

Dated ____ June 2020

Mining Rights Agreement

Ridges Iron Ore Project

Kimberley Metals Group Pty Ltd (Kimberley Metals)

KMG Logistics Pty Ltd (KMG Logistics)

Ridges Iron Ore Pty Ltd (RIO)

Habrok (Rydges) Pty Ltd (Habrok)

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Parties - Details

Name Kimberley Metals Group Pty Ltd

ABN 28 114 123 572

Short form name **Kimberley Metals**

Address Level 1, 10 Ord Street
West Perth WA 6005
Attn: Haidong Chi
Email: hchi@kmetgroup.com

Name KMG Logistics Pty Ltd

ABN 29 139 107 681

Short form name **KMG Logistics**

Address Level 1, 10 Ord Street
West Perth WA 6005
Attn: Haidong Chi
Email: hchi@kmetgroup.com

Name Ridges Iron Ore Pty Ltd

ACN 639 598 208

Short form name **RIO**

Address Level 3, 50 Kings Park Road
West Perth WA 6005
Attn: Yuzheng Xie
Email: yuzheng@goldvalley.com.au

Name Habrok (Rydges) Pty Ltd
ACN 640 781 568
Short form name Habrok
Address Level 7, 17 Castlereagh Street
Sydney NSW 2000

Attn: Simon Raftery
Email: simon.raftery@remagen.com.au

Background

- A. The Tenement Holders are the registered holder of the Tenements and the owner of the Existing Infrastructure.
- B. The Miner wishes to undertake Mining on the Tenements.
- C. The Tenement Holder has agreed to allow the Miner to undertake Mining on the Tenements and use the Existing Infrastructure on the terms and conditions set out in this agreement.

Agreed terms

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement, unless the context otherwise requires:

ASX means ASX Limited ACN 008 624 691.

Authorisation means any licence, permit, consent, authorisation, registration, filing, agreement, notice, notarisation, approval, determination, certificate, ruling, exemption from any Government Authority or under any legislation or regulation which must be obtained or satisfied (including where regarded as obtained or satisfied due to the expiry of a period in which a Government Authority is required to act) and includes any condition or requirement under the foregoing.

Business Day	means a day on which banks are open for business in Perth, Western Australia excluding a Saturday or a Sunday or a public holiday.
Claim	includes any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.
Cargo Manifest	means a document in the form of and containing the information described in the document comprising Schedule 2.
Condition Precedent	is defined in clause 2.1.
Contamination	means the presence in, on or under land, air or water of a substance (whether a solid, liquid, gas, odour, heat, sound, vibration or radiation) at a concentration above the concentration at which the substance is normally present, in, on or under land, air or water in the same locality, that presents or has the potential to present a risk of Environmental Harm, including harm to human health or any aspect of the Environment, or could otherwise give rise to a risk of non-compliance with any Law for the protection of the Environment.
Delayed Payment	means the sum of \$1,400,000.00 plus GST.
Department	means the Department of Mines, Industry Regulation and Safety, WA.
Dispute	means a dispute or difference between the parties in relation to the rights or obligations of the parties under, or in relation to this agreement.
Dispute Notice	means a written notice given by one party to the other party that a Dispute has arisen which requires resolution in accordance with this agreement.
Environment	includes: <ul style="list-style-type: none"> (a) ecosystems and their constituent parts, including people, flora, fauna and communities;

- (b) natural and physical resources;
- (c) the qualities and characteristics of locations, places and areas;
- (d) the social, economic, aesthetic and cultural aspects of the things mentioned in items (a), (b) and (c) above; and
- (e) interactions between any or all of the items above.

Environmental Harm	any direct or indirect, actual or threatened, adverse impact on, or damage to, the Environment.
EP Act	means the Environmental Protection Act 1986.
Existing Infrastructure	means existing fixtures located on the Tenements and the barge loading facility located at Wyndham.
Expert	means a suitably qualified independent person.
Facilitation Payment	means the sum of \$1,500,000 plus GST.
Good Mining Practices	means, in relation to Mining, those practices, methods and acts engaged in or approved by a firm or body corporate which, in the conduct of its undertaking, exercises that degree of safe and efficient practice, diligence, prudence, and foresight reasonably and ordinarily exercised by skilled and experienced operators engaged in the mining industry in Australia.
Government Authority	means any national, state, local, regional, territorial or municipal government, ministry, governmental department, commission, board, bureau, agency, instrumentality, executive, legislative, judicial or administrative body having jurisdiction over this agreement.
GST Act	means <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i> and associated legislation.
Holding Costs	means the amount spent or incurred by Kimberley Metals and KMG Logistics to hold and maintain the Tenements and the Project which includes but is not limited to:

- (a) mining tenement rents, shire rates, tenement levies, jetty licence fees, sea bed lease fees;
- (b) any cost, levy or fee paid to a Government Authority or third party relating to the holding of the Tenements, or any approval, authorisation, licence, approval to operate the mine or hold or use assets relating to the conduct of mining operations or operation of the Project;
- (c) all costs relating to rehabilitation and/or monitoring activities including, without limitation, environmental monitoring;
- (d) all port authority charges or similar charges;
- (e) all rents payable on Lot 3, Bartyes Road;
- (f) reasonable administration costs incurred by Kimberley Metals and KMG Logistics in maintaining the Tenements and the Project, monitoring activities on the Tenements and the Project and in administration of the Project and this agreement.

Investigation

means any investigation of a Notifiable Incident which is required to be conducted in accordance with applicable Laws.

Laws

means includes:

- (a) legislation, including regulations, by-laws, proclamations, orders and other subordinate legislation (as amended from time to time);
- (b) common law;
- (c) any Authorisation and any licence, permit, consent, approval (including any condition or requirement under them), determination, certificate or permission from any Authority or under any Law which must be obtained and satisfied; and
- (d) any directions from persons acting in the exercise of statutory powers enabling them to give directions affecting the performance of any activities on the Tenement or this agreement.

Listing Rules

means the listing rules of the ASX.

Miner	means RIO and Habrok jointly and severally.
Mineral	has the same meaning as in the Mining Act.
Mining	has the same meaning as in the Mining Act.
Mining Act	means the Mining Act 1978 (WA).
Mining Information	means all information relating to the Tenements which is in the possession or custody of, or owned by, the relevant party and howsoever held or stored whether in writing or in electronic tape or disk storage.
Minister	means the Minister responsible for the administration of the Mining Act from time to time.
MRF Act	means the Mining Rehabilitation Fund Act 2012.
MRF Levy	means the mining rehabilitation fund levy established under the MRF Act.
MSIA	means the Mines Safety and Inspection Act 1995.
Native Title Agreements	means the agreements titled: <ul style="list-style-type: none"> (a) ‘Ridges Iron Ore Project Co-Existence Agreement’ between Kimberley Metals Group Pty Ltd and The Registered Native Title Claimants for and on behalf of the Lumugal Native Title Claim dated 12 July 2010; (b) ‘Native Title, Heritage Protection and Mineral Exploration Agreement’ for Miriuwung Gajerrong Lands between Kimberley Land Council Aboriginal Corporation and Kimberley Metals Group Pty Ltd (E80/4207, P80/1748-9, P80/1750, E80/4270 & E80/4309) dated 24 November 2010; and (c) ‘Native Title and Heritage Protection Agreement’ for Yurriyngem Taam Lands between Kimberley Land Council Aboriginal Corporation and Kimberley Metals Group Pty Ltd (G80/15, G80/19 & G80/20) dated 28 February 2011.
Native Title Party	means the party, other than the Tenement Holder, to each Native Title Agreement.

Native Title Payments	means all payments described in the Native Title Agreements including, for the avoidance of doubt, the Production Payments as that term is defined in the Lumugal Native Title Agreement referred to above.
Notifiable Incident	means any incident which occurs on or adjacent to the Tenements which is required by Laws to be reported or the subject of an Investigation.
Outgoings	means all rents, rates, survey fees, levies (including environmental and safety), other fees and charges under Relevant Mining Legislation or otherwise in connection with the Tenements.
Pollution	means any direct or indirect alteration of the Environment to its detriment or degradation that involves an emission, including an emission of waste, dust, fluid, noise, vibration, odour or radiation of any kind.
Project	means the Ridges Iron Ore project which includes the Tenements, the associated barge loading facility and infrastructure at Wyndham Port, the jetty licence and seabed lease.
Project Management Plan	means a suitably detailed plan for conducting Mining on the Tenements to a standard satisfactory to the Department.
RAC Royalty	means the royalty payable to Royalty Administration Company Pty Ltd (RAC) in accordance with the agreement titled 'Royalty Deed' originally between Gauntlet Mining Corporation Pty Ltd (now Argyle Iron Ore Pty Ltd) and RAC dated 10 May 2004. By a deed poll titled "Deed of Covenant - Kimberley Metals Group Royalty Obligation dated 19 December 2008, and by a second deed poll having the same title but dated 10 January 2009, Kimberley Metals Group Pty Ltd covenanted in favour of Royalty Administration Company Pty Ltd to pay the royalty.
Rehabilitation Obligations	means any rehabilitation or other environmental liabilities, obligations or conditions in relation to the Tenements arising from time to time under:

- (a) the Mining Act or the Mining Regulations 1981 (WA);
- (b) the Environmental Protection Act 1986 (WA) and any works approvals or licences granted under it; and
- (c) any Relevant Mining Legislation.

Relevant Mining Legislation

means the Mining Act, the MRF Act, the MSIA, the EP Act, WHS Law and any legislation including but not limited to, regulations, by-laws and other subordinate legislation, policies, guidelines, covenants, common law and equity, statutory or otherwise in connection to exploration and mining tenements in Western Australia.

Royalty

means a royalty payable by the Miner to the Tenement Holder as described in the Royalty Deed.

Royalty Deed

means a royalty in the form of Annexure A.

State Royalty

means a royalty payable to the State of Western Australia in accordance with the Mining Act.

Tenement Holder

means, with respect to the Tenements listed in Schedule 1 as owned by Kimberley Metals, Kimberley Metals and with respect to the Tenements listed in Schedule 1 as owned by KMG Logistics, KMG Logistics.

Tenements

means the mining tenements set out in Schedule 1 and includes any mining tenement applied for or granted as conversion, replacement or in substitution for those mining tenements and includes all rights to mine and other privileges appurtenant to those mining tenements.

Term

means the period commencing on the date of satisfaction of the Condition Precedent and continuing until the Termination Date.

SCHEDULE 1 - TENEMENTS


Tenement	Holder	Status
E 80/2389-I	Kimberley Metals Group Pty Ltd	Live
E 80/4207-I	Kimberley Metals Group Pty Ltd	Live
E 80/4270-I	Kimberley Metals Group Pty Ltd	Live
E 80/4309-I	Kimberley Metals Group Pty Ltd	Live
G80/15	Kimberley Metals Group Pty Ltd	Live
G80/16	KMG Logistics Pty Ltd	Live
G80/19	Kimberley Metals Group Pty Ltd	Live
G80/20	Kimberley Metals Group Pty Ltd	Live
G80/21	Kimberley Metals Group Pty Ltd	Live
G80/22	Kimberley Metals Group Pty Ltd	Live
L80/50	Kimberley Metals Group Pty Ltd	Live
L80/55	Kimberley Metals Group Pty Ltd	Live
L80/56	KMG Logistics Pty Ltd	Live
L80/59	KMG Logistics Pty Ltd	Live
L80/60	Kimberley Metals Group Pty Ltd	Live
L80/75	KMG Logistics Pty Ltd	Live
L80/81	Kimberley Metals Group Pty Ltd	Live
L80/82	Kimberley Metals Group Pty Ltd	Live
L80/83	Kimberley Metals Group Pty Ltd	Live
L80/84	Kimberley Metals Group Pty Ltd	Live
L80/85	Kimberley Metals Group Pty Ltd	Live
M 80/599-I	Kimberley Metals Group Pty Ltd	Live
M 80/600-I	Kimberley Metals Group Pty Ltd	Live

M 80/625-I	Kimberley Metals Group Pty Ltd	Live
P 80/1749-I	Kimberley Metals Group Pty Ltd	Live

Signing Page

Executed as an agreement:

Executed by
Kimberley Metals Group Pty Ltd
in accordance with section 127
of the *Corporations Act 2001* (Cth)

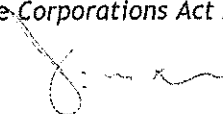

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Directors Signature

.....
HAIDONG CHI
.....
Name of Director (Print)


.....
Secretary/Director Signature

.....
CHIXIANZI YAO
.....
Name of Secretary/Director (Print)

Executed by
KMG Logistics Pty Ltd
in accordance with section 127
of the *Corporations Act 2001* (Cth)

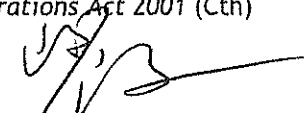

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Directors Signature

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HAIDONG CHI
.....
Name of Director (Print)


.....
Secretary/Director Signature

.....
CHIXIANZI YAO
.....
Name of Secretary/Director (Print)

Executed by
Ridges Iron Ore Pty Ltd
in accordance with section 127
of the *Corporations Act 2001* (Cth)

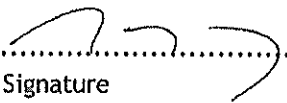

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Directors Signature

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Yuzheng Xie
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Name of Director (Print)


.....
Secretary/Director Signature

.....
Yuzheng Xie
.....
Name of Secretary/Director (Print)

Executed by
Habrok (Rydges) Pty Ltd
in accordance with section 127
of the *Corporations Act 2001* (Cth)

.....
Directors Signature

.....*SIMON RAFFERTY*.....
Name of Director (Print)

.....
Secretary/Director Signature

.....*David P. Duke*.....
Name of Secretary/Director (Print)