

EXPLORATION LICENCE

Number 0001

The Minister for Mineral Resources and Energy (“the Minister”) under Part 5 of the South Australian *Mining Act 1971* (“the Act”), grants to **Example Exploration Company Pty Ltd (ACN 000 123 456)** (“the Licensee”) of **L5 101 Grenfell Street** in the state of **South Australia** an Exploration Licence (“the Licence”) authorising the Licensee to explore for **all minerals except extractive minerals or precious stones** within the area defined in Schedule A excluding that part of such area being land:

1. comprised in a precious stones field; or
2. subject to a mining tenement; or
3. comprised in a private mine.

For the term of **two (2) years** commencing on the **31st day of January 2016**

Subject to the Act, the Regulations under the Act, and the conditions set out in this Licence and the Schedules attached hereto and forming part of this Licence.

1 General Conditions

1.1 The licensee shall at all times perform and comply with:

- (i) the provisions of the Act and any regulations from time to time in force under the Act (“the Regulations”);
- (ii) all directions given to the Licensee under the Act or the Regulations;
- (iii) the expenditure conditions set out in Schedule B, and conditions of the exploration licence prescribed in the Act and the Regulations; and
- (iv) the additional conditions determined by the Minister under Section 30 of the Act and set out in Schedule C.

2 Renewal of Licence

2.1 The Licence is, if the Licensee has complied with the Act and the Regulations and the conditions of the Licence during the term for which the Licence was granted or last renewed, entitled to the renewal of the Licence for a further term as determined by the Minister (but not so the aggregate term of the licence exceeds 5 years) upon making application for renewal to the Minister in accordance with Section 30A of the Act.

Ref: **2016/xxxx1**

3 Prescribed Conditions

- 3.1 **Compensation** - The Minister may, at any time, require the holder of the Licence to pay to any person an amount of compensation, stipulated by the Minister, to which that person is, in the opinion of the Minister, entitled in consequence of loss or damage suffered by him as a result of operations conducted in pursuance of the Licence.
- 3.2 **Mineral Discovery** - The Licensee must, as soon as reasonably practicable, report to the Director the discovery on the land of minerals potentially capable of economic production.
- 3.3 **Notification** - The Licensee must give written notice of the following matters to the Director:
- (i) a proposal to carry out an airborne survey of the land (including details of the type of survey, the area to be surveyed, flight line spacing and flight height); or
 - (ii) a proposal to investigate the use of groundwater on the land for the purpose of water supplies, de-watering, in-situ leaching, waste disposal or other purpose.
- 3.4 **Relinquishment Report** - The licensee must within 60 days after making a request to the Minister for a reduction in the area of the land in respect of which the Licence operates submit to the Minister a technical report of the exploratory operations carried out in the area sought to be excluded from the Licence.

SCHEDULE A

EXPLORATION LICENCE No. **00001**

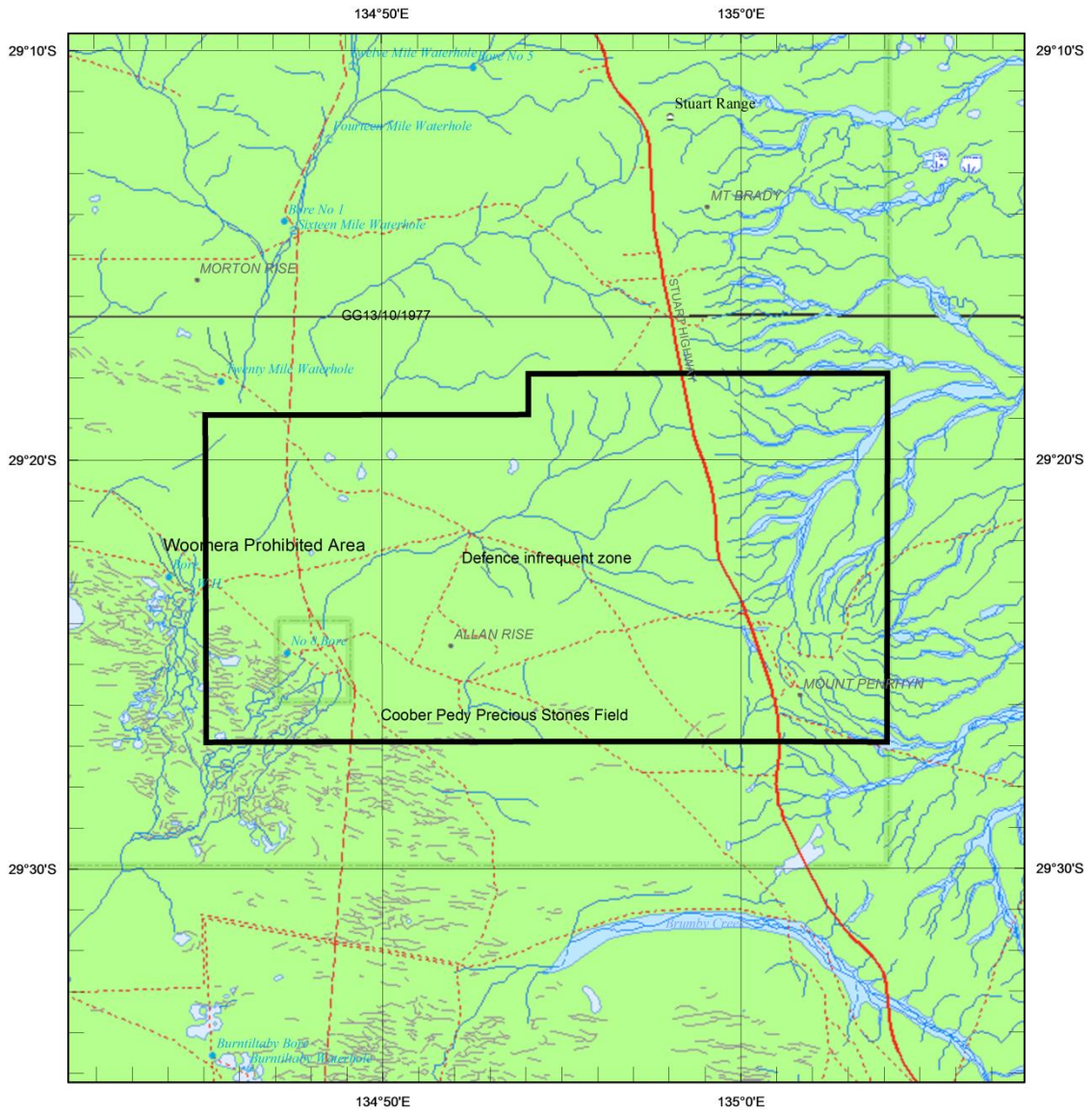
DESCRIPTION OF AREA

KANGAROO DAM AREA – Approximately 40 km southeast of Coober Pedy, bounded as follows:

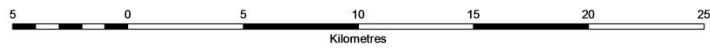
Commencing at a point being the intersection of latitude $29^{\circ}18'S$ and longitude $134^{\circ}54'E$, thence east to longitude $135^{\circ}04'E$, south to latitude $29^{\circ}27'S$, west to longitude $134^{\circ}45'E$, north to latitude $29^{\circ}19'S$, east to longitude $134^{\circ}54'E$, and north to the point of commencement, but excluding the surface stratum of the Coober Pedy Precious Stones Field (G.G. 18.3.82), all the within latitudes and longitudes being geodetic and expressed in terms of the Australian Geodetic Datum as defined on p. 4984 of Commonwealth Gazette number 84 dated October 6, 1966 (**AGD66**).

AREA: 484 square kilometres approximately.

SCHEDULE A



SCALE 1 : 250 000



LICENCE BOUNDARIES IN : DATUM AGD66

NOTE: There is no warranty that the boundary of this Exploration Licence is correct in relation to other features on the map. The boundary is to be ascertained by reference to the written description and the Australian Geodetic Datum 1966.



SCHEDULE B

EXPENDITURE CONDITIONS

Unless the Minister directs otherwise, the Licensee must expend an amount of no less than **\$75,000.00** on exploration in the area comprised in the Licence during the term of this licence.

SCHEDULE C

STANDARD CONDITIONS

1. This Licence confers no rights on the Licensee to carry out operations on “native title land” (as defined in the *Native Title (South Australia) Act 1994*) within the area of this Exploration Licence other than in accordance with Part 9B of the Act.
2. The Licensee shall conduct operations so as not to disturb the environment except in so far as this may be necessary to undertake the programme of exploration required by this Licence.
3. **Low impact exploration** - Unless otherwise specified under conditions of this licence all low impact exploration activities must be undertaken in accordance with Ministerial Determination 001; *Generic Program for Environment Protection and Rehabilitation – Low Impact Mineral Exploration in South Australia* (Generic Low Impact Exploration PEPR).
4. **Program for Environment Protection and Rehabilitation (PEPR)** - Prior to conducting any on-ground exploration activity outside of the scope of the Generic Low Impact Exploration PEPR, an application in accordance with Part 10A of the Act and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
5. PEPR approval for major support facilities - Prior to commencing construction of major campsites, intensive track networks, airstrips and other major support facilities, an application in accordance with Part 10A of the Act and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
6. Failure to comply with an approved PEPR will constitute a failure to comply with the conditions of this Licence.
7. The Licensee must comply with the laws in force in South Australia in the course of undertaking any activities pursuant to this Licence, including but not limited to the Aboriginal Heritage Act 1988, Environment Protection Act 1993, and Work Health and Safety Act 2012.
8. The Minister (or delegate) may request the Licensee to review and resubmit a revised PEPR for further approval at any time during the term of this Licence (Part 10A of the Act).
9. Water resource information - In the event that the Licensee encounters significant underground water during drilling operations the Licensee shall notify the exact location of such underground water to the Director of Mines and shall, if practicable, collect samples and forward to the Director of Mines.

10. Water resource management - The Licensee must conduct exploratory operations in a manner that will prevent contamination or wastage of groundwater at all exploration drillhole sites and is required to complete all exploration drillholes in accordance with Information Sheet M21 - Mineral Exploration Drillholes - General specification for construction and backfilling, approved by the Director of Mines, or as amended from time to time.
11. **Drilling Inspector notification** - At least fourteen (14) days prior to commencing drilling operations that are likely to intersect significant groundwater the Licensee must advise the Drilling Inspector. In the event of artesian conditions being encountered during drilling the Drilling Inspector must be contacted within twenty-four (24) hours. Drilling Inspector contact details can be found within the Department for Water, Environment and Natural Resources advice accompanying this Licence.
12. **Six-Monthly Summary Report** - The Licensee must provide a Six-Monthly Summary Report to the Director of Mines within thirty (30) days after the expiry of each six (6) calendar month period from the date this Licence is granted. The Report must contain information as required by the *Mineral Exploration Reporting Guidelines - A guide to the preparation and submission of technical reports for exploration in South Australia* approved by the Director of Mines, or as amended from time to time.
13. **Annual Technical Report** - The Licensee must provide an Annual Technical Report to the Director of Mines within sixty (60) days after the expiry of each twelve (12) calendar months from the date this Licence is granted, and a Final Annual Technical Report within sixty (60) days after the expiry or surrender of the Licence. The Reports must contain information as required by the *Mineral Exploration Reporting Guidelines - A guide to the preparation and submission of technical reports for exploration in South Australia* approved by the Director of Mines, or as amended from time to time.
14. **Relinquishment Report** - In accordance with Regulation 47 and prescribed conditions of this Licence, in the event the Licensee requests the Minister to consider reducing the area of this Licence, the Licensee must submit a Partial Surrender Report within sixty (60) days of making its application to the Minister. The Report must contain information about exploration undertaken in the proposed exclusion area and other information as required by the *Mineral Exploration Reporting Guidelines - A guide to the preparation and submission of technical reports for exploration in South Australia* approved by the Director of Mines, or as amended from time to time.
15. **Drillhole samples** - Representative drillhole samples are offered to the Geological Survey of South Australia on completion of the program or expiry of the tenement as per the Department's Information Sheet MG18, *Submission of Representative Samples for Mineral Exploration Drillholes*.
16. Exploration reports, data and samples required to be submitted under the Act by the Licensee must be in a manner and form acceptable to the Director of Mines.

17. The Minister will endeavour to keep exploration reports, data and samples submitted in accordance with the conditions of this Licence confidential while the Licence is in force except where:
- (i) the Licensee has agreed that reports may be released;
 - (ii) the reports deal with exploration conducted on areas that have ceased to be part of the licence under the Act;
 - (iii) the release will take place in accordance with Section 77D of the Act (for example data/samples that have been held for at least 5 years); or
 - (iv) documents must be released pursuant to the provisions of the *Freedom of Information Act 1991*.
18. **Airborne survey notification** - At the planning stage of any aerial survey, the licensee shall provide details to the Director of Mines of the type of airborne survey, area to be surveyed, flight-line spacing, flight height, and method by which landowners have been notified of low level surveys. The "Notification of an airborne survey on a Mineral Exploration Licence" form must be used for this notification.

ADDITIONAL CONDITIONS

19. **Reduction 1- 25% at end of term:** Unless the Minister otherwise determines, if the expenditure commitment of the Licence is not satisfied, the area of land to which the current licence applies shall be reduced by at least 25% by the end of the current term. The boundaries of the reduced area must coincide with whole minutes of latitude and longitude.
20. Prior to commencing any exploration activity involving the use of declared equipment or drilling equipment within the **Flinders Ranges Planning Area Class A**, a Program for Environmental Protection and Rehabilitation (PEPR) in accordance with Part 10A of the *Mining Act 1971* and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
21. The landholder for **Ironstone Hill Conservation Park** within the Licence area is the Minister for Sustainability, Environment and Conservation. The Notice of Entry (Form 21) should be sent to the Minister for Sustainability, Environment and Conservation (Attention: Team Leader – Conservation and Mining). The company should liaise closely with the District Ranger/delegate to ensure that the particular concerns and regulations for **Ironstone Hill Conservation Park** are met.
22. Prior to entering **Ironstone Hill Conservation Park** in order to carry out any on ground exploration operations, approval must be obtained from the Minister for Sustainability, Environment and Conservation, and the Minister for Mineral Resources and Energy. An application supported by a PEPR in accordance with Part 10A of the *Mining Act 1971* and Ministerial Determination 013 must be lodged with the Mineral and Energy Resources Group of the Department of State Development (DSD) (Requirements of the Minister for Sustainability, Environment and Conservation for entry and activities within **Ironstone Hill Conservation Park** are included in the Proclamation for the Park).

23. In developing the PEPR, the licensee shall have regard to the provisions of any plan of management in operation under section 38, of the *National Parks and Wildlife Act 1972*.

Where part of the licence area lies outside a park/reserve, the following condition may be included:

24. **Within 100m of a park:** Prior to commencing any exploration activity involving the intensive use of vehicles, the use of declared equipment or drilling equipment within 100 metres of **Ironstone Hill Conservation Park**, a PEPR in accordance with Part 10A of the *Mining Act 1971* and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
25. **Petroleum Tenements:** This Licence does not authorise the Licensee to undertake any activities which may significantly deleteriously affect the potential for coal seam methane drainage or insitu gasification of coal within any overlapping Exploration Licence under the *Petroleum and Geothermal Energy Act 2000*, the application for which predates the application for this Licence and any former Licence, without the agreement of the relevant licensee under the *Petroleum and Geothermal Energy Act 2000* unless otherwise agreed by the Minister after consultation with the parties concerned.
26. **Native Vegetation Heritage Agreement area:** Prior to commencing any exploration activity involving the use of vehicles off existing roads/tracks, the use of declared equipment/drilling equipment within a Native Vegetation Heritage Agreement area, a PEPR in accordance with Part 10A of the *Mining Act 1971* and Ministerial Determination 013 shall be submitted to and approved in writing by the Minister (or delegate).
27. **Phytophthora:** The Licence occurs within a **high** risk management zone for the soil-airborne disease *Phytophthora cinnamomi*. The Licensee must ensure that prior to undertaking exploration in the Phytophthora infected areas, appropriate risk reduction methodologies are adopted (in accordance with Phytophthora Management Guidelines as produced by the Department of Environment, Water and Natural Resources).

Extract from Mining Register: Instruments

EXAMPLE ONLY



Government of South Australia
Department of State Development

Mineral Tenements
GPO Box 320
Adelaide SA 5001
Tel: (08) 8463 3050

Tenement: EL 1

Holder(s): Example Exploration Company Ltd
L5 101 Grenfell Street
ADELAIDE SA 5000

Exploration Program Operator Co
L5 101 Grenfell Street
ADELAIDE SA 5000

Number	Instrument Type	Notes	Consent	Start	Expiry	Endorsed
40151	Deed	Access Deed for the Example Prohibited area between the Commonwealth of Australia represented by the Department of Defence and Example Exploration Company Ltd.	15/10/1972	15/10/1972		15/10/1972
40150	Bond - Current	BOND NO. 1 \$10 000 - LODGED BY EXAMPLE EXPLORATION COMPANY PTY LTD bank guarantee now held for EL 1.	01/10/1972	01/10/1972		01/10/1972
40149	Caveat	Lodged by Adelaide Lawyers on behalf of FirstExample Exploration Company Ltd pursuant to the 01/09/1972 Sale and Purchase Agreement between FirstExample Exploration Company Ltd (Australia) Example Exploration Company Ltd.	28/08/1972	28/08/1972		28/08/1972
40148	Sale Agreement	Sale and Purchase Agreement - between FirstExample Exploration Company Ltd and Example Exploration Company Ltd.	01/09/1972	01/09/1972		01/09/1972
40147	Transfer	100% from FirstExmple Exploration Company Ltd to Example Exploration Company Ltd.	01/09/1972	01/09/1972		01/09/1972
40146	Change Of Address	New registered address updated to: 101 Example Address Adelaide SA 5000	01/06/1972	01/06/1972		01/06/1972
40145	Renewal	1 year renewal. Renewed over a reduced area from 218km2 to 51.8km2. Amount of \$200,000 is to be spent on exploration during the renewed term.	01/08/1973	01/08/1973		01/08/1973

End of Report