27/11/2012
(EC)*

*Komanaga 27/11/2012
Ext. Facilitator*

IN WITNESS WHEREOF this Agreement has been executed by the Parties.


Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

Nigel Parker

Managing Director and CEO

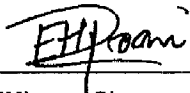


Secretary Signature

Brett Young

Company Secretary

Signed by Mobeia Sido for and on behalf of each
member of Agobaro Village in the presence of:



Witness Signature


Edna Oai

East Kiwai Island Women's Representative



Signature

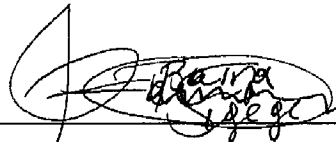
Signed by George Sigge for and on behalf
of each member of Abinio Village in the
presence of:

for 

Witness Signature

Norah Goba

Wabada Islands Women's Representative



Signature

Signed by Naiba Gade for and on behalf of
each member of Buria Village in the
presence of:

NORAH G

Witness Signature

Norah Goba

Wabada Islands Women's Representative

Signature

[Signature]

Signed by Segewo Kame for and on behalf
of each member of Gesowa Village in the
presence of:

NORAH G

Witness Signature

Norah Goba

Wabada Islands Women's Representative

Signature

[Signature]

Signed by Daniel Nawia for and on behalf of
each member of Iasa Village in the presence
of:

Alice Kwause

Witness Signature

Alice Kwause

West Kiwai Island Women's Representative

Signature

[Signature]

Signed by Philip Korobe for and on behalf of
each member of **Ipsia Village** in the presence
of:



Witness Signature

Edna Oai

East Kiwai Island Women's Representative

for



Signature

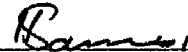
Signed by **Damoi Koloni** for and on behalf of
each member of **Kubira Village** in the
presence of:



Witness Signature

Alice Kwause

West Kiwai Island Women's Representative



Signature

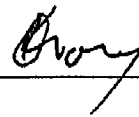
Signed by **Dominic Korobe** for and on behalf
of each member of **Oromosapuo Village** in
the presence of:



Witness Signature

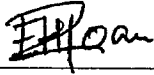
Edna Oai

East Kiwai Island Women's Representative



Signature

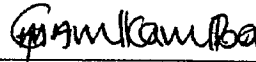
Signed by **Monde Getawi** for and on behalf of each member of **Sagopari Village** in the presence of:



Witness Signature

Edna Oai

East Kiwai Island Women's Representative



Signature

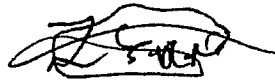
Signed by **Iuda Sare** for and on behalf of each member of **Saguane Village** in the presence of:



Witness Signature

Alice Kwause

West Kiwai Island Women's Representative



Signature

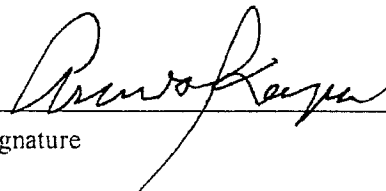
Signed by **Kamen Arawok** for and on behalf of each member of **Samari Village** in the presence of:



Witness Signature

Alice Kwause

West Kiwai Island Women's Representative



Signature

Signed by James Marea for and on behalf of
each member of Wapaura Village in the
presence of:

Edna Oai

Witness Signature

Edna Oai

East Kiwai Island Women's Representative

James Marea

Signature

Signed by Adora Warere for and on behalf
of each member of Wapi Village in the
presence of:

Norah Goba

Witness Signature

Norah Goba

Wabada Islands Women's Representative

Adora Warere

Signature

Signed by Mesea Segi for and on behalf of
each member of Isumo Village in the
presence of:

Norah Goba

Witness Signature

Norah Goba

Wabada Islands Women's Representative

Mesea Segi

Signature

CMCA EXTENSION AGREEMENT
SOUTH FLY – NORTH BANK

THIS CMCA EXTENSION AGREEMENT is made as of the 6th day of DEC. 2012

BETWEEN:

OK TEDI MINING LIMITED (the "*Company*")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. Doumori
2. Paedaeya No. 1
3. Paedaeya No. 2
4. Pagona No. 1
5. Pagona No. 2
6. Kawiapo
7. Aberegerema
8. Waliyama
9. Kename
10. Arato
11. Wariobodoro
12. Kenedibi
13. Urío
14. Damera
15. Kea
16. Maduduwo
17. Sagero
18. Kabaturi
19. Tire'ere
20. Maipani

or such of them whose representatives execute this Agreement, of the North Bank in the South Fly region of the Western Province (together the "*Communities*").

WHEREAS:

- A. On or about 7 December 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 7 December 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has

presented information to the Communities regarding the opportunities and costs of extension of Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"Environmental Predictions" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper"

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"Interested Communities" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"Manawete Development Foundation" means the trust of that name established in conjunction with the CMCA.

"Mine" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"Open Pit Cut Back" means the mining or waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"Parties" means the Company and the Communities severally.

"Settlement Agreement" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"State" means the Independent State of Papua New Guinea.

"Termination Date" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"Underground Operations" means the mining of ore bodies within the Mine pit using underground or sub-surface mining techniques and methods.

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
 - (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. OPERATION OF THIS AGREEMENT AND THE CMCA

- 4.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 4.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

5. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 5.1 The Parties acknowledge that:
 - (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;

- (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
- (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of Mine operations is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
- (d) a decision by the State and the Company to extend the operation of the Mine will have the properly informed consent of the Communities.

5.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

6. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 6.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.
- 6.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 6.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

7. COMMUNITIES COMMITMENTS

- 7.1 The Communities, having considered:
 - (a) the information disclosed to them in the Consultations;
 - (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and

- (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,

have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.

7.2 The Communities acknowledge that their decision is made in the knowledge or belief that:

- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
- (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.

7.3 The Communities:

- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
- (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

8. COMMUNITIES RELEASES

8.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:

- (a) the disposal by the Company of tailings and waste;
- (b) dredging, storage and release of dredged material;

- (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
- (d) the Settlement Agreement; and
- (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 8 affects the rights of the Communities under Clause 12.

8.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

9. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 11, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and funds described therein, namely:

- (a) the Community members; and
- (b) the Investment Fund and the Development Fund of the Manawete Development Foundation.

10. EFFECT OF PAYMENTS

10.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 8 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment in the South Fly area or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:

- (a) being deprived of the possession or use of the natural surface of the land area;
- (b) damage to or contamination of the natural surface of the land;
- (c) severance of the land or any part of it from other land owned or occupied by the Communities;
- (d) any loss or restriction of a right of way, easement or other right;
- (e) any loss or damage to improvements;
- (f) in the case of land under cultivation, loss of earnings;

- (g) disruption of agricultural activities;
- (h) social disruption;
- (i) garden damage and loss of economic trees;
- (j) loss or damage to any flora or fauna, on the land or in the water; and
- (k) loss of use or contamination of water.

10.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 10.1(a) to 10.1(k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

11. TIMING OF PAYMENTS

11.1 Subject to the following clauses, the payments pursuant to Clause 9 shall:

- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
- (b) be paid by the Company within the third quarter of each calendar year.

11.2 The timing of payments by the Company pursuant to Clause 9 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 6, 7 and 8. In the event of non-compliance with any provision of this Agreement, in particular Clauses 6, 7 and 8, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 6, 7 and 8, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 6, 7 and 8. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Manawete Development Foundation.

11.3 Notwithstanding Clauses 11.1 to 11.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 9 will also cease.

12. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing operation of the Mine exceed the Environmental Predictions, the Parties shall meet to

discuss revision of the payments under Clause 9, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 9 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;
- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

13. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

14. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

15. COMMUNICATIONS

15.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:

- (a) in the case of the Company, if signed by the Managing Director of the Company;
or
- (b) in the case of the Communities, if signed by the chairman for the time being of the Manawete Development Foundation.

- 15.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 15.1.
- 15.3 Any formal communication shall be deemed to have reached the other Party:
- (a) in the case of personal delivery, when received by the relevant person referred to in Clause 15.1; or
 - (b) in the case of facsimile, as soon as transmission is confirmed.

16. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

17. REVIEW OF OPERATION OF AGREEMENT

- 17.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").

For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.

- 17.2 The Parties agree that:
- (a) a review under this Clause 17 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
 - (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 5;
 - (iii) Clause 6;
 - (iv) Clause 7
 - (v) Clause 8;
 - (vi) Clause 9, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the respective funds of the Manawete Development Foundation (or vice versa);
 - (vii) Clause 10;

- (viii) Clause 11.1(a)
- (ix) Clause 11.2;
- (x) Clause 11.3; and
- (xi) Clause 12.

- 17.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 17.
- 17.4 Upon receipt of a notice in accordance with Clause 17.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which the Company provided conceptual information regarding the proposed extension of Mine operations.

Between 3 to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 and 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

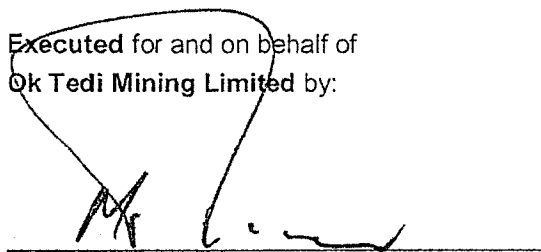
1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

Year	Community members	Investment Fund	Development Fund		Total
			VDF	W&C	
2015	2,925,200	0	0	480,855	3,406,055
2016	2,925,200	0	0	480,855	3,406,055
2017	2,925,200	0	0	480,855	3,406,055
2018	2,925,200	0	0	480,855	3,406,055
2019	2,925,200	0	0	480,855	3,406,055
2020	2,925,200	0	0	480,855	3,406,055
2021	2,925,200	0	0	480,855	3,406,055
2022	2,925,200	0	0	480,855	3,406,055
2023	2,925,200	0	0	480,855	3,406,055
2024	2,925,200	0	0	480,855	3,406,055
2025	2,925,200	0	0	480,855	3,406,055
					37,466,609

IN WITNESS WHEREOF this Agreement has been executed by the Parties.


Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

Nigel Parker

Managing Director and CEO



Secretary Signature

Brett Young

Company Secretary

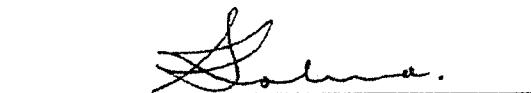
Signed by Daeki Kolesa for and on behalf
of each member of Doumori Village in the
presence of:



Witness Signature

Wari Sapo

North Bank Women's Representative



Signature

Signed by Sekewa Makalisa for and on
behalf of each member of Paedaeya No. 1
Village in the presence of:



Witness Signature


Wari Sapo

North Bank Women's Representative



Signature

Signed by Muti Alewa for and on behalf of each member of Paedaeya No. 2 Village in the presence of:



Witness Signature

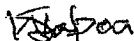
Wari Sapoa

North Bank Women's Representative



Signature

Signed by Sam Buaro for and on behalf of each member of Pagona No. 1 Village in the presence of:



Witness Signature

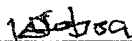
Wari Sapoa

North Bank Women's Representative



Signature

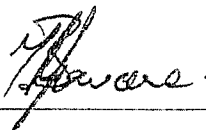
Signed by Brian Goware for and on behalf of each member of Pagona No. 2 Village in the presence of:



Witness Signature

Wari Sapoa

North Bank Women's Representative



Signature

Signed by **Manene Danaya** for and on behalf of each member of **Kawiapo Village** in the presence of:

BBBoa

Witness Signature

Wari Sapoa

North Bank Women's Representative

~~Manene Danaya~~ Manene Danaya
Signature
BBBoa 6/12/2012

Signed by **Ken Kese** for and on behalf of each member of **Aberegerema Village** in the presence of:

Ken Kese

Witness Signature

Narei Namaro

North Bank Women's Representative

Ken Kese

Signature

Signed by **Sosola Tom** for and on behalf of each member of **Waliyama Village** in the presence of:

Sosola Tom

Witness Signature

Narei Namaro

North Bank Women's Representative

Sosola Tom

Signature

Signed by **Philimon Kuruwa** for and on behalf of each member of **Kename Village** in the presence of:



Witness Signature

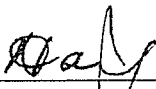
Narei Namaro

North Bank Women's Representative



Signature

Signed by **Koporigo Danege** for and on behalf of each member of **Arato Village** in the presence of:



Witness Signature

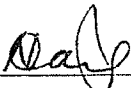
Narei Namaro

North Bank Women's Representative



Signature

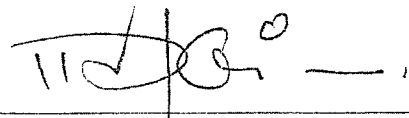
Signed by **Vincent Kearo** for and on behalf of each member of **Wariobodoro Village** in the presence of:



Witness Signature

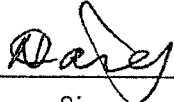
Narei Namaro

North Bank Women's Representative



Signature


Signed by **Aniba Samo** for and on behalf of each member of **Kenedibi Village** in the presence of:



Witness Signature

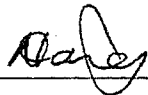
Narei Namaro

North Bank Women's Representative



Signature

Signed by **John Karawa** for and on behalf of each member of **Urio Village** in the presence of:



Witness Signature

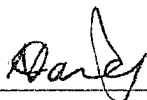
Narei Wamaro

North Bank Women's Representative



Signature

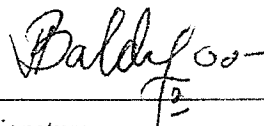
Signed by **James Sogomi** for and on behalf of each member of **Damera Village** in the presence of:



Witness Signature

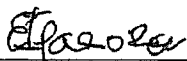
Narei Namaro

North Bank Women's Representative



Signature

Signed by Micah Bani for and on behalf of each member of Kea Village in the presence of:



Witness Signature

Ebia Ipasoro

North Bank Women's Representative



Signature

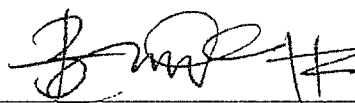
Signed by James Riyoh for and on behalf of each member of Maduduwo Village in the presence of:



Witness Signature

Ebia Ipasoro

North Bank Women's Representative



Signature

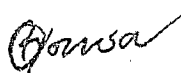
Signed by Odu Awati for and on behalf of each member of Sagero Village in the presence of:



Witness Signature

Ebia Ipasoro

North Bank Women's Representative



Signature

Signed by **Marude Mamiri** for and on behalf of each member of **Kabaturi Village** in the presence of:

Efasonoro

Witness Signature

Ebia Ipasoro

North Bank Women's Representative

[Handwritten Signature]

Signature

Signed by **Ivan Buago** for and on behalf of each member of **Tire'ere Village** in the presence of:

Efasonoro

Witness Signature

Ebia Ipasoro

North Bank Women's Representative

[Handwritten Signature]

Signature

Signed by **Enasi Akuru** for and on behalf of each member of **Maipani Village** in the presence of:

Efasonoro

Witness Signature

Ebia Ipasoro

North Bank Women's Representative

[Handwritten Signature]

Signature

CMCA EXTENSION AGREEMENT

MIDDLE FLY

THIS CMCA EXTENSION AGREEMENT is made as of the 9th day of NOV. 2012

BETWEEN:

OK TEDI MINING LIMITED (the "Company")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. Mepu
2. Yulawas
3. Moian
4. Erecta
5. Kukujaba
6. Karengo
7. Membok
8. Kwem
9. Mipan
10. Manda
11. Bosset
12. Wangawanga
13. Aiambak
14. Komovai
15. Kaviananga/Obo
16. Owa
17. Levame
18. Kasa

or such of them whose representatives execute this Agreement, in the Middle Fly region of the Western Province (together the "Communities").

WHEREAS:

- A. On or about 6 December 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 6 December 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
 - (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. OPERATION OF THIS AGREEMENT AND THE CMCA

- 4.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 4.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

5. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 5.1 The Parties acknowledge that:
 - (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;

presented information to the Communities regarding the opportunities and costs of extension of the Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"Environmental Predictions" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper"

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"Interested Communities" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"Middle Fly River Development Foundation" means the trust of that name established in conjunction with the CMCA.

"Mine" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"Open Pit Cut Back" means the mining of waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"Parties" means the Company and the Communities severally.

"Settlement Agreement" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"State" means the Independent State of Papua New Guinea.

"Termination Date" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"Underground Operations" means the mining of ore bodies within the Mine pit using underground or sub-surface mining techniques and methods.

- (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
- (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of the operations of the Mine is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
- (d) a decision by the State and the Company to extend operation of the Mine will have the properly informed consent of the Communities.

5.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

6. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 6.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.
- 6.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 6.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

7. COMMUNITIES COMMITMENTS

- 7.1 The Communities, having considered:
 - (a) the information disclosed to them in the Consultations;
 - (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and

- (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,

have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.

7.2 The Communities acknowledge that their decision is made in the knowledge or belief that:

- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
- (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.

7.3 The Communities:

- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
- (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

8. COMMUNITIES RELEASES

8.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:

- (a) the disposal by the Company of tailings and waste;
- (b) dredging, storage and release of dredged material;

- (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
- (d) the Settlement Agreement; and
- (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 8 affects the rights of the Communities under Clause 12.

- 8.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

9. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 11, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and fund described therein, namely:

- (a) the Community members; and
- (b) the Middle Fly Children's Fund and the Development Fund of the Middle Fly River Development Foundation.

10. EFFECT OF PAYMENTS

- 10.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 8 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment in the Middle Fly area or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:

- (a) being deprived of the possession or use of the natural surface of the land area;
- (b) damage to or contamination of the natural surface of the land;
- (c) severance of the land or any part of it from other land owned or occupied by the Communities;
- (d) any loss or restriction of a right of way, easement or other right;
- (e) any loss or damage to improvements;
- (f) in the case of land under cultivation, loss of earnings;

- (g) disruption of agricultural activities;
- (h) social disruption;
- (i) garden damage and loss of economic trees;
- (j) loss or damage to any flora or fauna, on the land or in the water; and
- (k) loss of use or contamination of water.

10.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 10.1(a) to 10.1(k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

11. TIMING OF PAYMENTS

11.1 Subject to the following clauses, the payments pursuant to Clause 9 shall:

- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
- (b) be paid by the Company within the third quarter of each calendar year.

11.2 The timing of payments by the Company pursuant to Clause 9 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 6, 7 and 8. In the event of non-compliance with any provision of this Agreement, in particular Clauses 6, 7 and 8, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 6, 7 and 8, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 6, 7 and 8. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Middle Fly River Development Foundation.

11.3 Notwithstanding Clauses 11.1 to 11.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 9 will also cease.

12. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing

operation of the Mine exceed the Environmental Predictions, the Parties shall meet to discuss revision of the payments under Clause 9, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 9 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;
- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

13. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

14. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

15. COMMUNICATIONS

15.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:

- (a) in the case of the Company, if signed by the Managing Director of the Company;
or
- (b) in the case of the Communities, if signed by the Chairman for the time being of the Middle Fly River Development Foundation.

- 15.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 15.1.
- 15.3 Any formal communication shall be deemed to have reached the other Party:
- (a) in the case of personal delivery, when received by the relevant person referred to in Clause 15.1; or
 - (b) in the case of facsimile, as soon as transmission is confirmed.

16. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

17. REVIEW OF OPERATION OF AGREEMENT

- 17.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").
- For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.
- 17.2 The Parties agree that:
- (a) a review under this Clause 17 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
 - (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 5;
 - (iii) Clause 6;
 - (iv) Clause 7;
 - (v) Clause 8;
 - (vi) Clause 9, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the

respective funds of the Middle Fly River Development Foundation (or vice versa);

- (vii) Clause 10;
- (viii) Clause 11.1(a)
- (ix) Clause 11.2;
- (x) Clause 11.3; and
- (xi) Clause 12.

- 17.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 17.
- 17.4 Upon receipt of a notice in accordance with Clause 17.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which it provided conceptual information regarding the proposed extension of Mine operations. Between 3

to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 to 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

Year	Community members	Middle Fly Children's Fund	Development Fund		Total
			VDF	W&C	
2015	9,068,810	255,459	255,459	1,277,297	10,857,026
2016	9,068,810	255,459	255,459	1,277,297	10,857,026
2017	9,068,810	255,459	255,459	1,277,297	10,857,026
2018	9,068,810	255,459	255,459	1,277,297	10,857,026
2019	9,068,810	255,459	255,459	1,277,297	10,857,026
2020	9,068,810	255,459	255,459	1,277,297	10,857,026
2021	9,068,810	255,459	255,459	1,277,297	10,857,026
2022	9,068,810	255,459	255,459	1,277,297	10,857,026
2023	9,068,810	255,459	255,459	1,277,297	10,857,026
2024	9,068,810	255,459	255,459	1,277,297	10,857,026
2025	9,068,810	255,459	255,459	1,277,297	10,857,026
					119,427,288

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

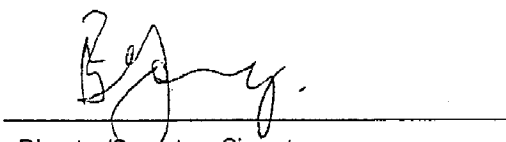
Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

Nigel Parker

Managing Director & CEO

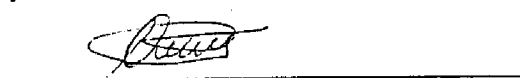


Director/Secretary Signature

Brett Young

Company Secretary

Signed by Robin Weke for and on behalf of
each member of Mepu Village in the
presence of:



Witness Signature

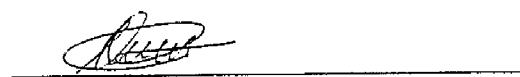
Ligori Lucas

Upper MF Women's Representative



Signature

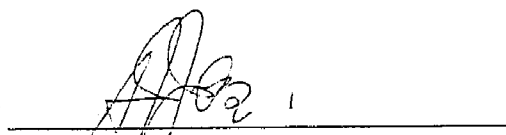
Signed by Raymond Pivini for and on
behalf of each member of Yulawas Village
in the presence of:



Witness Signature

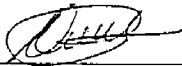
Ligori Lucas

Upper MF Women's Representative



Signature

Signed by **Richard Bakain** for and on behalf of each member of **Moian Village** in the presence of:



Witness Signature

Ligori Lucas

Upper MF Women's Representative



Signature

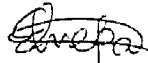
Signed by **Ereman Erepa** for and on behalf of each member of **Erecta Village** in the presence of:



Witness Signature

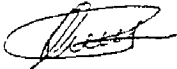
Ligori Lucas

Upper MF Women's Representative



Signature

Signed by **Ambrose Paul** for and on behalf of each member of **Kukujaba Village** in the presence of:



Witness Signature

Ligori Lucas

Upper MF Women's Representative



Signature

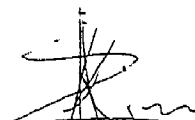
Signed by Andrew Kim for and on behalf of each member of Karengo Village in the presence of:



Witness Signature

Ligori Lucas

Upper MF Women's Representative



Signature

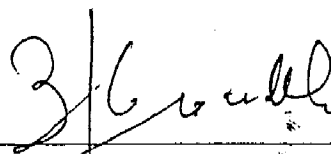
Signed by Bruce Kondak for and on behalf of each member of Membok Village in the presence of:



Witness Signature

Ligori Lucas

Upper MF Women's Representative



Signature

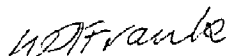
Signed by Frank Waito for and on behalf of each member of Kwem Village in the presence of:



Witness Signature

Vielean Zumoi

Central MF Women's Representative



Signature

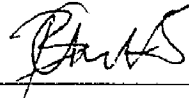
Signed by Bernard Gabriel for and on behalf of each member of **Mipan Village** in the presence of:



Witness Signature

Vielean Zumoi

Central MF Women's Representative



Signature

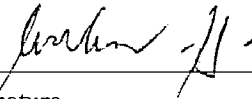
Signed by Julius Hendricus for and on behalf of each member of **Manda Village** in the presence of:



Witness Signature

Vielean Zumoi

Central MF Women's Representative



Signature

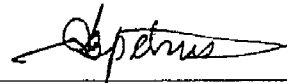
Signed by Martin Chris for and on behalf of each member of **Bosset Village** in the presence of:



Witness Signature

Vielean Zumoi

Central MF Women's Representative



Signature

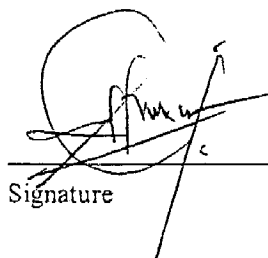
Signed by Richard Zumoi for and on behalf of each member of Wangawanga Village in the presence of:



Witness Signature

Vielean Zumoi

Central MF Women's Representative



Signature

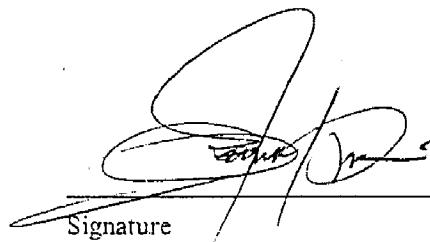
Signed by Elizah Anato for and on behalf of each member of Aiambak Village in the presence of:



Witness Signature

Vielean Zumoi

Central MF Women's Representative



Signature

Signed by Stanley Papoa for and on behalf of each member of Komovai Village in the presence of:



Witness Signature


Kurina Aioge

Lower MF Women's Representative



Signature

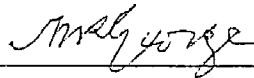
Signed by George Nambai for and on behalf of each member of Kaviananga/Obo Village in the presence of:



Witness Signature

Kurina Aioge

Lower MF Women's Representative



Signature

Signed by Seni Poloa for and on behalf of each member of Owa Village in the presence of:



Witness Signature

Kurina Aioge

Lower MF Women's Representative



Signature

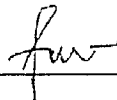
Signed by Rex Olea for and on behalf of each member of Levame Village in the presence of:



Witness Signature

Kurina Aioge

Lower MF Women's Representative



Signature

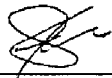
Signed by Jimmy Sianeke for and on behalf
of each member of Kasa Village in the
presence of:



Witness Signature

Kurina Aioge

Lower MF Women's Representative



Signature

CMCA EXTENSION AGREEMENT

LOWER OK TEDI

THIS CMCA EXTENSION AGREEMENT is made as of the ^{9th} day of *NOV* 2012

BETWEEN:

OK TEDI MINING LIMITED (the "*Company*")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. Atkamba
2. Ieran
3. Dome
4. Ambaga
5. Bomgabun
6. Senamrae
7. Kwiapae
8. Konkonda
9. Bige
10. Miamrae
11. Sarae
12. Demasuke
13. Birimkamba
14. Putmambin
15. Kungembit
16. Kungin
17. Iogi
18. Kawok
19. Komokpin, and
20. Solnae

or such of them whose representatives execute this Agreement, in the Lower Ok Tedi region of the Western Province (together the "*Communities*")

WHEREAS:

- A. On or about 28 November 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 28 November 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has

presented information to the Communities regarding the opportunities and costs of extension of Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"Declaration of Trust" means the Declaration of Trust establishing the Wai-Tri Development Trust annexed to the CMCA.

"Environmental Predictions" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper"

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"Interested Communities" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"Mine" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"Open Pit Cut Back" means the mining of waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"Parties" means the Company and the Communities severally.

"Primary Beneficiaries" has the same meaning as defined under the Declaration of Trust.

"Settlement Agreement" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"State" means the Independent State of Papua New Guinea.

"Termination Date" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"Underground Operations" means the mining of ore bodies within the Mine pit using underground or sub-surface techniques and methods.

"Wai-Tri Development Trust" means the trust of that name established in conjunction with the CMCA.

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.

3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:

- (a) elect to waive reliance on it; or
- (b) postpone the Termination Date to a nominated date.

4. COMMUNITIES DEEMED TO BE BOUND BY THE CMCA

4.1 The Parties agree that:

- (a) each member of Iogi village shall be deemed to have acceded to and is bound by the CMCA on and from 26 October 2007;
- (b) each member of Komokpin village shall be deemed to be have acceded to and is bound by the CMCA on and from 7 October 2008; and
- (c) each member of Kawok village shall be deemed to have acceded to and is bound by the CMCA on and from 25 February 2009,

including without limitation clauses 3 to 27 (inclusive), 30 and 34 of the CMCA.

4.2 For avoidance of doubt, the Parties agree and affirm that:

- (a) the Company shall not pay; and
- (b) each member of Iogi village, Komokpin village and Kawok village shall not be entitled to receive, make any claim or demand, institute proceedings or take any action for,

any amount payable by the Company under and in accordance with the CMCA with respect to the period from the commencement of the CMCA to the respective date each member of Iogi village, Komokpin village and Kawok village is deemed to have acceded to the CMCA pursuant to Clause 4.1.

5. COMMUNITIES DEEMED TO BE BENEFICIARIES OF THE WAI-TRI DEVELOPMENT TRUST

The Communities agree that each member of Iogi village, Komokpin village, and Kawok village (inclusive) shall be deemed to be Primary Beneficiaries for the purposes of the Declaration of Trust on and from the date of commencement of this Agreement.

6. OPERATION OF THIS AGREEMENT AND THE CMCA

- 6.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 6.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

7. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

7.1 The Parties acknowledge that:

- (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;
- (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act (Chapter 363)* (as amended and supplemented);
- (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of the operations of the Mine is made on the basis that all relevant information known to the Company concerning the

social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and

- (d) a decision by the State and the Company to extend the operation of the Mine will have the properly informed consent of the Communities.

7.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

8. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

8.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development that will provide an improved economic base for the Communities.

8.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.

8.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

9. COMMUNITIES COMMITMENTS

9.1 The Communities, having considered:

- (a) the information disclosed to them in the Consultations;
- (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and
- (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,

have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.

- 9.2 The Communities acknowledge that their decision is made in the knowledge or belief that:
- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
 - (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.
- 9.3 The Communities:
- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
 - (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
 - (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

10. COMMUNITIES RELEASES

- 10.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:
- (a) the disposal by the Company of tailings and waste;
 - (b) dredging, storage and release of dredged material;
 - (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
 - (d) the Settlement Agreement; and
 - (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 10 affects the rights of the Communities under Clause 14.

- 10.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

11. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 13, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and fund described therein, namely:

- (a) the Community members; and
- (b) the Future Generations Fund and the Development Fund of the Wai-Tri Development Trust.

12. EFFECT OF PAYMENTS

- 12.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 10 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment in the Lower Ok Tedi area or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:

- (a) being deprived of the possession or use of the natural surface of the land area;
- (b) damage to or contamination of the natural surface of the land;
- (c) severance of the land or any part of it from other land owned or occupied by the Communities;
- (d) any loss or restriction of a right of way, easement or other right;
- (e) any loss or damage to improvements;
- (f) in the case of land under cultivation, loss of earnings;
- (g) disruption of agricultural activities;
- (h) social disruption;
- (i) garden damage and loss of economic trees;
- (j) loss or damage to any flora or fauna, on the land or in the water; and
- (k) loss of use or contamination of water.

- 12.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 12.1(a) to 12.1(k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

13. TIMING OF PAYMENTS

- 13.1 Subject to the following clauses, the payments pursuant to Clauses 11 shall:
- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
 - (b) be paid by the Company within the fourth quarter of each calendar year.
- 13.2 The timing of payments by the Company pursuant to Clause 11 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 8, 9 and 10. In the event of non-compliance with any provision of this Agreement, in particular Clauses 8, 9 and 10, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 8, 9 and 10, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 8, 9 and 10. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Wai-Tri Development Trust.
- 13.3 Notwithstanding Clauses 13.1 to 13.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 11 will also cease.

14. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing operation of the Mine exceed the Environmental Predictions, the Parties shall meet to discuss revision of the payments under Clause 11, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 11 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;

- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

15. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

16. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

17. COMMUNICATIONS

- 17.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:
 - (a) in the case of the Company, if signed by the Managing Director of the Company; or
 - (b) in the case of the Communities, if signed by the President for the time being of the Kiunga Local Government Council and the President for the time being of the Ningerum Local Government Council, or any successor bodies thereto, or in the absence of any successor bodies, by the District Administrator of the North Fly District.
- 17.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 17.1.
- 17.3 Any formal communication shall be deemed to have reached the other Party:
 - (a) in the case of personal delivery, when received by the relevant person referred to in Clause 17.1; or

- (b) in the case of facsimile, as soon as transmission is confirmed.

18. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

19. REVIEW OF OPERATION OF AGREEMENT

- 19.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").

For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.

- 19.2 The Parties agree that:

- (a) a review under this Clause 19 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
- (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 4;
 - (iii) Clause 5;
 - (iv) Clause 7;
 - (v) Clause 8;
 - (vi) Clause 9;
 - (vii) Clause 10;
 - (viii) Clause 11, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the respective funds of the Wai-Tri Development Trust (or vice versa);
 - (ix) Clause 12;
 - (x) Clause 13.1(a)
 - (xi) Clause 13.2

(xiii) Clause 14.

- 19.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 19.
- 19.4 Upon receipt of a notice in accordance with Clause 19.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which it provided conceptual information regarding the proposed extension of Mine operations. Between 3

to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 to 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

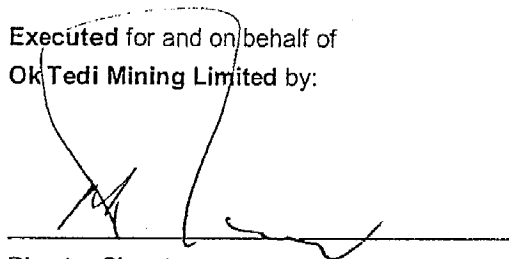
1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

Year	Community members	Investment Fund	Development Fund		Total
			VDF	W&C	
2015	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2016	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2017	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2018	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2019	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2020	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2021	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2022	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2023	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2024	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
2025	5,821,379	1,047,848	1,513,559	1,513,559	9,896,345
					108,859,795

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

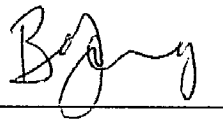
Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

Nigel Parker

Managing Director & CEO



Director/Secretary Signature

Brett Young

Company Secretary

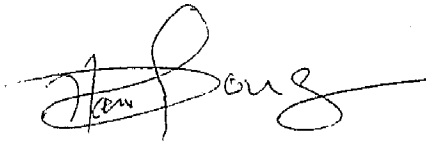
Signed by **Joseph Kambong** for and on
behalf of each member of **Atkamba Village**
in the presence of:



Witness Signature

Bala Tedumo

LOT Women's Representative



Signature

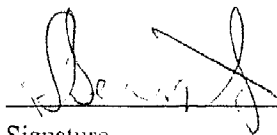
Signed by **Martin Neweng** for and on behalf
of each member of **Ieran Village** in the
presence of:



Witness Signature

Bala Tedumo

LOT Women's Representative



Signature

Signed by Michael Aniap for and on behalf of each member of Dome Village in the presence of:

Witness Signature

Bala Tedumo

LOT Women's Representative

Signature

Signed by Kawuk Konmop for and on behalf of each member of Ambaga Village in the presence of:

Witness Signature

Ephenia Apenai

LOT Women's Representative

Signature

Signed by Moses Oti for and on behalf of each member of Bomgabun Village in the presence of:


Witness Signature

Bala Tedumo

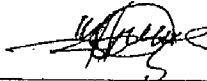
LOT Women's Representative

Signature

Signed by Gran Somoi for and on behalf of each member of Senamrae Village in the presence of:



Witness Signature




Signature

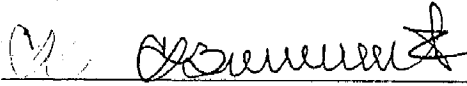
Essie Kreambi

LOT Women's Representative

Signed by Ketu Nuri for and on behalf of each member of Kwiapae Village in the presence of:



Witness Signature

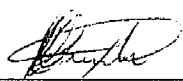


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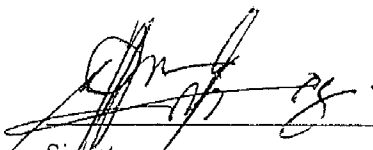
Essie Kreambi

LOT Women's Representative

Signed by James Assan for and on behalf of each member of Konkonda Village in the presence of:



Witness Signature

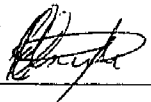


Signature

Essie Kreambi

LOT Women's Representative

Signed by Frank Diro for and on behalf of each member of Bige Village in the presence of:



Witness Signature

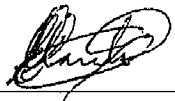


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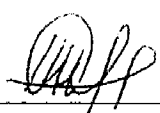
Essie Kreambi

LOT Women's Representative

Signed by Philip Beng for and on behalf of each member of Miamrae Village in the presence of:



Witness Signature

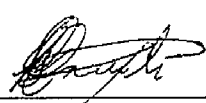


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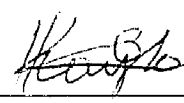
Essie Kreambi

LOT Women's Representative

Signed by Eddie Kebeng for and on behalf of each member of Sarae Village in the presence of:



Witness Signature



Signature

Essie Kreambi

LOT Women's Representative

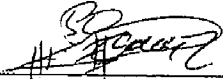
Signed by **Herman Isaac** for and on behalf of each member of **Demasuke Village** in the presence of:



Witness Signature

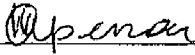
Essie Kreambi

LOT Women's Representative



Signature

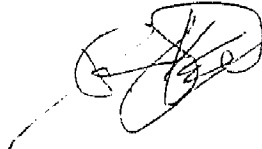
Signed by **Beke Kwaden** for and on behalf of each member of **Birimkamba Village** in the presence of:



Witness Signature

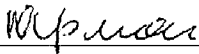
Ephemia Apenai

LOT Women's Representative



Signature

Signed by **Francis Yombirop** for and on behalf of each member of **Putmambin Village** in the presence of:



Witness Signature

Ephemia Apenai

LOT Women's Representative



Signature

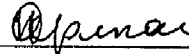
Signed by Kingsley Kitom for and on behalf of each member of Kungembit Village in the presence of:



Witness Signature

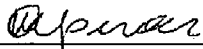
Ephemia Apenai

LOT Women's Representative



Signature

Signed by Paul Yarokam for and on behalf of each member of Kungim Village in the presence of:



Witness Signature

Ephemia Apenai

LOT Women's Representative



Signature

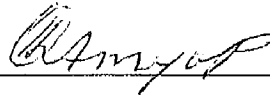
Signed by Omet Amyap for and on behalf of each member of Iogi Village in the presence of:



Witness Signature

Bala Tedumo

LOT Women's Representative



Signature

Signed by **Simon Kobout** for and on behalf of each member of **Kawok Village** in the presence of:



Witness Signature

Bala Tedumo

LOT Women's Representative



Signature

Signed by **Kingsley Bairop** for and on behalf of each member of **Komokpin Village** in the presence of:



Witness Signature

Ephemia Apenai

LOT Women's Representative



Signature


Signed by **Pr Mike Papa** for and on behalf of each member of **Solnae Village** in the presence of:



Witness Signature

Essie Kreambi

LOT Women's Representative



Signature

**CMCA EXTENSION AGREEMENT
HIGHWAY**

THIS CMCA EXTENSION AGREEMENT is made as of the *22nd* day of *Nov.* 2012

BETWEEN:

OK TEDI MINING LIMITED (the "*Company*")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. **Sisimakam**
2. **Kwiloknai**
3. **Tapko**
4. **Hosanai**
5. **Hiorenkia**
6. **Awin Tamaro**
7. **Hosokumgu**
8. **Pampenai**
9. **Waiginai**
10. **Iankenai**
11. **Mimigire**
12. **Matkomnai**
13. **Kasrenai**
14. **Gehosore**
15. **Ipoknai**
16. **Dande (1)**
17. **Dande (2)**
18. **Hopanai**
19. **Tope**
20. **Menumsore**
21. **Briompenai**
22. **Rudmesuk**

23. Rarengre
24. Miasomnai
25. Gre
26. Tiomnai
27. Gii
28. Grengas, and
29. Tmindmesuk

or such of them whose representatives execute this Agreement, on the Tabubil to Kiunga Highway of the Western Province (together the "*Communities*").

WHEREAS:

- A. On or about 21 November 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate the Open Pit Cut Back and Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 21 November 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has presented information to the Communities regarding the opportunities and costs of extension of the Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"Environmental Predictions" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"Interested Communities" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"Mine" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"Open Pit Cut Back" means the mining of waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"Parties" means the Company and the Communities severally.

"Settlement Agreement" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"State" means the Independent State of Papua New Guinea.

"Termination Date" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"Tutuwe Development Foundation" means the trust of that name established in conjunction with the CMCA.

"Underground Operations" means the mining of ore bodies within the Mine pit using underground or sub-surface mining techniques and methods.

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
- (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. OPERATION OF THIS AGREEMENT AND THE CMCA

- 4.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 4.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

5. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 5.1 The Parties acknowledge that:
- (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;
 - (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
 - (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of the operations of the Mine is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
 - (d) a decision by the State and the Company to extend operation of the Mine will have the properly informed consent of the Communities.

- 5.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

6. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 6.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.
- 6.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 6.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

7. COMMUNITIES COMMITMENTS

- 7.1 The Communities, having considered:
- (a) the information disclosed to them in the Consultations;
 - (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and
 - (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,
- have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.
- 7.2 The Communities acknowledge that their decision is made in the knowledge or belief that:
- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
 - (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.

7.3 The Communities:

- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
- (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

8. **COMMUNITIES RELEASES**

8.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:

- (a) the disposal by the Company of tailings and waste;
- (b) dredging, storage and release of dredged material;
- (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
- (d) the Settlement Agreement; and
- (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 8 affects the rights of the Communities under Clause 12.

8.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

9. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 11, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and fund described therein, namely:

- (a) the Community members; and
- (b) the Investment Fund and the Development Fund of the Tutuwe Development Foundation.

10. EFFECT OF PAYMENTS

10.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 8 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:

- (a) being deprived of the possession or use of the natural surface of the land area;
- (b) damage to or contamination of the natural surface of the land;
- (c) severance of the land or any part of it from other land owned or occupied by the Communities;
- (d) any loss or restriction of a right of way, easement or other right;
- (e) any loss or damage to improvements;
- (f) in the case of land under cultivation, loss of earnings;
- (g) disruption of agricultural activities;
- (h) social disruption;
- (i) garden damage and loss of economic trees;
- (j) loss or damage to any flora or fauna, on the land or in the water; and
- (k) loss of use or contamination of water.

- 10.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 10.1(a) to 10.1(k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

11. TIMING OF PAYMENTS

- 11.1 Subject to the following clauses, the payments pursuant to Clause 9 shall:
- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
 - (b) be paid by the Company within the third quarter of each calendar year.
- 11.2 The timing of payments by the Company pursuant to Clause 9 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 6, 7 and 8. In the event of non-compliance with any provision of this Agreement, in particular Clauses 6, 7 and 8, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 6, 7 and 8, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 6, 7 and 8. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Tutuwe Development Foundation.
- 11.3 Notwithstanding Clauses 11.1 to 11.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 9 will also cease.

12. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing operation of the Mine exceed the Environmental Predictions, the Parties shall meet to discuss revision of the payments under Clause 9, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 9 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;

- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

13. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

14. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

15. COMMUNICATIONS

- 15.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:
 - (a) in the case of the Company, if signed by the Managing Director of the Company;
or
 - (b) in the case of the Communities, if signed by the Chairman for the time being of the Tutuwe Development Foundation.
- 15.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 15.1.
- 15.3 Any formal communication shall be deemed to have reached the other Party:
 - (a) in the case of personal delivery, when received by the relevant person referred to in Clause 15.1; or
 - (b) in the case of facsimile, as soon as transmission is confirmed.

16. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

17. REVIEW OF OPERATION OF AGREEMENT

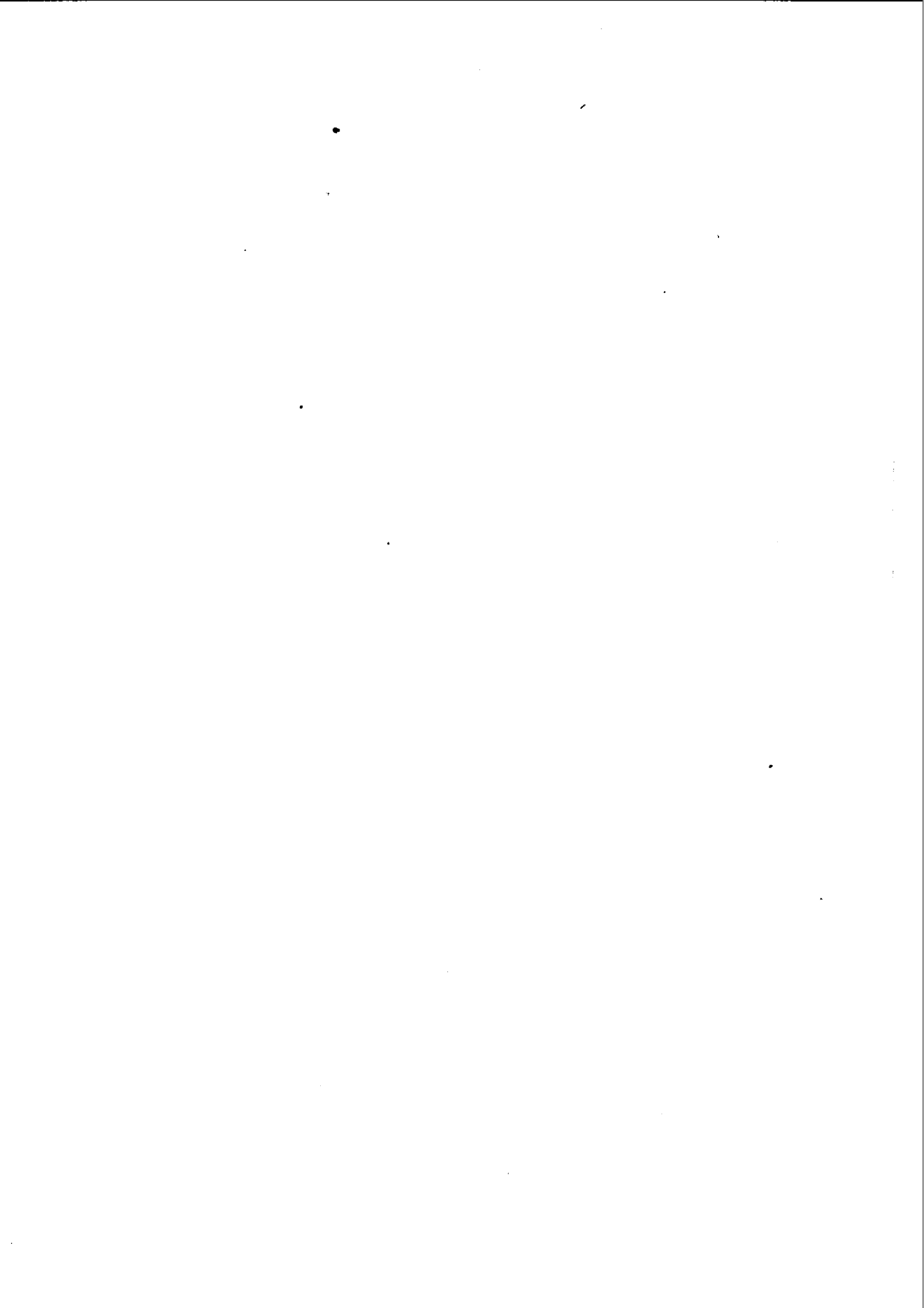
17.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").

For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.

17.2 The Parties agree that:

- (a) a review under this Clause 17 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
- (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 5;
 - (iii) Clause 6;
 - (iv) Clause 7;
 - (v) Clause 8;
 - (vi) Clause 9, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the respective funds of the Tutuwe Development Foundation (or vice versa);
 - (vii) Clause 10;
 - (viii) Clause 11.1(a);
 - (ix) Clause 11.2;
 - (x) Clause 11.3; and
 - (xi) Clause 12.

17.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date



or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 17.

- 17.4 Upon receipt of a notice in accordance with Clause 17.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included 3 women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which it provided conceptual information regarding the proposed extension of Mine operations. Between 3

to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 to 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreements, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

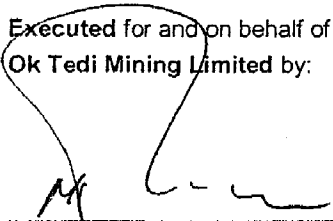
1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

Year	Community members	Investment Fund	Development Fund		Total
			VDF	W&C	
2015	3,769,604	125,654	502,614	942,401	5,340,273
2016	3,769,604	125,654	502,614	942,401	5,340,273
2017	3,769,604	125,654	502,614	942,401	5,340,273
2018	3,769,604	125,654	502,614	942,401	5,340,273
2019	3,769,604	125,654	502,614	942,401	5,340,273
2020	3,769,604	125,654	502,614	942,401	5,340,273
2021	3,769,604	125,654	502,614	942,401	5,340,273
2022	3,769,604	125,654	502,614	942,401	5,340,273
2023	3,769,604	125,654	502,614	942,401	5,340,273
2024	3,769,604	125,654	502,614	942,401	5,340,273
2025	3,769,604	125,654	502,614	942,401	5,340,273
					58,743,003

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

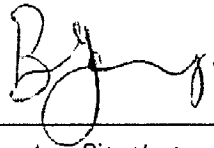
Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

Nigel Parker

Managing Director and CEO

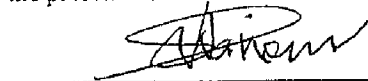


Secretary Signature

Brett Young

Company Secretary

Signed by Soti Akaneng for and on behalf
of each member of **Sisimakam Village** in
the presence of:



Witness Signature

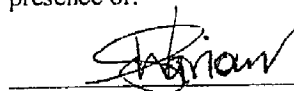
Sariom Haruri

Highway Women's Representative



Signature

Signed by Amos Siory for and on behalf of
each member of **Kwiloknai Village** in the
presence of:



Witness Signature

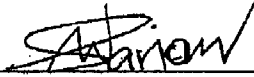
Sariom Haruri

Highway Women's Representative



Signature

Signed by Samuel Saka for and on behalf of
each member of Tapko Village in the
presence of:



Witness Signature

Sario Haruri

Highway Women's Representative



Signature


Signed by Dehu Srom for and on behalf of
each member of Hosanaï Village in the
presence of:



Witness Signature

Sario Haruri

Highway Women's Representative



Signature


Signed by Michael Gen for and on behalf of
each member of Hiorenkia Village in the
presence of:



Witness Signature

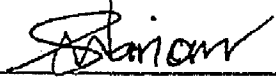
Sario Haruri

Highway Women's Representative



Signature

Signed by Amsare Sanamboi for and on behalf of each member of Awin Tamaro Village in the presence of:



Witness Signature

Sario Haruri

Highway Women's Representative



Signature

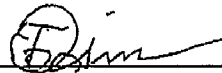
Signed by Ombo Todin for and on behalf of each member of Hosokungu Village in the presence of:



Witness Signature

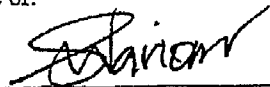
Sario Haruri

Highway Women's Representative



Signature

Signed by Kasi Gendenai for and on behalf of each member of Pampenai Village in the presence of:



Witness Signature

Sario Haruri

Highway Women's Representative



Signature

Signed by Leo Kuki for and on behalf of
each member of Waiginai Village in the
presence of:



Witness Signature

Sario Haruri

Highway Women's Representative



Signature

Signed by Rody Narok for and on behalf of
each member of Iankenai Village in the
presence of:



Witness Signature

Sario Haruri

Highway Women's Representative



Signature

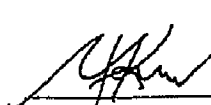
Signed by Kerry Krori for and on behalf of
each member of Mimigire Village in the
presence of:



Witness Signature

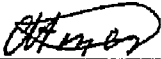
Alice Hmen

Highway Women's Representative

 (SR)

Signature

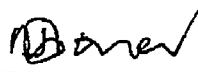
Signed by Jimmy Mtonai for and on behalf
of each member of Matkomnai Village in
the presence of:



Witness Signature

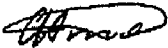
Alice Hmen

Highway Women's Representative



Signature

Signed by Raymond Mathew for and on
behalf of each member of Kasrenai Village
in the presence of:



Witness Signature


Alice Hmen

Highway Women's Representative



Signature

Signed by Eric Tmoe for and on behalf of
each member of Grehosore Village in the
presence of:



Witness Signature

Alice Hmen

Highway Women's Representative



Signature

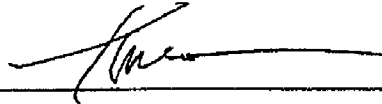
Signed by Robin Kunai for and on behalf of
each member of Ipokanai Village in the
presence of:



Witness Signature

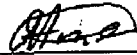
Alice Hmen

Highway Women's Representative



Signature

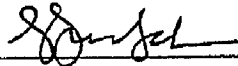
Signed by John Waitipe for and on behalf of
each member of Dande (1) Village in the
presence of:



Witness Signature

Alice Hmen

Highway Women's Representative



Signature

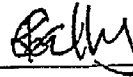
Signed by Grwe Kelly for and on behalf of
each member of Dande (2) Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

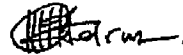
Signed by Duen Aetru for and on behalf of
each member of Hopanai Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

Signed by Penai Napu for and on behalf of
each member of Tope Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

Signed by Swantok Konam for and on
behalf of each member of Menumsore
Village in the presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

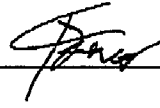
Signed by Orowa Dudu for and on behalf of
each member of Briompenai Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

Signed by Bob Wai for and on behalf of
each member of Rudmesuk Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

Signed by Soe Bebere for and on behalf of
each member of Rarengre Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

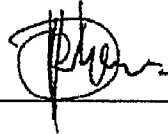
Signed by Petrus Totram for and on behalf
of each member of Miasomnai Village in
the presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

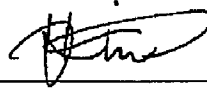
Signed by Pex Kim for and on behalf of
each member of Gre Village in the presence
of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

Signed by Siniyai Diake for and on behalf
of each member of Tiomnai Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

Signed by Willie Uho for and on behalf of
each member of Gii Village in the presence
of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

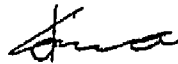
Signed by Duwa Samson for and on behalf
of each member of Grengas Village in the
presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

Signed by Patrick Poata for and on behalf
of each member of Tmindmesuk Village in
the presence of:



Witness Signature

Catherine Puse

Highway Women's Representative



Signature

CMCA EXTENSION AGREEMENT

NORTH OK TEDI

THIS CMCA EXTENSION AGREEMENT is made as of the 15th day of NOV. 2012

BETWEEN:

OK TEDI MINING LIMITED (the "*Company*")

AND

EACH OF THE MEMBERS OF THE COMMUNITIES OF

1. **Ok Tidetau**
2. **Boliwogam**
3. **Nioksikwi**
4. **Derongo**
5. **Kumguit**
6. **Ankit**
7. **Korkit**
8. **Walawam**
9. **Wogam**
10. **Kolebon**
11. **Wombon**
12. **Digam**
13. **Kawentigin**
14. **Boungkim**
15. **Haidowogam**
16. **Wurikanatko**
17. **Bumbin, and**
18. **Ningerum Tamaro,**

or such of them whose representatives execute this Agreement, in the North Ok Tedi region of the Western Province (together the "*Communities*")

WHEREAS:

- A. On or about 23 November 2001 the Parties executed the Community Mine Continuation Agreement, which was intended to operate until the expected cessation of mining in approximately 2011.
- B. The Company has subsequently investigated the potential for extending the economic life of the Mine, but at a lower rate of production, by means of Open Pit Cut Back and Underground Operations.
- C. The Communities and the Company have engaged in Consultations about whether it is the Communities preference for the Mine to extend operations for a further period with the Open Pit Cut Back and Underground Operations or cease mining in or about 2013.
- D. Subject to the Condition Precedent, the Parties wish to record their respective commitments to facilitate Underground Operations and to extend the term of the Community Mine Continuation Agreement.
- E. For the Company and the State to decide that the Open Pit Cut Back and Underground Operations are economically viable, there must be reasonable certainty as to the cost of the operations, including compensation and benefits to the Communities, and the Parties therefore intend this CMCA Extension Agreement to be the complete, final and binding basis on which the Parties agree to support the extended operation of the Mine by means of the Open Pit Cut Back and Underground Operations.
- F. The State has agreed to give this agreement the force of law by enacting the Act.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement, including the Recitals, the following definitions apply unless the context requires otherwise:

"Act" means an Act of the National Parliament which, among other things, meets the objectives described in Schedule 2.

"CMCA Extension Agreements" means the agreements between the Company and the Interested Communities by which each Interested Community gives its informed consent to the extension of operations of the Mine, and includes this Agreement.

"Community Mine Continuation Agreement" or "CMCA" means the agreement between the Parties made as of 23 November 2001.

"Condition Precedent" means the condition precedent in Clause 3.

"Consultations" means the meetings and discussions that have taken place between officers of the State, the Company and the Communities in which the Company has

presented information to the Communities regarding the opportunities and costs of extension of Mine operations. Further particulars of the Consultations are contained in Schedule 1.

"Environmental Predictions" means the Environmental Predictions contained in the CMCA, subject to the following revisions:

- (a) in relation to the expected effects of Mine operations resulting in trees losing leaves and dying, the maximum area likely to be affected is revised from 1,350 km² to 2,395 km²; and
- (b) the expected effects of copper contained in sediment from the Mine are revised and replaced with the following:

"Copper"

The sand that comes from the Mine contains small amounts of copper. The concentration of copper in the sand is likely to decrease if the Mine operations are extended due to the treatment of tailings waste and other mitigation strategies, but it may slow down the growth rates in some plants and animals that live in the water. However, it is not expected to be harmful to people or fish."

"Interested Communities" means the collective residents of the villages in the Mine area, Highway area, Lower Ok Tedi, North Ok Tedi, Middle Fly and South Fly.

"Mine" means the mine operated by the Company pursuant to the *Mining (Ok Tedi Agreement) Act* (as amended and supplemented).

"Nupmo Development Foundation" means the trust of that name established in conjunction with the CMCA.

"Open Pit Cut Back" means the mining of waste rock from the West wall, the North-east wall and the East wall of the Mine pit for the purpose of gaining access to and mining ore bodies located there under.

"Parties" means the Company and the Communities severally.

"Settlement Agreement" means the two documents headed respectively Terms of Settlement and Settlement Agreement both dated 7 June 1996 and executed by or on behalf of Rex Dagi and others of the first part and the Company and others of the second part by which litigation concerning the Mine was terminated.

"State" means the Independent State of Papua New Guinea.

"Termination Date" means 31 December 2014 or such later date as nominated by the Company in writing in accordance with Clause 3.

"Underground Operations" means the mining of ore bodies within the Mine pit using underground or sub-surface mining techniques and methods.

2. INTERPRETATION

In this Agreement unless the context requires otherwise:

- (a) monetary references are references to Papua New Guinea currency unless otherwise specifically expressed;
- (b) the headings do not affect the interpretation or construction;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing gender include the other gender;
- (e) references to a person include a corporation and vice versa;
- (f) references to a Recital, Clause, Schedule or Annexure are to a Recital, Clause, Schedule or Annexure or part thereof of this Agreement; and
- (g) the Recitals form part of this Agreement.

3. CONDITION PRECEDENT

- 3.1 This Agreement is conditional on and shall be of no force or effect unless on or before the Termination Date the National Parliament has enacted the Act and all CMCA Extension Agreements have been given the force of law there under.
- 3.2 This condition precedent is for the sole benefit of the Company, which may prior to the Termination Date:
 - (a) elect to waive reliance on it; or
 - (b) postpone the Termination Date to a nominated date.

4. OPERATION OF THIS AGREEMENT AND THE CMCA

- 4.1 The Parties affirm the CMCA and agree to extend its term commensurate with the term of this Agreement.
- 4.2 The CMCA and this Agreement shall be read and construed together as one agreement but in the event of conflict this Agreement shall prevail.

5. COMMUNITY CONSULTATIONS REGARDING EXTENSION OF MINE OPERATIONS

- 5.1 The Parties acknowledge that:
 - (a) the Consultations have taken place for the purpose of exchanging information and views regarding the Environmental Predictions and the implications for the Communities of closure or extension of the operations of the Mine;

- (b) the Consultations have given the clan leaders within the Communities the opportunity to make representations to the Company and the State in connection with the review undertaken for the purposes of Clause 29G of the agreement scheduled to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented);
- (c) the Consultations were intended by the Parties to ensure that any decision made by the Communities regarding the extension of the operations of the Mine is made on the basis that all relevant information known to the Company concerning the social, economic and environmental consequences, both beneficial and detrimental, of extension of the operations of the Mine or closure of the Mine, has been made available to the Communities; and
- (d) a decision by the State and the Company to extend operation of the Mine will have the properly informed consent of the Communities.

5.2 The Communities acknowledge that all information requested by them in the course of the Consultations has been provided by the Company and that the Company has acted in good faith in the Consultations.

6. COMMITMENT TO SUSTAINABLE DEVELOPMENT & CO-OPERATION

- 6.1 The Parties agree that the greater part of future benefits passing from the Company to the Communities over the remaining life of the Mine should be committed to investment in training, infrastructure and development, including without limitation projects and programmes for the development of women and children within the Communities, that will provide an improved economic base for the Communities.
- 6.2 The Communities will co-operate with the Company to ensure the efficient and uninterrupted operation of the Mine, in recognition of the Company's commitments and the benefits that the Mine provides to the Communities, the Western Province and the State.
- 6.3 Should a dispute arise between the Communities and the Company, the Communities agree to directly consult in good faith with the Company, the Fly River Provincial Government and the National Government to achieve resolution of that dispute.

7. COMMUNITIES COMMITMENTS

- 7.1 The Communities, having considered:
 - (a) the information disclosed to them in the Consultations;
 - (b) the likely social, environmental and economic implications for themselves of the extended operation of the Mine (including the Company's commitments) in light of the Environmental Predictions; and

- (c) the likely social, environmental and economic implications for themselves of the closure of the Mine in or around 2013,

have concluded and affirm that, subject to this Agreement, it is in the Communities' interest that the Mine operations should be extended rather than cease.

7.2 The Communities acknowledge that their decision is made in the knowledge or belief that:

- (a) the extended operation of the Mine may result in increased environmental impacts including those described in the Environmental Predictions, and that closure of the Mine may result in reduced environmental impacts, and
- (b) the economic opportunities offered by the Company's commitments represent to the Communities an acceptable trade off for the environmental impacts of the extended operation of the Mine.

7.3 The Communities:

- (a) represent and warrant to the Company that, subject to the Company's commitments, it is their decision that the Mine operations should be extended by the Open Pit Cut Back and Underground Operations;
- (b) represent and warrant that the persons signing this Agreement for and on behalf of the Communities have the power and authority to do so and that this Agreement will be valid and binding on each member of the Communities; and
- (c) acknowledge that the Company will be acting in reliance upon these representations and warranties in the event that the Mine operations are extended.

8. COMMUNITIES RELEASES

8.1 The Communities agree that this CMCA Extension Agreement is the complete, final and binding basis on which they agree to support the extension of the Mine operations by the Open Pit Cut Back and Underground Operations, and without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement and any other releases between the Parties, hereby release and discharge the Company, the Company's shareholders and their respective associated corporations, directors, officers, employees and agents and former directors, officers, employees and agents from all and any demands and claims arising directly or indirectly from the operation of the Mine or any associated works, and without limiting the generality of the foregoing that release and discharge includes and extends to:

- (a) the disposal by the Company of tailings and waste;
- (b) dredging, storage and release of dredged material;

- (c) occurrences or circumstances contemplated by or more adverse than or in excess of the Environmental Predictions;
- (d) the Settlement Agreement; and
- (e) any public statement concerning the Mine made by the Company or the Company's shareholders.

Nothing in this Clause 8 affects the rights of the Communities under Clause 12.

- 8.2 The benefit of the releases and discharges provided by the Communities under this Agreement is held by the Company in trust for itself and each of the other persons in whose favour the releases and discharges are expressed to apply.

9. PAYMENT BY COMPANY FOR DISTURBANCE

Subject to Clause 11, for so long as the Mine is in operation, the Company shall make the annual payments described in Schedule 3 to the respective recipients and the fund described therein, namely:

- (a) the Community members; and
- (b) the Investment Fund and the Development Fund of the Nupmo Development Foundation.

10. EFFECT OF PAYMENTS

- 10.1 Without derogating from the effect of the releases contained in and the compensation regime established by the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented), the Settlement Agreement, Clause 8 of this Agreement and any other releases between the Parties, the payments to be made by the Company pursuant to this Agreement are and shall be in full compensation for all loss and damage contemplated by the Environmental Predictions suffered or to be suffered by the Communities in respect of disturbance to the environment in the North Ok Tedi area or their use or enjoyment of the environment, including, where applicable and without limitation to the generality of the foregoing:

- (a) being deprived of the possession or use of the natural surface of the land area;
- (b) damage to or contamination of the natural surface of the land;
- (c) severance of the land or any part of it from other land owned or occupied by the Communities;
- (d) any loss or restriction of a right of way, easement or other right;
- (e) any loss or damage to improvements;
- (f) in the case of land under cultivation, loss of earnings;

- (g) disruption of agricultural activities;
- (h) social disruption;
- (i) garden damage and loss of economic trees;
- (j) loss or damage to any flora or fauna, on the land or in the water; and
- (k) loss of use or contamination of water.

10.2 For the avoidance of doubt, it is acknowledged that the Communities and their members will continue to be eligible persons to receive general compensation and (save for the matters listed in Clause 10.1(a) to (k) inclusive) specific compensation pursuant to the *Mining (Ok Tedi Agreement) Act* (Chapter 363) (as amended and supplemented).

11. TIMING OF PAYMENTS

11.1 Subject to the following clauses, the payments pursuant to Clause 9 shall:

- (a) commence on 1 January 2015 or such later date as determined by the Company in its sole discretion; and
- (b) be paid by the Company within the third quarter of each calendar year.

11.2 The timing of payments by the Company pursuant to Clause 9 shall be subject to the continuous compliance by the respective recipients with all of their obligations under this Agreement, and in particular Clauses 6, 7 and 8. In the event of non-compliance with any provision of this Agreement, in particular Clauses 6, 7 and 8, the payment otherwise due to the non-complying recipients shall be deferred without interest until the due date for the next succeeding annual payment, subject always to the recipients' compliance with this Agreement, in particular Clauses 6, 7 and 8, in the intervening period. In the event of further non-compliance in the intervening period, both payments shall be deferred on the same terms as applied to the first deferred payment. The same principles shall also be applied in respect of subsequent non-compliance with this Agreement, in particular Clauses 6, 7 and 8. Any deferred payment subsisting at the date of closure of the Mine will be paid by the Company to the Development Fund of the Nupmo Development Foundation.

11.3 Notwithstanding Clauses 11.1 to 11.2 inclusive, if the Mine ceases to operate the Company's obligation to make payments pursuant to Clause 9 will also cease.

12. RELATIONSHIP OF PAYMENTS TO ENVIRONMENTAL PREDICTIONS

The Company shall continue to monitor the environmental effects of the continuing operation of the Mine in accordance with its obligations to the State, and shall share the results with the Communities. To the extent that environmental effects of the continuing operation of the Mine exceed the Environmental Predictions, the Parties shall meet to

discuss revision of the payments under Clause 9, taking into account the environmental effects in excess of those contemplated in the Environmental Predictions. The Communities acknowledge and agree that if the Environmental Predictions are not accurate:

- (a) this right to discuss with the Company a revision of payments under Clause 9 shall be their sole remedy in relation to the inaccuracy of the Environment Predictions;
- (b) any revision of payments shall only operate prospectively from the date any revision is agreed; and
- (c) this Agreement and in particular the releases and discharges contained in it shall remain in full force and effect and this Agreement shall not be liable to be set aside or rendered unenforceable.

If an agreement cannot be reached on revision of the payments the Company may reconsider its decision to continue to operate the Mine.

13. WAIVER

The failure of any Party to enforce, at any time, any of the provisions of the Agreement shall not be construed to be a waiver of the provision or any part thereof or the right of any party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

14. REPRESENTATIONS AND WARRANTIES

Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing any other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

15. COMMUNICATIONS

15.1 Any formal communications by the Parties concerning this Agreement shall be deemed to have been made:

- (a) in the case of the Company, if signed by the Managing Director of the Company;
or
- (b) in the case of the Communities, if signed by the President for the time being of the Ningerum Local Government Council, or any successor body thereto, or in the absence of any successor bodies, by the District Administrator of the North Fly District.

- 15.2 Any formal communication shall be in writing and may be delivered either personally, or transmitted by facsimile to the person, or persons referred to in Clause 15.1.
- 15.3 Any formal communication shall be deemed to have reached the other Party:
- (a) in the case of personal delivery, when received by the relevant person referred to in Clause 15.1; or
 - (b) in the case of facsimile, as soon as transmission is confirmed.

16. EXECUTION

The Parties acknowledge that this Agreement may take effect notwithstanding that it has not been executed on behalf of all of the Communities referred to on page 1 and accordingly the Parties agree that this Agreement is duly executed and, subject to Clause 3, take effect between the Company and the members of any one or more of the Communities referred to on page 1 on whose behalf it is executed, when the Company executes this Agreement.

17. REVIEW OF OPERATION OF AGREEMENT

- 17.1 Subject to this Agreement, the Parties may after the expiration of five years from the Termination Date, meet to review the operation of this Agreement (the "*Review Date*"). Thereafter, any subsequent review of the operation of this Agreement may be conducted at intervals of not less than five years from the Review Date (the "*Next Review Date*").

For avoidance of doubt, the Parties are not obliged to review the operation of this Agreement.

- 17.2 The Parties agree that:
- (a) a review under this Clause 17 shall not include a review or renegotiation of, or amend, vary, alter or revoke, an essential term of this Agreement; and
 - (b) each of the following is an essential term of this Agreement:
 - (i) Clause 3;
 - (ii) Clause 5;
 - (iii) Clause 6;
 - (iv) Clause 7;
 - (v) Clause 8;
 - (vi) Clause 9, except as to whether the annual payments described in Schedule 3 should be made solely to the Community members rather than to the respective funds of the Nupmo Development Foundation (or vice versa);
 - (vii) Clause 10.

- (viii) Clause 11.1(a)
- (ix) Clause 11.2;
- (x) Clause 11.3; and
- (xi) Clause 12.

- 17.3 If the Communities wish to request a review of this Agreement, the Communities must notify the Company in writing not less than six months before the proposed Review Date or the Next Review Date (as the case may be) and provide reasons for requesting a review under this Clause 17.
- 17.4 Upon receipt of a notice in accordance with Clause 17.3, the Company, acting reasonably, may accept or reject the request and shall notify the Communities of the reasons for its decision.

SCHEDULE 1

CONSULTATIONS

The Company commenced consultations with the Interested Communities in connection with the proposed extension of Mine operations in June 2009. Between 15 June and 18 July 2009, the Company held meetings with each Interested Community to generally discuss the proposed extension of Mine operations. During these meetings, each Interested Community elected a person to represent each village (the *village representatives*) for the purpose of liaising and engaging in discussions with the Company with respect to matters relating to the proposed extension of Mine operations.

On 14 to 28 October 2009, the Company held further meetings with the village representatives, during which it was agreed that:

- (a) for purposes of efficiency, the village representatives would nominate delegates from among themselves (the *regional delegates*) to attend and engage in discussions with the Company. The regional delegates included three women from each Interested Community, each of whom was appointed purposely to represent the interests of women and children within the communities;
- (b) all information provided by the Company to the regional delegates regarding the proposed extension of Mine operations must be circulated among the village representatives, then to each Interested Community. This allowed greater participation by all members of the Interested Communities and gave each person an opportunity to raise issues, queries and concerns, or request any further information considered relevant to assist the Interested Communities to make an informed decision as to whether they would like the Mine to continue or cease operations; and
- (c) all meetings between the Company, the regional delegates, the village representatives and the Interested Communities would be chaired by independent facilitators, with logistical assistance by the Company where required, to promote a conducive environment for freedom of expression, exchange of views, concerns, issues and discussion of matters relevant to the proposed extension of Mine operations.

Between 19 November 2009 and 11 January 2010, at the request of the village representatives, the Company arranged for all village representatives to visit the Mine site, the mill and the facilities at Bige.

On 17 to 18 March 2010, the Company held meetings with the regional delegates at which it provided conceptual information regarding the proposed extension of Mine operations. Between 3

to 29 May 2010, the Company held separate meetings with the village representatives and the Interested Communities to circulate this information and obtain feedback and comments.

In meetings held with the regional delegates on 15 to 16 July 2010, the Company provided information regarding:

- feasibility and environmental studies; and
- the proposed compensation to be paid by the Company,

in connection with the proposed extension of Mine operations. This information was disseminated to the village representatives and the Interested Communities in meetings held between 1 August to 4 September 2010.

The Company provided further updates of the feasibility and environmental studies to the regional delegates in meetings held between 25 October to 28 November 2010 and on 30 to 31 March 2011. At the meetings held on 30 to 31 March 2011, the Company presented a draft report from an independent environmental reviewer and a copy the draft CMCA Extension Agreement for consideration and discussion.

Between 6 May to 1 June 2011, all information provided to the regional delegates were disseminated to the village representatives and the Interested Communities.

On 6 December 2011, the Company provided the regional delegates with progress reports regarding the feasibility and environmental studies. The updated information was disseminated to the village representatives and the Interested Communities in meetings held between 13 February to 19 March 2012.

In meetings held between 30 April to 30 May 2012, the Company provided the regional delegates with:

- a revised proposal regarding the compensation to be paid by the Company to each Interested Community;
- further updates regarding the feasibility and environmental studies; and
- an updated draft of the CMCA Extension Agreement.

In addition, representatives from Ok Tedi Development Foundation Limited and PNG Sustainable Development Program Limited provided information concerning development projects undertaken and proposed to be undertaken by each entity. This information was disseminated to the village representatives and the Interested Communities in meetings held between 20 August and 2 September 2012.

A final round of meetings were held with the Interested Communities between 5 November to 6 December 2012, leading to the conclusion of the CMCA Extension Agreement, which were executed by the village representatives for and on behalf of the Interested Communities.

Independent observers attended all meetings between the Company and the regional delegates.

SCHEDULE 2

MINING (OK TEDI EXTENSION (TENTH SUPPLEMENTAL) AGREEMENT) ACT

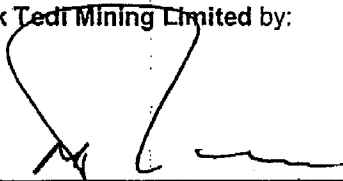
1. Recognises the involvement of the local communities in the Consultations and their expressed views regarding the continued operation of the Mine and containing the agreement between the State, Mineral Resources Ok Tedi No. 2 Limited, PNG Sustainable Development Program Limited and Ok Tedi Mining Limited that the operation of the Mine should be extended.
2. Approves and gives the force of law to the compensation and other arrangements under the CMCA Extension Agreements, including the finality of those compensation arrangements.

SCHEDULE 3

Year	Community members	Investment Fund	Development Fund		Total
			VDF	W&C	
2015	2,263,571	565,893	565,893	452,714	3,848,071
2016	2,263,571	565,893	565,893	452,714	3,848,071
2017	2,263,571	565,893	565,893	452,714	3,848,071
2018	2,263,571	565,893	565,893	452,714	3,848,071
2019	2,263,571	565,893	565,893	452,714	3,848,071
2020	2,263,571	565,893	565,893	452,714	3,848,071
2021	2,263,571	565,893	565,893	452,714	3,848,071
2022	2,263,571	565,893	565,893	452,714	3,848,071
2023	2,263,571	565,893	565,893	452,714	3,848,071
2024	2,263,571	565,893	565,893	452,714	3,848,071
2025	2,263,571	565,893	565,893	452,714	3,848,071
					42,328,781

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

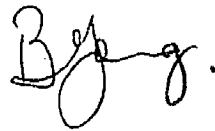
Executed for and on behalf of
Ok Tedi Mining Limited by:



Director Signature

NIGEL PARKOS

Print Name

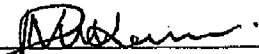


Director/Secretary Signature

Brian Young

Print Name

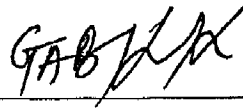
Signed by Gabriel Koman for and on behalf
of each member of Ok Tidetau Village in
the presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature

Signed by Petorot Dengdon for and on
behalf of each member of
Boliwogam Village in the presence of:



Witness Signature


Diane Singa

North Ok Tedi Women's Representative



Signature

Signed by **Junior Manop** for and on behalf of each member of **Nioksikwi Village** in the presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature


Signed by **Rowel Turam** for and on behalf of each member of **Derongo Village** in the presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature

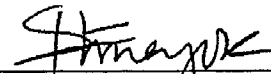
Signed by **Daniel Atmeyok** for and on behalf of each member of **Kumguit Village** in the presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature


Signed by Joseph Awirok for and on behalf
of each member of Ankit Village in the
presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature

*PPBceho 19/11/2012
Komanaga 19/11/2012*


Signed by Taken Kewam for and on behalf
of each member of Korkit Village in the
presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature

Signed by Lalamana Gaegae for and on
behalf of each member of Walawam Village
in the presence of:



Witness Signature

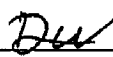
Diane Singa

North Ok Tedi Women's Representative



Signature


Signed by **Dairi Akewa** for and on behalf of each member of **Wogam Village** in the presence of:



Witness Signature


Diane Singa

North Ok Tedi Women's Representative



Signature

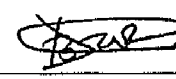
Signed by **Bagasi Wotbin** for and on behalf of each member of **Kolebon Village** in the presence of:



Witness Signature

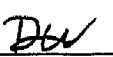
Diane Singa

North Ok Tedi Women's Representative



Signature

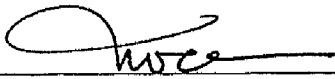
Signed by **Keop Kowa** for and on behalf of each member of **Wombon Village** in the presence of:



Witness Signature


Diane Singa

North Ok Tedi Women's Representative



Signature

Signed by **Avenon Decknong** for and on behalf of each member of **Digam Village** in the presence of:



Witness Signature

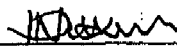
Noni Dukman

North Ok Tedi Women's Representative



Signature


Signed by **Bill Kuknok** for and on behalf of each member of **Kawentikin Village** in the presence of:



Witness Signature

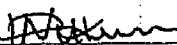
Noni Dukman

North Ok Tedi Women's Representative



Signature

Signed by **Appia Jerome** for and on behalf of each member of **Boungkim Village** in the presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature

Signed by **Bin Sepman** for and on behalf of each member of **Haidowogam Village** in the presence of:

DW
Witness Signature

Diane Singa
North Ok Tedi Women's Representative

Bin Sepman
Signature

Signed by **Singah Ondap** for and on behalf of each member of **Wurikanatko Village** in the presence of:

DW
Witness Signature

Diane Singa
North Ok Tedi Women's Representative

Singah Ondap
Signature

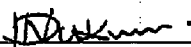
Signed by **Amos Amdeng** for and on behalf of each member of **Bumbin Village** in the presence of:

DW
Witness Signature

Diane Singa
North Ok Tedi Women's Representative

Amos Amdeng
Signature

Signed by **Boston Kasiman** for and on
behalf of each member of **Ningerum**
Tamaro Village in the presence of:



Witness Signature

Noni Dukman

North Ok Tedi Women's Representative



Signature

Explanatory Memorandum for the *Mining (OK Tedi Eleventh Supplementary Agreement) Bill 2014*

Background

1. Unlike other mines in PNG, the Ok Tedi mine is regulated under a commercial agreement which is then approved by Parliament. The principle agreement was struck in 1976 and over time there have been successive amendments made to that agreement due to changes in ownership of OTML and operation of the Ok Tedi mine. After lengthy negotiations, the current shareholders of OTML (the State and Mineral Resources Ok Tedi No2 Limited) have recently struck a new agreement with Ok Tedi Mining Limited (the Eleventh Supplementary Agreement).

Section 5 – approval of agreements

2. According to section 5 Parliament approves the agreements attached at schedule 1 and schedule 2.
 - the Eleventh Supplementary Agreement
 - Community Mine Continuation Agreements

Section 8 – Mine Closure Plans

3. According to section 8 a small change is made to the Mine Closure and Decommissioning Code which allows the state 12 months rather than 6 months to approve any variations to the code. As well as providing for 3 years instead of two years for OTML to submit an up dated mine closure plan. These timeframes are more realistic and consistent with current administrative practices.

Section 9 – Tax Status

4. Section 9 clarifies that the Ok Tedi Development Foundation is GST free. This is consistent with its status as a non-profit organisation and will merely clarify existing practices.

Schedule 1 - Agreement

5. The Eleventh Supplementary Agreement makes two amendments to the principle agreement which will improve the administrative efficiency in regulating the mine.
6. According to the the agreement, it will no longer be necessary for OTML to provide copies of all sales contracts to the Prime Minister for his approval prior to sale. This is no longer necessary as OTML now has long established buyers and a standard sales contract is used at regular intervals. There is no need for this level of oversight.

7. The borrowing limit for the Ok Tedi Development Foundation has also been raised to K1 million this is in keeping with inflation and more accurately reflects the cost of projects.

Schedule 2 – Community Mine Consultation Agreements

8. In November 2001, individual community mine continuation agreements were executed between the State and the applicable community. In total there were nine agreements.
9. The agreements outlined the expected environmental harm that would result from continued mining at Ok Tedi. The communities in recognition of this environmental harm agreed to certain compensation payments from Ok Tedi Mining Limited (OTML) in return for the continued operation of the mine. At that time the mine was expected to continue operating until approximately 2011. Some communities also agreed to withdraw legal action against BHP and waive any existing claims.
10. However, due to changing copper prices and the discovery of more ore OTML now expects to continue mining until approximately 2022. In August I approved a variation to the pit shell which allows OTML to access new ore. This will allow OTML to extend the economic life of the mine at a lower rate of production by open pit cut back and underground mining.
11. In view of the extension of mine life and ongoing environmental harm, OTML needed to go back to the communities and revisit the 2001 agreements. A comprehensive consultation process began in June 2009 and ran until the agreements were signed in December 2013. A detailed outline of the consultation process is contained at schedule 1 to each agreement. In summary, the consultation outlined the likely environmental harm and negotiated a new compensation program.
12. In the agreements the communities attest that they have been properly consulted, understand the likely environmental harm and have consented to continue mining operation.