

Deed of Variation to the
Cowal Gold Mine
Memorandum of
Understanding on Road
Maintenance

Evolution Mining (Cowal) Pty Limited (ACN 007 857 598)
Bland Shire Council
Forbes Shire Council
Lachlan Shire Council

Deed of Variation to the Cowal Gold Mine Memorandum of Understanding on Road Maintenance

Date:

Between the parties:

Evolution Mining (Cowal) Pty Limited

Cowal Gold Operation, Lake Cowal Road, West Wyalong, NSW, 2671

ABN: 75 007 857 598

ACN: 007 857 598

Bland Shire Council

6 Shire Street, West Wyalong, NSW, 2671

ABN: 13 251 814 087

Forbes Shire Council

2 Court Street, Forbes, NSW, 2871

ABN: 86 023 614 567

Lachlan Shire Council

58-64 Molong Street, Condobolin, NSW, 2877

ABN: 82 815 250 829

Recitals:

1. On 14 March 2013 the *Cowal Gold Mine Memorandum of Understanding on Road Maintenance* (**MOU**) was executed as a deed between Barrick (Cowal) Limited, Bland Shire Council, Forbes Shire Council and Lachlan Shire Council.

2. As is stated in recital 4 of the MOU, the MOU was prepared in the context that Barrick (Cowal) Limited had agreed to financially contribute to the maintenance of the roads in the local government areas of Bland Shire Council, Forbes Shire Council and Lachlan Shire Council.

3. As is stated in clause 2 of the MOU, the purpose of the MOU is to:

- a. establish a Funding Committee,
- b. set out the functions of the Funding Committee, and
- c. set out the processes by which the Funding Committee oversees and directs the expenditure of the Road Fund.

4. Clause 10.2 of the MOU stipulates that "A variation of any term of this MoU must be in writing and signed by the parties".

5. Since the execution of the MOU, Barrick (Cowal) Limited has changed its name to Evolution Mining (Cowal) Pty Limited.

6. Following discussions between Evolution Mining (Cowal) Pty Limited, Bland Shire Council, Forbes Shire Council and Lachlan Shire Council, it has been agreed that the

MOU should be varied in order to clarify and amend the process associated with the contributions to the Road Fund and distribution or use of monies from the Road Fund.

6. The purpose of this Deed of Variation is to vary the MOU pursuant to clause 10.2 of the MOU so that:

- a. the MOU reflects that Barrick (Cowal) Limited changed its name to Evolution Mining (Cowal) Pty Limited;
- b. the MOU clarifies and amends the process associated with the contributions to the Road Fund and distribution or use of monies from the Road Fund; and
- c. any other consequential variations to the MOU which are required to be made as a result of the variations referred to in subparagraphs (a) and (b) above, are made.

This Deed of Variation to the MOU records as follows:

1. DEFINITIONS

1.1 **MOU** means the *Cowal Gold Mine Memorandum of Understanding on Road Maintenance* which was executed as a deed between Barrick (Cowal) Limited, Bland Shire Council, Forbes Shire Council and Lachlan Shire Council on 14 March 2013.

2. PURPOSE OF THIS DEED OF VARIATION

2.1 The purpose of this Deed of Variation is to vary the MOU pursuant to clause 10.2 of the MOU so that:

- a. the MOU reflects that Barrick (Cowal) Limited changed its name to Evolution Mining (Cowal) Pty Limited;
- b. the MOU clarifies and amends the process associated with the contributions to the Road Fund and distribution or use of monies from the Road Fund; and
- c. any other consequential variations to the MOU which are required to be made as a result of the variations referred to in subparagraphs (a) and (b) above, are made.

3. VARIATION OF MOU TO ADDRESS CHANGE OF NAME FROM BARRICK (COWAL) LIMITED TO EVOLUTION MINING (COWAL) PTY LIMITED

Pursuant to clause 10.2 of the MOU, the following variations to the MOU are made:

3.1 All references to "Barrick (Cowal) Limited" in the MOU (save for page 10 of the MOU) are varied so as to read "Evolution Mining (Cowal) Pty Limited".

3.2 All references to the abbreviated term "Barrick" (or "Barrick's") in the MOU are varied so as to read "Evolution" (or "Evolution's").

3.3 Under the heading "Between the parties" on page 2 of the MOU, the first row which reads:

Barrick (Cowal) Limited

ABN: 75 007 857 598 of Level 10, Quayside on Mill, 2 Mill Street, Perth, Western Australia 6000

(Barrick)

is varied so as to read:

Evolution Mining (Cowal) Pty Limited

Cowal Gold Operation, Lake Cowal Road, West Wyalong, NSW, 2671
ABN: 75 007 857 598
ACN: 007 857 598

(Evolution)

3.4 The first row of Schedule 1 to the MOU which reads:

Barrick (Cowal) Limited

Address: Level 10, Quayside on Mill, 2 Mill Street, Perth, Western Australia 6000
Attention: General Manager – Cowal Gold Mine
Phone: +61 2 6975 4822

is varied so as to read:

Evolution Mining (Cowal) Pty Limited

Address: PO Box 210, West Wyalong, NSW, 2671
Attention: General Manager – Cowal Gold Operation
Phone: +61 2 6975 4707

4. VARIATION OF CLAUSE 3 OF MOU

Pursuant to clause 10.2 of the MOU, the following variations to the MOU are made:

4.1 Clause 3.1 is replaced by the following clause:

3.1 Contributions to the Road Fund

(a) Subject to this clause 3, Evolution agrees to contribute \$150,000 per financial year towards the maintenance and improvement of the Councils' road networks surrounding and leading to the Cowal Gold Mine (**Road Fund**) in accordance with this MoU.

(b) The parties to this MoU acknowledge that, in accordance with the parties past practice in implementing this MoU, the annual contribution made by Evolution under clause 3.1(a) to the Road Fund is, from the date of the Deed of Variation, to be distributed as follows (**Schedule of Distribution**):

(i) in the 2020/2021 financial year, and every 3rd financial year thereafter (e.g. 2023/2024, 2026/2027 and so on), to Lachlan Shire Council;

(ii) in the 2021/2022 financial year, and every 3rd financial year thereafter (e.g. 2024/2025, 2027/2028 and so on), to Bland Shire Council; and

(iii) in the 2022/2023 financial year, and every 3rd financial year thereafter (e.g. 2025/2026, 2028/2029 and so on), to Forbes Shire Council.

The parties may agree at any time to alter the Schedule of Distribution of monies from the Roads Fund. The amendment of the Schedule of Distribution may be done either by way of separate written agreement between the parties or by way of variation of this MoU pursuant to clause 10.2. To avoid doubt, no variation of this MoU pursuant to clause 10.2 is required to alter the Schedule of Distribution if a separate written agreement is entered into by the parties to address the alteration of the Schedule of Distribution.

(c) For the 2020/2021 financial year and following, if one of the Councils does not or is otherwise unable to spend the annual contribution made by Evolution to it under clause 3.1(a), and in accordance with the schedule in clause 3.1(b), in a given financial year, that council:

(i) must, upon immediately becoming aware that it will not, or is unlikely to be able to, spend the annual contribution, notify Evolution of this fact in writing; and

(ii) may, in that notice, request that Evolution either:

(i) carry over some or all of the unexpended monies to the next financial year when that council is due to receive the annual contribution in accordance with the schedule in clause 3.1(b); or

(ii) redistribute some or all of the unexpended funds to the other two councils, in even shares or otherwise, for use towards the maintenance and improvement of roads within each council's area.

(d) In determining a request made by a council pursuant to clause 3.1(c), Evolution may, in its discretion:

(i) accept the council's request;

(ii) reject the council's request;

(iii) (in the event of a request pursuant to clause 3.1(c)(ii) being made) re-distribute some or all of the unexpended funds between one or more of the Councils in a manner that Evolution considers appropriate; or

(iv) deal with the unexpended monies in any way Evolution considers appropriate.

4.2 Clause 3.2 is replaced by the following clause:

3.2 Changes in contributions to Road Fund

(a) Commencing with the 2020/2021 financial year, Evolution agrees to adjust the \$150,000 contribution under clause 3.1 to the Road Fund having regard to CPI, and pay this adjusted contribution.

(b) Evolution may, at its discretion, review and change the amount that it contributes under clause 3.1(a) to the Road Fund, having regard to matters such as projects funded by the Road Fund in the previous financial year.

(c) For the 2020/2021 financial year and following, Evolution may only reduce the amount it contributes each financial year to the Road Fund under this clause 3 after providing 6 months prior written notice to the Council.

(d) Where Evolution changes the amount it contributes to the Road Fund under this clause 3, Evolution must notify the Councils in writing.

5. CONSEQUENTIAL VARIATIONS OF MOU Pursuant to clause 10.2 of the MOU, the following variations to the MOU are made:

5.1 The following new definitions are inserted into clause 1 of the MOU:

Deed of Variation: means the Deed of Variation entered into between the parties to this MoU dated [day/month/year].

financial year: means the year starting on 1 July and ending on 30 June.

5.2 Clause 4.2(a) is varied to replace the words "calendar year" with "financial year".

5.3 A new clause 10.6 is inserted which provides as follows:

10.6 Deed of Variation has no effect on past actions, etc under this MoU

The Deed of Variation has effect on and from the date specified in the Deed of Variation. To that end, the variations to this MoU which take effect as a result of the Deed of Variation do not affect:

(a) the operation of this MoU or anything duly suffered, done or commenced under this MoU prior to the Deed of Variation taking effect; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred by a party under this MoU prior to the Deed of Variation taking effect.

SIGNING PAGE


Executed as a deed

Date:

Signed by:


Evolution Mining (Coral) Pty Limited

Sign here (authorised officer)


.....

Print name.....John Petman.....

Sign here (authorised officer)

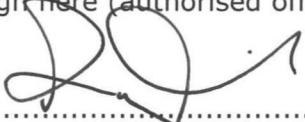

.....

Print name.....RENÉE PETTIT.....

Signed by:

Bland Shire Council

Sign here (authorised officer)


.....

Print name.....RAY SMITH.....

Sign here (authorised officer)


.....

Print name.....WILL MARSH.....

Signed by:

Forbes Shire Council

Sign here (authorised officer)



.....
GENERAL MANAGER

Print name: Steve Loane

Sign here (authorised officer)



.....
MANAGER WORKS

Print name: Danial Speer

Signed by:

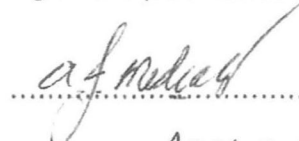
Lachlan Shire Council

Sign here (authorised officer)



.....
Print name: GREG TORY

Sign here (authorised officer)



.....
Print name: ARTHUR JOHN MEDCALF