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## FACSIMILE TRANSMISSION

**DATE:** 12 April 2010 **OUR REF:** RCS:3070-1  
**FROM:** Andrew Disney  
Associate **EMAIL:** [adisney@steinpag.com.au](mailto:adisney@steinpag.com.au)  
**TO:** Company Announcements **PAGES:** 40 (including this page)  
ASX Limited  
Fax: 1300 135 638  
**SUBJECT:** AUZEX RESOURCES LIMITED – INITIAL SUBSTANTIAL HOLDING NOTICE FROM  
CENTRAL CHINA GOLDFIELDS PLC

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### MESSAGE:

Form 603 attached.

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## Form 603

Corporations Act 2001  
Section 671B

### Notice of initial substantial holder

To Company Name/Scheme AUZEX RESOURCES LIMITED (Auzex)

ACN/ARSN ACN 106 444 606

#### 1. Details of substantial holder (1)

Name Central China Goldfields Plc (CCG) and its associates listed in Annexure A to this Form 603 (Substantial Holders)  
ACN / ARSN (if applicable)

The holder became a substantial holder on 6 April 2010

#### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Fully paid ordinary shares (ORD)	6,000,000	6,000,000	12.43%

#### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Central China Goldfields Plc	Holder of fully paid, ordinary shares	6,000,000 ORD
Associates of Central China Goldfields Plc listed in Annexure A	Related body corporate of Central China Goldfields Plc	6,000,000 ORD

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Substantial Holders	Central China Goldfields Plc	Central China Goldfields Plc	6,000,000 ORD

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Substantial Holders	16/02/2010 and 6/04/2010	Issue price of \$0.25 each as consideration for a \$500,000 cash payment and issue of 14,044,944 CCG Shares at an issue price of 4 pence each by CCG. For details see Annexure B of this Form.		16/02/2010 - 1,500,000 ORD 6/04/2010 - 4,500,000 ORD

#### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Refer Annexure A	The companies listed in Item 3 are all related bodies corporate of CCG.

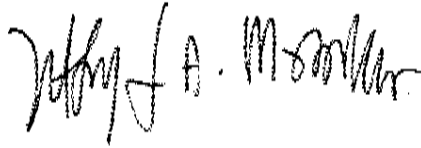
#### 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Central China Goldfields Plc	58 Mosley Street, Manchester M2 3HZ, United Kingdom

**Signature**print name JEFFREY MALAIHOLLO capacity Director

sign here

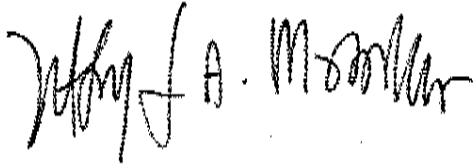
date 9 / 04 / 2010**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form..
  - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
  - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations A.
  - (4) The voting shares of a company constitute one class unless divided into separate classes.
  - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
  - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
  - (7) Include details of:
    - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
    - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
  - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**ANNEXURE A**

THIS IS ANNEXURE "A" OF 1 PAGE REFERRED TO IN THE FORM 603 – NOTICE OF INITIAL SUBSTANTIAL HOLDER.

DATED THIS 9th DAY OF APRIL 2010.



**Jeffrey Malaihollo**  
**Director**  
**Central China Goldfields Plc**

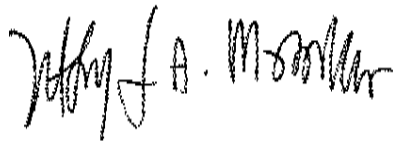
<b>Associate</b>	<b>Relation to Central China Goldfields Plc</b>
GGG Mining Ltd (previously CCG Xinjiang Ltd)	Wholly owned subsidiary
Nexon Asia Group Ltd	Wholly owned subsidiary
CCG Copper Ltd	Wholly owned subsidiary
Central China Minerals Ltd	Wholly owned subsidiary
CCG Korea Ltd	Wholly owned subsidiary
Chengdu Zhongcheng Mining Technology Development Company Limited	Wholly owned subsidiary of CCG Copper Ltd
United Kingdom Central China Goldfields plc Beijing Representative Office	Wholly owned subsidiary

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**ANNEXURE B**

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THIS IS ANNEXURE "B" OF 36 PAGES REFERRED TO IN THE FORM 603 – NOTICE OF INITIAL  
SUBSTANTIAL HOLDER.  
DATED THIS 9th DAY OF APRIL 2010.



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**Jeffrey Malaihollo**  
**Director**  
**Central China Goldfields Plc**



Waterfront Place  
 1 Eagle Street  
 Brisbane QLD 4000  
 PO Box 7804  
 Waterfront Place QLD 4001  
 Australia  
 DX 289 Brisbane  
 Tel +61 7 3246 4000  
 Fax +61 7 3229 4077  
 www.dlaphillipsfox.com

**Note Deed**

**Auzex Resources Limited  
 Central China Goldfields PLC**

I certify that this is a true and correct  
 Copy of the Original Document

Dated the 9 day of April 2010

Andrew Disney  
 Andrew Disney, Steinpreis Paganini

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 DLA Piper Group, or affiliate of  
 independent legal practices. It is a  
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 DLA Phillips Fox offices are located  
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 Canberra, Melbourne, Perth, Sydney  
 and Wellington.

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## Table of contents

<b>Parties</b> .....	<b>1</b>
<b>Background</b> .....	<b>1</b>
<b>General Terms</b> .....	<b>1</b>
<b>1 The Note</b> .....	<b>1</b>
Creation of note .....	1
Noteholder's undertaking.....	1
Company's undertaking.....	1
<b>2 Alteration of deed</b> .....	<b>2</b>
<b>3 Discharge and release</b> .....	<b>2</b>
Company.....	2
<b>4 General</b> .....	<b>2</b>
Governing law.....	2
Jurisdiction.....	2
Costs.....	2
Counterparts.....	2
<b>5 Interpretation</b> .....	<b>2</b>
Definitions .....	2
Interpretation.....	3
<b>Execution and date</b> .....	<b>4</b>
<b>Schedule 1</b> .....	<b>5</b>
Terms and Conditions .....	5



Note Deed

## Parties

**Auzex Resources Limited** ABN 74 106 444 606 a company registered in Australia and whose registered office is situate at level 28 Waterfront Place, 1 Eagle Street, Brisbane, Queensland, Australia 4000 (**Company**)

**Central China Goldfields PLC** a company registered in England and Wales with company number 05277251 and whose registered office is situate at 58 Mosley Street, Manchester M2 3H United Kingdom (**Noteholder**)

## Background

- A The Company has agreed to issue the Note to comply with clause 5 of the Heads of Agreement.
- B The Noteholder has agreed to subscribe for the Note in accordance with the terms of this deed.

## General Terms

### 1 The Note

#### Creation of note

- 1.1 The Company will create and issue the Note with an aggregate principal amount of \$1,125,000 and such Note will:
- 1.1.1 be unsecured in accordance with clause 2.5 of the Terms and Conditions; and
  - 1.1.2 be subject to the provisions of this deed (including the Terms and Conditions).
- 1.2 The obligations of the Company under the Note are constituted by, and specified in, this deed.

#### Noteholder's undertaking

- 1.3 The Noteholder undertakes with the Company to comply with the Terms and Conditions.

#### Company's undertaking

- 1.4 The Company undertakes with the Noteholder:
- 1.4.1 upon compliance by the Noteholder with the provisions of clauses 5.2, 5.3 and 5.9 of the Heads of Agreement, to issue the Note;
  - 1.4.2 to convert the Note held by the Noteholder into Shares; and





Note Deed

1.4.3 otherwise to comply with the Terms and Conditions.

## 2 Alteration of deed

2.1 At any time and from time to time the Company and the Noteholder may, by agreement in writing, modify, alter, cancel, amend or add to all or any of this deed and the Terms and Conditions.

## 3 Discharge and release

### Company

3.1 The Company is immediately discharged and released from its liabilities, obligations and covenants under this deed in respect of any Note on the date on which that Note is converted in accordance with the Terms and Conditions.

## 4 General

### Governing law

4.1 This deed is governed by the law in force in the State of Queensland, Australia.

### Jurisdiction

4.2 The Company submits to the non-exclusive jurisdiction of the courts in the State of Queensland, Australia.

### Costs

4.3 Each party agrees to pay its own legal and other costs and expenses in connection with the negotiation, execution and completion of this deed and of other related documentation.

### Counterparts

4.4 This deed may consist of one or more copies, each signed by a party to the deed. The deed is binding on the Company and the Noteholder when signed those parties.

## 5 Interpretation

### Definitions

5.1 These meanings apply unless the contrary intention appears.

**Terms and Conditions** means the terms and conditions set out in Schedule 1.

**Heads of Agreement** means the heads of agreement entered into by the Company and the Noteholder on the date of this deed.



Note Deed

Any other capitalised terms have the meaning given to them in the Terms and Conditions.

**Interpretation**

- 5.2 Clause 1.2 of the Terms and Conditions applies to this deed as if it was fully set out in this deed.



Note Deed

**Execution and date**

Executed as a deed.

Date: 11 February 2010

Executed by **Auzex Resources Limited ACN 106 444 506** in accordance with section 127(1) of the Corporations Act 2001 acting by the following persons:

*Eugene Iliescu*  
.....  
Signature of director

**EUGENE ILIESCU**  
.....  
Name of director (print)

*John Lawton*  
.....  
Signature of director/company secretary

**JOHN LAWTON**  
.....  
Name of director/company secretary (print)

Executed by **Central China Goldfields PLC** company number **05277251** acting by the following persons:

*Peter Anthony Luxton*  
.....  
Signature of director

**PETER ANTONY LUXTON**  
.....  
Name of director (print)

*Jeffrey Malahello*  
.....  
Signature of director/company secretary

**JEFFREY MALAHELLO**  
.....  
Name of director/company secretary (print)



Note Deed

## Schedule 1

### Terms and Conditions

#### 1 Definitions and Interpretation

##### Definitions

1.1 In this deed, unless inconsistent with the context or subject matter:

**ASX** means the Australian Securities Exchange.

**Bonus Issue** has the meaning given in clause 8.1.

**Bonus Securities** has the meaning given in clause 8.1.

**BullaBulling Project** has the meaning in the Heads of Agreement.

**Business Day** means a day on which banks (as defined in the Banking Act 1959 (Cth)) are open for general banking business in Queensland including Saturdays and Sundays.

**Change of Control** means any person other than the Company or the Noteholder acquiring a relevant interest (as defined in the Corporations Act) in the Company of 30% or more.

**Controller** has the meaning it has in the Corporations Act.

**Conversion or Convert** means the conversion of a Note into Shares in accordance with the terms and conditions of this deed.

**Conversion Number** means 4,500,000, as may be adjusted under clause 5 or clause 8.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Excluded Information** has the meaning given in section 708A(7) and 708A(8) of the Corporations Act.

**Face Value** means \$1,125,000.

**Government Agency** means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

**Listing Rules** means the listing rules of the ASX.

**Note** means the unsecured note created on the terms of and issued by the Company under the provisions of these Terms and Conditions and for the time being



Note Deed

outstanding and a reference to a Note that is outstanding as at a particular date means a Note that has not been converted on or prior to that date.

**Partial Conversion or Partially Converted** means the partial Conversion of the Note in accordance with clause 5.2.

**Placement Capacity** means the number of Shares that the Company may issue from time to time in accordance with Listing Rule 7.1.

**Shares** means fully paid ordinary shares in the Company.

**Securities** has the meaning given to it in section 92(3) of the Corporations Act.

**Subscription Date** means the date of execution of the Heads of Agreement.

#### Interpretation

- 1.2 In this deed, unless inconsistent with the context or subject matter:
- 1.2.1 a reference to any legislation or legislative provision:
- (a) includes any statutory modification or re-enactment of, or legislative provision substituted for that legislation or legislative provision; and
  - (b) includes any subordinate legislation, ordinances, by-laws, regulations, rules, other statutory instruments issued and orders made under that legislation or legislative provision;
- 1.2.2 where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- 1.2.3 any marginal notes or headings are included for convenience and will not affect the interpretation of this deed;
- 1.2.4 a reference to any party to this deed or any other document or arrangement includes that party's executors, administrators, substitutes, successors and permitted assigns;
- 1.2.5 a reference to a party is a reference to Tax Agent or Provider, and a reference to the parties is a reference to both Tax Agent and Provider.
- 1.2.6 the singular includes the plural and vice versa;
- 1.2.7 words denoting any gender include all genders;
- 1.2.8 if any day specified by this deed falls on a Saturday, Sunday or a public holiday in Brisbane, that day will be the next day following the specified day which is not a Saturday, Sunday or public holiday in Brisbane;
- 1.2.9 a reference to this deed includes any schedule, annexure, special conditions or attachment to it;



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Note Deed

- 1.2.10 a reference to a recital, clause, subclause, paragraph, schedule, annexure or attachment is to a recital, clause, subclause, paragraph, schedule, annexure or attachment of or to this deed;
- 1.2.11 a reference to this deed or to any deed, agreement, document or instrument includes a reference to such documents as amended, novated, supplemented, varied, altered or replaced from time to time;
- 1.2.12 a reference to an individual or person includes a corporation, joint venture, association, authority, trust, state or government body and vice versa;
- 1.2.13 a reference to any thing is a reference to the whole and each part of it;
- 1.2.14 a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- 1.2.15 a reference to writing includes typewriting, printing, lithography, photography and any other mode of representing or reproducing words, figures or symbols in a permanent and visible form
- 1.2.16 a reference to 'dollars' or '\$' is reference to Australian currency;
- 1.2.17 the terms 'including' and 'include' are not terms of limitation;
- 1.2.18 a reference to a matter being 'to the knowledge' of a person means that the matter is to the best of the knowledge and belief of that person after making reasonable enquiries in the circumstances.

### Headings

- 1.3 Headings are for reference only and do not form part of this deed.

### Inconsistency with Listing Rules

- 1.4 This deed is to be interpreted subject to the applicable Listing Rules and the following clauses will apply:
  - 1.4.1 notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, the act shall not be done;
  - 1.4.2 nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
  - 1.4.3 if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
  - 1.4.4 if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
  - 1.4.5 if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision;

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Note Deed

- 1.4.6 if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.
- 1.5 The obligations imposed by this clause are additional to those imposed by any other clause of this deed.

## **2 General**

### **Face Value**

- 2.1 The Face Value of the Note is \$1,125,000.

### **Term**

- 2.2 The Note will be Converted in accordance with clause 5.

### **Issue of Note**

- 2.3 The Note is issued on execution of the Heads of Agreement and execution of this deed.
- 2.4 The Company will not apply for official quotation of the Note on ASX or any other market.

### **Status**

- 2.5 The Note constitutes direct and unsecured obligations of the Company.
- 2.6 The Noteholder must not set-off any amounts owing to it in respect of a Note against any amount owing by the Noteholder to the Company on any account, except as required by the Corporations Act.

## **3 Interest**

### **Interest**

- 3.1 No interest is payable.

## **4 Subscription**

### **Subscription**

- 4.1 On the Subscription Date, the Noteholder agrees to:
- 4.1.1 subscribe for the Note for the Face Value; and
- 4.1.2 comply with the provisions of clause 5.2, 5.3 and 5.9 of the Heads of Agreement.



Note Deed

## 5 Conversion

### Automatic Conversion of Note

- 5.1 Subject to clause 5.5, and provided that the Note has not already been cancelled in accordance with clause 6, the Conversion of the Note, or balance of the Note if the Note has been Partially Converted, will automatically occur on the earliest of:
- 5.1.1 the Business Day following the day that shareholder approval is obtained for the Conversion in accordance with Listing Rule 7.1. The Company will use its reasonable endeavours to procure the shareholder approval; or
  - 5.1.2 the Business Day following the day on which the Placement Capacity has increased sufficiently to allow the issue of all Shares on Conversion of the Note;
  - 5.1.3 or
  - 5.1.4 the day that is 12 months after the date of the issue of shares under clause 7.1.

### Partial Conversion of the Note

- 5.2 Subject to clause 5.3, Partial Conversion of the Note will automatically occur in accordance with clause 5.4 on the Business Day following the day on which the Placement Capacity has increased sufficiently to allow the issue of Shares on Partial Conversion of the Note.
- 5.3 Partial Conversion of the Note may only occur under clause 5.2 if the number of Shares that may be issued on Partial Conversion is:
- 5.3.1 1,000,000 or greater; or
  - 5.3.2 if the total balance of Shares that will be issued on Conversion is less than 1,000,000 - that smaller number.

### Conversion

- 5.4 On Conversion or Partial Conversion of the Note:
- 5.4.1 the Company must redeem the Note, or part of the Note (as appropriate), for an amount equal to the Face Value or pro-rata amount of the Face Value (as appropriate); and
  - 5.4.2 subject to clause 5.5, the Noteholder, by operation of this clause, irrevocably directs the Company to apply the whole or pro-rata amount of the Face Value (as appropriate) payable to it on redemption in subscribing on behalf of the Noteholder for the number of Shares calculated in accordance with clause 5.6.
- 5.5 If Conversion or Partial Conversion of the Note is contrary to any law to which the Company is subject, including without limitation the Corporations Act (Law), the Company shall not Convert the Note at that time. The Note will automatically Convert





Note Deed

or Partially Convert (as the case may be) in accordance with clause 5.4 on the day following the Business Day that that Conversion is not contrary to the Law.

**Entitlement to Shares on Conversion**

- 5.6 The number of Shares to which a Noteholder is entitled upon full Conversion of the Note is equal to the Conversion Number. If the Note is partially Converted the Conversion Number will be reduced on a pro-rata basis.

**Issue of Shares on Conversion of Note**

- 5.7 Within 5 Business Days after the Conversion of the Note, the Company must:
- 5.7.1 issue the relevant Shares to which the Noteholder is entitled on Conversion of the Note on terms that the issue will have effect on and from and be deemed to have been made on the date of Conversion;
  - 5.7.2 issue to the Noteholder a holding statement for the Shares by delivering the statement to the Noteholder;
  - 5.7.3 apply to ASX for quotation of the Shares on ASX; and
  - 5.7.4 lodge a notice that complies with section 708A(6) of the Corporations Act provided that the Company:
    - (a) is able to satisfy the Corporations Act requirements to give such notice; and
    - (b) is not in possession of any commercially sensitive information that is Excluded Information and which, if disclosed, may prejudice any negotiations the Company is undertaking at that time.

**Issued Shares rank equally**

- 5.8 Shares issued on the Conversion of the Note will rank in all respects equally and form one class with all Shares on Issue as at the date of Conversion and will rank equally with all Shares for any dividends or distributions with a date for determining entitlements after that date.

**Reasonable steps**

- 5.9 The Company will take all reasonable steps within its power to ensure that the Shares issued on the Conversion are quoted on ASX.

**Noteholder agrees to be a member**

- 5.10 On Conversion of the Note, the Noteholder irrevocably and unconditionally consents to be a member of the Company and agrees to be bound by the constitution of the Company.



Note Deed

## 6 Cancellation

- 6.1 The Note, provided that it has not already been fully Converted under clause 5, will automatically be cancelled by the Company if the Company is subject to a Change of Control.
- 6.2 On the business day immediately following a Change of Control, the Company must cancel the Note. In consideration for the cancellation, the Company agrees to reduce the expenditure required under the Heads of Agreement for the Noteholder to increase its participating interest in the Bullabulling Project joint venture to 80% by the amount of the outstanding Face Value.

## 7 Acknowledgement

- 7.1 The Company agrees and acknowledges that until such time as the Note has been Converted, it will not issue any Shares under its Placement Capacity to any person, other than up to 1,933,000 Shares to Jervois Mining Limited ACN 007 626 575 as consideration for the acquisition of the Bullabulling Project.

## 8 Bonus Issues

### Noteholder entitled to Bonus Issue

- 8.1 If, while any Note is capable of being Converted, there is a bonus issue of Securities to the holders of Shares (**Bonus Issue**), the number of Securities to be issued on Conversion will be increased by the number of Securities which the Noteholder would have received if the Note had been Converted immediately before the record date for the Bonus Issue (**Bonus Securities**).

### Issue of Bonus Securities

- 8.2 The Bonus Securities must be Issued free or paid by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and, on issue, rank equally in all respects with the other Securities of that class at the date of issue of the Bonus Securities.

## 9 Reorganisation

- 9.1 If, while any Note is capable of being Converted, there is a reorganisation of the issued capital of the Company, the Note is to be treated in the manner set out in Listing Rule 7.21 (or other applicable Listing Rules from time to time), being that the number of Notes or the Conversion Number or both will be reorganised so that the Noteholder will not receive a benefit that holders of Shares do not receive and so that the holders of Shares will not receive a benefit that the Noteholder does not receive.

## 10 Transferability

- 10.1 The Note may not be transferred.



Note Deed

## 11 Non-resident Noteholders

- 11.1 Where the Note is held by, or on behalf of, a person resident outside Australia, then, despite anything to the contrary contained in or implied by these Terms and Conditions, it is a condition precedent to any right of the Noteholder to be issued Shares on Conversion of any of the Note, that all necessary consents, authorisations, registrations, filings, certificates or exemptions from, by or with a Government Agency are obtained or made and all other applicable regulatory or legal requirements are satisfied, at the cost of the Noteholder.

## 12 Notices

### Notices to Noteholder

- 12.1 All notices and other communications in connection with a Note to the Noteholder must be in writing and may be sent by prepaid post (airmail if appropriate) or left at the address of the Noteholder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the relevant notice or communication).

### Notices to the Company

- 12.2 All notices and other communications to the Company must be in writing and may be sent by prepaid post or left at the address of the registered office of the Company or such other address as is notified to the Noteholder from time to time.

### When effective

- 12.3 They take effect from the time they are taken to be received unless a later time is specified in them.

### Receipt - postal

- 12.4 Unless a later time is specified in it, a notice, if sent by post, is taken to be received on the next succeeding Business Day in the place of the addressee.

## 13 General

### Construction of Terms

- 13.1 A construction of these Terms and Conditions which results in all provisions being enforceable is to be preferred to a construction which does not so result.

### Severance of illegal or unenforceable terms and conditions

- 13.2 If, despite the application of clause 13.1, a provision of these terms and conditions is illegal or unenforceable:

- 13.2.1 If the provision would not be illegal or unenforceable if a word or words were omitted, that word or those words will be severed; and



Note Deed

- 13.2.2 in any other case, the whole provision will be severed, and the remainder of these terms and conditions will continue to have full force and effect.

**Governing law and jurisdiction**

- 13.3 These Terms and Conditions are governed by the law applicable in Queensland, and the Company and the Noteholder submit to the non-exclusive jurisdiction of the courts of Queensland and courts of appeal from them.

**Amendment**

- 13.4 The Company may, by resolution of its board, modify, alter, cancel, amend or add to all or any of these Terms and Conditions, if:

- 13.4.1 in its reasonable opinion the modification, alteration, cancellation, amendment or addition is:

- (a) of a formal or technical nature;
- (b) made to correct a manifest error; or
- (c) necessary to comply with the provisions of any statute or the requirements of any statutory authority.

**Partial exercising of rights**

- 13.5 If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

**Agent and attorney**

- 13.6 The Noteholder appoints the Company as its agent and attorney with power in the name of and on behalf of the Noteholder to do all things necessary to give effect to a Conversion, including completing and executing such Instruments for and on the Noteholder's behalf as the Company considers necessary or desirable to give effect to the Conversion in accordance with these Terms and Conditions.

**DATED 11 February 2010**

**AUZEX RESOURCES LIMITED**

**and**

**CENTRAL CHINA GOLDFIELDS PLC**

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**HEADS OF AGREEMENT**

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Cobbetts LLP  
58 Mosley Street  
Manchester  
M2 3HZ  
DX: 14374 Manchester 1  
Tel: 0845 404 2404  
Fax: 0845 404 2414

SZJ/OR117.14

I certify that this is a true and correct  
Copy of the Original Document

Dated the 9 day of April 2010

Andrew Disney  
Andrew Disney, Steinpreis Paganin

**THESE HEADS OF TERMS** are made the 11<sup>th</sup> day of February 2010

**BETWEEN**

- (1) **AUZEX RESOURCES LIMITED** ABN 74 106 444 606 a company registered in Australia and whose registered office is situate at Level 28 Waterfront Place, 1 Eagle Street, Brisbane, Queensland 4000, Australia ("**ARL**"); and
- (2) **CENTRAL CHINA GOLDFIELDS PLC** a company registered in England and Wales with company number 05277251 and whose registered office is situate 58 Mosley Street, Manchester M2 3H United Kingdom ("**CCG**")

**Whereas:**

- A. **ARL** intends to exercise the **ARL Option** (as hereinafter defined) to acquire the **Bullabulling Project** (as hereinafter defined). Completion of the **Acquisition** (as hereinafter defined) is anticipated to occur on or before 7 April 2010 following which **ARL** will hold a 100% interest in the **Bullabulling Project**.
- B. The Parties have agreed in principle to enter into the **Joint Venture** (as hereinafter defined) in relation to the **Bullabulling Project** on the terms and conditions of this Heads of Terms.

**1 Introduction**

These Heads of Terms:

- 1.1 set out the terms of the **Option** and **Exclusivity Period**;
- 1.2 set out the principal terms and conditions on and subject to which **CCG** and **ARL** are prepared to enter into the **Joint Venture** in connection with the **Bullabulling Project** (as defined below);
- 1.3 are not exhaustive; and
- 1.4 except as specifically provided, are not intended to be legally binding on either Party.

**2 Definitions and Interpretation**

- 2.1 The definitions set out in this Paragraph 2.1 apply in the Heads of Terms:

**"AIM"** the market of that name operated by the London Stock Exchange plc.

**"Acquisition"** the acquisition of the **Bullabulling Project** by **ARL** pursuant to the exercise of the **ARL Option**.

**"Activity"** the disposal (whether by way of sale, offer, transfer or otherwise) of all or any part of the **Bullabulling Project**, or any **Negotiations** for the collaboration with any **Third Party** by way of joint venture arrangements in relation to all or any part of the **Bullabulling Project**.

**"ARL Option"** the option granted to ARL to acquire the rights and interests of Jervois Mining Limited ABN 52 007 626 575 in the Bullabulling Project pursuant to an option agreement dated 7 January 2010 between (1) Jervois and (2) ARL.

**"ARL Shares"** ordinary shares in the capital of ARL.

**"Bullabulling Licences"** the licences held by ARL in connection with the Bullabulling Project, details of which are set out in Paragraphs (a) to (e) inclusive of Schedule 1.

**"Bullabulling Project"** those items described in Schedule 1.

**"Bullabulling Project Area"** the area more particularly delineated in the plan at Schedule 2.

**"CCG Shares"** ordinary shares with a par value of 1p each in the capital of CCG.

**"Change of Control Event"** means any Third Party acquiring a relevant interest (as defined in the Corporations Act) in 30% or more of the issued share capital of ARL or CCG as the case is.

**"Completion"** completion of all transactions contemplated by these Heads of Terms following CCG's exercise of the Option.

**"Conditions"** the conditions set out in Schedule 4.

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

**"Exchange"** either the Australian Securities Exchange or AIM, as the context allows or requires.

**"Exclusivity Period"** a period of exclusivity commencing on the date of execution of the Heads of Terms and expiring at 5:00 pm (Brisbane time) on 19 March 2010, unless these Heads of Terms are terminated earlier in accordance with Paragraph 9.

**"FIRB"** the Australian Foreign Investment Review Board.

**"Heads of Terms"** these heads of terms.

**"Joint Venture"** the proposed joint venture to be entered into between the parties as described in Paragraph 1.2.

**"JVCo"** the entity to be formed by the Parties in accordance with paragraph 1 of Schedule 3.

**"JVCo Documentation"** a joint venture agreement and all ancillary documentation to be entered into between the Parties in connection with the establishment of the Joint Venture.

**"Material Adverse Effect"** the occurrence of any of the following to CCG or any of its related parties:

- (a) any restriction or prohibition that results in it being unable to repatriate (for the avoidance of doubt less any taxes, withholding taxes or other charges) funds held by CCG in the Peoples Republic of China;
- (b) resolving that it be wound up;
- (c) a liquidator, provisional liquidator or administrator being appointed;
- (d) the making of an order by a court for its winding up;
- (e) entering into a creditors voluntary winding up;
- (f) a receiver, or a receiver and manager, in relation to the whole, or a part, of its property being appointed.

**"Negotiations"** any discussions or negotiations between ARL (or any of its officers, agents, employees, advisers or other representatives) and a Third Party relating to an Activity.

**"Note"** the note with a face value of AUD\$1,125,000 to be issued under Paragraph 5.3.2, in the form attached at Schedule 5, or as otherwise agreed between the Parties.

**"Option"** the option granted under Paragraph 6.

**"Parties"** together CCG and ARL, being the parties to this agreement and **"Party"** will mean either one of them, as the context so allows.

**"Purchase Price"** AUD\$2.5 million.

**"Restriction"** the restriction of transfer of the CCG Shares issued to ARL as set out in Paragraph 7.6.

**"Restricted Period"** the period commencing on the date of a Change of Control Event in relation to ARL and ending after a period of 12 calendar months commencing on the date upon which CCG Shares are issued to ARL pursuant to Paragraph 5.6.

**"Third Party"** anyone other than CCG and ARL and their representatives.

**2.2** The following rules of interpretation apply in these heads of terms:

- 2.2.1 any reference to AUD\$ shall be a reference to Australian dollars, being the legal currency of Australia.
- 2.2.2 the Schedules to these heads of terms form part of (and are incorporated into) these Heads of Terms;
- 2.2.3 Paragraph and Schedule headings do not affect the interpretation of these Heads of Terms;



- 2.2.4 words in the singular include the plural and in the plural include the singular;
- 2.2.5 a reference to one gender includes a reference to the other genders;
- 2.2.6 a reference to a statute is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it;
- 2.2.7 a reference to a "company" shall include any company, corporation or other body corporate, wherever and however incorporated or established;
- 2.2.8 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

### 3 Terms

The principal terms that have been agreed between the Parties in connection with the Joint Venture are set out in Schedule 3.

### 4 Conditions

The Joint Venture is subject to the Conditions.

### 5 Exclusivity

5.1 The provisions of this Paragraph 5 are legally binding.

5.2 In consideration of CCG:

5.2.1 agreeing to subscribe, on execution of these Heads of Terms, for 6,000,000 (six million) fully paid ARL Shares at a subscription price of AUD0.25 for each ARL Share, to be satisfied by:

5.2.1.1 payment in cash of AUD500,000 (five hundred thousand); and

5.2.1.2 the issue to ARL of 14,044,944 (fourteen million forty four thousand nine hundred and forty four) fully paid CCG Shares by no later than 10 business days (being days, other than Saturdays, upon which the banks in England are open for business) following the day of execution of these Heads of Terms, or such longer time as may be agreed between the Parties acting reasonably; and

5.2.2 undertaking and incurring fees and expenses and other costs in connection with its own due diligence in relation to the Bullabulling Project and in connection with the preparation of the Heads of Terms;

ARL grants the Option to CCG for the Exclusivity Period.

5.3 ARL must satisfy the subscription by CCG under Paragraph 5.2.1 by no later than 10 business days following the day of execution of these Heads of Terms by:

5.3.1 Issuing 1,500,000 (one million five hundred thousand) ARL Shares; and

5.3.2 issuing the Note to CCG.

5.4 Within five business days after issue of the ARL Shares pursuant to Paragraph 5.3.1, ARL must:

5.4.1 Issue to CCG a holding statement for the ARL Shares by delivering the statement to CCG; and

5.4.2 apply to the Australian Securities Exchange for quotation of such ARL Shares on the Exchange.

5.6 Within five business days after issue of any ARL Shares to be issued to CCG under the Note ARL must lodge a notice that complies with section 708A(5) of the Corporations Act provided that ARL:

5.5.1 is able to satisfy the Corporations Act requirements to give such notice; and

5.5.2 is not in possession of any commercially sensitive information that is excluded Information (as defined in the Corporations Act) and which, if disclosed, may prejudice any negotiations ARL is undertaking at that time.

5.8 Within 10 business days following the day of execution of these Heads of Terms CCG must

5.6.1 issue 14,044,944 fully paid CCG Shares to ARL;

5.6.2 instruct its registrars to issue a share certificate for such number of CCG Shares as have been issued and allotted to ARL, such certificate to include a note as to the Restriction; and

5.6.3 provide ARL with copies of all Regulatory Information Service announcements which relate to the quotation of the CCG Shares issued to ARL.

- 5.7 CCG shall supply such information, give all such undertakings, execute all such documents, pay all such fees and do or procure to be done all such things as may be required:
- 5.7.1 by the London Stock Exchange to obtain admission to trading on AIM of such CCG Shares by no later than 8.00am (London time) on the fifth business day following the date of issue of the CCG Shares; and
  - 5.7.2 to comply with the requirements of the London Stock Exchange, the AIM Rules or any applicable law or regulation for the purposes of, or in connection with, the admission of such CCG Shares to trading on AIM.
- 5.8 Immediately on signing these Heads of Terms, ARL shall terminate, or procure the termination of, any Negotiations currently taking place.
- 5.9 ARL unconditionally and irrevocably undertakes to CCG that:
- 5.9.1 during the Exclusivity Period, it shall not, directly or indirectly:
    - 5.9.1.1 induce, solicit, procure or otherwise encourage any Activity from a Third Party;
    - 5.9.1.2 enter into, re-start, solicit, initiate or otherwise participate in any Negotiations;
    - 5.9.1.3 seek, encourage or respond to any approach that might lead to Negotiations;
    - 5.9.1.4 enter into any heads of terms, agreement, arrangement or understanding (whether or not legally binding) relating to any Activity; or
    - 5.9.1.5 supply or otherwise disclose any information about the Bullabulling Project to a Third Party that wishes, or may wish, to enter into Negotiations (unless the information is publicly available);
  - 5.9.2 it shall procure that its agents, advisers and other representatives comply with the undertakings in this Paragraph 5 as if they were ARL; and
  - 5.9.3 it shall notify CCG in writing immediately if, during the Exclusivity Period, it receives an indication from any Third Party that such Third Party may wish to have discussions with a view to a possible Activity.
- 5.10 ARL acknowledges that CCG will incur significant costs, fees and expenses by relying on this Paragraph 5 and if ARL breaches its obligations under this Paragraph 5, ARL shall (without prejudice to any other remedies CCG may have)

indemnify and keep CCG indemnified for an amount equal to all the reasonable costs, fees, disbursements and expenses (plus any applicable VAT) which have been incurred by CCG in connection with the Joint Venture (including, due diligence and the negotiation of the Heads of Terms).

## **6 Option**

- 6.1 The provisions of this Paragraph 6 are legally binding.
- 6.2 For the consideration set out in Paragraph 5.2, ARL hereby grants to CCG the option during the Exclusivity Period to acquire for the Purchase Price a 50% interest in the Bullabulling Project through the Joint Venture.
- 6.3 The Option expires if it is not validly exercised during the Exclusivity Period.
- 6.4 CCG may exercise the Option by giving ARL written notice specifying the time for Completion, which must be on or before 5:00 pm (Brisbane time) 7 April 2010.
- 6.5 The Option is exclusive to CCG and CCG must not dispose or attempt to dispose of any interest in the Option (whether by way of sale, offer, transfer or otherwise).

## **7 Warranties and acknowledgements**

- 7.1 The provisions of this Paragraph 7 are legally binding.
- 7.2 Each Party warrants to the other on the date of this document and at Completion that:
  - 7.2.1 It is duly registered and validly existing under the laws of its place of registration or incorporation.
  - 7.2.2 It has the power and has received all required authorisations to enter into these Heads of Terms and perform all its obligations under it.
  - 7.2.3 to the maximum extent permitted by law, ARL in relation to the ARL Shares and CCG in relation to the CCG Shares, that the respective shares will be issued free from encumbrances and will rank equally in all respects, including for dividends, distributions, rights and other benefits, with existing shares, subject to the CCG Shares and the ARL Shares having been paid for in full by ARL and CCG respectively.
  - 7.2.4 its execution and performance of these Heads of Terms will not violate any provision of:
    - 7.2.4.1 any applicable law, rule of the relevant Exchange or any other regulatory authority;
    - 7.2.4.2 its constitution or any agreement to which it is party; or
    - 7.2.4.3 any order, declaration or ruling of any Court, tribunal or regulatory authority.

7.2.5 ARL in relation to the ARL Shares and CCG in relation to the CCG Shares, that the respective shares (subject to Paragraph 7.3), will be quoted on and freely tradable on the relevant Exchange.

7.2.6 no information provided by it to the other Party is false or misleading in any material respect.

7.3 CCG acknowledges that:

7.3.1 ARL is not issuing the ARL Shares or Note with the purpose of CCG selling or transferring the shares or Note, or granting, issuing or transferring interests in, or options or warrants over, the shares or Note.

7.3.2 ARL will issue the ARL Shares and Note without disclosure under Part 6D.2 of the Corporations Act.

7.3.3 It is or may subsequently be in receipt of price sensitive information concerning ARL, including in connection with the ARL Shares, which it must not disclose to any person and during the period that information is not generally available (as defined in the Corporations Act) it must not deal in any securities in ARL other than as expressly required by these Heads of Terms.

7.3.4 it intends to be a medium to long-term investor in ARL and to hold the ARL Shares (including ARL Shares issued on conversion of the Note) for at least 12 months. This acknowledgment is understood to be a statement of CCG's present intention only, and not an undertaking by it not to dispose of the ARL Shares.

7.3.5 It has made its own enquiries and assessment (but in reliance on and subject to the various representations and set out in these Heads of Terms) as to:

7.3.5.1 the assets and liabilities, financial position, profitability and prospects of ARL; and

7.3.5.2 the rights attaching to the ARL Shares and Note.

7.3.6 It has had a reasonable opportunity to consider with the assistance of its independent advisers whether the investment in the ARL Shares and Note is appropriate in light of its particular investment needs, objectives and financial circumstances.

7.3.7 neither ARL nor any of its officers, employees, agents or advisers has given any advice or made any recommendation to it concerning the ARL Shares or Note.

- 7.4 CCG warrants that:
- 7.4.1 the CCG Shares are being issued to ARL in satisfaction of a liquidated sum and are not non-cash consideration for the purposes of the Companies Act 2006.
  - 7.4.2 ARL is not required, under the Companies Act 2006 or any other applicable law, to provide to CCG an independent valuation of the consideration for the CCG Shares.
- 7.5 ARL acknowledges that:
- 7.5.1 CCG is not issuing the CCG Shares with the purpose of ARL selling or transferring the shares, or granting, issuing or transferring interests in, or options or warrants over, the shares.
  - 7.5.2 it is or may subsequently be in receipt of price sensitive information concerning CCG, including in connection with the CCG Shares, which it must not disclose to any person prior to such information being the subject of a notification (as defined in the AIM Rules for Companies) and it must not deal in any securities in CCG during a close period (as defined in the AIM Rules for Companies).
  - 7.5.3 it intends to be a medium to long-term investor in CCG and to hold the CCG Shares for at least 12 months. This acknowledgment is understood to be a statement of ARL's present intention only, and not an undertaking by it not to dispose of the CCG Shares.
  - 7.5.4 It has made its own enquiries and assessment as to:
    - 7.5.4.1 the assets and liabilities, financial position, profitability and prospects of CCG; and
    - 7.5.4.2 the rights attaching to the CCG Shares.
  - 7.5.5 It has had a reasonable opportunity to consider with the assistance of its independent advisers whether the investment in the CCG Shares is appropriate in light of its particular investment needs, objectives and financial circumstances.
  - 7.5.8 neither CCG nor any of its officers, employees, agents or advisers has given any advice or made any recommendation to it concerning the CCG Shares.

7.6 ARL hereby irrevocably undertakes to CCG that it will not at any time during the Restricted Period, dispose of or agree to dispose of any CCG Shares issued to it pursuant to the provisions of Paragraph 5.6 (or any interest in such CCG Shares, whether beneficial or otherwise), or any shares of CCG into which such CCG Shares are sub-divided or converted (or any interest in such shares, whether beneficial or otherwise).

## 8 Indemnity

8.1 The provisions of this Paragraph 8 are legally binding.

8.2 In consideration of ARL's execution and delivery of this agreement and acquiring the CCG Shares under it and in addition to all of ARL's other obligations under this agreement, CCG must continuously indemnify ARL and its officers, employees and advisers (collectively, the **Indemnified Persons**) from and against any and all third party actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities, interest, damages and expenses in connection therewith (**Indemnified Liabilities**), incurred by any Indemnified Person as a result of, or arising out of, or relating to the subscription for, and issue of, CCG Shares.

## 9 Termination

9.1 The provisions of this Paragraph 9 are legally binding.

9.2 ARL may terminate these Heads of Terms if CCG or any related party:

9.2.1 is in breach of any warranty; or

9.2.2 suffers a Material Adverse Effect;

9.2.3 provided that the provisions of Paragraphs 5.1, 5.2 5.3 and Paragraph 8 shall survive termination, save that ARL shall be entitled to withdraw the Option.

## 10 General

10.1 The provisions of this Paragraph 10 are legally binding.

10.2 Subject to Paragraphs 5 and 8, the Parties are responsible for their own costs in connection with the Joint Venture regardless of whether it completes (including the preparation and negotiation of the Heads of Terms).

10.3 The Heads of Terms are confidential, save so far as any announcement is required to be made by either of the Parties by any regulatory body and each Party agrees that it will consult with the other Party before any such announcement is made.

10.4 These heads of terms are made for the benefit of the Parties and their respective successors and are not intended to benefit, or be enforceable by, anyone else.

- 10.5 The Parties agree that notwithstanding that any provision of the Heads of Terms may be or become enforceable by a third party, the Heads of Terms may be terminated or varied in any way without the consent of any such third party.
- 10.6 These Heads of Terms and the negotiations between the Parties in relation to the Joint Venture and any disputes or claims arising out of or in connection with them (including non-contractual disputes or claims) are governed by and construed in accordance with the laws of Queensland, Australia and Parties unconditionally and irrevocably agree that the courts of Australia have exclusive jurisdiction to settle any disputes or claims arising out of or in connection with the Heads of Terms or the negotiations between the Parties in relation to the Joint Venture (including non-contractual disputes or claims).

**IN WITNESS** whereof this Agreement has been duly executed as a deed and has been duly delivered on the day and year first above written.



**Schedule 1****Bullabulling Project**

The Bullabulling Project comprises ARL's interest in the following assets:

- (a) Western Australian Mining Leases 15/282, 483, 503, 529, 554, 1414, EL15/841, PL15/5354 – 5358, and PL15/5381 – 5388, P15/4715, M15/1797;
- (b) Bullabulling South which consists of P15/4742 – 4748, P15/4798 – 99, P15/4887, PL5186 - 5188;
- (c) Miscellaneous Western Australian leases L15/206, L15/156 – 158, L15/190, L15/218, L15/222 and Pastoral Lease 3114/754;
- (d) All and any other licences, leases and/or projects acquired by ARL in the Bullabulling Project Area or any such licence, lease or project contiguous with the Bullabulling Project Area; and
- (e) all exploration results, technical reports, records, know-how and other intellectual property and statutory, contractual and other rights relating to each licence, lease or project above.

Schedule 2

Bullabulling Project Area

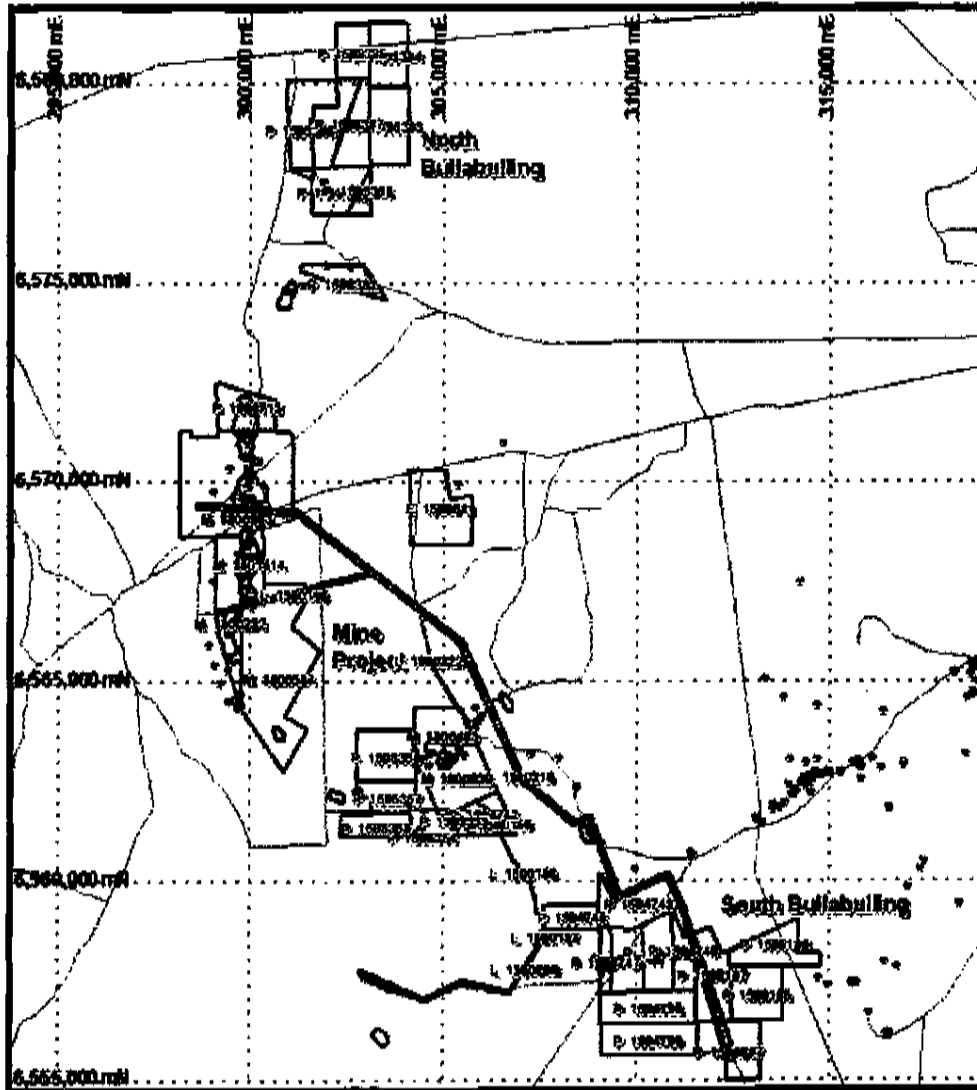


Figure 2 Bullabulling Project Tenement Location Map.

**Schedule 3****Terms of the Joint Venture****1. JVCo**

- (a) The Parties to jointly set up JVCo, which will be held as to 50% by CCG and 50% by ARL.
- (b) The JVCo will have a board consisting of three CCG representatives and three ARL representatives. The board will meet monthly or as appropriate to manage the interests of the JVCo.
- (c) The board members will not receive separate remuneration apart from board fees on attendance to board meetings.
- (d) Profit share or share of product (as the case is) from JVCo will reflect the respective holdings of the Parties from time to time.

**2. Transfer of Bullabulling Licences**

Transfer of the Bullabulling Licences from ARL to JVCo (or a 50% interest to CCG, if JVCo is unincorporated) will occur following signature of the JVCo Documentation and the establishment of JVCo.

**3. Initial Investment by CCG and Future Funding**

- (a) CCG will pay to ARL the sum of AUD\$2.5 million (two and a half million Australian dollars) in consideration of it transferring the Bullabulling Licences into JVCo (or a 50% interest to CCG, if JVCo is unincorporated).
- (b) CCG will pay to ARL 50% of all costs and other expenditure incurred by ARL in connection with:
  - (i) the acquisition of licences, leases, projects and other property in the Bullabulling Project Area acquired by ARL, other than under the ARL Option; and
  - (ii) assessing, renewing, replacing and otherwise dealing with the Bullabulling Licences or Bullabulling Project.
- (c) All further investment in JVCo will be made as to 50% by CCG and 50% by ARL, subject to an agreed budget. In the event that either Party fails to make its contribution in respect of further investment then that Party's interest shall be diluted on a straight line basis using an initial valuation of AUD\$5 million (five million Australian dollars).

**4. Management of the Bullabulling Project**

- (a) The Parties will enter into a management agreement with JVCo in connection with the management of the Bullabulling Project.
- (b) The Bullabulling Project shall be managed by the Party holding the majority interest in JVCo from time to time. For as long as the Parties have equal interests, a management committee will be set up which will represent the interests of both Parties.
- (c) On a Change in Control of one party, the other party will take on the management of the Bullabulling Project immediately upon giving notice of its intention to increase its participating interest in the Joint Venture in accordance with Paragraph 5.

**5. Change of Control Event of CCG**

If CCG is subject to a Change of Control Event, ARL will become entitled to increase its participating interest in the Joint Venture to 80% through the expenditure of AUD2 million to develop the Bullabulling Project, provided that:

- (a) ARL gives written notice within 30 days of the change of control occurring to CCG electing to increase its participating interest;
- (b) the AUD2 million expenditure is made within two years of that Change of Control Event;
- (c) the increased participating interest will not change incrementally but remain at 50% until the full AUD2 million expenditure is made; and
- (d) CCG is not required to make any contribution towards Joint Venture expenditure until ARL has made the full AUD2 million expenditure and other than set out in this paragraph CCG will not be diluted despite the terms of Paragraph 3(c).

**6. Change of Control Event of ARL**

If ARL is subject to a Change of Control Event, CCG will automatically be required to increase its participating interest in the Joint Venture to 80% through the expenditure of AUD2 million to develop the Bullabulling Project, provided that:

- (a) the AUD2 million expenditure is made within two years of that Change of Control Event;
- (b) the increased participating interest will not change incrementally but remain at 50% until the full AUD2 million expenditure is made; and
- (c) ARL is not required to make any contribution towards Joint Venture expenditure until CCG has made the full AUD2 million expenditure and other than set out in this paragraph ARL will not be diluted despite the terms of Paragraph 3(c); and

- (d) the amount that must be paid by CCG under this clause 5 will be reduced by the Face Value (so far as it has not been Converted or Partially Converted) if the Note is cancelled in accordance with the terms of the Note.

**7. General**

The Joint Venture Documentation:

- (a) shall contain warranties to be given by both Parties as to capacity to enter into the agreement, and by ARL as to certain matters concerning the Bullabulling Project;
- (b) will contain participant protections, including pre-emption rights and the obligation for each Party to contribute all licences, leases, projects and other property within a 50km radius of a point to be agreed between the Parties within the Bullabulling Project Area acquired by it to the Joint Venture;
- (c) will be subject to Australian law.

**Schedule 4****Conditions**

1. ARL shall provide to CCG immediately upon announcement to the London Stock Exchange and the Australian Securities Exchange of the execution of the Heads of Terms all and any due diligence materials that they hold in relation to the Bullabulling Project.
2. CCG undertaking and being satisfied with the results of its investigations into the Bullabulling Project.
3. ARL granting CCG access upon reasonable notice to any data held by them relating directly or indirectly to the Bullabulling Project and allowing them access to the properties the subject of the Bullabulling Project.
4. The formation of JVCo.
5. CCG and ARL agreeing and entering into the JVCo Documentation.
6. ARL having exercised the ARL Option and the Acquisition either having completed or completing contemporaneously with and interdependently on Completion.
7. Any consents or licences required (including FIRB, if necessary) to transfer the Bullabulling Project into JVCo (or a 50% interest to CCG, if JVCo is unincorporated) being obtained.

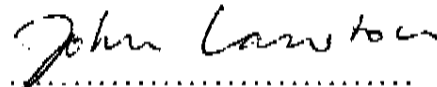
**Schedule 5**

**Note**

Executed by **Auzex Resources Limited ACN 106 444 606** in accordance with section 127(1) of the Corporations Act 2001 acting by the following persons:

  
.....  
Signature of director

**EUGENE ILIESCU**  
.....  
Name of director (print)

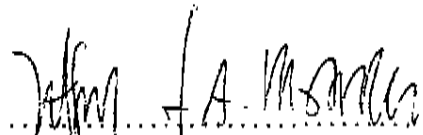
  
.....  
Signature of director

**JOHN LAWTON**  
.....  
Name of director (print)

**SIGNED by CENTRAL CHINA GOLDFIELDS PLC** acting by **PETER ANTONY RUXTON**, and **JEFFREY MALAIHOLLO** directors:

  
.....  
Signature of director

**PETER ANTONY RUXTON**

  
.....  
Signature of director

**JEFFREY MALAIHOLLO**