Description of mining operations – Mining Program

This template is intended as a guide to assist applicants/lease holders address the requirements for an application for the grant of or the renewal of a mining lease under the Mineral Resources Act 1989.

Section 245 of the Mineral Resources Act 1989 requires a statement acceptable to the chief executive outlining the mining program proposed for a mining lease application.

The mining program for the renewal of a mining lease is required under section 286 of the Mineral Resources Act 1989.

The principal objectives of a mining program are to:

• provide a better understanding of the nature and extent of the proposed development and production of mineral resources from the lease;
• allow an assessment of the proposed development and whether it is appropriate (this is particularly important with respect to resources that are not currently being mined or have been not developed for some time);
• assess the prospective resource utilisation and identify any resource sterilisation issues; and
• allow appropriate resource management decisions to be made

Scope of mining programs

The scope of mining programs will vary depending on the size and complexity of the proposed mining operations. The plan for an alluvial gold project or a small open cut operation, for instance, would require less detail than a multi-seam open cut and underground operation that also had coal seam gas extraction issues.

If the mining lease supports other permits or forms part of a project, the program described must describe the project and clearly show the relationship of this mining lease.

1. Mining program to support

<table>
<thead>
<tr>
<th>New application</th>
<th>☒</th>
<th>Proposed mining lease name: Golden Mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewal of mining lease</td>
<td>☐</td>
<td>Mining lease number:</td>
</tr>
</tbody>
</table>

2 Commencement of operations:

For new permits:

When are operations are expected to commence on this mining lease?

The applicant for the Golden Mile Mining Lease Application (Golden Mile MLA) is Ausmex Resources Pty Ltd (Ausmex).

Ausmex currently hold 5 granted exploration permits and 12 mining leases in the region. Exploration activities conducted on Ausmex tenements adjacent to EPM 15923 identified the possibility of gold resources within the area the subject of the Golden Mile MLA at the beginning of 2017.
Ausmex have entered into a Joint Venture (J/V) agreement with Copperchem Limited (now Round Oak Minerals Pty Limited (Round Oak). Under the terms of the agreement, Round Oak have given Ausmex written consent to apply for any mining leases within sub blocks P and U in Cloncurry block 825 within EPM 15923 as held by Exco. Under the authority of the J/V agreement, Ausmex have conducted exploration and resource definition drilling of the sub blocks in question to define the Golden Mile resource. Based on successful drilling results, Ausmex have now decided to proceed with the option to apply for a Mining Lease Application (MLA) within the approved sub blocks in accordance with clause 6.4 of the J/V agreement. A copy of the consent letter required for the Golden Mile MLA under section 248(2) of the Mineral Resources Act 1989 (MRA) is included with the MLA documents.

Under the terms of the J/V agreement, gold ore extracted from the Golden Mile MLA will be transported by road to Round Oak’s Great Australia Processing Plant in Cloncurry for processing. This and the fact that extraction will initially occur via underground techniques, will significantly minimise the amount of on-site infrastructure required to complete the operation.

The term applied for, (i.e. 10 years) is the proposed term based on the time required to construct the initial infrastructure, extract the identified gold resources at the proposed mining rate and allow enough time for the required rehabilitation works to be completed after conclusion of the mining operations.

Construction of the Initial underground decline will commence immediately upon grant of the MLA and successful engagement of a full mining operations suite (Mining engineers, contractors, equipment, infrastructure and personnel). Initial extraction of gold ore and transport to the Round Oak Minerals Cloncurry processing facility is expected to commence 6 months after grant of the MLA.
For renewals:

| If operations have not commenced, when are operations expected to commence on this mining lease? | NA |

3. Supporting operations

<table>
<thead>
<tr>
<th>Is this mining lease being or to be operated in conjunction with other mining permits as part of a project?</th>
<th>Yes ☐</th>
<th>No ☒</th>
</tr>
</thead>
<tbody>
<tr>
<td>If yes, provide details of the project including a description of the relationship of this lease to the project and why this lease is required for the project or operation of other permits</td>
<td></td>
<td></td>
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</tbody>
</table>
- Include a map showing the extent of the project
- Provide clarification of the extent of the mining program described ie what leases and permits are covered by the program

While Ausmex currently hold several mining lease in the area, the Golden Mile MLA will be operated as a separate project to the existing Mt Freeda and other projects. In line with this separate project status, the Golden Mile MLA has sought a separate Environmental Authority (EA) as a stand-alone project.
## 4 Method of operations

<table>
<thead>
<tr>
<th>The mining program should:</th>
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<tbody>
<tr>
<td>• Cover every mineral that the lease holder or applicant has (or will have) the right to mine.</td>
</tr>
<tr>
<td>• If the lease was granted for a purpose other than mining, cover the use of the mining lease for the purpose it was granted for.</td>
</tr>
<tr>
<td>• Describe the method in enough detail to support the size, shape e.g. overburden dumps, pits, stockpiles, processing etc.</td>
</tr>
<tr>
<td>• Provide adequate graphic representations (i.e. maps, photos, diagrams) of the resource and mining information to support the proposed use.</td>
</tr>
<tr>
<td>• Include a description of infrastructure to constructed / maintained on the lease.</td>
</tr>
<tr>
<td>• Describe the methods proposed for rehabilitation works.</td>
</tr>
<tr>
<td>• Include a description of the workforce to establish/maintain this operation.</td>
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</tbody>
</table>

1. Cover every mineral that the lease holder or applicant has (or will have) the right to mine?

   The Golden Mile MLA MLA is being sought for the mineral gold and for associated minerals copper, cobalt and tungsten.

2. If the lease was granted for a purpose other than mining, cover the use of the mining lease for the purpose it was granted for?

   N/A. The Golden Mile MLA is sought for the minerals gold, copper, cobalt and tungsten and associated mining activities only.

3. Describe the method in enough detail to support the size, shape e.g. overburden dumps, pits, stockpiles, processing etc?

   The Golden Mile MLA involves the extraction of the identified mineral resource via standard underground mining techniques.

   The gold resource exists in a series of multiple narrow reefs striking north/south within the MLA area. Given the width spacings between and depth of the reefs, extraction of the resource via underground methods is the most efficient and environmentally sensitive option to extract the resource. Processing of the extracted ore will occur at the Round Oak Minerals processing plant at Cloncurry under an existing J/V agreement.

   Construction of the 3 separate declines and other initial infrastructure is expected to commence soon after grant of the MLA (weather dependent) and is expected to take 6 months to complete.

   Once the declines and other initial infrastructure are constructed, underground mining activities will commence.

   Ore will be removed via standard underground (cut and fill) techniques. Due to the nature of the operation all material that will be mined underground will be low waste and high grade ore so the need for a waste dump will be minimal. Extracted ore will be placed onto the relevant ROM pad awaiting road transport to the Round Oak Minerals processing plant in Cloncurry where the ore will be treated under the terms of the existing J/V agreement.

   Given the nature of the mining activities, surface disturbances of the ML will be kept to a minimum at all times thereby minimising the environmental impact. All mining activities are expected to comply with all conditions of the Eligibility Criteria for Mining Lease Projects (Code).
4. Provide adequate graphical representations
Figures 1 to 4 as listed below:
Figure 1 - Golden Mile Project location sketch
Figure 2 - Golden Mile MLA boundary map
Figure 3 - Golden Mile MLA access sketch
Figure 4 - Golden Mile mine plan/infrastructure sketch

5. Include a description of infrastructure to be constructed/maintained on the lease
Given that the extracted gold ore will be processed at an off-site processing facility and there are no initial plans to construct a mine camp on the MLA, required infrastructure is expected to be limited to the following:
- Decline shaft (for each mining area) which will incorporate a small hoist house and small head frame for the cage skip.
- Ventilation/refrigerant/emergency exit shafts (for each mining area)
- Ore removal pad/load our facility (for each mining area)
- Office blocks incorporating the ablutions block/office/crib and safety (for each mining area)
- Pipe work for the delivery of fresh water (single line to all three areas from Mt Freda)
- Access road to all three mining areas
Refer to the attached mine plan sketch for details of the expected size and location of the proposed infrastructure for the Golden Mile MLA.

It is possible that on-going exploration activities during the initial term will define a larger sulphide gold resource at depth. This may result in the requirement to lodge a renewal application to seek a further term to continue the underground mining activities or may result in the requirement to change the extraction process to an open-cut operation.

6. Describe the methods proposed for rehabilitation works.
Given the nature of the extraction method, the total area of disturbance will be minimal and will comply with the terms and conditions of the Code.

Once the minimal infrastructure is constructed and mining operations commence, the total area of disturbance will essentially remain constant throughout the mine life. As such, the style of operations does not suit progressive rehabilitation techniques.

Final rehabilitation activities will commence upon completion of the ore extraction activities and is expected to take 2 to 3 years to complete and obtain the required signoff criteria. Rehabilitation activities will include:
- Removal of any headframe and winch/hoist house and any other infrastructure associated with the main shaft/decline. Following on from the cut and fill underground mining technique, installation of a concrete plug below ground level and backfilling the final excavation.
- All surface infrastructure will be removed from site.
- All working areas will be re-contoured as required and cross ripped parallel to the slope angle. Stockpile topsoil will be re-spread and seeded with appropriate species to assist with re-generation of the site.
- Rehabilitation areas will be monitored during the initial re-growth period and re-seeded/hand planted where necessary to progress the rehabilitated landform to achieve the required signoff criteria.

7. Include a description of the workforce to establish/maintain this operation

The personnel associated with the Golden Mile MLA will be as follows:

**Establishment**
- Mine Manager
- Mine supervisor x 1
- Mining Engineer
- HESQ officer

Contractors for the building of the infrastructure

**Operation**
- Mine Manager
- Mine Supervisor x 3 (one for each mining area)
- Mining Engineer
- HESQ officer
- Mining contractors and machine operators

**Provide a list of attached documents to support this mining program**

Figure 1 - Golden Mile project location sketch
Figure 2 - Golden Mile MLA boundary map
Figure 3 - Golden Mile MLA access sketch
Figure 4 - Golden Mile MLA mine plan/infrastructure sketch
5 Applicant's declaration

I confirm the following:
- I understand my obligations as a holder of a mining lease.
- I have truthfully declared all relevant details required on this form.
- If any part of this form has been completed with the assistance of another person, I declare that the information as set down is true and correct and has been included with my full knowledge, consent and understanding.

Name: Brian Martin, Director, Hetherington Exploration and Mining Title Services (QLD) Pty Ltd
Position: Duly authorised representative for Ausmex Resources Pty Ltd
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if additional signatures, attach a separate piece of paper)