

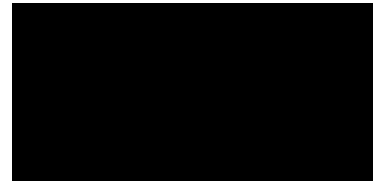
**RENEWAL OF EXPLORATION LICENCE 8085 (ACT 1992)
HELD BY CHINA AUSTRALIA MINING PTY LTD ACN 125 784 189**

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

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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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- (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

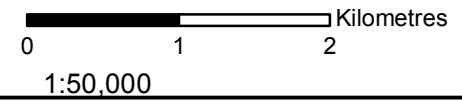
SCHEDULE REFERRED TO IN CONDITION NO
[Click here and type Condition Number]

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



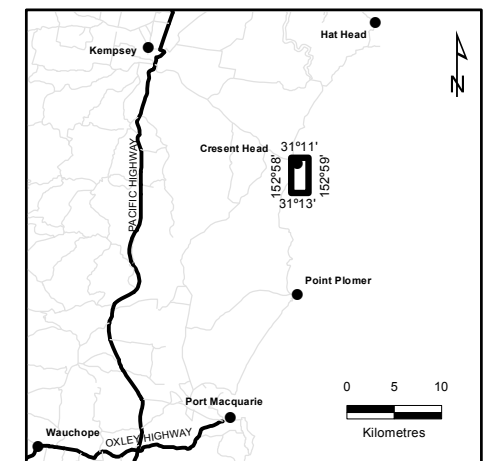
APPLICATION AREA: 2 UNIT(S)
MAP BLOCK UNIT/S
ARMIDALE 2772 j o

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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Date: 20/02/2013 Name: Mike Jacques

File: G:\Drafting\Minerals\Diagrams\
Title_Diagrams\ELA\ ELAs