



Appendix H:
Application for a Mining Lease over the Balstrup Fault
ZZ Exploration Pty Ltd, 2005



Tasmania

RECEIVED
17 SEP 2005

DEPARTMENT of
INFRASTRUCTURE,
ENERGY and RESOURCES

MINERAL RESOURCES TASMANIA

5 September 2005

Mr David Tanner
Managing Director
ZZ Exploration Pty Limited
GPO Box 1603
HOBART TAS 7001

Enquiries: Geoff Green
Phone: (03) 6233 8335
Fax: (03) 6233 8338
Email: ggreen@mrt.tas.gov.au
Your Ref:
Our Ref: 5GRG021:AB

Dear Mr Tanner

I refer to your letter of 19 August 2005 commenting on my intention to recommend to the Minister for Infrastructure, Energy and Resources that he refuse the grant of Mining Lease Application (MLA) 5M/2005.

You are advised that I will not place my recommendation before the Minister until the matter of the revocation of Exploration Licence 30/2002 has been resolved by the Mining Tribunal.

Yours sincerely

Dr AV (Tony) Brown
DIRECTOR OF MINES

COPY

ZZ EXPLORATION Pty Ltd

ABN 45 092 488 214

19 August 2005

Director of Mines
Mineral Resources Tasmania
P.O. Box 56
ROSNY PARK
TAS 7018

Attention: Dr A.V. Brown

Dear Sir,

RE: MINING LEASE APPLICATION 5M/2005

I refer to your letter dated 2 August 2005 with respect to your intention to recommend to the Minister for Infrastructure, Energy and Resources that he refuse Mining Lease application 5M/2005.

I note in your letter that you claim 'that the application for a lease is an attempt to circumvent the clear intent of the Minister'.

This claim is not correct and is at odds with the *Mineral Resources Development Act 1995 (MRDA)* which states under section 71 (1) The holder of an exploration licence or a retention licence has the exclusive right to mark out and apply for a lease in respect of (a) the area or part of the area of land comprised in the licence; and (b) the minerals specified. While we are aware of the Minister's intention regarding revocation of EL 30/2002, this fact should not preclude ZZ Exploration from applying for a mining lease over a small part of the licence area.

I also refer to your claim that you believe ZZ Exploration is unable to satisfy section 75 (3) (a), (d) and (e) under the *MRDA*. This is a contradiction to the progress achieved between ZZ Exploration and MRT with respect to application ML 2M/2005 whereby a 12 month period has been granted to address these concerns.

The primary objective of ZZ Exploration has always been on exploring and proving minable extensions of the known Devonian granite-related deposits extending from the Comstock Mining Leases within EL 30/2002. To clarify this, a recent resource estimation and classification from geological consultant Dr John Cottle (Cotlco Pty Ltd) has concluded, according to the Australian Joint Ore Reserve Committee (JORC) code, an inferred resource of 4.6Mt @ 5.7%Zn, 3.3%Pb and 35g/tAg for Balstrup Fault. This report was submitted to you on the 1 March 2005 as appendix 4 from ZZ Exploration's 2004 Annual Report.

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GPO Box 1603 Hobart Tasmania 7001

Tel: (03) 6231 9339
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web site: www.zeehanzinc.com.au

ZZ EXPLORATION Pty Ltd

ABN 45 092 488 214

Please also be aware that part of Dr Cottle's resource estimation and classification for the Balstrup Fault, extends beneath 5M/2005.

ZZ Exploration therefore request MRT for the extension of existing Oceania Tasmania's mining lease boundaries to incorporate 5M/2005. A mining plan will be developed during the 12 month application and assessment period.

If you have any further questions in relation to this matter, please don't hesitate to contact me at the Hobart office on 6231 9339. I expect a reply at your earliest convenience so we can move forward with this project.

Yours faithfully,



David Tanner
Managing Director
ZZ Exploration Pty. Ltd.

Encl. Attachment A -Technical resources available to carry out a mining plan.

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ATTACHMENT A

**Qualifications of staff & contractors responsible for
planning, conducting and reporting**

Name	Position/Title	Qualifications
<i>Company Directors</i>		
Mr David Tanner	Director, Zeehan Zinc Limited, Oceania Tasmania Pty Ltd, & ZZ Exploration Pty Ltd	<p>David Tanner is Managing Director of Zeehan Zinc Limited and a Director of Bass Energy Pty Ltd. Mr Tanner has a Bachelor of Engineering Degree from the University of Tasmania and is a Chartered Engineer. Mr Tanner has a background in mining and civil engineering having worked on major oil, mineral, power and construction projects in Australia and internationally. He is a Fellow of the Australian Institute of Company Directors, Tasmania.</p> <p>David has also been closely involved with development of ZZL to its present position with particular focus on engineering and metallurgical processing aspects.</p>
Mr Malcolm Bendall	Chairman, Zeehan Zinc Limited, Director, Oceania Tasmania Pty. Ltd, & ZZ Exploration Pty Ltd.	<p>Malcolm Bendall is Chairman of Zeehan Zinc Limited, Great South Land Minerals Limited and Bass Resources. Mr Bendall has been active in the Tasmanian mining industry for over 20 years as a mine manager, explorationist and entrepreneur.</p> <p>Mr Bendall is a Fellow of the Institute of Company Directors Tasmania and is well known to industry groups both locally and interstate. Mr Bendall is a prominent member of the Full Gospel Business Men's Fellowship International, serving first as Secretary and then President of the Hobart Chapter.</p> <p>Malcolm has been a significant driving force behind getting ZZL to the present position of being about to commence production and his knowledge of and experience with exploration in Tasmania remain available to add value to ZZL.</p>
Mr Stephen Powell	Director Zeehan Zinc Limited, GSLM and Managing Director of Hartz Group.	<p>Hartz Group are one of Tasmania's largest manufacturers of fruit juices and mineral waters. Mr Powell took over management in 1980, and has expended operations into national and international markets. The Group has won numerous industry awards including New Exporter of the Year.</p>

Company Secretary		
Miss Nicole Chesterman	Company Secretary, Zeehan Zinc Limited.	Miss Chesterman is also Company Secretary for Great South Land Minerals Limited and is completing undergraduate studies in Accounting & Law. Ms Chesterman has over 15 years work experience in the fields of Marketing and Finance.
Senior Management		
Mr Paul Heath	Mine Geologist, Zeehan Zinc Limited, Oceania Tasmania, Exploration Geologist for ZZ Exploration Pty Ltd and Environmental Manager for Zeehan Zinc Limited	Mr Heath has 5 years Geological field experience in Tasmania and is employed by Oceania Tasmania Pty Ltd. He has also been consulting to ZZ Exploration, Zeehan Zinc Limited and Great South Land Minerals Limited. Mr Heath has a Bachelor of Science with Honours in Geology. He has also majored in Botany and completed a Certificate of Horticulture.
Consultants		
Mr Simon Youd	Mine Manager for the Comstock Mine, Owner of Comet Enterprises Pty Ltd.	Simon Youd (formerly of Barmingo and Henry Walker) was appointed Mine Manager of Zeehan Zinc Limited in August, 2001. Simon started mining at Rosebery in 1983 and has had over 20 years experience in the mining industry throughout Australia, having worked as a Shift Boss, Foreman, Superintendent and Mine Manager for the last 15 years. He is well known and respected throughout the mining industry as a capable and effective manager.
BDR Consulting Pty Ltd	Consultant Project Managers for Zeehan Limited.	Rob Braunack, Charles Pywell
Coffey Geoscience Pty Ltd	Mine Design	
Esker Milling and Processing Pty Ltd	Metallurgy	Mr Nick Mooney
Tasmanian Drilling Services Pty Ltd	Drilling	Mr Mick McGregor
Thompson and Brett Consulting Engineers	Environmental	Tailing dam design
Benmore Exploration Pty Ltd	Geology	Mr Simon Tear
Anderson & Schwab Australia Limited	Specialist to undertake an independent review of mineral assets	Review and valuation of mineral assets.
Cotlco Pty Ltd	Resources Estimation and Classification	Dr John Cottle is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and meets the requirements of a competent person as set out in the Australian Joint Ore reserve Committee (JORC) code.
UHY Haines Norton	External Auditors	



Tasmania

RECEIVED
03 AUG 2005

DEPARTMENT of
INFRASTRUCTURE,
ENERGY and RESOURCES

MINERAL RESOURCES TASMANIA

02 August 2005

ZZ Exploration Pty Limited
PO Box 1603
HOBART TAS 7001

Attention: David Tanner

Enquiries: Dennis Burgess
Phone: (03) 6233 8341
Fax: (03) 6233 8338
Email: dburgess@mrt.tas.gov.au
Your Ref:
Our Ref: 5DRB101:DS 5M/2005

Dear Mr Tanner

APPLICATION FOR MINING LEASE - COMSTOCK

I refer to your application for a mining lease adjacent to leases operated by you at Comstock. The application has been given the number 5M/2005 for reference purposes only.

I regret that it is my intention to recommend to the Minister for Infrastructure, Energy and Resources that he refuse the application.

The grounds for my recommendation are that I believe that the application for a lease is an attempt to circumvent the clear intent of the Minister at a meeting on 8 June 2005 when he advised you that he was proceeding with revocation of exploration licences 20/2002 and 30/2002 because he was not satisfied with your failure to meet expenditure commitments.

I also believe that you are unable to satisfy section 75 of the *Mineral Resources Development Act 1995* in that you are not able to demonstrate:

- the existence of a sufficient quantity of minerals to justify mining;
- that an appropriate mining plan is in place; and
- that ZZ Exploration Pty Ltd has sufficient financial and technical resources to carry out a mining plan.

You may if you wish contact me in writing by close of business on 19 August 2005 to show cause why I should not proceed with my recommendation.

Yours sincerely

Dr A V (Tony) Brown
DIRECTOR OF MINES

ZZ EXPLORATION Pty Ltd

ABN 45 092 488 214

7 July 2005

Registrar of Mines
Mineral Resources Tasmania
PO Box 56
ROSNY PARK TAS 7018

Attn: Mr Dennis Burgess

Dear Sir,

RE: Application for Mining Lease

Please find attached ZZ Exploration Pty Ltd application for a Mining Lease surrounding a partial area within EL30/2002.

Should you require any further information to meet your specific requirements, please contact me at our Hobart office.

Yours faithfully,



David A Tanner
Managing Director
ZZ Exploration Pty Ltd

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GPO Box 1603 Hobart Tasmania 7001

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Commonwealth Bank
Commonwealth Bank of Australia

MURRAY ST HOBART TAS

Date 7. 7. 2005

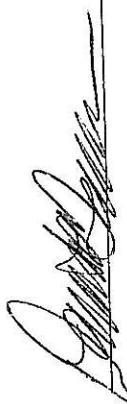
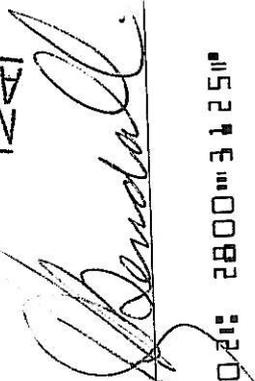
NOT NEGOTIABLE
A/C PAYEE ONLY

Pay MINERAL RESOURCES TASMANIA

The sum of FOUR HUNDRED + SIXTY EIGHT DOLLARS

\$ 468-00

ZZ EXPLORATION PTY LTD

⑈000407⑈ 067⑈002⑈ 2800⑈3125⑈

Mineral Resources Tasmania

ABN 36 388 980 563

<http://www.mrt.tas.gov.au>

Form No. M1

Tasmania

Mineral Resources Development Act 1995

Section 70, 106

Application for Mining Lease

CLIENT ID:

TENEMENT ID:

ML No.:

(Office Use Only)

DETAILS OF APPLICANT(S)

1. Full name(s) or Company Name(s) of applicant(s) and percentage interest:

Surname or company name	A.C.N.	Given Name/s	%
ZZ Exploration Pty Ltd	ABN 45 092 488 214		100
(If insufficient space please attach list)			100

2. Postal address for Service of Notices:

PO Box 1603

Hobart

Tasmania

Postcode:

7001

Email Address

gslm@gslm.com.au

Phone No.:

Fax No.: (03) 6231 9338

Mobile No.:

3. Name and address of Principal contact:
* Note 1

David Tanner

PO Box 1603

Hobart

Postcode:

7001

Email Address

gslm@gslm.com.au

Phone No.: (03) 6231 9339

Fax No.: (03) 62319338

Mobile No.: 0417 354 412

OFFICE USE ONLY

REGISTRY USE		CASHIERS USE		DATA MANAGEMENT	
RECEIVED AT	Hobart / Launceston	Total Amount Paid	\$	AREA AVAILABLE	<input type="checkbox"/> Yes <input type="checkbox"/> No
TIME	am/pm	Receipt No.:	WITHIN MINING TENEMENT
DATE	/ /	Cost Allocations:		CHECKED
ENTERED IN REGISTER		-Application Fee	892010.45.4603	Initial & Date
Initial & Date	/ /	-Rental (Susp. A/c)	311110.34.4919		/ /
			\$		
		CASHIER			
		Initial & Date			
			/ /		

* see attached information sheet

APPLICATION DETAILS

5. What was the date and time the land subject to this application was marked out?	Date	7/7/2005 @ 4.15 pm	
6. Is the land applied for situated within an Exploration Licence or Retention Licence <u>not</u> held by you. * Note 2		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
	TICK	Number(s)	Holder(s)
Exploration Licence	All Minerals <input checked="" type="checkbox"/> Other <input type="checkbox"/>	EL 30/2002	ZZ Exploration Pty Ltd
Retention Licence	<input type="checkbox"/> <input type="checkbox"/>		
7. Area applied for	47 hectares		
8. Is surface area required?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	If No Go to Question 9
8A. Surface area required	Whole <input checked="" type="checkbox"/>	Part <input type="checkbox"/>	47 hectares
Why is surface area required? e.g. mining, dams, treatment plant, spoil heaps, conveyors etc.			
Extract Zn-Pb-Ag minerals from open-cut to 50 m depth			
Nearby Comstock crusher and associated Plant.			
			Go to Question 10
9. If no surface area is required give details of the adjoining granted mining lease/s held by you which will enable you to gain access to the area applied for in this application.			
Mining Lease Number/s		Holders	
10. Term applied for	23 years		
What are the reasons for the term nominated?			
Under the present mining rate and forecast profit, a mine life of at least 23 years is anticipated.			
Inferred Resource – 4.6 Mt, mine rate at 200,000 t per annum			
10a. Is this an application for a storage lease under Section 106?	No		
11. What are the reasons for the area and shape of the land applied for? (Note 6)			
Continuation of the development of an open-cut mine to 50m deep along the Balstrup Fault.			
12. What is the estimated expenditure on the lease during the first 3 years?			
Year 1	\$ 100,000 includes exploration, mining, milling, and tailings disposal.		
Year 2	\$ 100,000 includes exploration, mining, milling, and tailings disposal.		
Year 3	\$ 100,000 includes exploration mining, milling, and tailings disposal.		

* see attached information sheet

BACKGROUND LAND DETAILS

13. Provide:
 (i) a description of all parcels of land including easements the whole or part of which are the subject of this application;
 (ii) the landowner's name and address for each parcel of land; and
 (iii) which parcels are within the boundaries of the surface area applied. * Note 3

Description of Parcel of Land	Owner's Name and Address	Surface Area
Title Reference/Plan No.: EL 30/2002 Tenure: Exploration Licence Land District: Montagu Locality: Vicinity of Zeehan Current Usage: Crown Land/State Forest	Name: ZZ Exploration Pty Ltd Address: PO Box 1603 Hobart Postcode: 7001	Whole <input checked="" type="checkbox"/> Part <input type="checkbox"/> None <input type="checkbox"/>
Description of Parcel of Land	Owner's Name and Address	Surface Area
Title Reference/Plan No.: Tenure: Land District: Locality: Current Usage:	Name: Address: Postcode:	Whole <input type="checkbox"/> Part <input type="checkbox"/> None <input type="checkbox"/>

14. Provide:
 (i) a description of all parcels of land including easements the whole or part of over which access is required; and
 (ii) the landowner's name and address for each parcel of land.
 (If it is the same parcels of land as above, state 'as above')

Description of Parcel of Land	Owner's Name and Address	Surface Area
Title Reference/Plan No.: 43M/85 & 123M/1947 Tenure: Mining Lease Land District: Montagu Locality: Vicinity of Zeehan Current Usage: Crown Land/State Forest	Name: Oceania Tasmania Pty Ltd Address: PO Box 1603 Hobart, Tasmania Postcode: 7001	
Description of Parcel of Land	Owner's Name and Address	Surface Area
Title Reference/Plan No.: Tenure: Land District: Locality: Current Usage:	Name: Address: Postcode:	

IF INSUFFICIENT SPACE PLEASE ATTACH LIST

* see attached information sheet

COMPENSATION AGREEMENT DETAILS

15. Is a compensation agreement required? * Note 4

YES

NO

If No Go to Question 16

16. Why is compensation not required. e.g. Applicant is owner of land (proof of ownership is required to be lodged) or application is on Crown Land.

Application is on Crown Land, State Forest

APPLICATION DETAILS

17. What is the general locality of the area of this application?
e.g. 15 kilometres south east of Zeehan

5 kilometres west of Zeehan

18. Does this application form part of an ongoing project?

YES

Go to Question 19

NO

Go to Question 20

19. Project Description/Name

Securing additional resources for the Zeehan Zinc Comstock Mine Gravity Plant.

20. Local Government(s)

(Local Government refers to either the City or Council responsible for any town planning schemes covering this claim application)

West Coast Council

21. Specify the Category of Minerals and/or purpose for which this Mining Lease is sought.

Note: Category 1

(i.e. metallic minerals and atomic substances)



Category 2

(i.e. coal and peat and oil shale)



Category 3

(i.e. construction minerals- stone, clay & sand)



Category 4

(i.e. petroleum products except oil shale)



Category 5 (a)

(i.e. industrial minerals)



Category 5 (b & c)

(i.e. precious and semi-precious stones)



Category 6

(i.e. geothermal substances)



Specify Principal Commodities Sought / Purpose

...Cu, Pb, Zn, Ag

.. Silica

... Building Stone

.. Oil / Gas

...Sn, W, Mo

.. Gemstones

... Crushed Stone

.. Plant Site

...Ni, Cr, Pt/Os/Ir

.. Dolomite

... Clay

.. Dam Site

... Gold

.. Oil Shale

... Sand

.. Tailings Disposal

... Limestone

.. Coal

... Gravel

.. Road Easement

... Other (specify).....

LOCATION DESCRIPTION

22. Describe the location of the Datum Post for the land applied for.
(Fully describe this reference point if possible so that it can be accurately located.)
e.g. Intersection of Bulgobac Creek and the Murchison Highway

200m NW from the intersection of Trial Harbour Rd and the Comstock Tramway.

In which corner of the lease is the Datum Post located? e.g. NW corner

South-west corner of Mining Lease 43M/1985

Australian Metric Grid coordinates for Datum Post:

**357 445 mE
5360 891 mN**

* see attached information sheet

ACCESS

23. Is access to this application via a dedicated road that is within or abutting the surface area?

YES

Read Below

NO

Go to Question 24

What is the description of the dedicated road to be used for access?
e.g. Zeehan Highway

5 km SW along Trial Harbour Road from Zeehan.

Go to Question 25.

24. Describe the proposed access.

What is the width of the access required?

20

metres

What is the description of the start point?

e.g. At a point on the Zeehan Highway 2.5 km NW of the Henty River crossing.

200m west along the Comstock Tramway (from the intersection of Trial Harbour Rd and Comstock Tramway). Additionally, access via various 4WD tracks SW of the Application area.

What is the description of the end point? e.g. southern boundary of the surface area.

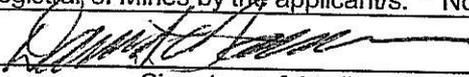
North-western boundary of the surface area.

Describe the access from the start point to the end point or provide a map.

Various 4WD tracks and the Comstock Tramway. See attached map.

SIGNATURES

25. Applications may be personally lodged or delivered to the office of the Registrar of Mines by the applicant/s. * Note 7



Signature of Applicant/Authorised Person

7th July 2005

Date

I/We, the applicant/s, authorise

to lodge this application and to make any alterations, changes or corrections to this form as may be necessary in respect of any matter which may arise or be revealed by the processing of this application at the time of lodgement.

Signed by the said

Full Name of all Applicants

Signatures of all Applicants

Date

* see attached information sheet

CHECKLIST

26. The following must accompany this application:

Please Tick

(a) a statement, acceptable to the Minister:

(i) outlining the mining program proposed and the method of its operation or any other use proposed for the land and an indication of when operations are expected to commence; and

(ii) proposals for any infrastructure requirements that will or may be necessary to enable the mining program to proceed, or additional activities to be carried on to work out the infrastructure requirements

(b) A separate statement, acceptable to the Minister detailing the financial and technical resources of the applicant.

(c) sketch map/s or other graphic representation acceptable to the Mining Registrar setting out:

(i) the boundaries of the land the subject of this application;

(ii) the location of the Datum Post;

(iii) surface area;

(iv) the proposed access

(d) proof of identity of the applicant/s;

Individual — Copy of Drivers Licence, Passport etc.

Company — Australian Companies Number (A.B.N.)

(e) Prescribed fees: Application Fee ~~\$456.00~~ \$468

NOTE: (i) Annual rent of \$15.68 p/ha, p.a. Minimum \$313.50 p.a. (includes GST)
A GST compliant invoice for rental will be issued prior to the application being granted.

(ii) Annual rent is not payable where lease applicant is the registered landowner.

(f) a preliminary Environmental Impact Information form that includes details of:

(i) environmental impact on and in the vicinity of the land the subject of this mining lease application

(ii) means of protecting the environment;

(iii) progressive and final rehabilitation of the land.

27. The Minister may notify the applicant to undertake or cause to be undertaken a study into the environmental impact of any mining or other activities proposed and to submit an acceptable environmental management plan before consideration of the grant of a mining lease.

NOTE: - An Environmental Management Plan (EMP) may relate to all Mining Leases within a mining project.

— Guidelines and advice regarding preparation of the EMP can be obtained from:

- (i) Mineral Resources Tasmania, or;
- (ii) Department of Primary Industries, Water and Environment.

APPLICATION FOR MINING LEASE INFORMATION SHEET

General

It would be in the interest of an applicant for a mining lease to contact the Registrar of Mines or an Inspector of Mines prior to lodging an application. Early discussion with the Registrar can save a lot of time as the procedures required when lodging the application can be fully explained and any problems that may arise solved before the application is made.

You should keep in mind that you have 7 days to lodge the application after you have completed the pegging of the lease area.

Pursuant to Regulation 6, you are required to post a Notice of Marking Out on the datum post of the land.

The Registrar of Mines will display a copy of the Notice of Marking Out on the notice board at his office.

After assessment of the application, the applicant for a mining lease may be required to undertake a study into the environmental impact of any mining or other activities proposed and to submit an acceptable environmental impact statement.

Upon the closing date for the receipt of objections to the application, the Mining Registrar will refer the application and any objections lodged to the Mining Tribunal for its consideration. The Mining Tribunal can require a court hearing into the objection(s) before making a recommendation to the Minister.

NOTES

The form has certain areas marked *Note 1, *Note 2 etc. The following notes are supplied to assist in completing the form and should be read in conjunction with the form.

*1 APPLICANT DETAILS

One applicant should be nominated to deal with correspondence from the Department and to whom any notices are to be sent. Correspondence will not be sent to all applicants.

*2 PRIORITY OF TENURE

If the area of the lease application is situated within an exploration licence or retention licence not held by the applicant/s for the lease, where the licence is for the same minerals as the lease application, you will require the written consent of the holder of the licence. **IF THIS CONSENT IS REFUSED OR NOT PROVIDED TO THE REGISTRAR OF MINES WITHIN 14 DAYS OF APPROVAL BEING GIVEN THEN THE MINING LEASE APPLICATION WILL BE REJECTED.**

*3 AREA AND SHAPE OF LAND

The area of land to be comprised in a lease is not limited in size but generally will be determined by the size and location of known mineral reserves, the availability of land under the Act. And may include land for the establishment of treatment plants, freshwater dams, ore stockpiles, tailings dams and any other infrastructure associated with the mining operation.

Generally it is preferable that mining leases be in the shape of squares or rectangles, with boundaries based on either magnetic or grid north. Where it is impractical or inefficient to have boundaries located on a strict magnetic / grid based datum applicants should consult with Mineral Resources Tasmania to discuss acceptable alternatives.

Roads, rivers or private property boundaries may also be used as mining lease boundaries where it is impractical to follow the strict requirement.

*4 **LAND DESCRIPTION**

If possible, evidence from the Lands Titles Office of the Department of Environment and Land Management in relation to the parcels and owners of land should be submitted with the application.

If applicable, the background tenure of the parcels of land in which the lease application is situated, including the access land, should be described as in the following examples:

(Purchased)		(Crown Land)	
Title Reference/Plan No.:	24478 /2	Title Reference/Plan No.:	-
Tenure:	Private Property	Tenure:	State Forest - Multiple Use Forest Land
Land District:	Devon	Land District:	Cornwall
Locality:	Beaconsfield	Locality:	Fingal
Current Usage:	Rural / Residential	Current Usage:	Extractive Industry

The "surface area" column is to indicate to what extent the parcel of land is covered by surface area.

*5 **COMPENSATION**

Sections 144 and 145 require that compensation be determined either by the filing, with the Registrar of Mines, of a compensation agreement between the applicant and each person who is the owner of the land included in the lease application or any access to the mining lease land, or by determination of the Mining Tribunal.

However if the applicant for the mining lease is registered as the owner of the land, compensation is not required but proof of ownership is necessary. If the owner of the land does not hold all the interest in the mining lease then compensation will be required in respect of the other holders. If all the owners of the land do not hold an interest in the mining lease then compensation will be required in respect of the other owners.

*6 **EXCLUSION ZONES (RESTRICTED LAND)**

Pursuant to Section 79 the holder of a lease shall not explore or carry out mining operations on private land which has on it any dwelling or other substantial building, or:

- (a) Within 100 metres of the surface of -
 - (i) any natural lake, artificial lake, dam, reservoir, water producing well or artificial pond; or
 - (ii) any dwelling or substantial building.

except with the written consent of the owner of the land.

The owner has the right to withhold consent for this land and then the surface **CANNOT** be accessed by the holder of the mining lease.

If the consent of the landowner has not been obtained prior to the lodgement of the application, and you intend to seek the consent, it should be noted that the written consent must be lodged with the Registrar of Mines prior to granting of the lease.

*7 **SIGNATURES**

If an agent is signing the application form on behalf of an applicant or applicants, the agent must produce written evidence of his authority to sign the form and act for the applicant/s.

Where the applicant is a company, the application form should be signed in accordance with the Articles of Association of the company.

Applications may be personally lodged or delivered to the office of the Registrar of Mines by the applicant(s). However, a person (who need not necessarily be the applicant or one of the applicants) may be authorised by the applicant(s) to lodge the application and to make any alterations, changes or corrections to the application form as may be necessary in respect of any matter that may arise or be revealed by the processing of the application at the time of lodgement. The name of the person authorised should be stated on the form and that person must sign the form.

It is recommended that applications not personally lodged be sent to the Registrar of Mines by a courier service or by certified/registered mail.

ADDRESS FOR CORRESPONDENCE AND LODGEMENT OF FORMS

**Registrar of Mines
Mineral Resources Tasmania**

Postal Address:
PO Box 56
ROSNY PARK TAS 7018

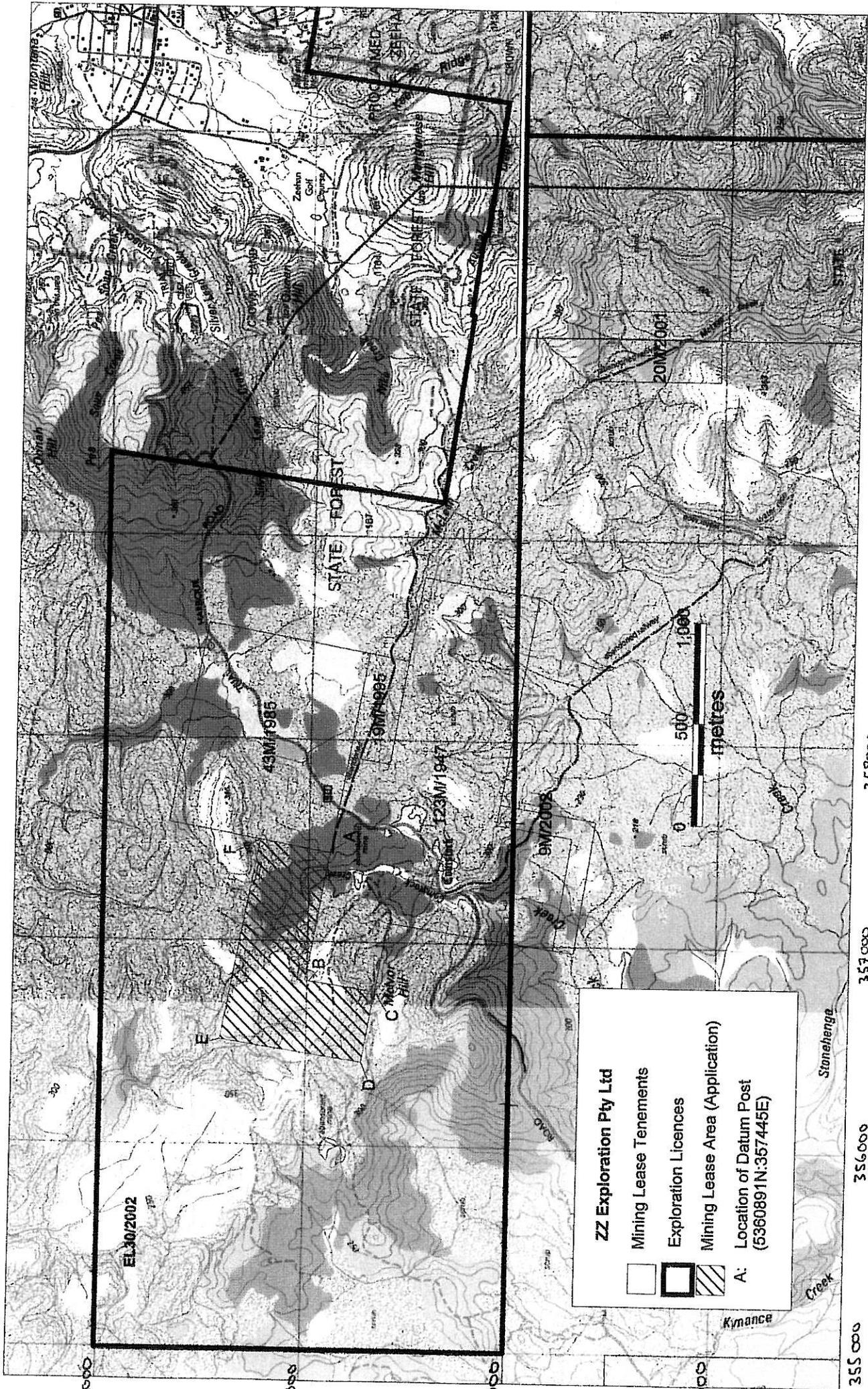
Street Address:
Cnr. Gordons Hill Road
& Bligh Street
ROSNY PARK TAS 7018

**Telephone: (03) 6233 8341 or (03) 6233 8407
Facsimile: (03) 6233 8338**

FURTHER ADVICE MAY BE OBTAINED BY CONTACTING:

Mining Inspectors at:	Rosny Park	
	HOBART	(03) 6233 8356
or		(03) 6233 8320
	Reece House	
	BURNIE	(03) 6434 6284

TASMANIA 1:25 000 SERIES



355 000 356 000 357 000 358 000 359 000 360 000 361 000

HEEMSKIRK 3436 DUNDAS 3636
TRIAL 3435 OCEANA 3635

FIGURE 1

Coordinates for Mining Lease Application			
	Northing	Easting	
A	5360891	357445	
B	5361003	356815	
C	5360663	356763	
D	5360724	356417	
E	5361416	356520	
F	5361234	357507	

ALLAN STEEL
Level 3
65 Murray Street
HOBART TAS 7000

Remove this top section if desired before framing

Certificate of Registration on Change of Name



This is to certify that

BASS BORON PTY LTD

Australian Company Number 092 488 214

did on the thirteenth day of August 2002 change its name to

ZZ EXPLORATION PTY LTD

Australian Company Number 092 488 214

The company is a proprietary company.

The company is limited by shares.

The company is registered under the Corporations Act 2001 and is taken to be registered in Tasmania and the date of commencement of registration is the fourteenth day of April, 2000.

Issued by the
Australian Securities and Investments Commission
on this thirteenth day of August, 2002.

David Knott
Chairman

CERTIFICATE

To be posted on land

Mineral Resources Tasmania

Form No.M2

Mineral Resources Development Act 1995

NOTICE OF MARKING OUT OF MINING LEASE

Date of Marking Out:	7 JULY 2005	Area (ha):	47
For whom marked out and Address:	Z3 EXPLORATION Pty Ltd PO BOX 1603 HOBART 7001		
Position of Notice (eg. NW corner):	EXTRACT AND MINRE 2 INC / LEAD / SILVER		
Purpose:	SE CORNER - LOCATION A : 5360841N : 557445E		
Category or Type of Mineral:	Name, Signature and Address of Person Marking Out:		
Signature:	Address: 3/128 WARRWICK ST		
Name: PAUL HEATH	W/EST HOBART 7000		
	(Please Print)		

PLEASE READ CAREFULLY: In order to comply with the Act and Regulations, Notice of marking out, application for lease, prescribed fees and a plan showing the position of the datum post and approximate boundaries of the land must be lodged with the Registrar within 7 days of marking out. The Registrar on being satisfied there are reasonable grounds may allow further time.

PLEASE READ OTHER SIDE

Mineral Resources Tasmania

Form No. M3

Mineral Resources Development Act 1995

NOTICE TO REGISTRAR : MARKING OUT OF MINING LEASE

Declaration of person marking out

I HEREBY give notice that I did on the 7th day of JULY, 2005,

markout, in the name and on behalf of

ZZ EXPLORATION PTY LTD, an area of 47 hectares
as a mining lease, situated at COMSTOCK, for the following category or type of
minerals CATEGORY 1 (METALLIC).

The notice is posted at the LOCATION A (FIGURE 1) angle of the area marked out.
(5360891N : 357445E)

Signature: [Signature]

Address: 3/128 WARWICK ST

Name: PAUL HEATH

WEST HOBART 7000

(Please Print)

PLEASE READ CAREFULLY: In order to comply with the Act and Regulations, notice of marking out, application for lease, prescribed fees and a plan showing the position of the datum post and approximate boundaries of the land must be lodged with the Registrar within 7 days of marking out. The Registrar, on being satisfied there are reasonable grounds, may allow further time.

Marking Out

6.

- (1) A person is to mark out land in respect of an application for a lease by—
 - (a) erecting on one of the angles of the land a post that—
 - (i) is not less than 10 cm across each way; and
 - (ii) projects not less than one metre from the ground; and
 - (b) affixing to the post a legible and durable notice stating the following:
 - (i) the purpose of the lease;
 - (ii) any category or type of mineral to be covered by the lease;
 - (iii) the area of the land;
 - (iv) the position of the notice in relation to the land;
 - (v) the date of marking out;
 - (vi) the name and address of the applicant for the lease;
 - (vii) the name and address of the person marking out the land.
- (2) Instead of erecting a new post for marking out, a person may use an existing tree or an existing post that—
 - (a) is not less than 10 cm across each way; and
 - (b) projects not less than one metre from the ground.
- (3) An applicant for a lease is to lodge with the Registrar—
 - (a) a notice in an approved form of the marking out; and
 - (b) a plan, in duplicate, showing the position of the datum post and approximate boundaries of the land.
- (4) A notice is to be lodged with the Registrar within—
 - (a) 7 days after the marking out; or
 - (b) 7 days after giving public notice of the application in accordance with any conditions the Director determines under section 72(4) of the Act; or
 - (c) any further period the Registrar may allow.
- (5) The area and boundaries of the land are to be calculated from the datum post.