

**PLAN FOR ACCELERATING EXPLORATION (PACE) - MINERALS
FUNDING AGREEMENT (PACE MINERALS : ROUND 1)
2027 - 2030**

INDICATIVE AGREEMENT ONLY*

BETWEEN

**MINISTER FOR ENERGY AND MINING
("Minister")**

-AND-

**GRANTEE PTY LTD
(ACN *** ***)
("Grantee")**

**CROWN SOLICITOR
Level 17, 10 Franklin Street
Adelaide SA 5000**

***THIS DOCUMENT IS INDICATIVE ONLY. NO PARTY WILL BE LEGALLY BOUND UNLESS AND UNTIL THIS DOCUMENT IS EXECUTED BY THE PARTIES AND ANY ACTIONS TAKEN IN ANTICIPATION OF SUCH FORMAL EXECUTION IS AT THE RISK OF THE PERSON TAKING THEM.**

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION.....	2
2.	PROVISION OF FUNDING	6
3.	GST	6
4.	REPAYMENT EVENTS	6
5.	CONSEQUENCES OF REPAYMENT EVENT	7
6.	TERMINATION	8
7.	EFFECT OF ENDING THIS CONTRACT	8
8.	GRANTEE'S REPRESENTATIONS	8
9.	GRANTEE'S WARRANTIES	8
10.	GRANTEE'S OBLIGATIONS AND UNDERTAKINGS	9
11.	INSURANCE	10
12.	PROVISION OF INFORMATION	10
13.	FINANCIAL STATEMENTS.....	11
14.	CONTRACT DISCLOSURE AND PUBLICITY	11
15.	INTELLECTUAL PROPERTY	11
16.	CONFIDENTIAL INFORMATION	12
17.	FORCE MAJEURE	13
18.	AUTHORISATIONS.....	14
19.	RECTIFICATION OF DEFECTS IN THE AGREEMENT	15
20.	SEVERANCE	15
21.	NOTICE	15
22.	COSTS	15
23.	AUDITOR GENERAL	15
24.	PROPER LAW.....	16
25.	JURISDICTION OF COURTS.....	16
26.	COMPLIANCE WITH LAW	16
27.	NO MUTUAL LIABILITY	16
28.	NO ASSIGNMENT BY THE GRANTEE.....	16
29.	NO WAIVERS BY THE MINISTER.....	16
30.	MODIFICATION.....	16
31.	ENTIRE AGREEMENT	16
32.	CONSENTS AND APPROVALS	17
33.	COUNTERPARTS	17
34.	SET OFF.....	17
35.	TIME IS OF THE ESSENCE	17
1.	FUNDING	22
2.	EXPLORATION ACTIVITIES.....	22
3.	GRANTEE ADMINISTRATIVE COSTS EXCLUDED.....	23
1.	GRANTEE CONTRIBUTION	24

SCHEDULE

ANNEXURE A FUNDING

ANNEXURE B GRANTEE'S OBLIGATIONS AND UNDERTAKINGS

ANNEXURE C GRANTEE'S PROPOSAL

AGREEMENT dated

day of

202*

BETWEEN:

MINISTER FOR ENERGY AND MINING a body corporate pursuant to the *Administrative Arrangements Act 1994* (SA), acting through the Department for Energy and Mining, of Level 4, 11 Waymouth Street, Adelaide 5000 in the State of South Australia (the “**Minister**”)

AND

GRANTEE PTY LTD (ACN * ***)** of insert address (the “**Grantee**”). **BACKGROUND**

- A. The Plan for Accelerating Exploration - Minerals (“**PACE Minerals**”) was announced 4 June 2026 as a South Australian Government initiative to make a major contribution to achieving South Australia’s economic growth objectives.
- B. The PACE Minerals embraces innovation, collaboration and capacity building and will reinforce South Australia’s international profile as a leader in mining and mineral exploration through the attraction of new investors who are willing to develop and test innovative exploration concepts and technology to help unlock South Australia’s mineral potential. The PACE Minerals will also support South Australia’s growing reputation as a place to successfully undertake collaborative research and development.
- C. This program is designed to stimulate mineral exploration investment in South Australia, and the Grantee has been accepted by the Minister to receive Funding for some or all of the following Exploration Activities (more particularly described in Item 8 of the Schedule):
- 1) exploration drilling, including single deep hole programs or multiple hole programs in frontier terrains, or testing new concepts in other areas (“**Exploration drilling**”);
 - 2) geophysical or geochemical programs, that focus on the application of innovative technology and concepts and/or provide for a significant improvement in the density or quality of data at a district or regional scale (“**Geophysical/geochemical programs**”);
 - 3) regional geophysical or remote sensing programs that bring together multiple tenement holders to focus on applying innovation technology or improving the density or quality of data and data sharing amongst exploration sectors (“**Regional geophysical or remote sensing programs**”)
 - 4) improving data science analytical approaches including innovation in the field of data science such as new Artificial Intelligence/ Machine Learning (AI/ML) analytics that integrate spatial and geological information e.g. geophysical/geochemical/ structural data for resolving new targets in mineral exploration to accelerate discovery (“**Data driven geoscience and spatial analytics**”)
 - 5) increasing sampling and testing of groundwater encountered during mineral exploration – groundwater identification and testing to Environment Protection Authority (EPA) prescribed guidelines (“**Groundwater testing**”); and

- 6) research collaboration and/or technology development, projects that support exploration drilling and geophysical/geochemical programs that will benefit mineral exploration and accelerate discovery ("**Research collaboration**").
- D. The Grantee acknowledges and agrees that the PACE Minerals has been developed to enable growth of the State's mining industry and that all knowledge, information, data, processes and other like materials created or developed pursuant to the Exploration Activities will be released by the Minister to the mining industry and the public more generally, in accordance with this Agreement.
- E. The Minister has agreed to provide the Funding to the Grantee for the purpose of carrying out the Exploration Activities under the PACE Minerals on the terms and conditions of this Agreement.
- F. The Grantee wishes to partake in the PACE Minerals and the Exploration Activities, and acknowledges that the Minister has selected the Grantee to receive Funding in accordance with the terms and conditions of this Agreement.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.0 Definitions

In this Agreement unless the contrary intention is apparent, the following words have the following meaning:

- 1.0.1 "**Actual Total Costs**" means the total operational costs (excluding GST) actually incurred by the Grantee (which includes the Funding plus the Grantee's Contribution) in respect of the Exploration Activities;
- 1.0.2 "**Agreement**" means agreement between the Parties and includes the Schedule and Annexures;
- 1.0.3 "**Business Day**" means any day which is not a Saturday, Sunday or a public holiday in Adelaide, South Australia;
- 1.0.4 "**Commencement Date**" means the date specified in Item 1 of the Schedule;
- 1.0.5 "**Commercialise**" in relation to Intellectual Property Rights means to:
1. manufacture, sell, hire or otherwise exploit a product or process, that uses or incorporates part or all of the Intellectual Property Rights in or of those products or processes; or
 2. provide a service incorporating the Intellectual Property Rights in or of that service; or
 3. license any third party to do any of those things; or
 4. otherwise license or assign the Intellectual Property Rights in any product, process or service,
- regardless of whether any revenue is generated or intended to be generated from the above;
- 1.0.6 "**Company Associate**" means a related body corporate or subsidiary of the Grantee within the meaning of the *Corporations Act 2001* (Cth);
- 1.0.7 "**Completion Date**" means the date specified in Item 2 of the Schedule;
- 1.0.8 "**Confidential Information**" means:

1. information disclosed by or on behalf of a Party that:
 - a. is by its nature confidential or by the circumstances in which it is disclosed is confidential, or
 - b. is designated by the disclosing Party as confidential or identified in terms connoting its confidentiality, and
 2. subject to Item 13 of the Schedule, the Final Report, but does not include this Agreement, or information which is or becomes public knowledge other than by a breach of this Agreement;
- 1.0.9 **“Control”** has the meaning given it in section 50AA of the *Corporations Act 2001* (Cth);
- 1.0.10 **“DEM”** means the Department for Energy and Mining;
- 1.0.11 **“Document”** means any embodiment of any text or image howsoever recorded;
- 1.0.12 **“Expiry Date”** means the expiry date of this Agreement, being the:
1. Completion Date;
 2. date on which the Grantee receives written confirmation from the Minister of the Minister’s acceptance of the Final Report; or
 3. date on which the Grantee receives the last and final payment of the Funding by the Minister,
- whichever occurs last.
- 1.0.13 **“Exploration Activities”** means some or all of the exploration activities set out in Background C of which the Grantee will undertake pursuant to this Agreement as set out and further described in Item 8 of the Schedule;
- 1.0.14 **“Exploration Activity IP”** means all Intellectual Property Rights in and of the Exploration Activities carried out under this Agreement by the Grantee, and includes without limitation all Intellectual Property Rights in and of:
1. the Final Report; and
 2. any other activity, process, information, material or Document which is produced by or generated as a result of the Grantee undertaking the Exploration Activities in accordance with this Agreement.
- 1.0.15 **“Estimated Total Costs”** means the estimated total operational costs (excluding GST) associated with the Exploration Activities, being the Funding plus the Grantee’s Contribution;
- 1.0.16 **“Exploration Drilling”** has the meaning set out in Background C(a);
- 1.0.17 **“Funding”** means the total amount of co-funding that is available to the Grantee for the Exploration Activities as specified in Item 4 of the Schedule upon compliance with the terms of this Agreement, which does not include the Grantee’s Contribution.
- 1.0.18 **“Final Report”** means the final project report more particularly described in clause 1.7.1 1.7.1 of Annexure B;
- 1.0.19 **“Governmental Agency”** means any Commonwealth or State government department, authority, instrumentality or agency;
- 1.0.20 **“Grantee”** means the Grantee more particularly described on page 1;
- 1.0.21 **“Grantee’s Contribution”** means the amount of co-funding that the Grantee must contribute and expend for the Exploration Activities as specified in Item 3 of the Schedule;

- 1.0.22 **“Grantee’s Proposal”** means the Grantee’s proposal for and specification of the Exploration Activities set out in Annexure C;
- 1.0.23 **“Geophysical/geochemical Programs”** has the meaning set out in Background C(b);
- 1.0.24 **“Groundwater testing”** has the meaning set out in Background C(f);
- 1.0.25 **“GST”** means the tax imposed by the GST Law;
- 1.0.26 **“GST Law”** has the meaning attributed in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);
- 1.0.27 **“Insolvency Administration”** means:
1. an administrator is appointed to the Grantee or action is taken to make such an appointment,
 2. the Grantee resolves to be wound up,
 3. an application is made to a court for an order or an order is made that the Grantee be wound up (whether on grounds of insolvency or otherwise),
 4. the Grantee ceases to carry on business,
 5. a receiver or a receiver and manager of property of the Grantee is appointed whether by court or otherwise,
 6. an application is made to a court for an order appointing a liquidator or provisional liquidator in respect of the Grantee or any one of them is appointed, whether or not under an order,
 7. the Grantee enters into a compromise or arrangement with its creditors or a class of them, or
 8. the Grantee is or states that it is unable to pay its debts when they fall due;
- 1.0.28 **“Intellectual Property”** or **“Intellectual Property Rights”** means any patent, copyright, trademark, trade name, design, trade secret, know how, semi-conductor, circuit layout or other form of confidential information, or any right to registration of such rights and any other form of intellectual property right whether arising before or after the execution of this Agreement and the right to registration and renewal of those rights;
- 1.0.29 **Error! Reference source not found. “Law”** means all laws, legislation, statutes, regulations, by-laws, subordinate legislation, ordinances, rules and other forms of statutory instruments or delegated legislation in force in the State of South Australia from time to time including but not limited to the *Mining Act 1971* (SA) and the *Energy Resources Act 2000* (SA);
- 1.0.30 **“Licence”** means the exploration licence number/s listed in Item 10 of the Schedule in relation to the relevant Tenement, which licence was granted pursuant to the *Mining Act 1971* (SA) and in which the Grantee has a registered interest;
- 1.0.31 **“Minister”** means the Minister for Energy and Mining, more particularly described on page 1;
- 1.0.32 **“Milestones”** means the milestones to be achieved and completed by the Grantee in consideration of the Funding, as set out in Item 14 of the Schedule;
- 1.0.33 **“Parties”** means the Minister and the Grantee and **“Party”** means either one of them;

- 1.0.34 **“Payment Options”** means the manner of payment of the Funding as set out in Item 6 of the Schedule;
- 1.0.35 **“Repayment Amount”** means:
1. any portion of the Funding paid to the Grantee which, in the opinion of the Minister, should be repaid to the Minister because:
 - a. that portion of the Funding has been expended for a purpose other than for the Exploration Activities; or
 - b. a Repayment Event has occurred;
 2. any portion of the Funding which has been paid to the Grantee but has not yet been expended by the Grantee for the Exploration Activities or in relation to which a legally binding obligation to expend for the Exploration Activities has not yet been incurred;
- 1.0.36 **“Repayment Date”** means the date upon which the Minister demands payment of the Repayment Amount from the Grantee;
- 1.0.37 **“Repayment Event”** means any of the events described in clause 4;
- 1.0.38 **“Tenement”** means the tenement or tenements described in Item 11 of the Schedule;
- 1.0.39 **“Term”** means the term of this Agreement, being for a term commencing on the Commencement Date and expiring on the Expiry Date, unless varied or terminated earlier by the Parties; and
- 1.0.40 **“State”** means the State of South Australia.

1.1 Interpretation

In this Agreement unless the contrary intention is apparent:

- 1.1.1 the clause headings are for convenient reference only and do not form part of this Agreement;
- 1.1.2 a reference to a clause number is a reference to all its subclauses;
- 1.1.3 a reference to a clause, subclause, or Schedule is a reference to a clause, subclause or schedule of this Agreement;
- 1.1.4 a word in the singular includes the plural and a word in the plural includes the singular;
- 1.1.5 a word importing a gender includes any other gender;
- 1.1.6 a reference to a person includes a partnership and a body corporate;
- 1.1.7 a reference to legislation includes legislation repealing, replacing or amending that legislation;
- 1.1.8 a reference to dollars is a reference to Australian dollars;
- 1.1.9 where a word or phrase is given a particular meaning other parts of speech or grammatical forms of that word or phrase have corresponding meanings;
- 1.1.10 a reference to a Party includes that Party’s administrators, successors and permitted assigns;
- 1.1.11 Where two or more persons comprise the Grantee:
 1. a reference to the Grantee includes each of them; and
 2. the obligations on the part of the Grantee bind them jointly and severally.

- 1.1.12 a reference to a document or agreement includes that document or agreement as novated, altered, supplemented or replaced;
- 1.1.13 no provision or expression is to be construed against a Party on the basis that the Party (or its advisers) was responsible for the drafting of this document; and
- 1.1.14 in resolving inconsistencies in this Agreement:
 - 1. this Agreement (excluding the Schedule and Annexures A, B and C);
 - 2. the Schedule and Annexures A and B; and
 - 3. Annexure C,shall have precedence in that order.
- 1.1.15 The parties acknowledge and declare both that the matters referred to in the Background to this Agreement is true and correct in every material particular and that the Background shall form part of this Agreement.

2. PROVISION OF FUNDING

- 2.1 In consideration of the mutual obligations set out in this Agreement and subject to the terms and conditions of this Agreement:
 - 2.1.1 the Minister agrees to provide the Funding to the Grantee for the Exploration Activities via one of the Payment Options specified in Item 6 of the Schedule; and
 - 2.1.2 the Grantee agrees to expend the Grantee's Contribution towards the Exploration Activities.
- 2.2 The Grantee will receive Funding based on the Grantee Proposal in accordance with the methodology set out in Annexure A and in the manner set out in Item 7 of the Schedule.
- 2.3 For the avoidance of doubt, the Funding is the final total amount of funding available to the Grantee for the Exploration Activities.

3. GST

- 3.1 The parties acknowledge that compliance with obligations or the grant of rights under this Agreement by the Grantee will be a Taxable Supply as defined in the GST Law and the Grantee will be liable to pay GST on the Taxable Supply.
- 3.2 The Minister will pay in addition to the Funding an amount (the "**GST payment**") calculated by multiplying the Funding by the rate at which GST is levied at the time of this Agreement.
- 3.3 If the Funding is payable in instalments, the GST payment will be payable in proportionate instalments.
- 3.4 The Minister is not liable to pay the GST payment or any instalment of the GST payment unless the Grantee has delivered to the Minister a valid Tax Invoice under GST Law, referable to the Funding (or instalment of the Funding) and associated GST payment.
- 3.5 The Grantee acknowledges and represents that it is registered pursuant to the *A New Tax System (Australian Business Number) Act 1999* (Cth) and that the ABN shown at Item 9 of the Schedule in this Agreement as the Grantee's ABN is the Grantee's ABN.

4. REPAYMENT EVENTS

- 4.1 The occurrence of any of the following events are Repayment Events:
 - 4.1.1 if the Grantee is subject to any form of Insolvency Administration;

- 4.1.2 if the Grantee breaches:
1. any of its warranties or representations under this Agreement; or
 2. any of its obligations or undertakings under this Agreement and has not rectified such breach within the time frame specified in a notice given in writing by the Minister to the Grantee requiring rectification of the breach;
- 4.1.3 if the Grantee fails to produce evidence satisfactory to the Minister (in the Minister's discretion), by the timeframes specified in this Agreement, that the Grantee has expended the Grantee's Contribution and or the Funding towards the Exploration Activities;
- 4.1.4 if the Grantee breaches, or fails to comply with (to the Minister's satisfaction), any term of this Agreement, and fails to remedy that breach or non-compliance (to the satisfaction of the Minister in the Minister's discretion) within 14 calendar days of receipt of written notice by the Minister requiring rectification of such breach or non-compliance;
- 4.1.5 if the Grantee fails to achieve and complete a Milestone, to the satisfaction of the Minister in the Minister's discretion, in accordance with Item 14 of the Schedule and the remainder of this Agreement;
- 4.1.6 if a mortgagee enters into possession of any of the Grantee's assets or property in the State or appoints an agent to enter into possession on its behalf;
- 4.1.7 if there occurs any material adverse change in the condition or stability of the Grantee which in the reasonable opinion of the Minister could result in the Grantee being unable to perform its obligations under the Agreement;
- 4.1.8 if there occurs a change in the Control of the Grantee without the previous consent in writing of the Minister, where such change is in the reasonable opinion of the Minister to the detriment of the Minister's interests under this Agreement; and
- 4.1.9 if the Grantee breaches any representations, warranties or obligations made by it under any other agreement the Grantee may have with the Crown in right of the State or any other person;
- 4.1.10 if the Grantee breaches any representations, warranties or obligations made by it under the Grantee's licence and/or lease under the *Mining Act 1971* (SA); or
- 4.1.11 if the Grantee fails to comply with or breaches any Law.

5. CONSEQUENCES OF REPAYMENT EVENT

- 5.1 If a Repayment Event occurs the Minister shall immediately be released from any obligation to advance any unpaid portion of the Funding to the Grantee.
- 5.2 Nothing in subclause 5.1 shall affect the Minister's right to recover any part of the Funding at that time already advanced to the Grantee pursuant to this Agreement, or any other of the Minister's rights under this Agreement which may have accrued pursuant to this Agreement as at the date of the Repayment Event.
- 5.3 Subject to the provisions of this Agreement, if a Repayment Event occurs at any time, then notwithstanding any previous delay or waiver on the Minister's part, the whole of the Repayment Amount shall immediately become due and payable by the Grantee to the Minister as liquidated damages upon demand by the Minister.
- 5.4 The Grantee's obligation to pay the Repayment Amount to the Minister in accordance with this clause 5 shall not be subject to any set off or counterclaim by the Grantee and the Repayment

Amount shall be paid by the Grantee to the Minister free and clear of any withholding of whatever nature.

6. TERMINATION

The Minister may terminate this Agreement immediately upon giving notice in writing to the Grantee if a Repayment Event occurs, in which case clauses 5 and 7 will apply.

7. EFFECT OF ENDING THIS CONTRACT

- 7.1 Any termination of this Agreement by either Party does not affect any accrued right of either Party.
- 7.2 Despite expiry or termination of this Agreement, this clause 7 and clauses 5, 11, 12, 14, 15 and 16 and those clauses that by their nature remain in force, shall survive.

8. GRANTEE'S REPRESENTATIONS

- 8.1 The Grantee represents to the Minister that:
 - 8.1.1 no amendments have been made to the Constitution (if applicable) of the Grantee affecting the power of the Grantee to enter into this Agreement or which may adversely affect the interests of the Minister under this Agreement save as disclosed in writing to the Minister prior to the execution of this Agreement;
 - 8.1.2 the financial statements disclosing the financial position of the Grantee given to the Minister (if any) present a true and fair view of the financial condition of the Grantee as at the Commencement Date and as at the date or dates upon which the Funding are advanced and that there has been no material adverse change in the condition of the Grantee, financial or otherwise, since the giving of those statements; and
 - 8.1.3 all authorisations, approvals, consents, licences, exemptions, filings, registrations and other requirements with respect to the Grantee of governmental, judicial and public bodies and authorities required in connection with the execution, delivery and performance by the Grantee of this Agreement have been obtained or affected or will be obtained or affected within any relevant time or statutory period and are or will be in full force and effect and there has been no default by the Grantee in the performance of any of the terms and conditions thereof.
- 8.2 The Grantee acknowledges that the representations made in this clause 8 have induced the Minister to agree to provide the Funding to the Grantee.
- 8.3 The Grantee acknowledges that each of the above representations shall survive the execution of this Agreement and the provision of the Funding under this Agreement and will be correct and complied with in all material respects on the Commencement Date, the date or dates upon which the Funding are advanced to the Grantee and thereafter as if repeated continuously by reference to the circumstances existing at the time of such repetition except that each reference to accounts shall be construed as a reference to the then latest available annual accounts.

9. GRANTEE'S WARRANTIES

- 9.1 The Grantee warrants to the Minister that:
 - 9.1.1 at the Commencement Date and as at the date or dates upon which the Funding are advanced to the Grantee no Repayment Event has occurred or is occurring;

- 9.1.2 the Grantee is duly incorporated and the Grantee is qualified to carry on the Exploration Activities;
 - 9.1.3 the Grantee has the power to enter into and perform its obligations under this Agreement and has taken the necessary corporate action to authorise the entry into and performance of this Agreement;
 - 9.1.4 there are no threatened actions or proceedings before any Court or other body which will or are likely to materially adversely affect the financial position of the Grantee or its ability to perform its obligations under this Agreement;
 - 9.1.5 this Agreement constitutes legal, valid and binding obligations on the part of the Grantee which are enforceable against it in accordance with its terms;
 - 9.1.6 the Grantee is not in material default under any law, indenture, mortgage, trust agreement or deed or other instrument or arrangement by which it is bound;
 - 9.1.7 the information contained in the accounts, certificates, schedules or other documents supplied to the Minister relating to the Grantee is to the best of the Grantee's knowledge and belief true and accurate in all respects and the opinions and forecasts expressed therein (if any) are held *bona fides* and have been made on a reasonable basis and there are no material facts known to the Grantee relating to the Grantee which could or might affect the willingness of the Minister to enter into an agreement with the Grantee in terms similar to the terms of this Agreement which have not been disclosed to the Minister;
 - 9.1.8 the Grantee has the right to undertake mining operations (if applicable) on the Tenement pursuant to the *Mining Act 1971*; and
 - 9.1.9 the Grantee has the right to undertake the Exploration Activities in accordance with the Laws and for the purposes of this Agreement and in doing so will not be in breach of any Law.
- 9.2 The Grantee acknowledges that the warranties made in this clause 9 have induced the Minister to agree to provide the Funding to the Grantee.
- 9.3 The Grantee acknowledges that each of the above warranties shall survive the execution of this Agreement.

10. GRANTEE'S OBLIGATIONS AND UNDERTAKINGS

- 10.1 The Grantee must not, except with the prior consent in writing of the Minister, apply the Funding for purposes other than to costs associated with the Exploration Activities and not to other costs including administration costs or legal costs or costs associated with land access.
- 10.2 The Grantee must ensure that any activity carried out by any person pursuant to the Licence in connection with the Grantee's use of the Funding complies with the Laws.
- 10.3 The Grantee must complete the Exploration Activities on or before the Completion Date, unless otherwise agreed in writing by the Minister in the Minister's discretion.
- 10.4 Upon the Minister's request, the Grantee will permit the Minister to inspect all buildings, fixtures, fittings, machinery, implements, utensils, stock-in-trade and other things related to the Exploration Activities and belonging to the Grantee or in which the Grantee may have an interest of whatever nature.
- 10.5 The Grantee shall not pay any part of the Funding to, or apply any part of the Funding for the benefit of any Company Associate without first having obtained the written consent of the Minister.
- 10.6 The Grantee must not assign, transfer, convey, novate, sell or otherwise dispose of or part with possession of (in whole or in part) any real or personal property in relation to which the

Funding have been applied by the Grantee without first obtaining the written approval of the Minister.

- 10.7 Where the Grantee applies to any Governmental Agency for the provision of any form of funding or financial assistance in connection with the activities of the Grantee contemplated by this Agreement, the Grantee must immediately upon making the application notify the Minister in writing of the making of that application and of the identity of the Governmental Agency to whom the application is made.
- 10.8 The Grantee undertakes to the Minister that:
- 10.8.1 it will promptly inform the Minister in writing within a reasonable timeframe on the Grantee becoming aware of or when the Grantee ought reasonably to have become aware of the happening of a Repayment Event;
 - 10.8.2 it will keep separate accounts and financial records in relation to the Funding;
 - 10.8.3 it will provide the Minister with such information as the Minister may reasonably require to enable him or her to monitor the Grantee's performance of its undertakings and obligations under this Agreement; and
 - 10.8.4 all records and other documentation required to be kept by the Grantee under this Agreement and under any other legislation or statutory instrument will upon the giving of fourteen (14) calendar days' notice be available to the Minister for inspection at Adelaide at all times during normal business hours.
- 10.9 In addition to the reporting requirements set out in Annexure B, the Grantee must provide written reports to the Minister providing such information as the Minister requests on the performance and progress of the Exploration Activities at intervals reasonably required by the Minister.
- 10.10 The Grantee will comply with the obligations and undertakings specified in Annexure B.
- 10.11 The Grantee will carry out the Exploration Activities in accordance with the Grantee's Proposal, which forms Annexure C to this Agreement, and will seek the Minister's consent to any variations to the Exploration Activities as described in the Grantee's Proposal, which consent may be agreed or withheld in the Minister's absolute discretion.

11. INSURANCE

- 11.1 The Grantee must maintain in force in its own name and at its own expense insurance in respect of the whole of its assets and undertakings (including but not limited to the assets acquired by the Grantee with the Funding) with insurers credit rated A- or better by ratings agency Standard and Poors (or equivalent), against all such risks as are usually insured against by persons and companies pursuing a business enterprise of the same or a similar nature as the Grantee's business, for the full replacement cost of those assets and undertakings.
- 11.2 The Grantee must also comply with its obligations under the *Return to Work Act 2014 (SA)*.
- 11.3 The Grantee must apply any monies received for any claim against a policy of insurance required by subclause 11.1 to be maintained, towards the repair or replacement of the property insured, unless the Minister approves otherwise.

12. PROVISION OF INFORMATION

- 12.1 The Grantee agrees that the Minister must be satisfied that the Funding is expended and used solely for the Exploration Activities and purposes outlined in this Agreement.
- 12.2 During the Term (and after the Expiry Date if reasonably required by the Minister), the Grantee must provide to the Minister any information related to the Grantee's expenditure of the Funding as is requested by the Minister or its auditors or financial advisers from time to time, including but not limited to the following:

- 12.2.1 those materials and information set out and described in the Milestones, in Item 6 of the Schedule and in the Annexures generally;
- 12.2.2 progress reports on the Exploration Activities which must include details of any changes to the authorised scope of the Exploration Activities (if applicable); and
- 12.2.3 an expenditure report, which provides itemised details of expenditure of the Funding, including the amount spent, justification of the way in which the expenditure contributes to the Exploration Activities, and copies of invoices, receipts and other evidence to support that expenditure.

13. FINANCIAL STATEMENTS

- 13.1 If required by the Minister, the Grantee must prepare financial statements at the end of each financial year during the Term, or within 30 days of the Completion Date, if the Term is less than one year.
- 13.2 The financial statements must be prepared in the nature of a general purpose report (unless otherwise required by the Minister) in accordance with Australian accounting standards and signed by a senior officer holder such as the Chief Executive Officer of the Grantee (if applicable) and submitted to the Minister.
- 13.3 The Minister may direct that the Grantee's accounts be audited at the Grantee's cost, and the Minister may specify the minimum qualifications that must be held by the person appointed to conduct the audit.

14. CONTRACT DISCLOSURE AND PUBLICITY

- 14.1 The Grantee agrees to the disclosure of this Agreement in accordance with Department of the Premier and Cabinet Circular PC027 - Disclosure of Government Contracts (as amended from time to time) in either printed or electronic form and either generally to the public or to a particular person as a result of a specific request.
- 14.2 Nothing in this clause derogates from:
 - 14.2.1 the Minister's powers, rights or obligations conferred upon the Minister pursuant to the *Mining Act 1971* (SA) or pursuant to any other Law;
 - 14.2.2 the Grantee's obligations under any other provision of this Agreement; or
 - 14.2.3 the provisions of the *Freedom of Information Act 1991* (SA).
- 14.3 Subject to any requirement at Law, the Grantee must not, without the prior written approval of the Minister, issue or participate in any media release or publicity in relation to the terms and conditions on which the Funding were advanced to the Grantee.
- 14.4 The Grantee agrees to participate in all promotional or publicity activities in relation to the Agreement as reasonably required by the Minister.
- 14.5 The Grantee must ensure that the Grantee's employees, agents and subcontractors are aware of and comply with the provisions of this clause.

15. INTELLECTUAL PROPERTY

- 15.1 The Parties acknowledge and agree that:
 - 15.1.1 all Intellectual Property Rights in and of the Exploration Activity IP shall vest in the Grantee at the time of its creation, and the Grantee shall have and continue in perpetuity to have sole, unfettered and exclusive ownership of the Intellectual Property Rights in and of the Exploration Activity IP (including all right and entitlement to Commercialise the Exploration Activity IP); and

- 15.1.2 the Minister will do all acts and things necessary to vest the Intellectual Property Rights in the Exploration Activity IP in and to the Grantee.
- 15.2 Nothing in this Agreement affects the ownership of Intellectual Property Rights in the Intellectual Property of either Party which was created or devised or vested in or to that Party before the Commencement Date ("**Background IP**").
- 15.3 The Grantee grants to the Minister a perpetual, non-exclusive, non-transferable, non-assignable, fee-free licence and right to use the Intellectual Property Rights in and to the Exploration Activity IP for the purposes of:
- 15.3.1 publishing, advertising, sharing or otherwise releasing the Exploration Activity IP to the mining industry and the public more broadly and to other State Government agencies, departments or instrumentalities of the Crown;
 - 15.3.2 furthering the activities and functions of the Minister, PACE Minerals, DEM and the State generally; and
 - 15.3.3 otherwise performing the Minister's rights and obligations under this Agreement,
- such purposes strictly excludes to Commercialise the Exploration Activity IP.
- 15.4 The Grantee grants to the Minister a perpetual, non-exclusive, non-transferable, non-assignable, fee-free licence and right to use:
- 15.4.1 the Grantee's Background IP; and
 - 15.4.2 all Intellectual Property Rights created or developed by third parties in the course of performing this Agreement, not limited to the Intellectual Property Rights created or developed pursuant to the Research Collaboration,
- to the extent required to give full force and effect to the licence granted to the Minister by the Grantee pursuant to clause 15.3.
- 15.5 The Grantee represents and warrants to the Minister that it has all right, title and interest to grant the licences and rights to the Minister in this clause 15, and the Grantee acknowledges and agrees that the Minister has relied on the warranty in this clause in its execution of this Agreement.
- 15.6 The Grantee acknowledges and agrees that:
- 15.6.1 if the Minister requests certain information (which may include the Intellectual Property Rights of the Grantee) from the Grantee pursuant to the *Mining Act 1971* or other relevant Law, the Grantee must provide that information to the Minister within a reasonable time as advised by the Minister at the time of the request; and
 - 15.6.2 there will be no breach of this Agreement or infringement of Intellectual Property Rights if the Minister requests, obtains and discloses information (including the Intellectual Property Rights) of the Grantee pursuant to the *Mining Act 1971* or other Law.

16. CONFIDENTIAL INFORMATION

- 16.1 Subject to this Agreement, the Party to this Agreement to whom Confidential Information is disclosed ("**Receiving Party**") must not disclose Confidential Information to any person without first obtaining the written consent of the Party disclosing the information ("**Disclosing Party**").
- 16.2 There will be no breach of the obligations of the Receiving Party under this Agreement if the Confidential Information is legally required to be disclosed or permitted to be disclosed by this Agreement.
- 16.3 Without limiting the generality of clause 16.2, the Grantee acknowledges and agrees that:

- 16.3.1 if the Minister requests certain information (including Confidential Information) from the Grantee pursuant to the *Mining Act 1971* or other relevant Law, the Grantee must provide that information (including Confidential Information) to the Minister within a reasonable time as advised by the Minister at the time of the request; and
 - 16.3.2 there will be no breach of the obligations of the Minister under this Agreement if the Minister requests, obtains and discloses information (including Confidential Information) of the Grantee pursuant to the *Mining Act 1971* or other Law.
- 16.4 The Receiving Party may disclose Confidential Information to its employees, advisers, agents, consultants and sub-contractors ("**Authorised Persons**") if:
- 16.4.1 the Authorised Person needs to know the Confidential Information for the performance of his or her duties under this Agreement;
 - 16.4.2 the Receiving Party notifies the disclosure to the Disclosing Party; and
 - 16.4.3 the Receiving Party first makes the Authorised Person aware of the confidential nature of the Confidential Information and requires the employee to treat it confidentially.
- 16.5 Notwithstanding anything else in this Agreement, it is a condition to any permitted disclosure that the Receiving Party must notify the Disclosing Party promptly if the Receiving Party becomes aware of any unauthorised disclosure by a third party. The Receiving Party must give the Disclosing Party all assistance reasonably required by that party in connection with any proceedings which it may institute against any persons for the disclosure.
- 16.6 The Receiving Party indemnifies the Disclosing Party against any loss or damage of third parties for which the Disclosing Party may become liable as the result of:
- 16.6.1 any disclosure or use of the Confidential Information in breach of this Agreement by the Receiving Party; or
 - 16.6.2 any unauthorised disclosure or use by an Authorised Person of Confidential Information.
- 16.7 The Grantee acknowledges that the Minister may disclose Confidential Information:
- 16.7.1 to Parliament, the Governor, Cabinet or a Parliamentary or Cabinet committee or subcommittee;
 - 16.7.2 to any agency, authority, instrumentality, minister or officer of the State of South Australia to whom it is customary for the Minister to disclose the Confidential Information (whether or not the Minister is legally obliged to do so); or
 - 16.7.3 for the purposes of prosecuting or defending any legal proceedings.
- 16.8 Nothing in this Agreement prevents the Grantee from disclosing the Grantee's information, including but not limited to the results of the Exploration Activities, to the Australian Stock Exchange, in accordance with any legal obligations that the Grantee has to do so. Information so disclosed by the Grantee may also be disclosed by the Minister.

17. **FORCE MAJEURE**

17.1 **Definition**

"**Force Majeure**" means the following events or circumstances:

- 17.1.1 fire, flood, earthquake, elements of nature, acts of God, malicious damage, epidemic, explosion, sabotage, riot, civil disorder, rebellion or revolution;
- 17.1.2 any change of law executive or administrative order or act of either general or particular application of any government, or of any official acting under the

authority of that government, prohibition or restriction by domestic or foreign laws, regulations or policies, quarantine or customs restrictions,

which that party:

17.1.3 did not cause; and

17.1.4 cannot prevent, control or influence,

and the effect of which prevents that party from complying with any of its material obligations under this Agreement.

17.2 The affected party's obligations directly affected by a Force Majeure and any corresponding entitlement of the other party will be suspended to the extent and for so long as the performance of the affected party's obligations are prevented by the Force Majeure.

17.3 The affected party must as soon as it becomes aware of the Force Majeure notify the other party in writing providing details of:

17.3.1 the nature and extent of the obligations affected;

17.3.2 if known, the expected effect of the Force Majeure on the other party;

17.3.3 action that the affected party has taken or will take to avoid or mitigate the expected effect of the Force Majeure; and

17.3.4 details of insurance policies on which the party may be able to rely to compensate or mitigate the financial effect of the Force Majeure.

17.4 The affected party must:

17.4.1 use its best endeavours to prevent, avoid, remedy, work around or overcome the effect of the Force Majeure as quickly as possible through prudent management processes, policies and precautions, including the use of alternative resources, the procuring of goods or services from another source, and work around plans;

17.4.2 keep the other party informed of the continuation and expected duration of the Force Majeure and of measures taken to comply with this clause; and

17.4.3 recommence performance of its obligations as soon as possible without delay after the Force Majeure ceases to affect the affected party's performance under this Agreement.

17.5 If a Force Majeure causes the affected party to allocate limited resources between or among its other customers, the affected party must not place the other party lower in priority to any other similarly effected customer of the affected party.

17.6 During any period in which the affected party is not performing obligations because of a claimed Force Majeure, the other party may (but need not) make alternative arrangements for the performance, whether by another person or otherwise, of any obligation which the affected party is not performing without incurring any liability to the affected party.

17.7 If the affected party is materially unable to perform its obligations under this Agreement by reason of a Force Majeure for a continuous period of nine (9) calendar months, or a cumulative period of three (3) calendar months, then the other party may terminate this Agreement by written notice without prejudice to the terminating party.

18. AUTHORISATIONS

18.1 The Minister may authorise any person whom the Minister selects to exercise any of the Minister's powers or rights under this Agreement.

18.2 The Minister may vary or revoke an authorisation at will.

18.3 Nothing in this clause 18 shall prevent the Minister from exercising any of the Minister's powers or rights under this Agreement.

19. RECTIFICATION OF DEFECTS IN THE AGREEMENT

If any provision of this Agreement is, or becomes defective, and the Minister consequently is unable to enforce any of the Grantee's obligations under this Agreement, and the defect is capable of remedy, the Grantee must do all things and sign all documents which the Minister may reasonably require the Grantee to do or sign to remedy the defect.

20. SEVERANCE

- 20.1 Each word, phrase, sentence, paragraph and clause of this Agreement is severable.
- 20.2 If a court determines that a part of this Agreement is unenforceable, invalid, illegal, void or voidable that court may sever that part.
- 20.3 Severance of a part of this Agreement will not affect any other part of this Agreement.

21. NOTICE

- 21.1 Notice must be in writing and signed either by the Party or by the agent of that Party.
- 21.2 Notice can be given to a Party:
 - 21.2.1 Personally, in which case the notice is deemed to have been received upon delivery;
 - 21.2.2 by pre-paid post, in which case the notice is deemed to be received at the time at which it would be delivered in the ordinary course of the post;
 - 21.2.3 by facsimile transmission, in which case the transmission is deemed to be received when the sending machine confirms notice that it has been sent except if the transmission is not completed until after 4:00pm on a Business Day, in which case the notice will be deemed to be received on the next Business Day;
 - 21.2.4 by email, in which case the email is deemed to be received immediately unless the sender receives a failure to send notification, except if the email is not sent until after 4:30pm on a Business Day, in which case the notice will be deemed to be received at 9:00am on the next Business Day;
 - 21.2.5 as permitted by the *Corporations Act 2001* (Cth) or any other statute or regulation.
- 21.3 The notice details of the parties, being the addresses and contact numbers for service of the parties, are set out in Item 12 of the Schedule.
- 21.4 A Party may from time to time change its address or number for service by notice to the other Party.

22. COSTS

- 22.1 The Grantee must pay, on the basis of a full indemnity, any reasonable costs incurred by the Minister in enforcing the Minister's rights under this Agreement.
- 22.2 The Minister must pay any stamp duty assessable on this Agreement.
- 22.3 Each Party will bear its own costs of and incidental to the negotiation, preparation and execution of this Agreement.

23. AUDITOR GENERAL

Nothing in this Agreement derogates from the powers of the Auditor-General under the *Public Finance and Audit Act 1987* (SA).

24. PROPER LAW

The laws in force in South Australia, including laws with respect to capacity to contract and the manner of performance, apply to this Agreement.

25. JURISDICTION OF COURTS

25.1 The courts of South Australia will have exclusive jurisdiction to determine any proceeding in relation to this Agreement.

25.2 Any proceeding brought by a Party in a Federal Court in relation to this Agreement must be instituted in the Adelaide Registry of that Federal Court and the Parties must not apply to transfer that proceeding to any other Registry of the Federal Court.

26. COMPLIANCE WITH LAW

The Grantee must comply with the laws in force in South Australia in the course of performing its obligations under this Agreement.

27. NO MUTUAL LIABILITY

27.1 Nothing in this Agreement constitutes a partnership, joint venture or association of any kind between the Grantee and the Minister, or renders them liable for the debts or liabilities incurred by each other.

27.2 The Grantee carries out and manages the Exploration Activities solely at its own risk in all things, and releases the Minister from any liability arising from the conduct or management of the Exploration Activities.

28. NO ASSIGNMENT BY THE GRANTEE

The Grantee's rights and obligations under this Agreement are not assignable.

29. NO WAIVERS BY THE MINISTER

29.1 No waiver of any right under this Agreement is effective unless given in writing and signed by the Party waiving its rights.

29.2 A waiver by either Party in respect of a breach of a provision of this Agreement by the other Party is not a waiver in respect of any other breach of that or any other provision.

29.3 The rights and remedies contained in this Agreement are cumulative and not exclusive of any rights or remedies provided at law.

30. MODIFICATION

No addition to or modification of any provision of this Agreement shall be binding upon the Parties unless made by written instrument signed by each Party.

31. ENTIRE AGREEMENT

31.1 This Agreement incorporates the attached Schedule and Annexures.

31.2 This Agreement contains the entire agreement between the Parties with respect to its subject matter.

31.3 This Agreement supersedes any prior agreement, understanding or representation of the Parties on the subject matter of the Agreement.

32. CONSENTS AND APPROVALS

Where the Grantee requires the Minister's consent or approval under this Agreement, the Minister may in its absolute discretion give or withhold its consent or approval (subject to any provision in this Agreement to the contrary) and if giving consent or approval, the Minister may impose any condition on that consent that it considers appropriate and the Minister's consent or approval will not be effective unless it is in writing and signed.

33. COUNTERPARTS

This Agreement may be executed electronically and in any number of counterparts each of which is taken to be an original. All of those counterparts taken together constitute one instrument. An executed counterpart may be delivered by email.

34. SET OFF

34.1 Any amount due and payable by the Grantee to the Minister or the Crown in right of the State pursuant to:

34.1.1 this Agreement;

34.1.2 any other agreement that the Grantee may have with the Crown in right of the State; or

34.1.3 any agreement a Company Associate of the Grantee may have with the Crown in right of the State,

may be set off against any amount due and payable by the Minister to the Grantee under this Agreement.

35. TIME IS OF THE ESSENCE

Time is of the essence in respect of any time, date, or period specified either in this Agreement or in any notice served under this Agreement.

EXECUTED AS AN AGREEMENT

EXECUTED by an authorised representative for)
and on behalf of the **MINISTER FOR ENERGY**)
AND MINING in the presence of:)
)

.....
Witness signature.....
Authorised representative signature.....
Witness position title and name.....
Authorised representative position title and name

EXECUTED by **INSERT GRANTEE PTY LTD**)
(ACN * ***)** in accordance with section 127)
of the *Corporations Act 2001* (Cth) by two)
directors or by one director and the company)
secretary:)

.....
Director signature.....
Director/Company Secretary signature.....
Director name.....
Director/Company Secretary name

SCHEDULE

Item 1	Commencement Date	insert
Item 2	Completion Date	Insert
Item 3	Grantee's Contribution	\$ insert, being an amount not less than the Funding.
Item 4	Funding	\$ insert
Item 5	Breakdown of Funding	(1) Exploration drilling \$ insert (2) Geophysical/geochemical programs \$ insert (3) Regional geophysical or remote sensing programs \$ insert (4) Data driven geoscience and spatial analytics \$ insert (6) Groundwater testing \$ insert (7) Research collaboration \$ insert
Item 6	Payment Options	(1) The Minister will make payment of the Funding to the Grantee in accordance with this Item 6 and the Milestones, within 30 days of receipt of a Tax Invoice by the Grantee with respect of such payment. (2) Subject to Item 6(3) below, the Grantee may at its option request one of the following Payment Options, in writing to the Minister: a. split payment, whereby a percentage of the Funding is payable on receipt and acceptance of an evidenced based Milestone as agreed by the Minister at the time specified in the Milestones, and the remaining balance of Funding payable within 30 days of receipt and acceptance of the Final Report by the Minister (at the completion of the Exploration Activities) ("Split Payment Option"); or b. one final payment of 100% of Funding payable within 30 days of receipt and acceptance of the Final Report by the Minister (at the completion of the Exploration Activities) ("Final Payment Option"). (3) If the Grantee has opted and the Minister has agreed, to receive Funding under: a. the Split Payment Option, the Grantee must expend an amount equal to or more than the: 35) the first payment (together with the equivalent portion of Grantee's Contribution) within 6 months of the Commencement Date; and

		i. the second and final payment (together with the equivalent portion of Grantee's Contribution) within 12 months of the Commencement Date; or b. the Final Payment Option, the Grantee must expend an amount equal to the Funding payable to the Grantee (together with the equivalent portion of Grantee's Contribution) within 12 months of the Commencement Date, unless the Minister approves otherwise on written notice by the Grantee providing a legitimate reason for exceeding these deadlines.
Item 7	Selected Payment Options	The Parties agree that the following Payment Options apply to this Agreement: [delete the inapplicable] Split Payment Option/ Final Payment Option
Item 8	Exploration Activities	The Grantee will undertake the Exploration Activities as set out and described in the Grantee's Proposal in Annexure C and in accordance with the Milestones.
Item 9	Grantee's ABN	Insert
Item 10	Exploration Licence Number	Insert
Item 11	Tenement	Insert
Item 12	Notices	(1) <u>Minister</u> Department of Energy and Mining Minerals and Energy Resources Division Level 4, 11 Waymouth Street, Adelaide SA 5000 GPO Box 320, Adelaide SA 5001 Attention: Program Manager, PACE Minerals Email: DEM.PACEMinerals@sa.gov.au Telephone: +61 8 8463 3000 (2) <u>Grantee</u> Legal Entity Registered address Attention: TBA Email: TBA Telephone: TBA Facsimile: TBA
Item 13	Disclosure of Final Report	(1) Subject to Item 13(2), the Final Report may be disclosed by the Minister 3 months from receipt by the Minister of such Final Report. (2) Nothing in Item 13(1) derogates from or prevents the Minister from disclosing the Final Report (or any content thereof) at any time pursuant to the <i>Mining Act 1971</i> (SA) or any other Law.
Item 14	Milestones	All monetary amounts in the below table are in Australian dollars and are exclusive of GST.

Milestone	Evidence	Funding	Date
Applicant name – Project Milestone descriptor	Split payment option a) Milestone evidence provided and evidence that the Grantee has expended a monetary amount of not less than \$XXX,XXX Final payment option b) Final Report provided and evidence that the Grantee has expended a monetary amount of not less than \$XXX,XXX	a) Subject to the Agreement, the Minister will pay \$XX,XXX 	

ANNEXURE A

FUNDING

1. FUNDING

The Funding available to the Grantee has been determined and approved by the Minister based on the Grantee's Proposal in accordance with this Annexure A (which sets out the various Funding models available under the PACE Minerals).

2. EXPLORATION ACTIVITIES

2.1 Exploration drilling

Subject to clause 2.7 of this Annexure, Funding is available for up to 50% of direct costs for Exploration Drilling including single deep hole programs or multiple hole programs in frontier terrains, or testing new concepts in other areas, to a maximum value of **\$350,000**, with the Grantee's Contribution covering the remaining direct costs.

2.2 Geophysical / geochemical programs

Subject to clause 2.7 of this Annexure, Funding is available for up to 50% of direct costs for Geophysical or geochemical Programs that focus on the application of innovative technology and concepts and/or provide for a significant improvement in the density or quality of data at a district or regional scale, to a maximum value of **\$150,000**, with the Grantee's Contribution covering the remaining 50% of direct costs.

2.3 Regional geophysical or remote sensing projects

Subject to clause 2.7 of this Annexure, Funding is available for up to 50% of direct costs for regional geophysical or remote sensing programs that bring together multiple tenement holders to focus on applying innovation technology or improving the density or quality of data and data sharing amongst exploration sectors, to a maximum value of **\$300,000**, with the Grantee's Contribution covering the remaining 50% of the direct costs.

2.4 Data driven geoscience and spatial analytics

Subject to clause 2.7 of this Annexure, Funding is available for up to 50% of the direct costs for improving data science analytical approaches including innovation in the field of data science such as new Artificial Intelligence/ Machine Learning (AI/ML) analytics that integrate spatial and geological information e.g. geophysical/geochemical/ structural data for resolving new targets in mineral exploration to accelerate discovery up to a maximum of \$50,000, with the Grantee's Contribution covering the remaining 50% of the direct costs.

2.5 Groundwater testing

Subject to clause 2.7 of this Annexure, Funding is available for up to 50% of direct costs associated with increasing sampling and testing of groundwater encountered during mineral exploration – groundwater identification and testing to Environment Protection Authority (EPA) Guidelines, to a maximum of **\$50,000**, with the Grantee's Contribution covering the remaining 50% of direct costs.

2.6 Research collaboration

Subject to clause 2.7 of this Annexure, Funding is available for up to 50% of direct costs for program costs for Research Collaboration and/or technology development projects that support exploration drilling and geophysical/geochemical programs that will benefit mineral exploration and accelerate discovery that are not already covered by other activities in the Proposal, to a maximum of **\$200,000**, with the Grantee's Contribution covering the remaining 50% of direct costs.

2.7 Multiple Activity Proposals

Where multiple eligible exploration activities relate to the same target and or program, co-funding is available for up to 50% of direct costs, to a capped value of **\$350,000**.

3. GRANTEE ADMINISTRATIVE COSTS EXCLUDED

Direct exploration activity costs specifically do not include administration, program management, legal or land access (including native title, heritage or landowner engagement and agreement-making).

DRAFT

ANNEXURE B

GRANTEE'S OBLIGATIONS AND UNDERTAKINGS

1. GRANTEE CONTRIBUTION

- 1.0 This Annexure B operates in addition to the Grantee's other obligations set out in this Agreement, and nothing in this Annexure B limits the operation of the other terms of this Agreement.
- 1.1 The Grantee must expend and contribute the Grantee's Contribution towards the Exploration Activities (which must be comprised of money or funding from sources other than the Funding or any other funds or financial assistance provided by any Governmental Agency) by the Completion Date.
- 1.2 The Grantee must complete the Exploration Activities in accordance with the Milestones and Exploration Activities must commence no later than the dates listed in the Milestones. Any Exploration Activity scheduled to commence after this date must be approved by the Minister.
- 1.3 If the Minister is not satisfied that the Grantee has expended the full Estimated Total Costs or fully completed the Exploration Activities as set out in the Grantee's Proposal and the Milestones by the Completion Date or the relevant Milestone then the Minister may by notice in writing to the Grantee:
- 1.3.1 in the case of the Split Payment Option and the Final Payment Option, reduce the remaining amount of Funding payable to the Grantee to an amount equal to 50% of the Actual Total Costs expended for the Exploration Activities; or
 - 1.3.2 in the case of the Upfront Payment Option, require that the Grantee pay a Repayment Amount to the Minister equal to Funding not expended for the Exploration Activities.
- 1.4 The Grantee's Contribution must be calculated so as to exclude any amount for which the Grantee is entitled to claim an Input Tax Credit, pursuant to the GST Law.
- 1.5 If requested by the Minister the Grantee must provide all financial records to evidence costs claimed as Actual Total Costs.
- 1.6 The Actual Total Costs and the Estimated Total Costs must be comprised solely of operational costs, and must not be comprised of any other costs (including but not limited to administration costs and costs associated with land access, project management, report preparation and other general costs).
- 1.7 **Reporting Requirements**
- 1.7.1 The Grantee must provide a Final Report in accordance with the Milestones, which must include the following information for each Exploration Activity (as applicable):

<u>Exploration drilling</u>	The final report must be prepared in accordance with Mineral Exploration Reporting Guidelines (Mineral exploration reporting) and include all information required in 4.2.6 (Drilling) as amended from time to time, and in addition, include the following information: a) Technical discussion of the project including: i. background, geological setting and previous exploration history;
-----------------------------	--

	ii. any heritage Survey and/or land access work; iii. targeting methodology and modelling; iv. drilling results including down-hole geology and additional work (assays / downhole geophysics, petrology); v. discussion of final results against predicted outcomes; vi. any proposed further work; b) all geoscientific information directly relevant to and arising from the project including: i. geological, geophysical and geochemical information directly relevant to siting of drill holes; ii. geological logs of drill holes iii. geophysical data from drill holes (if any); and iv. all geochemical analyses, petrology and mineralogy from drill holes; c) a description of all rehabilitation at all sites associated with the Project (including but not limited to drill sites, campsites and excavation sites) including: i. a description of completed rehabilitation undertaken; ii. a description of future or scheduled rehabilitation work efforts and monitoring; and iii. representative photographs depicting the results of rehabilitation including before and after photographic images of all drill sites; d) drilling samples must be submitted to the South Australia Drill Core Reference Library within six (6) months of submission of the Final Report, or as otherwise agreed by the Minister in writing. Noting that drilling samples must be submitted to the South Australia Drill Core Reference Library within six (6) months of submission of the Final Report, or as otherwise agreed by the Minister in writing; e) provide timelines and outline how drilling samples will be submitted to the Drill Core Reference Library; and f) separate to the report, provide a detailed table of expenditure and copies of related invoices demonstrating proof of expenditure.
--	---

<u>Geophysical/ geochemical programs</u>	The final report must be prepared in accordance with Mineral Exploration Reporting Guidelines (Mineral exploration reporting) and include all information required in 4.2.5 (Surface geochemistry) 4.2.3 (Geophysics) as amended from time to time, and in addition, include the following information: a) date; b) location; c) sample / data points; d) name of contractor; e) land access and other approvals; f) brief description of conduct of survey; g) separate to the report, provide a detailed table of expenditure and copies of related invoices demonstrating proof of expenditure; and h) next steps.
<u>Regional geophysical or remote sensing programs</u>	The final report must be prepared in accordance with Mineral Exploration Reporting Guidelines (Mineral exploration reporting) and include all information required in 4.2.4 (Remote Sensing) 4.2.3 (Geophysics) as amended from time to time, and in addition, include the following information: a) date; b) location; c) sample / data points; d) name of contractor; e) land access and other approvals; f) brief description of conduct of survey; g) separate to the report, provide a detailed table of expenditure and copies of related invoices demonstrating proof of expenditure; and h) next steps.
<u>Data driven geoscience and spatial analytics</u>	The final report must be prepared in accordance with 4.2.7 (Other Studies) in the Mineral Exploration Reporting Guidelines (Mineral exploration reporting) and as amended from time to time, and in addition must include the following information: a) date; b) study location and co-ordinates of datasets used or generated (datum GDA 2020); c) sample / data points/ data sets used for the data analytics; d) name of contractor/s; e) land access and other approvals if required;

	f) brief description of analysis, models and workflows used with sufficient detail to allow assessment of the robustness and reproducibility of the method; g) separate to the report, provide a detailed table of expenditure and copies of related invoices demonstrating proof of expenditure; and h) next steps specifically, targets generated and future work program.
<u>Groundwater testing</u>	The final report must include: a) A description of the groundwater testing and sampling conducted; b) to be prepared in accordance with 5.2.6 of the Mineral Exploration Reporting Guidelines (available at this link: https://sarigbasis.pir.sa.gov.au/WebtopEw/ws/samref/sarig1/image/DDD/MRGMG13.pdf) as amended from time to time (including analytical results); c) evidence demonstrating sampling conducted in accordance with Environment Protection Authority (EPA) prescribed guidelines; d) results of learnings; and e) separate to the report, provide a detailed table of expenditure and copies of related invoices demonstrating proof of expenditure.
<u>Research collaboration</u>	The final report must include: a) A general description of the research collaboration. i. Total project cost and proof of funding expended - Were any additional funds leveraged due to the PACE Minerals funding? b) Participants. i. Desired outcomes, how will this collaboration benefit mineral exploration and accelerate discovery? ii. Were the outcomes/objectives of the collaboration achieved? If so, will results be promoted/published? If yes, please describe ie. commercialisation of any concepts/devices/technology etc. c) Were there any new collaborations/partnerships formed because of the Funding? If so, with who? (please describe) d) Did any external prizes/accolades/awards result of this collaboration? If yes, please describe. e) Was there an impact on employment – were any new jobs created? Were any career pathways developed? If yes, please describe. i. Has/will this collaboration result in the benefit of additional sectors? e.g. defence, space, hi-tech

	etc. through various technology developed? i.e.. AI/machine learning?
--	--

- 1.7.2 The Final Report (including data formats) must be completed to the satisfaction of the Minister (in the Minister's sole discretion) and must conform to:
1. Mineral Guidelines 13 ([Mineral exploration reporting](#)); and
 2. Mineral Guidelines 18 ([Drill core and Geological sample submission](#)).
- 1.7.3 The Grantee is solely responsible and liable for keeping informed of an implementing any amendments or updates to the materials and documents, including the Mineral Exploration Reporting Guidelines, referred to in this clause 1.7 in undertaking and completing its reporting requirements pursuant to this Agreement.

ANNEXURE C

GRANTEE'S PROPOSAL

To be annexed as consolidated PDF

DRAFT