

CLEARING PERMIT

Granted under section 51E of the Environmental Protection Act 1986

PERMIT DETAILS Purpose Permit Number: 2794 / 1 File Number: A1549/200801 Duration of Permit: From 3 January 2009 to 31 December 2009

PERMIT HOLDER

Kagara Nickel Limited

LAND ON WHICH CLEARING IS TO BE DONE Mining Lease 77/467

PURPOSE FOR WHICH THE CLEARING MAY BE DONE

1. Clearing for the purposes of mineral exploration.

CONDITIONS

1. The Permit Holder must not clear more than 1.81 hectares of native vegetation. All clearing must be within the area cross-hatched yellow on attached Plan 2794/1.

Guiding Principles

- 2. In determining the amount of native vegetation to be cleared pursuant to this Permit, the Permit Holder must have regard to the following principles, set out in order of preference:
 - (i) Avoid the clearing of native vegetation;
 - (ii) Minimise the amount of native vegetation to be cleared; and
 - (iii) Reduce the impact of clearing on any environmental value.

Rehabilitation

3. The Permit Holder shall stockpile all topsoil and vegetation cleared under this Permit for use in rehabilitation.

Record Keeping

4. The Permit Holder shall record the following for each instance of clearing:

- (i) The location of where the clearing occurred, expressed as grid coordinates using the Geocentric Datum of Australia 1994 coordinate system;
- (ii) The size of the area cleared in hectares;
- (iii) The dates on which the area was cleared;
- (iv) The purpose of clearing; and
- (v) The method of clearing.

Reporting

5. The Permit Holder shall provide a report to the Director, Environment Division, Department of Industry and Resources by 31 December, demonstrating adherence to all conditions of this permit, and setting out the records required under Condition 4 of this permit in relation to clearing carried out during the life of the permit.

Ian Briggs

An Briggs A/DIRECTOR ENVIRONMENT DIVISION DEPARTMENT OF INDUSTRY AND RESOURCES Officer with delegated authority under Section 20 of the Environmental Protection Act 1986

4 December 2008