

PADDINGTON GOLD MINE

AGREEMENT TO PROSPECT WITH PADDINGTON GOLD PTY LTD METAL DETECTING

This agreement is made the..... day of..... 2010

Between:

Paddington Gold Pty Limited
PO Box 1653
Kalgoorlie WA 6433
Phone: 08 9080 6800
(Paddington Gold)

and:

Prospector Name:.....

Address:.....

Ph:..... Mobile..... Email.....

(Prospector)

Current membership ticket number of the Amalgamated Prospectors and Lease Holders Association of WA (Inc) (APLA):.....

Issued by Eastern Goldfields Branch of APLA.....

Miners Right Number:.....

Whereas:

- A. Paddington Gold is the registered holder of the mining tenements described in Item 1 of the schedule ("**Tenements**")
- B. The Prospector has requested the right to enter the Tenements in order to prospect for minerals in the manner specified in Item 4, and to retain ownership of any gold won up to the limit referred to in Item 2, and Paddington Gold has agreed to grant such right subject to the following terms and conditions of this agreement.

It is agreed:

- 1. Subject to the Prospector complying the terms of this agreement and in consideration for the payment of the Royalty by the Prospector, Paddington Gold hereby grants to the Prospector the right to prospect for gold on the Tenements for the period referred to in Item 3 of the schedule ("**Period**"). This right is specific to the Prospector only and shall not be assigned or transferred by her/him.
- 2. The Prospector is entitled to retain as owner up to the limit referred to in Item 2 any gold discovered by means identified in item 4 of the schedule.
- 3. The Prospector hereby covenants and agrees with Paddington Gold:
 - a. not to interfere with, obstruct or impede Paddington Gold or its employees, contractors or agents from conducting any activities on the Tenements.

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- b. not to damage, interfere with or injure any equipment, improvements or activities of Paddington Gold on the Tenements.
 - c. to immediately obey any direction from Paddington Gold to the Prospector to cease prospecting and move from any specific area or leave the tenement.
 - d. not to do anything that would cause the Paddington Gold to be in breach of any law, including, but not limited to, the Mining Act 1978.
 - e. to hereby waive all and any Claim or action or right which he or his successors might otherwise have arising out of or as a result of any injury, damage or loss of any nature whatsoever which the Prospector may suffer or sustain in any manner whilst on the Tenements.
 - f. to rehabilitate in accordance with the requirements of the Department of Industry and Resources and the Mining Act 1978 any damage caused by any activities and to sites in a clean tidy condition.
 - g. not to take firearms on to the Tenements.
 - h. not to interfere with any existing gridding, pegs, drill holes, samples or survey marks or any other exploration or mining tool or device which may be present.
 - i. to inform the Department of Industry and Resources and obtain all necessary approvals prior to the commencement of work including the payment of any performance bonds deemed necessary.
 - j. to conduct the prospecting activities in a safe manner in accordance with all applicable laws including, without limitation, the Mining Act 1978.
 - k. to comply with the terms and conditions of the Tenements.
 - l. to pay to Paddington Gold the Royalty specified in item 2 of the Schedule.
4. For the purposes of clause 3e, **Claim** against any person means any claim, action, proceeding, demand, prosecution, judgment, damage, loss, cost, expense, fine, penalty or liability whatever incurred or suffered by or brought or made or recovered against a person and however arising (whether presently ascertained, future or contingent).
5. Paddington Gold will make available copies of the terms and conditions of the Tenements at its office at the Paddington Mine Site for inspection by the Prospector. The Prospector covenants in favour of Paddington Gold that it will review the terms and conditions of the Tenements prior to commencing prospecting activities under this agreement.
6. This agreement may be terminated by Paddington Gold:
- a. where the Prospector is in breach of this agreement, immediately after Paddington Gold gives the Prospector written notice identifying the breach and terminating the agreement in accordance with this paragraph a; or
 - b. at any other time, 2 days after Paddington Gold gives the Prospector written notice of the termination of the agreement in accordance with this paragraph b.
7. The Prospector must advise Paddington Gold within 7 days of the **end of each month** during the Period of all activities conducted on the Tenements, details of the time spent on the Tenements, the cost of all activity completed, the quantity of gold discovered and its location.
8. If the Tenements are over private or leasehold land, the Prospector should inform the owner or manager of the property of his/her proposed activities prior to entering the property and shall not cause any damage or interference to stock or crop and shall leave all gates as found.

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THE SCHEDULE

Item 1: The Tenements –

Item 2: 10% of gold won from the tenements is payable to Paddington Gold as tribute excluding the first 500 ounces. Total number of ounces of gold won is unlimited.

Item 3: The Period - 3 months from signing of this agreement

Item 4: Further Conditions

1. The prospector to take out Public Liability Insurance covering the proposed activities and to attach a copy of the policy to the Company's copy of this agreement.
2. To complete rehabilitation at each site prior to commencing operations at the next site.
3. Prospecting to be carried out by Metal Detecting with a
4. Notify Andrea Kirchner or Paddington Gold staff prior to commencement and on completion of activities.
5. The Prospector adheres to the tenement conditions imposed by the Department of Mines and Petroleum.
6.
7.
8.



Environmental Conditions for Prospecting Using a Metal Detector

Surface Disturbance

- Always stay on designated roads and tracks. Do not drive through vegetated areas
- Avoid disturbing shrubs and bushes wherever possible when digging and fossicking
- Do not cut down or remove any trees or timber
- No earthwork equipment is permitted for use. You are permitted to manually dig holes but these must be refilled immediately afterwards
- Do not remove any fencing or fencing timber that has been erected around or placed on an abandoned shaft, pit or mine workings

Fires

- Fires of any description are not permitted onsite at any time under any circumstances.
- Small camp stoves are permitted but must be used responsibly

Waste and Litter

- Do not litter or leave any rubbish on site. Take all rubbish with you and leave the area clean and tidy
- Do not bury any rubbish or litter on site
- Do not burn any litter or rubbish on site

Firearms

- Firearms OR Shooting are NOT permitted onsite at any time under any circumstances

CAMPING IS NOT PERMITTED