

**LAWS OF BRUNEI
REVISED EDITION 1984**

CHAPTER 42

MININC

ARRANGEMENT OF SECTIONS

MINING ACT

An Act to amend and consolidate the law relating to mining

Commencement: 4th March 1920

1. (Short title) This Act may be cited as the Mining Act.

2. (Interpretation) (1) In this Act and in any rules made thereunder-

“crude oil” means oil in its natural state before the same has been refined or otherwise treated but excluding water and foreign substances;

“petroleum” includes any mineral oil or relative hydrocarbon and natural gas existing in its natural conditions in strata, but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;

“natural gas” means gas obtained from bore-holes and wells and consisting primarily of hydrocarbons;

"minerals" means and includes coal, gold and all metals and substances in or under the ground obtainable by underground or by surface working, the ores of metals, and precious stones of all descriptions, but does not include crude oil, petroleum or natural gas;

“to mine” and its cognate expressions includes operations connected with the winning, smelting, or other treatment of minerals;

“to prospect” and its cognate expressions includes all operations connected with the search for minerals but does not include search upon the surface of the ground not involving any disturbance of the soil below 3 feet in depth.

(2) It is hereby declared that the expressions “land” and “lands” in this Act include and shall be deemed always to have included the foreshores and the submarine areas beneath the territorial waters of Brunei, and it is further declared that the powers conferred on the Minister by this Act to issue or grant licences and leases thereunder extend and shall be deemed always to have extended to such foreshores and submarine areas.

3. (No prospecting or mining without authority) Save as provided in the next succeeding subsection any person found to be prospecting or mining upon any land or doing any act with a view to prospecting or mining on the same without having received lawful authority so to do under any of the provisions of this Act, or in breach of any of the conditions thereof, shall be guilty of an offense: Penalty, a fine of \$10,000, and all machinery, plant, tools, buildings or other property together with any materials or other products which may be found upon or proved to have been obtained from the land so unlawfully prospected or mined shall be liable to forfeiture.

PROSPECTING LICENCES

4. (Prospecting licences) (1) Subject to the provisions of this Act and any rules made thereunder His Majesty the Sultan and Yang Di-Pertuan in Council may from time to time issue licences to prospect for minerals.

(2) Such licences may cover lands alienated otherwise than for mining purposes either before or after the commencement of this Act.

5. (Mode of application) (1) Applications for such licences shall be in writing, shall state the name, residence and profession of the applicant, shall contain a description, sufficiently accurate for purposes of identification, of the situation, boundaries and area of the land over which the licence is required and shall specify the mineral or minerals for which the applicant desires to prospect.

(2) An index shall be kept in which all such applications shall be recorded serially in the order in which they are received and there shall be charged a fee of \$500 in respect of every application so recorded:

Provided that the lodging or filing of an application shall give no claim or priority of claim as a matter of right to the issue of a prospecting licence and that it shall be lawful for His Majesty in Council, without assigning any cause, to refuse to issue any prospecting licence. In the event of such refusal all entries in the index relating to such application shall be canceled.

6. (Terms and condition) A prospecting licence shall be issued for such a term as may be described by His Majesty in Council in each particular case, and His Majesty in Council shall have power to extend such term upon such conditions as he may think fit whenever he is satisfied that the licence has been prevented from completing his search of the land by any cause other than his own default.

7. (Security) (1) No prospecting licence shall be issued until the applicant has deposited as security in respect thereof such sum, not being less than \$100,000, as the Minister may determine.

(2) In lieu of a deposit the Minister may accept from the applicant a bond with a surety approved by the Minister.

8. (Forms) Every prospecting licence shall be substantially in the form set out in Form I of the Schedule to this Act.

9. (Covenants) There shall be implied in every prospecting licence, in the absence of any express provision to the contrary, the following covenants on the part of the licensee-

- i. That he will pay to the Government the rent and the royalties reserved in his licence at the times and in the manner prescribed by this Act and will work and carry on the operations licensed in a fair, orderly, skillful and workmanlike manner and with as little damage as possible to the surface of the lands over which the licence extends and to the trees crops, buildings, structures and other property thereon;**
- ii. That he will not enter upon any lands in the occupation of any person without the consent of the occupier nor, without the consent of the owner thereof, cut or in any way injure any trees, standing crops or buildings, huts or other structures or**

- property of any kind of any occupier of the said lands or any part therefore or of any other private person;
- iii. That he will make and pay reasonable satisfaction and compensation for all injury which may be done in the exercise of the powers conferred by his licence;
 - iv. That he will at all times indemnify the Government against all claims or suits which may be made or brought by third parties in respect of any such damage and injury and against all costs and expenses relating thereto;
 - v. That he will not grant or assign any interest under his licence to any person without the previous consent in writing of His Majesty in Council;
 - vi. That he will ascertain, in such manner as His Majesty in Council may from time to time prescribe, the value of all minerals won, dressed or extracted which may be required to be valued for the purpose of ascertaining the amount of royalty payable in respect thereof, or the terms on which a mining lease shall be issued;
 - vii. That he will upon the expiration or sooner determination of his licence or the abandonment of the undertaking licensed (whichever shall first occur) with all convenient speed remove all buildings, structures, engines, machinery and other property and effects erected or brought by him upon the said lands under the provisions of his licence;
 - viii. That he will within 6 months after the expiration or sooner determination of his licence or the date of the abandonment of the undertaking licensed (whichever shall first occur) securely plug all bores and fill up or fence all holes and excavations that he may have made in the lands over which his licence extends to such extent as the Minister may require and will to the like extent restore, so far as may be, to their natural or original condition the surface of the said lands and all buildings and structures thereon which he may have damaged in the course of prospecting
 - ix. That any deposit made by the licensee or any portion thereof may be applied by the Minister in making good and satisfying the claim of any third parties in respect of any damage or injury, above-mentioned, done by the licensee and also in indemnifying the Government against any claims by any such third parties in respect of any such injury or damage and all costs and expenses relating thereto:

Provided that upon the determination of the licence or any renewal thereof the amount for the time being in deposit with the Minister or so much thereof as shall not be required by the Minister to be applied as above-mentioned shall, if the licensee shall become the lessee of any mining lease of the said lands or any portion thereof, under the provisions hereinafter contained, be carried to his credit as part of the rents and royalties payable under such lease, or if he shall decline or fail to obtain any such lease as aforesaid, then the same shall be returned to the licensee:

Provided also that if the Minister has reason to anticipate that any such claims as aforesaid are likely to be made by third parties he may retain the amount of the said security or such portion thereof as he may think proper for a period not exceeding 6 months beyond the determination of the licence or any renewal thereof as aforesaid.

10. (Rent and royalty) (1) The rent, if any, reserved on lands covered by a prospecting licence and the royalty payable in respect of minerals won and carried away from such

lands shall be such as His Majesty in Council may direct and shall be specified in the licence,

(2) Such rent and royalty shall be payable without demand-

- a. in respect of rent, in advance for every period for which the: licence is granted or renewed;
- b. in respect of royalty on the removal from the land of the mineral on which it is payable.

In case the licence shall refuse or neglect to comply with the. provisions of this subsection His Majesty in Council may declare the licence to be at an end and it shall thereupon determine accordingly.

11. (Right of licensee to mining lease) On or before the determination of his licence by effluxion of time the licensee shall have a right, subject to the provisions of this Act, to a mining lease in accordance with the terms contained in any rules for the time being in force for mining leases.

MINING LEASES

12. (Resumption of alienated land required for mining purposes) Except with the sanction of His Majesty in Council no mining title shall be issued for land which has been alienated under the Land Code (Cap. 40). but all land so alienated shall be liable to be resumed for mining purposes by His Majesty in Council upon payment to the grantee or other person entitled thereto of compensation for such interest in the land as is conveyed by his title and for the improvements, if any, thereon; such compensation in case of disagreement shall be assessed in the manner provided by section 10 of the Land Code.

13. (Power to issue mining leases) Subject to the provisions of this Act and any rules made thereunder His Majesty in Council may. if the applicant is entitled a lease under section 11 or if he considers that the applicant should be granted a mining lease, grant & mining lease in accordance with this Act.

14. (Mode of application) (1) Every application for a mining lease shall be in writing, shall state the name, residence and profession of the applicant, the name of the mineral for which the applicant intends to mine, and an address at which notices served shall be deemed to be duly served for the purposes of this Act.

(2) Every such application shall also be accompanied by a map or sketch showing the area over which the proposed lease is to extend.

15. (Condition implied to carry on mining operations) Every mining lease issued under the provisions of this Act shall be held subject to the condition that the lessee shall commence mining operations upon the land within the period prescribed by the lease and that in the absence of any express provision to the contrary he shall not thereafter at any time during the term of the lease fail for a period of more than 12 consecutive months to carry on efficiently mining operations on the land.

16. (Lease subject to certain laws) Every mining lease shall, in the absence of any express provision to the contrary. be subject to the land laws for the time being in respect of the following matters, that is to say-

- a. demarcation and survey;
- b. collection of land revenue;
- c. registration of titles. transfers and charges;
- d. acquisition of land for public purposes.

17. (Implied condition of re-entry) Every mining lease shall by virtue of this Act and in the absence of any express provision to the contrary, be subject to the following implied condition in respect of the land comprised therein, that is to say, that in case of a breach or default of observance of any of the conditions of the said lease, whether expressed or implied by the provisions of this Act, the Minister or any officer authorised by him may on behalf of his Majesty re-enter on the land comprised in such lease, or on any portion thereof in the name of the whole, and thereupon the same shall be forfeited to and vest in his Majesty:

Provided that no re-entry shall be made on the ground of any such breach or default as aforesaid that may be capable of being repaired or made good, until after notice shall have been given to repair and make good such breach or default within such reasonable time as may be limited in the notice and the lessee shall nevertheless have persisted in his neglect or refusal to repair and make good the same:

And provided further that forfeiture may be enforced notwithstanding the fact that rent may have been received under such lease after the accrual of the liability to forfeiture, but so that if the forfeiture be enforced any rent received after the accrual of such liability shall be repaid.

18. (Premium) It shall be lawful for His Majesty in Council to fix a premium to be charged on lands alienated under mining leases:

Provided that no premium shall be charged unless the payment of such premium shall have been made a special condition of the prospecting licence.

19. (Rents and royalties) (1) The rents reserved on and the royalties to be paid in respect of minerals won and removed from the lands covered by a mining lease shall be such as His Majesty in Council may direct and shall be specified in the lease.

(2) The said rents and royalties shall be payable at the times and in the manner prescribed in such leases, without demand, and in the event of default being made in respect of such payments (of which default a notice in writing signed by the Minister and served on the lessee shall be sufficient proof), the rents or royalties due shall be deemed to be an arrear and shall be recoverable in the manner prescribed by any law for the time being in force for the recovery of arrears of land rent.

20. (Form of coal leases) Mining leases for coal shall be substantially in the form set out in the First Schedule to this Act and may contain special conditions. where such seem desirable, in addition to any prescribed by the general provisions of this Act.

21. (Restriction on transfer of coal leases) No mining lease for coal or other minerals shall be transferable without the consent in writing, under the hand of the Minister first had and obtained.

22. (Form of leases of other minerals) Mining leases for minerals other than coal shall be in such form as the Minister may from time to time direct subject to the restrictions imposed by this Act.

RULES

23. (Power to make rules) (1) His Majesty in Council may, from time to time make and, when made, vary, alter, amend, revoke or cancel rules not inconsistent with the general purposes or this Act issue licences to prospect for minerals.

(2) Such rules may, among other things, provide for-

- i. the appointment, Duties, privileges and powers of officers to enforce the provisions of this Act;**
- ii. the prescribing of fees to be paid in respect of anything done in accordance with the provisions of this Act;**
- iii. the manner in which applications for prospecting licences or mining leases shall be made and dealt with;**
- iv. the form of licence or lease to be issued in respect of any mineral for which a form is not provided by this Act;**
- v. the due control of watercourses and the prevention of damage or pollution thereto;**
- vi. the precautions to be observed for the health, safety or convenience of the public and for the protection of workmen employed in prospecting or mining operations;**
- vii. the demarcation or survey of lands occupied under the provisions of this Act, and the recovery of the costs of the same;**
- viii. the manner in which licences or leases under this Act shall be registered and the procedure in respect of transfers or assignments of the same;**
- ix. the manner in which the amount of minerals won or royalty payable thereon shall be ascertainable;**
- x. the alienation by auction or otherwise of blocks of land to be held under mining leases;**
- xi. the preservation of timber or tracts of forest where necessary in the general interests of Brunei;**
- xii. the furnishing of returns by owners or managers of mines and the keeping and production by them of books and plans;**
- xiii. fixing-**
 - a. the maximum period for leases to mine any mineral;**
 - b. the maximum area for mining leases;**
 - c. the maximum quit-rent payable in respect of a mining lease;**

- xiv. **the issue and control of individual mining rights;**
 - i. **prescribing the fine with which the contravention of any rule made under this Act shall be punishable, but so that such fine shall not exceed \$2,000;**
 - ii. **any other matters whether similar or not to the above as to which rules may be necessary or desirable for enforcing the provisions or purposes of this Act.**
- 3. **Any such rules, when published, shall have the same force and effects as if they were a part of this Act.**

24. (Trial of offences) All offences against the provisions of this Act or any rules made thereunder shall be tried summarily before a magistrate.

SCHEDULE

(Section 8)

FORM I Prospecting Licence for Minerals other than Oil

An Indenture made the day of, 19, between His Majesty the Sultan and Yang Di-Pertuan in Council (hereinafter called "the licensor") of the one part and (hereinafter called "'the licensee") of the part-

Whereas the licence has applied for a licence to prospect for in the lands specified in Schedule A hereto and has deposited as security in respect of such licence the sum of \$, being the sum determined by the Minister for that purpose:

Now this Indenture witnesseth as follows:

In consideration of the rent and royalties, covenants and agreements hereinafter reserved and contained on the part of the licensee to be paid and observed the licensor doth hereby grant and demise unto the licensee the sole right and licence (subject to the conditions hereinafter contained)-

- i. **to enter upon the lands described in the said Schedule A and to mine, quarry, bore, dig, search for, win and work all or any lying or being within, under or throughout the said lands without any interruption, claim or disturbance from or by the licensor or any other person or persons whomsoever;**
- ii. **to, carry away and dispose of the produce thereof to and for the use and benefit of the licensee;**
- iii. **for the purposes aforesaid to clear undergrowth and brushwood and (with the sanction of the Minister previously obtained in writing) to make and use any drains or watercourses on the said land for clearing the workings licensed hereby from any water which may flow or accumulate therein:**
- iv. **and to erect and bring upon the said lands all such temporary huts, sheds and structures, steam and other engines, machinery and conveniences, chattels and effects as shall be proper and necessary for effectually carrying on the prospecting operations hereby licensed or for the workmen employed therein.**

***Reserving Nevertheless* to the licensor full power and liberty at all times to enter into and upon and to grant or demise to any person or persons whomsoever liberty to enter into and upon the said lands for all or any purposes other than those hereby expressly conferred upon the licensee and particularly (and without hereby in any way qualifying such general power and liberty) to make on, over or through the said lands such roads, tramways, railways, telegraph or telephone lines as may be considered necessary or expedient for any purposes and to obtain from and out of the said lands such stone, earth or other materials as may be necessary or requisite for such purposes and to pass and repass at all times over and in such lands for all purposes and as occasion shall require:**

***To have and to hold* the said right and licence and other the promises hereby granted and demised with their appurtenances unto the licensee from the date of this licence for the term of**

***Rendering and paying* therefor the rents and royalties specified in Schedule B hereto, subject to the right of the licensee to win, use and take free of royalty for the purposes of experiment or as specimens the quantities mentioned in Schedule C hereto.**

COVENANTS BY LICENSEE

***The Licensee doth hereby covenant* with the Licensor as follows:**

- i. That he will faithfully observe and fulfill the conditions and covenants set out in section 9 of the Mining Act (Chapter 42), as well as the special conditions set out in Schedule D hereto.**
- ii. That in the event of the refusal or neglect of the licensee to fulfill all or any of the said conditions and covenants to be observed by him, licensor may be notice in writing signed by him and delivered to the licensee or left at the lands for which this licence is given summarily declare that the licence hereby granted shall thenceforth determine and thereupon the licence and all rights and liberties conferred hereby or enjoyed hereunder shall forthwith determine without prejudice to the rights and remedies of the licensor in respect of any prior breach or non-performance of all or any of the said conditions and covenants on the part of the licensee.**
- iii. That if at any time during the continuance of this licensee or after the determination thereof any question or dispute shall, arise regarding this licence or any matter or thing connected herewith or the powers or duties of the licensee hereunder of the amount of payment of any rent or royalty then and in all such cases the matter in difference shall be decided by the High Commissioner, whose decision shall be final,**

***In witness whereof* the said parties hereto have set their hands and seals hereto the day and year first above written.**

Signed sealed and delivered by the

Clerk to the Council of Ministers for and on behalf of His Majesty the Sultan and Yang Di-Pertuan in Council in the presence of

{Names .and addresses of witnesses}

Signed scaled and delivered by the above-named licensee in the presence of

{Names .and addresses of witnesses}

Schedule A

District

Area

Boundaries.

Schedule B

Rent

Royalty

Schedule C

Quantity

Schedule D

Special conditions

FORM II

Mining Lease for Coal

This Indenture made the day of , 19 , between His Majesty the Sultan and Yang Di-Pertuan in Council (hereinafter called “the see”) which expression shall be taken to mean and include the said , his heirs, executors, administrators, representatives assigns, except when the context requires another or different meaning, of the part:

Witnesseth that in consideration of the rents and lessee’s covenants hereinafter reserved and contained the lessor doth hereby demise unto the lessee the mines, beds. veins and seams of coat mentioned and described in the first part of the schedule hereunder written together with the liberties, powers. and privileges to exercised in connection with the said mines which are mentioned in the second part of the said schedule subject to the restrictions and conditions as to the exercise and enjoyment of the same liberties, powers and privileges which are specified in the third part of the said schedule except and reserved out of this demise unto the lessor the liberties , powers and privileges mentioned and specified in the forth part of the said schedule:

To Hold the hereditaments and premises intended to be hereby demised unto the lessee from the day of for the term of years thence next ensuing *yielding and paying* to the lessor the several rents and sums of money mentioned and specified in the fifth part of the said schedule subject to the provisions relating to the said rents expressed in the sixth part of the said schedule and the lessee doth hereby covenant with the lessor as in the seventh part of the said schedule is expressed and the lessor doth hereby covenant with the lessee as in the eighth part of the said schedule is expressed and it is hereby mutually agreed and declared

by and between the parties hereto as in the ninth part of the said schedule is expressed and it is declared that the schedule hereunder written shall be deemed part of these presents and be read and construed accordingly.

In Witness whereof the said Parties have set their hands and seals hereto the day and year first written.

Signed scaled and delivered by the Clerk to the Council of Ministers for and on behalf of His Majesty the Sultan and Yang Di-Pertuan in Council in the presence of

{Names and addresses of the witnesses}

Signed scaled and delivered by the above named lessee in the presence of

{Names and addresses of witnesses}

The Schedule above referred to

PART I

THE MINES DEMISED BY THIS LEASE

The mines beds veins and seams of coal lying and being within and under the land situate lying and being at in the District of which are delineated in the plan hereunto annexed and therein coloured and contain an area of or thereabouts and are bounded as follows:

N.

S.

E.

W.

PART II

RIGHTS AND PRIVILEGES TO BE EXERCISED OR ENJOYED BY THE LESSEE BUT SUBJECT TO THE RESTRICTIONS AND CONDITIONS IN PART III

1. (Grant of liberty to work the mine) Liberty and power for the lessee at all times during the term hereby granted to work the said mines and to win and get the said mines and premises and the produce thereof.
2. (To sink pits) Liberty and power to dig sink drive make repair and use all such pits shafts drifts water-gates watercourses air gates and other works as may be necessary or proper for searching for mining working and getting the said mines and premises and for ventilating and draining the same.
3. (To appropriate water) Liberty and power to appropriate and use for any purpose connected with the working of the said mines the water upon or within any of the said lands and to collect and impound the same in ponds reservoirs or otherwise for the purpose of working the said mines but so that in the exercise of this privilege for call of a reasonable quantity of water as before accustomed and shall not in any manner foul impregnate or

otherwise deteriorate any springs or streams of water so as to render them useless or unprofitable.

4. (To appropriate land for stacking) Liberty and power to enter upon use and occupy a sufficient part of the said lands adjoining any pits for depositing and heaping the carrying on the works of the said mines.

5. (To convert coal into coke) Liberty and power in and upon the said lands to convert coal into coke whether for purposes of sale or otherwise.

6. (To lead and carry away coal) Liberty and power to take lead and carry away over the said lands the coal to be gotten as aforesaid and the coke to be made and to dispose of the same at his own will and pleasure.

7. (To erect house) Liberty and power to erect set up and make in upon and over the said lands workmen's houses sheds engines machinery furnaces buildings creations railroads train-roads and other roads and works necessary or convenient for the effectual working of the said mines and the exercise of the several liberties and powers herein before granted.

8. Liberty and power to search for get and dig gravel sand stone within the said lands for the purposes mentioned in this second part of this schedule but not for sale and also to dig for and get clay and to make and burn the same into bricks for the purposes aforesaid but not for sale.

9. Liberty and power for the lessee to cut down and fell for mining purposes the limber now standing or growing or which during the term hereby granted may be standing or growing upon the land delineated on the plan hereunto annexed provided always that the lessee shall not clear more than acres in any one year nor the same place oftener than once in years (or provided always that the lessee shall not cut down or fell more than trees in any one year) and provided also that the rights and privileges given to the lessee by this clause shall be exercised subject to the terms and conditions that is to say-

PART III

RESTRICTIONS AND CONDITIONS AS TO THE EXERCISE OF THE ABOVE LIBERTIES POWERS AND PRIVILEGES

1. (No building etc., upon sacred places) No building or thing shall be created or set up and no other surface operations carried on by the lessee by virtue of the liberties and privileges above granted in or upon any place of worship sacred grove burial ground house village-site public road or other place in respect of which on public grounds it appears to the lessor that objections exist to so doing nor in such a way as to injure or affect any buildings or other works property or rights of private individuals no shall by land be taken or occupied for surface operations if the same is already in the occupation of and used by persons other than the lessor for other works or purposes not included in this present demise if any other lands not so occupied and used are suitable and convenient and equally available for such surface operations.

2. Save as provided in Clause 9 of the second part of this schedule the lessee shall not without the express sanction of the Officer in charge of the District put down or injure any tree or timber on the said lands but he may clear away brushwood or undergrowth which interferes with the due exercise of the liberties and privileges above granted.

3. No mining operations on working shall be carried on or allowed by the lessee on or under the land thereby demised at or to any point within 100 yards of any railway reservoir canal or other public works or any building or inhabited site on or near the said lands except with the previous permission in writing of the lessor or of any official authorised by him in that behalf and subject to any instructions restrictions and conditions which may be attached to such permission by the official granting the same.

Explanation. - (1) In the case of a railway reservoir or canal the said distance of 100 yards is to be measured horizontally from the outer toe of the bank or the edge of the cutting as the case may be.

Explanation - (2) In the case of a public building or other building or inhabited site the distance is to be 100 yards measured horizontally from the plinth of the building.

PART IV

RIGHTS RESERVED TO LESSOR

1. (Liberty for lessor to work mineral, etc.) Liberty and power for him the lessor and any lessee or other person authorised by him on that behalf to enter into and upon the said lands and to search for dig work and get any minerals or substances aforesaid to sink make erect and use such pits shafts levels drains watercourses reservoirs tunnels building engines or machinery canals railways wagonways and other ways works and conveniences upon through or under the said land as shall be necessary or expedient: Provided always that the said reserved rights and privileges to work for minerals other than coal shall be exercised and enjoyed in such manner as not to hinder or interfere with the rights and privileges of the lessee under these presents and provided also that fair and proper compensation shall be paid by the lessor for all loss damages or injury which the lessee may sustain or be put to by reason or in consequence of the exercise of the said reserve rights and privileges to be settled in case of difference by reference to His Majesty in Council whose decision thereon shall be final.

2. Liberty and power for him the lessor and any lessee or other person authorized by him in that behalf to enter into and upon the said person authorized by him in that behalf to enter into and upon the said lands and to make upon over or through the said lands such roads tramways and railways as shall be necessary or expedient for any purposes and to obtain from and out of the said lands such stone earth and other materials as may be necessary or requisite for making repairing or all times over and along such roads tramways and railways for all purposes and as occasion shall require.

3. Liberty and power for the lessor if the lessee shall not within months from the commencement of the said term hereby granted have started operations under this lease to some substantial extent of if at any time during the said term such operations shall not in bona fide progress to the satisfaction of the Minister to re-enter upon the said premises and to hold the same and to lease the same to third parties or otherwise deal with the same as if this lease had not been made.

PART V

RENTS RESERVED BY THIS LEASE

1. (Certain half yearly rent) The certain half-yearly rent of \$ shall be paid by the lessee to the lessor at for and in respect of the said mines and premises from the day of by equal

payments on the day of and the day of in each year for the half-year immediately proceeding the first of half-yearly payments to be made on the day of

2. (Royalty) The lessee shall pay to the lessor on the last day of every month royalty at the rate of \$ a ton on all coal which shall be sold at the said mines or exported therefrom for sale or otherwise or which shall be manufactured into coke.

3. (Surface rent) The lessee shall pay a further yearly rent of \$ an acre of land the surface whereof shall be occupied or used by the lessee for any of the purposes of this demise and so in proportion for nay less quantity than an acre the said surface rent to be paid by equal half-yearly payments on the same days as the said certain rent of \$ is hereinbefore made payable the first of such payments to be made on such of the said days as shall happen next after such occupation or use shall commence and the last half-yearly payment thereof to be made on such of the said days as shall happen next after such occupation of use shall have ceased and the land have been restored and rendered fit for cultivation again provided always that no such rent shall be paid or demanded in respect of any roads or ways now in existence.

PART VI

PROVISION RELATING TO THE RENTS

1. All the aforesaid rents shall be paid free from any deductions.

2. (Coal used in the mines to be free from rent and royalty) All coat used by the lessee for the usual and customary purposes of the mines and for domestic consumption in the houses and offices of agents and workmen for the time being employed in and about the said mines and premised shall be free from rent and royalty.

PART VII

THE LESSEES COVENANTS

1. (To pay rent, rates and taxes) The lessee shall pay the rent and royalty reserved by this lease at the times and in the manner above appointed in that behalf and shall also pay and discharge all taxes rates of public demands which shall from time to time be charged assessed or imposed upon the said mines or any part thereof by authority of the Government of Brunei.

2. (To erect boundary marks) The lessee shall at his own expense forthwith erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation shown in the plan hereto annexed so that the boundaries of the said lands may at all times be maintained.

3. (To work continuously) The lessee shall within from the commencement of the term hereby granted start and work the said mines to the satisfaction of the Minister and shall thereafter at all times during the continuance of this lease continuously work for and as far as possible obtain coat from the said lands and maintain in good repair working order and condition and work all mines when opened without voluntary intermission in a skillful and workmanlike manner and upon the most approved principle without doing or permitting to be done any unnecessary or avoidable damage to the surface of the said lands within or under which the said mines he and shall not cultivate or use the said lands in any manner save for the purposes of this demise and the rights hereby granted.

4. (To secure pits and shafts) The lessee shall well and properly secure and keep open with timber or other durable means all pits and shafts to be sunk or made in the said lands and make and maintain sufficient fences round every such pit or shaft and also shall at all times during the said term deep the said mine except abandoned mines free from water and from foul air as far as possible.

5. The lessee shall on notice from the lessor strengthen and support to the satisfaction of the lessor any part or parts of the mine when in the opinion of the lessor such strengthening and support is needed for the safety of any road railway reservoir canal or other public work or other building shall be existing during the working of such part or parts of the mine already existing or shall be constructed after the said part or parts of the mine have been worked out. Such strengthening and support shall be made and done at the expense of the lessee if they are needed for the safety of any road railway reservoir canal or other public work or other buildings as aforesaid already existing at the time of the said part or parts of the mine by reason of the lessee having conducted mining operations within the limits prohibited by Clause 3 of Part III of this Schedule and in other cases at the expense of the lessor.

6. (Lessor to inspect) The lessor's agents servants and workman shall be at liberty at all reasonable times during the said term to inspect and examine all works carried on by the lessee under the liberties hereinbefore granted and the lessee with proper persons employed by him and acquainted with the workings of mines and works shall effectually assist the lessor's agents servants and workmen in conducting such inspection and shall afford them all information connected with the working of the mines which they may reasonably require and also shall and will from time to time and at all times during the said term hereby granted conform to and observe all orders and regulations which the lessor as the result of such inspection may from time to time see fit to impose in the interests of public health and safety.

7. The lessee shall without delay send to the Officer in charge of the District a report of any accident which may at any time occur at or in the said lands or any pit or shaft or mine.

8. The lessee shall at all times upon finding any mineral or product other than that or those for which this lease is granted immediately report such finding in writing to the Officer in charge of the District with full particulars of the nature and position of each find and if the lessee is desirous of working or winning such new material or product he shall unless the product be oil be entitled to do so on payment of a royalty on all that he may work or win at such rate not being less than 20 per cent of the value thereof as the Minister may determine until a fresh mining lease may have been given in respect of such new mineral or product and the lessee shall at any time after discovery of such new mineral or product be entitled to obtain the first offer of a mining lease therefor (unless the product be oil or if precious stones be concerned) upon the terms and conditions prescribed by the Mining Act (Chapter 42), or any rules made thereunder.

9. (To keep books of accounts) The lessee shall at all times during the said term keep or cause to be kept at the office or counting-house of the works to be situate in or contiguous to some part of the said lands correct and intelligible books of accounts upon such plan or principle and in such form as may be approved of by the Minister which books shall contain accurate entries of (1) the quantity of coal raised and brought to bank from the mines which have been or may be made on sunk by the lessee under the licence and liberty on that behalf hereinbefore contained (2) the quantity of coal manufactured into coke (3) the quantity of coal or coke sold and exported from the said mines and (4) the quantity of coal otherwise disposed of and the manner and purpose in and for which the same have been or are

intended to be applied (5) the number of persons employed in the said mines together with all other facts necessary or proper for conveniently ascertaining the amount of the royalty from time to time payable under these presents and the manner in which such coal or coke has been disposed of and shall also at his own expense furnish to such officer as the Minister may from time to time direct and as such times as the Minister may appoint true and correct abstracts of all or any of such accounts and returns and shall at all reasonable times allow such officer or persons as the Minister shall in that behalf appoint to enter into and have free access to the said office or counting-house for the purpose of examining and inspecting the said several books of account and to take copies thereof and make extracts therefrom.

10. (To keep plans of working) The lessee shall at all times during the said term cause to be made and kept at the said office or counting-house true and correct and intelligible plans and sections of the said mines which plans and sections shall show as well the operations and workings which have been observed and encountered in such workings and operations and all such plans and sections shall be made amended and filled up by and from actual surveys to be made for that purpose at the end of every period of twelve months and the lessee shall at his own cost furnish to the lessor true and correct copies of such plans and sections when thereunto required.

11. (To provide weighing machine) The lessee shall provide and maintain at all times at or near the pit head or each of the pit heads at which the produce of the said mines shall be brought to bank a good and properly constructed weighing machine and shall weigh or cause to be weighted therein all coal brought to bank from or out of the mines hereby demised or which may be sunk or made by the lessee under the licence and liberty in that behalf hereinbefore contained and shall at the end of each day cause the total weights of the coal gotten during the previous 24 hours and weighted as aforesaid to be entered in the aforesaid book or books of account. The lessee shall also weigh or cause to be weighed in the said machine or machines all coal sold at or exported from the said mines and shall cause true and correct entries to be made daily in the aforesaid books of account of all coal so sold or exported and of all coal manufactured into coke and it shall be lawful for the lessor at all times during the said term to employ any person or persons to be present at the raising and weighting of the said coal and the removal thereof from the mines from sale or for export and to keep accounts thereof and in other cases at the expense of the lessor.

12. (The lessor may test weighing machine) The lessor may through his agents or servants at any time or times during the said term examine and test each and every weighing machine or machines to be provided and kept by the lessee as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order and if upon any such examination or testing any such weighing machine or weights shall be found incorrect or out of repair or order it shall be lawful for the lessor or his agent to require that the same be adjusted repaired and put in order by and at the expense of the lessee and to hinder the use thereof in the meantime and if such requisition be not complied with within 14 days after the same shall have been made the lessor or his agent may cause the said weighing machine and weights respectively to be adjusted repaired and put in order and may recover the expense of so doing from the lessee and if upon any such examination or testing as aforesaid any error shall be discovered on any weighing machine or weights to the prejudice of the lessor such error shall be considered to have existed for 3 calendar months previous to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights in case such

occasion shall be within such period of 3 months and the said rent and royalty shall be paid and accounted for accordingly.

13. (Not to assign or under-let without licence) The lessee shall not assign or under-let the premises hereby demised or any part thereof or the rights and privileges hereby granted or any of them without the consent in writing of the lessor first had and obtained nor shall the lessee without such consent so indicated as aforesaid come to any arrangement compact on understanding with any Trust Syndicated Corporation or person whereby the lessee is or may be directly or indirectly financed by or under which the lessee's operations or undertakings are or may be carried on directly or indirectly by or for the benefit of or subject to the control of any such Trust Syndicated Corporation or person.

14. The lessee shall at all times have at the said premises a duly accredited manager or agent to whom all notices may be given and all communications from the lessor may be made. If there shall not at any time be such an agent on the premises the lessor shall be at liberty to treat any other person there as such agent and to serve all documents upon the said agent or in his absence upon any such other person as aforesaid or in the case of their being no such other person as aforesaid then by affixing the notices upon some conspicuous portion of the said premises in the occupation of the lessee.

15. (To pay compensation for injury to third parties) The lessee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him his agents and servants in exercise of the liberties and powers hereby granted to the property and rights of third parties and shall at all times save harmless and keep indemnified the lessor from and against all actions suits claims and demands by such third parties and shall at all times save harmless and keep indemnified the lessor from and against all actions suits claims and demands by such third parties in respect of any such injury.

16. (To deliver up mines, etc., in good order) The lessee shall (save in respect of any working as to which the Minister shall have sanctioned abandonment) at the end or sooner determination of the said term deliver up to the lessor in good order repair and condition fit for future working all mines which have been or may be made or sunk by the lessee under the licence and liberty in that behalf hereinbefore contained together with all engines pits shafts watercourses air-gates levels and fixtures below ground level and which cannot be moved without causing injury to the air mines except any pits shafts or other works which shall have been abandoned or disused in the ordinary and fair course of working of the said mines and premises.

PART VIII

THE LESSOR'S COVENANTS

1. (For quiet enjoyment) The lessee paying the rents hereby reserved and observing and performing the covenants and provisions herein contained and on his part to be observed and performed shall and may peaceably and quietly hold and enjoy the rights and premises hereby demised for and during the term hereby granted without any lawful interruption from or by the lessor or any person rightfully claiming from or under him.

2. The lessee may at any time or times within 6 calendar months after the determination of this demise whether by effluxion of time or otherwise enter into and upon the said lands or any part thereof for the purpose of taking down removing and disposing of for his own use and benefit all the machinery utensils implements articles and things set up and used in and

about the working of the said mines and all ovens kilns sheds huts railways tramways and other works (except buildings and erections of brick or stone) erected and then standing upon any of the said lands for the purpose of working the said mines unless the lessor shall be desirous of purchasing the same on any of them in pursuance of the provisions in that behalf hereinafter contained.

PART IX

GENERAL PROVISIONS

- 1. (Power of district) If the rent or royalty hereby reserved or either of them or any part thereof respectively shall be behind or unpaid for the space of 2 calendar months next after any of the days whereon the same ought to be paid then and so often as the case shall happen the lessor may enter into and upon the said lands which shall for the time being be possessed or occupied by the lessee for the purposes of this demise and may distrain all or any of the stock of coal coke engines plant live and dead stock and things which shall be found in or upon the same premises and the same may take lead drive carry away impound detain and keep until the rent or royalty which shall then be due and all costs and expenses occasioned by the non-payment thereof shall be fully paid and satisfied.**
- 2. (Power of re-entry) If the rent or royalty hereby reserved or either of them or any part thereof respectively shall be behind or unpaid for the space of 6 calendar months next after any of the days whereon the same ought to be paid as aforesaid and whether the same shall have been legally demanded or not or if the lessee shall commit any breach of the covenants and conditions contained in the lease and on his part to be observed and performed or any of them in such case it shall be lawful for the lessor at any time thereafter and although he may not have taken advantage of some previous default of a like nature into and upon the said mines or any part thereof in the name of the whole to re-enter and the same to have again repossess and enjoy as of his former estate.**
- 3. It shall be lawful for the lessor at any time by notice in writing to revoke his consent to any such assignment sublease transfer arrangement compact or understanding as is referred to in Clause 13 of Part VII of this Schedule and upon such revocation such assignment sublease transfer arrangement compact or understanding shall forthwith cease to be of any effect and if such consent as is referred to in the said clause was improperly obtained or that the lessee or his assignee sublease or transferee or the Frost Syndicate Corporation or person with whom such arrangement compact or understanding as is referred to in the said clause has been made has made any improper use of his or its powers under such assignment sublease transfer arrangement compact or understanding then it shall be lawful for the lessor to determine this lease by a notice in writing delivered to the lessee or any of his managers or agents or left upon the premises hereby demised.**
- 4. Notwithstanding anything therein contained it shall be lawful for the lessor by notice in writing from time to time to impose upon the lessee vary and rescind such restrictions and conditions as to the lessor shall appear necessary or desirable for the purpose of securing an adequate supply of fuel for the ships of the armed forces of Brunei or for other purposes of the armed forces of Brunei.**
- 5. (Provision for lessor to purchase) If at the end or sooner determination of the said term the lessor shall be desirous of purchasing all or any at the buildings on works above ground-level set up or constructed by the lessee and shall signify such his desire by notice in writing to the lessee 6 calendar months at least before the expiration of the said term (or if the said**

term shall be determined under the power of re-entry herein before contained at any time within 3 calendar months after the determination of the said term) the lessee shall sell to the lessor all or any of the said buildings and works at a price which shall be fixed or ascertained by taking the net cost of such buildings or works as at date of construction and deducting therefrom for depreciation a sum equivalent to per cent per annum on the net original cost.

6. (Right of lessee to determine lease of mines destroyed by act of God) If at any time during the continuance of this demise the said mine shall become destroyed or rendered substantially and permanently unfit for the purposes of this demise by fire tempest or flood or violence of any army or mob or other irresistible force these or his servants he shall not be entitled to avail himself of the benefit of this provision and provided also that if this lease shall become void for or by reason of any of the causes aforesaid it should be without prejudice to the rights and remedies of royalty which may then remain unpaid or in respect of any breach which may the lessor under or by virtue of these presents for the recovery of any rent or have been committed of any of the covenants herein contained on the part of the lessee.

7. (Power to surrender) The lessee may determine this demise at any time during the said term by giving not less than 12 calendar months notice in writing to the lessor and upon the expiration of such notice and provided the lessee shall upon such expiration render any pay all rents dues and royalties compensation for damage and other moneys which may then be due and payable under these presents to the lessor or any other person or persons and shall deliver up these presents to the lessor or his agents then this present lease and the liberties licences and powers herein before granted and every clause and thing herein contained shall absolutely cease and determine and become void but without prejudice to any right of action or remedy which shall have accrued to the lessor in respect of any breach of any of the covenants or provisions herein contained.

8. Whenever any doubt difference or dispute shall hereafter arise touching the construction of these presents or anything herein contained or any matter or thing connected with the said mines and minerals hereby dealth with or the working or non-working thereof or the amount or payment of any royalty or rent reserved or made payable hereunder the matter in difference shall be decided by His Majesty in Council whose decision shall be final.

NOTE. There is no Subsidiary Legislation.