



Government  
of South Australia

*Mining Act 1971*

**TENEMENT DOCUMENT**  
**RETENTION LEASE**

**TENEMENT HOLDER** Kimba Gap Iron Project Pty Ltd (ACN 163 580 550)

**CLASS OF LEASE** Retention Lease (RL)

**RL NUMBER** 129

**TERM OF LEASE** Five years

**COMMENCEMENT DATE** 8 November 2016

**EXPIRY DATE** 7 November 2021

**MINERAL(S)** Minerals (Iron Ore – Hematite DSO and Concentrate,  
Magnetite DSO and Concentrate)

**AREA OF LEASE** 2547.00 hectares approximately

**DATE BY WHICH THE PROPOSED PEPR MUST BE SUBMITTED: 7 November 2017**

Revenue Stamp Duty - ABN 19 040 349 865 ©	
RevNetID/PRA Bundle No.:	EX 136577067
Orig/Copy _____ of/with	1 _____ copies
Consideration/Value/Security:	\$ 0
SA Proportion (if applicable):	\$ 0
SD: \$ 0	LTO Fees: \$ 0
Int: \$ 0	Pen/Add Tax: \$ 0
Signature: <i>TR</i>	Date: 12/11/17

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### **Details of Grant of a Mining Tenement**

1. On 8 November 2016, pursuant to Part 6A of the Act, the Minister made a statutory grant of a retention lease (the Mining Tenement) described in this document (Tenement Document).
2. The Mining Tenement is granted:
  - 2.1. To Kimba Gap Iron Project Pty Ltd (ACN 163 580 550);
  - 2.2. On the basis that, pursuant to subsection 41A(2) of the Act:
    - 2.2.1. Where for economic or other reasons the applicant is, in the opinion of the Minister, justified in not proceeding immediately to mine the land in pursuance of a mining lease; or
    - 2.2.2. where in the opinion of the Minister sufficient investigation has not yet been carried out to enable him to determine the terms and conditions upon which a mining lease should be granted; or
3. The Mining Tenement is numbered RL129.
4. The Mining Tenement is:
  - 4.1. Subject to the Terms and Conditions prescribed by the Act and Regulations and specified in this Tenement Document; and
  - 4.2. Subject to the Additional Terms and Conditions specified in the First and Second Schedules (respectively) of this Tenement Document.

### **Terms and conditions required by the Act to be specified in the Tenement Document**

#### **Description of the Land**

5. The Mining Tenement is granted over an area of 2547.00 hectares and is located approximately 45km west of Whyalla.
6. The location of the Mining Tenement is more specifically defined in the map and coordinates specified in the Third Schedule of this Tenement Document.

### **Term, Commencement and Expiration**

7. The Mining Tenement is granted for the term of five years. The term of the Mining Tenement commenced on 8 November 2016, and, unless it is earlier renewed or surrendered the Mining Tenement will cease on 7 November 2021.

#### *Explanatory Notes:*

*Section 41D of the Act provides that a Retention Lease shall be granted for a term not exceeding 5 years.*

*Refer to paragraph 23 of this Retention Lease for details of renewal.*

*Refer to paragraph 24 of this Retention Lease for details of surrender.*

*Regulation 38 of the Regulations provides that if the Minister grants a mining lease over the whole or part of the area comprised in a retention lease, the retention lease will cease to operate in relation to the area comprised in the mining lease.*

### **Rental**

8. The Tenement Holder shall pay, by way of rental, such sums as may be prescribed and in accordance with section 41E of the Act and regulation 42 of the Regulations.

### **Environmental outcomes specified pursuant to Section 70B(2) of the Act**

9. If relevant for the Mining Tenement, the Sixth Schedule of this Tenement Document sets out outcomes contemplated in section 70B(2) of the Act, that the Tenement Holder is required to address in any program submitted in accordance with Part 10A of the Act.

*Explanatory note: The Sixth Schedule may also contain strategies and criteria which the Minister has formed the view would address the outcomes set out in that Schedule.*

### **Restatement of selected provisions from the Act**

#### **Explanation of Restatements**

10. All of the restatements in this portion of this Tenement Document are included for guidance only and do not replace the substantive provisions of the Act or the Regulations.
11. If any restatement is inconsistent with the substantive provisions of the Act or the Regulations, the restatement will be invalid and the substantive provision of the Act or the Regulations will prevail and the Tenement Holder is required to comply with the substantive provision of the Act or the Regulations.
12. The Tenement Holder is still required to comply with any provision of the Act or Regulations that is not restated in this Tenement Document.

**Restatement of rights conferred on Tenement Holder**

Rights conferred by this Retention Lease

13. Pursuant to section 41F of the Act, this Retention Lease confers on the Tenement Holder, including officers, employee(s), contactor(s) or duly authorised agent(s) of the Tenement Holder:
- 13.1 An exclusive right to prospect for the Mineral(s) in the Land; and
  - 13.2 Such other rights to conduct mining operations in respect of the Land as may be stipulated in this Tenement Document; and
  - 13.3 The right to apply for a mining lease in respect of the Land.

**Restatement of rights and powers not conferred on the Tenement Holder**

14. The grant of the Mining Tenement does not confer any right on the Tenement Holder:
- 14.1 To use the Land for any purpose other than the authorised mining operations.
  - 14.2 To confer any rights on any other person in relation to the Mining Tenement.

*Explanatory note: For example, the Tenement Holder cannot grant rights to a party under a Joint Venture Agreement (or other agreement however described), to conduct mining operations on the Land in that party's own right. The Tenement Holder may engage employees, contractors or agents to perform work on the tenement on the Tenement Holder's behalf).*

**Restatement of obligations imposed on Tenement Holder: Program for environment protection and rehabilitation**

15. The Tenement Holder must not carry out mining operations unless there is an Approved PEPR.
16. A Proposed PEPR will only be approved when it complies with the requirements of Part 10A of the Act and the Regulations.
17. To comply with Part 10A of the Act, the Proposed PEPR must:
- 17.1 For the purposes of section 70B(2) of the Act comply with any requirements determined by the Minister under section 70B(2) of the Act and regulation 65(4) of the Regulations;
  - 17.2 Contain the information specified in section 70B(2) of the Act and regulation 65(5) and (6) of the Regulations and determinations made by the Minister under regulation 65(7) of the Regulations (if any);

- 17.3. Comply with any applicable conditions specified in this Tenement Document (if any).
18. In accordance with regulation 65(10) of the Regulations, the Tenement Holder must submit to DSD for ministerial approval a Proposed PEPR that fully complies with the Act and Regulations within twelve (12) months after the grant of the Mining Tenement unless the Tenement Holder has been granted an extension of time for such submission.

*Explanatory note: Until otherwise notified, the Tenement Holder may apply for an extension of time in writing to the Director of Mines, Level 7, 101 Grenfell Street, Adelaide, SA 5000, setting out the reasons why the Tenement Holder seeks an extension and the date when the Tenement Holder estimates that the document will be ready for submission to the Minister.*

**Restatement of obligations imposed on Tenement Holder: Other**

19. In addition to obligations about the conduct of mining operations and rehabilitation, the Act and Regulations impose other obligations on the Tenement Holder including obligations to:
- 19.1. Comply with the applicable provisions of Part 9 of the Act (entry onto land and use of declared equipment).
  - 19.2. Comply with the applicable provisions of Part 9B of the Act (native title).
  - 19.3. Comply with the provisions of section 76 of the Act (mining returns) to the extent relevant to a Retention Lease.
  - 19.4. Comply with section 77 of the Act (records and geological samples) and regulation 84 of the Regulations.
  - 19.5. Comply, as necessary, with section 83 of the Act (ministerial consent for dealings in relation to the Mining Tenement) and regulations 44 and 70 of the Regulations.
  - 19.6. Comply with regulation 37 of the Regulations regarding the display of the lease number;
  - 19.7. Comply, insofar as applicable to a Retention Lease, with regulation 86 of the Regulations (compliance reports).
  - 19.8. Comply with the requirement in regulation 43 of the Regulations to maintain all posts, boundary indicator markers and notices in the positions required by the Regulations as applicable.
  - 19.9. Permit the pastoral lessee (if any) of the Land to have free access and use at all times for domestic purposes, and for the purposes of watering stock from any surface water on the land which shall not have been provided or stored by

artificial means by the Tenement Holder in accordance with section 81 of the Act and regulation 91 of the Regulations.

#### **Restatement of Exempt Land**

20. In accordance with section 9 of the Act, the grant of the Mining Tenement does not authorise prospecting, exploring or mining upon any exempt land unless or until the benefit of the exemption is waived under section 9AA of the Act.

#### **Restatement of Bond**

21. In accordance with section 62 of the Act, the Minister may by written notice require the Tenement Holder to pay a bond in such sum and subject to such terms and conditions as ensure, in the opinion of the Minister, that the following will be satisfied:

- 21.1. Any civil or statutory liability likely to be incurred by the Tenement Holder in the course of carrying out mining operations;
- 21.2. The present and future obligations of the Tenement Holder in relation to the rehabilitation of land disturbed by mining operations.

*Explanatory note: The terms and conditions referred to in this paragraph will be imposed in the written notice given by the Minister. The Minister may include a term or condition that the bond may be increased if circumstances arise during the term of this Retention Lease which increases the rehabilitation liability or increases the cost of civil or statutory liability.*

#### **Restatement of Fees**

22. The Tenement Holder shall pay all fees imposed by the Act and Regulations from time to time.

#### **Restatement of Renewal**

23. This Mining Tenement shall be renewed in accordance with section 41D of the Act.

#### **Restatement of Surrender**

24. The Tenement Holder may apply to surrender the Mining Tenement during its term in accordance with section 82 of the Act and regulation 45 of the Regulations.



**Restatement of Forfeiture**

25. The Mining Tenement is subject to the forfeiture provision of the Act being sections 70 and 85.

**Restatement of Notices**

26. Notices under the Act will be served in accordance with regulation 106 of the Regulations.

**Restatement of Mining Register**

27. Section 15A of the Act requires the Mining Registrar to keep a register of, amongst other things, Retention Leases. Upon payment of the prescribed fee, the public may inspect the Mining Register.

**Restatement of Mining Operations**

28. As defined by section 6 of the Act "mining operations" means:

- 28.1. operations carried out in the course of prospecting, exploring or mining for minerals; or
- 28.2. without limiting paragraph (a), any operations by which minerals are recovered from any place or situation, including by recovering minerals from the sea or a natural water supply; or
- 28.3. on-site operations undertaken to make minerals recovered from the site a commercially viable product, other operations involving such minerals, or other operations involving minerals brought on to the site of a mine for processing; or
- 28.4. operations for the rehabilitation of land on account of the impact of any operations under a preceding paragraph; or
- 28.5. operations that are directly related to any operations under a preceding paragraph;  
but does not include –
- 28.6. an investigation or survey under section 15 of the Act; or
- 28.7. fossicking; or
- 28.8. the surface removal of loose rock material disturbed by agricultural operations.

**Restatement of Declaration of Insolvency**

29. The Tenement Holder must comply with regulation 98(1)(c) of the Regulations, which concerns bankruptcy, insolvency and liquidation.

**Restatement of Public Liability Insurance**

30. The Tenement Holder must comply with regulation 90 of the Regulations, which concerns public liability insurance.

## Definitions

31. In this Tenement Document, the following words have the following meanings:

- 31.1. “**Act**” means the *Mining Act 1971* of South Australia;
- 31.2. “**Additional Terms and Conditions**” means the Additional Terms and Conditions authorised by section 41A(4) of the Act and set out in the First and Second Schedule of this Tenement Document respectively;
- 31.3. “**Applicant**” means the person or persons who applied for the Mining Tenement;
- 31.4. “**Approved PEPR**” means the document contemplated by section 70B(5) of the Act i.e. a Proposed PEPR that has received ministerial approval;
- 31.5. “**Business Day**” means any day that is not a Saturday, Sunday or a public holiday in South Australia;
- 31.6. “**EPA**” means the *Environments Protection Authority under the Environment Protection Act 1993* of South Australia;
- 31.7. “**the Land**” means the land over which the Mining Tenement is granted and which is described in the Third Schedule of this Tenement Document;
- 31.8. “**Mineral(s)**” means the Minerals referred to in the First Schedule of this Tenement Document;
- 31.9. “**Minister**” means the Minister for Mineral Resources and Energy (or any substituted Minister);
- 31.10. “**the Program**” means the Approved PEPR as defined above;
- 31.11. “**Proposed PEPR**” means the document required by regulation 65(10) of the Regulations to be submitted for ministerial approval within twelve (12) months of the date of grant of the Mining Tenement;
- 31.12. “**Regulations**” means the *Mining Regulations 2011* of South Australia;
- 31.13. “**Retention Lease**” means the Tenement granted to the Tenement Holder as referred to in paragraph 1 of this Tenement Document;
- 31.14. “**site**” means the Land;
- 31.15. “**Tenement Document**” means this document;
- 31.16. “**Tenement Holder**” means the person, or persons to whom this Retention Lease is granted and includes:
  - 31.16.1. If the Tenement Holder is a natural person the executors, administrators and assigns of that person;

31.16.2. If the Tenement Holder is a body corporate the successors, administrators or permitted assigns thereof.

*Explanatory Note: "The Tenement Holder" has the same meaning as "the mining operator" as defined by section 6 of the Act.*

31.17. "**third party land users**" means the owner of land (as defined by the Act) and any persons lawfully occupying land with the licence of the owner, or the consent of the owner and "**third party land use**" has a corresponding meaning.

### Interpretation

32. For the purposes of interpreting this Tenement Document the following will apply:

- 32.1. Unless otherwise stated, any term which is used in this Tenement Document which has a specific meaning in the Act or the Regulations, has that same meaning in this Tenement Document;
- 32.2. The masculine shall include the feminine, words importing persons shall include corporations, and the singular shall include the plural when the context or circumstances require and unless inconsistent with or repugnant to the context the following words shall have the meanings set opposite to them respectively –
  - 32.2.1. “amendment” includes an addition, excision or substitution;
  - 32.2.2. “the Land” includes any part thereof; and
  - 32.2.3. “the term” includes any renewal or extension thereof.
- 32.3. If the Mining Tenement is granted to more than one person, all of the persons to whom it is granted are all jointly and severally liable for compliance with the Act, the Regulations and this Tenement Document, including the Additional Terms and Conditions in the First and Second Schedules of this Tenement Document respectively;
- 32.4. If, by virtue of a dealing under section 83 of the Act, the Mining Tenement comes to be held by more than one person, they will all be jointly and severally liable for compliance with the Act, the Regulations and this Tenement Document including the Additional Terms and Conditions in the First and Second Schedules of this Tenement Document respectively;
- 32.5. If any act pursuant to Tenement Document would otherwise be required to be done on a day which is not a Business Day then that act may be done on the next Business Day;
- 32.6. To the extent that there is any inconsistency, on the one hand, between a term of this Tenement Document or any Additional Term or Condition, and, on the other hand, the Act or Regulations, the Act or Regulations shall prevail;
- 32.7. Subject to the transitional provisions in any amendment to the Act or the Regulations, all provisions referred to in this Tenement Document shall be taken to include any such amendment;
- 32.8. Subject to the transitional provisions in any amendment to the Act or the Regulations, to the extent that there is any inconsistency, on the one hand, between a term of this Tenement Document or any Additional Term or


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Condition, and, on the other hand, any amendments to the Act or Regulations, the amended Act or Regulations shall prevail;

- 32.9. Footnotes and Explanatory notes do not form part of this Tenement Document;
- 32.10. The contents page does not form part of this Tenement Document;
- 32.11. The front page and all of the Schedules form part of this Tenement Document.

**Executed by the Tenement Holder(s) in accordance with regulation 41 of the Regulations**

SIGNED by Kimba Gap Iron Project Pty Ltd (ACN 163 580 550) )  
in accordance with section 127 of the )  
*Corporations Act 2001* and its Constitution )

  
.....  
Signature of Director

  
.....  
Signature of Director/Secretary

*Ben Hammond*  
.....  
Print Name of Director

*Gavin Bosch*  
.....  
Print Name of Director/Secretary

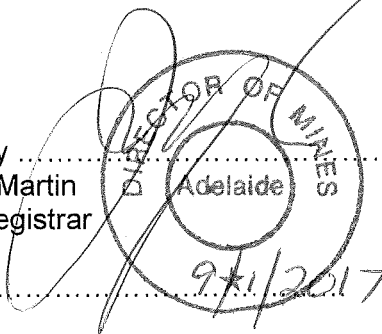
*28/12/2016*  
.....  
Date

*28/12/2016*  
.....  
Date

Entered in the Mining Register on 8 November 2016  
In accordance with section 15A(1)(c) of the Act.

Signed by .....  
Junesse Martin  
Mining Registrar

.....  
Date



**FIRST SCHEDULE****ADDITIONAL TERMS**

Explanatory Note: A term is a clause that gives a right to a Mining Tenement.

**Authorised Mining Operations**

1. The term of the Retention Lease is for five years.
2. The Tenement Holder must undertake the work in relation to the Retention Lease in accordance with the Retention Lease proposal document dated January 2016.
3. Pursuant to Section 41F(b) the Tenement Holder has the right to conduct mining operations on the Retention Lease only to the extent of conducting exploratory operations, as defined in Section 6 of the *Mining Act 1971*.



**SECOND SCHEDULE****ADDITIONAL CONDITIONS**

*Explanatory note: A condition is a clause that imposes a restriction on a Mining Tenement.*

<b>INDEX TO SECOND SCHEDULE (ADDITIONAL CONDITIONS)</b>	<b>Condition No.</b>
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**Transparency**

1. The Tenement Holder agrees to the Approved PEPR and any compliance reports and reportable incident reports, submitted in accordance with the Regulations, being made available for public inspection.

**Compliance Reporting**

2. In accordance with Regulation 86(1)(b) the Tenement Holder must provide a Compliance Report every year, within 2 months after the anniversary of the date the Retention Lease was granted, or at some other time agreed with the Director of Mines or other authorised officer. The Compliance Report must detail activities undertaken to meet the program of work specified in Section 11 of the Retention Lease proposal document dated January 2016.

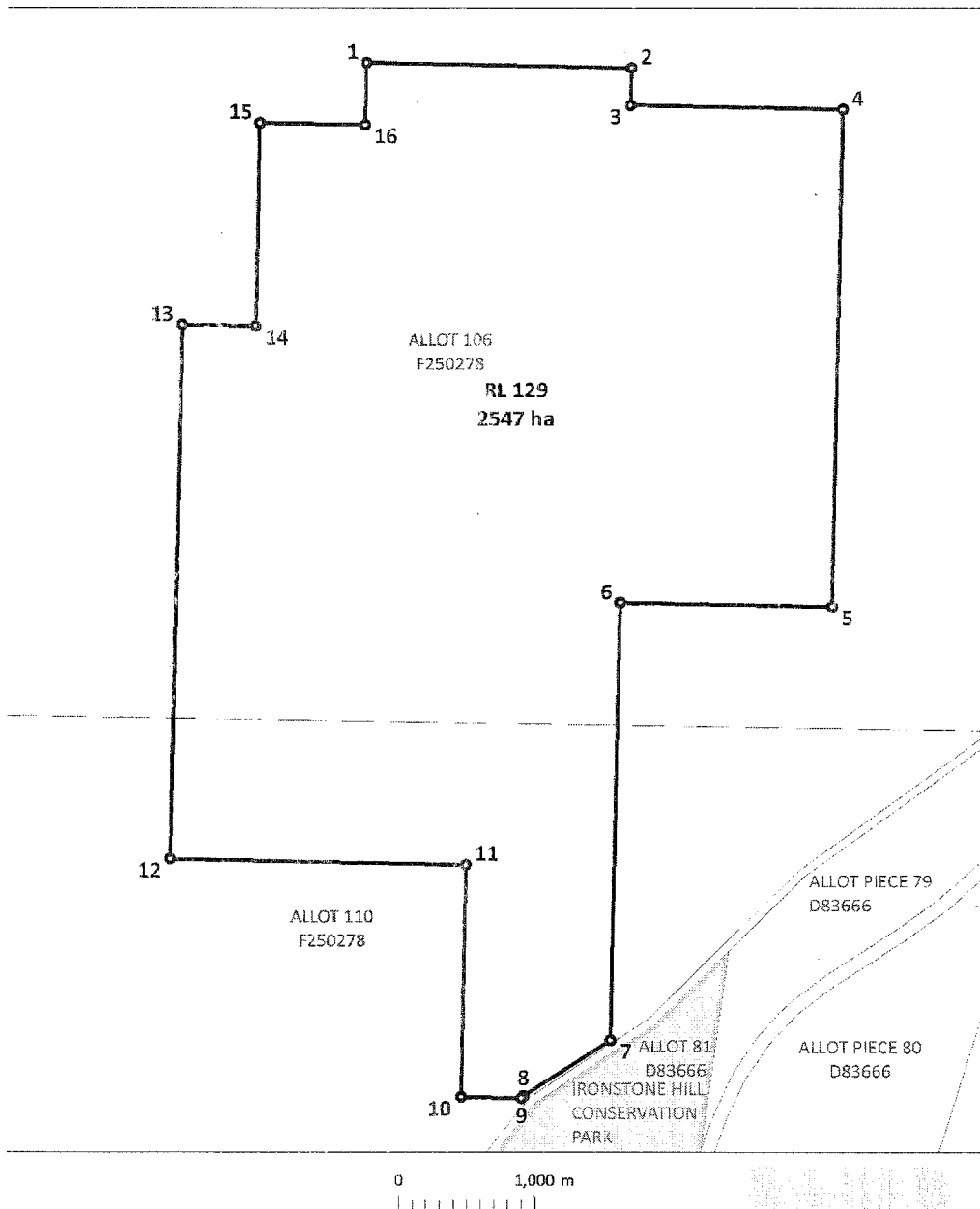
**Other Legislation**

3. The Tenement Holder must comply with all State and Commonwealth legislation and regulations applicable to the activities undertaken pursuant to the grant of the Retention Lease including (but not limited to) the:
  - 3.1. *Environment Protection and Biodiversity Conservation Act 1999;*
  - 3.2. *Dangerous Substances Act 1979;*
  - 3.3. *National Parks and Wildlife Act 1972;*
  - 3.4. *Natural Resources Management Act 2004;*
  - 3.5. *Aboriginal Heritage Act 1988;*
  - 3.6. *Heritage Places Act 1993;*
  - 3.7. *Work Health and Safety Act 2012;*
  - 3.8. *Environment Protection Act;*
  - 3.9. *Native Vegetation Act 1991;*
  - 3.10. *Mines and Works Inspection Act 1920; and*
  - 3.11. *Road Traffic Act 1961.*

THIRD SCHEDULE

MAP

SCHEDULE A



NOTE: The boundary of this lease is depicted so as to best represent the relationship to the surrounding cadastral parcels. The legal boundary is to be ascertained by the coordinates specified.

DATE PRODUCED: 1/12/2016

## THIRD SCHEDULE

## DESCRIPTION OF AREAS

All that part of the State of South Australia, bounded by a line joining the points of coordinates set out in the following table:

## Map Grid of Australia 1994 Zone 53

Point	Easting	Northing
1	694197 mE	6337988 mN
2	696142 mE	6337949 mN
3	696136 mE	6337672 mN
4	697692 mE	6337641 mN
5	697617 mE	6333944 mN
6	696062 mE	6333975 mN
7	695997 mE	6330724 mN
8	695356 mE	6330307 mN
9	695344 mE	6330292 mN
10	694900 mE	6330301 mN
11	694934 mE	6332026 mN
12	692757 mE	6332069 mN
13	692835 mE	6336043 mN
14	693380 mE	6336032 mN
15	693410 mE	6337541 mN
16	694188 mE	6337526 mN

Area: 2,547 ha

Based on information provided by the applicant.

FOURTH SCHEDULE  
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**FIFTH SCHEDULE**

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**SIXTH SCHEDULE**

**ENVIRONMENTAL OUTCOMES**

**AND ASSOCIATED CRITERIA AND STRATEGIES PURSUANT TO  
SECTION 70B OF THE MINING ACT 1971**

*Explanatory note: The Sixth Schedule includes clauses which set out the requirements for content that would be provided in a PEPR.*

No additional requirements for a PEPR have been prescribed through the Sixth Schedule of the Tenement Document. The Tenement Holder must meet the requirements of Section 70B(2) of the Act in regards to the content of a PEPR.