



ASSESSMENT APPLICATION REPORT

EPM 26435 RUSSELL FAULT



Date, Version	30 May 2018, Version No. 1
Department, Area	Copper Assets Australia
Prepared by	MIM Resource Development Pty Limited, HSE Environment Operations
Reviewed by	Trevor Shaw
Comment/s	

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Introduction

Project Overview

Mount Isa Mines Limited (MIM, 'The Applicant' – a wholly-owned subsidiary of Glencore plc); proposes to undertake preliminary exploration activities on Exploration Permit for Minerals (EPM) 26435 Russell Fault. EPM 26435, located 120km northwest of Mount Isa, was applied for on 12 December 2016 and granted to MIM for a five year term on 1 May 2018.

The exploration program for EPM 26435 is focused on locating structurally controlled copper resources suitable as satellite ore sources for the Mount Isa Mines processing infrastructure. The presence of the Lady Loretta Mine (also owned by Glencore plc) nearby, lends plausibility to exploration for additional resources for zinc – lead mining.

EPM 26435 covers 115km² and is mostly within an area of Regional Interest, the Gulf Rivers Strategic Environmental Area (SEA) (Figure 1). This report accompanies MIM's application for a Regional Interests Development Approval (RIDA) as required under Part 2, Division 1 of the Regional Interests Planning (RPI) Act; to carry out resource activities within the tenement.

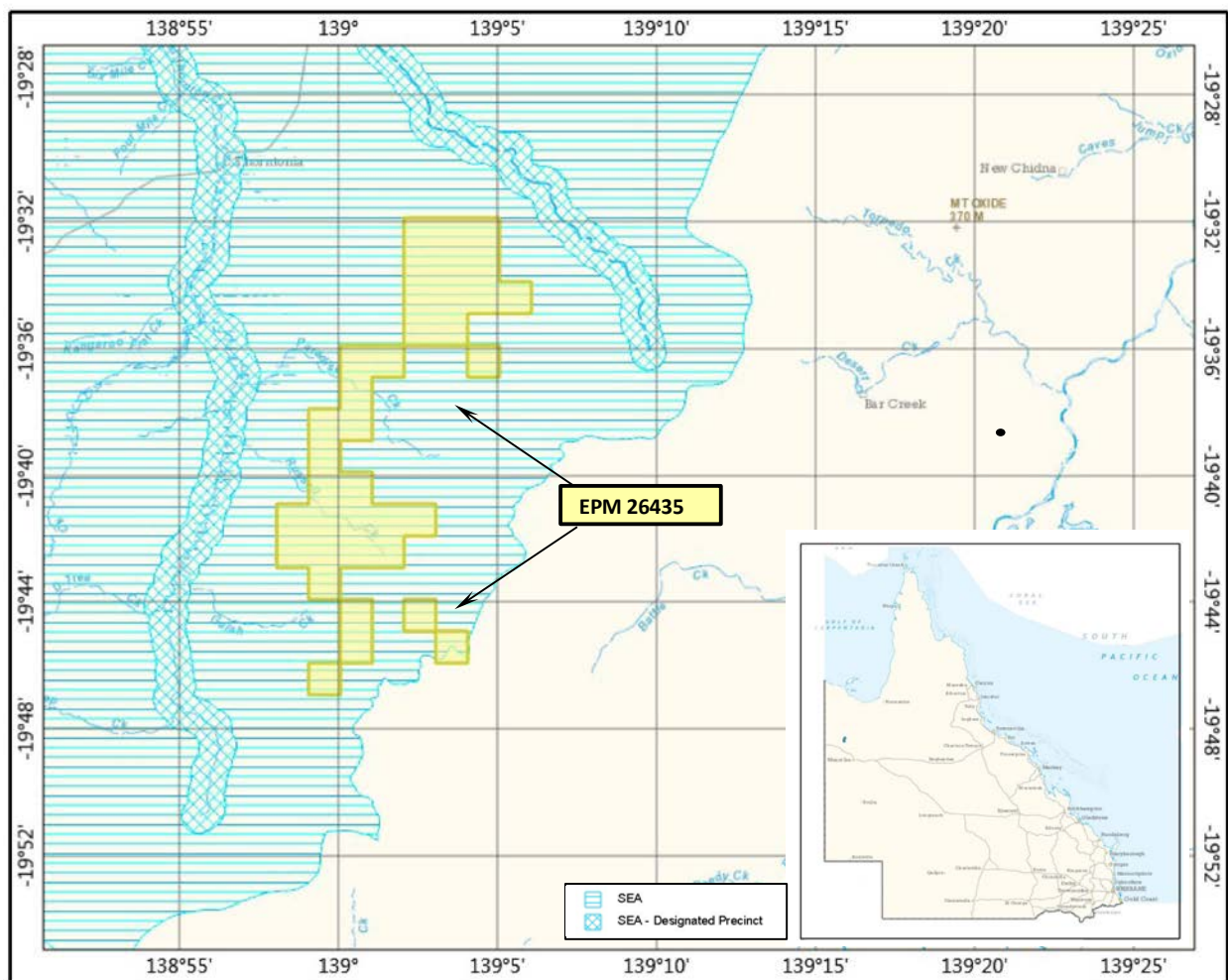


Figure 1: Location of EPM 26435 within Gulf Rivers Strategic Environmental Area

Applicant

Mount Isa Mines Limited (MIM) (ABN 87 009 661 447), is a company incorporated in Queensland and has its registered office in Sydney. MIM is a wholly owned subsidiary of Glencore Queensland Limited which in turn is owned by Glencore plc. MIM has been in operation since January 1924 and has been actively exploring in the Mount Isa region since that time. MIM is currently the principal holder of 51 granted exploration permits in Northwest Queensland.

Property / Tenure Details

The table below summarises property and tenure details for the land subject to this application. A copy of the land title searches are included in Appendix 1.

Table 1: Property / Tenure Details

Lot / Plan	Tenure	Lessees	Lease Purpose
Lot 1 UN6	Term Lease	Noranda Pacific Pty Ltd	Industrial
Lot 1 UN7	Rolling Term Lease - - Pastoral	Bezuma Pastoral Co Pty Ltd	No purpose defined

The location of EPM 26435 in relation to Lot 1 UN6 and Lot 1 UN7 is shown below in Figure 2.

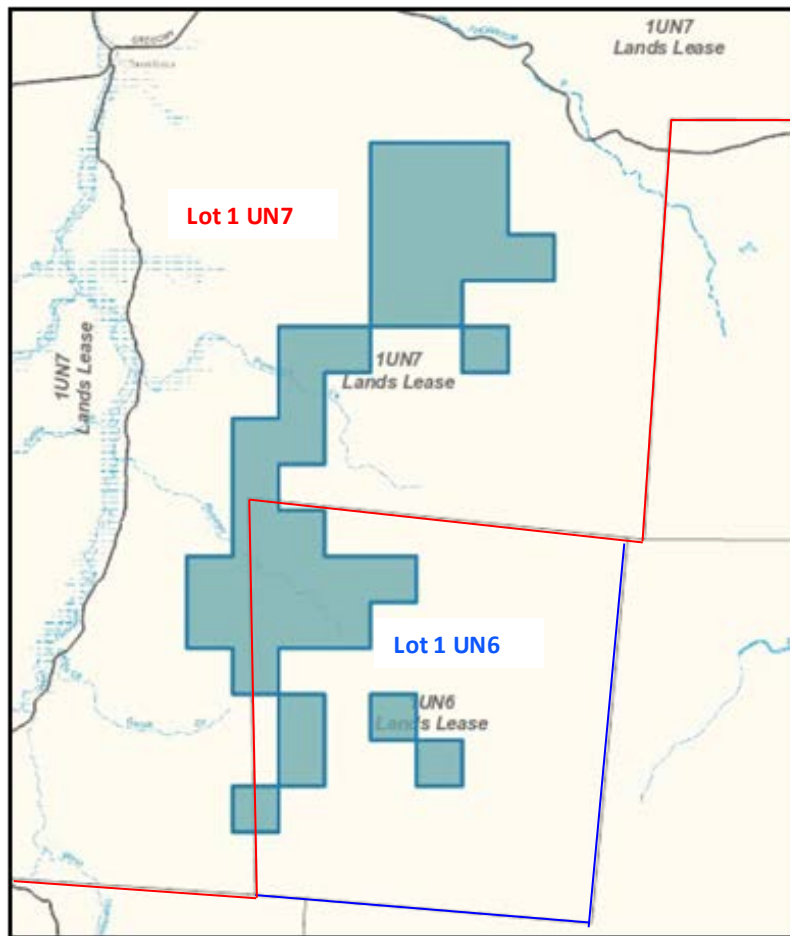


Figure 2: EPM 26435 in relation to Lot 1 UN6 and Lot 1 UN7

Proposed Exploration Activities

Work Program

The current approved work program for EPM 26435 (Appendix 2) for the granted five year tenure term, covers preliminary activities only. Preliminary Activities are defined in the Mineral Resources Act 1989, Section 7A (1) as; *A preliminary activity, for a provision about an exploration tenement, means an authorised activity for the tenement that will have no impact, or only a minor impact, on the business or land use activities of any owner or occupier of the land on which the activity is to be carried out.*

It is likely that the preliminary activities will be carried out over the entire area of EPM 26435 shown in Figure 1. A description of each approved on-ground activity is detailed below.

Geological Reconnaissance and Mapping

This work is undertaken by a geologist who traverses the ground, usually on foot. The geologist records observations of the outcropping rocks in the area using maps and a GPS, noting areas of interest while concurrently assessing the regional terrain for the appropriateness of future exploration. Rock samples (approximately fist-sized) may be collected from exposed outcrops for further assessment and analysis.

Access to the area is by 4WD vehicle, and the vehicle is generally parked and the reconnaissance completed on foot.

This activity will not result in a widespread or irreversible impact on an environmental attribute of the Area of Regional Interest.

Soil Sampling

Soil Sampling is conducted using hand tools (such as a pick or mattock) to dig to a depth of approximately 15cm where the rhizome or grass and shrub root base exists; and sieved and placed into paper/plastic sample bags. Sample sites are located using a GPS, often on a regular spaced grid. XRF Analysis is conducted using a field portable XRF unit. Workers either take readings in the field or collect samples using the soil sampling technique described above for analysis back at the exploration base.

The use of hand held XRF instruments is restricted to those trained and licensed by Queensland Health under the Radiation Safety Regulation 2010 and Radiation Safety Act 1999. Access to the area is by 4WD vehicle, and the vehicle is generally parked and the sampling completed on foot.

This activity will not result in a widespread or irreversible impact on an environmental attribute of the Area of Regional Interest.

Geophysics

Electrical surveying is conducted along grid lines of 1-5km in length. Electrical surveying requires digging of 30cm deep electrode pits by shovel or auger at 50-100m intervals. Ground-based gravity or magnetic surveying involves collecting measurements with a gravimeter or magnetometer along GPS located grid lines. These measurements are completed by workers on foot. Geophysical surveying involves traversing the area in a 4WD vehicle with support trailers.

This activity will not result in a widespread or irreversible impact on an environmental attribute of the Area of Regional Interest.

Access Roads and Tracks

Access to the areas will be via the sealed Barkly Highway and then using existing station tracks. No new access tracks will be made to facilitate the work; use of existing tracks will not result in a widespread or irreversible impact on an environmental attribute of the Area of Regional Interest.

Camp Sites

Exploration staff may be accommodated at the Lady Annie Mine Camp, approximately 30km from the site, or the Lady Loretta Mine Camp, approximately 10km from the site.

If temporary camp sites are needed during the course of exploration on EPM 26435, MIM will follow procedures in accordance with the **Eligibility Criteria and Standard Conditions for Exploration and Mineral Development Projects – Version 2**, under which Environmental Authority BRMN0012 for EPM 26435 was granted.

Before establishing a campsite, MIM will agree on the location and a plan for managing the camp with the appropriate landholder, as required under the **Land Access Code, Version 2**. MIM will ensure that the area and duration of disturbance to land, vegetation and watercourses is minimised.

When establishing and maintaining campsites the following measures or similar measures will be used to minimise the area and duration of disturbance to land, vegetation and watercourses:

- Campsites will be located at least 100m from any riverine areas;
- Only the minimum area necessary for the safe functioning of the campsite will be disturbed;
- An appropriate human waste disposal facility (e.g. portable self-contained toilets or pit toilets will be installed);
- Absorption trenches or transpiration beds will be used to dispose of grey water;
- Disposal areas will be situated at least 100m away from any watercourse; and
- All general waste will be collected and disposed of at a licensed general waste disposal facility.

This activity will not result in a widespread or irreversible impact on an environmental attribute of the Area of Regional Interest.

Water

There are no water requirements for the exploration work program for EPM 26435. Any drinking water required for personnel will be potable water, brought to site from Mount Isa.

Timing

Exploration is usually carried out during drier 'Field Season' months, between April and September, and contact will be made with the landholder to discuss best or preferred access routes, planned mustering etc., well in advance of any activities commencing. The wetter months of the year will be avoided so as to not cause damage to station tracks.

Environmental Attributes

This section details the environmental attributes relevant to EPM 26435 Russell Fault within the Gulf Rivers SEA.

Climate

EPM 26435 is located 120km northwest of Mount Isa in a region described by the World Map of Koppen-Geiger Climate Classification (Kottek *et al.*, 2006) as Hot Semi-arid (BSh). According to DIP (2010), the region has two distinct seasons; with a wet summer season from November to March, and the dry winter season from April to October. The summer months are hot, with average minimums in the lower 20s (°C) and maximums in the 30s; and winter temperatures are in the mid-20s during the day and at night dropping to as low as 9 °C.

As the exploration site is situated in the Gulf of Carpentaria, regional weather is driven by the north-west monsoons with 80% of annual rainfall occurring during December to March (Davis and Dowe, 2005). Average annual rainfall over the last 128 years is 485.6mm (DSITI, 2017).

Table 2: Average Monthly Climate Data (Obtained from DSITI SILO climate records for Lady Loretta Mine (19°45'S, 139°03'E) for the Period Between 1 January 1889 and 31 October 2017).

Month	Ambient Temperature		Rainfall	Evaporation
	Maximum	Minimum		
	°C			
Jan	35.8	23.5	119.9	274.4
Feb	34.8	23.0	108.7	220.0
Mar	33.7	21.4	70.9	243.1
Apr	31.7	18.1	15.0	226.5
May	27.9	13.8	11.1	192.3
Jun	24.9	10.3	10.5	159.5
Jul	24.7	9.2	5.3	172.6
Aug	27.2	11.0	2.5	214.0
Sep	31.0	14.9	7.3	260.7
Oct	34.5	19.0	17.5	316.3
Nov	36.3	21.7	39.2	313.2
Dec	36.7	23.0	77.7	310.7
Totals			485.6	2903.2

Surface Water

Most of EPM 26435 sits within the south-eastern extent of the Nicholson Catchment Area, with a small part of Lot 1 UN6 situated within the Leichhardt River Catchment Area (Queensland Government, 2018). The target area comprises the Thornton River and associated smaller tributaries such as the West Thornton Creek.

Stream flows through these river systems are highly variable and summer dominated with relatively low flows for the remainder of the year (Davis and Dowe, 2005). Many of the rivers and creeks within the Nicholson Catchment cease to flow during the dry season, with few remnant pools. Historic flow data captured by the Department of Natural Resources, Mines and Energy (DNRME) for Thornton River at Rosehill Bore, downstream of the site, is summarised in Table 3.

Table 3: Historical Flow Data for Thornton River at Rosehill Bore Gauging Station.

Gauging Station	Lat./Long. (deg:min)	Record Period	Mean Annual Flow (MAF): ML	Max./Min. Annual Flows: ML	Average Cease-To-Flow Days/Year
912110A: Thornton River at Rosehill Bore	19:21/138:17	01/10/1970-01/10/1988	70,139.53	458,196.73 (1974) 1043.28 (1980)	201.5

* Minimum values are the lowest recorded annual discharges at sites in years with minimal missing record.

From the above data, Thornton River experienced 201.5 days of no flow during the year, receiving flow for only a short period. Water quality for the same location is limited with data available for the period 1974 to 1987. Table 4 summarises these results.

Table 4: Historical Water Quality Data for Thornton River at Rosehill Bore Gauging Station.

Gauging Station	Water Quality Parameter	Conductivity @ 25 °C (us/cm)	pH (pH units)	Total Alkalinity as CaCO ₃	Hardness as CaCO ₃	Total Dissolved Solids (mg/L)	Total Suspended Solids (mg/L)
912110A: Thornton River at Rosehill Bore (1974 – 1979)	# of Results	6	6	6	6	6	4
	Mean	727.5	7.79	374		373.8	7.25
	Min / Max	615 / 820	7.6 / 8.1	285 / 428		285 / 404	0 / 16
		Calcium as Ca soluble (mg/L)	Magnesium as Mg soluble (mg/L)	Nitrate as NO ₃ (mg/L)	Sulphate as SO ₄ (mg/L)	Aluminium as Al soluble (mg/L)	Boron as B (mg/L)
	# of Results	6	6	6	6	-	-
	Mean	39.6	62.8	0.4	0.7	-	-
	Min / Max	17 / 60	60 / 66	0 / 2.2	0 / 4	-	-
		Copper as Cu soluble (mg/L)	Fluoride as F (mg/L)	Iron as Fe soluble (mg/L)	Manganese as Mn soluble (mg/L)	Zinc as Zn soluble (mg/L)	
	# of Results	-	6	-	-	-	
	Mean	-	0.2	-	-	-	
Min / Max	-	0.1 / 0.3	-	-	-		

Source DNRME, 2018a.

* the data recorded for 1987 was not included as the results were considered to be abnormal and differ greatly from the other recorded data.

From the water quality data that was recorded, the following was identified after comparison to ANZECC Guidelines 2000 (Livestock drinking water quality):

- Low salinity and neutral to alkaline pH;
- Major ions are below livestock drinking limits;
- Turbidity and total suspended solids are below livestock drinking limits; and
- Metals are below livestock drinking limits.

As the catchment area is predominantly used for grazing it is not expected that there will be significant changes from the data to now as the land use has not changed.

Groundwater

According to Davis and Dowe (2005), the Nicholson Catchment geohydrology is dominated by the Cambrian Thornton Limestones and Camooweal Dolomite formations to the northwest and elevated Proterozoic sandstones of the adjacent Constance Sandstone formation. The aquifers within this area are considered to be fractured or fissured, with low to moderate productivity (Geoscience Australia, 2016). There is no historic data for groundwater within close proximity of the exploration area within the Nicholson Catchment.

Vegetation Communities

EPM 26435 is in the Northwest Highlands bioregion. Lot 1 UN6 is within the Mount Isa Inlier subregion and Lot 1 UN7 within the Thornton, Mount Isa Inlier and South-western Plateaus and Flood outs subregions (DNRME, 2018b and DNRME, 2018c). EPM 26435 is within Category B Remnant Regulated Vegetation, which consists of eucalypt or acacia low open woodlands with a spinifex understorey, and closer to waterways consists of overstorey eucalypt, scrub layers and tussock grasses (DNRME, 2018b and DNRME, 2018c). The regional ecosystem (RE) map for the area indicates that vegetation communities 'of concern' or 'endangered' are present within the two Lots (as presented in Table 5).

Table 5: Regional Ecosystems ‘Of Concern’ or ‘Endangered’ within Lot 1 UN6 and Lot 1 UN7.

Regional Ecosystem	Short description	Vegetation Management Status	Biodiversity Status	Structure Category
1.11.7	<i>Acacia cambagei</i> low woodland on metamorphic hills and range	Of concern	Of concern	Sparse
1.3.10	Mixed tussock grassland on alluvium within landscapes of Cambrian limestone and metamorphosed basic rocks.	Of concern	Of concern	Grassland
1.3.7	<i>Eucalyptus camaldulensis</i> woodland on channels and levees	Least concern	Endangered	Sparse
1.5.10	Mixed shrubland on older sandy alluvium	Of concern	Of concern	Sparse
1.7.3	<i>Triodia pungens</i> hummock grassland on ferricrete and on silcrete	Of concern	Of concern	Grassland
1.9.12	<i>Triodia pungens</i> hummock grassland on Cambrian limestones	Of concern	Of concern	Grassland
1.9.9	<i>Acacia cambagei</i> low woodland on clays developed on Cambrian limestones	Of concern	Of concern	Sparse

Source: DNRME, 2018b and DNRME, 2018c.

Riparian vegetation associated with the Thornton River and its tributaries corresponds with areas mapped as RE 1.3.7 which is listed as endangered (DNRME, 2018c). Exploration drilling works are not proposed for the current approved work program for EPM 26435. The granted five-year tenure term is for preliminary activities only.

Exploration Impacts on Environmental Attributes

As set out by the Regional Planning Interests Regulation 2014, the following are the environmental attributes for the Gulf Rivers SEA.

- The natural hydrologic processes of the area characterised by:
 - i. Natural, unrestricted flows in and along watercourses and estuaries; and
 - ii. Overflow from watercourses onto the flood plains of the area, or the other way; and
 - iii. Natural flow-paths of water across flood plains connecting waterholes, lakes and wetlands in the area; and
 - iv. Natural flow in and from groundwater and springs.
- The natural geomorphic processes of the area characterised by:
 - i. Natural erosion; and
 - ii. The transport and deposit of sediment by water throughout the catchments and along the watercourse systems and estuaries.
- The functioning riparian processes of the area characterised by native riparian vegetation associated with watercourses, estuaries, lakes, floodplains and wetlands.
- The functioning wildlife corridors of the area characterised by:
 - i. Natural habitat in the watercourse systems; and
 - ii. Permanent waterholes and springs.
- The natural water quality in the watercourse channels and aquifers and on flood plains in the area characterised by physical, chemical and biological attributes that support and maintain natural aquatic and terrestrial ecosystems.

This section will assess the environmental attributes against the impacts from the proposed preliminary exploration works.

Work Program

The current approved five-year tenure term work program for EPM 26435 is for preliminary activities only and is proposed to be carried out during the drier months (April to September).

The preliminary activities include:

- Geological Reconnaissance and Mapping;
- Soil Sampling; and
- Geophysics - electrical surveying.

The site will be accessed by following existing tracks and traversing on foot to complete the preliminary works where required. No new access tracks will be created. Exploration work on EPM 26435 will follow procedures in accordance with the Eligibility Criteria and Standard Conditions for Exploration and Mineral Development Projects—Version 2 under which Environmental Authority BRMN0012 for EPM 26435 was granted.

Hydrologic Processes, Geomorphic Processes and Water Quality Impacts

Sampling and geophysical surveying disturbances will be within the first 30cm of soil and are not anticipated to impact the natural hydrological processes of the area, such as restricting water flows into, from, or along watercourses, floodplains, groundwater or springs. Areas where samples have been taken or electrodes installed will be rehabilitated back to their natural form. There will be no drilling works performed within the five-year tenure meaning the groundwater system is not expected to be encountered.

The vegetation communities within the exploration area are naturally sparse and it is expected that natural erosion within the area and along watercourses already exists due to cattle grazing and seasonal rainfall events. Additionally, as a result of the sparse cover of vegetation in the area, it is expected that the turbidity and total suspended solid loads to waterways would increase during times of high rainfall. Pre-existing erosion will not be encouraged, as vehicles will use the existing tracks and exploration works will be avoided during the wet season.

No widespread or irreversible impacts are expected to occur from the preliminary exploration works within the Gulf Rivers SEA.

Riparian Processes Impacts

Exploration works will not be conducted within functioning native riparian areas.

No widespread or irreversible impacts are expected to occur from the preliminary exploration works within the Gulf Rivers SEA.

Wildlife Corridor Function Impacts

The nature of the exploration work will cause minor disruptions for a short duration and is not expected to impede the use of riparian vegetation by fauna species.

No widespread or irreversible impacts are expected to occur from the preliminary exploration works within the Gulf Rivers SEA.

References

- Australian and New Zealand Environment and Conservation Council (ANZECC) (2000) National Water Quality Management Strategy- Australian and New Zealand Guidelines for Fresh and Marine Water Quality, Paper 4, Volume 1, The Guidelines (Chapters 1-7). Retrieved from <http://agriculture.gov.au/SiteCollectionDocuments/water/nwqms-guidelines-4-vol1.pdf>
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- Department of Natural Resources, Mines and Energy (DNRME) (2018b) Vegetation Management Report for Lot: 1 Plan: UN6. Retrieved from <https://www.dnrm.qld.gov.au/qld/environment/land/vegetation/vegetation-map-request-form>
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Appendices

Appendix 1
Land Title Searches

CURRENT STATE TENURE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 28753877

Search Date: 31/05/2018 14:26

Title Reference: 40045124

Date Created: 04/10/2004

Previous Title: 17555167

DESCRIPTION OF LAND

Tenure Reference: TL 0/221301

Lease Type: TERM

LOT 1 CROWN PLAN UN6
Local Government: MOUNT ISA

Area: 22000.000000 Ha. (ABOUT)

No Land Description

No Forestry Entitlement Area

Purpose for which granted:
INDUSTRIAL

TERM OF LEASE

Term and day of beginning of lease

Term: 21 years commencing on 30/08/2004

Expiring on 29/08/2025

REGISTERED LESSEE

Dealing No: 713956519 13/07/2011

NORANDA PACIFIC PTY LTD A.C.N. 006 864 802

CONDITIONS

CURRENT STATE TENURE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 28753877

Search Date: 31/05/2018 14:26

Title Reference: 40045124

Date Created: 04/10/2004

CONDITIONS

- A61
- (1) The lessee must use the leased land for industrial purposes and grazing purposes .
 - (2) This lease may be forfeited if not used for the purpose stated above.
 - (3) The annual rent must be paid in accordance with the Land Act 1994.
 - (4) The Parties acknowledge that GST may be payable in respect of a supply made under this lease. Where GST becomes payable in respect of a supply made under this lease, the State (lessor) may recover the GST from the lessee by increasing the consideration payable by the lessee to the State by an amount equal to that which the State is obliged to remit to the Commonwealth as GST on the supply and that amount may be recovered from the lessee as part of the money payable to the State under this lease. The State will upon request by the lessee, issue to the lessee a valid GST tax invoice in respect of any taxable supply made under this lease. (NOTE: For the purposes of this condition "GST" means the goods and services tax which results from the enactment of A New Tax System (Goods and Services Tax) Act 1999 and the related Acts which constitute the Commonwealth taxation reform (as amended from time to time)).
 - (5) The lessee must pay the cost of any required survey or re-survey of the leased land.
 - (6) The lessee must control pest plants and animals, on the leased land, in accordance with the Land Protection (Pest and Stock Route Management) Act 2002 and the Local Laws and requirements of the Mount Isa City Council.
 - (7) The lessee has the responsibility for a duty of care, to take all reasonable and practicable measures to sustainably manage the leased land by conserving the physical, biological, productive and cultural values, either on the leased land or in areas affected by the management of the leased land.
 - (8) The lessee indemnifies and agrees to keep indemnified the State of Queensland, Crown Instrumentalities, local governments and other statutory bodies (the Indemnified) against all actions, suits, proceedings, claims, demands, costs, losses, damages and expenses (Claim) arising out of or in any way connected to or resulting from the State of Queensland granting this lease to the lessee and which is connected to or resulting from the lessees' use and occupation of the leased land (all referred to as the indemnified acts or omissions) save to the extent that the Claim arises as a result of any negligent act or omission of the State of Queensland. The lessee hereby releases and discharges the Indemnified from any Claim relating to the indemnified acts or omissions which may be made against the Indemnified.
 - (9) The lessee must ensure that the use and development of the leased land conforms to the Planning Scheme, Local Laws and

CURRENT STATE TENURE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 28753877

Search Date: 31/05/2018 14:26

Title Reference: 40045124

Date Created: 04/10/2004

CONDITIONS

- requirements of the Mount Isa City Council, binding on the lessee.
- (10) The lessee must give the Minister administering the Land Act 1994, information about the lease, when requested.
- (11) The lessee must not clear any vegetation on the leased land, unless in accordance with the Integrated Planning Act 1997.
- (12) No compensation for improvements or developmental work is payable by the State at the forfeiture, surrender or expiry of the lease, but the lessee has the right to remove the lessee's moveable improvements within a period of three (3) months from the forfeiture, surrender or expiry of the lease, provided all money due by the lessee to the State on any account whatsoever has been paid, or be required to remove those improvements as specified in any further condition of lease.
- (13) This lease is subject to the Land Act 1994 and all other relevant State and Commonwealth Acts.
- A68 (1) The lessee must allow any person authorised under the Forestry Act 1959 access to the leased land for the purpose of cutting and removing timber or removing other forest products, or quarry material, or other material from the leased land.
- (2) Except as hereinafter provided the lessee must not interfere with any forest products or remove any quarry material (including any stone, gravel, sand, earth, soil, rock, guano or clay which is not a mineral within the meaning of the Mineral Resources Act 1989) or other material upon the leased land without the permission of the Minister administering the Land Act 1994 except under the authority of and in compliance in every respect with the requirements or a permit, licence, agreement or contract granted or made under the Forestry Act 1959.
- C345 The Minister administering the Land Act 1994 may resume the whole or any part of the leased land, provided the said Minister gives the lessee six (6) months notice. Compensation to the lessee will be for lawful improvements only, as provided for under the Land Act 1994.
- F46 The lessee must within two (2) years from the commencement of the term of the lease and to the satisfaction of the Minister administering the Land Act, fence the leased land, with a good and substantial stock proof fence and must thereafter maintain.
- G61 The lessee of this lease is not allowed to make an application for conversion in terms of the Land Act 1994.
- H123 The provision of access, further access or services to the leased land will not be the responsibility of Mount Isa City Council or the State.

CURRENT STATE TENURE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 28753877

Search Date: 31/05/2018 14:26

Title Reference: 40045124

Date Created: 04/10/2004

CONDITIONS

U46 The lease is tied to and must be used in conjunction with any Mining Lease to issue and separate transfers are not allowed.

ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by Lease No. 40045124

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

** End of Current State Tenure Search **

Information provided under section 34 Land Title Act(1994) or section 281 Land Act(1994)

COPYRIGHT THE STATE OF QUEENSLAND (NATURAL RESOURCES, MINES AND ENERGY) [2018]
Requested By: D-ENQ CITEC CONFIRM

CURRENT STATE TENURE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 28753879

Search Date: 31/05/2018 14:26

Title Reference: 17664094

Date Created: 21/10/1995

DESCRIPTION OF LAND

Tenure Reference: PH 8/2516

Lease Type: ROLLING TERM LEASE

LOT 1 CROWN PLAN UN7
Local Government: MOUNT ISA

Area: 237000.000000 Ha. (SURVEYED)

No Land Description

No Forestry Entitlement Area

Purpose for which granted:
NO PURPOSE DEFINED

TERM OF LEASE

Term and day of beginning of lease

Term: 30 years commencing on 01/10/1978

Expiring on 30/09/2008

Extended to 30/09/2058

REGISTERED LESSEE

BEZUMA PASTORAL CO PTY LTD A.C.N. 010 553 474

CONDITIONS

CURRENT STATE TENURE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 28753879

Search Date: 31/05/2018 14:26

Title Reference: 17664094

Date Created: 21/10/1995

CONDITIONS

A126 SPECIFIED CONDITIONS FOR: Term Lease
PURPOSE: Rolling term lease - pastoral

STATUTORY CONDITIONS:

Statutory conditions are the general mandatory conditions of a lease and binds the lessee in accordance with Part 2 Division 1 of the Land Act.

1. Permitted Use: The lessee must use the land only for the purpose for which the tenure was issued under the Land Act 1994.
2. Duty of Care: The lessee has the responsibility for a duty of care, for the land under the Land Act 1994.
3. Rent/Instalment: The lessee must pay the annual rent/instalment in accordance with the Land Act 1994 and the Land Regulation 2009.
For further information on how annual rent is determined, refer to the department's website at www.dnrm.qld.gov.au.
4. Noxious plants: The lessee must keep noxious plants on the land under control. If the lessee does not comply with this condition, the Minister may bring the noxious plants under control, the cost of which will be recovered from the lessee.
5. Information to Minister: The lessee must give the Minister administering the Land Act 1994, information the Minister asks for about the tenure.
6. Monies for Improvements: No money for improvements is payable by the State on the forfeiture, surrender or expiry of this lease but money may be payable if the State receives payment from an incoming lessee or buyer for the improvements on the land. However, the previous lessee may apply to the Minister to remove the improvements that belong to the lessee, within a period of 3 months from the date of the forfeiture, surrender, or expiry of this lease. The lessee may only undertake the removal of the improvements in the presence of an authorised representative of the department, if required by the Minister. The lessee may only remove those improvements if all monies due from the lessee to the department under this lease have been paid.

REGULATORY-CONDITIONS:-----

A regulatory condition relates to a lease, in accordance with the Land Regulation.

1. Indemnity: The lessee indemnifies and agrees to keep indemnified the Minister, and the State of Queensland and its Representatives, (the "Indemnified parties") against all liability, costs, loss and expenses including claims in negligence (including any claims, proceedings or demands brought by any third party, and any legal fees, costs and disbursements on a solicitor and client basis) ("Claim") arising from or incurred in connection with:
 - a. the granting of this lease to the lessee;

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- b. the lessee 's use and occupation of the land; or
- c. personal injury (including sickness and death) or property damage or loss in connection with the performance (or attempted purported performance or non-performance) of the lease or a breach of the lease by the lessee .

The lessee hereby releases and discharges to the full extent permitted by law, the Indemnified parties from all actions, claims, proceedings or demands and in respect of any loss, death, injury, illness or damage (whether personal or property and whether special, direct, indirect or consequential financial loss) arising out of the use and occupation of the lease.

To the full extent permitted by law, the Minister, the State of Queensland and their Representatives will not be liable to the lessee for any special, indirect or consequential damages, including consequential financial loss arising out of the use and occupation of the lease.

2. Public Liability: The lessee must effect a public liability insurance policy with an insurer authorised under the Insurance Act 1973 (Commonwealth) or, if not so authorised then only with the Minister's approval, which can be given or withheld in the Minister's sole discretion, naming the lessee as the insured covering legal liability for any loss of, or damage to any property and for the injury (including death) to any person arising out of anything done or omitted on or about the land or any improvements thereon and against all claims, demands, proceedings, costs, charges, and expenses whatsoever (including claims in negligence) Such policy must:
 - a. be for an amount of not less than \$20,000,000.00 and have no per event sublimit or such higher amounts as the Minister may reasonably require.
 - b. be effected on a "claims occurring" basis; and
 - c. be maintained at all times during the currency of the lease, and upon receipt of any notice of cancellation, the lessee must immediately effect another public insurance policy in accordance with the terms of the lease .

The lessee must, as soon as practicable, inform the Minister, in writing, of the occurrence of any event that the lessee considers is likely to give rise to a claim under the policy of insurance effected and must ensure that the Minister is kept fully informed of subsequent actions and developments concerning the claim.

The lessee must renew such policy, at the lessee's expense, each year during the currency of this lease.

The condition will be satisfied if the lessee is the State of Queensland or a statutory authority eligible for cover under the Queensland Government Insurance Fund and is insured and continues to be insured by the Queensland Government Insurance Fund.

This condition will be satisfied if the lessee is the Commonwealth of Australia or a statutory authority eligible for cover under the Comcover Insurance Fund and is insured and

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- continues to be insured by Comcover.
3. Access: The provision of access, further access or services to the land will not be the responsibility of the State.
 4. Survey Costs: If the land needs to be surveyed or re-surveyed the lessee must do this at their own cost under the Survey and Mapping Infrastructure Act 2003. This survey plan must be lodged in the land registry within the specified time.
 5. Extension: The lease is subject to the extensions of rolling term leases provision of the Land Act 1994 and the Minister must grant an extension of the term of a rolling term lease if the lessee makes an application in the approved form. The extension will be for the original term of the lease and may be given subject to condition changes.
 6. Jurisdiction: The lessee is subject to the Land Act 1994 and all other relevant Queensland and Commonwealth legislation.
 7. Compliance with Laws - the lessee must comply with all lawful requirements of the -
 - a. Local Government; and
 - b. any department within the Queensland or Commonwealth governments (including the department administering the Land Act 1994), local authority or statutory instrumentality having jurisdiction over the land, or the development, use and occupation of the land, in regard to its use, occupation and development of the land.

SPECIAL-CONDITIONS:-----

These conditions relate to this lease.

Improvements or development on or to the land

1. The lessee must during the term of the lease and, to the satisfaction of the relevant authorities, maintain all improvements on the land in a good and substantial state of repair.

Quarry material

1. The lessee must allow any person authorised under the Forestry Act 1959 access to the leased land for the purpose of cutting and removing timber or removing other forest products, or quarry material, or other material from the leased land.
Except as hereinafter provided the lessee must not interfere with any forest products or remove any quarry material (including any stone, gravel, sand, earth, soil, rock, guano or clay which is not a mineral within the meaning of the Mineral Resources Act 1989) or other material upon the leased land without the permission of the Minister administering the Land Act 1994 except under the authority of and in compliance in every respect with the requirements or a permit, licence, agreement or contract granted or made under the Forestry Act 1959.

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ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Lease No. 17664094
2. MORTGAGE No 602805218 (L319261C) 24/12/1992
QUEENSLAND INDUSTRY DEVELOPMENT CORPORATION
3. RESUMPTION EASEMENT No 703693368 15/11/1999 at 10:09
burdening the land
NORTH QUEENSLAND ELECTRICITY CORPORATION LIMITED A.C.N. 078
848 978
over
EASEMENT P AND R ON SP102696
4. AMENDMENT OF LEASE CONDITIONS No 715949584 13/08/2014 at 05:00
THE CONDITIONS OF THE WITHIN TENURE ARE HEREBY AMENDED.

ADMINISTRATIVE ADVICES

Dealing	Type	Lodgement Date	Status
715775093	ADMIN NOTING SEE DEALING FOR RELEVANT LEGISLATION	16/05/2014 14:33	CURRENT
715967945	ADMIN NOTING SEE DEALING FOR RELEVANT LEGISLATION	22/08/2014 09:18	CURRENT
716870358	ADMIN NOTING SEE DEALING FOR RELEVANT LEGISLATION	06/11/2015 12:12	CURRENT
718168722	NT DETERM NATIVE TITLE ACT 1993 (CTH)	21/07/2017 15:40	CURRENT
718205111	NT DETERM NATIVE TITLE ACT 1993 (CTH)	10/08/2017 14:21	CURRENT
718590575	ADMIN NOTING SEE DEALING FOR RELEVANT LEGISLATION	21/02/2018 10:14	CURRENT
718590607	ADMIN NOTING SEE DEALING FOR RELEVANT LEGISLATION	21/02/2018 10:21	CURRENT
718590611	ADMIN NOTING SEE DEALING FOR RELEVANT LEGISLATION	21/02/2018 10:22	CURRENT
718689164	NT DETERM NATIVE TITLE ACT 1993 (CTH)	12/04/2018 14:59	CURRENT

UNREGISTERED DEALINGS - NIL

Caution - Charges do not necessarily appear in order of priority

** End of Current State Tenure Search **

Information provided under section 34 Land Title Act(1994) or
section 281 Land Act(1994)

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Requested By: D-ENQ CITEC CONFIRM

Appendix 2

Approved Work Program

Approved work program for EPM 26435

The following is the work program that has been approved by the department. You are required to carry out the following work program within the conditioned period and comply with the related expenditure commitments outlined throughout the permit term.

In accordance with *Operational policy 5/2012 - Work program and relinquishment conditions*, your work program performance will be assessed against each component of the work program condition period.

Approved Work Program

Conditioned period 1

Year 1

Sub-blocks # 36

Activity	Total expenditure
Desktop Studies ~ 28 days Technical Review of historical data Geological and Geophysical Review Geophysical Data Reprocessing Mapping - Reconnaissance ~ 14 days Sample Collection – soils ~500 Site Technical ~ 19 days Site Logistics ~ 14 days	\$60,000

Year 2

Sub-blocks # 36

Activity	Total expenditure
Desktop Studies - Technical Review ~ 7 days Mapping – Geological ~ 14 days Sample Collection – soils ~500 Site Technical ~ 19 days Site Logistics ~ 14 days	\$105,000

Note:

40% relinquishment of sub-blocks required at end of year 3

50% relinquishment of sub-blocks is required if a renewal of the permit is sought

Year 3
 Sub-blocks # 36

Activity	Total expenditure
Desktop Studies - Geological & Geophysical Review ~ 14 days Sample Collection – Soils ~500 samples Geophysics - Gravity Site Technical ~ 19 days Site Logistics ~ 14 days	\$130,000

Condition period 2

Year 4
 Sub-blocks # 22

Activity	Total expenditure
Desktop Studies - Geological & Geophysical Review ~ 14 days Sample Collection – Soils ~500 samples Geophysics - Electromagnetic Site Technical ~ 16 days Site Logistics ~ 28 days	\$147,000

Year 5
 Sub-blocks # 22

Activity	Total expenditure
Desktop Studies – Technical Review ~ 14 days Feasibility Studies – Environmental assessment Sample Collection – Soils ~500 samples Geophysics - Magnetotelluric Site Technical ~ 16 days Site Logistics ~ 28 days	\$197,000



**MOUNT ISA
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