



Government
of South Australia

Mining Act 1971

RETENTION LEASE

LEASE HOLDER Sinosteel Uranium SA Pty Ltd (ACN 124 728 856) and
PepinNini Resources Curnamona Pty Ltd (ACN 122 529 168)

LEASE NUMBER RL 126

COMMENCEMENT DATE 20 September 2012

TERM OF LEASE Five (5) years

EXPIRY DATE 19 September 2017

MINERAL(S) Energy (Uranium Oxide) and Minerals (Contained Copper,
Gold, Rare Earth Elements, Thorium)

AREA OF LEASE 749.7 hectares

RevenueSA - Stamp Duty - ABN 19 040 349 865 ©	
RevNetID/PRA Bundle No.:	Ex 131074008
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: <u>T.A.</u>	Date: 19/8/14

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1 Details of Grant of Retention Lease

On insert 20 September 2012 the Minister granted this Retention Lease:

- (a) Under section 41A of the *Mining Act 1971* in relation to Energy (Uranium Oxide) and Minerals (Contained Copper, Gold, Rare Earth Elements, Thorium);
- (b) To Sinosteel Uranium SA Pty Ltd (ACN 124 728 856) and PepinNini Resources Curnamona Pty Ltd (ACN 122 529 168);
- (c) On the basis that, pursuant to subsection 41A(2)(b) of the Act, the Minister is of the opinion that sufficient investigation has not yet been carried out to enable the Minister to determine the terms and conditions upon which a mining lease should be granted.

This Retention Lease is numbered RL 126.

This Retention Lease is subject to:

- (a) The terms and conditions prescribed by the Act and the *Mining Regulations 2011*, which are set out in the body of this document and in Schedule B; and
- (b) The Additional Terms and Conditions specified in Schedule B.

2 Terms and conditions required by the Act to be specified in the Retention Lease

2.1 Description of the Land

This Retention Lease is granted over an area of 749.7 hectares and is located Block 1109, Out of Hundreds (Olary), approximately 55 km northwest of Olary.

The location of this Retention Lease is more specifically defined in the map and co-ordinates specified in Schedule A.

2.2 Term, Commencement and Expiration

This Retention Lease is granted for the term of five (5) years.

The term of this Retention Lease commenced on 20 September 2012, and, unless it is earlier renewed or surrendered, or ceases due to the operation of regulation 38, this Retention Lease will cease on 19 September 2017.

EXPLANATORY NOTE:

Regulation 38 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.

2.3 Rental

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.

3 Restatement of selected provisions from the Act

3.1 Explanation of Restatements

All of the restatements in this portion of this Retention Lease are included for guidance only and do not replace the substantive provisions of the Act or the Regulations.

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.

The Tenement Holder is required to comply with any provision of the Act or Regulations that is not restated in this Retention Lease.

3.2 Restatement of rights conferred on Tenement Holder

Pursuant to section 41F of the Act, this Retention Lease confers on the Tenement Holder, including officers, employee(s), contractor(s) or duly authorised agent(s) of the Tenement Holder:

- (a) An exclusive right to prospect for the Mineral(s) in the Land; and
- (b) Such other rights to conduct mining operations in respect of the Land as may be stipulated in the Lease; and
- (c) The right to apply for a mining lease in respect of the Land.

For the purposes of section 41F(b) clause 3 of Schedule B of this Retention Lease stipulates that the Tenement Holder is authorised to conduct exploratory operations, as defined by the Act.

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

This Retention Lease does not confer any right on the Tenement Holder:

- (a) To use the Land for any purpose other than the authorised mining operations.
- (b) To confer any rights on any other person in relation to the 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 can of course engage employees, contractors or agents to perform work on the tenement on the Tenement Holder's behalf).

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

The Tenement Holder must not carry out prospecting or exploratory operations unless there is an approved program for environment protection and rehabilitation (an APPROVED PEPR).

A PROPOSED PEPR will only be approved when it complies with the requirements of Part 10A of the Act and the Regulations.

To comply with Part 10A of the Act, the PROPOSED PEPR must:

- (a) Contain the information specified in section 70B(2) of the Act and regulations 65(4) and (5) of the Regulations and determinations made by the Minister under regulation 65(7) of the Regulations; and
- (b) Comply with any applicable conditions attached to this Retention Lease.

EXPLANATORY NOTE: As at the time of commencement of this Retention Lease, there are no determinations as to retention leases.

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 this Retention Lease unless the Tenement Holder has been granted an extension of time for such submission.

EXPLANATORY NOTE: Until otherwise notified, if the Tenement Holder wishes to apply for an extension of time, please write 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.

3.5 Restatement of obligations imposed on Tenement Holder: Other

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:

- (a) If applicable, comply with section 9 of the Act (Exempt Land).
- (b) Comply with the applicable provisions of Part 9 of the Act (entry onto land and use of declared equipment).
- (c) Comply with the applicable provisions of Part 9B of the Act (native title).

- (d) Comply with the provisions of section 76 of the Act (mining returns) to the extent relevant to a retention lease.
- (e) Comply with section 77 of the Act (records and geological samples) and regulation 84 of the Regulations.
- (f) Comply, as necessary, with section 83 of the Act (ministerial consent for dealings in relation to the Tenement) and regulations 44 and 70 of the Regulations.
- (g) Comply, insofar as applicable to retention leases, with regulation 86 of the Regulations (compliance reports).
- (h) 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.
- (i) 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.

3.6 Restatement of Bond

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:

- (a) any civil or statutory liability likely to be incurred by the Tenement Holder in the course of carrying out mining operations;
- (b) 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 cost of rehabilitation or increases the cost of civil or statutory liability.

3.7 Restatement of Fees

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

3.8 Restatement of Renewal

This Retention Lease shall be renewed in accordance with section 41D of the Act and the Regulations (if any).

3.9 Restatement of Surrender

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

3.10 Restatement of Forfeiture

This Retention Lease is subject to the forfeiture provisions of the Act being section 70 and 85.

3.11 Restatement of Notices

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

3.12 Restatement of Mining Register

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.

4 Definitions

In this Retention Lease, the following words have the following meanings:

- (a) "Additional Terms and Conditions" means the Additional Terms and Conditions authorised by section 41A(4) of the Act and set out Schedule B;
- (b) "Business Day" means any day that is not a Saturday, Sunday or a public holiday in Adelaide;
- (c) "DSD" means the Department of State Development and includes any substituted department;
- (d) "the Act" means the South Australian *Mining Act 1971*;
- (e) "the Applicant" means the person or persons who, or company or companies that, applied for this Retention Lease;
- (f) "the APPROVED PEPR" means the PEPR that has received ministerial approval;
- (g) "the Land" means the land over which this Retention Lease is granted;
- (h) "the Mineral(s)" means the mineral(s) described in paragraph 1 of the Retention Lease;
- (i) "the Minister" means the Minister for Mineral Resources and Energy (or any substituted Minister);
- (j) "the PROPOSED PEPR" means the document that must be submitted for ministerial approval within twelve (12) months of the date of grant of this Retention Lease;
- (k) "the Regulations" means the South Australian *Mining Regulations 2011*;
- (l) "the Tenement Holder" means the person or persons to whom this Retention Lease was granted and includes:
 - (i) in the case of a natural person the executors, administrators and assigns of that person;
 - (ii) in the case of a body corporate the successors, administrators or permitted assigns thereof.

5 Interpretation

For the purposes of interpreting this Retention Lease the following will apply:

- (a) Unless otherwise stated, any term which is used in this Retention Lease which has a specific meaning in the Act or the Regulations, has that same meaning in this Retention Lease;
- (b) 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 –
 - (i) "amendment" includes an addition, excision or substitution;
 - (ii) "the Land" includes any part thereof;
 - (iii) "the term" includes any renewal or extension thereof;
- (c) If this Retention Lease is granted to Joint Tenement Holders, they are all jointly and severally liable for compliance with the Act, the Regulations and this Retention Lease, including the Additional Terms and Conditions in Schedule B;
- (d) If, by virtue of a dealing under section 83 of the Act, this Retention Lease comes to be held by Joint Tenement Holders, they will all be jointly and severally liable for compliance with the Act, the Regulations and this Retention Lease including the Additional Terms and Conditions in Schedule B;
- (e) If any act pursuant to this Retention Lease 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;
- (f) To the extent that there is any inconsistency, on the one hand, between a term of this Retention Lease or any Additional Term or Condition, and, on the other hand, the Act or Regulations, the Act or Regulations shall prevail;
- (g) Subject to the transitional provisions in any amendment to the Act or the Regulations, all provisions referred to in this Retention Lease shall be taken to include any such amendment;
- (h) 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 Retention Lease or any Additional Term or Condition, and, on the other hand, any amendments to the Act or Regulations, the amended Act or Regulations shall prevail;
- (i) Footnotes do not form part of this Retention Lease;
- (j) Explanatory notes do not form part of this Retention Lease;
- (k) The title page and the contents page do not form part of this Retention Lease;
- (l) The Schedules form part of this Retention Lease.

6 Execution

EXECUTED

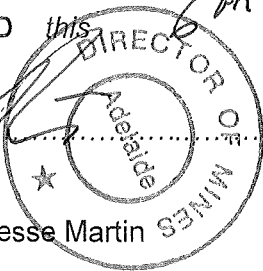
this

day of

August

2014

[Handwritten signature]
[Handwritten initials]
 Name: Junesse Martin



Title: Mining Registrar

Delegation: Power delegated on 14 February 2014 by the Minister for Mineral Resources and Energy

SIGNED this

4th

day of

August

2014

by Sinosteel Uranium SA Pty Ltd

(ACN 124 728 856)

)

in accordance with section 127 of the

)

Corporations Act 2001 and its Constitution

)

[Handwritten signature of Grant Archer]

Signature of Director

Grant Archer

Print Name of Director

[Handwritten signature of Fusheng Gao]

Signature of Director/Secretary

Fusheng Gao

Print Name of Director/Secretary

SIGNED this 28th day of July 2014

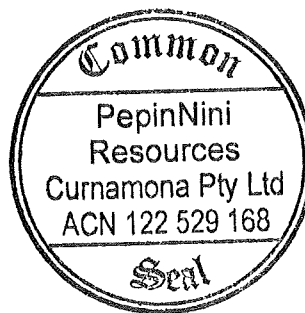
by PepinNini Resources Curnamona Pty Ltd

(ACN 122 529 168)

in accordance with section 127 of the

Corporations Act 2001 and its Constitution

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[Handwritten signature]

Signature of Director

Rebecca Holland-Kennedy

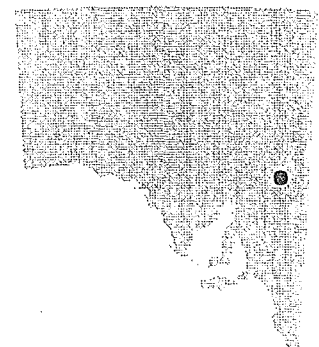
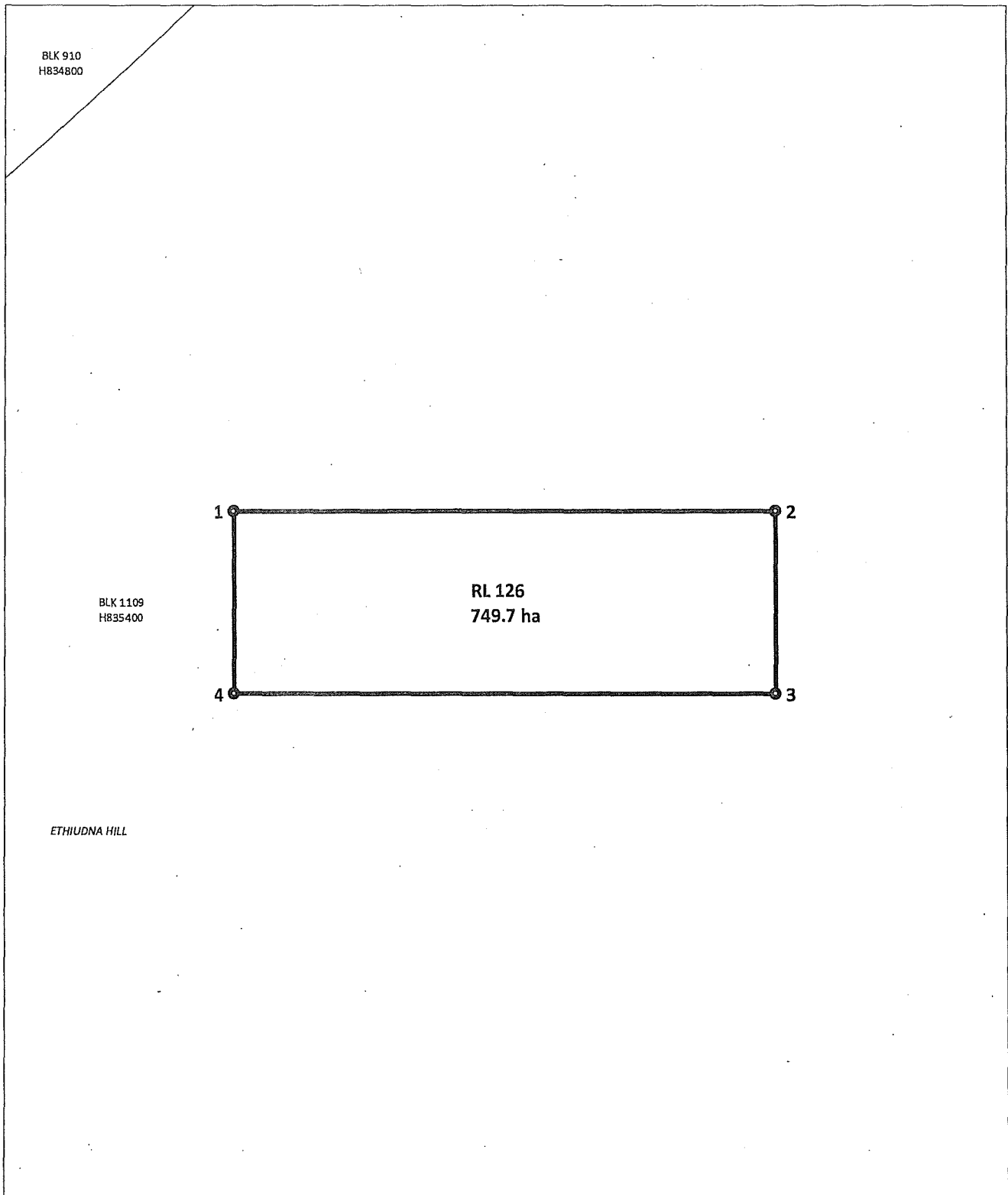
Print Name of Director

[Handwritten signature]

Signature of Director/Secretary

JUSTIN NELSON

Print Name of Director/Secretary



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: 12/05/2014

SCHEDULE A

RETENTION LEASE 126

DESCRIPTION OF AREA

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 54

Point	Easting	Northing
1	386310 mE	6458250 mN
2	391050 mE	6458252 mN
3	391050 mE	6456671 mN
4	386310 mE	6456670 mN

Area: 749.70 ha

Based on information provided by the applicant.

SCHEDULE B

1. The term of the Lease is for 5 years.
2. The Lessee must undertake the following program of work in relation to the lease:

Investigate alternate options to establish the economic viability of the Project to lead to decision to mine or not within 5 years of grant of the lease.
3. Pursuant to Section 41F(b) the Lessee has the right to conduct mining operations on the Lease only to the extent of conducting exploratory operations, as defined in section 6 of the *Mining Act 1971*.
4. In accordance with Regulation 86(1)(a) the Lessee must provide a Compliance report every year, within 2 months after the anniversary of the date the Lease was granted, or at some other time agreed with the Minister.
5. The Compliance Report must, in addition to any other requirements, report on compliance with the program under clause 2.
6. In accordance with Regulation 90(1) the Lessee must, prior to commencing operations under this Lease and for the duration of the Lease maintain public liability insurance to cover all operations under the Lease (including sudden and accidental pollution) in the name of the Lessee for a sum not less than \$20 million or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may require.