

Office of State Revenue NSW Treasury	
Client No: 1846988	2372
Duty: <i>N/A</i>	Trans No: <i>ML 1770</i>
Asst details: <i>MINERALS</i>	
<i>[Signature]</i>	<i>22/9/18</i>

MINING LEASE

MINING ACT 1992

ML 1770

DATED
16 February 2018

MINISTER FOR RESOURCES

OF THE STATE

OF NEW SOUTH WALES

TO

Scandium21 Pty Ltd
ACN 008 755 155

Mining Lease

Section 63 of the *Mining Act 1992*

I, **Kevin Ruming, Director Strategic Resource Assessment and Advice** pursuant to section 63 of the *Mining Act 1992*, determine to grant a Mining Lease in satisfaction of **Mining Lease Application No.'s 113, 132, 139, 140 and 141 (Act 1992)** by granting a Mining Lease as described in Schedule 1 to **Scandium21 Pty Ltd, ACN 008 755 155**, subject to the conditions set out in Schedule 2.

The conditions set out in Schedule 2 are required to:

- ensure optimal resource recovery;
- prevent, minimise, and offset adverse environmental impacts;
- provide for the ongoing environmental management of the project; and
- ensure that the areas disturbed by mineral production and exploration activities are appropriately rehabilitated.

The rights and duties of a Lease Holder are those prescribed by the *Mining Act 1992*, subject to the terms and conditions of this Lease. This lease does not override any obligation on the Lease Holder to comply with the requirements of other legislation and regulatory instruments which may apply to the Lease Holder (including all relevant development approvals) unless specifically provided in the *Mining Act 1992* or other legislation or regulatory instruments.

Signed this 16th day of February 2018



Kevin Ruming
Director Strategic Resource Assessment & Advice
As delegate for the Minister for Resources
Delegation dated: 1 May 2017

SCHEDULE 1

Description of Lease

Land: The lease area embraces all land described in the attached lease plan titled **M27039** and approved on **5 December 2017**.

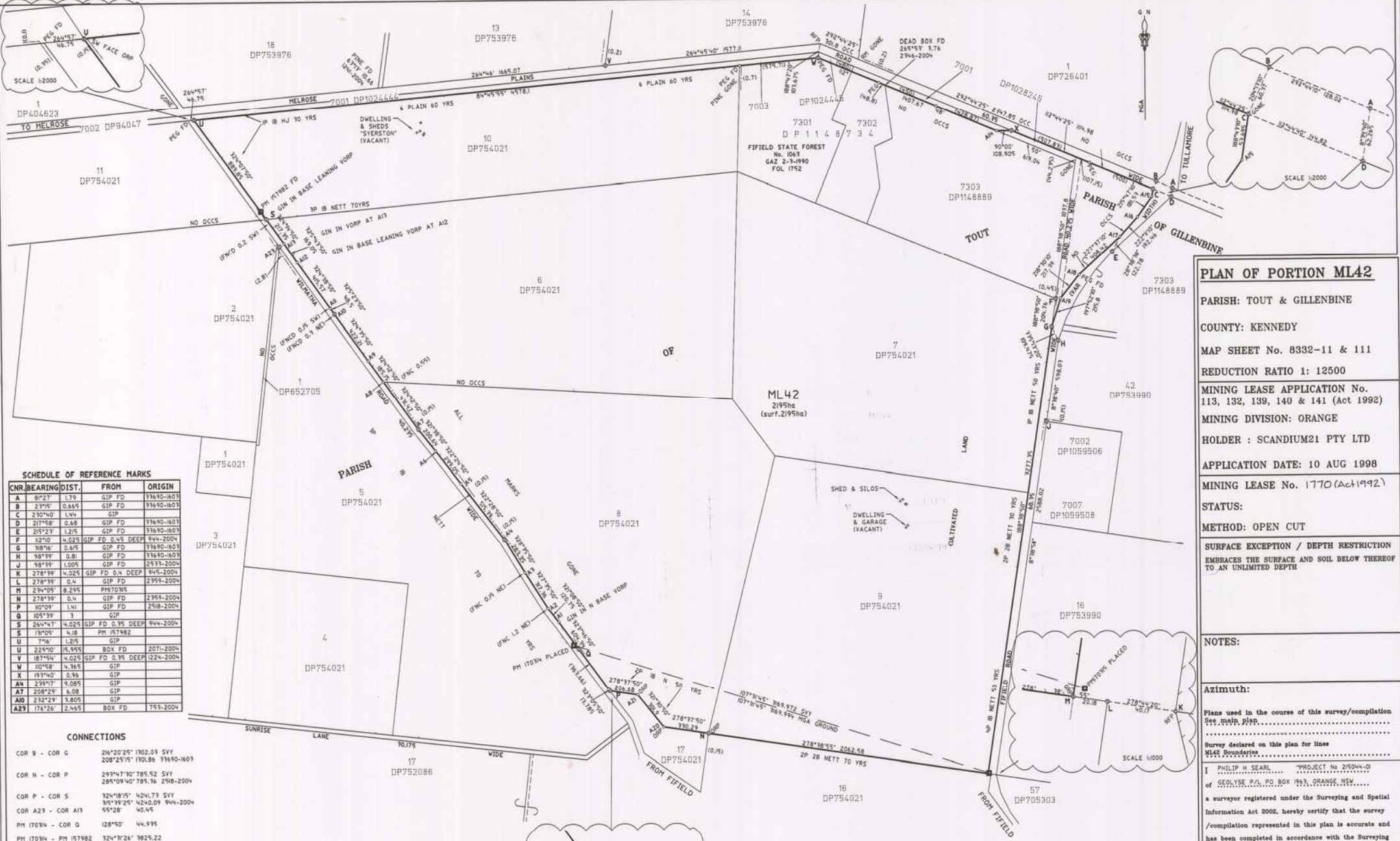
Area: 2195 hectares

Minerals/Ancillary Mining Activities:	Antimony	Molybdenite
	Arsenic	Monazite
	Bismuth	Nickel
	Cadmium	Platinum
	Caesium	Rare Earth Minerals
	Chromite	Rubidium
	Cobalt	Rutile
	Copper	Scandium and Its Ores
	Fluorite	Selenium
	Galena	Silver
	Garnet	Sulphur
	Germanium	Tantalum
	Gold	Thorium
	Ilmenite	Tin
	Indium	Tungsten and Its Ores
	Iron minerals	Vanadium
	Lead	Zinc
	Lithium	Zircon
	Manganese	Zirconia
	Mercury	

Method: Dumping or Depositing Ore and/or Minerals
Mining Plant
Open Cutting
Storing of Fuel, Machinery and Equipment

Term: 21 years

Due expiry date: 16 February 2039



PLAN OF PORTION ML42

PARISH: TOUT & GILLENBINE
 COUNTY: KENNEDY
 MAP SHEET No. 8332-11 & 111
 REDUCTION RATIO 1: 12500
 MINING LEASE APPLICATION No. 113, 132, 139, 140 & 141 (Act 1992)
 MINING DIVISION: ORANGE
 HOLDER : SCANDIUM21 PTY LTD
 APPLICATION DATE: 10 AUG 1998
 MINING LEASE No. 1770 (Act 1992)
 STATUS:
 METHOD: OPEN CUT

SURFACE EXCEPTION / DEPTH RESTRICTION
 EMBRACES THE SURFACE AND SOIL BELOW THEREOF TO AN UNLIMITED DEPTH

NOTES:

Azimuth:

Plans used in the course of this survey/compilation
 See main plan
 Survey declared on this plan for lines
 ML42 boundaries

I PHILIP H SEARL PROJECT No. 21504-01
 of GEOLYSE P/L PO BOX 163, ORANGE, NSW
 a surveyor registered under the Surveying and Spatial Information Act 2002, hereby certify that the survey /compilation represented in this plan is accurate and has been completed in accordance with the Surveying and Spatial Information Regulation 2017 and the Surveyor General's Direction for Mining Surveys and was completed on 20 NOV 2017 LINES 4 to 5
 20 NOV 2017 REMAINDER

Surveyors Ref : 21504-01-01
 Signature : *[Signature]*
 80888 Identification No : 1978
 Survey Calcs :
 Plan Investigated : *[Signature]*
 Plan Approved : *[Signature]*
 Paper No : T18-1110 R17000120 D110089610

SCHEDULE OF REFERENCE MARKS

CNR	BEARING	DIST.	FROM	ORIGIN
A	81°27'	1.79	GIP FD	33690-1803
B	23°15'	0.665	GIP FD	33690-1803
C	230°40'	1.44	GIP	33690-1803
D	217°58'	0.68	GIP FD	33690-1803
E	219°23'	1.25	GIP FD	33690-1803
F	32°10'	4.025	GIP FD 0.4% DEEP	944-2004
G	318°16'	0.45	GIP FD	33690-1803
H	98°39'	0.81	GIP FD	33690-1803
J	98°39'	1.005	GIP FD	2539-2004
K	278°19'	4.025	GIP FD 0.4% DEEP	944-2004
L	278°39'	0.4	GIP FD	2359-2004
M	234°05'	8.295	PH7095	2359-2004
N	278°39'	0.4	GIP FD	2359-2004
P	80°09'	1.41	GIP FD	2518-2004
Q	105°39'	1	GIP	
S	264°11'	4.025	GIP FD 0.3% DEEP	944-2004
T	191°05'	4.18	PH 157982	944-2004
U	7°16'	1.25	GIP	
V	224°10'	5.955	BOX FD	2071-2004
W	107°58'	4.385	GIP	1224-2004
X	193°40'	0.36	GIP	
AN	230°17'	9.085	GIP	
AT	208°29'	6.08	GIP	
AO	232°29'	3.805	GIP	
AZ	176°26'	2.465	BOX FD	753-2004

CONNECTIONS

COR B - COR G	216°20'25"	1302.01 SVY
	208°25'15"	1101.06 33690-1803
COR N - COR P	293°47'30"	785.52 SVY
	285°09'40"	785.36 2518-2004
COR P - COR S	324°18'15"	424.73 SVY
	315°39'25"	424.09 944-2004
COR A23 - COR A13	55°28'	40.45
PH 17034 - COR Q	128°50'	44.935
PH 17034 - PH 157982	324°11'26"	1825.22
PH 157982 - PH 17034	127°49'17"	6637.05

M.G.A. COORDINATES ZONE 55

MARK	EASTING	NORTHING	CSF	SOURCE
PH 17034	539577.481	637220.746	0.999572	AUSPOS 18-10-2008
PH 157982	539488.894	637783.186	0.999572	AUSPOS 18-10-2008
PH 157982	536378.424	6375981.28	0.999566	RTK GNSS

GPS OBSERVATIONS WERE USED TO DERIVE PART OF THIS SURVEY - NAMELY LINES P to U

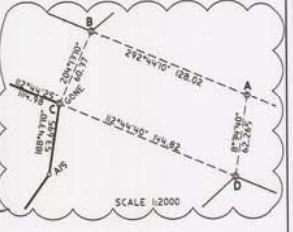
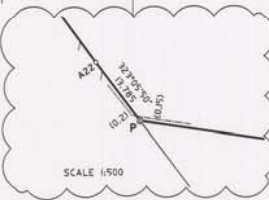
NOTE: DISTANCES ARE PLANE GROUND MEASURED DISTANCES

PLANS USED

3032-1803
33690-1803
2944-2004
2071-2004
2294-2004
944-2004
212-2004
2518-2004
2359-2004
2519-2004
753-2004

ZONE 55 M.G.A. COORDINATES OF LEASE CORNERS

MEAN COMBINED SCALE FACTOR (CSF) - 0.99957								
COR	EASTING	NORTHING	COR	EASTING	NORTHING	COR	EASTING	NORTHING
C	54285.23	637640.38	A1	538490.32	637303.44	A2	536607.74	6375662.48
G	54294.76	637597.00	A3	538944.02	637323.83	A3	536505.58	6375602.12
H	54822.23	637708.30	A4	538244.41	6373395.27	A4	54074.48	6376571.0
N	53957.38	637228.3	A5	538297.04	6373637.02	A5	54284.09	6376087.26
P	538855.53	637235.07	A6	537781.29	637045.62	A6	542736.98	6375940.04
Q	538432.47	6372839.35	A6	537600.96	6374282.50	A7	542607.79	6375797.52
R	536008.95	6372839.35	A7	537476.52	6374439.78	A8	542306.23	6375522.76
T	536008.95	6376443.87	A8	537223.32	6374389.84	A9	540210.55	6375192.70
U	535850.47	6376689.27	A9	537110.10	6374439.77	A20	539257.57	6372267.86
V	540071.50	637716.65	A10	536871.61	6375283.77	A21	539059.78	6372504.07
X	54822.35	6376571.0	A11	536844.08	6375923.68	A22	538847.25	6372446.09



SCHEDULE 2

MINING LEASE CONDITIONS 2013

Definitions

1. **Notice to Landholders**
2. **Rehabilitation**
3. **Mining Operations Plan and Annual Rehabilitation Report**
4. **Non-Compliance Reporting**
5. **Environmental Incident Report**
6. **Resource Recovery**
7. **Security**
8. **Cooperation Agreement**

Note: Exploration Reports (Geological and Geophysical)

Definitions:

Words used in this mining lease have the same meaning as defined in the *Mining Act 1992* except where otherwise defined below:

Act means the *Mining Act 1992*.

Department means the Division of Resources and Geoscience within the Department of Planning and Environment.

Environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Environmental incident notifications and reports means any notifications and reports required to be provided to relevant authorities under Part 5.7 or Part 5.7A of the *Protection of the Environment Operations Act 1997*.

Harm to the environment has the same meaning as in the *Protection of the Environment Operations Act 1997*.

Landholder for the purposes of these conditions does not include a secondary landholder and includes, in the case of exempted areas, the controlling body for the exempted area.

Minister means the Minister administering the Act.

MINING LEASE CONDITIONS 2013

1. Notice to Landholders

- (a) Within a period of three months from the date of grant/renewal of this mining lease, the lease holder must serve on each landholder a notice in writing indicating that this mining lease has been granted/renewed and whether the lease includes the surface. A plan identifying each landholder and individual land parcel subject to the lease area, and a description of the lease area must accompany the notice.
- (b) If there are ten or more landholders, the lease holder may serve the notice by publication in a newspaper circulating in the region where the lease area is situated. The notice must indicate that this mining lease has been granted/renewed; state whether the lease includes the surface and must contain a plan and description of the lease area. If a notice is made under condition 1(b), compliance with condition 1(a) is not required.

2. Rehabilitation

Any disturbance resulting from the activities carried out under this mining lease must be rehabilitated to the satisfaction of the Minister.

3. Mining Operations Plan and Annual Rehabilitation Report

- (a) The lease holder must comply with an approved Mining Operations Plan (MOP) in carrying out any significant surface disturbing activities, including mining operations, mining purposes and prospecting. The lease holder must apply to the Minister for approval of a MOP. An approved MOP must be in place prior to commencing any significant surface disturbing activities, including mining operations, mining purposes and prospecting.
- (b) The MOP must identify the post mining land use and set out a detailed rehabilitation strategy which:
- (i) identifies areas that will be disturbed;
 - (ii) details the staging of specific mining operations, mining purposes and prospecting;
 - (iii) identifies how the mine will be managed and rehabilitated to achieve the post mining land use;
 - (iv) identifies how mining operations, mining purposes and prospecting will be carried out in order to prevent and or minimise harm to the environment; and
 - (v) reflects the conditions of approval under:
 - the *Environmental Planning and Assessment Act 1979*;
 - the *Protection of the Environment Operations Act 1997*; and

- any other approvals relevant to the development including the conditions of this mining lease.
- (c) The MOP must be prepared in accordance with the *ESG3: Mining Operations Plan (MOP) Guidelines September 2013* published on the Department's website at www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines
- (d) The lease holder may apply to the Minister to amend an approved MOP at any time.
- (e) It is not a breach of this condition if:
- (i) the operations which, but for this condition 3(e) would be a breach of condition 3(a), were necessary to comply with a lawful order or direction given under the *Environmental Planning and Assessment Act 1979*, the *Protection of the Environment Operations Act 1997*, the *Work Health and Safety (Mines and Petroleum Sites) Act 2013* and *Work Health and Safety (Mines and Petroleum Sites) Regulation 2014* or the *Work Health and Safety Act 2011*; and *Work Health and Safety Regulation 2011*
 - (ii) the Minister had been notified in writing of the terms of the order or direction prior to the operations constituting the breach being carried out.
- (f) The lease holder must prepare a Rehabilitation Report to the satisfaction of the Minister. The report must:
- (i) provide a detailed review of the progress of rehabilitation against the performance measures and criteria established in the approved MOP;
 - (ii) be submitted annually on the grant anniversary date (or at such other times as agreed by the Minister); and
 - (iii) be prepared in accordance with any relevant annual reporting guidelines published on the Department's website at www.resourcesandenergy.nsw.gov.au/miners-and-explorers/rules-and-forms/pgf/environmental-guidelines

Note: The Rehabilitation Report replaces the Annual Environmental Management Report.

4. Non-Compliance Reporting

- (a) The lease holder must notify the Department upon becoming aware of any breaches of the conditions of this mining lease or breaches of the Mining Act or Regulations;
- (b) Notifications under condition 4(a) must be provided in the form specified on the Department's website within seven (7) days of the mining lease holder becoming aware of the breach.

5. Environmental Incident Report

The lease holder must provide environmental incident notifications and reports to the Secretary no later than seven (7) days after those environmental incident notifications and reports are provided to the relevant authorities under the Protection of the Environment Operations Act 1997.

6. Resource Recovery

The lease holder must optimise recovery of the minerals that are the subject of this mining lease to the extent economically feasible.

7. Security

The lease holder is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the mining lease, including obligations of all or any kind under the mining lease that may arise in the future.

The amount of the security deposit to be provided has been assessed by the Minister at **\$10,000**.

8. Cooperation Agreement

The lease holder must make every reasonable attempt, and be able to demonstrate its attempts, to enter into a cooperation agreement with the holder(s) of any overlapping title(s). The cooperation agreement should address but not be limited to issues such as:

- access arrangements
- operational interaction procedures
- dispute resolution
- information exchange
- well location
- timing of drilling
- potential resource extraction conflicts; and
- rehabilitation issues.

Exploration Reporting

Note: Exploration Reports (Geological and Geophysical)

The lease holder must lodge reports to the satisfaction of the Minister 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.

SPECIAL CONDITIONS

Note: The standard conditions apply to all mining leases. The Division of Resources and Geoscience (DRG) reserves the right to impose special conditions, based on individual circumstances, where appropriate.