

trustee of the will of Sir Alfred Cadman, K.C.M.G., of Auckland, settler (deceased), his executors, administrators, and assigns (hereinafter, with his executors, administrators, and assigns, called "the lessee") this mineral lease, authorizing the lessee to occupy the parcel of Crown land situated in the said mining district, containing by admeasurement 920 acres, more or less, as the same is described in the schedule hereto (hereinafter called "the demised land") for the purpose of mining for iron-ore (otherwise known as "hæmatite") upon the terms and conditions following, that is to say:—

1. The sum of one thousand pounds (£1,000), already deposited by the lessee out of the funds in his hands as such executor and trustee as aforesaid with the Public Trustee in connection with the application for this lease, shall be held by him as security for the lessee's due compliance with the terms of this lease, and such sum of one thousand pounds (£1,000) shall be absolutely forfeited to His Majesty the King if the lessee does not expend the sum of one thousand pounds (£1,000) during the first year of the term hereby granted, as provided by clause 10 hereof; but the lessee, if he duly comply with the terms hereof, shall be entitled on application to the Public Trustee to a return of the same (without interest) by instalments of not less than two hundred and fifty pounds (£250), each instalment being payable only on the certificate of an Inspector of Mines that since payment of the previous instalment (if any) the lessee has expended during the second year of the said term, in work or material on the demised land, not less than twice the amount of the instalment applied for.

2. This lease is granted for a term of forty-two (42) years (hereinafter called "the said term") commencing on the date hereof: Provided always that the lessee shall have such right of renewal as is provided for in section 138 of the Mining Act, 1898.

3. Without in any way limiting or affecting any other rights or powers of the Crown or the Warden, there is hereby reserved to His Majesty and his successors the full and free right from time to time, and at any time during the said term, to lay off, construct, and maintain roads, railways, and tramways on, through, or over any part of the demised land, and to appropriate and fence off, or otherwise demark such portion of the demised land as is required for the purposes of such roads, railways, and tramways: Provided that the rights hereby reserved shall be so exercised as not to interfere with the lessee's mining operations or works on the demised land. And as often as any question arises as to whether any specified exercise or proposed exercise of such rights does or may so interfere, the question shall be referred to the Warden, whose decision shall be final, subject, however, to the same right of appeal as is provided by the Mining Act, 1898, and its amendments in the case of proceedings before the Warden or the Warden's Court.

4. The rent payable by the lessee during the said term shall be the yearly rent of one hundred and fifteen pounds (£115), being at the rate of two shillings and sixpence (2s. 6d.) for every acre or fraction of an acre of the demised land, all payments in respect thereof having been duly made up to the thirty-first day of December, one thousand nine hundred and five, and the subsequent payments be made by equal half-yearly instalments of fifty-seven pounds ten shillings (£57 10s.) in advance, computed from the said thirty-first day of December, one thousand nine hundred and five.

5. The lessee shall pay a royalty of one-twenty-fifth of the value at the pit's mouth of all iron-ore raised pursuant to this lease.

6. For the purpose of estimating the amount of royalty payable hereunder, the value of the iron-ore so raised shall be deemed to be six shillings and threepence (6s. 3d.) per ton at the pit's mouth.

7. The said royalty shall be due and payable on the same days and for the same periods as the said instalments of rent accruing after the date hereof: Provided that the first such payment of royalty shall be due and payable on the thirty-first day of December, one thousand nine hundred and five, and be in respect of the royalty for the period elapsing between the date of this lease and the said thirty-first day of December: And provided further that all sums paid in respect of royalty for any period shall, to the extent of the rent payable for the same period, be deemed to be in or towards satisfaction of such rent.

8. On the thirty-first day of December, one thousand nine hundred and six, and at half-yearly intervals thereafter during the said term, the lessee shall make to the Receiver of Gold Revenue at Collingwood true and accurate returns of all iron-ore raised during the preceding half-year pursuant to this lease.

9. The lessee shall, within six months after the date of this lease, commence and thereafter during the term of the lease continually prosecute mining operations on the demised land for iron-ore as aforesaid, and for that purpose shall (except as aforesaid) at all times during the first two years of the term keep employed upon or in connection with the demised land and his said mining operations thereon at least one workman for every full area of fifty acres or less therein contained, and thereafter during the term at least two workmen for every such area, provided as follows:—

(a.) For the purpose of compliance with the aforesaid labour conditions there shall be included all work done in the construction or erection of machinery or in preparations indispensable to the actual commencement of mining operations, whether such work is done on or in connection with the demised land or on or in connection with any other land situate in the same mining district or on the sea-coast thereof, and used for the purposes of facilitating mining operations on the demised land.

(b.) To the extent of one-half of the number of workmen which should otherwise be employed the expenditure of capital pursuant to clause 10 hereof or otherwise shall be equivalent to the employment of workmen in the proportion of one man for every thousand pounds of capital which, to the satisfaction of the Warden, has been expended by the lessee in plant or permanent works for the purpose of the said mining operations.