



Reference: T12-1267

China Australia Mining Pty Ltd
[REDACTED]

Dear Sir

**EXPLORATION LICENCE APPLICATION NO 4711
NOW EXPLORATION LICENCE NO 8085 (ACT 1992)**

A low-impact licence has been granted and has effect from 16 May 2013. The licence expires on 16 May 2015. The document is enclosed.

Please be aware of the following matters:

- Definition of 'land' and 'landholder' as described in the dictionary of the *Mining Act 1992*. (Revised as of 1 August 2008).
- You cannot carry out prospecting operations on any land unless you have entered into an access arrangement with landholder/s (including land where Native Title exists). Sections 32F and 138-158 of the *Mining Act 1992* (the Act) relate to this matter.
- Condition No. 3 requires that an access arrangement is obtained with any affected registered Native Title body corporate or registered Native Title claimant.
- Consent of the Minister must be obtained before operations may be conducted in "exempted areas". These include State forests, State conservation areas, travelling stock reserves, reserves for any public purpose, permanent commons and Crown roads. The definition of "exempted area" is set out in the Dictionary within the Act. Section 30 of the Act relates to this matter.
- Compensation is payable to landholder/s for any loss suffered, or likely to be suffered, as a result of the exercise of the rights conferred by the licence or by an access arrangement in respect of the licence. Section 263 of the Act relates to this matter.
- The reporting condition of the licence.

Although the licence is a low-impact licence, Condition No. 2 still applies. It is possible that in areas of environmental sensitivity further approvals may be required before prospecting occurs.

For further information, please contact the undersigned on [REDACTED].

Yours faithfully
[REDACTED]

Jacqueline Lucas
for Director General
16 May 2013

Minerals - Titles [REDACTED]

Email: [REDACTED]

MINING ACT 1992

EXPLORATION LICENCE

THIS DEED made the sixteenth day of May
Two thousand and ~~thirteen~~ in pursuance of the provisions of the *Mining Act 1992* (hereinafter called "the Act") BETWEEN **CHRIS HARTCHER MP, MINISTER FOR RESOURCES AND ENERGY** of the State of New South Wales (hereinafter called "the Minister" which expression shall where the context admits or requires include the successors in office of the Minister and the person acting as such Minister for the time being) AND **CHINA AUSTRALIA MINING PTY LTD (ACN 125 784 189)** (which with its successors and transferees is hereinafter called "the licence holder") of 100 William Street, Norwood SA 5067

WHEREAS

- (a) in conformity with the Act application was made for an exploration licence over the lands hereinafter described; and
- (b) all conditions and things required to be done and performed before granting an exploration licence under the Act have been done and performed NOW THIS DEED WITNESSETH that in consideration of the observance and performance of the covenants contained in this Deed, the Minister in pursuance of the provisions of the Act DOES HEREBY demise and licence to the licence holder ALL THAT piece or parcel of land described in the Exploration Area annexed hereto for the purpose of prospecting for the minerals prescribed as Group Ten.

TO HOLD the said land together with any appurtenances thereon subject to:

- (a) such rights and interests as may be lawfully subsisting therein or which may be reserved by the Act at the date of this Deed; and
- (b) such conditions, provisos and stipulations as are contained in this Deed UNTO the licence holder from and including the date of this Deed for the term of **twenty four (24) months**, for the purpose as stated and for no other purpose.

1. THAT in this licence except insofar as the context otherwise indicates or requires:

- (a) any reference to an Act includes that Act and any Act amending or in substitution for the same; "Director General" means the person for the time being holding office or acting as Director General, Department of Trade and Investment; Regional Infrastructure and Services; words importing the singular number shall include the plural, the masculine gender the feminine or neuter gender and vice versa; and

- (b) any covenant on the part of two or more persons shall be deemed to bind them jointly and severally.
2. THAT the licence holder shall during the said term pay to the Minister in Sydney in respect of all such minerals as stated, recovered from the land hereby demised, royalty at the rate or rates prescribed by the Act and the Regulations thereunder at the time the minerals are recovered, or at the rate or rates fixed by the Minister from time to time during the term of this demise in exercise of the power in that behalf conferred upon him by the Act.
3. THAT the conditions and provisions set forth in the Schedule of Exploration Licence Conditions 2010 herein and numbered: **1 to 11 (inclusive), 13, 14, 15, 16 to 24 (inclusive) 27 and 31** are embodied and incorporated within this Deed as conditions and provisions of the licence hereby granted AND that the licence holder shall observe fulfil and perform the same.

PROVIDED always and it is hereby declared as follows:

- (a) THAT if the licence holder at any time during the term of this demise -
- (i) fails to fulfil or contravenes the covenants and conditions herein contained; or
 - (ii) fails to comply with any provision of the Act or the Regulations with which the licence holder is required to comply; or
 - (iii) fails to comply with the requirements of any agreement or assessment in relation to the payment of compensation,

this licence may be cancelled by the Minister by instrument in writing and the cancellation shall have effect from and including the date on which notice of the cancellation is served on the licence holder or on such later date as is specified in the notice; and any liability incurred by the licence holder before the cancellation took effect shall not be affected.

- (b) THAT no implied covenant for title or for quiet enjoyment shall be contained herein.
- (c) THAT all the conditions and provisions contained in the *Mining Act 1992* and the Regulations thereunder, *Mine Health and Safety Act 2004* and the *Coal Mine Health and Safety Act 2002* or any other law hereafter to be passed or prescribed shall be incorporated within this Deed as conditions and provisions of the licence granted. The licence holder hereby covenants to observe, fulfil and perform the same.
- (d) THAT such of the provisions and conditions declared and contained in this Deed as requiring anything to be done or not to be done by the licence holder, shall be read and construed as covenants by the licence holder with the Minister which are to be observed and performed.

EXPLORATION AREA

1:1,000,000	BLOCK NO	UNITS
Armidale	2772	j o

1. The exploration area embraces 2 units as specified above, exclusive of:-
 - (a) land subject to any assessment lease, mining lease or mineral claim under the *Mining Act 1992*, at the date of grant of this licence.
 - (b) land subject to any residence area or business area, granted under the *Mining Act 1906*, at the date of grant of this licence.
 - (c) land subject to any pending application for a mining lease, mining purposes lease or claim under the *Mining Act 1973* or any application for a coal lease under the *Coal Mining Act 1973*, made prior to **12:45pm** on the **fourteenth** day of **November, 2012**.
 - (d) land subject to any pending application for an assessment lease, mining lease or mineral claim under the *Mining Act 1992*, made prior to **12:45pm** on the **fourteenth** day of **November, 2012**.
 - (e) land subject to any prospecting licence taken to be an exploration licence pursuant to Clause 31 of the *Transitional Provisions and Savings to the Mining Act 1973*.
 - (f) land subject to any exploration licence continuing to have effect, pursuant to the provisions of Section 29(2) of the *Mining Act 1992*, by virtue of an application for an assessment lease, mining lease or mineral claim.
 - (g) land vested in the Commonwealth of Australia.
 - (h) land subject to any national park, regional park, historic site, nature reserve, karst conservation reserve or Aboriginal area at the date of grant of this licence.

Note: This exclusion includes national parks and Aboriginal areas contained within Community Conservation Area Zones 1 and 2 established under the *Brigalow and Nandewar Community Conservation Area Act 2005*.
 - (i) land subject to any mining reserve constituted under section 367 of the *Mining Act 1992* that prohibits exploration, that was notified prior to the date of grant.
2. In respect of land vested in or owned by an Aboriginal Land Council under the provisions of the *Aboriginal Land Rights Act 1983*, this licence does not apply to any mineral vested in any such Council.

IN WITNESS WHEREOF the parties hereto have executed this Deed the day and year first abovewritten.

SIGNED AND DELIVERED
BY

CHINA AUSTRALIA MINING PTY LTD
(ACN 125 784 189)



J. K. WILLIAMS 9/5/13

in the presence of



Witness

A. M. WILLIAMS 9/5/13

SIGNED AND DELIVERED
BY

AKS TEAM LEADER
EASTERN REGION TITLES
UNDER DELEGATION FROM THE MINISTER



in the presence of



Witness

EXPLORATION LICENCE

MINING ACT 1992

NO

8085

DATED

16 May 2013

THE MINISTER FOR RESOURCES AND
ENERGY

OF THE STATE

OF NEW SOUTH WALES

TO

CHINA AUSTRALIA MINING PTY LTD
(ACN 125 784 189)

LOW - IMPACT EXPLORATION LICENCE CONDITIONS 2008

1. PROSPECTING METHODS

The following kind of prospecting operations are authorised by this low-impact exploration licence:-

- (a) aerial surveys;
- (b) geological and surveying field work that does not involve clearing (as defined below);
- (c) sampling by hand methods;
- (d) ground-based geophysical surveys that do not involve clearing;
- (e) drilling and activities associated with drilling and the establishment of a drill site, that do not involve clearing or excavation (as defined below), other than the minimum necessary to establish a drill site;
- (f) environmental field work that does not involve clearing.

For the purposes of paragraph (e) the following are not permitted:-

- (i) side hill excavation for access or drill pads, as would be necessary on steep slopes;
- (ii) drilling in a watercourse or any stream diversion;
- (iii) cutting down or pushing over trees;
- (iv) clearing or excavation for the purpose of obtaining access to drill sites, and

For the purposes of this condition, the terms "clearing", "excavation" and "topsoil horizon" have the following meanings:

Clearing

- (a) in the case of grass, scrub or bush, "clearing" means the removal of vegetation by disturbing root systems and exposing underlying soil, but does not include:
 - (i) the flattening or compaction of vegetation by vehicles, where the vegetation remains living;
 - (ii) the slashing or mowing of vegetation to facilitate access tracks, provided root systems remain in place and vegetation remains living; or
 - (iii) the clearing of noxious or introduced plant species.
- (b) In the case of trees, "clearing" means cutting down, ring barking or pushing over trees.

Excavation

"Excavation" means the use of machinery to dig below the 'topsoil horizon', but does not include:

- (a) minor levelling of a site to allow a drill rig to operate on a level surface for safety reasons e.g. to provide a safe working area or for fire prevention; or
- (b) the construction of a small sump for operational purposes.

Topsoil horizon

The "topsoil horizon" means the top level or layer of soil which is generally less than 30cm thick.

Please note that notwithstanding the kinds of prospecting operations authorised, Condition No. 2 still applies and it is possible that in areas of environmental sensitivity further approvals may be required before prospecting occurs.

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2. EXPLORATION ACTIVITES

This Exploration Licence is granted under Part 3 (or renewed if applicable under Part 7) of the *Mining Act 1992*. After consideration of the environmental impact as required by Section 111 of the *Environmental Planning and Assessment Act 1979*, it has been determined that the kind of prospecting operations listed in Condition 1 may be conducted on the licence area provided that:

- (a) the licence holder has consulted the register of critical habitat kept by the Director-General of the Department of Environment and Climate Change under the *Threatened Species Conservation Act 1995*, and considered the significance of any notations in respect of the area of any proposed exploration activity.
- (b) the licence holder has consulted the register of critical habitat kept under the *Fisheries Management Act 1994*.
- (c) the activities do not contravene Part 6 (Aboriginal objects and Aboriginal places) of the *National Parks and Wildlife Act 1974*.
- (d) minimal impact is caused to the local environment at the activity site and the assessment of this minimal impact takes into account the sensitivity of the local environment to potential disturbance from the activity including potential harm to any threatened species, populations and ecological communities, and their habitats, and critical habitat.
- (e) the activities do not cause other than minimal/nil impact on the features listed in Section 238 of the *Mining Act 1992* (i.e. of Aboriginal, architectural, archaeological, historical or geological interest). Where these features are present, an Exploration Protocol acceptable to the Department must be completed prior to exploration commencing to ensure that exploration activities will not have an adverse impact on these features.
- (f) full rehabilitation in accordance with Departmental guidelines/standards is carried out after completion of the exploration activities.
- (g) notice is given (on the Notice of Surface Disturbing Exploration Activities proforma) to an Environmental Officer of the Department if exploration:-
- (h) is to be carried out in sensitive areas (See page 3 of pro forma or Appendix 2 of "Guidelines for Environmentally Responsible Mineral Exploration in New South Wales" published by the NSW Minerals Council as a guide); or
- (i) may harm any threatened species, populations and ecological communities, and their habitats, and critical habitat.

Such activities may require an additional specific determination under Part 5 of the *Environmental Planning and Assessment Act, 1979*. The program submitted prior to the conduct of such activity must include a description of the activity, a schedule of events and the location of proposed surface disturbance. A description of the sensitivity of the local environment to potential disturbance from the activity must also be included.

An Environmental Officer of the Department shall give notice within 3 weeks of receipt if an additional Part 5 determination is or is not required. If an additional specific determination is not required, the provisos listed above apply. Where the proposed activities require an additional determination, operations must not commence until the written approval of the Assistant Director, Environment of the Department is obtained, and subject to any conditions that may be stipulated.

3. NATIVE TITLE

The licence holder is not authorised to carry out prospecting operations on any relevant land otherwise than in accordance with an access arrangement with any registered native title body corporate or registered native title claimant.

For the purposes of this condition 'relevant land' means land in relation to which there are registered native title bodies corporate or registered native title claimants.

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The access arrangement must address matters relevant to the fourth condition of section 26A of the *Commonwealth Native Title Act 1993* ("CNTA"), specified in sub-section 26A(7) of the CNTA.

The matters are:

- (a) the protection and avoidance of any area or site, on the land or waters to which the native title rights and interests relate, of particular significance to the persons holding the native title in accordance with their traditional laws and customs; and
- (b) any access to the land or waters to which the native title rights and interests relate by:
 - (i) those persons; or
 - (ii) any person who will do any thing that is authorised because of, results from, or otherwise relates to, the doing of the act; and
- (c) the way in which any other thing that:
 - (i) is authorised because of, results from, or otherwise relates to, the doing of the act; and
 - (ii) affects the native title rights and interests; is to be done.

4. DRILLING

- (a) At least twenty eight days prior to commencement of drilling operations the licence holder must notify the relevant Department of Water and Energy regional hydrologist of the intention to drill exploratory drill holes together with information on the location of the proposed holes.
- (b) If the licence holder drills exploratory drill holes he must satisfy the Director-General that:
 - (i) all cored holes are accurately surveyed and permanently marked in accordance with Departmental guidelines so that their location can be easily established;
 - (ii) all holes cored or otherwise are sealed to prevent the collapse of the surrounding surface;
 - (iii) all drill holes are permanently sealed with cement plugs to prevent surface discharge of ground waters;
 - (iv) if any drill hole meets natural or noxious gases it is plugged or sealed to prevent their escape;
 - (v) if any drill hole meets an artesian or sub-artesian flow it is effectively sealed to prevent contamination of aquifers.
 - (vi) once any drill hole ceases to be used the hole must be sealed in accordance with Departmental guidelines. Alternatively, the hole must be sealed as instructed by the Director-General.
 - (vii) once any drill hole ceases to be used the land and its immediate vicinity is left in a clean, tidy and stable condition.

5. CORE SAMPLES

- (a) The licence holder must supply notifications and particulars and preserve any cores and samples as required by the *Mine Health and Safety Act 2004*.
- (b) On termination of the licence the licence holder must advise the Director, Geological Survey of plans regarding the storage or disposal of core obtained in the course of drilling on or in the licence area. If so directed the licence holder must lodge selected core with the Department's Core Library at Londonderry.
- (c) Selected core must be lodged with the Department in standard modular metal core boxes, the size specifications of which are obtainable from the Core Library.

6. SAFETY

Operations must be carried out in a manner that ensures the safety of persons and stock in the vicinity of the operations.

7. REBHABILITATION

- (a) Land disturbed must be rehabilitated to a stable and permanent form suitable for a subsequent land use acceptable to the Director-General so that:-
- (i) there is no adverse environmental effect outside the disturbed area and that the land is properly drained and protected from soil erosion.
 - (ii) the state of the land is compatible with the surrounding land and land use requirements.
 - (iii) the landforms, soils, hydrology and flora require no greater maintenance than that in the surrounding land.
 - (iv) in cases where revegetation is required and native vegetation has been removed or damaged, the original species must be re-established. If the original vegetation was not native, any re-established vegetation must be appropriate to the area and at an acceptable density.
 - (v) the land does not pose a threat to public safety.
- (b) Any topsoil that is removed must be stored and maintained in a manner acceptable to the Director-General.

8. TRANSMISSION LINES, COMMUNICATION AND PIPELINES

Operations must not interfere with or impair the stability or efficiency of any transmission line, communication line, pipeline or any other utility on the area without the prior written approval of the Director-General and subject to any conditions he may stipulate.

9. ROADS AND TRACKS

- (a) Operations must not affect any road or track unless with the prior written approval of the Director-General and subject to any conditions he may stipulate.
- (b) The licence holder must pay to the local council, the Department of Lands or the Roads and Traffic Authority the costs incurred in fixing any damage to roads caused by operations carried out under the licence.

10. Access tracks must be kept to a minimum and be positioned so that they do not cause any unnecessary damage to the land. Temporary access tracks if sufficiently compacted must be ripped, top soiled and revegetated as soon as possible after they are no longer required for prospecting operations.

11. During wet weather the use of any road or track must be restricted to prevent damage to the road or track.

13. TREES AND VEGETATION

The licence holder must not cut, destroy, ring bark or remove any timber or other vegetative cover on any land subject of this licence except such as directly obstructs or prevents the carrying on of operations. Any clearing not authorised under the *Mining Act 1992* must comply with the provisions of the *Native Vegetation Conservation Act 1997*.

14. PREVENTION OF SOIL EROSION AND POLLUTION

Operations must be carried out in a manner that does not cause or aggravate air pollution, water pollution (including sedimentation) or soil contamination or erosion, unless otherwise authorised by a relevant approval. For the purpose of this condition, water shall be taken to include any watercourse, water body or ground waters. The licence holder must observe and perform any instructions given by the Director-General in this regard.

15. WETLANDS

On land to which State Environmental Planning Policy No. 14 - Coastal Wetlands applies, the licence holder must not clear that land, construct a levee on that land, drain that land, or fill that land without the approval in writing of the Director-General, and subject to any conditions he may stipulate. Any approval is subject to the concurrence of the Director-General, Department of Planning.

16. WATER

The flow of water in any stream or watercourse must not be interfered with.

17. ABORIGINAL OBJECT OR ABORIGINAL PLACE

The licence holder must not knowingly destroy deface or damage any Aboriginal object or Aboriginal place within the licence area except in accordance with an authority issued under the *National Parks and Wildlife Act, 1974*, and must take every precaution in drilling, excavating or disturbing the land against any such destruction, defacement or damage.

18. CONTROL OF OPERATIONS

- (a) If an Environmental Officer of the Department believes that the licence holder is not complying with any provision of the Act or any condition of this licence concerning the working of the licence, he may direct the licence holder to:-
- (i) cease working the licence; or
 - (ii) cease that part of the operation not complying with the Act or conditions;
 - (iii) until in the opinion of the Environmental Officer the situation has been corrected.
- (b) The licence holder must comply with any direction given.

19. EXPENDITURE

The licence holder must effectively prospect the licence area and unless approved by the Director-General must expend on operations no less than \$4,000 per annum whilst the licence is in force.

20. REPORTS

The licence holder must lodge reports to the satisfaction of the Director-General detailing the operations conducted. The reports must comply with Departmental guidelines and be lodged, as specified in this condition, and include all maps, plans and data necessary to satisfactorily interpret and evaluate the reports. Approval is required if the holder wishes to lodge reports at times other than those specified:

- (a) **Annual Reports** must be lodged within one calendar month after the expiry of each 12 months of the term of the licence and must contain full particulars of:
 - (i) all surveys and other operations, including expenditure thereon, carried out by or on behalf of the licence holder during the 12 month period; and
 - (ii) the results and conclusions of such surveys and other operations; and
 - (iii) the proposed exploration to be conducted during the following 12 month period.
- (b) **Interim Reports** must be lodged within one calendar month after the expiry of the first six months of each annual period. They must therefore be lodged after the first six months, and thereafter at 12 monthly intervals. Each report must contain a brief summary of exploration completed in the six months and the proposed exploration to be conducted in the following six months. The reports should be completed on the "Interim Report on Mineral Exploration" form.
- (c) **Airborne Geophysical Survey Results** must be lodged within 6 calendar months of the completion of any airborne geophysical survey. The results must be in digital form and comply with Departmental Guidelines for the Submission of Digital Exploration Data.
- (d) **A Final Report** must be lodged on the expiry or earlier termination of the licence and must contain:
 - (i) a summary of all surveys and other operations carried out by or on behalf of the licence holder during the full term of the licence from grant to termination; and
 - (ii) detailed data of all surveys and other operations if these have not been provided in previous Annual Reports; and
 - (iii) the main results and conclusions of each phase of operations.
- (e) **Additional Reports** on surveys and other operations may be required from time to time and must be lodged as instructed.

21. LICENCE TO USE REPORTS

- (a)
 - (i) The licence holder grants to the Minister, by way of a non-exclusive licence, the right in copyright to publish, print, adapt and reproduce all exploration reports lodged in any form and for the full duration of copyright.
 - (ii) The non-exclusive licence will operate as a consent for the purposes of section 365 of *the Mining Act 1992*.

Confidentiality

- (a)
 - (i) All exploration reports lodged in accordance with the conditions of this licence will be kept confidential while the licence is in force, except in cases where:
 - (ii) the licence holder has agreed that specified reports may be made non-confidential.
 - (iii) reports deal with exploration conducted exclusively on areas that have ceased to be part of the licence.
- (b) Confidentiality will be continued beyond the termination of a licence where an application for a flow-on title was lodged during the currency of the licence. The confidentiality will last until that flow-on title or any subsequent flow-on title, has terminated.

- (c) Continued confidentiality is subject to the licence holder lodging a report that covers all exploration conducted on the areas not covered by the flow-on title. This report will be made public.
- (d) The Director-General may extend the period of confidentiality.

Terms of the non-exclusive licence

- (a) The terms of the non-exclusive copyright licence granted under sub-clause (1)(a) are:
 - (i) the Minister may sub-licence others to publish, print, adapt and reproduce but not on-licence reports.
 - (ii) the Minister and any sub-licensee will acknowledge the licence holder's and any identifiable consultant's ownership of copyright in any reproduction of the reports, including storage of reports onto an electronic database.
- (b) the licence holder does not warrant ownership of all copyright works in any report and, the licence holder will use best endeavours to identify those parts of the report for which the licence holder owns the copyright.
- (c) there is no royalty payable by the Minister for the licence.
- (d) if the licence holder has reasonable grounds to believe that the Minister has exercised his rights under the non-exclusive copyright licence in a manner which adversely affects the operations of the licence holder that licence is revocable on the giving of a period of not less than three months notice.

22. TECHNICAL MANAGEMENT OF EXPLORATION

Exploration activities are to be conducted, or directly supervised, by the technical manager nominated in the application for this licence. All exploration reports must be prepared by the nominated technical manager. Permission to change the technical manager must be obtained, in writing, from the Assistant Director (Minerals), Geological Survey or the Manager Coal Advice.

23. MISCELLANEOUS

The licence holder must observe any instructions given by the Director-General in connection with minimising or preventing public inconvenience or damage to public or private property.

- 24. All refuse must be deposited in properly constructed containers. The licence holder must maintain the area in a clean and tidy condition at all times.

26. ABORIGINAL LAND COUNCIL

The licence holder must inform the relevant Aboriginal Land Council of the grant of the licence. Any Review of Environmental Factors prepared for surface disturbing activities must include an Aboriginal Cultural Heritage Assessment.

27. SECURITY

- (a) A security in the sum of \$10,000 must be lodged with the Minister by the licence holder for the purpose of ensuring the fulfilment of obligations under the licence. If the licence holder fails to fulfil any one or more of such obligations the said sum may be applied at the discretion of the Minister towards the cost of fulfilling such obligations. For the purpose of this clause the licence holder shall be deemed to have failed to fulfil the obligations of this licence if the licence holder fails to comply with any condition or provision hereof, any provision of the Act or regulations made there under or any condition or direction imposed or given pursuant to a condition or provision hereof or of any provision of the Act or regulations made there under.

- (b) The licence holder must provide the security required by sub-clause (a) hereof in one of the following forms:-
 - (i) cash,
 - (ii) a security certificate in a form approved by the Minister and issued by an authorised deposit-taking institution.

31. MINISTER'S APPROVAL OF CHANGE IN CONTROL

- (a) It is a condition of this licence that, where the licence-holder is a corporation or a trust, the Minister's prior written approval is required before there occurs:
 - (i) any change in the effective control of the licence-holder; or
 - (ii) any foreign acquisition of substantial control in the licence-holder.
- (b) For the purposes of this condition, there is a "change in effective control" where, after the imposition of this condition, any person:
 - (i) acquires the capacity to appoint or control at least 50% of the number of directors of the licence-holder's board;
 - (ii) becomes entitled to exercise (directly or indirectly) greater than 50% of the votes entitled to be cast at any general meeting of the licence-holder; or
 - (iii) holds more than 50% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence-holder.
- (c) For the purposes of this condition, there is a "foreign acquisition of substantial control" where, after the imposition of this condition, a person:
 - (i) acquires the capacity to appoint or control at least 15% of the number of directors of the licence-holder's board;
 - (ii) becomes entitled to exercise (directly or indirectly) greater than 15% of the votes entitled to be cast at any general meeting of the licence-holder; or
 - (iii) holds more than 15% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence-holder;

AND the person is either:

- (i) a natural person not ordinarily resident in Australia;
- (ii) a corporation in which a natural person not ordinarily resident in Australia or a "foreign corporation" (meaning one that is incorporated outside Australia) holds a total interest of 15% or more;
- (iii) a corporation in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold a total interest of 40% or more;
- (iv) the trustee of a trust estate, in which a natural person not ordinarily resident in Australia or a foreign corporation, holds a total interest of 15% or more; or
- (v) the trustee of a trust estate in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, holds a total interest of 40% or more.

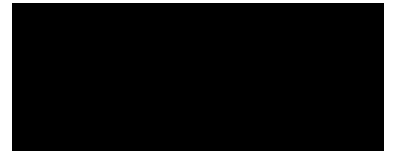
**RENEWAL OF EXPLORATION LICENCE 8085 (ACT 1992)
HELD BY CHINA AUSTRALIA MINING PTY LTD ACN 125 784 189**

Section 114 of the *Mining Act 1992*

I, as delegate of the Minister for Resources for the State of New South Wales, under delegation and pursuant to section 114 of the *Mining Act 1992*, hereby renew Exploration Licence No. **8085** subject to the terms and conditions set out below:

1. The Licence is renewed for a further term ending on **16 May 2020**.
2. The Licence is renewed over the land described in Schedule 1 (the Exploration Licence Area).
3. The Licence conditions are amended upon renewal and are set out in Schedule 2.
4. The Licence authorises the Licence Holder to prospect for the minerals prescribed as **Group Ten (10)** minerals within the Exploration Licence Area.

Renewed on this 17th day of July 2017



Under delegation

Kevin Ruming
Director Strategic Resource Assessment & Advice

Schedule 1

EXPLORATION AREA

1:1,000,000	BLOCK NO	UNITS
ARMIDALE	2772	j o

The Exploration Licence Area embraces **Two (2)** units as specified in the table above, exclusive of any land:-

- (a) excluded by section 19 of the *Mining Act 1992*;
- (b) on which, at the date of the initial grant of this EL, mining operations were being lawfully carried out by the owner of a privately owned mineral (or some person with his consent), and over which an exploration licence may not be granted under Schedule 6, clause 98(2) of the *Mining Act 1992*;
- (c) vested in the Commonwealth of Australia; or
- (d) that was not subject to the licence immediately before this renewal.

LOW IMPACT EXPLORATION LICENCE CONDITIONS JUNE 2014

Definitions

Section A APPROVAL OF PROSPECTING OPERATIONS

1. Approvals under this licence
2. Prospecting Methods
3. Prospecting Operations Requiring Further Approval
4. Exploration Activities

Section B SPECIAL AREA CONDITIONS

5. Exempted Areas
6. State Conservation Areas (SCAs)
7. Sydney Catchment Authority Areas
8. Native Title Areas
9. Wetland Areas

Section C ENVIRONMENTAL MANAGEMENT OF PROSPECTING OPERATIONS

10. Environmental Management Conditions
11. Environmental Harm
12. Environmental Management Plan
13. Trees and Vegetation
14. Roads and Tracks
15. Prevention of Soil Erosion and Pollution
16. Refuse, Chemicals, Fuels and Waste Materials
17. Public and Private Property
18. Drilling
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- 35.

Definitions

In this licence, words have the meaning given to those terms in the *Mining Act 1992* unless otherwise defined below:

“Act” means the *Mining Act 1992*

“Department” means the Department of Industry, Skills and Regional Development

“Inspector” means an Inspector under the *Work Health and Safety Act 2011 and/or Work Health and Safety (Mines and Petroleum Sites) Act 2013*.

“Minister” means the Minister administering the *Mining Act 1992*

“Secretary” means the Secretary of the Department

“Wetland Areas” means wetlands mapped as such under State Environmental Planning Policy No 14 - Coastal Wetlands;

LOW IMPACT EXPLORATION LICENCE CONDITIONS

JUNE 2014

Section A APPROVAL OF PROSPECTING OPERATIONS

1. Approvals under this licence

The licence holder may need to obtain further approvals or Ministerial consent before carrying out prospecting operations on the land subject to this licence (see in particular the activity approval requirements for assessable prospecting operations section 23A of the *Mining Act 1992*, which requires an activity approval to be obtained prior to commencing any assessable prospecting operation).

2. Prospecting Methods

The following kind of prospecting operations are authorised by this low-impact exploration licence:-

- (a) aerial surveys;
- (b) geological and surveying field work that does not involve clearing (as defined below);
- (c) sampling by hand methods;
- (d) ground-based geophysical surveys that do not involve clearing;
- (e) drilling and activities associated with drilling and the establishment of a drill site, that do not involve clearing or excavation (as defined below), other than the minimum necessary to establish a drill site;
- (f) environmental field work that does not involve clearing.

For the purposes of paragraph (e) the following are not permitted:-

- (i) side hill excavation for access or drill pads, as would be necessary on steep slopes;
- (ii) drilling in a watercourse or any stream diversion;
- (iii) cutting down or pushing over trees;
- (iv) clearing or excavation for the purpose of obtaining access to drill sites, and

For the purposes of this condition, the terms “clearing”, “excavation” and “topsoil horizon” have the following meanings:

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Clearing

- (a) In the case of grass, scrub or bush, “clearing” means the removal of vegetation by disturbing root systems and exposing underlying soil, but does not include:
- (i) the flattening or compaction of vegetation by vehicles, where the vegetation remains living;
 - (ii) the slashing or mowing of vegetation to facilitate access tracks, provided root systems remain in place and vegetation remains living; or
 - (iii) the clearing of noxious or introduced plant species.
- (b) In the case of trees, “clearing” means cutting down, ring barking or pushing over trees.

Excavation

“Excavation” means the use of machinery to dig below the ‘topsoil horizon’, but does not include:

- (a) minor levelling of a site to allow a drill rig to operate on a level surface for safety reasons e.g. to provide a safe working area or for fire prevention; or
- (b) the construction of a small sump for operational purposes.

Topsoil horizon

The “topsoil horizon” means the top level or layer of soil which is generally less than 30cm thick.

Please note that notwithstanding the kinds of prospecting operations authorised, Condition No. 2 still applies and it is possible that in areas of environmental sensitivity further approvals may be required before prospecting occurs.

3. Prospecting operations requiring further approval

A) The licence holder must obtain the Minister’s written approval prior to carrying out drilling activities.

Note: The information required to be submitted as part of the licence holder’s request for written approval under this condition is set out in the “Note” following condition 4 below.

B) The licence holder must comply with the conditions of an approval under condition 2 when carrying out those prospecting operations.

Note: In the case of prospecting operations requiring approval by the Minister, the application for approval must be accompanied by a Surface Disturbance Notice (SDN). A Review of Environmental Factors and Agricultural Impact Statement may be required for these prospecting operations if the Minister is of the opinion that the prospecting operations may result in more than minimal environmental impact.

If the impact of prospecting operations on the environment is determined as likely to significantly affect the environment (including critical habitat) or threatened species, populations or ecological communities, or their habitats, in terms of Part 5 of the EP&A Act, then the licence holder will be required to submit an Environmental Impact Statement (EIS).

Applications may also require a Groundwater Monitoring and Modelling Plan.

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4. Exploration Activities

This Exploration Licence is granted under Part 3 (or renewed if applicable under Part 7) of the Mining Act 1992. After consideration of the environmental impact as required by Section 111 of the Environmental Planning and Assessment Act 1979, it has been determined that the kind of prospecting operations listed in Condition 1 may be conducted on the licence area provided that:

- (a) the licence holder has consulted the register of critical habitat kept by the Secretary of the Department of Environment and Climate Change under the *Threatened Species Conservation Act 1995*, and considered the significance of any notations in respect of the area of any proposed exploration activity.
- (b) the licence holder has consulted the register of critical habitat kept under the *Fisheries Management Act 1994*.
- (c) the activities do not contravene Part 6 (Aboriginal objects and Aboriginal places) of the *National Parks and Wildlife Act 1974*.
- (d) minimal impact is caused to the local environment at the activity site and the assessment of this minimal impact takes into account the sensitivity of the local environment to potential disturbance from the activity including potential harm to any threatened species, populations and ecological communities, and their habitats, and critical habitat.
- (e) the activities do not cause other than minimal/nil impact per Schedule 1B of the *Mining Act 1992*. Where these features are present, an Exploration Protocol acceptable to the Department must be completed prior to exploration commencing to ensure that exploration activities will not have an adverse impact on these features.
- (f) full rehabilitation in accordance with Departmental guidelines/standards is carried out after completion of the exploration activities.
- (g) notice is given (on the Notice of Surface Disturbing Exploration Activities proforma) to an Environmental Officer of the Department if exploration:-
- (h) is to be carried out in sensitive areas (See page 3 of pro forma or Appendix 2 of "Guidelines for Environmentally Responsible Mineral Exploration in New South Wales" published by the NSW Minerals Council as a guide); or
- (i) may harm any threatened species, populations and ecological communities, and their habitats, and critical habitat.

Such activities may require an additional specific determination under Part 5 of the *Environmental Planning and Assessment Act, 1979*. The program submitted prior to the conduct of such activity must include a description of the activity, a schedule of events and the location of proposed surface disturbance. A description of the sensitivity of the local environment to potential disturbance from the activity must also be included.

An Environmental Officer of the Department shall give notice within 3 weeks of receipt if an additional Part 5 determination is or is not required. If an additional specific determination is not required, the provisos listed above apply. Where the proposed activities require an additional determination, operations must not commence until the written approval of the Assistant Director, Environmental Operations of the Department is obtained, and subject to any conditions that may be stipulated.

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Section B SPECIAL AREA CONDITIONS

5. Exempted Areas

- (a) The exploration licence holder must not commence prospecting operations in an exempted area under the Act without the prior written consent of the Minister. The Minister's consent may be granted subject to conditions.
- (b) Applications for the Minister's consent to exercise rights under this exploration licence in an exempted area must:
 - (i) include formal confirmation of any requirements of the controlling body for the exempted area; and,
 - (ii) be submitted to the Titles Program.

Note: "Exempted areas" under the Act are lands set aside for public purposes. They include travelling stock reserves, road reserves, water supply reserves, State forests, public reserves and permanent commons. Under Section 30 of the Act, the "exercise of rights" under an exploration licence is subject to the consent of the Minister. The "exercise of rights" includes the right to conduct prospecting operations.

6. State Conservation Areas (SCAs)

NOT USED

7. Sydney Catchment Authority Areas

NOT USED

8. Native Title Areas

The exploration licence holder must not prospect on any land or waters on which native title is claimable under the Commonwealth *Native Title Act 1993* without the prior written consent of the Minister.

9. Wetland Areas

The exploration licence holder must not clear, drain, fill or construct a levee on a wetland area without written approval of the Secretary. The Secretary's approval may be granted subject to conditions.

Note: Approval under this condition is subject to the concurrence of the Secretary, Department of Planning and Environment.

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Section C ENVIRONMENTAL MANAGEMENT OF PROSPECTING OPERATIONS

10. Environmental Management Conditions

- (a) Conditions attached to any consent or approval given pursuant to the Act or this exploration licence are taken to be conditions of this exploration licence and are enforceable under the Act as such.
- (b) For the purposes of Schedule 1B of the Act, Conditions 1 to 7 and 9 to 27 (if included in the exploration licence) are identified as conditions related to environmental management.

11. Environmental Harm

- (a) The exploration licence holder must implement all practicable measures to prevent and/or minimise any harm to the environment that may result from the construction, operation or rehabilitation of any prospecting operations.
- (b) For the purposes of this condition:
 - (i) environment means components of the earth, including:
 - (A) land, air and water, and
 - (B) any layer of the atmosphere, and
 - (C) any organic or inorganic matter and any living organism, and
 - (D) human-made or modified structures and areas,and includes interacting natural ecosystems that include components referred to in paragraphs (A)–(C).
 - (ii) harm to the environment includes any direct or indirect alteration of the environment that has the effect of degrading the environment and, without limiting the generality of the above, includes any act or omission that results in pollution, contributes to the extinction or degradation of any threatened species, populations or ecological communities and their habitats and causes impacts to places, objects and features of significance to Aboriginal people.

12. Environmental Management Plan

- (a) If directed in writing by the Secretary, the exploration licence holder must prepare an Environmental Management Plan (EMP) for all prospecting operations under this exploration licence or for a specific aspect of the operations.
- (b) The EMP must be prepared and lodged in accordance with any guidelines or other requirements of the Secretary.
- (c) The exploration licence holder must comply with an EMP approved by the Secretary.

13. Trees and Vegetation

- (a) The exploration licence holder must not fell trees, strip bark or cut timber on any land subject of this exploration licence without the consent of the landholder who is entitled to the use of the timber.
- (b) The exploration licence holder must contact Forests NSW and obtain any required permit, licence or approval before taking timber from any Crown land within the exploration licence area.

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Note: Any clearing not authorised under the Act must comply with the requirements of the Native Vegetation Act 2003. Any clearing or taking of timber on Crown land is subject to the requirements of the Forestry Act 1916.

14. Roads and Tracks

- (a) The exploration licence holder must pay to the relevant roads authority in control of the road or track the reasonable costs incurred by the roads authority in making good any damage to roads or tracks caused by operations carried out under this exploration licence.

Note: Prospecting operations are subject to all requirements of the Roads Act 1993.

- (b) During wet weather the use of any road or track must be restricted so as to prevent damage to the road or track.
- (c) Existing access tracks should be used for all operations where reasonably practicable. New access tracks must be kept to a minimum and be positioned in order to minimise damage to the land, watercourses or vegetation.
- (d) Temporary access tracks must be rehabilitated and revegetated to the satisfaction of the Secretary as soon as reasonably practicable after they are no longer required for prospecting operations under this exploration licence.

15. Prevention of soil erosion and pollution

Prospecting operations must be carried out in a manner that does not cause or aggravate air pollution, water (including groundwater) pollution, soil contamination or erosion, unless otherwise authorised by an approval under this exploration licence.

16. Refuse, Chemicals, Fuels and Waste Materials

- (a) Precautions must be taken to prevent spills and soil contamination. All chemicals, fuels and oils must be stored in sound containers and kept in spill trays or in a bunded area. A supply of appropriate spill and dust prevention and oil absorbent materials must be maintained at drill sites.
- (b) All drill cuttings and fluids must be contained in above-ground tanks or in-ground sumps.
- (c) In-ground sumps must be lined with an impermeable barrier where there is a potential risk of contamination from drill cuttings or fluids.
- (d) Any drilling by-products contaminated by chemicals, oils or fuels must be collected and remediated or disposed of lawfully.
- (e) All refuse and waste materials must be collected, segregated and deposited in properly constructed containers and removed to an approved landfill.

Note: Waste (including contaminated materials) is regulated under the Protection of the Environment Operations Act 1997. Contact Local Council or the Department of Primary Industries - Water for details of these requirements.

17. Public and Private Property

The exploration licence holder must observe any instructions given by the Secretary in connection with minimising or preventing public inconvenience or damage to public or private property.

18. Drilling

- (a) At least 28 days prior to commencement of drilling operation (for assessable prospecting operations), the exploration licence holder must notify the NSW

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Department of Primary Industries – Water of the intention to drill exploratory drill holes together with information on the nature and location of the proposed holes.

- (b) During exploration drilling under this exploration licence, the exploration licence holder must ensure that:
- (i) all drill holes are constructed and operated in a manner which prevents:
 - (A) harm to users of the land, including livestock and wildlife
 - (B) the collapse of the surrounding surface;
 - (ii) waters flowing from drill holes are managed, contained and disposed of in an approved manner;
 - (iii) if any drill hole meets an artesian or sub-artesian flow, the drill hole is effectively cased to prevent contamination or cross-contamination of any ground water source;
- to the satisfaction of the Secretary.
- (c) Where the exploration licence holder wishes to temporarily maintain a drill hole in an open condition for monitoring purposes, the exploration licence holder must inform the Secretary and provide reasons for leaving the hole open, to the satisfaction of the Secretary. All drill holes which are maintained in an open condition must be fitted with a removable cap to ensure the safety of persons, stock and wildlife.
- (d) Following the completion of any exploration drilling under this exploration licence, the exploration licence holder must ensure that:
- (i) all drill holes are plugged and abandoned in a manner which prevents:
 - (A)harm to users of the land, including livestock and wildlife
 - (B)the collapse of the surrounding surface;
 - (ii) if any drill hole encountered an artesian or sub-artesian flow, the drill hole is permanently sealed with cement plugs to prevent surface discharge of groundwater; and,
 - (iii) if any drill hole encountered natural or noxious gases, it is permanently sealed to prevent their escape,
 - (iv) the drill hole is surveyed and marked in accordance with any Departmental guidelines or as instructed by the Secretary,
- to the satisfaction of the Secretary.
- (e) The exploration licence holder must report to the Inspector responsible for the area in which prospecting is carried out, any potentially hazardous tools or logging equipment which has been dropped in drill holes and is unable to be recovered. If directed to do so, the exploration licence holder must recover the equipment.

19. Drilling (Additional for Group 8 and 9 Minerals)

NOT USED

20. Core and Samples

- (a) Where the exploration licence holder obtains a core in the course of drilling any drill hole under this exploration licence, the core (except any material used for analysis), and any samples obtained from it must be labelled and properly stored by the exploration licence holder on the completion of the drill hole.
- (b) The exploration licence holder must not dispose of any core or samples obtained during the course of exploration in the exploration licence area without first offering it to the Secretary for archival storage. On cancellation or expiry of this exploration licence, the exploration licence holder must advise the Secretary of plans regarding the continued storage or disposal of core or samples.
- (c) If directed by the Secretary, the exploration licence holder must lodge selected core or samples with the Department's Core Library at Londonderry in standard modular metal core boxes, the size specifications of which are obtainable from the Core Library.
- (d) If using non-core drilling methods, the exploration licence holder must retain and securely label representative cuttings.
- (e) Any cores and samples stored under subsection (a) or (b) must at all times be available for examination by a Departmental officer.
- (f) Portions of cores or samples stored under subsection (a) or (b) may be taken by a Departmental officer for the purpose of analysis or other examination.

21. Rehabilitation of land

- (a) The exploration licence holder must rehabilitate any land (including water) disturbed by, or as a result of, prospecting operations under this exploration licence to a stable and permanent form so that:
- (i) there is no adverse environmental effect outside the disturbed area;
 - (ii) the land is properly drained and protected from soil erosion;
 - (iii) the land is not a potential source of pollution;
 - (iv) the land is compatible with the surrounding land and land use requirements;
 - (v) the landforms, soils, hydrology and flora require no greater maintenance than that in, or on, the surrounding land;
 - (vi) the land does not pose a threat to public safety;
 - (vii) in cases where vegetation has been removed or damaged:
 - (A) where the previous vegetation was native, species used for revegetation are endemic to the area; or,
 - (B) where the previous vegetation was not native, species used for revegetation are appropriate to the area; and,
 - (C) any revegetation is of an appropriate density and diversity,to the satisfaction of the Secretary.
- (b) Any topsoil that is temporarily removed from an area of prospecting operations must be stored, maintained and returned as soon as possible in a manner acceptable to the Secretary.
- (c) Any shafts, drill holes and excavations, that have been abandoned as a result of previous mining or prospecting operations, and which have been opened up or used by the exploration licence holder are subject to the conditions of this exploration licence as if the shafts, drill holes and excavations were created by the holder of this exploration licence.
- (d) All rehabilitation of surface disturbance resulting from prospecting operations under this exploration licence must be completed before the expiry of this exploration licence or immediately following cancellation of this exploration licence.

22. Environmental Management Report

- (a) The exploration licence holder must submit an **Environmental Management Report (EMR)** with the Secretary as part of any application for renewal of the exploration licence, or within 30 days of the expiry or cancellation of the exploration licence.
- (b) The EMR must:
- (i) be prepared according to any relevant Departmental guidelines;
 - (ii) include details of:
 - (A) all prospecting operations that have resulted in surface disturbance or other environmental impacts;
 - (B) rehabilitation carried out in the exploration licence area or in any part of the exploration licence that has ceased to have effect;
 - (C) how the requirements of Conditions 1 to 7 and 9 to 27 have been satisfied.
 - (iii) be prepared to the satisfaction of the Secretary.

23. Environmental Incident Report

- (a) The exploration licence holder must report any environmental incidents to the Secretary. The report must:
 - (i) be prepared according to any relevant Departmental guidelines;
 - (ii) be submitted within 24 hours of the environmental incident occurring;
- (b) For the purposes of this condition, environmental incident includes:
 - (i) any incident causing or threatening material harm to the environment
 - (ii) any breach of Conditions 1 to 7 and 9 to 27;
 - (iii) any breach of environment protection legislation; or,
 - (iv) a serious complaint from landholders or the public.
- (c) For the purposes of this condition, harm to the environment is material if:
 - (i) it involves actual or potential harm to the health or safety of human beings or to ecosystems that is not trivial, or
 - (ii) it results in actual or potential loss or property damage of an amount, or amounts in aggregate, exceeding \$10,000, where loss includes the reasonable costs and expenses that would be incurred in taking all reasonable and practicable measures to prevent, mitigate or make good harm to the environment.

24. Additional Environmental Reports

Additional environmental reports may be required on specific surface disturbing operations or environmental incidents from time to time as directed in writing by the Secretary and must be lodged as instructed.

25. Security

- a) This authorisation is subject to a condition that the holder of the authorisation is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the authorisation, including obligations of all or any kind under the authorisation that may arise in the future.
- b) The amount of the security deposit to be provided, not having been assessed by the Secretary of the Department of Industry, Skills and Regional Development, is set at the applicable minimum amount prescribed of **\$10,000**.
- c) The security deposit is to be provided by way of a cash deposit (with no entitlement to any interest thereon) or in such other form as may be approved by the Secretary (or their delegate).

26. Group Security

- a) NOT USED
- b) NOT USED
- c) NOT USED

27. Group Security (extended)

NOT USED

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The obligation under the Exploration Licences described in the attached Schedule is extended to apply to this exploration licence.

Section D GENERAL CONDITIONS

28. Aboriginal Land Council Notification

The exploration licence holder must inform the relevant Local Aboriginal Land Council within 30 days of the grant of the exploration licence.

29. Safety of Operations

- (a) The exploration licence holder must notify the Inspector responsible for the area in which prospecting is carried out at least 7 days prior to the proposed commencement of any prospecting operation involving any drilling, blasting or other potentially hazardous operation.
- (b) Operations must be carried out and supervised in a manner that ensures the safety of all employees and contractors.
- (c) Operations must be carried out in a manner that ensures the safety of landholders and members of the public, stock and wildlife in the vicinity of the operations.
- (d) The measures put in place to control hazards must comply with *the Work Health and Safety Act 2011 / Work Health and Safety (Mines and Petroleum Sites) Act 2013* and *Work Health and Safety Regulation 2011 / Work Health and Safety (Mines and Petroleum Sites) Regulation 2014*. These measures include, but are not limited to, the development of a Safety Management Plan prepared according to relevant Departmental guidelines.

Section E EXPLORATION PERFORMANCE

Note: *Exploration Reports (Geological and Geophysical)*

The exploration licence holder must lodge reports to the satisfaction of the Secretary in accordance with section 163C of the Mining Act 1992 and in accordance with clause 59 of the Mining Regulation 2016.

Reports must be prepared in accordance with Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales (Department of Industry, Skills and Regional Development, updated 2016).

30. Completion of Exploration Program

The exploration licence holder must satisfactorily complete the work program nominated in the application for this exploration licence or for renewal of this exploration licence.

31. Technical Management of Exploration

- (a) Prospecting operations are to be conducted, or directly supervised, by the Technical Manager nominated in the application for this exploration licence.
- (b) The nominated Technical Manager must prepare or supervise and approve all exploration reports.
- (c) Any proposed personnel changes to the nominated Technical Manager must be notified to, and to the satisfaction of the Secretary.

32. Cooperation Agreement

- (a) The exploration licence holder must make every reasonable attempt, and be able to demonstrate their attempts, to enter into a cooperation agreement with the holder(s) of any overlapping mineral (including coal and geothermal energy) exploration and petroleum exploration title(s).
- (b) The cooperation agreement should address but not necessarily be limited to:
 - (i) access arrangements;
 - (ii) operational interaction procedures;
 - (iii) dispute resolution;
 - (iv) information exchange;
 - (v) well location;
 - (vi) timing of drilling;
 - (vii) potential resource extraction conflicts; and,
 - (viii) rehabilitation issues.

33. Community and Landholder Liaison Program

- (a) Prior to the commencement of any prospecting operations, the exploration licence holder must establish a Community and Landholder Liaison Program that can effectively address inquiries from landholders and community members within the area of the exploration licence.
- (b) As part of this program, the exploration licence holder must contact all Local Councils within the area covered by the exploration licence and inform them of:
 - (i) the existence and extent of the exploration licence;
 - (ii) a contact person and phone number for inquiries, which has an after hours voice mail system;
 - (iii) the information material available on the Departmental website regarding landholders' rights; and,
 - (iv) any other relevant material regarding the exploration licence, such as the exploration licence holder's websites or information brochures or newsletters.
- (c) The exploration licence holder must effectively communicate to landholders and community members within the area of the exploration licence, whether by newspaper advertisement or other means, information regarding:
 - (i) the existence and extent of the exploration licence;
 - (ii) a contact person and phone number for inquiries which has an after hours voice mail system;
 - (iii) the information available on the Departmental website regarding landholders' rights; and make available paper copies of the landholders' rights brochure produced by the Department;
 - (iv) any other relevant material regarding the exploration licence such as the exploration licence holder's website address, information brochures or newsletters.
- (d) Monitor community inquiries regarding the exploration licence and if appropriate, adjust the Community and Landholder Liaison Program to ensure the inquiries are being adequately addressed.

Section F: OWNERSHIP

34. Minister's Approval of Change in Control

- (a) It is a condition of this licence that, where the licence-holder is a corporation or a trust, the Minister's prior written approval is required before there occurs:
- (i) any change in the effective control of the licence-holder; or
 - (ii) any foreign acquisition of substantial control in the licence-holder.
- b) Subject to Clause (d), for the purposes of this condition, there is a "change in effective control" where, after the imposition of this condition, any Third Party or Trustee of a Trust Estate:
- (i) acquires the capacity to appoint or control at least 50% of the number of directors of the licence-holder's board;
 - (ii) becomes entitled to exercise (directly or indirectly) greater than 50% of the votes entitled to be cast at any general meeting of the licence-holder; or
 - (iii) holds more than 50% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence-holder.
- c) Subject to Clause (d), for the purposes of this condition, there is a "foreign acquisition of substantial control" where, after the imposition of this condition, a Foreign Party:
- (i) acquires the capacity to appoint or control at least 15% of the number of directors of the licence-holder's board;
 - (ii) becomes entitled to exercise (directly or indirectly) greater than 15% of the votes entitled to be cast at any general meeting of the licence-holder; or
 - (iii) holds more than 15% of the issued share capital (other than shares issued with no rights other than to receive a specified amount in distribution) of the licence-holder;

For the purposes of this condition a Foreign Party means:

- (iv) a natural person not ordinarily resident in Australia (foreign person);
- (v) a corporation incorporated outside Australia (foreign corporation);
- (vi) a corporation in which a foreign person or foreign corporation is a shareholder holding more than 15% of issued capital entitled to vote at any general meeting of the licence holder;
- (vii) a corporation in which 2 or more persons, each of whom is either a foreign person or a foreign corporation are shareholders and collectively hold not more than 40% of issued capital entitled to vote at general meetings of the corporation;
- (viii) the trustee of a trust estate, in which a foreign person or a foreign corporation is a beneficiary of the trust estate and holds more than 15% of the beneficial interest in the trust estate; or

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Exploration Licence No. 8085 (Act 1992)	Page 17 of 20

- (ix) the trustee of a trust estate in which 2 or more persons, each of whom is either a foreign person or a foreign corporation, are beneficiaries of the trust estate and collectively hold more than 40% of the beneficial interest in the trust estate, provided that a foreign party shall not include a related body corporate of the licence holder.
- (d) Approval under (a) is not required where a change in effective control of the licence holder or a foreign acquisition of substantial control of the licence holder occurs as a result of the acquisition of shares or other securities on a registered stock exchange.
- (e) For the purpose of this condition:
 - (i) Related Body Corporate means in relation to a body corporate, a body corporate which is a related body corporate of the first mentioned body corporate for the purposes of the *Corporations Act 2001 (Cth)*; and
 - (ii) Third Party means any person who is not a Related Body Corporate of the licence holder.

Section G: SPECIAL CONDITIONS

35.

Add any other additional special conditions as required

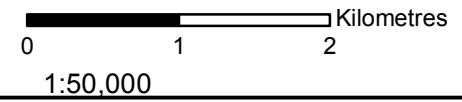
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Exploration Licence No
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Exploration Licence No



APPLICATION: ELA 4711 (Act 1992) (COFFS HARBOUR M.D)
APPLICANT: CHINA AUSTRALIA MINING PTY LTD
APPLICATION DATE: 14-NOV-2012

MAP SHEET(S): 9435
MINERAL GROUP(S): 10
COUNTY(IES): MACQUARIE



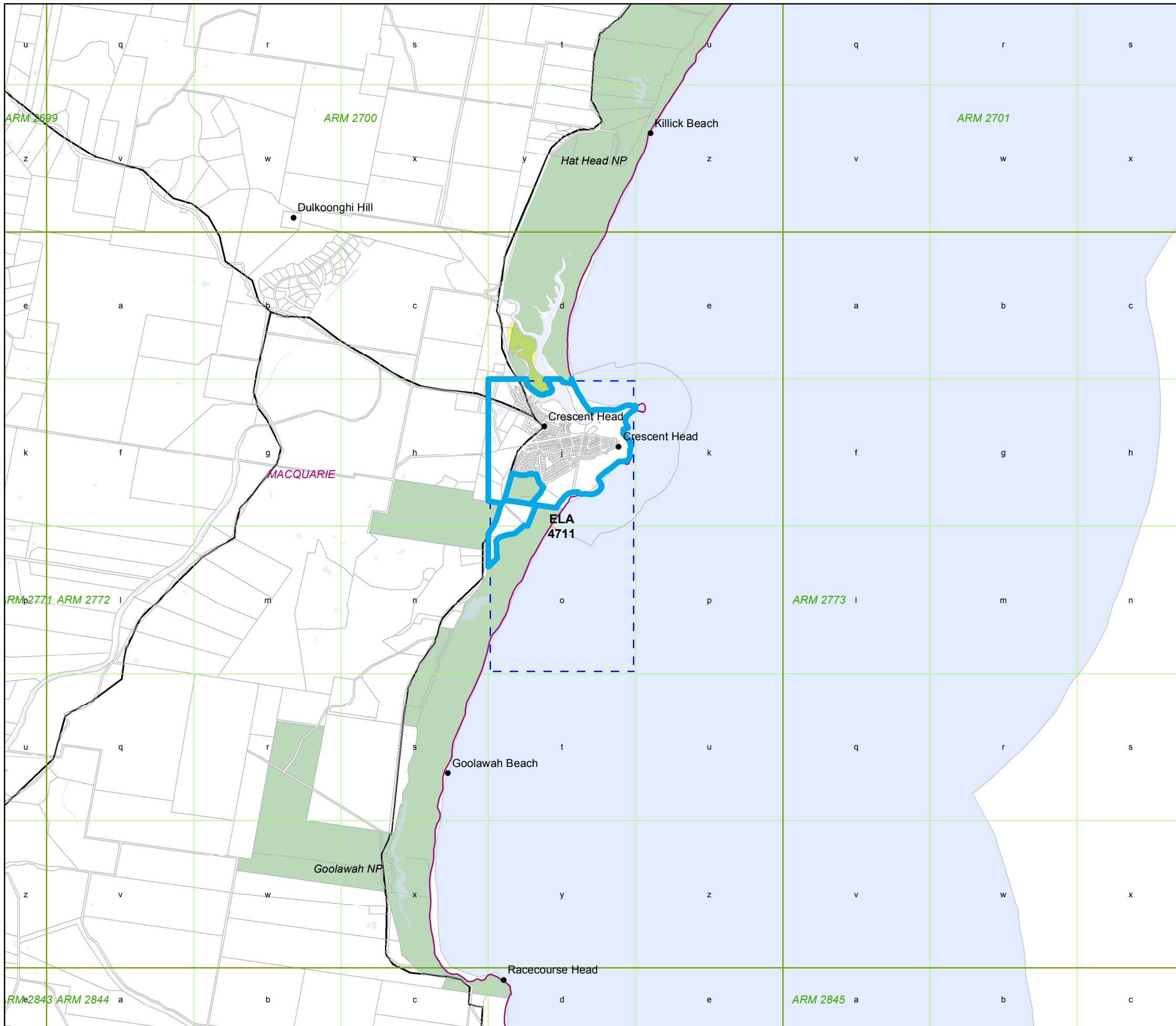
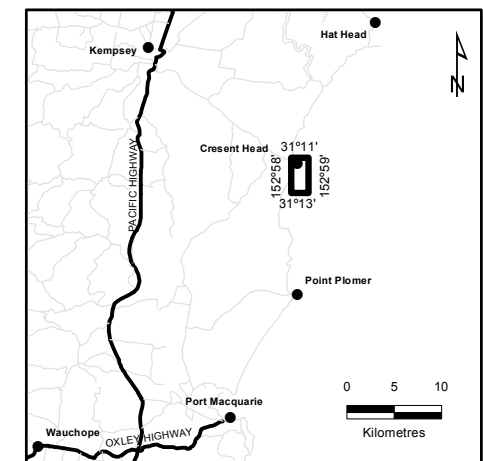
APPLICATION AREA: 2 UNIT(S)
MAP BLOCK UNIT/S
ARMIDALE 2772 jo



LEGEND

- Available Area
- Exploration Licence Application (M)
- Exploration Licence (M)
- County
- NPWS Reserve
- Wetland Area
- Cadastre Parcels
- Mining Reserve

LOCALITY DIAGRAM



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