DATED 16 July 2012

BETWEEN

MARK GARETH CREASY
(Mark Creasy)

NULLAGINE GOLD PTY LTD (ACN 150 336 762)
(**Nullagine**)

CONGLOMERATE GOLD EXPLORATION PTY LTD (ACN 150 397 158)
(**CGE**)

NOVO RESOURCES CORP (BC0864970)
(**Novo Resources**)

MARK CREASY NULLAGINE MARBLE BAR FARM-IN AND JOINT VENTURE AGREEMENT FOR MINING TENEMENTS

CONTENTS

PARTIES: 1

RECITALS: 1

THE PARTIES AGREE AS FOLLOWS: 2

1. DEFINITIONS 2
1.1 Definitions 2
1.2 Interpretation 11

2. CONDITIONS 12

3. EARNING PERIOD 13
3.1 Expenditure requirement 13
3.2 Transfer of Mining Information 13
3.3 Nullagine's obligations during the Earning Period 13
3.4 Creasy Entities' obligations during the Earning Period 14
3.5 Nullagine to manage application process 14
3.6 Communication between the Parties 14

4. LICENSE TO ACCESS PROPERTY PRIOR TO SATISFACTION OF CONDITIONS 14
4.1 License terms 14
4.2 Insurance during the license period 16
4.3 Mark Creasy obligations 17
4.4 Expenditure during license period 17

5. WARRANTIES 17
5.1 Mark Creasy warranties 17
5.2 CGE warranties 18
5.3 Novo Resources warranties 19
5.4 Nullagine Warranties 19
5.5 Mark Creasy warranties 20

6. INDEMNITIES 21
6.1 Nullagine to indemnify 21
6.2 CGE to indemnify 21
6.3 Novo Resources to indemnify 21
6.4 Mark Creasy to indemnify 21

7. PUBLIC LISTING OF CGE 21
7.1 Use of funds raised 21
7.2 Reimbursement of Creasy Expenditure 22
7.3 Failure to obtain Quotation 23
7.4 Extension to end date for Quotation 23

8. PROPERTY 23
8.1 Maintenance of Property prior to JV Formation Date 23
8.2 Maintenance of Property from JV Formation Date 24
8.3 Relinquishment 24
8.4 Exclusion of warranty 25

8.5 Transfer of Property 25
8.6 Mineral rights 26
8.7 Shared Tenements 26
8.8 Caveats 27
8.9 GST 27
8.10 GST Joint Venture 28

9. JOINT VENTURE PERCENTAGE INTERESTS AND EXPLORATION 28
9.1 Formation of Joint Venture 28
9.2 Transfer of interests in granted tenements 28
9.3 Transfer of Gold Rights and interest in Applications 29
9.4 Scope of Joint Venture 29
9.5 Ownership 29
9.6 Percentage Interests 29
9.7 Cost of Exploration 30
9.8 Development finance 30
9.9 Participation in a Mining Area 30
9.10 Exploration of an Orebody after commencement of Mining Operations 34
9.11 Discovery and production bonus 34
9.12 Priority of mining 35

10. MANAGEMENT COMMITTEE 36
10.1 Establishment of Management Committee 36
10.2 Waiver by Creasy Entities 36
10.3 Management Committee – general 37
10.4 Operation of the Management Committee 37
10.5 No power to amend 39
10.6 Matters requiring unanimous consent 39

11. MANAGEMENT OF NULLAGINE MARBLE BAR JOINT VENTURES 39
11.1 Marble Bar Joint Ventures to be managed as a single joint venture 39
11.2 Single Manager across Nullagine Marble Bar Joint Ventures 40
11.3 Mining Decisions – same decisions for multiple JV's covering Mining Operation 40
11.4 Operation of clauses 11.1 to 11.3 40
11.5 Combined approach shall not affect legal status of separate Joint Ventures Agreements 41
11.6 No creation or transfer of interests in Combined Tenements 41

12. THE MANAGER 41
12.1 Appointment and duties of the Manager 41
12.2 Information 41
12.3 Insurance 42
12.4 Manager's compliance 43
12.5 Removal or retirement of the Manager 43
12.6 Successor Manager 44
12.7 Accounting Procedures 44
12.8 Indirect costs 44

13. RIGHTS AND OBLIGATIONS OF THE JOINT VENTURE PARTIES 44
13.1 Access by the Joint Venture Parties 44
13.2 Mining Information 45
13.3 Assistance to the Manager 45
13.4 Indemnity of the Manager 46

13.5 Limit on activities 46
13.6 Rights to audit for compliance 46
13.7 Indemnity by Nullagine 46
13.8 Indemnity by Creasy 46
13.9 Abandonment of Property 46
13.10 Environmental conditions 47

14. TERM AND TERMINATION 48
14.1 Agreement to continue 48
14.2 Termination 48
14.3 Withdrawal 48
14.4 Default 49
14.5 Rights and obligations surviving termination 50

15. MINING AREA 51
15.1 Participating Interest in Mining Area 51
15.2 Activities in Mining Area 51
15.3 Venture Agreements 51
15.4 Financing arrangements 54
15.5 Terms of Venture Agreement 55

16. ASSIGNMENT AND TRANSFERS 55
16.1 Procedure for transfers of Percentage Interests 55
16.2 Transfer to a Related Corporation 56
16.3 Transfer of Other Minerals Rights and Prospector Rights 57
16.4 Procedure for transfers of Mark Creasy Royalty 57
16.5 Surrender, forfeiture or relinquishment of Property 57
16.6 Transferee to be bound 57
16.7 Mortgages 58

17. RELATIONSHIP OF THE PARTIES 58
17.1 Nature of relationship 58
17.2 Disposition of Gold - taking in kind 58
17.3 Failure of a Venture Party to take in kind 59
17.4 Product 59

18. GUARANTEE BY NOVO RESOURCES 59
18.1 Guarantee and indemnity 59
18.2 Further acknowledgment, agreement 60

19. GUARANTEE BY CGE 61
19.1 Guarantee and indemnity 61
19.2 Further acknowledgment, agreement 61

20. GENERAL PROVISIONS 62
20.1 Confidentiality 62
20.2 Sole agreement: changes in writing 63
20.3 Partition 63
20.4 Severance 63
20.5 Waiver 63
20.6 Australian currency 64
20.7 Governing law 64
20.8 Binding on successors and assigns 64

20.9 Force majeure 64
20.10 Force majeure - Native Titles Claim 65
20.11 Notices 65
20.12 Costs and duty 66
20.13 Independent expert 66
20.14 Execution of Agreement 67

ANNEXURE A.......... 70
ACCOUNTING PROCEDURES JOINT VENTURE OPERATIONS 70

ANNEXURE B.......... 77
COMBINED PROPERTIES 77

ANNEXURE C.......... 79
PROPERTY 79

ANNEXURE D.......... 80
NET SMELTER ROYALTY 80

ANNEXURE E.......... 85
MINING TENEMENT PLANS 85

THIS AGREEMENT is made the 16th day of July 2012

PARTIES:

(1) **MARK GARETH CREASY** of 8 Kings Park Road, West Perth, Western Australia 6005 (**Mark Creasy**)

(2) **NULLAGINE GOLD PTY LTD** (ACN 150 336 762) of c/ Williams and Hughes Ground Floor, 25 Richardson Street, West Perth, Western Australia 6005 (**Nullagine**)

(3) **CONGLOMERATE GOLD EXPLORATION PTY LTD** (ACN 150 397 158) of c/ Williams and Hughes Ground Floor, 25 Richardson Street, West Perth, Western Australia 6005 (**CGE**)

(4) **NOVO RESOURCES CORP** (BC0864970) of Suite 1980, 1075 West Georgia Street, Vancouver BC, V6E 3C9, Canada (**Novo Resources**)

RECITALS:

(A) WITX, Tantalumx, Whim Creek Mining, Mark Creasy and Trevor John Sims are the registered legal holders of, or applicant for, the Combined Properties to the extent set out in Annexure B.

(B) Mark Creasy is (or is entitled to be) the registered legal holder of, or applicant for, the Property.

(C) WITX, Tantalumx, Whim Creek Mining, Mark Creasy, Nullagine, CGE and Novo Resources have agreed to enter into arrangements by which:

(a) Nullagine must spend the Expenditure Commitment on the Combined Properties and the ■[1] Properties during the Earning Period;

(b) pursuant to the terms of this Agreement Nullagine will obtain:

(i) a 70% undivided interest in the Gold Rights;

(ii) legal title to a 70% share in the Applications; and

(iii) a 70% interest in the Mining Information; and

(c) WITX, Tantalumx, Whim Creek Mining, Mark Creasy and Nullagine will form separate and independent joint ventures to conduct further Gold Exploration on the Combined Properties and to jointly mine the Combined Properties for Gold Mineralisation pursuant to the terms and conditions set out in each of the Joint Venture Agreements.

---

[1] The omitted information identifies a company which is not a party to this Agreement.

(d) This Agreement sets out the terms of the Mark Creasy Nullagine Marble Bar Joint Venture.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

1.1 Definitions

The following terms have the following meanings:

"**Acceptance Notice**" has the meaning given in clause 14.4(c).

"**Accounting Procedures**" means the procedures contained in Annexure A.

"**Agreement**" means this Mark Creasy Nullagine Marble Bar Farm-In and Joint Venture Agreement for Mining Tenements.

"**■[1] Contribution**" means the aggregate of monies paid to any of Mark Creasy, ■[2], WITX, Tantalumx or Whim Creek Mining by any of Novo, CGE, CGE BVI or Nullagine in reimbursement of payments made by Mark Creasy, ■[2], WITX, Tantalumx or Whim Creek Mining to ■[1].

"**Applications**" means:

(a) the Exploration Licence Applications;

(b) the Prospecting Licence Applications; and

(c) the Mining Lease Applications.

"**Associated Entity**" has the same meaning as is attributed to that term in the Corporations Act.

"**Bankable Feasibility Study**" means a detailed report considering whether the development of a mining operation within the area of the Combined Properties would be economically viable and profitable to exploit gold deposit or deposits according to the parameters established in such study which:

(a) is capable of being used to obtain independence project finance from a major international bank or similar financial institution experienced in mine financing with respect of the provision of project financing for the relevant operations; and

(b) meets the requirements of a "Feasibility Study" as that term is defined in National Instrument 43-101 "Standards of Disclosure for Miner Projects" by the Canadian Securities Administrators.

[1] The omitted information is the name of an individual whom is not a party to this Agreement.
[2] The omitted information identifies a company which is not a party to this Agreement.

"**Beatons Creek**" means Beatons Creek Gold Pty Ltd ACN 150 336 799 of C/- Williams + Hughes, Ground Floor, 25 Richardson Street, West Perth, Western Australia.

"**Beatons Creek JVA**" means the Beatons Creek Farmin and Joint Venture Agreement entered into by Beatons Creek, Novo Resources and Millennium Minerals Limited ACN 003 257 556 dated 2 August 2011.

"**Business Day**" means any day when the banks in Vancouver and Perth are open for normal banking business except Saturday, Sunday and public holidays.

"**CGE BVI**" means Conglomerate Gold Exploration (B.V.I.) Ltd, a company incorporated in the British Virgin Islands.

"CGE BVI CGE Loan Agreement" means the loan agreement between CGE BVI and CGE entered into on or about the date of this Agreement pursuant to which CGE BVI loans funds to CGE for the purpose, amongst other things, of funding Nullagine's obligations under the Joint Venture Agreements, the ■[1] Nullagine Farmin Agreement (Proposed) and the Beatons Creek JVA.

"CGE Share Issue Agreement" means the agreement so named entered into between CGE BVI, Yandal Investments Pty Ltd ABN 89 070 684 810 and CGE, dated 17 May 2012, as varied.

"**Combined Properties**" means the tenements and applications for tenements the subject of the Joint Venture Agreements from time to time and, as at the date of this Agreement, as listed in Annexure B, and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof, and "**Combined Property**" means any one or more of them. For indicative purposes only, the boundaries of the Combined Properties as at the date of this Agreement that are within:

(a) the Nullagine Sub-Basin are shown marked red in Map 1 in Annexure E; and

(b) the Marble Bar Sub-Basin as are shown marked red in Map 2 in Annexure E.

"**Commenced Development Work**" has the meaning given in clause 9.9(n).

"**Condition**" means the condition in clause 2(a).

"**Consequential Loss**" means indirect or consequential loss or damage, including for loss of business opportunity, loss of profit or pure economic loss.

"**Conversion Date**" has the meaning given in clause 9.9(i).

"**Corporations Act**" mean the *Corporations Act 2001* (Cth).

"**CPI**" means the Australian Consumer Price Index as published by the Australian Bureau of Statistics from time to time.

---

[1] The omitted information identifies a company which is not a party to this Agreement.

"**Creasy Expenditure**" means costs and expenses incurred before the Effective Date by or on behalf of WITX, Tantalumx, Whim Creek Mining or Mark Creasy on activities proposed or carried out for the purpose of geographic, geologic and the economic location, delineation and development of gold or other mineralisation within the Combined Properties (including predecessor tenements), including:

(a) expenditure which would qualify as expenditure for the purpose of a Form 5 Operations Report made pursuant to the *Western Australian Mining Regulations 1981 (WA)* but not including any costs associated with administration and overheads that would otherwise qualify as expenditure for the purposes of a Form 5;

(b) acquisition, maintenance and administration of tenements (including predecessor tenements) but not including any costs associated with administration and overheads that would otherwise qualify as expenditure for the purposes of a Form 5;

(c) the preparation of feasibility studies;

(d) administration of field offices; and

(e) costs incurred in respect of any native title or heritage claims or any moneys paid to any native title holder,

as verified by one or more of the Creasy Entities to CGE's reasonable satisfaction in accordance with clause 7.1(c) and 7.2(c), and not exceeding $■[1] in aggregate.

"**Defaulting Party**" has the meaning given in clause 14.4(a).

"**Department**" means the body, department or authority responsible for the administration of the Mining Act which at the date of this agreement is the Department of Mines and Petroleum.

"**Earning Period**" means the period commencing on the Effective Date and, ending on the day that is one year from the Effective Date.

"**Effective Date**" means the date on which the Condition is satisfied or waived.

"**Execution Date**" means the date this Agreement is executed by all Parties.

"**Expenditure**" means costs and expenses incurred on activities carried out for the purpose of geographic, geologic and the economic location, delineation and development of Gold Mineralisation, including:

(a) expenditure which would qualify as expenditure for the purpose of a Form 5 Operations Report made pursuant to the Western Australian Mining Regulations 1981 (WA) but not including any costs associated with administration and

[1] The omitted information is the specific dollar amount.

overheads that would otherwise qualify as expenditure for the purposes of a Form 5;

(b) acquisition, maintenance and administration of tenements (including predecessor tenements) but not including any costs associated with administration and overheads that would otherwise qualify as expenditure for the purposes of a Form 5;

(c) the preparation of feasibility studies;

(d) administration of field offices; and

(e) costs incurred in respect of any native title or heritage claims or any moneys paid to any native title holder,

but not including any Creasy Expenditure reimbursed pursuant to clause 7.2.

“**Expenditure Commitment**” has the meaning referred to in clause 3.1.

"**Exploration**" means all activities proposed or carried out in accordance with this Agreement for the purpose of the geographic, geologic and the economic location and delineation of Gold Mineralisation within the Property, including the preparation of feasibility studies, the acquisition maintenance and administration of the Property and the administration of field offices, and “**Explore**” has a corresponding meaning.

"**Exploration Costs**" means all costs incurred by the Manager for Exploration and chargeable to the Joint Venture in accordance with the Accounting Procedures, including all Expenditure;

“**Exploration Licence Applications**” means those applications for exploration licences listed in Annexure C and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof.

“**Exploration Licences**” means those exploration licences listed in Annexure C (and, where the context requires, an exploration license granted pursuant to an Exploration Licence Application) and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof.

“**Family Trust**” has the meaning given in clause 16.2(e).

"**Gold**" means gold and includes all ores, minerals, concentrates and other products containing gold within or produced from the Property and includes any elements or minerals found in association with gold, which would normally be required to be mined and recovered as part of the economic process of mining and recovery of gold, excluding the Prospector Rights.

"**Gold Mineralisation**" means a concentration or occurrence of Gold forming part of the Gold Rights of intrinsic economic interest in or on the land covered by the Property in such form and quantity that there are reasonable prospects for eventual economic extraction.

"**Gold Rights**" means the right to explore the Property for Gold and, if warranted, develop and exploit the Property for Gold but does not include:

(a) the Prospector Rights; or

(b) the Mosquito Creek Gold Rights.

"**GST**" means any tax imposed by or through the GST Act on supply (without regard to any input tax credit).

"**GST Act**" means *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and any related tax imposition Act (whether imposing tax as a duty of customs excise or otherwise) and includes any legislation which is enacted to validate, recapture or recoup the tax imposed by any of such acts.

"**GST Joint Venture**" has the meaning provided by the GST Act.

"**Joint Venture**" means the unincorporated joint venture between Nullagine and Mark Creasy established under clause 9.1 and on the terms and conditions of this Agreement.

"**Joint Venture Agreements**" means each of the following documents and, where the context requires, means any one or more of them:

(a) this Agreement;

(b) the Whim Creek JVA;

(c) the Tantalumx JVA; and

(d) the WITX JVA.

"**Joint Venture Parties**" means Nullagine and Mark Creasy and "**Joint Venture Party**" means either one of them.

"**Joint Venture Property**" means and includes:

(a) the Property;

(b) the Mining Information;

(c) all fixtures machinery equipment and supplies acquired for the account of the Joint Venture pursuant to the terms of this Agreement; and

(d) any other property or rights of any description whether real or personal acquired for the Joint Venture pursuant to the terms and conditions of this Agreement,

but does not include the Other Minerals Rights, the Prospector Rights and the Mosquito Creek Gold Rights.

“**JORC Code**” means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as adopted by the Australasian Joint Ore Reserves Committee (JORC), which is sponsored by the Australian mining industry and its professional organizations.

"**JV Formation Date**" has the meaning referred to in clause 9.1.

“**JV Gold Rights**” has the meaning given in clause 8.7(a)(i).

“**Loss**” means any claim, expense, demand or liability (including costs and expenses of defence against any of those matters) but does not include Consequential Loss.

"**Management Committee**" has the meaning referred to in clause 10.

"**Manager**" means the Joint Venture Party who is appointed the Manager pursuant to clause 12.1.

“**Mark Creasy JVA**” means this Mark Creasy Nullagine Marble Bar Farm-In and Joint Venture Agreement for Mining Tenements.

“**Mark Creasy Royalty**” has the meaning given in clause 9.9.

"**Mine**" means all the facilities and any related facilities necessary for the conduct of Mining Operations.

"**Minerals**" has the same meaning that is ascribed to that term in the Mining Act.

"**Mining Act**" means any statute of the State of Western Australia and any associated regulations made pursuant to which mining tenements are made available or administered and includes the *Mining Act 1978* (WA) and the *Mining Regulations 1981* (WA) as amended from time to time.

"**Mining Area**" means an area within the Property surrounding and including the area of an Orebody upon which a Bankable Feasibility Study has been carried out and being sufficient in size to be reasonably capable of supporting Mining Operations including a Mine and (if applicable) mill tailings and other dumps and other facilities reasonably incidental to the conduct of such Mining Operations. If, after a Mining Area has been defined, further Exploration within such Mining Area proves that the Orebody extends beyond the limits of the Mining Area, then the Mining Area will be expanded to encompass the Orebody extensions (and if a dispute arises as to the boundaries, then the dispute will be subject to the provisions of clause 20.13 for the expert to determine the proper boundaries of the Mining Area).

"**Mining Information**" means available information specifically relevant to Exploration and Mining Operations on the Property including all surveys, maps, mosaics, aerial photographs, electromagnetic tapes, sketches, drawings, memoranda, drill cores, logs of such drill cores, geophysical, geological and drill maps, sampling and assay reports, and notes and other relevant information and data.

“**Mining Lease**” means a mining lease granted pursuant to a Mining Lease Application.

“**Mining Lease Applications**” means those applications for mining leases listed in Annexure C and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof.

"**Mining Operations**" means all Operations conducted for the purpose of constructing a Mine within a Mining Area and the work or activity of mining, removing, extracting, treating, drying, packaging and handling Gold from such Mining Area by open pit or underground mining or any other methods now known or later developed.

"**Month**" means a calendar month.

“**Mosquito Creek Gold Rights**” has the meaning given in clause 8.7(a)(ii).

“**Native Titles Claim**” has the meaning given in clause 20.10(a).

“**Net Smelter Returns**” has the meaning provided in Annexure D.

“**New Titles**” has the meaning given in clause 9.12(b)(i).

“**Non-Defaulting Party**” has the meaning given in clause 14.4(a)(ii).

“**Non-Gold Development Area**” has the meaning given in clause 9.12(b).

“**Non-Participant**” has the meaning given in clause 9.9(f).

“**Normal Commercial Terms**” has the meaning given in clause 17.4.

“**Notice**” has the meaning given in clause 20.11(a).

"**Nullagine Marble Bar Joint Ventures**" means the joint ventures constituted under the Joint Venture Agreements and where the context requires, means any one or more of them.

"**Operations**" means all activities conducted for the purposes and under the terms and conditions of this Agreement.

"**Orebody**" means a continuous well defined mass of material of sufficient Gold content to make extraction economically feasible and individualised by form or character from adjoining country rock.

“**Other Minerals Rights**” means the right to all Minerals including the right to explore for and recover other Minerals from the Combined Properties, in accordance with the Mining Act and the terms of this Agreement other than:

(a) Gold;

(b) the Prospector Rights; and

(c) the Mosquito Creek Gold Rights.

“**Participant**” has the meaning given in clause 9.9(f).

“**Participating Interest**” has the meaning given in clause 15.1.

“**Parties**” means Mark Creasy, Nullagine, CGE and Novo Resources and "**Party**" means either one of them.

"**Percentage Interest**" means the interest as tenant in common of a Joint Venture Party in its share of Joint Venture Property and a Joint Venture Party's rights and obligations in and under this Agreement expressed as a percentage calculated to four decimal places and rounded to three decimal places.

"**Project Expenditure**" means all costs including the payment of Royalties which are incurred in conducting Exploration and/or Mining Operations but does not include any costs of whatever nature incurred by WITX, Tantalumx, Whim Creek Mining or Mark Creasy or Nullagine in acquiring the Combined Properties or the ■[1] Properties. For the avoidance of doubt, for the purpose of this definition costs incurred by Nullagine in order to meet its expenditure requirements pursuant to clause 3.1 are not to be treated as costs incurred in acquiring the Property.

"**Property**" means:

(a) the Applications;

(b) the Shared Tenements;

(c) the Exploration Licences; and

(d) the Prospecting Licences,

if any.

“**Prospecting Licence Applications**” means those applications for prospecting licences listed in Annexure C and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof.

“**Prospecting Licences**” means those prospecting licences listed in Annexure C (and, where the context requires, a prospecting license granted pursuant to a Prospecting Licence Application) and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof.

“**Prospector Rights**” means the rights of Mark Creasy (or his nominee) to fossick, prospect and mine for alluvial and elluvial gold, platinum group metals or other Minerals on the Property by using a metal detector, handheld implement, mechanised equipment and/or an alluvial plant being confined to surface soils and recent alluvials and not contained in hard rock or primary bedrock , with any gold, platinum group metals or other Minerals recovered to remain the sole and absolute property of Mark Creasy (or his nominee, as the case may be).

---

[1] The omitted information identifies a company which is not a party to this Agreement.

"**Quotation**" means quotation of the equity instruments of CGE (or some of them) on a securities exchange.

"**Quotation Date**" means the date Quotation commences.

"**■[1] Syndicate**" means ■[1], ■[1], ■[1], ■[1] and ■[1].

"**Related Corporation**" means with respect to any Party a corporation which is deemed to be related to a Party pursuant to the Corporations Act.

"**Royalty**" means any royalty payable under the Mining Act.

"**Sale Interest**" has the meaning given in clause 16.1(b).

"**Shared Tenements**" means exploration licence 46/797 and mining lease application 46/257 and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof.

"**Shareholders Agreement"** means the agreement entered into between CGE, CGE BVI, Novo Resources, Yandal and Mark Creasy in relation to the shareholdings in CGE and dated prior to the date of this Agreement.

"**Specified Relatives**" has the meaning given in clause 16.2(e)(i).

"Tantalumx" means Tantalumx Pty Ltd (ABN 19 079 959 050) of Level 11, 216 St Georges Terrace, Perth, Western Australia.

"**Tantalumx JVA**" means the Tantalumx Nullagine Marble Bar Farm-In and Joint Venture Agreement for Mining Tenements entered into by Tantalumx, Mark Creasy, Nullagine, CGE and Novo Resources on or about the same date as this Agreement.

"■[2]" means ■[2].

"■[2] **Nullagine Farmin Agreement (Proposed)"** means the agreement proposed to be entered into between Nullagine, ■[2], Mark Creasy, ■[2], ■[2], ■[2] and the ■[1] Syndicate on terms satisfactory to those parties whereby Nullagine will become a party to the ■[2] Nullagine JV Agreement;

"■[2] **Nullagine JV Agreement"** means the Joint Venture Agreement dated 22 June 2007 between ■[2], Mark Creasy, ■[2] and ■[2] as amended and to which Nullagine will become a party pursuant to the ■[2] Nullagine Farmin Agreement (Proposed).

"**■[2] Properties**" means:

(a) mining tenements E46/522, E46/523 and E46/524; and

---

[1] The omitted information is the name of the syndicate and the names of specific individuals whom are members of the syndicate, none of whom are parties to this Agreement.

[2] The omitted information identifies a company which is not a party to this Agreement.

(b) any other mining licence or tenement which is or becomes the subject of any of the ■[1] Nullagine JV Agreement or ■[1] Farmin Agreement (Proposed),

and includes all other mining tenements granted or applied for under the Mining Act upon renewal or in substitution, variation or extension thereof. For indicative purposes only, the boundaries of the properties included in the ■[1] Nullagine JV Agreement as at the date of execution of that agreement are shown hachured in light blue on Map 3 in Annexure E.

"**Venture**" has the meaning given in clause 15.3.

"**Venture Agreement**" has the meaning given in clause 15.1.

"**Venture Party**" has the meaning given in clause 15.1.

"**Whim Creek JVA**" means the Whim Creek Mining Nullagine Marble Bar Farm-In and Joint Venture Agreement for Mining Tenements entered into by Whim Creek Mining, Mark Creasy, Nullagine, CGE and Novo Resources on or about the same date as this Agreement.

"**Whim Creek Mining**" means Whim Creek Mining Pty Ltd (ABN 55 140 729 844) of Level 11, 216 St Georges Terrace, Perth, Western Australia.

"**Withdrawal Notice**" has the meaning given in clause 14.3(a).

"**Withdrawing Party**" has the meaning given in clause 14.3(a).

"**WITX JVA**" means the WITX Nullagine Marble Bar Farm-In and Joint Venture Agreement for Mining Tenements entered into by WITX, Mark Creasy, Nullagine, CGE and Novo Resources on or about the same date as this Agreement.

"**Yandal**" means Yandal Investments Pty Ltd (ABN 89 070 684 810) a company controlled by Mark Creasy.

"**Year**" means a calendar year.

1.2 Interpretation

(a) Derivatives of a word or expression defined in clause 1.1 have a corresponding meaning to that assigned to it in clause 1.1.

(b) Singular words include the plural and plural words include the singular.

(c) Masculine words include the feminine and neuter.

(d) Words importing persons include corporations.

(e) The headings do not affect the interpretation or construction of this Agreement.

---

[1] The omitted information identifies a company which is not a party to this Agreement.

(f) Reference to Recitals, clauses, Schedules or Annexures by letter or number are references to Recitals, clauses, Schedules or Annexures respectively in or of this Agreement.

(g) Reference to any statute includes a reference to that statute as amended modified or replaced and includes all orders, ordinances, regulations, rules and by-laws made under or pursuant to that statute.

(h) Where under this Agreement the day or last day for doing an act or for the payment of any money or on which any entitlement is due to arise or a Notice is deemed served is a Saturday, Sunday or gazetted Public Holiday, in either Western Australia or British Columbia, the day or last day for doing that act or payment of that money or on which that entitlement arises or Notice is deemed served will be deemed to be the next day which is not a Saturday, Sunday or gazetted Public Holiday in either Western Australia or British Columbia.

(i) Where under this Agreement any requirement calculation or payment of money might otherwise fall to be performed or paid on the 29th, 30th or 31st day of a Month which does not contain such a date then reference to that date will be construed as references to the last day of that Month.

(j) A reference to any agreement or document (including a reference to this document) is to the agreement or document as amended, supplemented, narrated or replaced.

(k) A reference to “A$” or “$” is a reference to the currency of Australia.

2. CONDITIONS

(a) This Agreement other than clauses 4 and 20 (other than clauses 20.9 to 20.10 inclusive) is subject to all of the conditions in clause 2.1 and 2.2 of the Shareholders Agreement being satisfied or waived by the relevant Parties on or before the date for satisfaction of that condition (or such later date agreed to by the Parties).

(b) Each of the Parties will use its best endeavours to procure satisfaction of the Condition as soon as practicable following the Execution Date.

(c) The Condition is for the benefit of all of the Parties and may only be waived in writing by all Parties in their absolute discretion.

(d) If the Condition is not satisfied by the date set out in clause 2(a), or such later date as the Parties may agree in writing, any Party may terminate this Agreement by giving notice to the other Parties to that effect whereupon all Parties will be released from any obligations under this Agreement other than with respect to:

  (i) clause 20 (other than clauses 20.9 to 20.10 inclusive); and

  (ii) any antecedent breach of this Agreement.

3. EARNING PERIOD

3.1 Expenditure requirement

(a) Nullagine must, during the Earning Period, incur Expenditure of not less than $■[1] in aggregate on any of the Combined Properties and the ■[2] Properties (the **Expenditure Commitment**), but in any event not less than the annual minimum expenditure requirements on the Combined Properties and the Creasy Entities' and ■[2]'s share of the minimum expenditure requirements on the ■[2] Properties pursuant to the ■[2] Nullagine JV Agreement.

(b) The Parties acknowledge that any Expenditure by Nullagine on the ■[2]Properties:

(i) shall be made pursuant to the ■[2] Nullagine JV Agreement and ■[2] Farmin Agreement (Proposed); and

(ii) for the purposes of this Agreement shall be included within Expenditure referred to in clause 3.1(a) above.

(c) The Parties acknowledge that any Expenditure by Nullagine in accordance with any of the Joint Venture Agreements shall for the purpose of this Agreement be included within Expenditure referred to in clause 3.1(a) above.

(d) The Parties acknowledge that the ■[3] Contribution shall for the purpose of this Agreement be included within Expenditure referred to in clause 3.1(a) above.

(e) Subject to clause 3.3(c), the decision of where and how to spend money on any of the Combined Properties or the ■[2] Properties shall, subject to clauses 3.1(b) and 3.3(c), be made at Nullagine's discretion.

(f) If, during the Earning Period, CGE achieves Quotation, then on and from the Quotation Date, Nullagine will be released from any remaining Expenditure obligations under clause 3.1(a).

3.2 Transfer of Mining Information

Within 14 days following the Execution Date, the Creasy Entities must deliver or cause to be delivered to Nullagine all Mining Information within their possession or under their control.

3.3 Nullagine's obligations during the Earning Period

During the Earning Period, Nullagine must:

(a) determine and manage all Exploration on the Property;

---

[1] The omitted information is the specific dollar amount.
[2] The omitted information identifies a company which is not a party to this Agreement.
[3] The omitted information is the name of an individual whom is not a party to this Agreement.

(b) provide regular reports to Mark Creasy, on behalf of the Creasy Entities, summarising its Exploration and the Expenditure incurred on the Property; and

(c) keep the Property in good standing and comply with all laws relevant to the Property and the Exploration.

3.4 Creasy Entities' obligations during the Earning Period

During the Earning Period, each of the Creasy Entities must:

(a) provide Nullagine with all notices received by it concerning the Property;

(b) not deal with the Property in any way which is inconsistent with, or detrimental to, the rights granted to Nullagine;

(c) act in accordance with Nullagine's reasonable instructions and execute and deliver all documents reasonably required by Nullagine which may be necessary to keep the Property in good standing; and

(d) other than with respect to the Mosquito Creek Gold Rights, not dispose of, cause or allow any encumbrance to be granted over, or allow an option to be granted to any third party over, all or any of the mining tenements the subject of the Property.

3.5 Nullagine to manage application process

On and from the Effective Date and for the purpose of giving full effect to the powers and obligations of Nullagine pursuant to clause 3.4, each of the Creasy Entities severally and irrevocably appoints Nullagine and any nominee of Nullagine, the true and lawful attorney of each of the Creasy Entities in the name of that entity from time to time to do all or any of the acts and things and to execute all other deeds, documents and other writings which may be necessary or expedient under this Agreement for the purposes of procuring the grant and protection of the title to the Property.

3.6 Communication between the Parties

Mark Creasy will promptly pass to Nullagine any notice or communication received by it from the Department or any other government authority in any way affecting or relating to the mining tenements the subject of the Property.

4. LICENSE TO ACCESS PROPERTY PRIOR TO SATISFACTION OF CONDITIONS

4.1 License terms

(a) On and from the Execution Date, Mark Creasy grants to Nullagine and its employees, agents and contractors a license to enter, occupy and use the Property exclusively for the purposes of conducting Exploration, including rights to:

(i) access, remain upon, explore, investigate, dig and drill the Property for the purpose of searching for and evaluating any potential Gold Mineralisation;

(ii) take samples, then chemically or using other methods of analysis including physical means, test the samples;

(iii) erect such structures and infrastructure to assist the investigations, digging, drilling or sampling on the Property;

(iv) bring and use any plant, machinery and equipment the Nullagine deems necessary or desirable;

(v) stockpile any items required to facilitate the Exploration on the Property;

(vi) conduct environmental, heritage or other surveys on the Property;

(vii) go, pass and repass over such portions of the Property as may be reasonably necessary to allow Nullagine to access the Property and if necessary, to make suitable gravel or other roads in a location approved by Mark Creasy acting reasonably over the Property to facilitate the Exploration (provided that it is the responsibility of Nullagine to obtain any licence necessary to pass or repass on such gravel or other roads on the Property); and

(viii) do anything reasonably required to enable Nullagine, if it so chooses, to seek approval for and obtain a license to take water under Section 5C of the Rights In Water and Irrigation Act 1914 (WA).

(b) The term of the license shall be from the Execution Date to the Effective Date or the last date for the Condition to be satisfied or waived pursuant to the Shareholders Agreement, whichever is earlier.

(c) In exercising its rights under the license Nullagine must:

(i) provide Mark Creasy with prior written notice of its intention to conduct any Exploration on the Property and the location thereof;

(ii) use reasonable endeavours to conduct its operations in such a way as to cause minimum damage to pasture, livestock, crops and other improvements on the Property, in a manner that is consistent with good Exploration practice;

(iii) comply with all reasonable directions issued by Mark Creasy in connection with safety, weed, fire, animal welfare or biosecurity management;

(iv) keep true and accurate records of all materials extracted and taken away from the Property;

(v) as soon as reasonably practicable, repair any damage caused by Nullagine to the Property in exercising its rights under this document;

(vi) obtain all approvals and licences required or that may be required under any applicable statutes, regulations, by-laws and the requirements of any local or public authority, including the Department;

(vii) comply with the terms of all approvals and licences referred to under clause 4.1(c)(vi) and all statutes, regulations and by-laws that may be applicable to its activities pursuant to the licence; and

(viii) comply with all laws including those relating to occupational, health and safety and the requirements under the Rights in Water and Irrigation Act 1914 (WA).

(d) Nullagine will procure that its employees, agents and contractors comply with the terms of this clause 4.

(e) Nullagine indemnifies and must keep indemnified Mark Creasy from and against any Loss incurred or suffered by Mark Creasy due to a breach by Nullagine or any of its employees, agents or contractors of this clause 4.

(f) Upon the expiration of the term of the license due to failure to satisfy the Condition, Nullagine will:

(i) within 20 days remove all machinery, plant and equipment and other property brought on to the Property; and

(ii) as soon as reasonably practical (and in any event within 45 days) make good such removal as reasonably required by Mark Creasy so that the Property is reinstated as close as reasonably possible to the condition as at the commencement of the license period.

4.2 Insurance during the license period

(a) During the period of the license under clause 4.1 Nullagine must take out with a substantial and solvent insurance company and keep in full force and effect all insurance required by law and or otherwise including, without limitation:

(i) all compulsory workers' compensation and employer's liability insurance;

(ii) public liability insurance;

(iii) comprehensive insurance for all plant and equipment;

(iv) comprehensive and third party liability insurance for all motor vehicles and mechanically propelled vehicles; and

(v) any other insurance of a similar nature that a reasonable and prudent person in the position of Nullagine would maintain.

(b) Nullagine must require all contractors engaged in work on or for the Property to:

(i) take out and maintain in full force and effect all compulsory workers' compensation employer's liability and other insurance of a similar nature that Nullagine may require; and

(ii) hold harmless and indemnify the Creasy Entities from any liability arising out of work performed by them.

4.3 Mark Creasy obligations

During the license period referred to in clause 4.1 Mark Creasy, must:

(a) not grant or consent to any easement, lease or other license or right over the Property or enter or use or do any work on or alter the Property that may conflict with or unreasonably disturb the activities of Nullagine as notified to Mark Creasy under clause 4.1(c) without the prior written consent of Nullagine, which consent must not be unreasonably withheld; and

(b) subject to Nullagine being in compliance with the requirements of clause 4, enter into any documents necessary for the approval of the grant or any water licenses in favour of Nullagine.

4.4 Expenditure during license period

(a) The Parties acknowledge that any Expenditure by Nullagine on the Property during the license period as referred to in clause 4.1 shall for the purposes of this Agreement be included within Expenditure referred to in clause 3.1(a).

(b) In the event that the Condition is not satisfied:

(i) Nullagine will provide to the Creasy Entities copies of all information (together with supporting documents) arising from activities conducted pursuant to the license under clause 4.1 including (but not limited to) the results of all Exploration; and

(ii) the Creasy Entities have the right to use any expenditure associated with any Exploration conducted by Nullagine under this clause 4 for the purpose of any filing or lodgement pursuant to the Mining Act.

5. WARRANTIES

5.1 Mark Creasy warranties

Subject to the Mosquito Creek Gold Rights and the Prospector Rights, Mark Creasy represents and warrants to Nullagine with effect at the Execution Date and Effective Date:

(a) Mark Creasy is the sole and absolute legal and beneficial owner of the Property to the extent set out in Annexure B;

(b) there is no litigation or proceedings of any type concerning the Property pending or threatened against Mark Creasy of which Mark Creasy has had written notice

and which may impair in any way the rights granted to Nullagine under this Agreement;

(c) as at the last preceding anniversary date for each granted tenement comprising the Property, each tenement is in good standing and the annual expenditure requirement of the Mining Act in respect of such granted tenement has been met (either alone or on a combined reporting basis) or exemption from expenditure conditions has been granted;

(d) for each granted tenement comprising the Property, so far as the Creasy Entity is aware, no tenement is subject to any forfeiture application;

(e) except with respect to the Mosquito Creek Gold Rights and the Prospector Rights, Mark Creasy has not made any agreements which are still in force and effect regarding any of the Property, except for native title and heritage agreements; and

(f) other than as stipulated in clause 5.1(c), the Property is free from all encumbrances.

5.2 CGE warranties

CGE represents and warrants to Mark Creasy, with effect at the Execution Date and the Effective Date that:

(a) CGE is duly incorporated and validly exists under the laws of its jurisdiction;

(b) CGE is not affected or threatened by any form of insolvency or administration;

(c) subject to the terms of this Agreement, CGE has taken all corporate action and passed all appropriate resolutions that are necessary to authorise execution and performance of this Agreement;

(d) subject to the terms of this Agreement, this Agreement and all other agreements contemplated by this Agreement constitute valid and legally binding obligations on CGE in accordance with their terms;

(e) subject to the terms of this Agreement, the execution, delivery and performance of this Agreement by CGE does not breach or conflict with any statute, law or obligation (including any contractual or fiduciary obligation), or any document (including, if a party is a body corporate, its constitutions), agreement or encumbrance to which CGE is bound;

(f) subject to the terms of this Agreement, CGE has full legal capacity and power to execute and deliver this Agreement and any other agreement or instruments to be entered into by any of them pursuant to or in connection with this Agreement and perform its obligations under this Agreement; and

(g) CGE enters into and performs this Agreement on its own account and not as trustee for or nominee for any person.

5.3 Novo Resources warranties

Novo Resources represents and warrants to Mark Creasy, with effect at the Execution Date and the Effective Date that:

(a) Novo Resources is duly incorporated and validly exists under the laws of its jurisdiction;

(b) Novo Resources is not affected or threatened by any form of insolvency or administration;

(c) subject to the terms of this Agreement, Novo Resources has taken all corporate action and passed all appropriate resolutions that are necessary to authorise execution and performance of this Agreement;

(d) subject to the terms of this Agreement, this Agreement and all other agreements contemplated by this Agreement constitute valid and legally binding obligations on Novo Resources in accordance with their terms;

(e) subject to the terms of this Agreement, the execution, delivery and performance of this Agreement by Novo Resources does not breach or conflict with any statute, law or obligation (including any contractual or fiduciary obligation), or any document (including, if a party is a body corporate, its constitutions), agreement or Encumbrance to which Novo Resources is bound;

(f) subject to the terms of this Agreement, Novo Resources has full legal capacity and power to execute and deliver this Agreement and any other agreement or instruments to be entered into by any of them pursuant to or in connection with this Agreement and perform its obligations under this Agreement;

(g) no:

   (i) meeting has been convened, resolution proposed, petition presented or order made for the winding up of Novo Resources;

   (ii) receiver, receiver and manager, provisional liquidator, liquidator or other officer of the Court has been appointed in relation to all or any material asset of Novo Resources; and

   (iii) mortgagee or chargee has taken, attempted or indicated an intention to exercise its rights under any security of which Novo Resources is the mortgagor or chargor; and

(h) Novo Resources enters into and performs this agreement on its own account and not as trustee for or nominee for any person.

5.4 Nullagine Warranties

Nullagine represents and warrants to Mark Creasy, with effect at the Execution Date and the Effective Date that:

(a) Nullagine is duly incorporated and validly exists under the laws of its jurisdiction;

(b) Nullagine is not affected or threatened by any form of insolvency or administration;

(c) subject to the terms of this Agreement, Nullagine has taken all corporate action and passed all appropriate resolutions that are necessary to authorise execution and performance of this Agreement;

(d) subject to the terms of this Agreement, this Agreement and all other agreements contemplated by this Agreement constitute valid and legally binding obligations on Nullagine in accordance with their terms;

(e) subject to the terms of this Agreement, the execution, delivery and performance of this Agreement by Nullagine does not breach or conflict with any statute, law or obligation (including any contractual or fiduciary obligation), or any document (including, if a party is a body corporate, its constitutions), agreement or encumbrance to which Nullagine is bound;

(f) subject to the terms of this Agreement, Nullagine has full legal capacity and power to execute and deliver this Agreement and any other agreement or instruments to be entered into by any of them pursuant to or in connection with this Agreement and perform its obligations under this Agreement; and

(g) Nullagine enters into and performs this Agreement on its own account and not as trustee for or nominee for any person.

5.5 Mark Creasy warranties

Mark Creasy represents and warrants to CGE, Novo Resources and Nullagine with effect at the Execution Date and the Effective Date that:

(a) he has voted in favour of all appropriate resolutions that are necessary to authorise execution and performance of this Agreement;

(b) Mark Creasy is not affected or threatened by any form of bankruptcy or administration;

(c) subject to the terms of this Agreement, this Agreement and all other agreements contemplated by this Agreement constitute valid and legally binding obligations on Mark Creasy in accordance with their terms;

(d) subject to the terms of this Agreement, the execution, delivery and performance of this Agreement by Mark Creasy does not breach or conflict with any statute, law or obligation (including any contractual or fiduciary obligation), or any document, agreement or Encumbrance to which Mark Creasy is bound;

(e) subject to the terms of this Agreement, Mark Creasy has full legal capacity and power to execute and deliver this Agreement and any other agreement or instruments to be entered into by any of them pursuant to or in connection with this Agreement and perform its obligations under this Agreement; and

(f) Mark Creasy enters into and performs this Agreement on his own account and not as trustee for or nominee for any person.

6. INDEMNITIES

6.1 Nullagine to indemnify

Nullagine must indemnify and keep indemnified Mark Creasy from and against any Loss incurred or suffered by Mark Creasy as a consequence of Nullagine failing to meet any of its obligations under this Agreement or any of the warranties given by CGE, Nullagine or Novo Resources in clause 5 being incorrect.

6.2 CGE to indemnify

CGE must indemnify and keep indemnified Mark Creasy from and against any Loss incurred or suffered by Mark Creasy as a consequence of CGE failing to meets its obligations under this Agreement or any of the warranties given by CGE, Nullagine or Novo Resources in clause 5 being incorrect.

6.3 Novo Resources to indemnify

Novo Resources must indemnify and keep indemnified Mark Creasy from and against any Loss incurred or suffered by Mark Creasy as a consequence of CGE failing to meet any of their obligations under this Agreement or any of the warranties given by CGE, Nullagine or Novo Resources in clause 5 being incorrect, provided that if CGE achieves Quotation, then on and from the Quotation Date, Novo will be fully released and discharged from that obligation to indemnify and keep indemnified other than in relation to claims for breach of or default in relation to this Agreement made by Mark Creasy and notified in writing to Novo Resources prior to the Quotation Date, which claims against Novo Resources under this clause 6.3 shall be deemed waived, settled and discharged in full on and from 13 months from the Quotation Date unless the claim has been referred to an independent expert pursuant to clause 20.13 before the date that is 13 months after the Quotation Date.

6.4 Mark Creasy to indemnify

Mark Creasy must indemnify and keep indemnified each of Novo Resources, Nullagine and CGE from and against any Loss incurred or suffered by Novo Resources, Nullagine or CGE as a consequence of Mark Creasy failing to meet any of his obligations under this Agreement or any of the warranties given by Mark Creasy in clause 5 being incorrect.

7. PUBLIC LISTING OF CGE

7.1 Use of funds raised

(a) If CGE achieves Quotation, then CGE must apply part of the funds raised as follows:

(i) an amount equal to ■[1]% of the net funds raised (being funds raised after deductions of brokerage fees and commissions including underwriting

---

[1] The omitted information is the specific percentage.

costs, legal, accounting and expert fees and other costs paid to external parties to achieve the Quotation) toward reimbursement to Mark Creasy, on behalf of WITX, Tantalumx, Whim Creek Mining and Mark Creasy, of the Creasy Expenditure; and

(ii) repayment to CGE to the extent permitted under the terms of the CGE BVI CGE Loan Agreement.

(b) The Parties agree that clause 7.1(a)(i) shall be construed such that one payment is required to be made for the purposes of all of the Joint Venture Agreements, and that a ■[1]% payment as referred to is not required under each Joint Venture Agreement.

(c) Subject to the Creasy Expenditure being verified to CGE's reasonable satisfaction, payment in accordance with clause 7.1(a)(i) must occur as soon as practicable after Quotation and in any event within 5 days of the Quotation Date. CGE may, at its discretion and at its cost, appoint an independent auditor to verify Creasy Expenditure, and the Creasy Entities shall permit such auditor to inspect all documents, receipts and invoices as reasonably requested by the auditor for the purposes of the verification. The Parties agree to use their best efforts to complete such verification and that such verification must be finalised by the earlier of 12 months from the Execution Date or 30 days prior to the Quotation Date.

(d) Subject to the repayment referred to in clause 7.1(a)(ii) being verified to Mark Creasy's reasonable satisfaction, payment in accordance with clause 7.1(a)(ii) must occur as soon as practicable after Quotation and in any event within 5 days of the Quotation Date. Mark Creasy may, at his discretion and cost, appoint an independent auditor to verify amounts to be repaid in accordance with clause 7.1(a)(ii), and CGE shall permit such auditor to inspect all documents, receipts and invoices as reasonably requested by the auditor for the purposes of the verification. The Parties agree to use their best efforts to complete such verification and that such verification must be finalised within 5 days after the Quotation Date.

7.2 Reimbursement of Creasy Expenditure

(a) If CGE achieves Quotation, then CGE must apply an amount equal to ■[1]% of all future net funds raised by CGE (being funds raised after deductions of brokerage fees and commissions including underwriting costs, legal, accounting and expert fees and other costs paid to external parties to achieve the capital raising) toward reimbursement to Mark Creasy, on behalf of WITX, Tantalumx, Whim Creek Mining or Mark Creasy, of Creasy Expenditure until all Creasy Expenditure has been fully reimbursed.

(b) The Parties agree that clause 7.2(a) shall be construed such that one payment is required to be made for the purposes of all of the Joint Venture Agreements, and

[1] The omitted information is the specific percentage.

that a ■[1]% payment as referred to is not required under each Joint Venture Agreement.

(c) Subject to the Creasy Expenditure being verified to CGE's reasonable satisfaction, payment in accordance with clause 7.2(a) must occur as soon as practicable after completion of the fundraising and any event within 5 days of receipt of net funds.

7.3 Failure to obtain Quotation

Subject to clause 7.4, if by the end of the third anniversary of the Execution Date CGE has not achieved Quotation, then:

(a) Nullagine must sell to Mark Creasy all Mining Information and all interests it holds in the Property held by or under the control of Nullagine in respect of the Property for the sum of A$1.00; and

(b) except for clause 20.1, this Agreement will terminate other than with respect to any antecedent breach of this Agreement.

7.4 Extension to end date for Quotation

If by the end of the third anniversary of the Execution Date, CGE has entered into a binding mandate with a reputable financier, stock broker or investment bank for the undertaking of the Quotation on terms acceptable to Mark Creasy, acting reasonably and promptly, the reference in clause 7.3 to "end of the third anniversary of the Execution Date" shall be varied and replaced with "end of the fourth anniversary of the Execution Date" provided that, in these circumstances, the terms of this Agreement (including the obligation to maintain the Property in good standing) will continue to apply to end of the fourth anniversary.

8. PROPERTY

8.1 Maintenance of Property prior to JV Formation Date

(a) In meeting its obligations under clauses 3.3 and 9.7, Nullagine must incur such Expenditure on the Property or obtain appropriate exemptions from any expenditure as will be sufficient to satisfy the requirements of the Mining Act from time to time in respect of the Property.

(b) Nullagine must at the written request of Mark Creasy provide to Mark Creasy full and complete details of all Exploration results and Mining Information in relation to the Property and must make available to Mark Creasy all Exploration data and Mining Information in a timely manner provided that any request for information by Mark Creasy must be reasonable both in time and frequency.

(c) Nullagine (and Mark Creasy if he is conducting Exploration for non-Gold Mineralisation) must provide to the other Joint Venture Parties a copy of all

---

[1] The omitted information is the specific percentage.

reports in relation to the Property filed with the Department as soon as reasonably practicable after filing with the Department and in any event within one month.

8.2 Maintenance of Property from JV Formation Date

(a) On and from the JV Formation Date, Nullagine as Manager must (unless it ceases to be Manager) maintain title to the Property in good standing including:

(i) bearing the cost of obtaining all necessary exemptions from labour or expenditure conditions;

(ii) ensuring full compliance with any requirements of the Mining Act or the Department in a timely manner including the filing of all statutory reports and the paying of all rents and rates due to the Department; and

(iii) paying all rates and taxes properly assessed on the Property by any local State or Commonwealth department or authority.

(b) All costs incurred under clause 8.2(a) are to be included as Expenditure.

(c) On and from the JV Formation Date and for the purpose of giving full effect to the powers of Nullagine as Manager to maintain the Property, and subject to clause 12, Mark Creasy severally and irrevocably appoints Nullagine and any nominee of Nullagine the true and lawful attorney of Mark Creasy in the name of Mark Creasy from time to time to do all or any of the acts and things and to execute all other deeds documents and other writings which may be necessary or expedient under this Agreement for the purposes of procuring the grant and protection of the title to the Property.

(d) During the currency of this Agreement each Party will be entitled to and will receive from Nullagine or the Manager, as the case may be, copies of all correspondence with the Department relating to the Property.

8.3 Relinquishment

(a) No Party may transfer or encumber its Percentage Interest except as provided in clauses 8.5, 14.3(e), 14.4(d), 15.4 or 16.

(b) No Property may be relinquished prior to the JV Formation Date except with the agreement of Mark Creasy and Nullagine.

(c) Subject to clause 8.3(d), after the JV Formation Date the Management Committee (if established) or the Manager (if the Management Committee is not established) may relinquish Property if it reasonably elects to do so in exercising its functions pursuant to this Agreement or when required to do so by the Mining Act, provided that before relinquishing any Property (in whole or in part) the Manager must advise the Joint Venture Parties of the intended relinquishment and provide to each of the Joint Venture Parties at least 30 days written notice of the intended relinquishment containing reasonable detail (including map coordinates) of the area to be relinquished.

(d) No Property shall be relinquished in the first three years after the Effective Date unless such relinquishment is agreed to by unanimous decision of Mark Creasy and CGE, provided that if clause 7.3 is varied as described in (and by operation of) clause 7.4 then the requirement for such unanimous decision shall extend to the first four years after the Execution Date.

(e) On receipt of a notice of relinquishment of any Property and subject to clause 16.5, any or all of the Joint Venture Parties will be entitled to apply for a separate mining tenement in respect of the area to be surrendered.

(f) If any Joint Venture Party successfully applies for an area within the Property which has been released or relinquished, that area will not be subject to this Agreement unless the Joint Venture Parties otherwise agree.

8.4 Exclusion of warranty

The Creasy Entities give no warranty:

(a) as to any matter pertaining to native title in respect of the Property, and Nullagine agrees to enter into this Agreement relying solely on its own enquiries in relation to native title;

(b) that any of the Applications will be granted; and

(c) that Ministerial consent required under section 64 of the Mining Act in respect of the transfer during the first year of grant of any or all of the Exploration Licence Applications will be given.

8.5 Transfer of Property

(a) Provided the Joint Venture has been formed pursuant to clause 9.1, on the grant of a mining tenement the subject of an Application Mark Creasy must promptly deliver to Nullagine a duly registrable signed transfer in respect of a 70% share or interest in the granted mining tenement together with the instruments of licence relating to that granted mining tenement for the purpose of registration.

(b) The Parties acknowledge that legal title to the Applications is not capable of transfer:

(i) in the case of the Applications, while the Applications are pending grant;

(ii) in the case of the Exploration Licence Applications until 12 months after their grant without prior written consent of the Minister responsible under the Mining Act or an officer of the Department acting with the authority of the Minister; and

(iii) in the case of the Mining Lease Applications, once granted, without the prior written consent of the Minister responsible under the Mining Act or an officer of the Department acting with the authority of the Minister.

8.6 Mineral rights

(a) It is the intention of the Parties that, subject to clause 9, under the terms of this Agreement:

(i) Nullagine will acquire:

(A) a 70% legal interest in each of the Applications;

(B) a 70% legal interest in each of the Exploration Licences;

(C) a 70% legal interest in each of the Prospecting Licences; and

(D) 70% of the Gold Rights to the Property;

(ii) Mark Creasy will retain:

(A) with respect to each of the Applications:

(i) a 30% legal interest;

(ii) 30% of the Gold Rights; and

(iii) the Other Minerals Rights;

(B) with respect to the Exploration Licences:

(i) a 30% legal interest;

(ii) 30% of the Gold Rights; and

(iii) the Other Mineral Rights; and

(C) with respect to the Prospecting Licences:

(i) a 30% legal interest;

(ii) 30% of the Gold Rights; and

(iii) the Other Mineral Rights; and

(iii) Mark Creasy will retain all Prospector Rights.

8.7 Shared Tenements

(a) The Parties acknowledge and agree that with respect to the Shared Tenement:

(i) the Gold Rights are only with respect to Gold contained within the geological formation known as the "Fortescue Group Formation" ("**JV Gold Rights**") and subject always to the Prospector Rights; and

(ii) the JV Gold Rights do not include Gold contained within the geological formation known as the “Mosquito Creek Formation” (“**Mosquito Creek Gold Rights**”).

(b) It is the intention of the Parties as at the Execution Date, that the surface boundaries between the JV Gold Rights and the Mosquito Creek Gold Rights will be determined as follows:

(i) the boundaries of the JV Gold Rights shall be the surface expression of the Fortescue Group Formation as shown on the geology maps prepared and published by the Department and which is located outside the area hachured in dark blue on Map 1 in Annexure E; and

(ii) the boundaries of the Mosquito Creek Gold Rights shall be the surface expression of the Mosquito Creek Formation as shown on the geology maps prepared and published by the Department and which is located within the area hachured in dark blue on Map 1 in Annexure E.

(c) It is the intention of the Parties as at the Execution Date, that the subsurface boundaries between the JV Gold Rights and the Mosquito Creek Gold Rights will be a vertical extension of the area defined by the surface expression set out in clause 8.7(b).

(d) Novo Resources, CGE and Nullagine acknowledge and agree that one or more of WITX, Tantalumx, Whim Creek Mining or Mark Creasy may enter into an agreement with Millennium Minerals Limited (ABN 85 003 257 556) or any other party approved by CGE (such approval not to be withheld unreasonably)regarding the Mosquito Creek Gold Rights provided it is not inconsistent with this Agreement.

8.8 Caveats

(a) Each Party agrees that any of the other Parties may lodge caveats against any or all of the mining tenements (once granted) the subject of the Property pursuant to the Mining Act as it thinks fit to protect its interests under this Agreement.

(b) Each of the Parties consent to the lodgement of caveats in accordance with clause 8.8(a) and agrees that during the continuance of this Agreement it will not take any steps to remove such caveats and will provide all reasonable assistance requested by any other Party in order to preserve any such caveats.

(c) In the event that this Agreement is terminated or ceases to be of any further force or effect the Parties will immediately do all such things as may be necessary to withdraw any caveats lodged against any of the mining tenements the subject of the Property.

8.9 GST

(a) Nullagine represents and warrants to Mark Creasy that it has applied to be registered under the GST Act and expects to be so registered.

(b) All amounts payable under this Agreement are exclusive of GST.

(c) If GST applies to any supplies under this Agreement by any Party the amount payable for such supplies will be increased by an amount equal to the full amount of GST payable by that Party.

(d) Nullagine must pay to Mark Creasy an amount equal to the GST payable in respect of all taxable supplies made by Mark Creasy to Nullagine under this Agreement.

(e) Mark Creasy will provide Nullagine with a valid tax invoice in accordance with the requirements of the GST Act.

8.10 GST Joint Venture

(a) If the Joint Venture is established the Parties will, in good faith, consider taking action to register the Joint Venture as a GST Joint Venture under the GST Act.

(b) If the Joint Venture is registered as a GST Joint Venture the Manager will be responsible for administration of any GST in respect of the Joint Venture.

9. JOINT VENTURE PERCENTAGE INTERESTS AND EXPLORATION

9.1 Formation of Joint Venture

Upon the earlier of:

(a) the Quotation Date; and

(b) the Expenditure Commitment being satisfied,

(“**JV Formation Date”**) a separate unincorporated joint venture will be established between Nullagine and Mark Creasy in respect of the Property with the initial respective joint venture interests being in the proportions set out in clause 9.6.

9.2 Transfer of interests in granted tenements

Immediately on formation of the Joint Venture but subject to Mark Creasy obtaining any necessary consent of the Minister responsible under the Mining Act or an officer of the Department acting with the authority of the Minister:

(a) under section 64 of the Mining Act in respect of the transfer during the first year of grant of any or all of the Exploration Licences granted pursuant to the Exploration Licence Applications; and

(b) under section 82(1)(d) of the Mining Act in respect of the transfer of any or all of the Mining Leases granted pursuant to the Mining Lease Applications,

Mark Creasy will transfer:

(c) a 70% legal interest in the Exploration Licences to Nullagine (provided that where a legal interest in an Exploration Licence cannot be transferred on the JV Formation Date Mark Creasy will hold on trust for Nullagine a 70% interest in the Exploration Licence, and on the date that is 12 months from the date of grant of

that Exploration Licence Mark Creasy shall transfer a 70% legal interest in the Exploration Licence to Nullagine);

(d) a 70% legal interest in the Prospecting Licences to Nullagine;

(e) a 70% legal interest in the Mining Leases to Nullagine; and

(f) a 70% legal interest in the Applications to Nullagine (provided that where a legal interest in an Application cannot be transferred on the JV Formation Date Mark Creasy shall hold on trust for Nullagine a 70% interest in the Application, and on grant of the Application clause 8.5(a) shall apply).

9.3 Transfer of Gold Rights and interest in Applications

Immediately on formation of the Joint Venture Mark Creasy shall give irrevocable notice to Nullagine that Nullagine is entitled to:

(a) 70% of the Gold Rights; and

(b) a 70% legal interest in the Applications in accordance with clause 9.2(f).

9.4 Scope of Joint Venture

On and from the JV Formation Date, Nullagine and Mark Creasy will constitute themselves as joint venturers to pursue the following objectives subject to, and in accordance with, the provisions of this Agreement:

(a) to conduct Exploration for Gold Mineralisation on the Property;

(b) to evaluate the results of Exploration activities on the Property;

(c) subject to and in accordance with clause 15, to undertake Mining Operations, treating, processing and transporting of Gold on and from the Property or any part of the Property; and

(d) to conduct all related activities as the Parties may from time to time agree.

9.5 Ownership

Joint Venture Property will be owned by the Joint Venture Parties as tenants in common in proportion to their respective Percentage Interests as they may vary from time to time. The Joint Venture Parties acknowledge and agree that the Percentage Interests will be limited to the rights to Explore and Mine Gold Mineralisation subject to the priority and rights granted under this Agreement.

9.6 Percentage Interests

The respective Percentage Interests of the Joint Venture Parties in the Joint Venture as at the JV Formation Date will be:

(a) Mark Creasy 30%; and

(b) Nullagine 70%.

9.7 Cost of Exploration

The Parties agree that:

(a) Mark Creasy's Percentage Interest in the Joint Venture is free carried up until the completion of any Bankable Feasibility Study; and

(b) subject to clauses 9.10 and 14.3, Nullagine will on and from the JV Formation Date bear 100% of all Exploration Costs on any part of the Property up to and including the completion of any Bankable Feasibility Study on any part of the Property.

9.8 Development finance

(a) If any Bankable Feasibility Study undertaken on any of the mining tenements the subject of the Property identifies any commercially mineable resource on the Property (either exclusively on the Property or together with any of the remaining Combined Properties), CGE will use its best endeavours to include Mark Creasy in a source of project financing for Mark Creasy's interest in the Joint Venture as well as for Nullagine's interest in the Joint Venture. For the avoidance of doubt but subject to clause 9.7, this does not affect a Joint Venture Party's obligation to fund its share of Project Expenditures.

(b) Neither Mark Creasy, nor any Associated Entity of Mark Creasy, nor a director or officers of an Associated Entity of Mark Creasy, will under any circumstance, be personally liable in respect of any facility of indebtedness provided by any financer.

(c) The limit of Mark Creasy's liability, and the recourse of the lender, will be limited to the Percentage Interest of Mark Creasy in the Joint Venture.

9.9 Participation in a Mining Area

(a) The Manager will deliver copies of any Bankable Feasibility Study together with all supporting studies, reports and other data pertaining to any Bankable Feasibility Study to the Joint Venture Parties.

(b) If Nullagine has notified Mark Creasy that he intends to proceed with commercial Mining Operations in accordance with the recommendations of a Bankable Feasibility Study, then Mark Creasy will, within 90 days of his receipt of that Bankable Feasibility Study, notify in writing to Nullagine as to whether he intends:

(i) to participate and fund his share of Project Expenditures required in the implementation of the recommendations of that Bankable Feasibility Study to the extent of his Percentage Interest;

(ii) not to participate and not to fund his share of Project Expenditures required in such implementation; or

(iii) to attempt to sell that part of his Percentage Interest which constitutes his entitlement to participate in and to share product from the proposed Mining Operations and the Mining Area the subject of that Bankable Feasibility Study in the manner set out in this clause 9.9 and include with his notice of such election a statement of his proposed Sale Interest (being that entitlement).

(c) If Mark Creasy fails to notify Nullagine within the 90 day period set out in clause 9.9(b), then Mark Creasy will be deemed to have elected, at the expiration of that 90 day period, not to participate in the commercial Mining Operations in accordance with the recommendations of the Bankable Feasibility Study referred to in clause 9.9(b).

(d) During the 90 day period set out in clause 9.9(b), Mark Creasy may, subject to the confidentiality provisions of clause 20.1 and the provisions of clause 16.1, negotiate the possible sale of his Sale Interest the subject of a notice as referred to in clause 9.9(b)(iii) with third parties.

(e) Nullagine will be deemed, by its submission of the Bankable Feasibility Study referred to in clause 9.9(b) through the Manager, to have elected to participate in the commercial Mining Operations referred to in that Bankable Feasibility Study.

(f) Any Joint Venture Party who elects or was deemed to have elected to participate in commercial Mining Operations in accordance with the recommendations of a Bankable Feasibility Study as referred to in clause 9.9(b) in accordance with clause 9.9(b)(i) or clause 9.9(e) will be deemed a "**Participant**". A Joint Venture Party electing or who has been deemed to have elected not to participate in commercial Mining Operations in accordance with the recommendations of the Bankable Feasibility Study in accordance with clause 9.9(b)(ii), clause 9.9(c) or clause 9.9(h) will be deemed a "**Non-Participant**".

(g) If Mark Creasy elects, pursuant to clause 9.9(b)(iii), to attempt to sell a Sale Interest the subject of a notice as referred to in clause 9.9(b)(iii), then:

(i) the Notice given by Mark Creasy pursuant to clause 9.9(b)(iii) will be treated as a Notice of intention to sell that Sale Interest given by Mark Creasy pursuant to clause 16.1; and

(ii) Mark Creasy must do so in accordance with the provisions of clause 16.1.

(h) If Mark Creasy attempts to sell a Sale Interest the subject of a notice as referred to in clause 9.9(b)(iii) and is unable to obtain a purchaser (either Nullagine or another third party pursuant to clause 16.1) during the 90 day period set out in clause 9.9(b), then Mark Creasy will be deemed to have elected not to participate and fund his share of Project Expenditures in respect of the proposed commercial Mining Operation referred to in clause 9.9(b).

(i) If Mark Creasy either:

(i) elects, pursuant to clause 9.9(b)(ii), not to participate and not to fund its share of Project Expenditures in respect of the proposed commercial Mining Operations referred to in clause 9.9(b); or

(ii) fails to notify Nullagine as required within the 90 day period set out in clause 9.9(b); or

(iii) fails to sell a Sale Interest the subject of a notice as referred to in clause 9.9(b)(iii),

then:

(iv) all of Mark Creasy's Percentage Interest with respect to, and entitlement to participate in and to share any product from, those Mining Operations and the relevant Mining Area the subject of the Bankable Feasibility Study referred to in clause 9.9(b) shall be converted to a royalty calculated as ■[1]% of Net Smelter Returns from the commercial Mining Operation referred to in clause 9.9(b) (a **Mark Creasy Royalty**, and the date that royalty arises shall be the **Conversion Date**); and

(v) except as set out in clause 9.9(i)(iv) and 9.9(n), Mark Creasy shall not be entitled to participate in those Mining Operations or to share any product from the Mining Area the subject of the Bankable Feasibility Study referred to in clause 9.9(b) or be entitled to any other compensation for exclusion of that Mining Area from the Property pursuant to clause 9.9(p),

provided that conversion of Mark Creasy's interest to a Mark Creasy Royalty in accordance with this clause 9.9(i) will not otherwise affect the nature of Mark Creasy's Percentage Interest in the remaining area of the Joint Venture outside of the Mining Area the subject of that Bankable Feasibility Study.

(j) Where a conversion to a Mark Creasy Royalty occurs in accordance with this clause 9.9, Mark Creasy will:

(i) immediately execute and deliver all such conveyances of his Percentage Interest in the Joint Venture Property (including executed transfers of its interest in the Joint Venture Property) and other documents as Nullagine may reasonably require to facilitate the conversion;

(ii) be permitted to register a caveat by consent over the title to the Property to protect a Mark Creasy Royalty; and

(iii) the royalty provisions contained in this clause 9.9 and in Annexure D will survive the termination of this Agreement and will be binding on the successors and assigns of the Parties.

(k) Mark Creasy will not dispose of a Mark Creasy Royalty to a third party other than in accordance with clause 16.4.

(l) If more than one Joint Venture Parties become Participants, then each Joint Venture Party that is a Participant will be committed to contribute, in the manner set out in the Venture Agreement, its share of Project Expenditures which are

[1] The omitted information is the specific percentage.

required to implement the recommendations of the Bankable Feasibility Study referred to in clause 9.9(b).

(m) If more than one Joint Venture Parties become Participants, then the Joint Venture Parties that are Participants agree to pledge as first ranking security their Percentage Interests for project financing to undertake Mining Operations in accordance with clause 15.4.

(n) If, except for reasons of force majeure as described in clauses 20.9 and 20.10, Nullagine has not Commenced Development Work with respect to a proposed Mining Operation within three years from the Conversion Date with respect to that proposed Mining Operation then:

(i) the Percentage Interest of Mark Creasy that was converted with respect to that proposed Mining Operation and that Mining Area will be deemed restored to the Percentage Interest existing at the time when the election or deemed election was made with respect to that proposed Mining Operation and that Mining Area pursuant to this clause 9.9; and

(ii) the Mark Creasy Royalty that arose when that Percentage Interest of Mark Creasy was converted will terminate.

To have "Commenced Development Work" means the combined expending or contractually committing to expend either:

(iii) 70% of the first 24 months' budget; or

(iv) 20% of the total estimated budget.

(o) If a Mark Creasy Royalty is terminated under clause 9.9(n), then no further work will be conducted, except for operations required to keep the Property in good standing, until a Bankable Feasibility Study other than the Bankable Feasibility Study referred to in clause 9.9(b) has been prepared and approved pursuant to this clause 9.9.

(p) After the Joint Venture Parties have made the elections or deemed elections under clause 9.9(b)(i) or clause 9.9(e) an area surrounding and including the area of the Orebody will be declared a Mining Area as defined and such Mining Area will then be excluded from the Property and those Joint Venture Parties will enter into a Venture Agreement as contemplated by clause 15.3.

(q) The boundaries of such Mining Area will be as mutually agreed having regard to the recommendations of the Bankable Feasibility Study referred to in clause 9.9(b). If a dispute arises as to the boundaries, then the dispute will be subject to the provisions of clause 20.13 for the expert to determine the proper boundaries of the Mining Area.

(r) The Mining Area will include any rights or obligations that may arise or be granted or imposed pursuant to the Mining Act in respect to the surrounding mining tenements. If mutually agreed by the Joint Venture Parties a Mining Area may be applied for as a separate mining tenement(s) by effecting a partial conditional

surrender of the existing mining tenement(s) in favour of such new mining tenement(s).

9.10 Exploration of an Orebody after commencement of Mining Operations

(a) After the Manager has submitted a Bankable Feasibility Study as referred to in clause 9.9(b) and after a decision has been made to mine an Orebody within a Mining Area and after the commencement of Mining Operations on such Orebody the Participants pursuant to the relevant Venture Agreement will bear all further costs of exploring such Orebody or extensions of that Orebody in proportion to their respective Participating Interests in accordance with clause 15 from time to time.

(b) Outside the Mining Area Nullagine must continue to bear 100% of all Exploration Costs on the Property pursuant to clause 9.7.

9.11 Discovery and production bonus

(a) In this clause 9.11 **Creasy Group** means one or more of WITX, Tantalumx, Mark Creasy and Whim Creek Mining, as the context requires.

(b) Subject to paragraph (b) below, if during the course of Exploration for Gold on any part of the Property, Nullagine discovers non-Gold Mineralisation, Nullagine will be entitled to a once-off $■[1] cash payment (adjusted by CPI) upon commencement of commercial production by Mark Creasy, or any of its joint venturers, assignees or successors, from that discovery. This clause shall be construed such that a once off payment is required to be made for the purposes of all of the Joint Venture Agreements and that a payment as referred to is not required under each Joint Venture Agreement or for each discovery.

(c) If a discovery of non-Gold Mineralisation as referred to in paragraph (b) above occurs either on the Property only or on the Property and property that is included within other Nullagine Marble Bar Joint Ventures, the $■[1] payment shall be paid by Mark Creasy (or his nominees).

(d) At the request of Mark Creasy, Nullagine must, provide to Mark Creasy access to any sample pulps, reject splits and/or samples from unsplit core and other samples taken by Nullagine in the course of its Exploration for Gold Mineralisation on the Property so that Mark Creasy may analyse the samples (transportation and assaying at Mark Creasy's cost) for the presence of metals other than Gold. Mark Creasy may request at his own cost extra analyses to be carried out concurrently with Nullagine's analysis.

(e) Subject to paragraph (f) below, if during the course of Mark Creasy (or his nominee) exercising the Prospector Rights or the Other Minerals Rights, Mark Creasy (or his nominee) discovers Gold Mineralisation on any part of the Property after the Execution Date, then Mark Creasy (or his nominee, as the case may be) will be entitled to a once-off $■[1] cash payment (adjusted by CPI) upon

---

[1] The omitted information is the specific dollar amount.

commencement of commercial production by Nullagine (or by Nullagine and Mark Creasy as joint venturers), its assignees or successors, from that discovery. This clause shall be construed such that a once off payment is required to be made for the purposes of all of the Joint Venture Agreements and that a payment as referred to is not required under each Joint Venture Agreement or for each discovery.

(f) If a discovery of Gold Mineralisation as referred to in paragraph (e):

(i) occurs on the Property only, the $■[1] payment shall be paid by the Joint Venture Parties;

(ii) occurs on the Property and property that is included within other Nullagine Marble Bar Joint Ventures, the $■[1] payment shall be apportioned between each of the Nullagine Marble Bar Joint Ventures where the Gold Mineralisation is discovered. The share each such joint venture shall pay shall be determined by agreement between the joint venturers by reference to the surface expression of the formations containing the Gold Mineralisation as described in the bankable feasibility study that preceded the decision to proceed to commercial production.

(g) At the request of Nullagine, Mark Creasy must provide to Nullagine access to any sample pulps, reject splits and/or samples from unsplit core and other samples taken by Mark Creasy (or his nominee) (as the case may be) in the course of Mark Creasy (or his nominee) (as the case may be) exercising the Prospector Rights and the Other Minerals Rights so that Nullagine may analyse the samples (transportation and assaying at Nullagine's cost) for the presence of Gold.

9.12 Priority of mining

(a) If a commercially mineable deposit of Gold Mineralisation is discovered on the Property adjacent to or near a commercially mineable deposit of some other Mineral in circumstances where the carrying out of the proposed Mining Operations for Gold Mineralisation and the other Mineral are inconsistent, then the Joint Venture Parties must negotiate in good faith to achieve an outcome which allows the exercise by the Joint Venture of all or some of its Gold Rights and the exercise by Mark Creasy or another party (severally or jointly) (in this clause "**Creasy Entity/Other Party**") of all or some of its rights to exploit the Property for the other Mineral, but if the Joint Venture Parties and Creasy Entity/Other Party are unable to negotiate an acceptable outcome, the development and mining of the Gold Mineralisation by the Joint Venture Parties will have priority.

(b) Subject to clause 9.12(a), if and when the Creasy Entity/Other Party makes a decision to mine a deposit other than Gold Mineralisation on the Property or exercises the Prospector Rights, then the Creasy Entity /Other Party will provide to the Joint Venture Parties all the information it has pertaining to that deposit, and the Parties will negotiate in good faith to define the area required for the

[1] The omitted information is the specific dollar amount.

mining of that deposit, ("**Non-Gold Mineralisation Development Area**") and the Joint Venture Parties at the cost of the Creasy Entity/Other Party (as the case may be) must do all things reasonably required by the Creasy Entity/Other Party to secure the best mining tenement reasonably available to the Creasy Entity/Other Party over the Non-Gold Mineralisation Development Area. For example:

(i) if the Creasy Entity/Other Party wishes to have new mining lease(s) or other relevant mining tenements granted (**New Titles**) over part of the Property, then the Joint Venture Parties must do everything reasonably required by the Creasy Entity/Other Party to enable the New Titles to be granted in respect of the area(s) on which Creasy/Other Party proposes to establish a Non-Gold Mineralisation Development Area;

(ii) if the Joint Venture Parties are registered holders on a New Title, then they must transfer their interest in the New Titles to the Creasy Entity/the Other Party and pending the New Titles being registered by the Department to the Other Party, will grant to the Joint Venture (or the other party) a sublease of the relevant area; and

(iii) if for any reason (including native title) the Creasy Entity/Other Party is unable to obtain New Titles then the Joint Venture Parties will grant the Creasy Entity/Other Party a sublease of the relevant Non-Gold Mineralisation Development Area.

(c) If either the Joint Venture Parties or the Creasy Entity/Other Party proposes to establish infrastructure for a Mining Operation on the Property either for Gold Mineralisation or Other Minerals then, unless otherwise agreed by the Joint Venture Parties and the Creasy Entity/Other Party, the party proposing to establish the infrastructure must undertake sterilization drilling of the relevant areas in accordance with good mining industry practice.

10. MANAGEMENT COMMITTEE

10.1 Establishment of Management Committee

Following the formation of the Joint Venture pursuant to clause 9.1 there will be established a management committee in respect of the Joint Venture (the **Management Committee**).

10.2 Waiver by Creasy Entities

Notwithstanding anything under this Agreement the Creasy Entities agree that:

(a) without prejudice to its rights and remedies under this Agreement; and

(b) whilst Mark Creasy and Nullagine remain the only Parties to the Joint Venture; and

(c) subject to Nullagine observing and performing all its covenants and obligations under this Agreement including but not limited to the requirements of clause 8.1,

Mark Creasy will waive the requirements contained in clause 10.1 and 10.4 relating to the establishment and operation of the Management Committee until such time as any Bankable Feasibility Study is completed, provided that in any event the matters mentioned in clause 10.6 will nevertheless require unanimous approval.

10.3 Management Committee – general

(a) The Management Committee, which will be responsible for the management and control of the Joint Venture, will make all decisions in respect of Exploration Costs, any Bankable Feasibility Study and all programmes and budgets.

(b) Until such time as a Mining Area has been declared but subject to clause 10.6, Nullagine will have a controlling vote on all matters decided by the Management Committee.

10.4 Operation of the Management Committee

Except as otherwise provided in this Agreement and subject to clause the following conditions will apply to the Management Committee:

(a) subject to clause 10.3(b) Nullagine will be entitled to appoint not more than two members and Mark Creasy will be entitled to appoint not more than two members. Each Joint Venture Party may allow technical advisers to attend who will have no right to vote.

(b) Subject to paragraph 9(a) each Joint Venture Party may remove any member appointed by it and appoint another to replace the member removed. Notice of any appointment or removal must be given to the other Joint Venture Parties.

(c) Each member may have an alternate to act for it. An alternate will be deemed to be a member of the Management Committee and will be appointed and removed according to clause 10.4(b).

(d) The quorum for each meeting will be one member appointed by Nullagine and one member appointed by Mark Creasy. If a quorum is not present at the time appointed for the commencement of a meeting of the Management Committee the meeting will be adjourned to a later time or date agreed to by the Joint Venture Parties.

(e) Members may participate in any meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation will constitute presence in person at the meeting.

(f) Nullagine will appoint the chairman of the Management Committee.

(g) The voting power of each Joint Venture Party will be in accordance with the Percentage Interest of that Joint Venture Party at the date of the meeting, provided that, while Nullagine is sole funding Exploration and prior to a Mining Area being declared, Nullagine will have a controlling vote (subject to clause 10.6).

(h) Subject to paragraph (g), each Joint Venture Party will cast its votes as a block vote exercisable by one member representing each Joint Venture Party.

(i) The Management Committee will make all decisions on the management of Operations including varying or vetoing any decision, commitment or other action of the Manager and directing the Manager on the management and conduct of Exploration.

(j) Subject to clauses 10.3 and 10.6, decisions of the Management Committee will be by majority vote at a duly convened meeting provided that if no decision can be made on a motion before the Management Committee (a majority vote not being obtained) the Management Committee will continue to meet on at least two consecutive Business Days to consider alternative proposals, and if a majority vote is not then obtained the motion will be deemed to have been decided in the negative.

(k) All decisions of the Management Committee will be binding on the Joint Venture Parties.

(l) At all Management Committee meetings a member must act solely as a representative of the Joint Venture Party which appointed him or her and will have full power and authority to represent and bind such Joint Venture Party.

(m) If any duly appointed chairman is not present at any Management Committee meeting the Joint Venture Party which appointed him or her must appoint an alternate person to act as chairman until the duly appointed chairman is again present.

(n) Management Committee meetings will be held every four months and at such other times as the Joint Venture Parties may agree at such place as the Joint Venture Parties may from time to time agree.

(o) Subject to clause 10.4(p) Notice of each Management Committee meeting must be given to all members by the Manager not less than 15 days prior to the meeting (or such lesser period as may be agreed by the Joint Venture Parties) and must be accompanied by an agenda which will include any items submitted by a Joint Venture Party. The agenda may, however, be furnished separately by email or facsimile not less than 10 days before the meeting. Matters not included in the agenda for a meeting will not be decided at the meeting unless the Joint Venture Parties agree.

(p) No Notice of meeting of the Management Committee will be necessary when members representing each Joint Venture Party are present and agree upon the meeting being held and the agenda for it.

(q) The chairman will prepare full and accurate minutes covering business conducted and decisions reached at meetings and submit them to the Joint Venture Parties for approval. Each Joint Venture Party must promptly notify the chairman and the other Joint Venture Party of its approval of the minutes and any changes that it believes should be made. A Joint Venture Party that does not give Notice of changes it believes necessary within 30 days of the receipt by it of the minutes will be deemed to have approved such minutes. Following the approval of the

minutes the chairman will prepare two original copies, sign them as a true and correct record, and forward one copy to each of the Joint Venture Parties.

(r) Any decision on any matter falling within the jurisdiction of the Management Committee made without a meeting and evidenced by writing signed by each Joint Venture Party or by a member appointed by each Joint Venture Party will be binding on all Joint Venture Parties.

10.5 No power to amend

Nothing in this Agreement confers any authority on a member of the Management Committee to bind the Joint Venture Party that appointed the member of the Management Committee to any action resulting in, or which requires, an amendment to the terms and conditions of this Agreement.

10.6 Matters requiring unanimous consent

Notwithstanding anything in this Agreement to the contrary, the Management Committee will have no power to act in any of the following matters except by the unanimous consent of the Joint Venture Parties:

(a) subject to clause 16, the sale or transfer of any Joint Venture Property other than in the ordinary course of business;

(b) the expansion of Exploration outside the area the subject of the Property;

(c) unless included in a budget, decisions to incur any indebtedness for borrowed money on behalf of the Joint Venture in relation to the Property, other than credit of less than $25,000 obtained in the ordinary course of business for the acquisition of goods and/or services; and

(d) decisions to settle any claim by or against the Joint Venture Parties in excess of $10,000 unless included in a budget.

11. MANAGEMENT OF NULLAGINE MARBLE BAR JOINT VENTURES

11.1 Marble Bar Joint Ventures to be managed as a single joint venture

(a) The Parties agree that, so far as practicable, the Nullagine Marble Bar Joint Ventures shall be governed and managed collectively as one joint venture in accordance with this clause 11 and clause 11 in each of the other Joint Venture Agreements.

(b) The management committee for each of the Nullagine Marble Bar Joint Ventures may meet as a single body and make decisions as a single body and any meeting or decision of that single body will be deemed to be a meeting or decision (as the case maybe) of the management committee of each Nullagine Marble Bar Joint Venture.

(c) The Parties agree that the same chairman shall be appointed for each management committee referred to in clause 11.1(b).

(d) The Parties agree that if a quorum is present for the purposes of a meeting of any management committee referred to in clause 11.1(b) then a quorum shall be deemed present for all such management committees.

(e) The Parties agree that clauses 10.2 to 10.6 inclusive of the Joint Venture Agreements will apply to the meetings of the single body referred to in clause 11.1(b) with such amendments as are necessary.

11.2 Single Manager across Nullagine Marble Bar Joint Ventures

(a) The Parties agree that the party appointed as manager in accordance with clause 12 of each Joint Venture Agreement will be the same party, and initially shall be Nullagine.

(b) To the extent that clause 11.2(a) operates in relation to two or more of the Nullagine Marble Bar Joint Ventures, if a manager is removed under one of the Joint Venture Agreements that manager will be deemed to be removed under all of the Joint Venture Agreements.

11.3 Mining Decisions – same decisions for multiple JV's covering Mining Operation

The Parties agree if a proposal from Nullagine to commence Mining Operation covers ground falling within more than one Joint Venture Agreement, then:

(a) each of WITX, Tantalumx, Whim Creek Mining and Mark Creasy that is a party to those Nullagine Marble Bar Joint Ventures must make the same decision or give the same notice under clauses 9.9(b)(i), 9.9(b)(ii), 9.9(b)(iii), 9.9(d) and 9.9(g) (or the equivalent clauses) of each relevant Nullagine Marble Bar JVA with respect to that proposal, and each will be deemed to have made the same election under clause 9.9(h) if an election is deemed to have been made; and

(b) if any of WITX, Tantalumx, Whim Creek Mining and Mark Creasy fail to notify Nullagine within the 90 day period as referred to in clause 9.9(c) of the relevant Nullagine Marble Bar JVA, then WITX, Tantalumx, Whim Creek Mining and Mark Creasy shall be deemed, as the case may be, to have made the same election as referred to in clause 9.9(c).

11.4 Operation of clauses 11.1 to 11.3

(a) Clauses 11.1 to 11.3 inclusive will only operate with respect to a Joint Venture Agreement to the extent that:

(i) the parties; and

(ii) the percentage interest in the relevant joint venture of each of those parties,

are the same across each of those Joint Venture Agreements.

(b) In the event that one or more of the Nullagine Marble Bar Joint Ventures no longer satisfies the conditions in clause 11.4(a), clauses 11.1 to 11.3 inclusive

will continue to operate in relation to the remaining Nullagine Marble Bar Joint Ventures (if any) that continue to satisfy those conditions.

11.5 Combined approach shall not affect legal status of separate Joint Ventures Agreements

The Parties agree that this clause 11 shall not in any way limit or alter the operation of clauses 9.5 and 17.

11.6 No creation or transfer of interests in Combined Tenements

The Parties agree that this clause 11 shall not have the effect of transferring or creating any legal or beneficial interest whatsoever in any Combined Property.

12. THE MANAGER

12.1 Appointment and duties of the Manager

(a) On and from the JV Formation Date, Nullagine will be the Manager unless it ceases to be Manager pursuant to clause 12.5.

(b) The Manager will:

(i) manage and conduct all Exploration with the skill, diligence and care normally exercised by qualified persons in the performance of comparable work and in accordance with accepted Exploration methods and practices;

(ii) promptly carry out all instructions and directions of the Management Committee;

(iii) conduct all Operations in a good workmanlike and efficient manner in accordance with sound mining and other applicable industry standards and practices in accordance with the terms and provisions of the leases, licences, permits, contracts and other agreements pertaining to the Joint Venture Property; and

(iv) not be liable to the non-managing Joint Venture Parties for any act or omission resulting in damage or loss to the Joint Venture or the Joint Venture Parties except to the extent caused by, or attributable to, the Manager's wilful misconduct or gross negligence.

12.2 Information

(a) The Manager must keep the Joint Venture Parties fully informed by means of reports:

(i) of all Project Expenditure and of the progress of the Exploration and all Operations and of the results including all geological, geophysical, and geochemical information and all assays and maps relating to the Property; and

(ii) of any information of importance which might cause loss to the Parties;

(b) Any information of importance must be reported immediately to the Joint Venture Parties.

(c) The Manager must:

(i) furnish the Joint Venture Parties with a copy of any Exploration report submitted to any government agency;

(ii) prepare all reports required by law in relation to the Property;

(iii) provide to CGE BVI such financial and other information as reasonably required to permit Novo Resources to comply with legal, reporting and audit requirements of the Government or a Government agency of Canada, British Columbia or any other Province of Canada or as required by law or any stock exchange on which shares or other securities of Novo Resources are listed when required by regulations of that stock exchange; and

(iv) do all that is necessary to ensure that all matters concerning this Agreement and the Property are kept confidential pursuant to clause 20.1.

12.3 Insurance

(a) The Manager must take out with a substantial and solvent insurance company and keep in full force and effect all insurance required by law and by the Management Committee to protect the interests of the Joint Venture Parties under this Agreement including, without limitation:

(i) all compulsory workers' compensation and employer's liability insurance;

(ii) public and products liability insurance;

(iii) comprehensive insurance for all plant and equipment;

(iv) comprehensive and third party liability insurance for all motor vehicles and mechanically propelled vehicles; and

(v) any other insurance of a similar nature.

(b) The Manager must require all contractors engaged in work on or for the Property to:

(i) take out and maintain in full force and effect all compulsory workers' compensation employer's liability and other insurance of a similar nature that the Manager may require; and

(ii) hold harmless and indemnify all Joint Venture Parties to this Agreement from any liability arising out of work performed by them for the benefit of the Joint Venture.

12.4 Manager's compliance

(a) The Manager must comply with all laws and lawful regulations applicable to any activities carried out in the name of, or on behalf of, the Joint Venture Parties under this Agreement including all laws governing occupational health and safety matters.

(b) The Manager must put out for tender all contracts in excess of $100,000 or such lesser amount as may be the Manager's standard procedure, and unless otherwise approved by the Management Committee award such contracts to the lowest bidder.

(c) All financial settlements, billings and reports rendered to the Joint Venture Parties by the Manager as provided for in this Agreement will, to the best of its knowledge and belief, reflect properly the facts about all transactions handled for the account of the Joint Venture Parties, which data may be relied upon as being complete and accurate in any further recording and reporting made by the Joint Venture Parties for whatever purpose.

(d) The Manager must notify the Joint Venture Parties promptly upon discovery of any instance where the Manager (or any of its sub-contractors) fails to comply with clause 12.4(b), or where the Manager has reason to believe data covered by clause 12.4(c) is no longer accurate and complete.

12.5 Removal or retirement of the Manager

The Manager will continue as Manager of the Joint Venture until:

(a) it relinquishes the position by giving not less than 90 days prior Notice in writing to the Joint Venture Parties; or

(b) it is liquidated, becomes insolvent or is the subject of an order made for the appointment of an administrator or winding up or dissolution without winding up otherwise than for the purposes of reconstruction or amalgamation; or

(c) it is given a written Notice signed by the chairman of the Management Committee advising it that the Management Committee has resolved that its appointment as Manager will be terminated 90 days from the date of such written Notice; or

(d) it is in default in performing any of its obligations under this Agreement and fails to remedy such default within 60 days after written Notice has been given to it by a Joint Venture Party specifying such default and demanding that it remedy the default or if the default is disputed within 60 days of being adjudged to be in default by a court of competent jurisdiction in Western Australia,

provided, however, that Nullagine must not resign as Manager prior to it completing a Bankable Feasibility Study without the express approval of Mark Creasy unless this Agreement has been terminated pursuant to clause 14.

12.6 Successor Manager

(a) In the event that the Manager resigns or is removed as Manager pursuant to clause 12.5 the Joint Venture Party not acting as Manager will become the successor Manager unless otherwise unanimously agreed by the Joint Venture Parties.

(b) The resigning or removed Manager must, as soon as practicable, deliver to the successor Manager all Joint Venture Property and all records and information including without limitation technical data, maps, plans, documents, books, records, and accounts relating to Operations which it was the responsibility of the Manager to maintain.

(c) An audit will be conducted by an independent firm of chartered accountants appointed by the successor Manager of all books, records and accounts.

(d) If title to any Joint Venture Property is held in the name of the Manager on behalf of the Joint Venture Parties in accordance with this Agreement the Manager must promptly transfer such title to the successor Manager at the cost of the Joint Venture Parties.

12.7 Accounting Procedures

The Parties agree that on and from the JV Formation Date Exploration Costs shall be chargeable to the Joint Venture in accordance with the Accounting Procedures.

12.8 Indirect costs

In order to cover its indirect costs, the Manager will be entitled to claim as a management fee as additional Exploration Costs for the purposes of clause 9.7:

(a) for each contract up to $50,000, ■[1]% of the value of the contract; and

(b) for each contract greater than $50,000, ■[1]% of the value of the contract.

For the avoidance of doubt, such management fees shall not be included within the Expenditure Commitment.

13. RIGHTS AND OBLIGATIONS OF THE JOINT VENTURE PARTIES

13.1 Access by the Joint Venture Parties

(a) Mark Creasy may at his own cost and at all times upon giving reasonable written Notice to Nullagine (which written Notice must be given pursuant to clause 20.11) have access for himself or by his employees, consultants and agents to the area of the Property for the purpose of inspecting Operations or for the purpose of exercising the Prospector Rights provided in such event Mark Creasy (and his employees, consultants and agents) must:

[1] The omitted information is the specific percentage.

(i) not unduly interfere with any of the operations of the Manager under this Agreement; and

(ii) comply with all reasonable directions and instructions of the Manager as well as all applicable laws, including, without limitation, those with respect to occupational, health and safety.

(b) All information derived by Mark Creasy in respect of his activities pursuant to this clause 13.1 will be made available to Nullagine.

(c) Mark Creasy in relation to his activities pursuant to this clause 13.1 must not unduly interfere with any of the operations of Nullagine under this Agreement.

(d) All information obtained by Mark Creasy arising from his activities must be kept confidential in accordance with clause 20.1.

(e) Nullagine will have the right to remove from the Property such reasonable amounts of ore and Minerals as Nullagine may deem necessary for the purposes of making assays and tests.

(f) Nullagine will have the right to erect buildings and other improvements and install such machinery and equipment on the Property as Nullagine deems advisable or necessary.

(g) If Nullagine is not the Manager, Nullagine may at its his own cost and at all times upon giving reasonable written Notice to the Manager (which written Notice must be given pursuant to clause 20.11) have access by its employees, consultants and agents to the area of the Property for the purpose of inspecting Operations. provided in such event Nullagine must

(i) not unduly interfere with any of the operations of the Manager under this Agreement; and

(ii) comply with all reasonable directions and instructions of the Manager as well as all applicable laws, including, without limitation, those with respect to occupational, health and safety.

13.2 Mining Information

Each Party at its own cost and at all reasonable times upon giving reasonable written Notice to the Manager will have the right for its duly authorised representatives to inspect all Mining Information documents, books and accounts relating to the Joint Venture Property and Operations and which are the responsibility of the Manager to maintain.

13.3 Assistance to the Manager

The Joint Venture Parties will give all reasonable necessary assistance to the Manager in the performance of its duties under this Agreement including ensuring, where possible, compliance with all relevant and applicable conditions or requirements of the Property or the Mining Act.

13.4 Indemnity of the Manager

Each Joint Venture Party to the extent of its Percentage Interest undertakes to indemnify the Manager and its directors, officers, employees and agents against and to compensate them for any and all Loss incurred in the performance of any of the Manager's activities under this Agreement and not covered by insurance, provided that such activities are authorised by the provisions of this Agreement and the Manager's performance is in accordance with clause 12.1.

13.5 Limit on activities

Each Joint Venture Party covenants with the other Joint Venture Parties that it will not, so long as it is a Party to this Agreement, engage in any Exploration or Mining Operations on the Property except as provided in this Agreement.

13.6 Rights to audit for compliance

Each Party will permit the other Parties at the other Parties sole cost through an independent firm of chartered accountants to audit any and all of its records relating to this Agreement for the sole purpose of determining whether there has been compliance with the provisions of this Agreement.

13.7 Indemnity by Nullagine

Nullagine agrees to indemnify and keep indemnified Mark Creasy from and against all Loss arising out of the activities of Nullagine under this Agreement which are in no way attributable either directly or indirectly to any act or lack of action on the part of Mark Creasy.

13.8 Indemnity by Creasy

Mark Creasy agrees to indemnify and keep indemnified Nullagine and CGE from and against all Loss arising out of the activities of Mark Creasy under this Agreement which are in no way attributable either directly or indirectly to any act or lack of action on the part of Nullagine or CGE.

13.9 Abandonment of Property

(a) Subject to clause 8.3 and clause 16.5, the Manager may, at the direction of the Management Committee, at any time, surrender any part of the Property to the appropriate governmental authorities by giving the Joint Venture Parties 30 days written Notice of its intention to do so and specifying in such Notice the Property intended to be so surrendered.

(b) A Joint Venture Party voting against such surrender may, within 30 days, direct the Manager to transfer all or part of the Property specified in the Manager's Notice to the Joint Venture Party requesting such transfer and such Property will no longer be subject to this Agreement.

(c) No such surrender under this clause 13.9 will release the Joint Venture or the Parties of any costs including environmental or clean up costs, which relate to the period when such surrendered Property was subject to this Agreement.

13.10 Environmental conditions

(a) At any time Nullagine may appoint an environmental expert to audit the ground covered by the Property to identify any conditions existing prior to the Execution Date. Costs associated with the audit will constitute Expenditure.

(b) Nullagine is not liable for any liability arising from the environmental condition of the ground covered by the Property which has accrued to WITX, Tantalumx, Whim Creek Mining or Mark Creasy prior to the Execution Date.

(c) Subject to clauses 13.10(b), 13.10(d), 13.10(e) and 13.10(f),:

(i) subject to paragraph (ii) below, on and from the Effective Date, for so long as Nullagine is a Joint Venture Party it will be 100% liable for all environmental conditions of the ground covered by the Property (including any current or future environmental bonds that are or may be imposed on the Property in relation to Exploration by the Joint Venture); and

(ii) once a Mining Area is declared pursuant to clause 9.9(p), then the Participants will be liable for environmental conditions of the ground covered by the Mining Area in proportion to their Participating Interest (including any current or future environmental bonds that are or may be imposed on the Property in relation to Mining Operations or Exploration as referred to in clause 9.10(a)).

(d) The Creasy Entities will have sole responsibility for the payment of all current and future environmental bonds that are and may be required to be paid in respect of the Property in relation to exercise of and activities pursuant to the Prospector Rights or Other Minerals Rights.

(e) The Creasy Entities will indemnify and keep Nullagine indemnified against any and all Loss relating to the environmental condition of the ground covered by the Property:

(i) which has accrued prior to the Effective Date and which is the result of activity by WITX, Tantalumx, Whim Creek Mining or Mark Creasy only; or

(ii) which arises from activities undertaken by Mark Creasy on that ground for the purpose of exercising non-Gold mineral rights in respect of the Property, including the Prospector Rights or Other Minerals Rights.

(f) On and from the Execution Date, Nullagine will indemnify and keep indemnified Mark Creasy against any and all Loss relating to the environmental condition of the ground covered by the Property which arises from activities undertaken by Nullagine on that ground.

(g) If Nullagine withdraws from the Joint Venture pursuant to clause 14.3, then Nullagine will, to the extent required by law, carry out rehabilitation work necessary as a direct result of Nullagine’s activities but subject to clause 13.10(c)(ii).

(h) If Mark Creasy withdraws from the Joint Venture pursuant to clause 14.3, then Mark Creasy will, to the extent required by law, carry out rehabilitation work necessary as a direct result of WITX, Tantalumx, Whim Creek Mining or Mark Creasy's activities, other than to the extent of activities pursuant to the Joint Venture, but subject to clause 13.10(c)(ii).

14. TERM AND TERMINATION

14.1 Agreement to continue

(a) This Agreement will continue unless terminated as provided for under this Agreement or until the relinquishment of the last of the Property.

(b) If any interest of either of the Joint Venture Parties in any of the Property violates the rule against perpetuities then such interest will terminate 80 years from the date of this Agreement.

14.2 Termination

(a) This Agreement may be terminated:

(i) at any time by mutual consent; or

(ii) by withdrawal of a Joint Venture Party in accordance with clause 14.3 or under clause 14.4.

14.3 Withdrawal

(a) Subject to this clause 14.3, a Joint Venture Party ("**Withdrawing Party**") may at any time elect to withdraw from the Joint Venture by giving not less than 90 days written notice to the other Joint Venture Party to that effect ("**Withdrawal Notice**") and withdrawal will be effective on expiry of that 90 day period ("**Expiry Date**").

(b) Nullagine may not give a Withdrawal Notice unless, as at the Expiry Date, Nullagine has or will have incurred Expenditure with respect to:

(i) each mining tenement within the Property that is at least equal to the pro rata amount required to be spent on that mining tenement in the current year to maintain it in good standing under the Mining Act (or have been granted exemptions from expenditure from the Department equal to that amount and applying to those tenements); and

(ii) each mining tenement within the Property that has an anniversary date that is within 90 days after the date of the Withdrawal Notice, 100% of the amount required to be spent on that mining tenement in the current year to maintain it in good standing under the Mining Act (or have been granted exemptions from expenditure from the Department equal to that amount and applying to those tenements).

(c) On the Expiry Date, the Withdrawing Party:

(i) must deliver to the non-withdrawing Joint Venture Party all Mining Information in the custody or control of the Withdrawing Party within 30 Business Days of the effective date of withdrawal; and

(ii) will cease to have any Percentage Interest or any rights or interest in the Joint Venture Property and its rights under this Agreement will terminate without payment of compensation by the remaining Joint Venture Party.

(d) Subject to clause 14.3(b), the Withdrawing Party will remain liable to perform and fulfil its obligations under this Agreement which have accrued or have been entered into by or on behalf of the Joint Venture Parties and which remain unsatisfied at the Expiry Date, provided that a Withdrawing Party will only be liable for Joint Venture expenditure for which that Joint Venture Party would otherwise have been liable and that was incurred or budgeted for as at the date of the giving of the Withdrawal Notice.

(e) The Withdrawing Party must do whatever acts and things (including the signing, execution and delivery of deeds, documents, instruments and assurances) as may be necessary to fully and effectually transfer the Withdrawing Party's rights, titles and interests in and to the Joint Venture Property to the remaining Joint Venture Party, subject to any consents required under the Mining Act, at the cost of the Withdrawing Party, free from any liens, charges or encumbrances for no consideration other than the terms of this Agreement.

(f) If there is any constraint on the Withdrawing Party transferring such rights, titles and interests to the remaining Joint Venture Party, the Withdrawing Party will hold those rights, titles and interests in trust for the remaining Joint Venture Party pending such transfer.

14.4 Default

(a) If either Joint Venture Party is in default in performing any of its obligations under this Agreement then, provided there is no other particular remedy specified elsewhere in this Agreement for such default, and the default continues unremedied for a period of not less than 60 days after the other Joint Venture Party has served on the first named Joint Venture Party a Notice specifying the default which has occurred, then the first named Joint Venture Party will be a "Defaulting Party" and in default of this Agreement, provided that the Defaulting Party will not be in default of this Agreement if:

(i) prior to expiry of the 60 day period that Defaulting Party is diligently proceeding to remedy the default and that Defaulting Party has remedied the default within 90 days of the notice; or

(ii) where the default is incapable of remedy that Defaulting Party tenders to the other Joint Venture Party ("**Non-Defaulting Party**") compensation of an amount agreed by the Non-Defaulting Party or, in the absence of agreement, of an amount determined by an expert pursuant to clause 20.13 to be adequate compensation for damages suffered by the Non-Defaulting Party.

(b) If a Joint Venture Party becomes a Defaulting Party it will be deemed to have made a written offer to sell its Percentage Interest to the Non-Defaulting Party at the then current market value of the Defaulting Party's Percentage Interest (but without prejudice to the Non-Defaulting Party's rights and remedies for damages or otherwise arising from the default and such damages will be set off against the sale price).

(c) The offer of the Defaulting Party may be accepted by the Non-Defaulting Party giving notice ("**Acceptance Notice**") to the Defaulting Party at any time while the Defaulting Party remains in default of this Agreement.

(d) Upon an Acceptance Notice being given, and payment by the Non-Defaulting Party of the purchase price for the Defaulting Party's Percentage Interest, the Defaulting Party must immediately, at its expense, transfer its Percentage Interest to the Non-Defaulting Party and execute all documents necessary to give effect to such transfer.

(e) Nullagine will not be entitled to give to Mark Creasy a default Notice pursuant to clause 14.4(a) in relation to financial contributions to Joint Venture costs by Mark Creasy until such time as a separate Venture Agreement has been entered into pursuant to clause 15.3 and only then in relation to the Venture Agreement.

(f) Notwithstanding anything contained in this Agreement, in respect of a financial default Mark Creasy can only be required to sell his Percentage Interest pursuant to a particular Venture Agreement and only with respect to the Mining Area the subject of such Venture Agreement in which the default of Mark Creasy is alleged to have occurred and under no circumstance will such forfeiture apply to any other Mining Area the subject of any other Venture Agreements or other part of the Property.

14.5 Rights and obligations surviving termination

On the termination of this Agreement all rights and obligations of the Parties under this Agreement will cease except for:

(a) Venture Agreements entered into under clause 15.3 in respect of any Mining Area;

(b) the settlement of any accounts for Project Expenditure and any other liability or obligation incurred before termination or arising out of termination;

(c) the confidentiality provisions in clause 20.1;

(d) the right of Mark Creasy to information pursuant to clause 12.2 for a period of three months following termination; and

(e) each Party's obligation to make all payments imposed by the Property or any other instruments under which the Property is held and which become payable in the year in which the termination of this Agreement takes effect.

15. MINING AREA

15.1 Participating Interest in Mining Area

If a decision is made to conduct Mining Operations after completion of a Bankable Feasibility Study as referred to in clause 9.9(b), then the Mining Area the subject of that Bankable Feasibility Study will be excluded from the Property and the Participants will enter into a separate agreement (the "**Venture Agreement**") in accordance with clause 15.3 and the interest of each Participant under such Venture Agreement will equal their Percentage Interest as a proportion of the sum of the Percentage Interests of the Participants as at the date of such decision (in this clause 15 called "the **Participating Interest**", with each Participant being a “**Venture Party**”).

15.2 Activities in Mining Area

(a) Until any Venture Agreement is entered into Operations relating to a Mining Area will be limited to:

(i) maintaining the mining tenements comprising the Mining Area in good standing;

(ii) acquisition of any additional mining tenements as agreed by the Joint Venture Parties; and

(iii) preliminary financial and engineering studies for the construction, maintenance and operation of an initial plant and facilities for mining, milling and concentrating Gold to be derived from the Property.

15.3 Venture Agreements

(a) If Mark Creasy has agreed to participate in Mining Operations in accordance with clause 9.9(a), within 60 days after the elections or deemed elections under clause 9.9(b)(i) or clause 9.9(e) the Participants will enter into a Venture Agreement for the organisation, financing, construction, management and operation of a venture ("the **Venture**") for mining, milling and concentration of Gold from the Mining Area.

(b) Pending execution of the Venture Agreement, Nullagine will control Operations on the Mining Area.

(c) The Venture Agreement will include, but not be limited to the following provisions:

(i) the Venture will be limited to the Mining Operations to extract Gold from the Mining Area and the delivery to each Venture Party of its share of the Gold;

(ii) the Venture will be a contractual joint venture and each Venture Party will own an undivided interest as tenant in common in all of the Venture property and assets proportionate to its Participating Interest; and

(iii) subject to the financing arrangements mentioned in clause 15.4 all authorised costs for the construction, development, maintenance and

operation of the plant will be paid for by the Venture Parties in accordance with their respective Participating Interests.

(d) Each Venture Party will be solely responsible with respect to its share of Gold for the payment of and accounting for a Royalty if any in respect of the Gold.

(e) Should the liability of the Venture Parties to pay a Royalty be required to be joint or that the payment of, or account for, such Royalty will be joint such liability will nevertheless as between the Venture Parties be several and not joint.

(f) The Venture operating committee will be responsible for preparing Royalty returns to be lodged in accordance with the Mining Act and will forward the required Royalty returns to each Venture Party for signature and lodging with the proper authority.

(g) Overall direction of the Venture will be through an operating committee empowered to make all policy level decisions.

(h) Subject to paragraph (i), each Participant may nominate at least one representative and an alternate who will represent only that Participant:

(i) voting on the operating committee will be by a block vote proportional to the Venture Party's and their Related Entities' aggregate Participating Interest irrespective of the number of representatives and alternates nominated by the Party;

(ii) decisions of the operating committee will be binding on the Venture Parties except as otherwise agreed; and

(iii) the chairman of the operating committee will be appointed by the Venture Party from time to time with the largest Participating Interest, or in the event of equality, by the manager referred to in paragraph (j).

(i) Mark Creasy will be entitled to appoint one member.

(j) Management of operations will be by a manager appointed by the operating committee. The manager will be authorised, subject to directions from the operating committee; to:

(i) manage and supervise the construction development maintenance and operation of all Venture facilities;

(ii) have exclusive control of all Venture property and assets;

(iii) engage independent contractors and supervise and control them;

(iv) employ all labour and other personnel as employees of the management;

(v) engage outside experts and consultants for technical and professional services;

(vi) prepare and file all required reports;

(vii) carry adequate insurance protecting Venture property and assets and the Venture Parties against third party liabilities;

(viii) pay lease, rentals and other charges, royalties, rates and taxes in connection with the Venture operations;

(ix) call for and spend all funds furnished by the Venture Parties in accordance with programmes and budgets approved by the operating committee;

(x) acquire additional mining claims leases or other mining rights within the Mining Area for the Venture Parties;

(xi) maintain complete and accurate books, records and accounts of all transactions which will be open for inspection and auditing by the Venture Parties and submit monthly and annual progress reports, monthly accounting statements, and annual audit statements; and

(xii) undertake any other actions necessary to assist in the development of the Mining Area.

(k) The Venture Parties will have full access to all information and data and to all property and assets of the Venture and the manager must supply information reasonably required by any Venture Party.

(l) The term of the Venture will be co-extensive with the mining rights related to that particular Mining Area.

(m) Transfers and assignments in the Mining Area and encumbrances and partitions including those to a Related Corporation will be dealt with as provided for in this Agreement.

(n) Dilution for failure to contribute to Venture calls in proportion to Participating Interests will apply.

(o) The right of first refusal in similar terms to this Agreement will be provided for.

(p) Other usual terms and conditions such as partnership, election, force majeure, default notices, and governing law will be provided for generally in accordance with this Agreement.

(q) All financing arrangements will be in accordance with clause 15.4 to the intent that all funding of the establishment, commissioning and operation of any Mining Operations will be by way of funds borrowed by the Venture Parties, subject to any loan to Mark Creasy being on a non-recourse basis and otherwise in accordance with clause 15.4.

(r) All other provisions the subject of this Agreement which would not be inconsistent with a Venture Agreement of the type contemplated in this Agreement.

(s) The Venture Parties taking product in kind.

(t) Nullagine having the right to be the mine operator during the construction and operating phases of the Venture.

(u) The Venture Parties incorporating the applicable provisions of this Agreement adapted to a development and operating agreement.

(v) The Manager being entitled to charge a management fee during the construction and operating phases equal to five percent of its direct cash costs of its own personnel plus three percent of the costs of contractors and consultants.

(w) Default provisions under which a non-defaulting Venture Party will have a charge on the defaulting party's share of products and assets and accelerated dilution of a Venture Party's Participating Interest determined on reasonable commercial terms.

(x) Dilution of a Venture Party's Participating Interest below 5% will be a deemed withdrawal, and if Mark Creasy's Participating Interest is diluted to below 5%, then its remaining Participating Interest will convert to a Mark Creasy Royalty with respect to that Mining Area.

(y) Compulsory buyout of a Venture Party's Participating Interest in the event of a bona fide disagreement over capital expansion having an estimated cost of more than an amount to be agreed or reasonably determined upon or a permanent suspension of operations.

(z) A shutdown fund and a closure plan to be established and filed immediately after the execution of the Venture Agreement and to be reviewed yearly and to which the Venture Parties will be committed to fund their proportionate share of costs.

(aa) The Venture Parties pledging their interests in the Joint Venture Property for any project financing, provided that:

(i) the Venture Parties will in no respect be personally liable in respect of any facility of indebtedness provided by or owing to any financier; and

(ii) the limit of the liability of the Venture Parties and the limit of the recourse of the lender will be to the Participating Interest of the Venture Parties in the relevant Mining Area.

15.4 Financing arrangements

(a) In the event that any Bankable Feasibility Study identifies Gold Mineralisation in respect of the Property, then CGE will use its best endeavours to procure finance for both Mark Creasy and Nullagine to establish and operate a Mine or Mines on the Property, such finance to be obtained on such terms and conditions as are considered by Nullagine reasonable and usual for such funding, and subject to clause 15.4(b) and 15.4(c). For the avoidance of doubt but subject to clause 9.7, this does not affect a Venture Party's obligation to fund its share of Project Expenditures.

(b) For the purpose of raising finance for the establishment and operation of a Mine within a Mining Area, Mark Creasy will execute a mortgage, charge or other

security in favour of a bona fide arms-length lender over its Participating Interest in the relevant Mining Area provided that it will be a term of any finance and of any security provided by the Creasy Entities that:

(i) neither Mark Creasy, nor any Associated Entity of Mark Creasy, nor a director or officers of an Associated Entity of Mark Creasy will be personally liable in respect of any facility of indebtedness provided by or owing to any financier; and

(ii) the limit of the liability of Mark Creasy and the limit of the recourse of the lender will be to the Participating Interest of Mark Creasy in the relevant Mining Area.

(c) In the event that any lender is prepared to provide a facility or other funding for the establishment and operation of a Mine within a Mining Area such that security required by the lender covers less than 100% of the Mining Area, then the Venture Parties will provide such security on a pro rata basis over the respective Participating Interest held by each of the Venture Parties provided that the loan to the Venture Parties will in all respects be a non-recourse loan on the terms set out in this Agreement.

15.5 Terms of Venture Agreement

(a) The Venture Agreement to be entered into pursuant to clause 15.3 will be in such form as is usual and appropriate for such an agreement but nevertheless containing the provisions mentioned in clauses 15.3 and 15.4.

(b) The Participants must negotiate in good faith as to the terms and conditions of any Venture Agreement.

16. ASSIGNMENT AND TRANSFERS

16.1 Procedure for transfers of Percentage Interests

(a) No Joint Venture Party may transfer the whole or any part of its Percentage Interest (including any divestiture required by law) unless the Percentage Interest has first been offered in writing to the other Joint Venture Parties.

(b) The offer must state the purchase price in cash in Australian currency or if the proposed sale is either wholly or partly for consideration other than cash then the offer must state the cash equivalent of such consideration together with details of the terms and conditions of the consideration in a form other than cash on which the offeror is willing to sell (the "**Sale Interest**").

(c) The offeree will have 60 days to accept the offer to sell the Sale Interest for the cash and cash equivalent price stated in the offer. If the offeree does not accept the offer within the 60 day period it will be deemed to have rejected it.

(d) If the offeree rejects the offer then the offeror may, but only within 120 days after rejection by the offeree Party, sell the interest to a third party but only at a price in cash in Australian currency or for a consideration partly or wholly other than cash and on terms and conditions comprising the Sale Interest.

(e) In the event of a dispute as to the question of a cash equivalent the dispute will be referred to the determination of an expert appointed by the President for the time being of the Australasian Institute of Mining and Metallurgy.

(f) Any Joint Venture Party transferring any of its interests under this Agreement or delegating any of its obligations must give written Notice of such transfer or delegation to the other Joint Venture Parties.

(g) No transfer will be made if the result of such transfer would be that the Percentage Interest of the transferring Joint Venture Party or the proposed transferee would be less than five percentum.

(h) If both Joint Venture Parties are required to divest a portion of their respective Percentage Interests by a Commonwealth or State Government or any other government instrumentality, then both Joint Venture Parties must divest a portion of their Percentage Interest so that as near as possible the proportion Percentage Interests that each Joint Venture Party bears to each other will remain the same after such divestiture.

16.2 Transfer to a Related Corporation

Clause 16.1(a) to clause 16.1(g), inclusive will not apply to:

(a) a transfer by Nullagine to a Related Corporation;

(b) a transfer by Mark Creasy to a company which Mark Creasy controls (either directly or indirectly) or after which transfer Mark Creasy will control (as defined in the Corporations Act) as shareholder;

(c) a transfer permitted or required in accordance with the provisions of this Agreement;

(d) a corporate merger, consolidation, amalgamation, or reorganisation of a Joint Venture Party by which the surviving entity will possess substantially all of the stock or all of the property rights and interests and be subject to substantially all of the liabilities and obligations of that Joint Venture Party arising under this Agreement as well as a grant by any Joint Venture Party of a security interest and any interest in this Agreement subject to clause 16.7; or

(e) a transfer by Whim Creek Mining to any of the following permitted transferees:

(i) any relative of Mark Creasy falling within the following description (called "**Specified Relatives**") namely mother, brother, the wife, son, daughter, son-in-law, daughter-in-law or grandchild or other direct issue;

(ii) the trustee or trustees of any deed of trust or settlement made solely for the benefit of one or more of the Specified Relatives of Mark Creasy to be held by such trustee or trustees upon the terms of such deed (called "**a Family Trust**"); or

(iii) where Mark Creasy is the trustee of a deed of trust or settlement then to any Specified Relative of any beneficiary under the deed of trust or settlement.

16.3 Transfer of Other Minerals Rights and Prospector Rights

Notwithstanding any other provision of this Agreement

(a) subject to clause 9.6(d), Mark Creasy may, in his sole and absolute discretion and at any time, transfer or assign all or part of its Mosquito Creek Gold Rights, or the Other Minerals Rights or to a third party provided the third party agrees in writing to be bound by this Agreement; and

(b) Mark Creasy may, in its sole and absolute discretion and at any time, transfer or assign all or part of his Prospecting Rights to a third party provided the third party agrees in writing to be bound by this Agreement.

16.4 Procedure for transfers of Mark Creasy Royalty

In the event that a party wishes to transfer or dispose of a Mark Creasy Royalty, then clauses 16.1 and 16.2 will apply to that transfer except that:

(a) the Mark Creasy Royalty must be transferred or sold in full and not in part;

(b) reference to “Joint Venture Party” will be replaced with “Royalty Holder”;

(c) reference to “Percentage Interest” will be replaced with “Mark Creasy Royalty”; and

(d) clauses 14.1(g) and (h) will not apply.

16.5 Surrender, forfeiture or relinquishment of Property

Prior to the Manager or Joint Venture Parties surrendering, releasing, forfeiting or relinquishing part or all of a mining tenement the subject of the Property, Mark Creasy or a nominee of Mark Creasy, must have the first right of refusal to either:

(a) acquire that mining tenement at no cost to Mark Creasy or its nominee; or

(b) apply for a separate mining tenement in respect of the area to be surrendered, released, forfeited or relinquished.

16.6 Transferee to be bound

Where any assignment, transfer or mortgage is made under clauses 16.1, 16.2 or 16.7 the transferee must execute a deed binding it to the provisions of this Agreement (which will, if necessary, be amended to reflect the fact that there are more than two parties to it) and any assignment or transfer will be effective only when the transferor has procured from the transferee the execution and delivery to such transferor and the other Parties to this Agreement at that time a sufficient number of original counterparts of the document effecting such assignment or transfer (which document must contain

the covenants required by this clause 16.6 and clause 16.7) (to the intent that one such original counterpart must be delivered to each Party requesting the same).

16.7 Mortgages

No Joint Venture Party may mortgage or pledge the whole or any part of its Percentage Interest to secure the payment of any securities or other indebtedness of such Joint Venture Party unless such Joint Venture Party who so mortgages or pledges its interest obtains the prior written approval of the other Joint Venture Party which approval must not be unreasonably withheld and such Joint Venture Party who so mortgages or pledges its interest ensures that such mortgage, pledge or security document will contain a clause that on any sale held in enforcement of the same the interest being sold will first be offered to the other Joint Venture Parties on the terms contained in clauses 16.1(a) to 16.1(e), inclusive.

17. RELATIONSHIP OF THE PARTIES

17.1 Nature of relationship

(a) The rights duties obligations and liabilities of the Parties under this Agreement will be several and not joint or collective. Each Party will be responsible only for its obligations as set out in this Agreement and will be liable only for its share of the cost and expense as provided under the Agreement it being the express purpose and intention of the Parties that their rights under this Agreement and ownership of Joint Venture Property will be as tenants in common. It is not the purpose or intention of this Agreement to create any mining partnership commercial partnership or other partnership relation and none will be inferred from the agreement in clause 17.2.

(b) Except as expressly provided, this Agreement must not be considered or interpreted as constituting any Party as the agent or representative of the other Parties or giving any Party any authority to act for or to assume any obligation or liability on behalf of the other Parties with the sole exception of the Manager, and in that case only to the extent specified in this Agreement.

(c) No Party will have any authority to act for or to assume any obligation or responsibility on behalf of the other Parties except as expressly provided under this Agreement or by other express agreement between the Parties.

(d) Where a Party acts on behalf of the other Parties without authority such Party must indemnify the other Parties against any losses claims damages and liabilities arising out of any such act.

17.2 Disposition of Gold - taking in kind

(a) Each Joint Venture Party will take in kind or separately dispose of its share of Gold in accordance with its Participating Interest and in accordance with a Venture Agreement.

(b) Any extra expenditure incurred in the taking in kind or separate disposition by any Venture Party of its proportionate share of Gold will be borne by that Venture Party.

(c) Nothing in this Agreement will be construed as providing directly or indirectly for any joint or co-operative marketing or selling of Gold or permitting the processing of Gold of any parties other than the Venture Parties at any processing facilities constructed by the Venture Parties pursuant to the terms and conditions of a Venture Agreement.

(d) The manager under a Venture Agreement must give the Venture Parties written Notice at least 10 days in advance of the delivery date upon which their respective shares of Gold will be available.

17.3 Failure of a Venture Party to take in kind

(a) If a Venture Party fails to take in kind the manager under a Venture Agreement will have the right but not the obligation for a period of time consistent with the minimum needs of the industry but not to exceed one year to purchase that Venture Party's share for its own account or to sell such share as agent for that Venture Party at not less than the prevailing market price in the area.

(b) Subject to the terms of any such contracts of sale then outstanding during any period that the manager under a Venture Agreement is purchasing or selling a Venture Party's share of the Gold, the Venture Party may elect by written Notice to the manager under a Venture Agreement to take in kind.

(c) The manager under a Venture Agreement will be entitled to deduct from proceeds of any sale by it for the account of a Venture Party reasonable expenses incurred in such a sale.

17.4 Product

(a) Provided that Mark Creasy has elected to become a Participant, Nullagine will have the right but not the obligation to purchase Mark Creasy’s share of any Gold concentrates produced from the Property on Normal Commercial Terms.

(b) For the purposes of this clause 17.4, "**Normal Commercial Terms**" means the price that would be negotiated in an open and unrestricted market between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller acting at arms length within a reasonable time frame, and if Nullagine is undertaking the smelting of Gold then Normal Commercial Terms will take into account profits or other benefits arising from such smelting by Nullagine.

18. GUARANTEE BY NOVO RESOURCES

18.1 Guarantee and indemnity

(a) Subject to clause 18.1(c), in consideration of Mark Creasy entering into this Agreement at the request of Novo Resources, as is testified by the execution by Mark Creasy of this Agreement, with effect on and from the Execution Date Novo Resources guarantees to Mark Creasy the due and punctual performance and observance by CGE of all and singular the covenants obligations and stipulations on the part of CGE contained or implied in this Agreement including, without

limitation, the due and punctual payment by CGE of all moneys payable by CGE under this Agreement.

(b) Subject to clause 18.1(c), with effect on and from the Execution Date, Novo Resources also agrees to indemnify and keep indemnified Mark Creasy from and against all Loss arising out of or in respect of any breach or default by CGE in duly and punctually observing and performing its covenants and obligations under this Agreement.

(c) The guarantee in clause 18.1(a) and the indemnity and obligation to indemnify in clause 18.1(b) shall automatically cease and determine on the Quotation Date other than in relation to claims for breach of or default in relation to this Agreement made by Mark Creasy and notified in writing to Novo Resources prior to the Quotation Date, which claims against Novo Resources under this clause 18.1 shall be deemed waived, settled and discharged in full on and from 13 months from the Quotation Date unless the claim has been referred to an independent expert pursuant to clause 20.13 before the date that is 13 months after the Quotation Date.

18.2 Further acknowledgment, agreement

Novo Resources further agrees with Mark Creasy as follows:

(a) the guarantee and indemnity under clause 18.1 is in favour of Mark Creasy and his successors and assigns;

(b) the guarantee and indemnity under clause 18.1 extends to claims by Mark Creasy for damages for breaches of any of the covenants, obligations and stipulations on the part of CGE contained or implied in this Agreement and to Mark Creasy's reasonable legal and other expenses of seeking to enforce those obligations against CGE;

(c) the guarantee and indemnity under clause 18.1 is a principal obligation and may be enforced against Novo Resources without any responsibility on the part of Mark Creasy to proceed against CGE or any other person;

(d) the guarantee and indemnity under clause 18.1 is irrevocable and continuing up to the Quotation Date and must not be revoked by notice or by reason of the insolvency, bankruptcy or liquidation of Novo Resources or of CGE and the guarantee and indemnity under clause 18.1 must not be discharged or released or otherwise affected by the avoidance of any payment by CGE or Novo Resources to Mark Creasy or by any arrangement made between Mark Creasy and CGE or by any forbearance on the part of Mark Creasy whether as to payment time, performance or otherwise or by the liability of CGE under this Agreement being or becoming invalid illegal or unenforceable though any act, omission or legislation or by any delay neglect omission dealing or other cause or reason whatsoever (but for the avoidance of doubt, this guarantee shall automatically cease and determine on the Quotation Date); and

(e) if CGE should go into compulsory or voluntary liquidation or enter into any composition arrangement with or assignment for the benefit of CGE's creditors or have appointed under any act or instrument or by order of any court a manager or

an administrator or a trustee or a receiver or a receiver and manager or liquidator (provisional or otherwise) in relation to any part of CGE's undertakings or assets or property, then Novo Resources must not prove or claim in any such liquidation bankruptcy composition arrangement or assignment or in respect of such appointment until Mark Creasy has received 100 cents in the dollar in respect of the moneys owing by CGE to Mark Creasy and Novo Resources must hold in trust for Mark Creasy such proof and claim. For the avoidance of doubt, this clause shall not apply and have no effect after the Quotation Date.

19. GUARANTEE BY CGE

19.1 Guarantee and indemnity

(a) In consideration of Mark Creasy entering into this Agreement at the request of CGE, as is testified by the execution by Mark Creasy of this Agreement, with effect on and from the Execution Date, CGE guarantees to Mark Creasy the due and punctual performance and observance by Nullagine while Nullagine is a subsidiary of CGE of all and singular the covenants, obligations and stipulations on the part of Nullagine contained or implied in this Agreement including, without limitation, the due and punctual payment by Nullagine of all moneys payable by Nullagine under this Agreement.

(b) With effect on and from the Execution Date , CGE also agrees to indemnify and keep indemnified Mark Creasy from and against all Loss arising out of or in respect of any breach or default by Nullagine (while Nullagine is a subsidiary of CGE) in duly and punctually observing and performing its covenants and obligations under this Agreement.

19.2 Further acknowledgment, agreement

CGE further agrees with Mark Creasy as follows:

(a) the guarantee and indemnity under clause 18.1 is in favour of Mark Creasy and his successors and assigns;

(b) the guarantee and indemnity under clause 18.1 extends to claims by Mark Creasy for damages for breaches of any of the covenants obligations and stipulations on the part of Nullagine contained or implied in this Agreement and Mark Creasy's reasonable legal and other expenses of seeking to enforce those obligations against Nullagine (while Nullagine is a subsidiary of CGE);

(c) the guarantee and indemnity under clause 18.1 is a principal obligation and may be enforced against CGE without any responsibility on the part of Mark Creasy to proceed against Nullagine or any other person;

(d) the guarantee and indemnity under clause 18.1 is irrevocable while Nullagine is a subsidiary of CGE and must not be revoked by notice or by reason of the insolvency bankruptcy or liquidation of CGE or of Nullagine and the guarantee and indemnity under clause 18.1 must not be discharged or released or otherwise affected by the avoidance of any payment by Nullagine or CGE to Mark Creasy or by any arrangement made between Mark Creasy and Nullagine or by any forbearance on the part of Mark Creasy whether as to payment time

performance or otherwise or by the liability of Nullagine under this Agreement being or becoming invalid illegal or unenforceable though any act, omission or legislation or by any delay neglect omission dealing or other cause or reason whatsoever; and

(e) if Nullagine should go into compulsory or voluntary liquidation or enter into any composition arrangement with or assignment for the benefit of Nullagine's creditors or have appointed under any act or instrument or by order of any court a manager or an administrator or a trustee or a receiver or a receiver and manager or liquidator (provisional or otherwise) in relation to any part of Nullagine's undertakings or assets or property, then CGE must not prove or claim in any such liquidation bankruptcy composition arrangement or assignment or in respect of such appointment until Mark Creasy has received 100 cents in the dollar in respect of the moneys owing by Nullagine to Mark Creasy and CGE must hold in trust for Mark Creasy such proof and claim.

20. GENERAL PROVISIONS

20.1 Confidentiality

(a) All information including but not limited to Mining Information relating to the Joint Venture not in the public domain will be confidential during the term of this Agreement and for a period of two years after the termination of this Agreement. The confidential information must not be disclosed to a third party or used by a Party without the prior written consent of the other Parties. The consent must be given or denied promptly but must not be unreasonably withheld. The confidential information may be furnished without consent by the Party:

(i) to a Related Corporation;

(ii) to the Government or a Government agency of the Commonwealth of Australia or Western Australia or any other State of Australia, or the Government or a Government agency of Canada, or British Columbia or any other Province of Canada;

(iii) when required by law or any stock exchange on which shares or other securities of the Party or a Related Corporation are listed when required by regulations of that stock exchange, provided the Party required to disclose confidential information will only disclose the confidential information to the extent required by law or the rules of any stock exchange on which the securities of a Party or a Related Party are listed;

(iv) to persons during bona fide negotiations for the purchase of any of the Joint Venture Parties' Percentage Interest separately or as part of the sale of its shares or the shares of its holding company or of a sale of assets of such Party; and

(v) to financial and lending institutions or other third parties for the purpose of acquiring finance.

(b) The recipient of the confidential information to be disclosed pursuant to clauses 20.1(a)(i), 20.1(a)(iv) and 20.1(a)(v) must before the disclosure agree by

execution of a binding document to keep the information confidential, at least to the same degree as set forth in this clause 20.1. The discloser of the confidential information to be disclosed pursuant to clause 20.1(a)(ii) must use reasonable endeavours to obtain from the recipient of that information an executed binding document to keep the information confidential, at least to the same degree as set forth in this clause 20.1. Notice will be given to the other Parties of the proposed disclosure of information to the persons listed in clauses 20.1(a)(ii) and 20.1(a)(iii). Notice will be given to the other Parties of the disclosure of information to the persons listed in clauses 20.1(a)(iv) and 20.1(a)(v) after the sale has been made or any finance acquired.

(c) With regard to disclosures under clause 20.1(a)(ii) the disclosing Party will use all reasonable efforts to obtain agreement from the particular Government or Governmental agency to keep the disclosed information confidential and such Notice will be given to the other Parties prior to disclosure of such information. Additionally the Parties will endeavour to limit the amount of information disclosed to persons under clauses 20.1(a)(ii),(a)(iii), 20.1(a)(iv) and 20.1(a)(v) to the extent reasonably required to protect the confidentiality of the information.

(d) If a Property has been transferred to Mark Creasy pursuant to clauses 7.3 or 16.5:

(i) clauses 20.1(a), (b) and (c) do not apply to Mark Creasy in relation to all Mining Information relating to that Property; and

(ii) CGE, Novo Resources and Nullagine remain bound by this clause 20.1 in relation to such Mining Information.

20.2 Sole agreement: changes in writing

This Agreement constitutes the sole understanding of the Parties with respect to the subject matter and no alteration of this Agreement will be binding unless it is in writing dated after the date of this Agreement and executed by the Parties.

20.3 Partition

Each Party waives its rights to partition of the Property and to that end agrees that it will not seek or be entitled to partition of any of the Property whether by way of physical partition sale or otherwise.

20.4 Severance

If any term clause or provision of this Agreement or the application of this Agreement will be or will be deemed to be judged invalid for any reason whatsoever, then such invalidity will not affect the validity or application of any other term clause or provision of this Agreement and any such term clause or provision will be deemed severed from this Agreement without affecting the validity of the balance of the Agreement.

20.5 Waiver

No waiver by a Party of any of the provisions of this Agreement will be binding on any other Party unless made expressly and expressly confirmed in writing and any such

waiver must relate only to such matter non-compliance or breach as it expressly relates to and will not apply to any subsequent or other matter non-compliance or breach.

20.6 Australian currency

(a) Except as otherwise expressly stated all references to dollars in this Agreement are to Australian dollars.

(b) Costs will be invoiced in Australian currency unless the Parties otherwise agree.

(c) The Parties will settle any accounts or amounts in Australia and in Australian dollars.

20.7 Governing law

(a) This Agreement will be governed by and interpreted in accordance with the laws of the State of Western Australia.

(b) Each Party by execution of this Agreement unconditionally submits to the non-exclusive jurisdiction of the Courts of Western Australia and all Courts competent to hear appeals from those Courts.

20.8 Binding on successors and assigns

(a) This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

(b) Each Party to this Agreement must execute such documents assignments and other instruments as is necessary to give further effect to this Agreement and as is necessary or desirable to perform its obligations under this Agreement.

20.9 Force majeure

(a) The obligations of each Party will be suspended and the time for the expenditure of funds by a Party will be extended to the extent that such Party is prevented or hindered from performance or expenditure by force majeure including but not limited to strikes lockouts labour and civil disturbances acts of God unavoidable accidents laws rules regulations orders or decrees of any national municipal or other governmental agency whether domestic or foreign acts of war and conditions arising out of or attributable to war (declared or undeclared) shortage of necessary equipment materials labour or restrictions on them or limitations on their use refusal of or delay in obtaining exchange control approval or authority delays in transportation and other matters beyond the reasonable control of such Party whether similar to the matters listed above or otherwise. No Party will be entitled to the benefit of this clause if the force majeure event is caused by lack of funds or by the negligence of the Party claiming suspension.

(b) If force majeure causes a suspension or extension the Party affected must give Notice of the force majeure event as soon as reasonably possible to the other Party stating the date extent and nature of the force majeure event.

(c) Any Party whose obligations or expenditure has been suspended or extended as a result of an event of force majeure must resume performance or expenditure as soon as reasonably possible after the removal of the force majeure and must so notify the other Parties.

20.10 Force majeure - Native Titles Claim

(a) The obligations of Nullagine under this Agreement will be suspended during the time and to the extent that it is prevented from or delayed in complying with that obligation by a claim or application made by a group of indigenous people pursuant to any State or Commonwealth legislation for the grant or confirmation of native title ("**Native Titles Claim**").

(b) Subject to clause 20.10(c) Nullagine will have full power to deal with and negotiate the Native Titles Claim and to execute all deeds documents and other writings which may be necessary or expedient for the purpose of settling the Native Titles Claim, provided that Nullagine must not effect any settlement of the Native Titles Claim other than on terms and conditions approved by Creasy in writing which approval must not be withheld or delayed unreasonably.

(c) Nullagine must:

(i) promptly give to Mark Creasy the full particulars of a Native Titles Claim and the manner in which Nullagine’s performance or operations are prevented or delayed as a result of that Native Titles Claim; and

(ii) in dealing with and settling a Native Titles Claim consult and liaise with Mark Creasy or its duly authorised representative.

(d) Subject to clause 20.10(c) for the purpose of giving full effect to the power to deal with and settle a Native Titles Claim, Mark Creasy irrevocably appoints Nullagine the true and lawful attorney of Mark Creasy in the name of Nullagine to deal with and do all acts and things and execute deeds documents and other writings which may be reasonably necessary or expedient for the purpose of dealing with and settling a Native Titles Claim.

20.11 Notices

(a) In this Agreement, all notices, requests, demands, requisitions, approvals, elections consents or other communications required to be given or served or given or served to or upon any of the Parties pursuant to or in connection with this Agreement (“**Notice**”) must be in writing.

(b) A Notice will be deemed to be duly given or made when delivered (in the case of personal delivery) and when despatched by facsimile transmission(provided the answerback relating to the facsimile transmission has been received) to the Party to which such Notice is given or served at the address of such Party as follows:

(i) if to Mark Creasy: Creasy Group

Address: ■[1]

Attention: Mark Creasy

Facsimile: ■[1]

if to CGE, Nullagine or to Novo Resources:

Address: Suite 1980
1075 West Georgia Street
Vancouver BC, V6E 3C9
CANADA

Attention: Quinton Hennigh

Facsimile: +1778 329 9361

or at such address, or facsimile number as the relevant Party may specify for such purpose to the other Parties by Notice in writing. A written Notice includes a Notice by facsimile. The issuer of any Notice by facsimile must immediately confirm the facsimile by letter but the failure by the addressee to receive such a letter will not prejudice the validity or effect of such facsimile. Any such Notice may be given or signed on behalf of the Party giving or serving the Notice by a director secretary or other duly authorised person of the Party.

20.12 Costs and duty

Each Party must bear its own legal costs in and about the preparation execution and stamping of this Agreement provided that any transfer duty payable as a result of the execution of this Agreement will be borne by Nullagine other than where such duty is due to a transfer of a dutiable interest to Mark Creasy, in which case Mark Creasy shall pay any such duty.

20.13 Independent expert

(a) If there is a dispute question or difference between the Parties with respect to any matter under this Agreement, then the Parties must immediately confer in an effort to settle the dispute question or difference but if they fail to agree within 30 days after first conferring or if a Party refuses to confer then the dispute question or difference will be referred by either or both Parties to an independent expert selected by agreement between the Parties or failing agreement by the President for the time being of the Australian Institute of Mining and Metallurgy.

(b) An independent expert must in carrying out his or her functions:

[1] The omitted information is the address and facsimile number of the Creasy Group.

(i) act as an expert and not as an arbitrator and the procedures of the *Commercial Arbitration Act 1985* (WA) will have no application to his or her deliberation;

(ii) determine the time and place where he or she will hear the reference;

(iii) at his or her entire discretion but after consultation with the Parties decide whether the reference to him or her will be made in the form of written or oral representations submitted to him or her provided that the period for making submissions will not be longer than one month from his or her decision as to their form;

(iv) within a reasonable period after the date of reference express in writing an opinion on the matter in dispute and furnish each of the Parties with a copy of the opinion either by hand or registered post; and

(v) determine at the conclusion of the reference the manner in which his or her costs are to be borne by the Parties.

(c) No Party will be entitled to commence or maintain any action or proceedings until the dispute question or difference has been referred to and considered in accordance with this clause 20.13.

(d) Performance of this Agreement will continue during any reference pursuant to this clause 20.13 unless the Parties otherwise agree.

20.14 Execution of Agreement

The Parties agree that this Agreement will be binding when execution copies are exchanged by facsimile. However, immediately thereafter Nullagine and Novo Resources must execute and forward to Mark Creasy four signed copies which must then be executed by Mark Creasy with two stamped copies to be returned to Nullagine and Novo Resources.

Executed as an agreement by:

EXECUTED by **MARK GARETH CREASY** in the presence of:)
)

"Signed"
Signature of Mark Gareth Creasy

"Signed"
Witness Signature

Witness Name

Witness address

Witness occupation

EXECUTED by **NULLAGINE GOLD PTY LTD** (ACN 150 336 762) in accordance with Section 127 of the *Corporations Act 2001* (Cth) by authority of its directors:)
)
)
)
)

"Signed"	*"Signed"*
Signature of Director	Signature of Director/Secretary*
Name of Director (block letters)	Name of Director/Secretary* (block letters) * delete whichever is not applicable

EXECUTED by **CONGLOMERATE GOLD EXPLORATION PTY LTD** (ACN 150 397 158) in accordance with Section 127 of the *Corporations Act 2001* (Cth) by authority of its directors:)

"Signed"
Signature of Director

"Signed"
Signature of Director/Secretary*

Name of Director (block letters)

Name of Director/Secretary* (block letters)
*delete whichever is not applicable

EXECUTED by **NOVO RESOURCES CORP** by its authorised signatory ______________________ in the presence of:)

"Signed"
Witness signature

Witness name

Witness address

Witness occupation

ANNEXURE A

ACCOUNTING PROCEDURES JOINT VENTURE OPERATIONS

I GENERAL PROVISIONS

(1) Definitions

"**Controllable Material**" means subject to record and inventory control. The Classification of Material as controllable is to facilitate joint interest billings and the reconciliation of Joint Account Material inventories. A list of Controllable Material must be furnished to the Non-Manager on request.

"**Field Employees**" means the employees of the Manager for whose services compensation is not paid under Paragraph 1 of Section III.

"**Joint Account**" means the account of all Parties having an interest in the Joint Venture Property.

"**Material**" means personal property, equipment or supplies for use on the Joint Venture Property.

"**Non-Manager**" means a Party or Parties to the Joint Venture other than the Manager.

"**Overhead Rate**" means the rate described in Section III.

"**Personal Expenses**" means travel and other reasonable expenses of Manager's employees while directly engaged in the performance of work for the Joint Venture Property.

Unless a contrary intention appears, terms used in these Accounting Procedures which are defined in the Agreement will have the same meaning as accorded them in the Agreement.

(2) Manager

The Manager must submit a statement and a bill to the Non-Manager on or before the last day of each month showing total costs and expenditures for Operations during the preceding month and the Non-Manager's proportionate shares of such costs and expenditures. The Statement must include all charges and credits to the Joint Account summarised by classifications showing the nature of the expenditure. Unusual charges and credits and all items of Controllable Materials must be separately identified and described in detail.

(3) Advances and Payments by Non-Manager

The Manager may require the Non-Manager to advance its share of estimated cash outlay for the next month's Operations. The Manager must adjust each billing to show advances received from the Non-Manager.

The Non-Manager must pay its proportion of all bills furnished by the Manager within fifteen days of receipt. If payment is not made within that time, the unpaid balance must bear interest monthly at the rate from time to time charged by Westpac Banking Corporation in Australia on overdraft accounts in excess of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) plus THREE PER CENTUM (3%) plus solicitors' fees court costs and other costs of collection of unpaid amounts.

(4) Adjustments

(a) All statements rendered to the Non-Manager by the Manager will be presumed to be true and correct twelve months after the billing date unless within the twelve month period the Non-Manager takes written exception to them and makes claim on the Manager for adjustment.

(b) No adjustment favourable to the Manager will be made unless it is made within the same prescribed period.

(c) Failure by the Non-Manager to claim for adjustment within such period will establish the correctness thereof and preclude the filing of exceptions or making of claims for adjustment.

(d) The provisions of this paragraph 4 will not prevent adjustments resulting from physical inventory of Joint Venture Property as provided for in Section V.

(5) Audits

The Non-Manager, on Notice in writing to the Manager, may audit the Manager's accounts and records relating to the Joint Account for any Year within the twelve month period following the end of such Year. An audit will not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. The Manager will not pay the Non-Manager's audit cost notwithstanding the outcome of such audit.

Whenever the Manager has the right to audit accounts and records of a third party with whom the Manager has contracted to perform duties and obligations imposed on the Manager under the Agreement a Non-Manager will have the right to participate in any audit of such third party conducted by the Manager with respect to accounts and records relating to Property in which the Non-Manager has an interest, to the extent that such participation is permissible under the contract or agreement between the Manager and such third party.

II DIRECT CHARGES

Chargeable expenditures will include all expenditures for the Joint Venture in connection with the exercise of the Manager's rights and obligations under the Agreement. The Manager will charge the Joint Account with the following items:

(1) Rentals and Royalties

Tenement rentals, royalties or bonuses paid by the Manager for the Operations.

(2) Labour

(A) (1) Salaries and wages including overtime of Field Employees directly engaged in the performance of Operations.

(2) Salaries and wages including overtime of technical or supervisory personnel who are temporarily assigned to perform work for the direct benefit of the Joint Venture.

(B) The Manager's cost of holiday, vacation, sickness and other customary allowances paid to employees whose salaries and wages are chargeable to this Joint Account under sub-paragraph 2A. This cost may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under sub-paragraph 2A. If percentage assessment is used, the rate will be based on the Manager's cost experience.

(C) Expenditures made under assessments by governmental authority which apply to the Manager's costs chargeable to the Joint Account under sub-paragraphs 2A and 2B.

(D) Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under sub-paragraph 2A.

(3) Employee Benefits

The Manager's current costs of established plans for employee retirement, bonus stock purchase and other similar benefit plans applicable to Manager's labour costs chargeable to the Joint Account under sub-paragraph 2A and 2B will be Manager's actual cost, or by percentage assessment charged to the Joint Account based on Manager's cost experience.

(4) Material

Material purchased or furnished by Manager for use on the Joint Venture Property as provided under Section IV. Only such Material will be purchased for or transferred to the Joint Venture Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stock must be avoided.

(5) Transportation

Transportation of employees, equipment, material and supplies necessary for Operations. If Material is moved to or from Manager's warehouse, other storage point or other property owned by the Manager, no charge will be made to the Joint Account in excess of the reasonable cost of moving such Materials to or from the nearest storage or system point at which the Materials could be readily stored or obtained.

(6) Services

The cost of contract services, equipment and utilities by outside sources, except services excluded by Paragraph 9 and professional consultant services and contract services of technical personnel not directly engaged in the performance of work for the Joint Venture Property.

(7) Equipment and Facilities Furnished by Manager

The equipment and facilities owned by the Manager at rates commensurate with costs of ownership and operation. Such rates will include costs of maintenance, repairs, other operating expenses, insurance, taxes, depreciation and interest on investment not to exceed the minimum commercial lending rate of Westpac Banking Corporation. Such rate must not exceed the current average commercial rates for property of a similar nature in the area of the Joint Venture Property.

(8) Damages and Losses to Joint Venture Property

All expenditure for the repair or replacement of Joint Venture Property due to damages or losses by fire, flood, storm, theft, accident or other cause, except those resulting from the Manager's wilful misconduct.

The Manager must furnish the Non-Manager written Notice of damages or losses as soon as practicable after a report thereof has been received by the Manager.

(9) Legal Expenses

The costs of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and legal services connected with environmental regulations, reports or injuries resulting from Operations or necessary to protect or recover the Joint Venture Property.

All other legal expense is covered by the Overhead provision of Section III, except as provided in paragraphs 2 and 3 of Section I.

(10) Taxes

All taxes whether direct or indirect and whether Commonwealth State or local government on or in connection with the Joint Venture Property, its operation or production from it which have been paid by the Manager for the benefit of the Parties.

(11) Insurance

Subject to Clause 5.3 of the Agreement, net premiums paid for insurances affected upon the instructions of the Management Committee. The Manager may include certain risks under a self-insurance program. Any losses arising in respect of Operations will be borne by the Parties in proportion to their Percentage Interests.

(12) Other Expenditures

Any other expenditures not covered in this Section or in Section III incurred by the Manager reasonably necessary for the proper conduct of the Operations.

III OVERHEAD

(1) Overhead: Exploration Operations

As compensation for administrative supervision, office services and warehousing costs, except any office solely established to carry out programs under the Agreement, the Manager will charge the Joint Account at the rate below.

The charge will be in lieu of costs and expenses of offices, salaries or wages and other applicable personnel expenses of all personnel except personnel referred to in sub-paragraph 2A of Section II. The expense of services for taxation, traffic, accounting or matters involving governmental agencies will be included in the Overhead Rate unless such expenses are agreed by the Parties to be a direct charge to the Joint Account. The cost of professional consultant services and contract services of technical personnel directly engaged in the performance of work for the Joint Property will not be covered by the Overhead Rate.

Overhead Rate

The Overhead Rate will be as specified in the Agreement. The sum on which the Overhead Rate is based must not include the charge for tenement acquisition, bonuses, depreciations, depletion or amortisation of assets or rentals (other than equipment rentals) and royalties and legal costs and all salvage credits.

IV PRICING OF JOINT ACCOUNT MATERIAL PURCHASES AND DISPOSITIONS

The Manager is responsible for Joint Account Material and must make charges and credits for all movement of Material affecting the Joint Venture Property. The Manager shall make timely disposition of idle or surplus Material either through sale to itself or others.

(1) Purchases

(A) Material purchased from third parties will be charged at the price paid by the Manager after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reason, credit will be passed to the Joint Account when adjustment has been received by the Manager.

(B) Material required for Operations will be purchased for direct charge to the Joint Account whenever practicable. The Manager may furnish such Material from the Manager's stocks at a price not to exceed the lowest price at which such materials are available from outside sources.

(2) Transfers and Dispositions

Material of a value exceeding TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) must not be transferred to the Joint Venture Property from a Party or from the Joint Venture Property to a Party without the prior written agreement of the other Parties. For the purposes of this provision, the term "Party" includes a related corporation of a

Party. Material furnished to the Joint Venture Property and Material transferred from the Joint Venture Property or disposed of by the Manager, unless otherwise agreed to by the Parties, will be priced on the following basis exclusive of cash discounts:-

(A) **New Material (Condition A)**

At the current new price in effect at date of movement.

(B) **Good Used Material (Condition B)**

Material in sound and serviceable condition and suitable for re-use without reconditioning:

(1) Material moved to the Joint Venture Property - at seventy-five per centum (75%) of current new price in effect at date of movement;

(2) Material moved from the Joint Venture Property:

(a) at seventy-five per centum (75%) of current new price in effect at date of movement if Material was originally charged to the Joint Account as new Material, or

(b) at sixty-five per centum (65%) of current new price in effect at date of movement if material was originally charged to the joint account as good used material at seventy-five per centum (75%) of current new price.

(C) **Other Used Material (Condition C and D)**

(1) <u>Condition C</u>

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning - at fifty per centum (50%) of current new price in effect as at date of movement. The cost of reconditioning will be charged to the receiving Party, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) <u>Condition D</u>

All other Materials, including junk, will be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but useable for some other purpose, will be priced on a basis comparable with that of items normally used for such other purposes. The Manager may dispose of Condition D Material under procedures normally utilised by the Manager without prior approval of the Non-Manager.

(D) **Obsolete Material**

Material which is serviceable and useable for its original function, but condition or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price

should result in the Joint Account being charged with the value of the service rendered by such Material.

V INVENTORIES

The Manager must maintain records of Material.

(1) <u>Periodic Inventories, Notices and Representation</u>

At reasonable intervals, Inventories must be taken by the Manager of the Joint Account Controllable Material. Written Notice of intention to take inventory must be given to Non-Manager by the Manager at least thirty days before any inventory is to begin so that Non-Manager may be represented when any inventory is taken. Failure of the Non-Manager to be represented at any inventory will bind the Non-Manager to accept the inventory taken by the Manager.

(2) <u>Reconciliation and Adjustment of Inventories</u>

Reconciliation of a physical inventory with the Joint Account must be made and a list of overages and shortages must be furnished to the Non-Manager within six months following the taking of the inventory. Inventory adjustments must be made by the Manager with the Joint Account for overages and shortages, but the Manager will be held accountable only for shortage due to lack of reasonable diligence.

(3) <u>Special Inventories</u>

Special inventories may be taken whenever there is any sale or change of interest in the Joint Venture Property. It will be the duty of the Party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and non-seller will be governed by such inventory.

(4) <u>Expense of Conducting Periodic Inventories</u>

The expense of conducting periodic inventories will be charged to the Joint Account.

ANNEXURE B

COMBINED PROPERTIES

TENEMENT	HOLDER/APPLICANT	Status	Region	COMMENTS
	(A) Exploration Licence Applications			
E46/953	WITX PTY LTD	Pending	Nullagine Sub-Basin	Subject to section 64 Mining Act.
E45/3913	WHIM CREEK MINING PTY LTD	Pending	Marble Bar Sub-Basin	Subject to section 64 Mining Act
	(B) Prospecting Licence Applications			
P46/1743	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1744	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1784	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1785	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1786	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1787	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1788	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1789	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1790	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1791	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P46/1792	WITX PTY LTD	Pending	Nullagine Sub-Basin	
P45/2584	WITX PTY LTD	Pending	Marble Bar Sub-Basin	
P45/2585	WITX PTY LTD	Pending	Marble Bar Sub-Basin	
P45/2586	WITX PTY LTD	Pending	Marble Bar Sub-Basin	
P45/2818	WITX PTY LTD	Pending	Marble Bar Sub-Basin	

TENEMENT	HOLDER/APPLICANT	Status	Region	COMMENTS
P45/2819	WITX PTY LTD	Pending	Marble Bar Sub-Basin	
P45/2820	WITX PTY LTD	Pending	Marble Bar Sub-Basin	
	(C) Shared Tenements			
E 46/797	WITX PTY LTD	Live	Nullagine Sub-Basin	
M46/257	TANTALUMX PTY LTD	Pending	Nullagine Sub-Basin	Subject to Section 82(1)(d) of the Mining Act
	(D) Mining Lease Applications			
M45/1131	WITX PTY LTD	Pending	Marble Bar Sub-Basin	Subject to Section 82(1)(d) of the Mining Act
M45/1166	TREVOR JOHN SIMS	Pending	Marble Bar Sub-Basin	Subject to Section 82(1)(d) of the Mining Act
M45/1167	TREVOR JOHN SIMS	Pending	Marble Bar Sub-Basin	Subject to Section 82(1)(d) of the Mining Act
	(E) Exploration Licences			
E45/2483	TREVOR JOHN SIMS	Live	Marble Bar Sub-Basin	
E45/3674	WHIM CREEK MINING PTY LTD	Live	Marble Bar Sub-Basin	Subject to section 64 Mining Act
E45/3675	WHIM CREEK MINING PTY LTD	Live	Marble Bar Sub-Basin	Subject to section 64 Mining Act
E45/3676	WHIM CREEK MINING PTY LTD	Live	Marble Bar Sub-Basin	Subject to section 64 Mining Act
E45/3678	WHIM CREEK MINING PTY LTD	Live	Marble Bar Sub-Basin	Subject to section 64 Mining Act
E45/3717	WHIM CREEK MINING PTY LTD	Live	Marble Bar Sub-Basin	Subject to section 64 Mining Act
E46/946	WITX PTY LTD	Live	Marble Bar Sub-Basin	Subject to section 64 Mining Act
	(F) Prospecting Licences			
P46/1577	CREASY, MARK GARETH	Live	Nullagine Sub-Basin	

ANNEXURE C

PROPERTY

Tenement	Holder/Applicant	Status	Region	Comments
	(A) Mark Creasy Tenements			
P46/1577	CREASY, MARK GARETH	Live	Nullagine Sub-Basin	

ANNEXURE D

NET SMELTER ROYALTY

CLAUSE 1 - PREAMBLE

1.1 This Annexure C defines when and how a Mark Creasy Royalty is payable pursuant to the Agreement and provides a method of calculating the amounts and the timing of payments by the Payor to the Payee under the Agreement (both terms being defined below).

CLAUSE 2 - DEFINITIONS

2.1 The terms defined in the Agreement, when used in this Annexure C, will have the same meaning as that described in the Agreement. In addition, the terms described in this clause 2 will have the meaning attributed by this Annexure C to them. Where the Payor effects a sale of products from Mining Operations on a Mining Area, the amount the subject of a Mark Creasy Royalty will be determined based on the greater of:

(a) the amount received by the Payor from Mining Operations on that Mining Area; and

(b) the amount which would normally be received on Normal Commercial Terms (as defined in clause 17.4(b) of the Agreement).

2.2 "**Net Smelter Returns**" means in relation to Mining Operations on a Mining Area:

(a) in the case of ores, minerals, or other products which are sold by the Payor in the crude state, the amount received by the Payor from the purchaser of the - ores, minerals, or other products, from Mining Operations on that Mining Area, less the following costs to the extent borne by the Payor:

(i) sales and marketing costs and sales and severance;

(ii) governmental royalties, surcharges or taxes directly on mining production or income from mining production payable to any Federal, State or government agency (but not including any company or other similar tax levied on the Payor by such Federal or State or government agency);

(iii) insurance; and

(iv) bank charges;

(v) all handling costs, including assaying, sampling, weighing, loading, unloading, demurrage, stockpiling and storage;

(vi) charges for and the taxes on transportation from the mine to the buyer

(b) in the case of ores, minerals, or other products which are processed by or for the account of the Payor and sold as concentrates or other intermediate products, the amount received by the Payor from the purchaser of the concentrates or other intermediate products, from Mining Operations on a Mining Area, less the following items to the extent borne by the Payor:

(i) sales and marketing costs and sales and severance;

(ii) governmental royalties, surcharges or taxes directly on mining production or income from mining production payable to any Federal, State or government agency (but not including any company or other similar tax levied on the Payor by such Federal or State or government agency);

(iii) insurance;

(iv) bank charges;

(v) all handling costs, including assaying, sampling, weighing, loading, unloading, demurrage, stockpiling and storage;

(vi) the Purchaser's smelter or other processing charges, penalties or costs; and

(vii) charges for and the taxes on transportation from the plant producing the concentrates or other intermediate products to the buyer.

(c) in the case of ores, minerals, or other products which are processed by or for the account of the Payor to produce concentrates or other saleable intermediate products which are smelted or otherwise further processed by or for the account of the Payor, the market value of the concentrates or other saleable intermediate products from Mining Operations on a Mining Area, f.o.b. the plant producing the concentrates or other saleable intermediate products, less:

(i) an amount for insurance;

(ii) bank charges;

(iii) all handling costs, including assaying, sampling, weighing, loading, unloading, demurrage, stockpiling and storage;

(iv) an amount equal to the sales and marketing costs and sales and severance; and

(v) charges for and the taxes on transportation from the plant producing the concentrates or other intermediate products to the buyer;

(vi) governmental royalties, surcharges or taxes directly on mining production or income from mining production payable to any Federal, State or government agency (but not including any company or other similar tax levied on the payor by such Federal or State or government agency) which would have been imposed had the concentrates or other saleable intermediate products been sold; and

(d) in all other cases, the amount received by the Payor from the purchaser of the ores, minerals, concentrates, or other products, from Mining Operations on a Mining Area, less the following items to the extent borne by the Payor:

(i) sales and marketing costs and sales and severance;

(ii) governmental surcharges or taxes directly on mining production or income from mining production payable to any Federal, State or government agency (but not including any company or other similar tax levied on the Payor by such Federal or State or government agency);

(iii) insurance;

(iv) bank charges;

(v) all handling costs, including assaying, sampling, weighing, loading, unloading, demurrage, stockpiling and storage;

(vi) the purchaser's treatment charges, penalties or costs; and

(vii) charges for and taxes on transportation from the mine to the buyer.

2.3 "**Payor**" means the Party required to pay a Mark Creasy Royalty under the Agreement.

2.4 "**Payee**" means the Party entitled to receive a Mark Creasy Royalty under the Agreement.

CLAUSE 3 - CALCULATION OF ROYALTY

3.1 A Mark Creasy Royalty payable will be calculated as that percentage of Net Smelter Returns stipulated in the Agreement.

3.2 While a Mark Creasy Royalty remains payable under the terms of the Agreement, the Payor must, not later than sixty days after the end of each quarter calendar year, render to the Payee an interim statement of account in reasonable detail together with the payment of that Mark Creasy Royalty payable for the previous quarter calendar year.

3.3 When all mineral product in any calendar year in which a Mark Creasy Royalty remains payable, has sold and the revenues and expenditures determined, the Payor must, within ninety days after the termination of such calendar year, render a final statement of account in reasonable detail together with the payment of the balance, if any, of that

Mark Creasy Royalty for such previous calendar year.

3.4 If amounts have been paid in excess of these to which the Payee is entitled under the terms of this Agreement in any calendar year, the equivalent amount will be deducted from the next payment or payments for that Mark Creasy Royalty.

CLAUSE 4 - AUDIT AND DISPUTES

4.1 The Payee may, at its own expense upon written request to the Payor, audit the records that relate to the calculation of a Mark Creasy Royalty within nine months after receipt of the final quarter calendar yearly payment for the calendar year as described in paragraph 3.

4.2 The Payee will be deemed to have waived any right it may have had to object to the payment made for any calendar year unless it notifies the Payor in writing of such objection within twelve months after receipt of the final quarter calendar yearly payment for a calendar year.

4.3 The Payee acknowledges that the Payor is not liable for any mineral or commercial value lost in processing product extracted from the Property under sound mining practices and procedures, and no Mark Creasy Royalty is due on any such lost value.

CLAUSE 5 - COMMINGLING

5.1 The Payor agrees to keep accurate records showing the amount of recovered minerals and/or mineral products produced by it from each Mining Operations on a Mining Area.

5.2 All minerals and/or mineral products produced from Mining Operations on a Mining Area must be kept separate and distinct from minerals and/or mineral products produced by the Payor from other properties so far as such practice is determined by the Payor to be practical and economical, at least to the point in the milling or concentrating process where such product may be accurately weighed and sampled.

5.3 If the Payor determines it to be impractical or uneconomical to keep those ores separate until accurate weighing and sampling, those ores may be commingled with other ores of the Payor and the Payor will determine the gross mineral content of those ores so commingled by any other method which accords with good mining practice.

5.4 The Payor must furnish to the Payee a statement showing in reasonable detail the method used to determine the amount of recovered minerals and/or mineral products produced from the Mining Operations on a Mining Area the subject of a Mark Creasy Royalty, and must furnish the Payee with information regarding any change in its method.

CLAUSE 6 - INTEREST

6.1 In the event that the Payer fails to pay amount payable under a Mark Creasy Royalty

that is due to the Payee on the date it is payable, the Payer must pay interest at the Prescribed Rate to the Payee on demand plus any reasonable costs and expenses (including legal costs) incurred by the Payee in connection with that failure to pay.

6.2 Interest payable pursuant to paragraph (a) is to be calculated:

(a) at the Prescribed Rate from day to day and on the basis of a 365 day years;

(b) on the sum of money which the Payer has failed to pay when due and which remains outstanding from day to day; and

(c) in respect of the period from the due date for payment of that sum of money to the date on which it has been paid in full.

CLAUSE 7 - CAVEATS

7.1 The Payor consents to the lodgement of caveats by the Payee in accordance with s.122A(2) of the Mining Act.

7.2 The Payor agrees that during the continuance of this Agreement it will:

(a) not take any steps to remove any caveats lodged by the Payee in accordance with clause 7.1; and

(b) provide all reasonable assistance requested by the Payee in order to preserve any caveats lodged by the Payee pursuant to this clause 7.

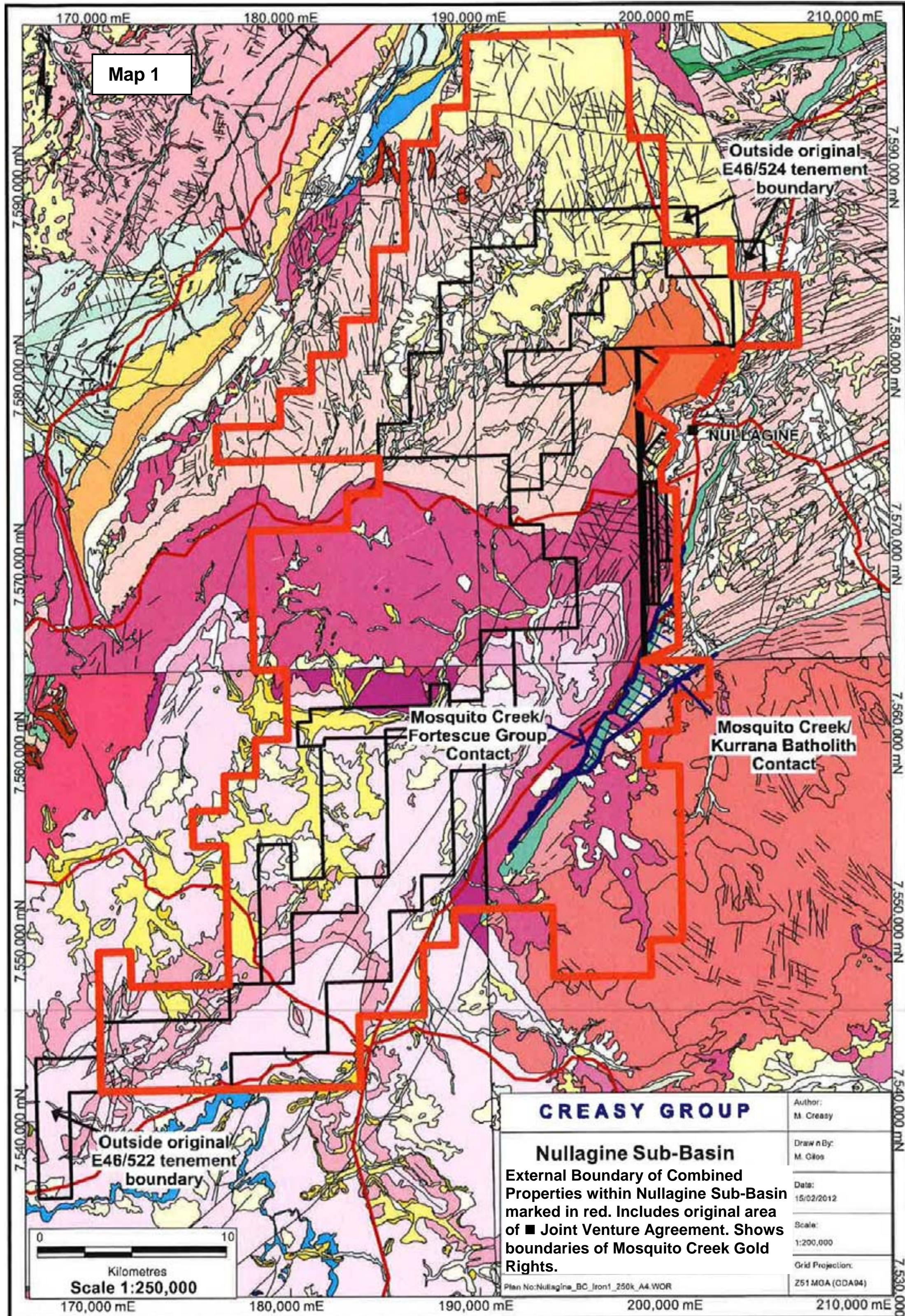
CLAUSE 8 - SAMPLES

8.1 The Payor may, without being liable to pay a Mark Creasy Royalty, mine, remove and supply small amounts of ores, minerals, or other products reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the mineral potential of the Property.

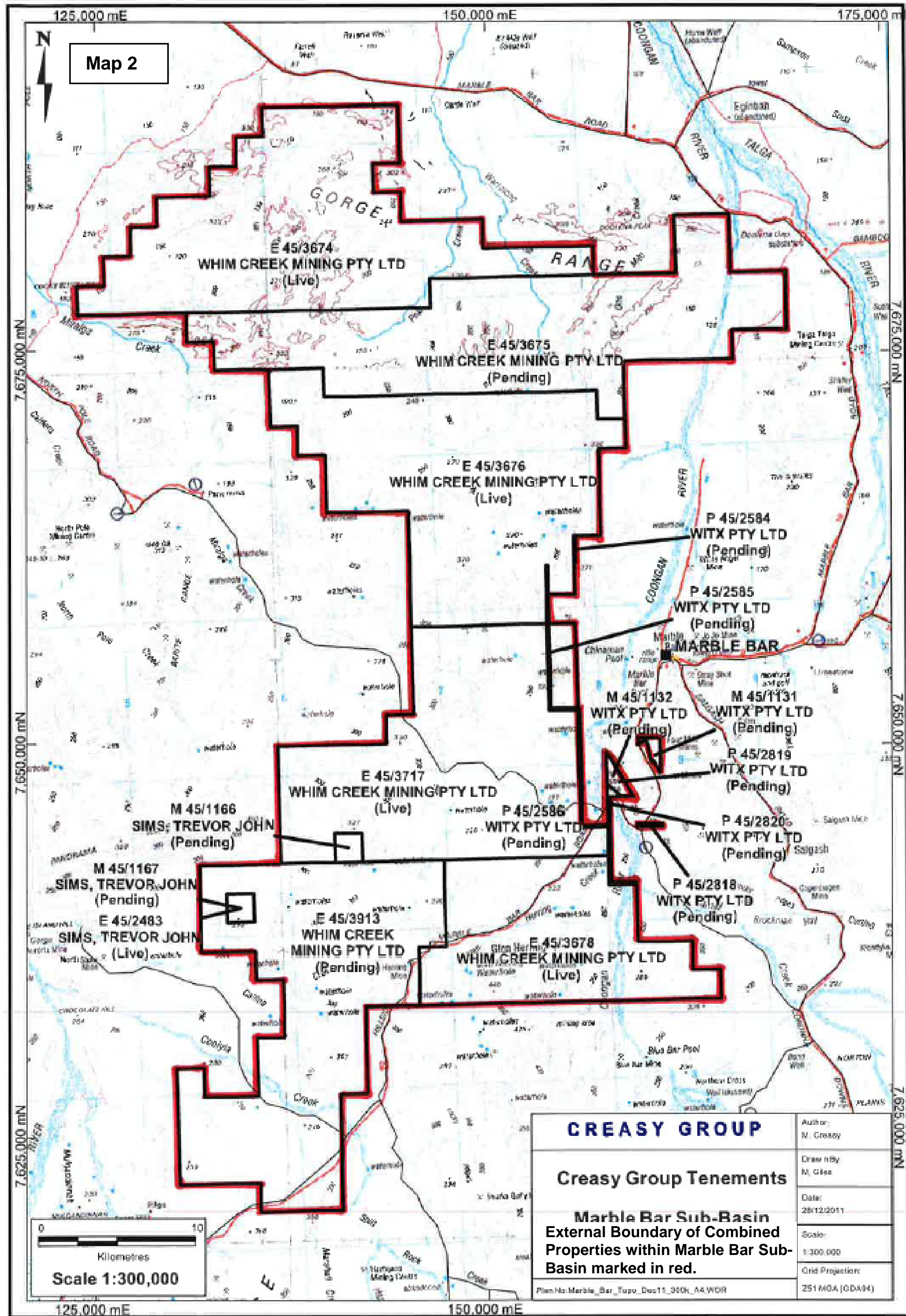
ANNEXURE E

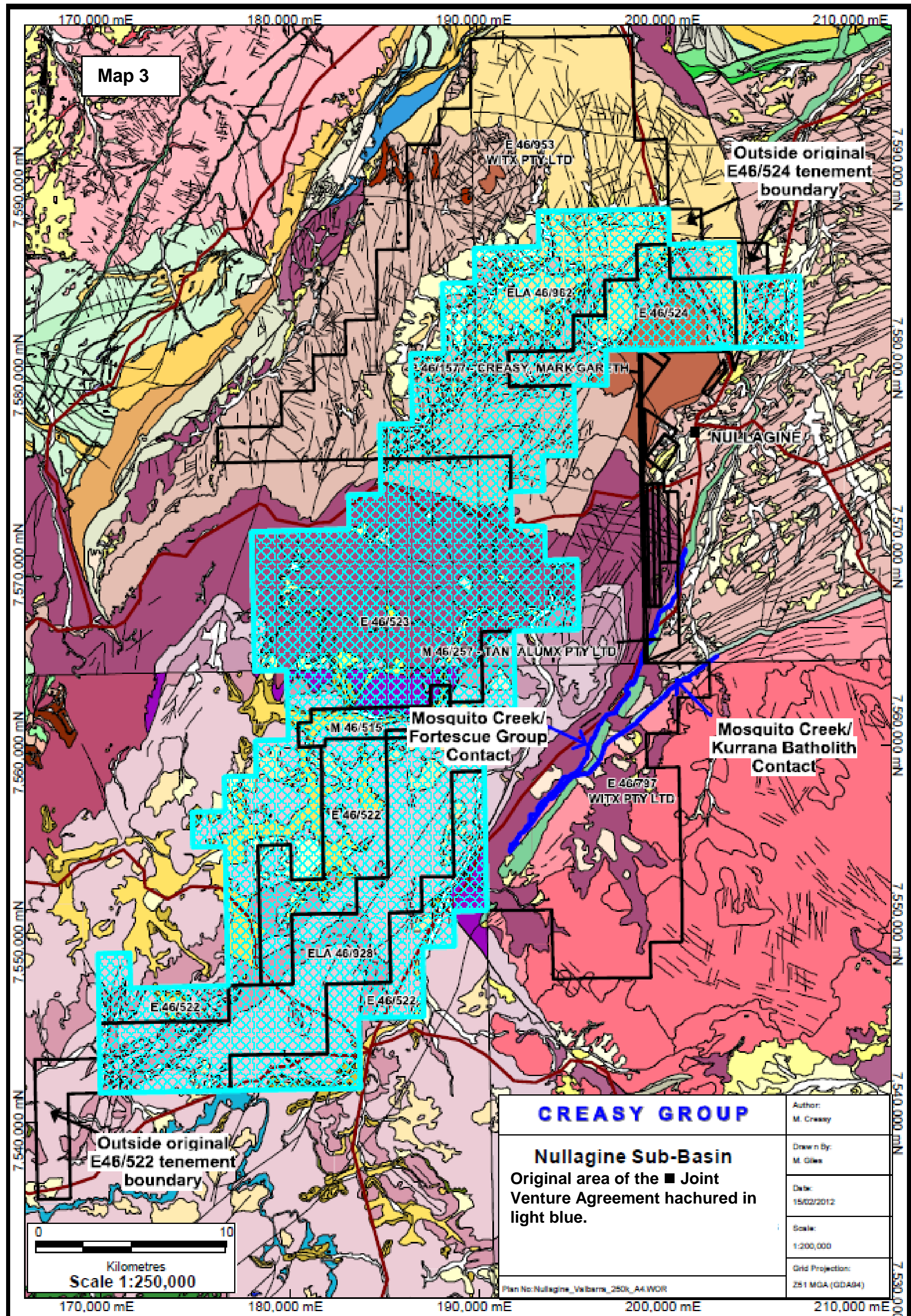
MINING TENEMENT PLANS

See next page



170,000 mE
180,000 mE
190,000 mE
200,000 mE
210,000 mE
Map 1
Outside original E46/524 tenement boundary
NULLAGINE
Mosquito Creek/ Fortescue Group Contact
Mosquito Creek/ Kurrana Batholith Contact
Outside original E46/522 tenement boundary
7,590,000 mN
7,580,000 mN
7,570,000 mN
7,560,000 mN
7,550,000 mN
7,540,000 mN
7,530,000 mN
0
10
Kilometres
Scale 1:250,000
CREASY GROUP
Nullagine Sub-Basin
External Boundary of Combined Properties within Nullagine Sub-Basin marked in red. Includes original area of ■ Joint Venture Agreement. Shows boundaries of Mosquito Creek Gold Rights.
Author: M. Creasy
Draw n By: M. Giles
Date: 15/02/2012
Scale: 1:200,000
Grid Projection: Z51 MGA (GDA94)
Plan No:Nullagine_BC_Iron1_250k_A4.WOR


Map 2
125,000 mE
150,000 mE
175,000 m
7,675,000 mN
7,650,000 mN
7,625,000 mN
GORGE
RANGE
E 45/3674
WHIM CREEK MINING PTY LTD
(Live)
E 45/3675
WHIM CREEK MINING PTY LTD
(Pending)
E 45/3676
WHIM CREEK MINING PTY LTD
(Live)
P 45/2584
WITX PTY LTD
(Pending)
P 45/2585
WITX PTY LTD
(Pending)
MARBLE BAR
M 45/1132
WITX PTY LTD
(Pending)
M 45/1131
WITX PTY LTD
(Pending)
P 45/2819
WITX PTY LTD
(Pending)
E 45/3717
WHIM CREEK MINING PTY LTD
(Live)
P 45/2586
WITX PTY LTD
(Pending)
P 45/2820
WITX PTY LTD
(Pending)
M 45/1166
SIMS, TREVOR JOHN
(Pending)
M 45/1167
SIMS, TREVOR JOHN
(Pending)
P 45/2818
WITX PTY LTD
(Pending)
E 45/2483
SIMS, TREVOR JOHN
(Live)
E 45/3913
WHIM CREEK
MINING PTY LTD
(Pending)
E 45/3678
WHIM CREEK MINING PTY LTD
(Live)
CREASY GROUP
Creasy Group Tenements
Marble Bar Sub-Basin
External Boundary of Combined Properties within Marble Bar Sub-Basin marked in red.
Author: M. Creasy
Drawn By: M. Giles
Date: 28/12/2011
Scale: 1:300 000
Grid Projection: Z51 MGA (GDA94)
Kilometres
Scale 1:300,000


Map 3
170,000 mE
180,000 mE
190,000 mE
200,000 mE
210,000 mE
E 46/953
WITX PTY LTD
Outside original
E46/524 tenement
boundary
ELA 46/962
E 46/524
E 46/1577 - CREASY, MARK GARETH
NULLAGINE
E 46/523
M 46/257 - TANTALUMX PTY LTD
Mosquito Creek/
Fortescue Group
Contact
M 46/515
Mosquito Creek/
Kurrana Batholith
Contact
E 46/797
WITX PTY LTD
E 46/522
ELA 46/928
E 46/522
E 46/522
Outside original
E46/522 tenement
boundary
Kilometres
Scale 1:250,000
CREASY GROUP
Nullagine Sub-Basin
Original area of the ■ Joint
Venture Agreement hachured in
light blue.
Author:
M. Creasy
Drawn By:
M. Giles
Date:
15/02/2012
Scale:
1:200,000
Grid Projection:
Z51 MGA (GDA94)
7,590,000 mN
7,580,000 mN
7,570,000 mN
7,560,000 mN
7,550,000 mN
7,540,000 mN