OUR PRODUCTS AND OPERATIONS
COAL

OUTCOMES
- Operating profit (EBIT):
  - Oaky Creek $220.3 M, up $79.9 M
  - NCA $200.8 M, up $91.6 M
- Production up by 19% overall to 22.3 Mt (100% basis)
- A strategy of maximising return on capital by focussing on generating profit margins on the increasing production was pursued. As a result, overall unit costs rose by 5% in the year when prices received rose by about 20%
- Proposed new Rolleston mine advanced to stage two of feasibility study in July 2002
- Reserves increased by 23% at Oaky Creek and by 29% at NCA; total resources (including reserves) now 3 700 Mt

MIM's coal business increased earnings significantly by following a strategy of capturing good margins from increasing production and selling to a diverse customer base. In both thermal and coking coal, the company maintains the flexibility to respond to changing market demand.

Increased production led to higher sales at both Oaky Creek (up 12%) and NCA (up 13%).

Oaky Creek (MIM group 75%)
Production increased by 12% on the previous year to 9 Mt (100% basis). The largest source was Oaky North which set new benchmarks for Australian longwall production. The proportion of higher cost open cut coal was increased to take advantage of the high margins being achieved for coking coal at a time when production from the underground Oaky No 1 mine was restricted by mining and geological conditions. During the year a new longwall was installed and commissioned at Oaky No 1 mine after initial delays caused by severe geological conditions were overcome.

Oaky No 1 mine production may be constrained in 2003 as frictional ignition controls are bedded down; open cut production flexibility will enable output to be maintained.

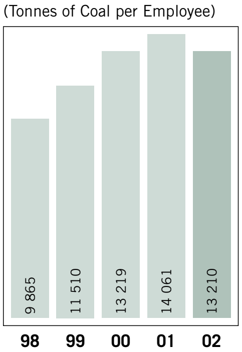
NCA (Newlands-Collinsville-Abbot Point) (MIM group 75%)
Production increased by 23% on the

PRODUCTION

Year ended 30 June		**2002**	2001
Oaky Creek (75% share)			
Coking coal	t	**6 780 391**	6 032 101
NCA (75% share) (Newlands-Collinsville-Abbot Point Project)			
Thermal coal	t	**8 767 487**	7 555 675
Coking coal	t	**1 265 173**	496 912

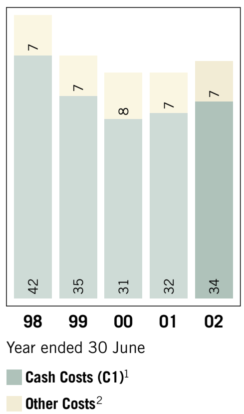
PRODUCTIVITY

(Tonnes of Coal per Employee)



COSTS

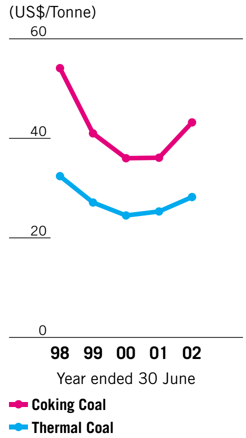
MIM's Share (Oaky Creek, Newlands, Collinsville)
($/Tonne)



1 C1 – Direct costs comprising mining, processing, freight, marketing, on-site administration and off-site services essential to operation.
2 Other – Royalty, plus depreciation and amortisation, plus provisions. Excludes movement in product.

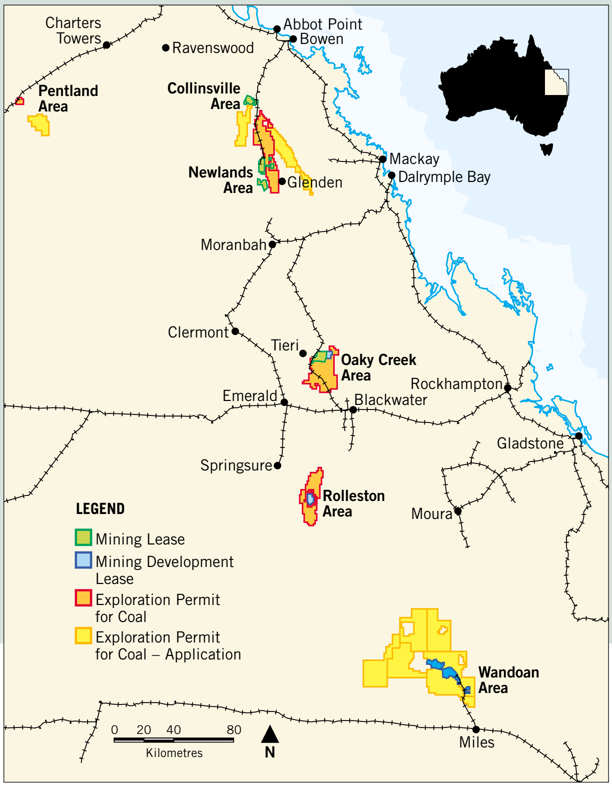
PRICES

Average Coal Price Received by MIM
(US$/Tonne)



◀ Nigel Wilson, Longwall Maintenance Crew Miner, and Steve Clarkson (PC), Longwall Maintenance Crew Fitter, change picks on the shearer drums at the Newlands longwall.

◀ (far left) Len Poulter, Development Crew Miner, installs roof bolts at the Oaky No 1 mine.



previous year to 13.2 Mt (100% basis), thermal coal rising by 15% and coking coal by 23% as NCA sought to maximise margins and challenge the capacity of existing mining, processing, rail and port infrastructure.

At Newlands, underground mine operating time increased as conditions were better understood and managed. This included using seismic data to assist in mining through poor ground and using historical data to optimise shearer operation. High open cut production levels also continued at the operation. At Collinsville the recommissioned dragline and increased capacity washplant contributed to the rise in production.

For the first time, the Abbot Point port shipped its nominal annual capacity of 12 Mt.

Towards growth targets

To build further shareholder value in the coal business, practical steps were

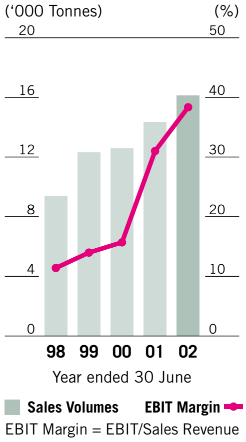
MIM'S GROWING COAL TENEMENTS

	July 2000	July 2001	July 2002
Total tenement* area (sq km)	1 010.5	3 707.3	10 673.5

* Includes mining leases, mining development leases, exploration permits for coal and exploration permits for coal applications

MARGINS

MIM's Share (Oaky Creek, Newlands, Collinsville)



FINANCIAL PERFORMANCE

	Sales[1]		Operating[2] Profit		Depreciation/ Amortisation		Net Property, Plant and Equipment		Capital Expenditure	
Year ended 30 June	**2002 ($M)**	2001 ($M)	**2002 ($M)**	2001 ($M)	**2002 ($M)**	2001 ($M)	**2002 ($M)**	2001 ($M)	**2002 ($M)**	2001 ($M)
Oaky Creek (75%)	**564.1**	413.6	**220.3**	140.4	**28.9**	35.2	**351.6**	351.6	**28.9**	43.7
NCA Project (75%)	**535.9**	400.6	**200.8**	109.2	**19.8**	18.6	**145.7**	142.0	**24.4**	3.0
Total	**1 100.0**	814.2	**421.1**	249.6	**48.7**	53.8	**497.3**	493.6	**53.3**	46.7

1 Including Group Sales 2 Before Interest, Tax and Foreign Exchange

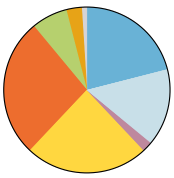
Garry Kathage, Oaky Creek Development Crew Supervisor, inspects the auxiliary fan at the Oaky No 1 mine.

taken towards the target of increasing production to 38 Mt (100% basis) by 2006.

Coal reserves and resources were increased through intensive exploration around the NCA and Oaky Creek mines and at the Rolleston project, to support the planned high levels of long life production (see page 25 for the revised reserve and resource figures). Total coal exploration expenditure, including Rolleston feasibility study work, was $25 M for the year. There was close to a threefold expansion of coal tenements areas held. Total reported coal resources (including reserves) for MIM at year end were a healthy 3 700 Mt.

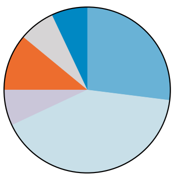
SALES BY DESTINATION

Coking Coal 2002 (2001)



- Japan 21% (24%)
- Korea 15% (14%)
- Taiwan 2% (1%)
- India 24% (30%)
- Europe 27% (27%)
- Latin America 7% (7%)
- Africa/Mid East 3% (2%)
- Others 1% (0%)

Thermal Coal 2002 (2001)



- Japan 27% (28%)
- Korea 41% (24%)
- Other Asia 7% (7%)
- Europe 11% (16%)
- Others 7% (18%)
- Australia 7% (7%)

Production at Newlands will be increased by several highly capital efficient, low-cost initiatives. Development of a new mine at Newlands – the Northern Underground – will begin in the 2003 financial year. To reduce open cut costs considerably, a larger dragline will be acquired for the Newlands open cut, and one of the Newlands draglines will be relocated to Collinsville.

The development of new coal mines in central Queensland based on MIM's large coal resources is being considered in stages.

The proposed Rolleston thermal coal mine is in the final stage of a feasibility study, and a decision on its commercial development will be taken in the June half of 2003. The Rolleston tenements have an estimated 580 Mt of coal resources.

Wandoan, at almost 2 000 Mt of resources, is the largest known deposit in the northern part of the Surat Basin, and is currently at the pre-feasibility stage.

The company is targeting a 20 Mt per year Gladstone Thermal Coal Project comprising Rolleston and Wandoan coals to be blended at and exported from the port of Gladstone. Subject to stage by stage approvals, Rolleston is proposed to enter commercial production in 2004 and Wandoan in 2006.

Coal markets

Average coal prices in Australian dollar terms were up 19% for coking coal and 12% for thermal coal on the previous year. While some strong gains were recorded in thermal coal prices in the first half of the year, this was eroded in the second half by weaker than expected demand due to a warm northern hemisphere winter. At the start of the 2003 financial year the thermal coal market remained in oversupply following the lag effect of the prior weakening in demand with spot and contract prices reducing considerably. For coking coal, however, settlements were higher than the previous year reflecting limited global supply.

For more information visit: www.mim.com.au/coal.html

2003 TARGETS

- Increase coal production to 13.6 Mt at NCA and 10 Mt at Oaky Creek, subject to market demand
- Progress the development of the Northern Underground and acquisition of larger dragline at Newlands
- Progress stage two of the Rolleston feasibility study to a commitment decision in the June half 2003
- Continue to increase coal reserves at existing operations to support long life, high volume production