

MUVA HILL - LUANSHYA



REPUBLIC OF ZAMBIA

The Mines and Minerals Development Act, 2008
(Act No. 7 of 2008)

The Mines and Minerals Development (General) Regulations, 2008

LICENCE NO. **8394-HQ-LML**.....

LARGE-SCALE MINING LICENCE

(Section 27 of the Mines and Minerals Development Act, No. 7 of 2008)

CNNC LUANSHYA COPPER MINES PLC

Holder's name

Address **P.O. BOX 90456, LUANSHYA**.....

The mining areas shall be the area described in the Schedule and annexed hereto and bordered **RED**..... on the Plan.

The licence relates to the following minerals **COPPER AND COBALT**.....

The licence is granted for a period of **TWENTY-FIVE (25) YRS** commencing on the **19TH** day of **OCTOBER, 2006**.....

The conditions of grant of the licence are as shown in the Annexures attached hereto.

ANNEXURES 1-7

Issued at **LUSAKA** this **29TH** day of **APRIL, 2010**.....

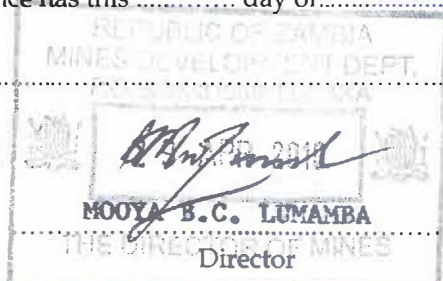


[Signature]
MOOYA B.C. LUMAMBA
.....
Director

ENDORSEMENT OF REGISTRATION

This Large-Scale Mining Licence has this **29TH** day of **APRIL, 2010**.....

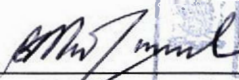
been registered in the Register.




ANNEXURES TO 8394-HQ-LML

ANNEXURE 1

- (a) Develop the mining area in accordance with the approved programme of mining operations;
- (b) Execute the environmental management plan;
- (c) Implement the local business development programme;
- (d) Employ and train Zambians in accordance with the approved program;
- (e) Demarcate the mining area and keep it demarcated;
- (f) Pay mineral royalty in accordance with the Mines and Minerals Development Act, 2008 and the Income Tax Act, Cap. 323;
- (g) Maintain at the holder's office complete and accurate technical and financial Records of the mining operations;
- (h) Permit authorised officers, at any time, to inspect all records, mining and mineral processing operations;
- (i) Submit statutory reports and any other information concerning the mining or mineral processing operations;
- (j) Submit a copy of the annual audited financial statements within three months of the end of each financial year;
- (k) Submit reports on external supplies of ore, concentrates, tailings, slimes or any other mineral fed to the plant;
- (l) Provide current information on recovery from ores, mineral products, production costs and sales;
- (m) Conduct operations only upon meeting the requirements of the Environmental Protection and Pollution Control Act, Cap. 204 and upon obtaining an annual operating permit under the Mines and Minerals Development Act, 2008;
- (n) Contribute to the Environmental Protection Fund as required under the Mines and Minerals Development Act, 2008;
- (o) Obtain appropriate insurance for all phases of the mining operations;
- (p) Give preference to Zambia products and services;
- (q) Submit a Pegging Certificate for approval within three months of grant of licence; and
- (r) Comply with the provisions of the Mines and Minerals Development Act, 2008 and other relevant laws of Zambia.


Mooya B.C. Lumamba
Director of Mines



MINES DEVELOPMENT DEPARTMENT

ANNEXURES TO 8394-HQ-LML

ANNEXURE 2

No illegal mining and trade is permitted in the licensed area

ANNEXURE 3

The holder shall not enter into agreements or transfer of the licence without the prior consent of the Minister

ANNEXURE 4

The holder shall be liable for any harm or damage caused by mining or mineral processing operations and shall compensate any person to whom harm or damage is caused.

ANNEXURE 5

The holder shall not exercise any rights under the licence without prior consent of legal occupiers of land or local chiefs.

ANNEXURE 6

A condition requiring the holder to apply for a renewal of his licence not later than 365 days (1 year) before expiry of his/her licence and to comply with the abandonment procedures and requirements of his/her area in terms of Section 24 of the Mines and Minerals Development Act, 2008.

ANNEXURE 7

A condition requiring the holder to pay Area Charges on the grant of the Licence and thereafter annually on the anniversary thereof until the termination of the licence in terms of Section 143 of the Mines and Minerals Development Act, 2008.


Mooya B.C. Lumamba
Director of Mines
MINES DEVELOPMENT DEPARTMENT

