

Crown Minerals Act 1991

Sections 25 and 29A

Minerals Exploration Permit 60311

I, ILANA ROBYN MILLER, National Manager Minerals, Energy and Resource Markets, acting pursuant to sections 25 and 29A of the Crown Minerals Act 1991 and acting pursuant to delegated authority under section 41 of the State Sector Act 1988, grant to:

MATAKANUI GOLD LIMITED (Permit Operator)

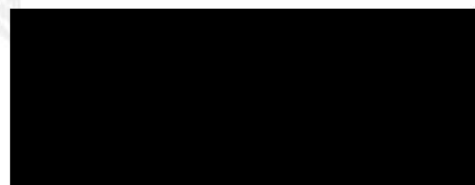
the exclusive right to explore for antimony, copper, garnet, gold, ilmenite, lead, rare earth elements, silver, tungsten and zinc in the land described in Schedule 2.

This minerals exploration permit is granted for a term of 5 years commencing on 13 April 2018.

This permit is a Tier 2 permit unless and until a change to the tier status of the permit takes effect in accordance with section 2B or 2D of the Crown Minerals Act 1991.

This permit is granted subject to the Crown Minerals Act 1991 and all regulations made under that Act, and the conditions of the permit.

DATED this 13th day of April 2018



ILANA ROBYN MILLER

Schedule 1

General Conditions

RIGHTS GRANTED BY THIS PERMIT

- 1 The permit holder has the right to prospect for the specified minerals, in the permit area.
- 2 The permit holder has the right to explore for the specified Crown-owned minerals in the permit area.

GOOD INDUSTRY PRACTICE

- 3 The permit holder must make all reasonable efforts to explore and delineate the mineral resource potential of the land to which the permit relates in a proactive and efficient manner in accordance with this permit and good industry practice.

COMPLIANCE AND CONSENTS

- 4 In carrying out activities under this permit, the permit holder must:
 - (a) comply with the Crown Minerals Act 1991 (Act) and all other relevant legislative requirements;
 - (b) obtain any consents and approvals required under the Resource Management Act 1991, the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 and any other applicable Acts; and
 - (c) in accordance with section 33A of the Act, obtain confirmation from the chief executive that WorkSafe has given its approval or consent before carrying out an activity under the permit that requires the approval or consent of WorkSafe (in respect of the requirements of the Health and Safety at Work Act 2015 or regulations made under that Act).

WORK PROGRAMME CONDITIONS

- 5 Where the permit holder is required to commit to work pursuant to the permit, the permit holder must satisfy the chief executive that the permit holder can fulfil that commitment.

RELINQUISHMENT OBLIGATIONS

- 6 In addition to any other relinquishment requirement imposed in accordance with the Act, the permit holder must (where required) relinquish an area of the permit determined in accordance with the Act and the Minerals Programme if an extension of duration is granted.
- 7 Where the permit holder is required to relinquish part of the permit area, the permit holder must submit to the chief executive a map of the proposed relinquishment area not later than 28 days before the relinquishment obligation is due.

SUBCONTRACTING

- 8 The permit holder is not discharged from any obligation arising under this permit by contracting a third party to perform the relevant obligation.

FEES

- 9 The permit holder must pay annual fees and any other applicable fees relating to this permit, in accordance with the relevant regulations.

ROYALTIES

- 10 In the event that minerals are produced from the permit area, the permit holder must notify the chief executive as soon as practicable.
- 11 The permit holder will be liable for payment of a royalty to the Crown calculated in accordance with the Crown Minerals (Royalties for Minerals Other than Petroleum) Regulations 2013.
- 12 In the event that royalties become payable under the permit, the Minister will determine the points of valuation for royalty calculation following consultation with the permit holder.
- 13 The permit holder must report and pay any royalties due in accordance with the relevant regulations.

REPORTING

- 14 The permit holder must submit reports to the chief executive in accordance with the relevant regulations.

ACTIVITIES OF OTHER OPERATORS IN THE PERMIT AREA

- 15 The permit holder must not unreasonably interfere with the activities of any other persons lawfully operating in the permit area.

RESTORATION

- 16 On completion of activities in the permit area, the permit holder must carry out restoration of the permit area in accordance with all regulatory requirements, consents and good industry practice.

Schedule 2

The Land to Which the Permit Relates

Land Area: 2274.120 hectares
Regional Council: Otago Region
Territorial Authority: Central Otago District

Description of Land Area:

All that area of land as shown in the attached map and more particularly identified in the spatial database held by the chief executive.





Schedule 3

Minimum Work Programme

- 1 Within 36 months of the commencement date of the permit, the permit holder shall (to the satisfaction of the chief executive):
 - (a) complete a programme of geochemical sampling;
 - (b) complete a programme of geological mapping;
 - (c) identify drill targets; and
 - (d) provide the chief executive with a report detailing all work completed during this stage of exploration, and the results of that work, including submission of digital data in conjunction with QAQC information and data sufficient to demonstrate levels of accuracy and precision.
- 2 Within 60 months of the commencement date of the permit, the permit holder shall (to the satisfaction of the chief executive):
 - (a) complete a programme of drilling for a minimum of 500 metres;
 - (b) if results warrant, complete a mineral resource estimate; and
 - (c) provide the chief executive with a report detailing all work completed during this stage of exploration, and the results of that work, including submission of digital data in conjunction with QAQC information and data sufficient to demonstrate levels of accuracy and precision.