



- ▲ *Remnants of the old battery, Anchor Tin Mine.*
- ▶ *Ben Lomond, near Storey's Creek.*



*Minemakers Limited***Material Contracts**

Set out below is a brief summary of certain contracts which have been entered into by the Company and which have been identified as material and relevant to potential investors.

### 9.1 Engagements letters with the non-executive Directors

In consideration for the services provided by Messrs Savell and Ellyard the Company will pay them \$35,000 and \$25,000 respectively per annum (exclusive of statutory superannuation) from the date the Company lists on ASX.

The non-executive Directors are also entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform services outside the scope of the ordinary duties of a director. They may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

### 9.2 Tasmanian Tin and Tungsten Project Share Sale Agreement with Mr Paul Askins and Golden Archer Resources

Under the Tasmanian Tin and Tungsten Project Share Sale Agreement Mr Askins and Golden Archer Resources have agreed to sell the entire issued share capital of Allstrong Investments Pty Limited to the Company. Allstrong Investments is the holder of three exploration licences over tenements in the Rossarden-Royal George, Upper Scamander and Blue Tier regions of Tasmania. The effect of the Share Sale Agreement is to transfer these exploration licences to the Company.

The total consideration payable by the Company is:

- (a) \$40,000, which has been paid;
- (b) 4,500,000 Shares which have been issued;
- (c) \$200,000 if the Issue raises \$10,000,000 or more, or \$220,000 worth of Shares if the Issue raises less than \$10,000,000;
- (d) \$1,000,000 (or \$1,100,000 worth of Shares) upon the commencement of any and each new mining operation in the tenements the subject of the exploration licences; and
- (e) a 2.25% net smelter royalty.

Completion is to occur three days prior to the Company listing on the ASX.

The Company will also issue Mr Askin and Golden Archer Resources \$110,000 worth of Shares annually for five years, or until the initiation of any mining operations on the tenements the subject of the exploration licences, whichever comes first, in consideration for technical services to be provided.

Mr Askins and Golden Archer Resources have given extensive warranties to the effect that Allstrong Investments' only assets are the three exploration licences and that it has no liabilities.

The Share Sale Agreement will terminate if the Company is not listed on the ASX by 30th September 2006, or a mutually agreed later date. On termination any Shares issued to Mr Askins and Golden Archer Resources will be cancelled.

### 9.3 Moina Project Option Agreement with Geotech International Pty Limited and Mr Paul Askins

Under the Moina Option Agreement the Company has an option period of 20 years to purchase an 80% interest in a retention licence over a tenement in the Moina region of Tasmania from Geotech International and Mr Askins.

The consideration for the grant of the option is \$10,000 to Geotech International. The Company has also agreed to issue 1,050,000 Shares and 1,050,000 2012 Performance Options to Mr Askins for services rendered.

For technical services, the Company will also issue 200,000 Shares annually to Mr Askins for each year the Company is listed on the ASX whilst the option remains unexercised. for technical services.

Upon exercise of the option, the Company will:

- (a) pay Geotech International \$1,250,000 (this may at the election of Geotech International be satisfied, in part or in whole, by the issue of Shares at a discounted issue price of 10% of the listed price at the time the option is exercised) ("Purchase Price"), unless the Company has completed a bankable feasibility study over the tenement, in which case the Purchase Price will not be paid; and
- (b) pay \$250,000 to be split in equal portions to Rio Tinto and AngloGold upon commencement of mining production.

Geotech International has granted to the Company a first right of refusal to purchase its remaining 20% interest in the tenement, if it is to be relinquished by Geotech International during the option period.

The Company has agreed to maintain public liability insurance over the tenement for an amount not less than \$10,000,000. The Company has also granted to Geotech International the

right to participate in a joint venture with the Company to develop the tenement, should any such development proceed. Geotech International would be granted a 20% participation under the terms of any joint venture but would dilute if it did not contribute in full.

The Moina Option Agreement will terminate if the Company is not listed on the ASX by 30 September 2006, or a mutually agreed later date. On termination the Shares and the 2012 Performance Options will be cancelled.

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#### **9.4 Tay-Munglinup Nickel Project Option Agreement with Golden Archer Resources Pty Ltd, Mr James Stewart and Mr Paul Askins**

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Under the Tay-Munglinup Option Agreement, the Company has an option period of 20 years in which to purchase an 80% interest in an exploration licence and two exploration licence applications in the Esperance and Ravensthorpe regions of Western Australia.

The consideration for the grant of the option is:

- (a) \$45,000 which has been paid; and
- (b) 1,550,000 2010 Performance Options to Messrs Askins and Stewart (which have been issued).

The Company has also agreed to pay \$150,000 on the first anniversary of listing and \$200,000 annually thereafter whilst the option remains unexercised. Each of these payments may at the discretion of the Company be satisfied by the issue of Shares at a 10% discount to the volume weighted average Share price for the 10 days preceding the payment date.

The option can be exercised by the Company either paying \$500,000 or completing a bankable feasibility study over the tenements the subject of the exploration licence applications. The payment of \$500,000 will be reduced by 50% of the value of any payments made upon listing, on the first anniversary of listing and annually thereafter whilst the option remains unexercised.

The Company has agreed that, should a third party be introduced as a joint venture partner to develop the tenements, the agreement would be renegotiated so that the vendors' interest will not be less than 5%. Parties withdrawing from any such joint venture arrangements will be entitled to a 2% gross royalty on the sale of any minerals produced from the tenements.

The Tay-Munglinup Option Agreement will terminate if the Company is not listed on ASX by 30th September 2006, or a mutually agreed later date. On termination the Shares and the 2010 Performance Options will be cancelled.

The granted exploration licence is subject to a Heritage Protection Agreement under which Messrs Askins and Stewart have agreed to ensure that a proper survey is conducted on it and there are proper management and protection of any aboriginal sites on the tenement. The Company must, in the event the option is exercised, enter into a deed covenant to become bound by the Heritage Protection Agreement.

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#### **9.5 Wonarah Phosphate Project Option Agreement with Indo Mines Ltd**

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Under the Wonarah Option Agreement, the Company has an option period to 30 September 2006 to purchase a 100% interest in four exploration licences and a exploration licence application over tenements in the Northern Territory.

The total consideration for the option is \$45,000 which has been paid. Upon exercise of the option which will occur when Minemakers is conditionally admitted to the Official List, the Company will:

- (a) pay \$50,000; and
- (b) issue 625,000 Shares and 625,000 2012 Performance Options on listing on ASX.

The Company has also agreed to meet expenditure conditions attaching to the exploration licences and one exploration licence application.

The Company has also granted Indo Mines:

- (a) the right to a clawback of 10% of the equity in the tenements, upon the repayment to the Company of 20% of the expenditure spent by the Company on the exploration licences and exploration licence application prior to the exercise of the option; and
- (b) a first right of refusal to participate in a joint venture with the Company to develop the tenements, should any such development proceed. This is a requirement only if the Company uses the tenements for the exploration and development of diamond, gold and base metals. Indo Mines would be granted a 50% participation under the terms of any such joint venture.

The Wonarah Option Agreement will terminate if the Company is not listed on the ASX by 30 September 2006, or a mutually agreed later date. On termination the Shares and the 2012 Performance Options will be cancelled.

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#### **9.6 Fraser Iron Project Option Agreement with Mr Paul Askins and Mr James Stewart**

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Under the Fraser Option Agreement, the Company has an option period of 20 years in which to purchase an 80% interest in an exploration licence and an exploration licence application (subsequently granted) over tenements in the Albany, Plantagenet and Cranbrook regions of Western Australia. The consideration for the grant of the option is:

- (a) \$30,000 which has been paid; and
- (b) 1,550,000 2010 Performance Options to Messrs Askins and Stewart, which have been issued.

The Company has also agreed to pay \$150,000 on the first anniversary of listing and \$200,000 annually thereafter whilst the option remains unexercised. Each of these payments may at the discretion of the Company be satisfied by the issue of Shares at a 10% discount to the volume weighted average Share price for the 10 days preceding the payment date.

The option can be exercised by the Company either paying \$500,000 or completing a bankable feasibility study over the tenements the subject of the exploration licence applications. The payment of \$500,000 will be reduced by 50% of the value of any payments made on the first anniversary of listing and annually thereafter whilst the option remains unexercised.

The Company has also agreed that, should a third party be introduced as a joint venture partner to develop the tenements, then the agreement would be renegotiated so that the vendors interest will not be less than 5%. Parties withdrawing from any such joint venture arrangements will be entitled to a 2% gross royalty on the sale of any minerals produced from the tenements.

The Fraser Option Agreement will terminate if the Company is not listed on the ASX by 30th September 2006, or a mutually agreed later date. On termination the Shares and the 2010 Performance Options will be cancelled.

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### 9.7 Anchor Mine Option Agreement with Spectrum Resources Australia Pty Ltd

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The Company has an option agreement expiring on 30 September 2006 in which to purchase a 100% interest in a mining lease tenement in the Lottah region of Tasmania.

The consideration for the grant of the option is \$10,000 which has been paid, and \$40,000 on the Company listing on the ASX. The Company must pay \$30,000 to exercise the option.

Spectrum has warranted to the Company that rehabilitation work required by Mining and Resources Tasmania on the mining lease will be completed at Spectrum's cost to the satisfaction of the Company. At the completion of the rehabilitation work, the option will be exercised and the mining lease will be transferred to the Company.

If the Company undertakes any major exploration work on the mining lease before its rehabilitation is completed, then the Company will bear the rehabilitation liability on the exploration work carried out.

The Company is required to list on the ASX by 30 September 2006, unless an extension is agreed between the parties.

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### 9.8 Executive Service Agreement with Mr Andrew Drummond

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The Company has agreed that as from the date on which the Company is admitted to the official list of the ASX that Mr Drummond will serve as managing director and chief executive officer of the Company. The Executive Service Agreement contains standard provisions for the obligations of the Mr Drummond as a managing director and chief executive officer, non-completion and confidentiality covenants, holiday and sick entitlements and termination on breach.

Mr Drummond's salary is A\$211,000 per annum and superannuation at the statutory minimum percentage. Mr Drummond will also be reimbursed all reasonable travelling, entertainment and other general expenses subject to producing evidence of such expenses. Mr Drummond's salary is reviewed on each anniversary of the Executive Service Agreement and in the absence of agreement to the contrary the remuneration payable is increased by a factor equal to the increase in CPI for that period.

The term of the Executive Service Agreement is until Mr Drummond's 65th birthday or such earlier date as may be mutually agreed.

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### 9.9 DW Corporate Engagement as Corporate Advisor

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The Company have engaged DW Corporate as corporate advisor for the Issue. DW Corporate will be paid a success fee of up to A\$35,000 plus GST upon listing and have the opportunity to subscribe for A\$100,000 worth of Shares offered in the Issue. DW Corporate will also be paid all out of pocket expenses incurred in respect of the engagement.

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### 9.10 DW Corporate Engagement for Company Secretarial/CFO support

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The Company has engaged DW Corporate to provide to the Company all secretarial, financial and corporate services for a remuneration of A\$75,000 plus GST and reasonable expenses incurred.

The engagement is for 24 months from when the Company lists on ASX. Thereafter the engagement may be terminated by 3 months notice by either party. The engagement may be terminated by the Company if DW Corporate fails to provide the services as required or commits any serious or persistent breach of the engagement. The Company may also terminate the engagement if Mr John Ribbons (the principal providing services under the engagement) is either incapacitated by illness for an extended period, or is convicted of any serious criminal offence or becomes of unsound mind.

The Company has agreed to indemnify DW Corporate and Mr Ribbons against all losses that they may suffer in carrying out the engagement where they have acted on the instructions of the Company save for the gross negligence or wilful misconduct.

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### 9.11 Deeds of Access Insurance and Indemnity

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The Company has entered into deeds of access indemnity and insurance with each of the Directors.

The Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover (if available) in favour of each Director whilst he is a Director and for seven years after the Director has ceased to be a Director.

The Company has undertaken with each Director to provide access to any Company records which are either prepared for or provided to the Director during the period which he is a Director and for a period of seven years after the Director has ceased to be a Director.