

APPENDIX 5

**Records from the NSW
Department of Primary
Industries: Minerals
regarding Sand Mining
Reports in the Project Area**

MR 1735

CUDGEN R. Z. LIMITED

PROSPECTUS



R00045468

Underwriting Brokers :

RALPH W. KING & YUILL
(Members of The Sydney Stock Exchange Limited)



D003647880

WILSON & CO.
(Members of the Brisbane Stock Exchange)

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CUDGEN R. Z. LIMITED

(Incorporated under the Companies Act, 1961-1966 of the State of New South Wales
on 3rd March, 1967).

PROSPECTUS

of an issue of

433,300 8% Cumulative Redeemable Preference Shares of \$1 each at par
2,800,000 Ordinary Shares of 50c each at par

Underwriting Brokers:

RALPH W. KING & YUILL

(Members of The Sydney Stock Exchange Limited)

20 O'Connell Street – 33 Bligh Street, Sydney.

414 Collins Street, Melbourne.

94 Fitzroy Street, Grafton.

31 London Circuit, Canberra City.

288 Queen Street, Brisbane.

11 Fitzroy Street, Tamworth.

WILSON & CO.

(Members of the Brisbane Stock Exchange)

334 Queen Street, Brisbane



This Prospectus is dated 17th March, 1967. Copies of this Prospectus have been lodged for registration with the respective Registrars of Companies in the States of New South Wales, Queensland, Victoria, and the Australian Capital Territory (each of whom takes no responsibility for its contents).

CUDGEN R. Z. LIMITED

(Incorporated under the Companies Act, 1961-1966 of the State of New South Wales on 3rd March, 1967).

PROSPECTUS

of an issue at par of 433,300 8% Cumulative Redeemable Preference Shares of \$1 each

payable 5c per share on application,

and

an issue at par of 2,800,000 Ordinary Shares of 50c each

payable 2½c per share on application.

To complete the purchase of the assets referred to in the Managing Director's Report contained in this Prospectus, it will be necessary for the Company to make a first and final call of 47½c per share in respect of Ordinary Shares, and 95c per share in respect of Preference Shares.

It is expected that these calls will be made on or shortly after allotment, and applicants for shares are therefore requested to remit the amount of the expected call, together with the application money due, when lodging their application forms.

AUTHORIZED CAPITAL

1,500,000 8% Cumulative Redeemable Preference Shares of \$1 each	.....	1,500,000
9,000,000 Ordinary Shares of 50c each	.....	4,500,000
		<u>\$6,000,000</u>

SHARES NOW OFFERED FOR SUBSCRIPTION

	Preference Capital	Ordinary Capital
433,300 8% Cumulative Redeemable Preference Shares of \$1 each at par	433,300	
2,800,000 Ordinary Shares of 50c each at par		1,400,000

SHARES APPLIED FOR BY THE VENDORS

866,700 8% Cumulative Redeemable Preference Shares (Restricted) of \$1 each at par	866,700	
5,600,000 Ordinary Shares (Restricted) of 50c each at par		2,800,000
	<u>\$1,300,000</u>	<u>\$4,200,000</u>

CUDGEN R. Z. LIMITED

DIRECTORS

JOHN ALEXANDER FOYSTER, Mining Proprietor, 38 Thomson Street, Tweed Heads, New South Wales
(*The Founder*).
GRAEME ORIEL MORRIS, B.A., LL.B., Solicitor, 12 Kitchener Road, Ascot, Brisbane, Queensland
(*Chairman*).
MARK FOYSTER, Mining Proprietor, 105 Garrick Street, Coolangatta, Queensland (*Deputy Chairman and
Managing Director*).
JOHN BERTRAM FOYSTER, Mining Proprietor, 40 Thomson Street, Tweed Heads, New South Wales.
PETER JOHN SOLOMON, M.Sc., Ph.D., Geologist, 4 Portland Street, Dover Heights, Sydney, New South
Wales.
DOUGLAS CHARLES WRIGHT, Executive, Pacific Drive, Banora Point, New South Wales.

SECRETARIES AND REGISTERED OFFICE

JOHN JOSEPH JEFFERS
HAROLD TAYLOR PIERCY
South Beach, Kingscliff, New South Wales.
(*postal address: P.O. Box 8, Kingscliff*)

BANKERS

THE ENGLISH SCOTTISH & AUSTRALIAN BANK LIMITED.

SOLICITORS

ALLEN, ALLEN & HEMSLEY, 55 Hunter Street, Sydney, New South Wales.

AUDITORS

FITZGERALD GUNN & PARTNERS, Chartered Accountants, 2 Castlereagh Street, Sydney,
New South Wales.
WILLIAM T. CAREW & CO., Chartered Accountants, 165 Elizabeth Street, Brisbane, Queensland.

SHARE REGISTERS

c/- R. A. IRISH & MICHELMORE, 68 Pitt Street, Sydney, New South Wales.
c/- R. A. IRISH & MICHELMORE, 360 Queen Street, Brisbane, Queensland.
c/- HUNGERFORD, SPOONER & KIRKHOPE, Hobart Place, Canberra, Australian Capital Territory.

MINING CONSULTANTS TO THE COMPANY

KENNETH McMAHON & PARTNERS PTY. LIMITED, 291 George Street, Sydney, New South Wales.

INVESTIGATING GEOLOGIST TO THE UNDERWRITERS

W. LAYTON, B.Sc., F.G.S., M.Aust.I.M.M., Ph.D., Mabb Street, Kenmore, Brisbane, Queensland.

CONSULTING SOLICITORS TO THE UNDERWRITERS

DAWSON WALDRON EDWARDS & NICHOLLS, 44 Martin Place, Sydney, New South Wales.

UNDERWRITING BROKERS

RALPH W. KING & YUILL
(*Members of The Sydney Stock Exchange Limited*)
20 O'Connell Street/33 Bligh Street, Sydney, New South Wales.

WILSON & CO.
(*Members of the Brisbane Stock Exchange*)
334 Queen Street, Brisbane, Queensland.

CUDGEN R. Z. LIMITED

Objects of the Issue

The funds raised by these issues will be used towards the settlement of the purchase of mineral rights, plant, equipment and buildings from the partners of Cudgen R. Z., certain other mineral rights separately held by John Alexander Foyster and Clive John Foyster, and the whole of the issued capital of Cudgen Rutile (No. 2.) Pty. Ltd.

Description of Securities

1. 8% Cumulative Redeemable Preference Shares of \$1 each.

The rights and privileges of preference shareholders are set out fully in extracts of the Articles of Association of the Company which appear in paragraph 18 of the Additional Statutory Information. These are summarized as follows:—

- (i) The preference shares of \$1 each are to be redeemed in full at par by payment of cash on 30th June, 1972.
- (ii) Preference shareholders shall be entitled to the cumulative preference dividend of 8% per annum payable upon the amount paid up thereon. The first such dividend is payable on 15th January, 1968, for the period from allotment to 31st December, 1967. Thereafter, dividends will be payable half yearly in July and January.
- (iii) Tax free profits available in any year will be applied in the first place to provide tax free dividends on preference shares.
- (iv) Rights as to voting and capital repayment in the event of winding up and reduction of capital are set out in the Additional Statutory Information.

2. 8% Cumulative Redeemable Preference Shares (Restricted) of \$1 each.

These shares have been applied for by former partners of Cudgen R. Z. and by former shareholders of Cudgen Rutile (No. 2.) Pty. Ltd. Under the existing requirements of the Australian Associated Stock Exchanges such shares cannot be listed on any Stock Exchange prior to the expiry of twelve months after the date of issue. The Company's Articles of Association provide that such shares rank after all other preference capital, but before all ordinary capital, in the event of a winding up within twelve months of issue.

In all other respects they rank *pari passu* with other preference shares.

3. Ordinary Shares of 50c each.

Holders of ordinary shares of 50c each shall be entitled at the discretion of Directors to dividends payable—

- (i) out of tax free profits to the extent that such profits are surplus in any year, after full payment or provision for full payment of preference dividends, and
- (ii) thereafter out of other profits.

It is proposed to pay a first interim ordinary dividend for the period from allotment to 31st December, 1967, during March, 1968, and a final dividend in October, 1968, in respect of the year to 30th June, 1968. Thereafter, dividends will be paid half-yearly.

4. Ordinary Shares (Restricted) of 50c each.

These shares have been applied for by former partners of Cudgen R. Z. and by former shareholders of Cudgen Rutile (No. 2.) Pty. Ltd. Under the existing requirements of the Australian Associated Stock Exchanges such shares cannot be listed on any Stock Exchange prior to the expiry of twelve months after the date of issue. The Company's Articles of Association provide that such shares rank after all other capital in the event of a winding up within twelve months of issue. In all other respects they will rank *pari passu* with other ordinary shares.

Report of the Managing Director

MR. MARK FOYSTER

This report is submitted for inclusion in the Prospectus dated 17th March, 1967, of issues by the Company of 2,800,000 Ordinary Shares of 50c each at par, and 433,300 8% Cumulative Redeemable Preference Shares of \$1 each at par.

History of Cudgen R. Z.

In February, 1944, Mr. John Alexander Foyster, the founder of Cudgen R. Z., lodged his first rutile-zircon mining lease applications in the Norie's Head and Cudgen areas in New South Wales. He experienced considerable difficulty in obtaining the necessary permits from the wartime authorities for the purchase of plant and materials and consequently it was not until 1947 that he made his first mineral recoveries from seams near the present plant headquarters at Kingscliff.

In 1945 he formed a family partnership which subsequently became Cudgen R. Z., and the partnership continued to acquire more leases and to expand production as sales of rutile and zircon increased steadily.

With the boom in rutile prices in 1956 and 1957, production expanded rapidly until 1958, when it became necessary to reduce production to a level commensurate with market requirements at that time.

Unlike many of its competitors, the partnership was able to maintain production at a reduced rate until stability of market and prices developed in 1961/62, largely by the expansion of rutile into the pigment field, and the negotiation of long term contracts with overseas pigment manufacturers.

Since then, world demand for both rutile and zircon has steadily increased, creating the higher price levels which exist to-day.

The partnership has participated substantially in the expansion of the industry in recent years, and has made important contributions to the technological advancement in the industry.

The partnership was the first producer to install undercut sluices on a large scale, consisting of Star separators designed by York Bros. of Lismore, New South Wales, in conjunction with Cudgen R. Z. technicians.

That process has now been superseded by Multi-Variable Trays with reverse take-off, designed by Cudgen R. Z. and resulting in more efficient separation. This enables greater production to be achieved by plants of much smaller dimensions than previously used. These trays are the subject of Patent Rights Applications, which the Company will be licensed to use without payment.

The partnership commenced the first dry mining operations in the industry in place of dredging units, achieving a higher recovery of rutile and zircon from the leases.

Cudgen R. Z. was also the first producer to install and operate successfully Wet Magnetic Separators, designed by Reading and Gill of Lismore, for the mining site extraction of ilmenite, which achieved considerable reductions in cost by the elimination of excessive cartage.

The above-mentioned operations, pioneered by Cudgen R. Z., have now been adopted by other producers in the industry as standard mining practice.

The Company

Cudgen R. Z. Limited was incorporated in New South Wales on 3rd March, 1967.

By agreements dated 15th March, 1967, the Company is purchasing mineral rights, plant, equipment and buildings from Cudgen R. Z., certain other mineral rights separately held by Mr. John Alexander Foyster and Mr. Clive John Foyster, and the whole of the issued capital of Cudgen Rutile (No. 2.) Pty. Ltd., which holds a joint authority to prospect with Queensland Titanium Mines Pty. Ltd. Further details of these mineral rights are set out in a schedule attached to the report of the Investigating Geologist, Dr. W. Layton, and their locations are shown on maps accompanying his report.

The funds now being raised will be applied in the settlement of the purchase of the above-mentioned assets.

The Company proposes to take over and continue the mining operations of Cudgen R. Z., utilizing plant and equipment purchased, existing management and key personnel, and in all, its total work force of approximately 250.

Minerals to be produced

The Company will produce principally rutile and zircon, the main properties and usages of these minerals being as follows:

Rutile: Rutile has now assumed a major role in the manufacture of titanium metal which is currently finding an increasing world-wide application. Because of its light weight, resistance to high temperatures, its non-corrosive properties and great strength, particularly in alloy form, it is in demand for use in high-speed aircraft, jet engines and space vehicles.

In its pure form rutile is titanium dioxide which is used extensively in the manufacture of titanium white pigment. Overall titanium pigment's high opacity, chemical inertness, low specific gravity, fine particle size and high index of refraction make it ideal for use in paints, varnishes and lacquers. In addition, rutile is used as a coating for arc welding rods, which was its major use until recent years.

Zircon: The properties of this mineral make it ideal for use in foundry practice, ceramics and glazes. Zirconia, a derivative, is used in rocket motors and as a lining in high temperature furnaces. Zirconium metal is used extensively in the sheathing of uranium rods in nuclear reactors and also in the chemical, electronic and photographic industries. It is also used as an alloy with steel, where it helps to remove impurities because of its readiness to combine with hydrogen and oxygen at high temperatures.

By-Products: Natural by-products associated with the production of rutile and zircon include monazite, ilmenite, leucoxene and garnet. The Company proposes to separate and sell monazite and garnet to take advantage of the increasing demand for these minerals.

The Market for Rutile and Zircon

Production of rutile and zircon from the east coast of Australia currently represents approximately 95% and 70% respectively of world production of these minerals, indicating the strong dependence overseas consumers have on the Australian mineral sands industry.

Rutile

Apart from expanding applications for these minerals in general, the world demand for titanium metal in particular has attained record proportions. The processors of titanium metal currently have multi-million dollar expansion plans which point to a doubling of consumption from the 1964 level by the early 1970's, and accordingly this indicates a continuing strong demand for Australian rutile.

*It has recently been announced and authoritatively confirmed that the conventional stockpile objective in the United States has been raised from 51,000 to 200,000 short tons.

* Australian Government Trade Commission, New York, letter of 27/1/67.

*Reports of an English Company's technological break-through which will enable casting of titanium and its alloys and reports that specialist steel producers are planning to install a new commercial casting plant for titanium indicate an important new market for this metal.

†The United States Government has recently shown its awareness of the military importance of titanium by granting priority authority for expansion plans by two producers, involving an expenditure of \$US120 million.

Meanwhile the use of rutile as a base for pigments is spreading rapidly. The present stability of the industry and the increasing demand can be attributed in large part to the discovery of the "chloride process" by the E. I. DuPont de Nemours Corporation of the U.S.A. in 1962. The perfecting of the chloride process by which pigments are produced from rutile enabled Australian producers to negotiate long-term contracts with American pigment manufacturers.

The "chloride process" is now generally accepted as being cheaper than the "sulphate process" which uses ilmenite. This is evidenced by the large capital expenditure in chloride plants currently being incurred in Canada, Western Germany and the U.S.A.

At the present time the pigment industry absorbs about 50% to 55% of the world's rutile production to make titanium dioxide pigment, which dominates the world's white pigment market. For several years, it has exceeded the combined production of white lead, leaded zinc oxide and lithopone white pigments.

Zircon

The following extracts from the Quarterly Review, Vol. 19 No. 1 of September, 1966, published by the Bureau of Mineral Resources, are worthy of note:

"... in 1965 Australia was responsible for slightly more than 70 per cent. of the estimated world total of some 300,000 tons."

"Overall domestic production of zircon over the five years 1966-1970 is thus seen as increasing sharply at an annual growth rate of about 8 per cent. to 340,000 tons per annum in 1970, then levelling off to a modest growth rate of 1 per cent., and reaching an estimated 355,000 tons in 1975."

"... Australian reserves of zircon are considered adequate not only to enable Australia to increase its share of world production of zircon but to maintain this position well in the 1980's."

"During the first half of the 1960's, world consumption of zircon has been increasing at the impressive rate of about 7 per cent. per annum. If this rate of growth is maintained over the next few years world consumption of zircon should increase to about 400,000 tons per annum by 1970."

"... Australian mineral sand producers should be assured of firm markets for their future output of zircon, and at prices which, though remaining competitive, will be commensurate with increasing costs of production."

These facts make me confident of the increasing demand for rutile and zircon.

Production and Sales Record of Cudgen R. Z.

During the past five financial years Cudgen R. Z. has produced and sold mineral as follows:—

Year Ended	Rutile (tons)	Average Price \$	Zircon (tons)	Average Price \$
30.6.62	11,474	44.52	17,359	22.85
30.6.63	16,565	48.78	23,866	23.40
30.6.64	24,916	64.76	22,707	23.38
30.6.65	24,138	72.29	25,408	22.54
30.6.66	27,583	75.36	34,101	38.00

The progressive increase in tons of rutile and zircon sold during the five years reflects the increased demand for these products.

The trend of increased market prices has continued as old contracts have been completed, so that prices of existing contracts are almost completely in line with current market prices.

* Financial Times, London, 7/2/67.

† The Bulletin, 7/1/67.

Forward contracts are held of a total value of \$3,713,000 at average prices of rutile \$88 per ton and zircon \$47 per ton.

The Company will continue the policy of the partnership, of securing forward contracts when it is considered that such contracts will be advantageous to the Company.

Reserves and Prospecting Policy

The Company is acquiring from the vendors mineral rights (including those of Cudgen Rutile (No. 2.) Pty. Ltd.) covering proven reserves of 502,818 tons of rutile and 579,278 tons of zircon. Details of these mineral rights are set out in a table accompanying the report by the Investigating Geologist, Dr. W. Layton, of the areas which have been test drilled by him.

In addition, the Company is acquiring mineral rights over other areas which have not yet been drilled to determine the extent of their mineral content. The number and size of these areas will be readily evident from examination of the schedules forming part of Dr. Layton's report. Together these rights constitute all of the mineral rights held by Cudgen R. Z., J. A. Foyster, C. J. Foyster and Cudgen Rutile (No. 2.) Pty. Ltd., except to areas where mining will be completed before allotment of the shares of the issues.

The vendors, of whom I am one, have warranted in the agreements dated 15th March, 1967 referred to earlier in this report so far as the mineral rights being sold by each of them is concerned and the shareholders in Cudgen Rutile (No. 2.) Pty. Ltd., of whom I am also one, have also warranted so far as the mineral rights owned by that company are concerned that all mineral rights "are in good standing each according to the terms and conditions thereof and are to the best of the vendors' knowledge, information and belief not subject to forfeiture, cancellation, objection, restriction, abandonment, waiver or avoidance except in accordance with standard procedures under [the relevant mining laws] not consequent upon any default of the vendors". It should be appreciated that the consent of the Minister for Mines in New South Wales to the transfer of existing leases and to the granting of new leases pursuant to applications for lease is discretionary. However, I know of no reason why such consent should be withheld in any instance.

It has always been the policy of Cudgen R. Z. to allocate a calculated proportion of profits to finance a continuous prospecting programme.

The effects of this policy are that, despite production, reserves of mineral have been steadily increasing over the years, indicating that more new mineral has been, and is being, proved, than has been produced.

The Company will continue the policy of further development of existing mineral rights and the search for and prospecting of additional areas to be worked by the Company.

Government Support for the Industry

Under existing legislation, and by virtue of the Company's mining and exporting activities—

- (a) 20% of the Net Income from mining operations will be exempt from income tax in the hands of the Company.
- (b) Distributions to Shareholders, paid wholly and exclusively out of Exempt Income referred to in (a) above, will be exempt from Income Tax in the hands of the Shareholders.
- (c) Special income tax deductions will be available to the Company in respect of capital expenditure, prospecting and development.
- (d) Reimbursement of Pay Roll Tax paid will be received by the Company.
- (e) One-third of the amount of calls paid on shares issued by the Company may be claimed by shareholders as an allowable deduction for Income Tax purposes.

Future Production and Estimated Profitability

In addition to the report, contained in this prospectus, by Kenneth McMahon & Partners Pty. Ltd., Mining Consultants, they have also prepared for the Company, in conjunction with Cudgen R. Z. personnel, a mining programme for the period from 1st May, 1967, to 31st

December, 1974. This programme is essentially a basic one at this stage, and is sufficiently flexible to be modified to take advantage of prevailing conditions from time to time.

Based on this programme, the Company has drawn up an estimate of possible profitability up to 30th June, 1974. This estimate has been based on the assumption that the Company will be selling only from existing proven reserves and at present contract prices. An allowance has been made for the increased cost of production, but no allowance has been made in respect of any possible increase in selling prices, or of more economic production methods.

CUDGEN R. Z. LIMITED — ESTIMATED PROFITABILITY

	2 Months Ending 30/6/67	Year Ending 30/6/68	Year Ending 30/6/69	Year Ending 30/6/70	Year Ending 30/6/71	Year Ending 30/6/72	Year Ending 30/6/73	Year Ending 30/6/74
	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL SALES	487,200	4,116,207	4,094,464	3,761,030	3,983,774	4,309,635	4,428,722	4,124,898
Less COST OF SALES	288,304	2,103,128	2,164,274	2,406,727	2,708,760	2,946,055	2,915,076	2,750,668
	198,896	2,013,079	1,930,190	1,354,303	1,275,014	1,363,580	1,513,646	1,374,230
Less ADDITIONAL COMPANY EXPENSES	13,990	105,000	84,000	84,000	84,000	84,000	84,000	84,000
	184,906	1,908,079	1,846,190	1,270,303	1,191,014	1,279,580	1,429,646	1,290,230
Less Prospecting Allocation	8,330	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	176,576	1,858,079	1,796,190	1,220,303	1,141,014	1,229,580	1,379,646	1,240,230
Less Provision for Amortiza- tion of Leases	34,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
NET PROFIT BEFORE TAX	142,576	1,658,079	1,596,190	1,020,303	941,014	1,029,580	1,179,646	1,040,230
PROVISION FOR INCOME TAX	60,036	631,747	610,705	414,903	387,945	418,057	469,080	421,678
*NET PROFIT AFTER TAX	82,540	1,026,332	985,485	605,400	553,069	611,523	710,566	618,552
Less 8% Cumulative Preference Dividend	17,334	104,000	104,000	104,000	104,000	104,000	—	—
BALANCE AVAILABLE FOR ORDINARY SHAREHOLDERS	65,206	922,332	881,485	501,400	449,069	507,523	710,566	618,552
*Portion exempt from Tax	35,315	371,616	359,238	244,060	228,202	245,916	275,929	248,046

Although it would appear that the company may be taxed as a private company, taxation in the above table has been calculated at the higher rates applicable to a public company. In the event that the company is taxed at the lower private company rates of tax, it is the intention of the Directors to make sufficient distribution to avoid Undistributed Profits Tax.

I am confident that the production target set out in the mining programme will be attained and that the Company will continue to prove and work further substantial tonnages of rutile and zircon.

Based on the estimate of profitability and after providing for reserves and lease depletion, I expect that profits earned by the Company will be sufficient for—

- The redemption of preference capital by payment of cash in full on 1st July, 1972.
- The payment of dividends at the rate of 8% per annum on preference capital (wholly out of tax free funds after July, 1968).
- The payment of ordinary dividends at the rate of 10% per annum.

MARK FOYSTER,
Managing Director.

15th March, 1967.

Report by Mining Consultants

KENNETH McMAHON & PARTNERS PTY. LIMITED

The Directors,
Cudgen R. Z. Limited,
Kingscliff, N.S.W.

9th Floor,
Wynyard House,
291 George Street,
Sydney, N.S.W.
15th March, 1967.

Dear Sirs,

PROJECT FEASIBILITY CAPITAL COSTS, OPERATING COSTS

This report was prepared for inclusion in the prospectus dated 17th March, 1967.

Introduction

Cudgen R. Z. has been operating as a producer of beach sand minerals for 17 years, with operations currently centred on their dry separation plant near Kingscliff, New South Wales.

Four mining plants are in operation in New South Wales situated at Brunswick Heads, Byron Bay and Coffs Harbour. Depending on local conditions, mining is undertaken either by dredges or by earthmoving machinery.

We have examined the operations and inspected representative areas covering the company's reserves. Based on this examination a mining programme has been prepared covering the next eight years and estimates of production rates and operating costs have been made over the same period.

The feasibility study carried out, of which this report is a summary, was prepared after extensive investigation by engineers and metallurgists with previous experience in the beach sand industry.

Value of Plant and Equipment

Plant and equipment have been examined and we are satisfied that their depreciated book value, which is substantially in excess of the purchase price being paid by the company for these items, represents a fair value.

New Plant Requirements

It is proposed to construct a mobile separation plant to enable certain areas to be worked more economically by reducing the time and cost of moving between operating sites. Much of the equipment now part of three mining plants will be used in the construction of this mobile plant, which will have a rated maximum capacity of 400 tons per hour, and will be made up of three trailer mounted units.

Depending on local conditions, mining will be undertaken either by a dredge or by earth-moving equipment. Either method will enable mining to be carried out to the maximum capacity of the separation plant.

The capital expenditure on plant and equipment is estimated to be \$300,000. A breakdown of these capital requirements under broad headings is as follows:—

*Dry Mining Equipment	\$98,000
Mobile Mill—Rougher Unit	49,000
Mobile Mill—Scavenger Cleaner Unit	29,000
Mobile Mill—Spirals and Wet Magnet Unit	19,000
Generator Set	3,000
Water Reticulation	9,000
Replacement of Tractors/Bulldozers	88,000
Design	5,000
	<u>\$300,000</u>

* Included in this equipment is one Caterpillar 988 front-end loader costing \$60,000 which was acquired on a lease-hire basis in January, 1967. No allowance has been made for payments already made by Cudgen R. Z.

The alternative exists that the Company may wish to lease bulldozers, in which case capital requirements will be reduced to \$212,000.

Mining Programme

The forward mining programme has been planned to cover the next 8 years in considerably greater detail than normal operating practice demands.

One of the mining plants has been modified recently to increase its capacity from 150 to 400 tons per hour of feed.

The mobile plant with a capacity of 400 tons per hour will commence work early in the Financial Year 1967-1968 and will supersede three smaller plants with a combined capacity of 330 tons per hour. Not only will capacity be increased, but operating costs will be reduced.

Initially, mining will be on leases not far from the dry separation plant. However, as these leases are worked out, both plants will operate further south and a third plant will be brought in to mine beach leases at Double Island Point in Queensland. It is estimated that additional capital expenditure for this latter plant will be of the order of \$268,000 and will be financed from cash flow.

After 1974 mining will continue in New South Wales and the Company will also commence mining extensive high dune areas near Gympie. It is judged that these operations will allow the continuation of previous production rates at costs comparable with previous years.

If, for any reason, it becomes desirable to commence mining in the Gympie Mining Division at an earlier date, this can be done following installation of the required plant and equipment.

ESTIMATED PRODUCTION AND OPERATING COSTS

Financial Year 30 June	Rutile and Zircon tons	Operating Costs per ton of Rutile and Zircon \$
May, June, 1967	7,400	38.96
1967-1968	62,855	33.46
1968-1969	63,543	34.06
1969-1970	58,715	40.99
1970-1971	62,342	43.45
1971-1972	69,140	42.61
1972-1973	68,768	42.39
1973-1974	63,791	43.12

These operating costs have been calculated on the assumption that the Company will purchase all its mining equipment rather than obtain it on a lease-hire basis.

We are impressed by the efficient manner in which current operations are conducted and by the progressive policy of management in its research activities and in the developing and introduction of improved production techniques.

Yours faithfully,

KENNETH McMAHON,
Managing Director.

Investigating Geologist's Report

At the request of the Underwriters the following Geologist's report, relating to ore reserves in the Company's Leases and other mining tenements in Queensland and New South Wales, has been prepared for inclusion in the Prospectus dated 17th March, 1967.

REPORT ON ORE RESERVES IN 90 MINING TENEMENTS IN QUEENSLAND AND NEW SOUTH WALES

by W. Layton, B.Sc., F.G.S., M.Aust.I.M.M., Ph.D.

The mining tenements described here are spread, linearly, over approximately 500 miles of eastern Australian coastal zone. They extend discontinuously from Double Island Point near Noosa in Queensland, to Dungog just north of Newcastle, New South Wales.

Table 2 indicates in column 2 the style of the tenement held. The abbreviations are expanded as follows:

"A.A.P."	- Application for authority to prospect (Queensland).
"A/E"	- Application for authority to enter.
"A/P"	- Application for authority to prospect (New South Wales).
"A to P"	- Authority to prospect.
"Auth. Ent."	- Authority to enter.
"C/W"	- The Commonwealth of Australia.
"D.L."	- Dredging lease.
"D.L.A."	- Dredging lease application.
"P.L.L."	- Private lands lease/Special mining lease of private lands.
"P.L.L.A."	- Application—for private lands lease/Special mining lease of private lands.
"S.L."	- Special lease of Crown Lands.
"S.L.A."	- Application for special lease of Crown Lands.

The map and plans prepared by the Company and contained in this Prospectus show the distribution of the holdings and indicate that the areas will cover a variety of physiographic environments. A to P 348 Gympie, for example, is located over high parabolic dune systems, west of the beach front south of Double Island Point. The dunes are similar to those on North Stradbroke Island, Moreton and Fraser Islands. Most of the other tenements cover conventional beach and beach hinterland areas of the type mined since the early days of the industry. In total 90 tenements covering 10,257 acres were examined for this Prospectus.

Sizes of Tenements

57 of the areas tested in Table 2 are less than 50 acres in size, 32 of these are less than 20 acres. Most of the very small tenements are contiguous with larger holdings. The smallest area is $\frac{1}{2}$ acre and the largest is A to P 348 Gympie covering in total 11,520 acres. This Authority is held jointly with Queensland Titanium Mines Pty. Ltd. in equal interests and the area assessed for the purposes of this Prospectus excludes the acreage drilled by that Company.

Prospecting Methods

The drilling programmes were based on a variety of grid systems. For the most part the Company set the grid lines by methods comparable with those commonly used in the industry. For the current testing programme each check hole was marked on the drilling plans and located on the ground by Company surveyors.

Where possible, subsurface testing was done by means of a 3 inch, light weight, post-hole auger. This apparatus is in general use in the industry for dry hole drilling. The Company have reached depths of up to 150 feet on A to P 348 Gympie, with this equipment. A head collar and casing were used at all times to prevent contamination of the samples by fall in. Below water table level in the coastal tenements a sludge pump was used as standard equipment.

Testing Procedures

The Company's results were checked by drilling a large number of random test holes. All samples from each test hole were processed through float sink separation using bromoform as the heavy media. Several crops of the heavier minerals were taken. This work was done by an independent laboratory. The quantities of heavy mineral from the tests were compared with data from the same site, provided by the Company.

Heavy mineral concentrates from all test drillings on each tenement were bulked appropriately, processed and grain counted to estimate the proportions of rutile, zircon, monazite and ilmenite. Up to 30 microscope fields were counted progressively for each bulked heavy mineral sample.

Overall there appears to be a difference of up to 10% between Company and current test results on float sink analysis; the Company results were the larger. Similarly the Company's grain count estimations on rutile were up to 5% higher. Zircon on the other hand was estimated at 5% lower than the values recorded in the present investigation programme.

These differences are not unreasonable in terms of the range and time scale of the Company's activities. The Company's sampling techniques and laboratory practice were checked in detail and found to be satisfactory.

The Heavy Minerals

The heavy minerals from the float sink separations consist of minerals of greater density than 2.9. The principals in such fractions are:

rutile, zircon, ilmenite, magnetite, garnet, monazite and ferromagnesian minerals.

In general, the rutile and zircon content of the sands decrease irregularly from south to north over the 90 tenements. At Port Macquarie in the south, the rutile content is as high as 33.5% of the heavy fraction. The zircon content is approximately the same. In the north, A to P 348 Gympie, shows rutile values of between 14% and 20% of the heavy minerals, zircon being just slightly lower. D.L.A. 101 and D.L.'s 12, 13 and 17 are rich in heavy minerals but show values of 11.49% to 14.74% rutile with zircon at a maximum of 17.68%. In certain localities, particularly Murwillumbah, Woodburn, Ballina, Maclean, Grafton and Bellingen, the zircon contents are especially high and counts of twice the rutile values are not uncommon.

The ilmenite content of the heavy fraction is variable between 20% and 60% and highest in the tenements at Double Island Point. It may be possible, at some future date, to remove the chrome and up-grade the titanium content of the ilmenite by a process of beneficiation. No doubt the ilmenite, particularly in the Queensland acreage, will be stockpiled against the possibility.

In the New South Wales sections, monazite makes up an average of 0.5% of the total heavy mineral content. This mineral has commercial value.

Ore Reserves

Full details of the ore reserves tested in the various holdings are given in Table 2. The Company has indicated that all the areas marked with an asterisk are being acquired by it and although in many cases Cudgen R. Z. has done certain preliminary work in proving deposits of rutile and zircon such work has not progressed to the stage where specific results are presently available for verification. Proved reserves are summarised in Table 1.

The calculation of reserves was generally based on a cut off grade of 0.3% rutile in the sand. This represents, as shown, a variable grade of heavy mineral. The northern area, A to P 348 Gympie, is different. This constitutes a large relatively low grade deposit with an average heavy mineral content of 1.93%. The cut off grade for the ore reserve calculations on this tenement was fixed at 0.2% rutile in the sand. Feasibility studies have shown this to be acceptable. Although only 60% of the Company's interest in A to P 348 Gympie has been tested, 130,611 tons of rutile and 115,738 tons of zircon have been proved. This constitutes approximately 26% of the total reserves of rutile and 20% of the total reserves of zircon proved for this Prospectus.

Occasionally good grade mineral occurs with up to 40 feet of sub-grade overburden. Despite this, mineral grade averaging 0.33% rutile is attained and the Mining Consultants' report considers the working of A to P 348 Gympie to be feasible. In all areas except this, mineral is contained in ground tested to a maximum depth of 30 feet.

Conclusions

The Company's exploration and evaluation programme has been found to be well planned and well executed. The Company are experienced beach sand mining operators and have well established, adequate prospecting and laboratory facilities. Check sampling of the Company's tenements was carried out by qualified geologists. The ore reserves shown in the tables are based on Company data which has been checked and found satisfactory.

W. LAYTON.

15th March, 1967.

TABLE 1.

SUMMARY OF ORE RESERVES

<i>State</i>	<i>Plan No.</i>	<i>Mining Division</i>	<i>No. of Tenements Tested</i>	<i>Area a. r. p.</i>	<i>Tons Heavy Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
N.S.W.	A	Murwillumbah	6	357. 1.25	93,699	24,409	25,925
N.S.W.	A	Mullumbimby	19	641. 1.28	148,860	44,995	53,589
N.S.W.	A	Ballina	2	46. 0.29.5	34,679	7,852	14,576
N.S.W.	B	South Woodburn	1	38. 2.20	10,377	3,198	3,510
N.S.W.	B	Maclean	13	877. 3.32.6	282,801	69,181	95,618
N.S.W.	B	Grafton	10	780. 0.34.25	260,841	61,529	99,495
N.S.W.	C	Coffs Harbour	7	403. 1.28	93,157	23,965	29,991
N.S.W.	C	Bellingen	5	196. 0.18	40,134	9,973	11,485
N.S.W.	D	Port Macquarie	3	80. 2. 4	31,707	9,273	8,941
N.S.W.	E	Taree	17	893. 0.17.05	253,968	75,955	71,884
N.S.W.	F	Dungog	2	69. 2.32	36,878	11,607	10,763
Qld.	G	Gympie	5	5,872. 2.39	984,828	160,881	153,501
			90	10,257. 1.27.4	2,271,929	502,818	579,278



TABLE 2.

MURWILLUMBAH MINING DIVISION

(For identification of areas see Key Numbers on Plan "A" referring to this Division).

<i>Key No.</i>	<i>Lease/Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
1	S.L. 196	36. 2.10	2.64	5,739	1,365	1,509
2	P.L.L.A. 517	80. 0. 0			*	
	P.L.L.A. 526	67. 0. 0			*	
	P.L.L.A. 527	172. 0. 0			*	
3	P.L.L.A. 544	172. 0. 0			*	
	A/E 1908	172. 0. 0			*	
4	S.L.A. 461	88. 0. 0 (abt.)			*	
5	S.L. 100	32. 3.20			*	
6	S.L.A. 339	105. 0. 0 (abt.)			*	
7	A/E 1880	600. 0. 0 (abt.)			*	
8	S.L.A. 485 (App. for grant GG132 2.12.66)	23. 1.21			*	
9	S.L. 123	5. 3.31			*	
10	S.L. 236	1. 2. 0			*	
11	S.L. 94	28. 2.20			*	
12	Sub-lease of S.L. 93 (to be granted)	3. 0. 0 (abt.)			*	
13	S.L. 76	1. 1. 0			*	
14	S.L.A. 468	5. 1.16			*	
15	M.P.L. 1206	5. 0. 2	(Mining Purposes Lease—no rights to mine)			
16	S.L. 144	3. 1.26			*	
17	S.L. 97	22. 1. 0	1.20	36,458	8,707	8,403
18	P.L.L. 998	12. 1.10				
19	S.L. 164	0. 2.11.5			*	
20	S.L. 99	33. 3. 0			*	
21	S.L. 184	15. 3. 0			*	
22	A/P 185	528. 0. 0 (abt.)			*	
23	S.L.A. 348	3. 3. 0			*	
24	P.L.L.A. 304 P.L.L.A. 308 P.L.L.A. 388	20. 0.18.5			*	
25	S.L. 61	51. 1. 5	1.83	8,919	2,415	2,475
26	S.L. 238	10. 2.10			*	
27	S.L. 208	51. 2. 0	2.30	19,831	5,343	5,555
28	S.L. 329	183. 2. 0	3.78	22,752	6,579	7,983

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

MURWILLUMBAH MINING DIVISION (continued)

<i>Key No.</i>	<i>Lease/Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
29	S.L.A. 545	2. 1.26			*	
30	S.L.A. 481	4. 0. 0			*	
31	S.L. 250	5. 2.12			*	
32	S.L. 98	13. 0.10			*	
33	S.L. 212	53. 3. 0			*	
34	S.L.A. 340	20. 0. 0 (abt.)			*	
35	S.L.A. 507	160. 0. 0 (abt.)			*	
36	S.L. 251	91. 0. 0			*	
37	S.L.A. 341	13. 0. 0 (abt.)			*	
38	S.L. 113	5. 1. 6			*	
39	P.L.L.A. 546	281. 0. 0 (abt.)			*	
40	A/E 1906	11. 3. 0 (abt.)			*	

MULLUMBIMBY MINING DIVISION

(For identification of areas see Key Numbers on Plan "A" referring to this Division).

1	A/E 784	261. 3.29			*	
2	A/E 779	25. 0. 0			*	
3	S.L.A. 140	17. 1.10			*	
4	A/E 799	98. 2. 0			*	
5	P.L.L.A. 150	20. 1.18	7.02	7,305	2,213	2,967
6	S.L.A. 154	10. 2. 0	5.91	3,910	1,235	1,697
7	A/E 780	187. 2. 0			*	
8	A/E 798	199. 2. 0			*	
9	Deleted—mining complete					
10	Deleted—mining complete					
11	Deleted—mining complete					
12	S.L.A. 138	7. 2.32			*	
13	S.L.A. 158	6. 0. 0			*	
14	A/E 800	352. 2.20			*	
15	P.L.L.A. 136	13. 3.28			*	
16	A/E 774	141. 0.28			*	
17	S.L.A. 119	4. 1.16	3.02	9,502	3,126	3,781
18	P.L.L.A. 120	24. 2.12				
19	S.L. 122	95. 3. 0	2.84	31,465	8,886	9,111
20	A/E 787	790. 0. 0			*	
21	A/P 103	91. 0. 0			*	
22	P.L.L.A. 125	23. 2. 1	5.70	9,572	2,844	3,482

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

MULLUMBIMBY MINING DIVISION (continued)

Key No.	Lease/Appln. or Authority No.	Area a. r. p.	Av. Grade H.Min.	Tons H.Min.	Tons Rutile	Tons Zircon
23	S.L.A. 126	1. 0. 0	10.80	654	204	260
24	P.L.L.A. 144 Part P.L.L.A. 135	20. 3.24	4.33	9,554	3,099	3,665
25	P.L.L.A. 135 (Part)					
26	S.L. 315	111. 3. 0	2.36	8,210	2,350	3,149
27	A/E 766	1,395. 0.30			*	
28	S.L.A. 116	0. 3.26			*	
29	S.L.A. 46	65. 0. 0	1.23	5,909	1,653	1,754
30	A/E 769	528. 3. 8			*	
31	S.L.A. 133	1. 2.25	2.77	150	49	58
32	P.L.L.A. 114	85. 1. 5	2.71	12,131	3,869	4,555
33	S.L. 341	6. 2.34	5.76	505	154	181
34	P.L.L.A. 143	6. 2.37			*	
35	S.L.A. 157	0. 1.24			*	
36	S.L.A. 134	8. 0. 0	2.39	2,078	511	798
37	A/E 783	2. 0.32			*	
38	A/E 791	5. 3. 0			*	
39	A/E 797	3. 1.12			*	
40	A/E 792	5. 3.33			*	
41	A/E 795	4. 3. 0			*	
42	A/P 102	40. 2. 0			*	
43	S.L.A. 156	55. 3. 0	4.35	26,497	8,066	10,971
44	S.L.A. 121	1. 1.25	1.78	115	36	39
45	A/E 768	718. 3. 0			*	
46	A/P 104	50. 1.37			*	
47	A/E 767	781. 1.22			*	
48	P.L.L.A. 146	33. 1. 3	3.58	10,346	3,197	3,505
49	A/E 790	0. 3. 9			*	
50	P.L.L.A. 132	14. 1.25	5.36	4,038	1,361	1,248
51	A/E 555	200. 0. 0			*	
52	S.L.A. 54	175. 0. 0			*	
53	A/P 76	170. 0. 0			*	
54	A/P 78	178. 0. 0			*	
55	A/E 751	6. 3.20			*	
56	A/E 403	220. 0. 0			*	
57	A/E 404	120. 0. 0			*	
58	A/E 786	341. 2.16.5			*	
59	P.L.L.A. 145	2. 2.32			*	

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

MULLUMBIMBY MINING DIVISION (continued)

<i>Key No.</i>	<i>Lease/ Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
60	A/E 772	5. 1. 8			*	
61	S.L.A. 59	65. 0. 0			*	
62	S.L.A. 58	100. 0. 0			*	
63	S.L.A. 78	28. 0. 0			*	
64	S.L.A. 79	30. 0. 0			*	
65	S.L.A. 80	15. 0. 0			*	
66	A/P 77	200. 0. 0			*	
67	A/P 74	30. 0. 0			*	
68	S.L.A. 139	10. 1.24			*	
69	A/E 801	59. 0. 0			*	

BALLINA MINING DIVISION

(For identification of areas see Key Numbers on Plan "A" referring to this Division).

1	S.L.A. 130	3. 0. 8			*	
2	S.L. 275	6. 3. 7			*	
3	A/E 637	80. 0. 0			*	
4	A/E 1405	24. 0.10			*	
5	P.L.L.A. 90	48. 0. 0			*	
6	A/P 77	15. 0. 0	8.10	16,840	3,233	9,902
7	S.L. 213	17. 2. 0			*	
8	P.L.L.A. 123	31. 0.29.5	1.27	17,839	4,619	4,674
9	S.L. granted S.L.A. 114	275. 0. 0			*	
10	A/E 1402	978. 1.14			*	
11	S.L. granted S.L.A. 112	175. 0. 0			*	
12	Auth. Ent. 847	539. 2. 0			*	
13	S.L. granted S.L.A. 113	125. 0. 0			*	
14	A/E 1400	464. 0.20			*	

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

SOUTH WOODBURN MINING DIVISION

(For identification of areas see Key Numbers on Plan "B" referring to this Division).

<i>Key No.</i>	<i>Lease/Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
1	A/E 503	340. 3. 0			*	
2	A/E 442	673. 0. 0			*	
3	A/P 87	200. 0. 0			*	
4	A/E 473	84. 0. 0			*	
5	A/E 474	84. 0. 0			*	
6	A/E 105	102. 0. 0			*	
7	A/E 475	102. 0. 0			*	
8	A/E 107	100. 0. 0			*	
9	A/E 108	113. 0. 0			*	
10	A/E 109	67. 0. 0			*	
11	A/E 104	60. 0. 0			*	
12	S.L. 172	38. 2.20	4.91	10,377	3,198	3,510
13	A/P 177	1,040. 0. 0			*	
14	S.L.A. 251	130. 0. 0			*	

MACLEAN MINING DIVISION

(For identification of areas see Key Numbers on Plan "B" referring to this Division).

1	P.L.L.A. 94 (App. GG135 9.12.66)	12. 2.10	5.55	2,895	738	758
2	A/E 491	160. 0. 0			*	
3	A/E 492	5. 3. 0			*	
4	A/E 493	3. 2. 0			*	
5	A/E 400	352. 1. 0			*	
6	A/E 401	316. 0. 0			*	
7	S.L.A. 98	50. 0. 0	2.62	11,203	2,893	2,532
8	A/E 477	231. 2. 0			*	
9	A to P (A/P 134)	84. 0. 0			*	
10	A/E 399	309. 3. 0			*	
11	S.L.A. 97	36. 1. 0	2.76	25,517	6,356	7,659
12	S.L.A. 96	29. 1. 0	2.63	6,260	1,818	1,874
13	S.L.A. 87	146. 1. 0	1.33	9,624	2,147	1,944
14	S.L.A. 93	114. 0. 0	1.82	33,059	7,894	7,892
15	S.L.A. 121	24. 3. 23	1.42	3,317	796	743

* See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

MACLEAN MINING DIVISION (continued)

Key No.	Lease/Appln. or Authority No.	Area a. r. p.	Av. Grade H.Min.	Tons H.Min.	Tons Rutile	Tons Zircon
16	A/E 487	424. 2. 0			*	
17	A/E 488	513. 2.20			*	
18	A/E 486	60. 1.22			*	
19	A/E 485	380. 3. 0			*	
20	S.L. 266	187. 0. 0	2.12	76,788	19,933	29,301
21	S.L.A. 113	12. 3. 2			*	
22	A/P 112	1,100. 0. 0			*	
23	A/P 107	28. 0. 0			*	
24	S.L.A. 122	9. 3.39.6	2.92	5,693	1,219	1,959
25	S.L.A. 109 Granted Lease	13. 1. 0	6.57	22,703	5,794	9,945
26	S.L. 255	4. 2. 0				
27	S.L. 260	51. 2. 0	10.40	20,210	4,081	11,315
28	S.L. 276	198. 2. 0	2.27	65,532	15,512	19,696

GRAFTON MINING DIVISION

(For identification of areas see Key Numbers on Plan "B" referring to this Division).

1	S.L. 278	82. 3. 0	4.40	39,567	10,492	14,172
2	S.L.A. 138	35. 2. 0	3.50	4,861	1,316	1,780
3	S.L.A. 137	146. 0. 0			*	
4	P.L.L.A. 83 (App. GG135 9.12.66)	141. 1. 0	1.57	34,031	8,524	10,515
5	A/E 401	47. 0. 0			*	
6	S.L.A.'s 73, 96 Granted Lease	221. 2. 0	2.07	96,575	23,397	35,559
7	A/P 114	103. 0. 0				
8	S.L. 261	100. 0. 0	4.31	42,008	7,397	19,863
9	S.L. 262	100. 0. 0	2.89	13,824	2,737	5,506
10	S.L. 263	38. 0. 0	2.05	4,283	949	1,518
11	S.L.A. 99	26. 0. 0	2.99	4,590	1,074	1,617
12	P.L.L. 3627	105. 0. 0			*	
13	A/P 108	34. 0. 0			*	
14	A/P 109	21. 2. 0			*	
15	S.L.A. 126	128. 0. 0			*	
16	A/P 75	600. 0. 0			*	
17	A/P 49	25. 0. 0			*	
18	S.L.A. 69	25. 0. 0			*	
19	S.L.A. 124	11. 0. 0			*	
20	S.L. 340	16. 0. 0	8.63	17,917	4,830	7,984
21	S.L.A. 133	26. 0. 0			*	
22	S.L.A. 89	19. 0.34.25	2.58	3,185	813	981

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

COFFS HARBOUR MINING DIVISION

(includes also Coramba Mining Division)

(For identification of areas see Key Numbers on Plan "C" referring to this Division).

<i>Key No.</i>	<i>Lease/ Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
1	S.L.A. 16	20. 2.0			*	
2	S.L.A. 17	19. 0. 0			*	
3	S.L. 316	2. 2.29			*	
4	S.L.A. 15	11. 2. 0			*	
5	A/E 22	83. 3.37			*	
6	S.L. 220	198. 2. 0	2.61	63,530	16,364	20,898
7	P.L.L. 1080	16. 2.10	1.94	3,301	809	960
8	P.L.L. 1070	10. 1.10	2.77	3,859	988	1,145
9	S.L. 219	112. 2. 0	2.54	11,208	2,917	3,510
10	S.L. 188	24. 3. 0			*	
11	S.L. 332	24. 2.10			*	
12	P.L.L.A. 435	2. 1.26			*	
13	P.L.L.A. 10	2. 0.19.8			*	
14	A/E 24	0. 2.17			*	
15	S.L. 234	9. 2.30	8.06	2,388	669	1,024
16	S.L.A. 422	28. 0. 0	5.49	2,545	718	954
17	{ Auth. Ent. 1200 P.L.L.A. 21	9. 0. 8			*	
18	A/E 7	200. 0. 0			*	
19	P.L.L.A. 11	27. 3.18	5.20	6,326	1,500	1,500
20	P.L.L.A. 19	4. 2. 4.75			*	
21	A/E 12	2. 0.25			*	
22	S.L.A. 3	6. 1.20.5			*	

BELLINGEN MINING DIVISION

(For identification of areas see Key Numbers on Plan "C" referring to this Division).

1	C/W Licence "A"	38. 1.13.5			*	
2	Appln. for C/W Licence "B"	140. 0. 0 (abt.)			*	
3	A/E 263	500. 0. 0			*	
4	A/P 117	315. 0. 0			*	
5	A/E 363	14. 0.30			*	
6	S.L.A. 134	4. 2.26				
7	A/E 361	501. 0. 0				
8	P.L.L.A. 132 (Ap. GG 20.1.67)	138. 0. 0	3.43	28,954	7,457	8,898
9	S.L.A. 133	9. 3.24				

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

BELLINGEN MINING DIVISION (continued)

<i>Key No.</i>	<i>Lease/Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
10	P.L.L.A. 135	33. 0. 8	2.57	7,589	1,827	1,859
11	P.L.L.A. 130 (App. GG135 9.12.66)	10. 2. 0	3.00	3,591	689	728
12	S.L.A. 125	58. 2. 0			*	
13	S.L.A. 138	20. 0. 0			*	
14	A to P (A/P 102)	70. 0. 0			*	
15	A/P 103	110. 0. 0			*	
16	A/P 116	410. 0. 0			*	

MACKSVILLE MINING DIVISION

(For identification of areas see Key Numbers on Plan "C" referring to this Division).

1	A/P 72	108. 0. 0			*	
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KEMPSEY MINING DIVISION

(For identification of areas see Key Numbers on Plan "D" referring to this Division).

1	P.L.L. 1077	72. 0. 0			*	
2	P.L.L. 1078	28. 0.10			*	
3	P.L.L.A. 296	9. 0. 0			*	
4	A/E 2505	9. 0. 0			*	
5	A/E 2526	732. 0. 0			*	
6	P.L.L.A. 295	30. 0. 0			*	
7	P.L.L.A. 297	5. 0. 0			*	
8	S.L.A. 315	932. 0. 0			*	
9	Auth. Ent. 1205 (A/E 2506)	41. 3. 8			*	
10	Auth. Ent. 1206 (A/E 2507)	120. 0. 0			*	
11	A/E 2525	400. 0. 0			*	
12	A/P 264	256. 0. 0			*	
13	A/E 2511	283. 3.21.25			*	
14	A/P 259	400. 0. 0			*	
15	S.L.A. 299	5. 3.33			*	
16	A/E 2527	279. 0. 0			*	

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

PORT MACQUARIE MINING DIVISION

(For identification of areas see Key Numbers on Plan "D" referring to this Division).

<i>Key No.</i>	<i>Lease/Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
1	S.L. 319	42. 3. 0	4.87	16,126	5,176	5,275
2	S.L. 215	29. 3.30	1.65	12,309	3,036	2,561
3	P.L.L.A. 287 (App. GG135 27.11.64)	7. 3.14	2.90	3,272	1,061	1,105

TAREE MINING DIVISION

(For identification of areas see Key Numbers on Plan "E" referring to this Division).

1	A/E 1162	48. 1. 0			*	
2	A/E 913	66. 1. 0			*	
3	P.L.L.A. 333	17. 3. 8	3.80	2,324	780	808
4	P.L.L.A. 153 (App. GG126 18.11.66)	73. 1. 0	2.00	13,782	5,036	4,218
5	S.L. 274	6. 1.33	1.80	912	328	260
6	P.L.L.A. 309	7. 3. 8	1.36	1,836	686	567
7	S.L. 326	123. 0. 0	1.76	10,901	4,063	3,275
8	A/E 1057	80. 0. 0			*	
9	A/E 1058	98. 3. 0			*	
10	A/E 910	484. 3. 0			*	
11	P.L.L.A. 154 (App. GG138 16.12.66)	36. 2.30			*	
12	S.L. 268	27. 2.20	2.32	5,269	1,891	1,871
13	A/P 218	200. 0. 0			*	
14	P.L.L.A. 285 (App. GG126 18.11.66)	75. 0. 0	2.14	6,837	2,646	1,819
15	P.L.L.A. 311 (App. GG135 9.12.66)	32. 3.30	4.04	6,092	2,314	2,197
16	S.L. 269	269. 0. 0	2.10	79,105	24,709	23,026
17	S.L. 242	87. 2. 0			*	
18	P.L.L.A. 378 Auth. Ent. 617	11. 0. 0			*	
19	S.L.A. 348	62. 3. 8			*	
20	S.L.A. 271	90. 0. 0	2.00	48,356	11,666	8,512

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

TAREE MINING DIVISION (continued)

<i>Key No.</i>	<i>Lease/Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
21	P.L.L.A. 368 A/E 1099	17. 2.32			*	
22	P.L.L. 3572	5. 3.18	2.46	3,049	889	791
23	S.L.A. 260	101. 0. 0			*	
24	A/E 1134	22. 0. 0			*	
25	A/E 1142	120. 0. 0			*	
26	S.L. 299	73. 1. 0	2.14	32,274	9,194	8,983
27	P.L.L.A. 288 (App. GG 9.12.66)	0. 2. 5.3	2.04	169	49	52
28	P.L.L.A. 289	9. 1. 2			*	
29	S.L.A. 338	96. 0. 0			*	
30	S.L.A. 278	72. 1.41			*	
31	S.L. 298	1. 2.17	2.95	649	196	214
32	P.L.L. 1079	64. 0.32.75	1.79	30,934	8,825	9,566
33	S.L. 174	11. 3.10	1.63	2,923	848	896
34	A/P 192	350. 0. 0			*	
35	A/P 300	300. 0. 0			*	
36	A/E 1159	75. 2. 0			*	
37	Auth. Ent. 622	77. 1.24			*	
38	Auth. Ent. 623	4. 2. 0			*	
39	P.L.L.A. 406	12. 3.35	3.19	8,556	1,835	4,829
40	S.L.A. 389	28. 2. 0			*	
41	A/E 1164	398. 0. 0			*	
42	A/P 308	30. 0.29			*	
43	S.L.A. 373	26. 2.30			*	
44	A/E 1171	20. 0. 0			*	
45	A/E 1143	318. 2. 0			*	

BULAHDELAH MINING DIVISION

(For identification of areas see Key Numbers on Plan "F" referring to this Division).

1	S.L.A. 130	49. 0. 0			*	
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DUNGOG MINING DIVISION

(For identification of areas see Key Numbers on Plan "F" referring to this Division).

1	A/E 617	34. 0. 0			*	
2	A/E 478	232. 2.33			*	
3	A/E 637	26. 0.10			*	
4	P.L.L.A. 147	25. 2. 0	3.13	8,282	2,799	2,327
5	A/E 626	865. 0. 0			*	
6	P.L.L.A. 189	44. 0.32	4.10	28,596	8,808	8,436

*See paragraph "ORE RESERVES" on page 13.

TABLE 2 (continued)

**LISTING OF LEASES, PROSPECTING TITLE, APPLICATIONS
AND ORE RESERVES WITHIN QUEENSLAND**

(For identification of areas see Plans "G" and "H").

<i>Plan No.</i>	<i>Lease/Appln. or Authority No.</i>	<i>Area a. r. p.</i>	<i>Av. Grade H.Min.</i>	<i>Tons H.Min.</i>	<i>Tons Rutile</i>	<i>Tons Zircon</i>
G	D.L.A. 101	8. 2.27	20.56	28,383	3,382	3,957
	D.L. 12	51. 3.39				
G	D.L. 13	23. 3.34	14.40	168,394	23,393	29,778
G	D.L. 17	28. 0.19	10.49	23,707	3,495	4,028
G	A to P 348	Abt. 5,760. 0. 0 being one-half interest.	1.93	764,344	130,611	115,738
H	A.A.P. Area No. 1	Abt. 8 sq. m.			*	
H	A.A.P. Area No. 2	Abt. 3.5 sq. m.			*	

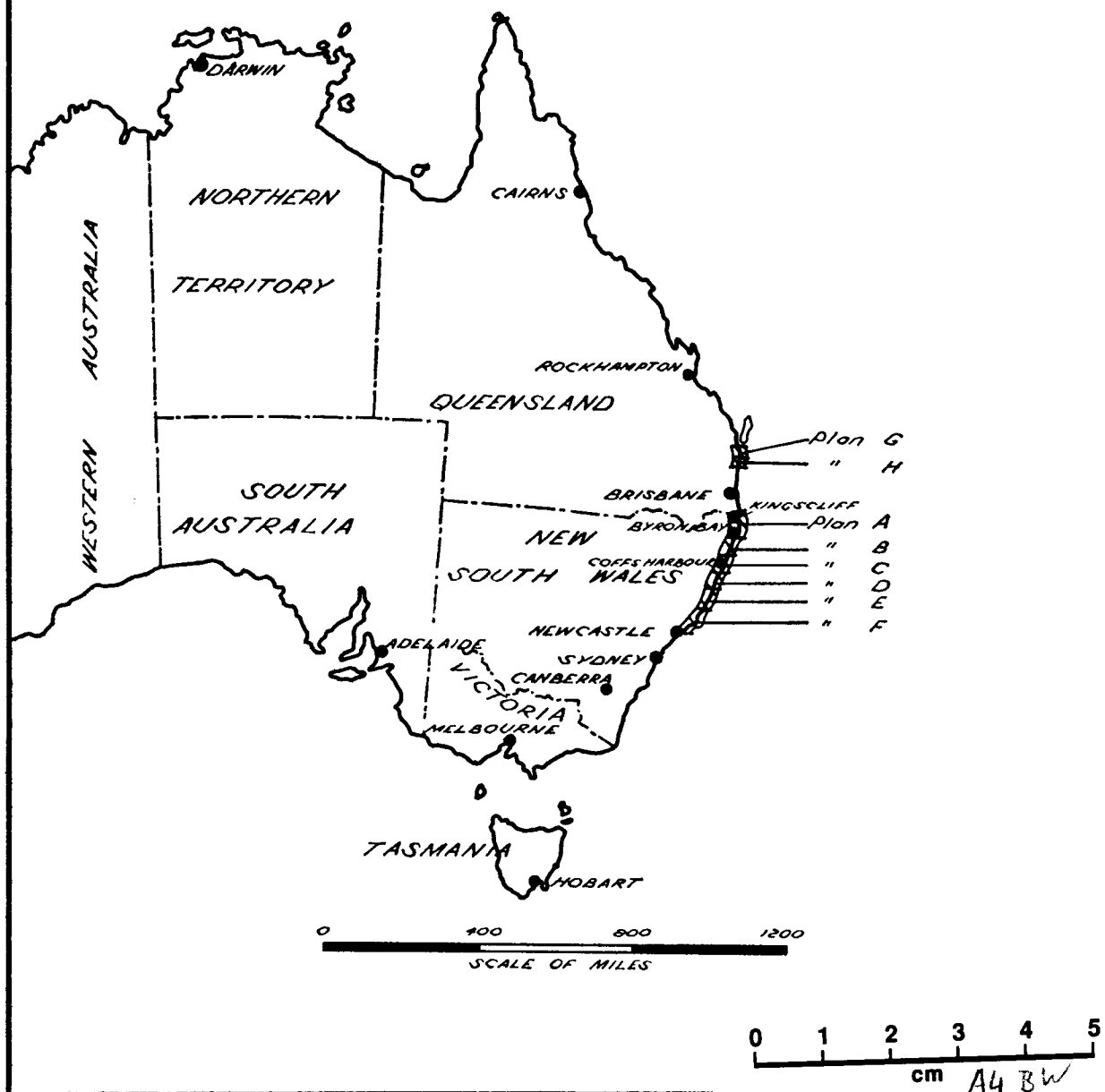
*See paragraph "ORE RESERVES" on page 13.

15th March, 1967.

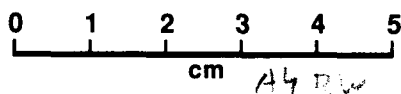
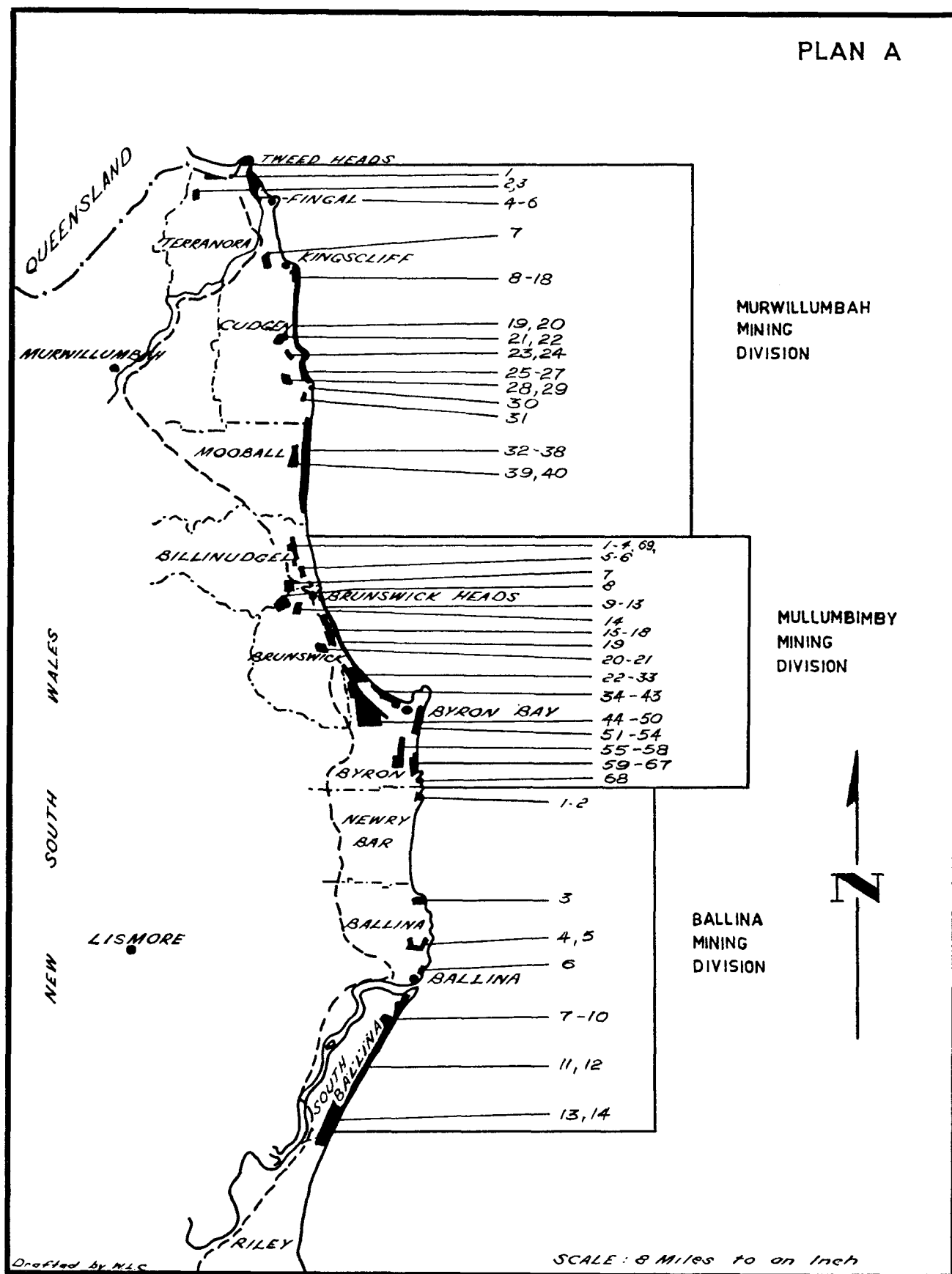
W. LAYTON.

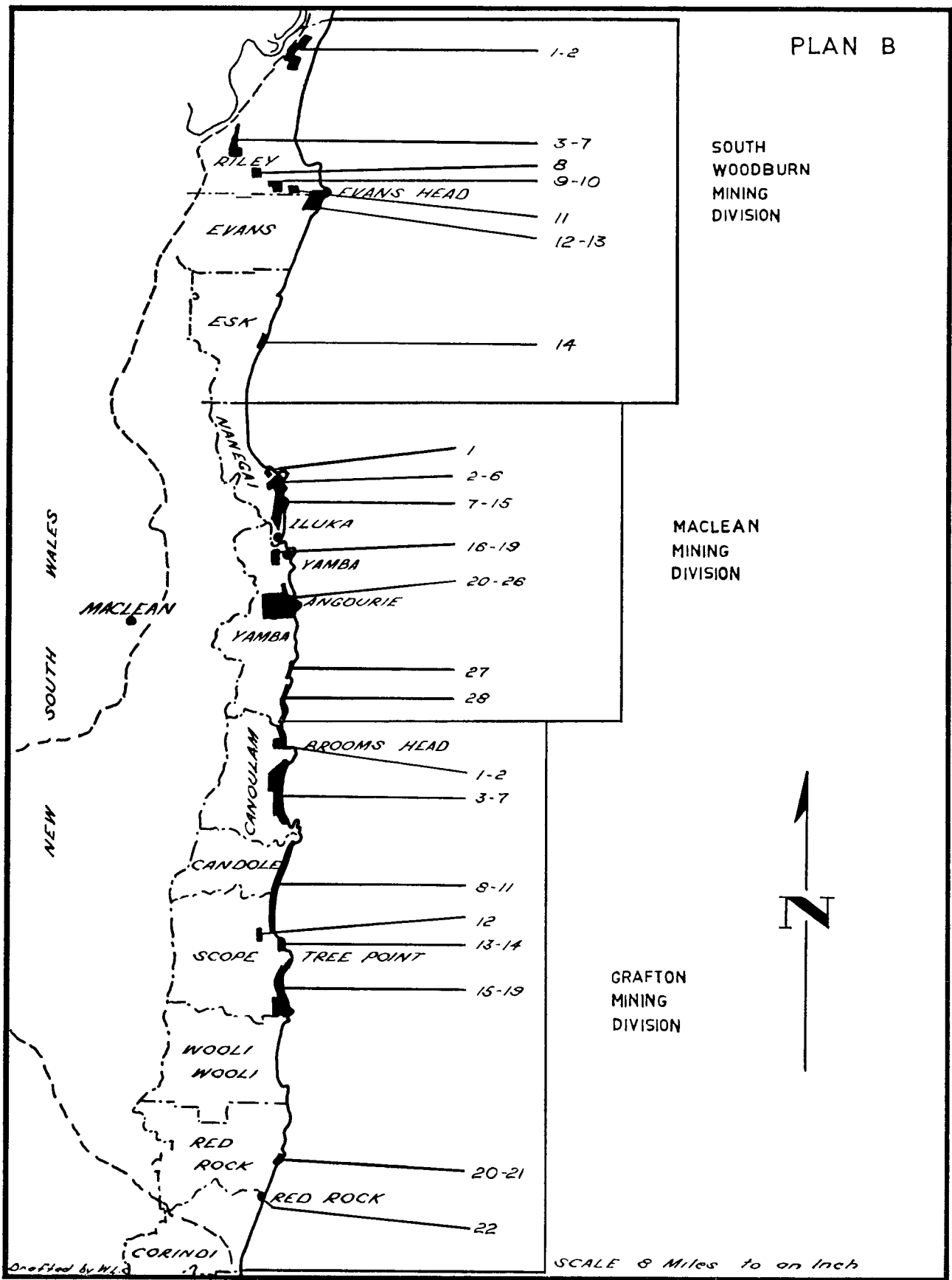
*The following nine pages contain the map
and plans referred to in Dr. Layton's report.*

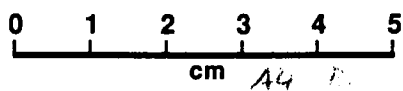
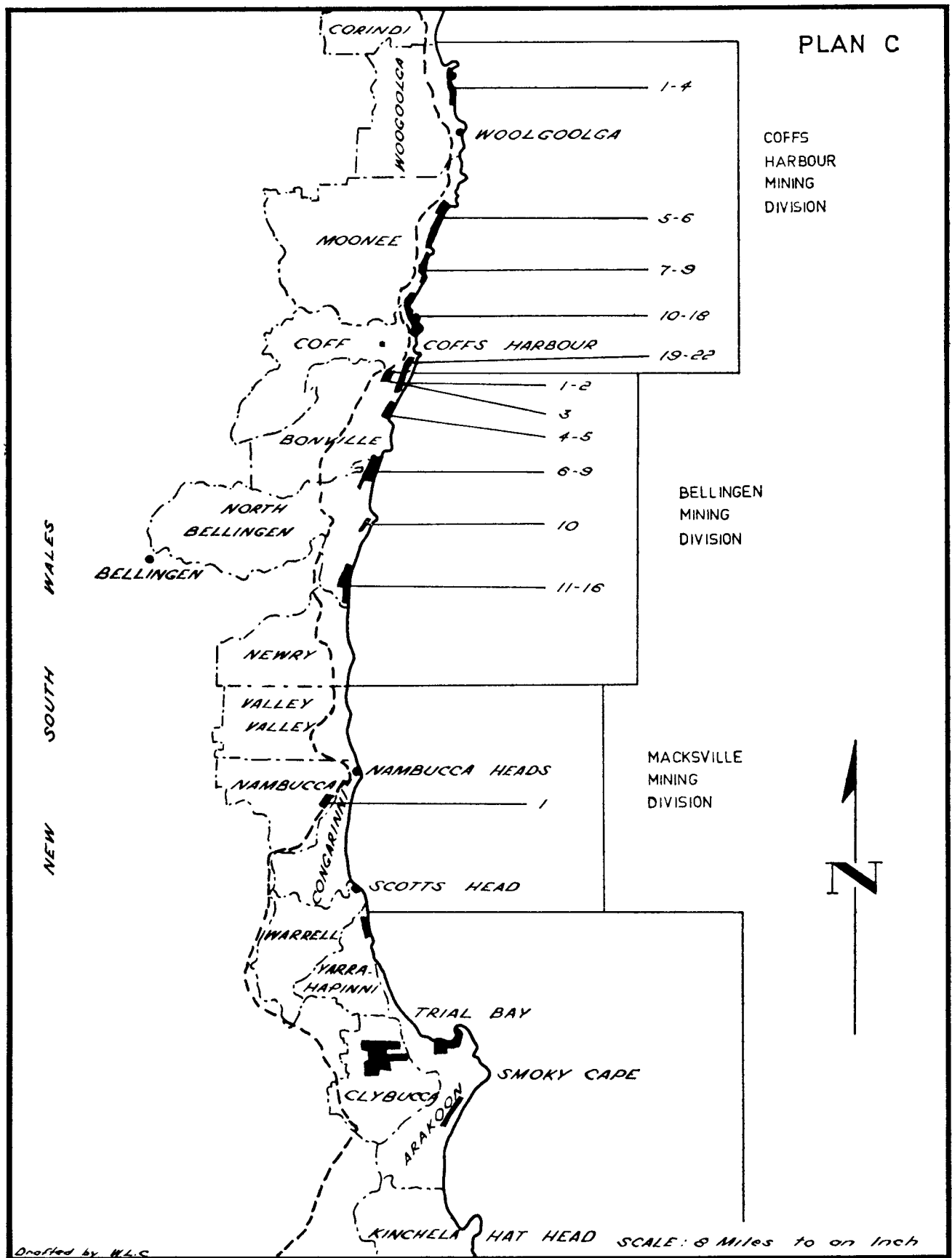
MAP SHOWING LOCALITY OF
Mineral areas to be acquired by
CUDGEN R Z LIMITED

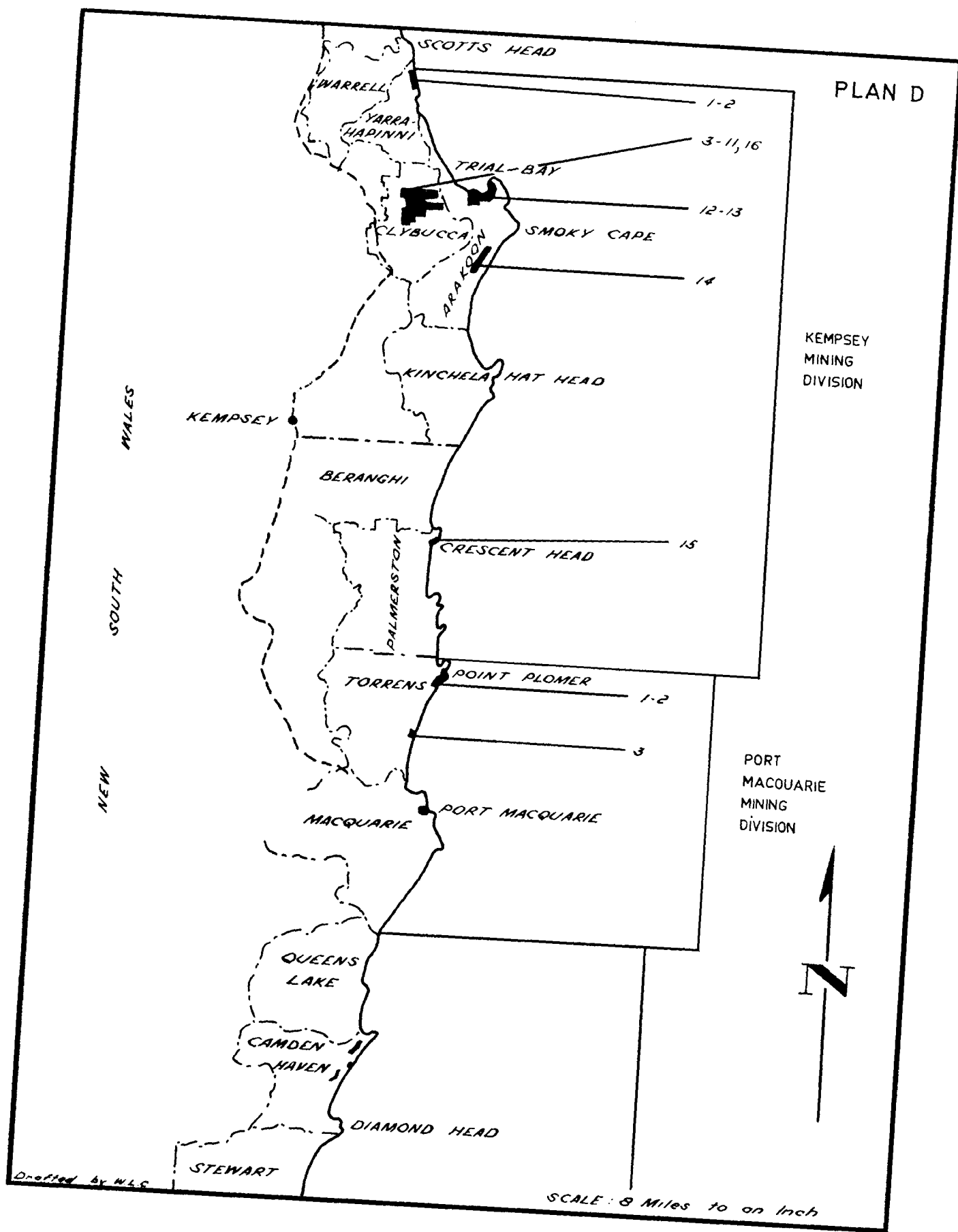


PLAN A

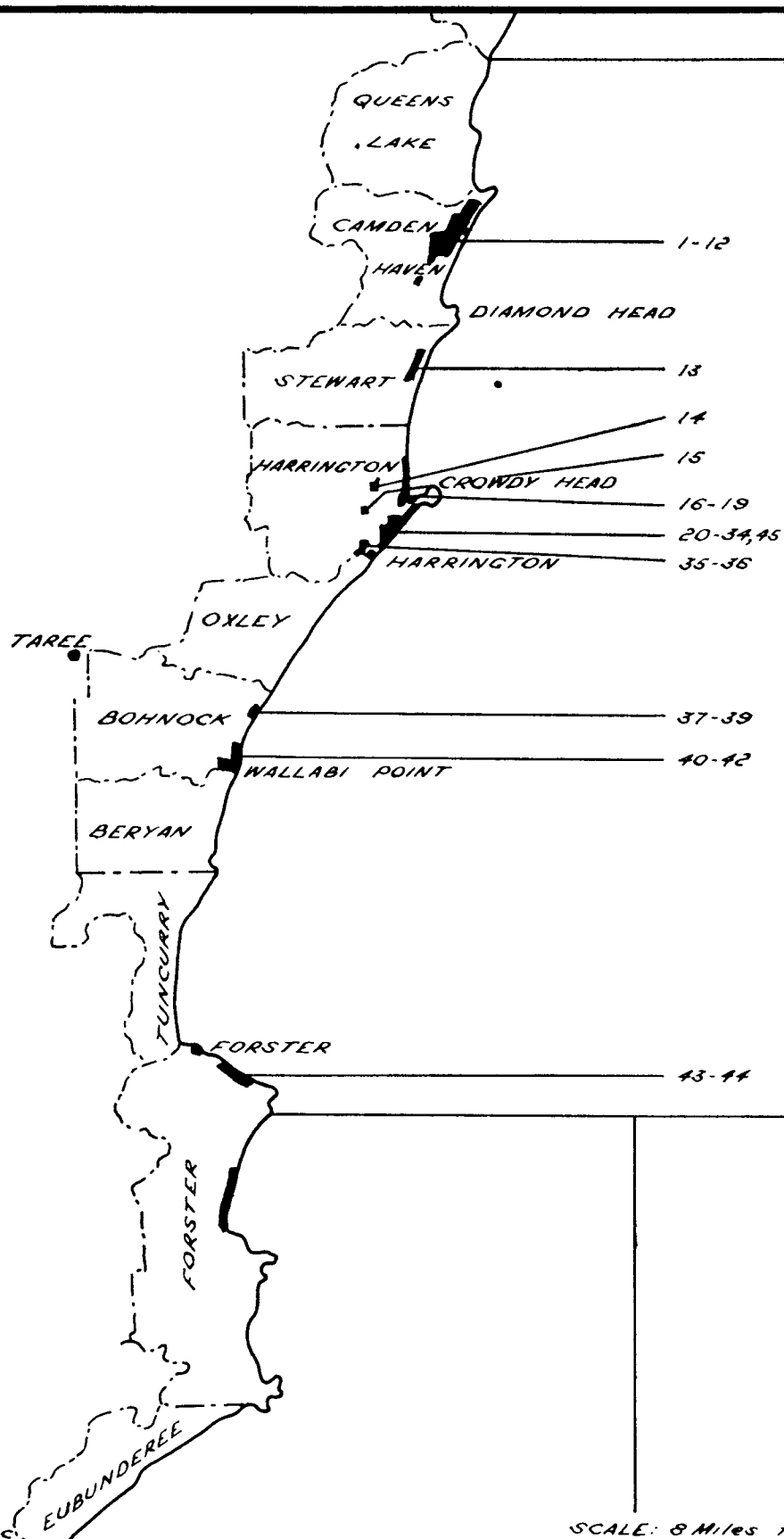








PLAN E

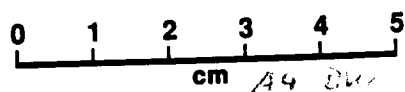


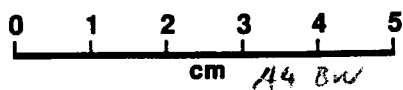
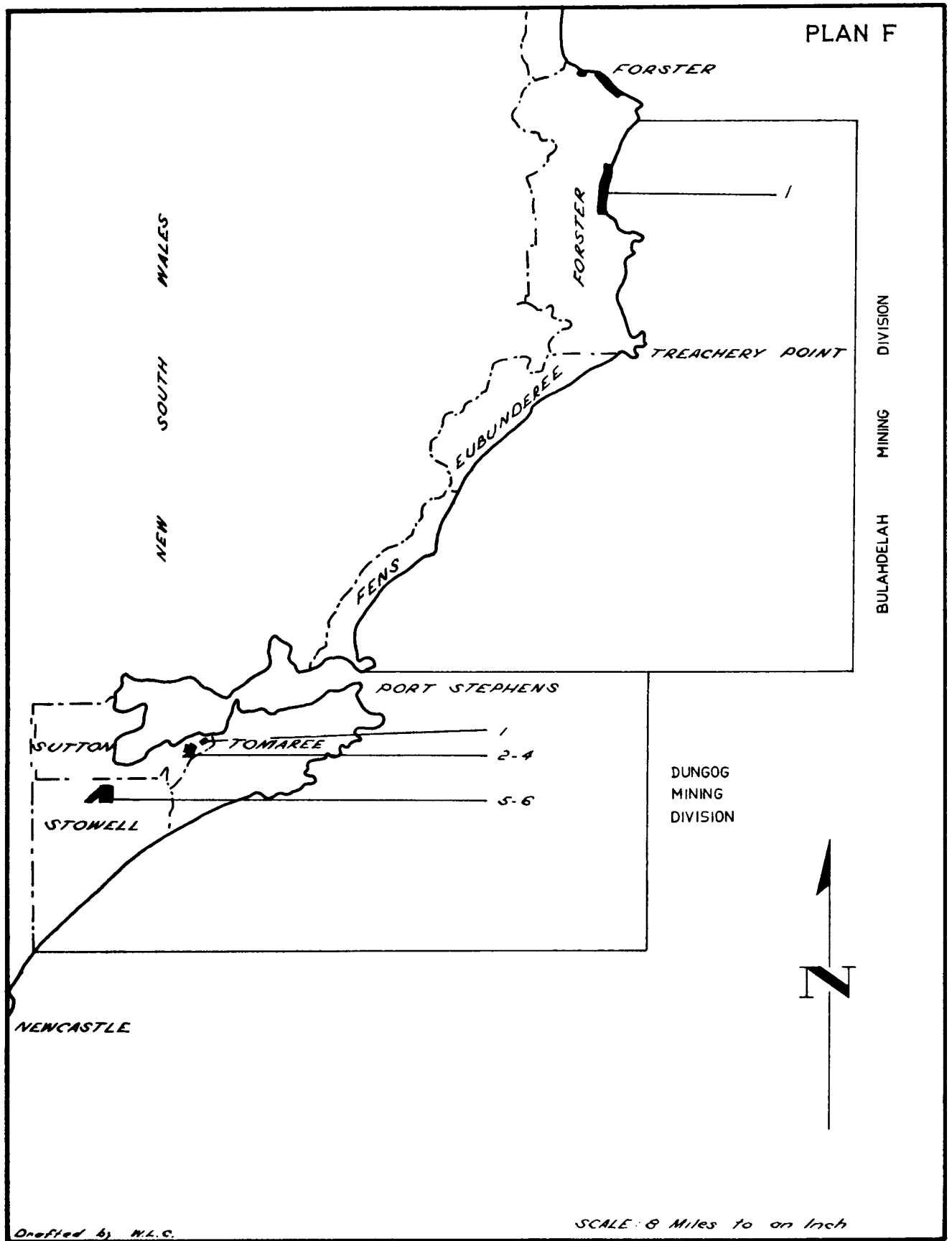
TAREE
MINING
DIVISION



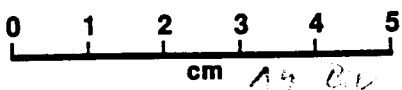
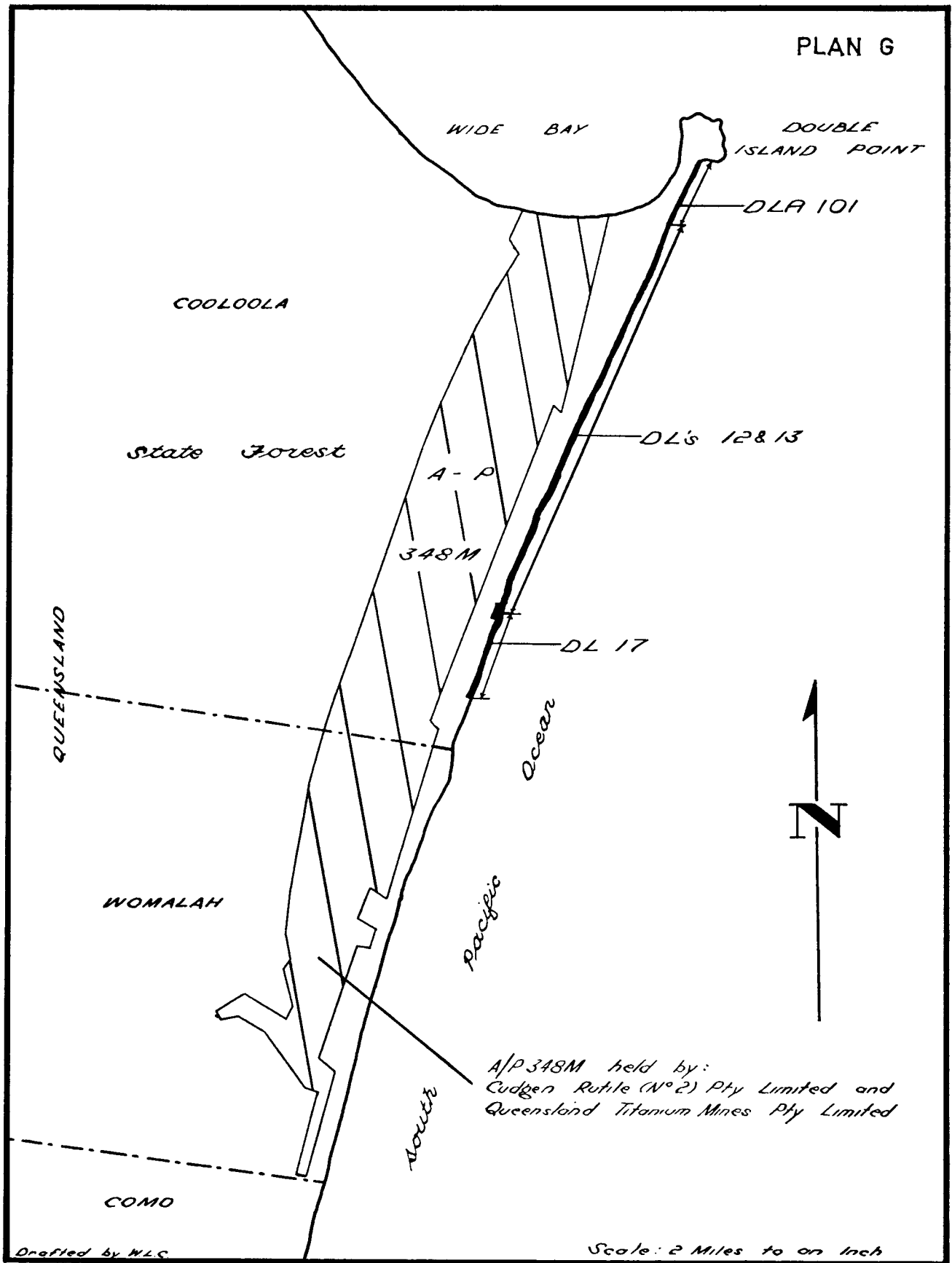
SCALE: 8 Miles to an Inch

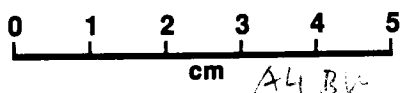
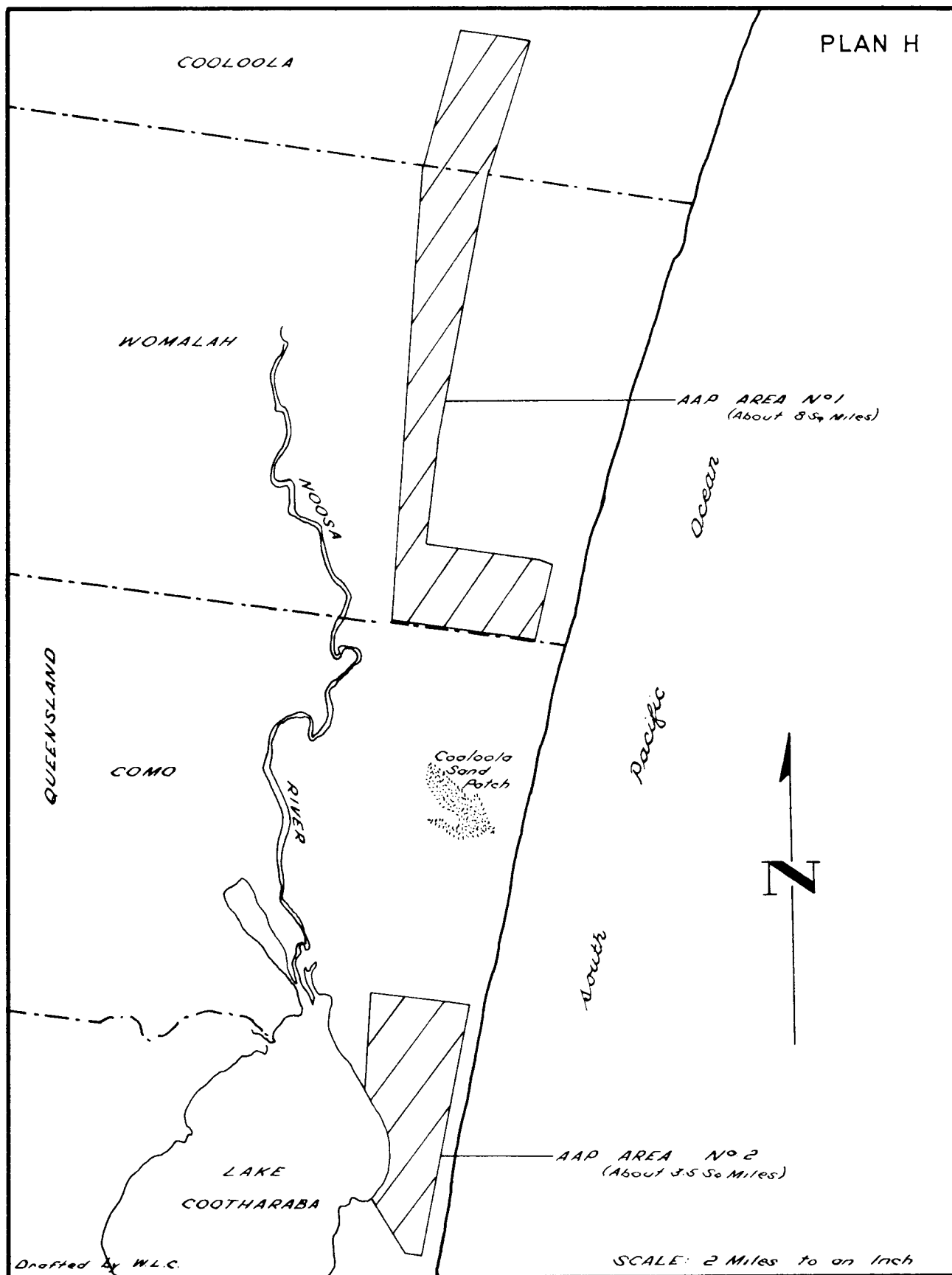
Drafted by W.L.C.





PLAN G





Report by Registered Company Auditors

FITZGERALD GUNN & PARTNERS

Chartered Accountants

2 Castlereagh Street, Sydney, N.S.W.

15 March 1967.

Messrs. Ralph W. King & Yuill,
20 O'Connell Street,
SYDNEY, N.S.W.

and

Messrs. Wilson & Co.,
334 Queen Street,
BRISBANE, QUEENSLAND.

Dear Sirs,

(1) We have prepared the following report for inclusion in a prospectus of issues of shares by Cudgen R. Z. Limited as follows:—

433,300 8% cumulative redeemable preference \$1 shares, at par	=	433,300
2,800,000 ordinary 50c shares, at par	=	1,400,000
		<u>\$1,833,300</u>

You have advised us that you have jointly underwritten these issues.

(2) In addition to the issues set out above, further shares are to be taken up by vendors of assets referred to in paragraphs (4), (5) and (6) hereof. These issues are:

866,700 8% cumulative redeemable preference \$1 shares (restricted), at par	=	866,700
5,600,000 ordinary 50c shares (restricted), at par	=	2,800,000
		<u>\$3,666,700</u>

The total capital to be raised by the underwritten issues and the issues to vendors is \$5,500,000.

(3) Cudgen R. Z. Limited was incorporated at Sydney on 3 March 1967. The company has not commenced business, has not other than in connection with allotment of signatory shares acquired any assets or incurred any liabilities and has not paid any dividends. No accounts have been made up.

(4) Part of the proceeds of the issues of shares is to be applied in the purchase of the business carried on by a partnership styled "Cudgen R. Z." (referred to herein as the partnership). However, only some of the assets are to be acquired and only some of the liabilities of the partnership are to be taken over by Cudgen R. Z. Limited.

(5) In addition to the assets to be purchased from the partnership, further mining leases, lease applications and rights to mine (all referred to herein as mineral rights) are to be acquired out of the proceeds of the issues from certain of the partners.

(6) Part of the proceeds of the issues is also to be applied in the purchase of all the issued capital, consisting of 1,800 fully paid \$2.00 shares, in Cudgen Rutile (No. 2.) Pty. Ltd., a company incorporated in Queensland in 1959 (referred to herein as the subsidiary company).

(7) The subsidiary company was formed to acquire certain mineral rights and to carry out lease development. It has, for all practical purposes, operated as a branch of the partnership, borrowing from it to finance lease development. For the five years ended 30 June 1966 it derived no income and its expenses amounted to \$198 which is the total loss for the five years. Its only asset consists of capitalised lease development expenses, \$19,636 and its only liability a current account with the partnership \$16,234.

(8) As the only assets of the subsidiary company consist of mineral rights, we have dealt herein on the basis that the payment for the shares is, in effect, payment for these rights. No separate consideration is expressed as payable for the shares; the amount payable to vendors for mineral rights includes the shares.



(9) For this report, therefore, we have combined the operations and accounts of the partnership and the subsidiary company, and included also the mineral rights to be acquired from other vendors referred to in paragraph (5).

(10) Messrs. Allen & Hemsley, Solicitors to the company, have advised the company in writing that their enquiries and searches in the records maintained under the Mining Acts of New South Wales and Queensland confirm that each of the mineral rights set out in Table 2 in Dr. W. Layton's report stands in the name of or is held for the benefit of one or more of the vendors, or of the subsidiary company (save that in the case of D.L.A. 101 and D.L.'s 12, 13 and 17 the rights of the vendors derive from a Deed which is subject to the consent of the Minister for Mines of Queensland which has not yet been given) and that searches of the mineral rights to areas assessed by Dr. Layton do not disclose any defaults by the holders thereof that would make those rights subject to forfeiture or cancellation.

(11) We have examined the audited accounts of the partnership and of the subsidiary company for each of the five years to 30 June 1966. No accounts have been made up for either to a date later than this. In each case the auditor was Mr. William T. Carew, Chartered Accountant of Brisbane. We have relied on the information shown in these audited accounts, supplemented by enquiries we made from the auditor and representatives of the partnership.

(12) Set out below is a table showing the combined partnership and subsidiary company operating results for each of the five years to 30 June 1966 after making such adjustments as we considered appropriate. Details of these adjustments are set out in paragraph (13).

	Year ended 30 June				
	1962	1963	1964	1965	1966
	\$	\$	\$	\$	\$
Adjusted profit (loss*) before income tax	58,183*	332,228	383,882	257,458	828,857
Income tax (refer paragraph (13))	55,606	172,879	188,552	150,781	322,318
Profit (loss*) after income tax	<u>113,789*</u>	<u>159,349</u>	<u>195,330</u>	<u>106,677</u>	<u>506,539</u>
Proportion of taxable income exempt from income tax (refer paragraph (14))	<u>37,737</u>	<u>115,920</u>	<u>126,368</u>	<u>101,188</u>	<u>215,545</u>

(13) Reasons for making the adjustments referred to in paragraph (12) are as follows:—

- The price to be paid for plant, buildings and equipment is \$500,000 which is considerably lower than the written-down values shown in the partnership books. We have therefore reduced the depreciation charge each year accordingly.
- The price to be paid for the mineral rights (which includes the price payable for the shares in the subsidiary company) is considerably more than the combined values at which they appear in the books. We have therefore adjusted the annual charge for depletion to an amount which will amortise the purchase price over twenty years.
- We have estimated and included in each year an amount for provision for accrued long service leave.
- We have estimated and included in each year the additional costs which will be incurred as a public company for directors' fees and expenses, cost of keeping share registers, etc.
- A deduction has also been made from the profits to provide for the income tax payable on the estimated taxable income of each year (as distinct from the profit or loss) at 1966 rates applicable to a private company.

We have assumed that, notwithstanding the proposed quotation of ordinary shares on various stock exchanges, the number of shares to be taken up by the vendors (most of whom are related) will result in the company being taxed at the lower rates as a private company. No deduction has been made for the further tax which would be payable by a private company on undistributed income because we have been informed that it is the intention of the directors, should the company be taxed as a private company, to pay non-exempt dividends each year sufficient to avoid this tax.

(14) As explained elsewhere in this prospectus, present income tax legislation provides for the payment of exempt dividends to shareholders out of exempt mining income which, in the case of beach sands mining, is 20 per cent. of the taxable income.

(15) Set out in paragraph (16) is a statement of assets and liabilities at 30 June 1966. This statement has been prepared from the audited balance sheets of the partnership and the subsidiary company after making the following adjustments which we considered appropriate—

- (a) eliminating the assets which are not to be acquired;
- (b) eliminating the liabilities which are not to be taken over;
- (c) substituting for the balance sheet values of assets the prices at which they are to be purchased;
- (d) including the estimated liability for long service leave, not shown in the partnership balance sheet but to be taken over;
- (e) including as mineral rights the price to be paid for the shares in the subsidiary company (paragraph (8));
- (f) including the mineral rights to be acquired from other vendors.

(16)

ASSETS

Mineral rights	.....	4,902,400
Plant, buildings, equipment and vehicles	.....	500,000
Land, Byron Bay	.....	100
Stores and spare parts	.....	150,000
Stockpiles of ore on hand	.....	15,000
Pre-paid expenses and miscellaneous assets	.....	20,500
		5,588,000

LESS LIABILITIES

Provisions for—

Surface restoration	13,000	
Long service leave, sick and holiday pay	75,000	88,000

NET ASSETS	\$5,500,000
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(No provision has been made in the above statement for the preliminary expenses of the company or for the costs of the share issues, estimated at \$198,332).

Yours faithfully,

FITZGERALD GUNN & PARTNERS.

(Registered under the Public Accountants Registration Act, 1945
as amended).

Income Tax Concession and Exempt Income

(Under existing legislation)

CALLS ON SHARES

1/3rd of calls paid on shares of rutile and zircon mining companies operating in Australia are deductible for income tax purposes in accordance with Section 78 (1) (b) of the Income Tax Assessment Act.

Calls will total 95c per Preference share and 47½c per Ordinary share and deductions of 31½c and 15½c per share respectively may be claimed in the year of income ending 30th June, 1967, if paid by that date.

DIVIDENDS

In terms of Section 23A of the Income Tax Assessment Act, twenty per cent. (20%) of the net income derived by the company from mining operations is exempt from income tax. Dividends paid out of that exempt income also are exempt from income tax in shareholders' hands under Section 44 (2) (b) (i) of the Act.

Exempt (i.e. tax free) income earned by the company will be paid preferentially each year to preference shareholders to the extent of 8% on the paid up preference capital. Thereafter, tax free income would be available for the payment of dividends on ordinary capital. After redemption of the preference capital, all tax free income would be available for the payment of dividends on ordinary capital.

Net Tangible Asset Backing

Assuming that the Preference, Preference (Restricted), Ordinary and Ordinary (Restricted) Shares are fully subscribed and all calls thereon paid up and the proceeds of those issues applied to the acquisition of the assets mentioned in the Managing Director's report in this prospectus, the total value of the assets acquired, at cost, is 5,500,000

From this should be deducted estimated preliminary expenses and expenses of the issues 198,332

Leaving net tangible assets of \$5,301,668

Assuming that the Preference (Restricted) Shares rank equally with Preference Shares, the net tangible asset backing of each 8% Cumulative Redeemable Preference share of \$1.00 is approximately \$4.07.

Assuming that the Ordinary (Restricted) Shares rank equally with Ordinary Shares, the net tangible asset backing of each Ordinary Share of 50c each is approximately 47½c.

Stock Exchange Listing

The 433,300 8% Cumulative Redeemable Preference Shares and 2,800,000 Ordinary Shares offered by this prospectus have been admitted to the Official Lists of the Stock Exchanges of Sydney, Brisbane and Melbourne and quotation will commence on those Stock Exchanges shortly after Share Certificates have been issued.

The fact that the abovementioned Stock Exchanges have agreed to list the shares is not to be taken as an indication of the merits of the Company or of the shares now offered for subscription.

Underwriting

The issues of 433,300 8% Cumulative Redeemable Preference Shares of \$1.00 each at par and 2,800,000 Ordinary Shares of 50c each at par offered by this prospectus have been underwritten jointly by Ralph W. King & Yuill, Members of The Sydney Stock Exchange Limited and Wilson & Co., Members of the Brisbane Stock Exchange for a fee of 4c per Preference Share and 2c per Ordinary Share out of which handling fees of 1c per Preference Share and $\frac{1}{2}$ c per Ordinary Share will be paid to Members of recognised Stock Exchanges in Australia in respect of shares allotted pursuant to applications lodged by them and bearing their stamp.

Application for Shares

Application for shares must be made on the appropriate form issued with this prospectus and lodged together with application money with the underwriting brokers

RALPH W. KING & YUILL

20 O'Connell Street – 33 Bligh Street, Sydney.

414 Collins Street, Melbourne.

94 Fitzroy Street, Grafton.

31 London Circuit, Canberra City.

288 Queen Street, Brisbane.

11 Fitzroy Street, Tamworth.

or WILSON & CO.

334 Queen Street, Brisbane.

or any Member of a recognised Stock Exchange in Australia.

To complete the purchase of the assets referred to in the Managing Director's report contained in this Prospectus, it will be necessary for the company to make a first and final call of 47 $\frac{1}{2}$ c per share in respect of Ordinary Shares and 95c per share in respect of Preference Shares. It is expected that these calls will be made on or shortly after allotment and applicants for shares are therefore requested to remit the amount of the expected call, together with the application money due, when lodging their application forms.

The minimum number of either Preference or Ordinary Shares that may be applied for is 100. Applications for shares in excess of 100 must be made in multiples of 100 and allotments will be made in multiples of 100. Where the number of shares allotted is less than the number applied for, the excess of funds forwarded to the company will be returned to the applicant.

Cheques should be made payable to Cudgen R. Z. Limited and crossed "Not Negotiable".

Subscription lists will open at 10 a.m. on 10th April, 1967 and will remain open until the close of business on the 28th April, 1967, subject to the right of the Board of Directors of the Company to close the issues at an earlier date without prior notice.

Additional Statutory Information

1. There are no founders or management or deferred shares other than the ordinary shares (Restricted) and redeemable preference shares (Restricted) referred to elsewhere in this Prospectus.

2. The Articles of Association do not require Directors to hold any share qualification unless and until a share qualification is fixed by the Company in general meeting and no such qualification has been fixed. The remuneration of Directors is provided for by Articles 78 and 79 of the Articles of Association of the Company which read as follows:—

“78. The Directors shall be paid out of the funds of the Company by way of remuneration for their services such fixed sum (not being a commission on or percentage of profits or of turnover) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine. In addition to such remuneration as aforesaid, each Director shall be paid such reasonable travelling hotel and other expenses as he shall incur in attending meetings of the Directors or general meetings, or which he may otherwise incur on or about the business of the Company. The remuneration of the Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

“79. If any Directors, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad, or otherwise, for any of the purposes of the Company, the Company may remunerate the Director so doing by a fixed sum (not being a commission on or percentage of turnover) to be determined by the Directors and such remuneration may be either in addition to, or in substitution for his share in the remuneration hereinbefore provided for. The Directors shall in addition to any remuneration as aforesaid be entitled to be paid such reasonable sums as the Directors may determine to cover travelling hotel and other expenses of their attendance at meetings of the Company or of the Directors or of any committee of the Directors or of their carrying on the business of the Company”.

3. The names, descriptions and addresses of all the Directors are as previously set out in this Prospectus.

4. (a) The minimum amount which in the opinion of the Directors must be raised by the issue of shares offered for subscription by this Prospectus is \$91,665 (being the amount of application monies in respect of such shares) which is required to provide part of the purchase price of the mining tenures plant and equipment of Cudgen R. Z. the mining tenures of J. A. Foyster and C. J. Foyster and 1,800 shares of \$2 each fully paid in Cudgen Rutile (No. 2.) Pty. Ltd. (being the whole of the issued share capital). Further sums are required in respect of the following matters:—

(i) The balance of the purchase price of said assets	5,408,335
(ii) Preliminary expenses (including formation and acquisition expenses and expenses of the issues) payable by the Company and commission payable to any person in consideration of his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for any shares in the Company	125,000
	73,332
(iii) The repayment of any money borrowed by the Company in respect of any of the foregoing matters	Nil
(iv) Working capital	101,668
	<u>\$5,708,335</u>

- (b) The further amount to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issues is the sum of \$5,708,335 and the sources out of which such amounts are to be provided are as follows:—

(i) Amounts to be raised by the Company by way of calls in respect of the shares the subject of these issues	1,741,635
(ii) Amounts of application moneys paid and amounts payable by way of calls from the vendors of the said assets hereinbefore referred to	3,666,700
(iii) Bank advances English, Scottish & Australian Bank Limited	300,000
	<u>\$5,708,335</u>

5. The time of the opening of the subscription lists is at 10 a.m. on the 10th April, 1967.

6. In respect of ordinary shares the amount payable on application is 2.5 cents per share and the balance of 47.5 cents is payable in a call or calls at such time or times as the Directors shall determine. In respect of preference shares the amount payable on application is 5 cents per share and the balance of 95 cents is payable in a call or calls at such time or times as the Directors shall determine. No further amount is payable on allotment. Although the Company has not made any previous offer of shares for subscription, the Company has allotted to the Vendors referred to in this Prospectus 866,700 Redeemable Preference Shares (Restricted) of \$1 each at par and 5,600,000 Ordinary Shares (Restricted) of 50 cents each at par and has received the application moneys for such shares namely \$183,335.

7. No person has been or is entitled to be given an option to subscribe for any shares in or debentures of the Company.
8. No shares in or debentures of the Company have been issued or agreed to be issued as fully or partly paid up otherwise than in cash within two years preceding the date of this Prospectus.
9. (a) The names and addresses of the Vendors of the property purchased or acquired by the Company or by any subsidiary of the Company or proposed to be so purchased or acquired which is to be paid for wholly or partly out of the proceeds of the issues of shares offered for subscription by this Prospectus are as follows:—

JOHN ALEXANDER FOYSTER

38 Thomson Street, Tweed Heads, N.S.W.

OLGA MAY FOYSTER

38 Thomson Street, Tweed Heads, N.S.W.

CLIVE JOHN FOYSTER

490 Milton Road, Auchenflower, Brisbane, Qld.

MARK FOYSTER

105 Garrick Street, Coolangatta, Qld.

LLOYD FOYSTER

Goree, Mudgee, N.S.W.

JOHN BERTRAM FOYSTER

40 Thomson Street, Tweed Heads, N.S.W.

DOUGLAS CHARLES WRIGHT

Pacific Drive, Banora Point, N.S.W.

KENNETH LAWRENCE FOSTER

109 Lade Street, Coorparoo, Brisbane, Qld.

- (b) The cash consideration to be paid to the Vendors by the Company is \$5,500,000. Included in this sum is an amount of \$1,000,000 payable to the Vendor, John Alexander Foyster separately and an amount of \$60,000 payable to the Vendor, Clive John Foyster separately. No other amounts are payable to separate Vendors.
- (c) Within two years preceding the issue of this Prospectus there were no transactions other than in the ordinary course of business relating to the property acquired by the Company or any subsidiary of the Company or proposed so to be purchased or acquired which is to be paid for wholly or partly out of the proceeds of the issues offered for subscription by the Prospectus.
10. An amount of \$5,000 is payable to the Vendors of the said property for miscellaneous assets including goodwill.
11. An underwriting commission of 2 cents per ordinary share and 4 cents per Redeemable Preference Share is payable to Messrs. Ralph W. King & Yuill and Messrs. Wilson & Co. in respect of the issue of 2,800,000 ordinary shares and 433,300 redeemable preference shares offered by this Prospectus but otherwise no amount has been paid within two years preceding the date of this Prospectus or is payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company.

No Director, promoter, expert or proposed Director of the Company is entitled to receive any commission or brokerage.

12. The estimated amount of the preliminary expenses is \$111,000 and the estimated amount of the expenses of the issue (including \$73,332 underwriting commission and brokerage) is \$87,332. The whole of these expenses are payable by the Company.
13. Save insofar as any of the Vendors mentioned in Paragraph 9 above are or may be promoters, no amount or benefit has been paid or given within the two years preceding the date of this Prospectus nor is any amount or benefit intended to be paid or given to any promoter. The amount payable to the said Vendors is set out in Paragraph 9. The consideration therefor is the sale of the assets more particularly referred to in the Agreements mentioned in Paragraph 14 hereof.
14. The dates of parties to and general nature of every material contract (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Company or a contract entered into more than two years preceding the date of issue of this Prospectus) are as follows:—
 - (a) An Agreement dated 15th March, 1967 between John Alexander Foyster, Olga May Foyster, Clive John Foyster, Mark Foyster, Lloyd Foyster, John Bertram Foyster, Douglas Charles Wright and Kenneth Lawrence Foster as Vendors and the Company as purchaser for the sale by the Vendors and the purchase by the Company of the whole of the issued capital of Cudgen Rutile (No. 2.) Pty. Ltd. and the goodwill and certain other property and assets of the business formerly carried on under the firm name or style of Cudgen R.Z. for a total cash consideration of \$2,940,000.
 - (b) An Agreement dated 15th March, 1967 between John Alexander Foyster, Olga May Foyster, Clive John Foyster, Mark Foyster, Lloyd Foyster and John Bertram Foyster as Vendors and the Company as purchaser for the sale by the Vendors and the purchase by the Company of the Mining Leases and freehold land more particularly set out in the said Agreement for a cash consideration of \$1,500,000.
 - (c) An Agreement dated 15th March, 1967 between John Alexander Foyster as Vendor and the Company as purchaser for the sale by the Vendor and the purchase by the Company of the Vendor's rights to mine in respect of the Mining Leases and Titles more particularly set out in the said Agreement for a cash consideration of \$1,000,000.
 - (d) An Agreement dated 15th March, 1967 between Clive John Foyster as Vendor and the Company as purchaser for the sale by the Vendor and the purchase by the Company of the Vendor's rights to mine in respect of the Mining Applications more particularly set out in the said Agreement for a cash consideration of \$60,000.
 - (e) Underwriting Agreement dated 15th March, 1967 made between Messrs. Ralph W. King & Yuill of the First Part, Messrs. Wilson & Co. of the Second Part and the Company of the Third Part for the underwriting of the shares of these issues.

Copies of these Contracts, copies of the Memorandum and Articles of Association being

the instrument constituting or defining the constitution of the Company and a copy of the Companies Act 1961 to 1966 of the State of New South Wales being the enactment by or under which the incorporation of the Company was effected and copies of the consents referred to in Paragraph 19 hereof may be inspected during normal business hours at the registered office of the Company and at the undermentioned addresses:—

Allen, Allen & Hemsley,
55 Hunter Street, Sydney.
Feez Ruthning & Co.,
190 Edward Street, Brisbane.
Macphillamy, Cummins & Gibson,
19 London Circuit, Canberra.
Malleons,
105 King Street, Melbourne.

15. The Auditors of the Company are:—

Fitzgerald Gunn & Partners, Chartered Accountants, 2 Castlereagh Street, Sydney.

and

William T. Carew & Co., Chartered Accountants, 165 Elizabeth Street, Brisbane.

16. Subject to the exceptions hereinafter mentioned no Director or expert has any interest in the promotion of or in the property proposed to be acquired by the Company, and no Director or expert is a partner in any firm with such an interest, and no sums have been paid or agreed to be paid to any Director or expert or to any such firm in cash shares or otherwise by any person, in the case of a Director, either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by any such firm in connection with the promotion or formation of the Company or (in the case of an expert) for services rendered by him or by any such firm in connection with the promotion or formation of the Company.

The exceptions mentioned are as follows:—

- (a) JOHN ALEXANDER FOYSTER is one of the Vendors referred to in Paragraph 9(a) and is also a party to the Agreements referred to in Paragraph 14 hereof.
- (b) MARK FOYSTER is one of the Vendors referred to in Paragraph 9(a) and is also a party to the Agreements referred to in Paragraph 14 hereof.
- (c) JOHN BERTRAM FOYSTER is one of the Vendors referred to in Paragraph 9(a) and is also a party to the Agreements referred to in Paragraph 14 hereof.
- (d) DOUGLAS CHARLES WRIGHT is one of the Vendors referred to in Paragraph 9(a) and is also a party to the Agreement referred to in Paragraph 14(a) hereof.
- (e) GRAEME ORIEL MORRIS is a partner in the firm of Feez Ruthning and Co., Queensland Solicitors of the Company.

- (f) The usual professional fees will be paid to the following firms in connection with the promotion and formation of the Company:—

- (i) Allen, Allen & Hemsley, Solicitors of the Company.
- (ii) Kenneth McMahon & Partners Pty. Limited, Mining Consultants to the Company.
- (iii) Dawson Waldron Edwards & Nicholls, Consulting Solicitors to the Underwriters.
- (iv) W. Layton, Investigating Geologist to the Underwriters.
- (v) Fitzgerald Gunn & Partners, Registered Company Auditors.
- (vi) Feez Ruthning & Co., Solicitors to the Vendors referred to in Paragraph 9(a) hereof.

17. No shares shall be allotted on the basis of this Prospectus later than six (6) months after the date of issue of this Prospectus.

18. The share capital of the Company is divided into different classes of shares, namely 3,400,000 ordinary shares of 50c each, 5,600,000 ordinary shares (Restricted) of 50c each, 633,300 Redeemable Preference Shares of \$1 each and 866,700 Redeemable Preference Shares (Restricted) of \$1 each.

The rights of voting at meetings of the Company conferred by, and the rights in respect of capital and dividends attached to the several classes of shares respectively in the capital of the Company are set out in Articles 3(1), (2) and (3) and 62 of the Company's Articles of Association which read as follows:

- "3. (1) The capital of the Company is Six million dollars (\$6,000,000) divided into:

- (a) Nine million (9,000,000) ordinary shares of fifty cents (50c) each numbered 1 to 9,000,000 inclusive (all of which are hereinafter referred to as and included in the expression "ordinary shares"); and
- (b) One million five hundred thousand Redeemable Preference Shares of One dollar (\$1.00) each numbered 9,000,001 to 10,500,000 inclusive (hereinafter called "Redeemable Preference Shares").

- (2) The ordinary shares numbered 1 to 5,600,000 inclusive shall be classified as ordinary shares (Restricted) and it shall be a condition of the issue thereof that if on or before the expiry of one year

from the date of allotment thereof an order is made for the winding up of the Company or it is resolved to wind up the Company they shall on a distribution of assets to shareholders rank after all other ordinary shares in the Company but they shall, after that expiry, rank *pari passu* with other ordinary shares and be classified and treated in all respects as ordinary shares.

- (3) The Redeemable Preference Shares shall be issued with the following rights privileges and conditions:

(a) On and from the date of allotment thereof until redemption in full as hereinafter provided each Redeemable Preference Share shall carry a fixed cumulative preferential dividend or dividends amounting in the aggregate to Four dollars (\$4.00) per centum per half-year on the amount of capital paid up thereon and remaining unredeemed as at the commencement of the relevant half-yearly period (January 1 to June 30 inclusive and July 1 to December 31 inclusive), payable half-yearly commencing with a pro rata payment on 15th January, 1968, for the period from the date of allotment to 31 December, 1967, and thereafter payable on the expiry of each half-yearly period or within 21 days thereafter until redemption in full.

(b) The dividend payable under paragraph (a) hereof shall be paid preferentially first out of any funds which are available or which by taking out accounts can be made available to the Company at the date on which any such dividend is payable and which funds are exempt from income tax under the provisions of the Income Tax Assessment Act 1936 (as amended) of the Commonwealth of Australia and next out of any other funds which may be available for the purpose. Any surplus funds exempt as aforesaid remaining in any half-year after satisfying or providing the full preference dividend for the half-year at the rate aforesaid may be applied in or towards payment of dividends on ordinary shares.

(c) The Redeemable Preference Shares shall rank in a winding up and upon a reduction of capital both as regards capital and dividend (up to the commencement of the winding up or reduction whether the dividend be declared or not) in priority to the ordinary shares of the Company but shall not confer any right to participate in profits or surplus assets.

(d) The Redeemable Preference Shares shall confer on the holders thereof the same right as ordinary shareholders to receive Notices Reports Accounts and Balance Sheets and to attend meetings but they shall not confer on the holders thereof the right to vote at any general

meeting unless such meeting is convened for the purpose of reducing the capital of or winding up the Company or sanctioning a sale of the undertaking or where a proposal or resolution to be submitted to the meeting proposes an alteration of the rights or privileges attaching to the Redeemable Preference Shares or unless at the date of the meeting the dividends on the Redeemable Preference Shares have been in arrears for more than six months in each of which cases the Redeemable Preference Shares shall confer upon the holder two votes for each such share.

(e) Each Redeemable Preference Share shall be redeemed at par by payment of cash by the Company on the Thirtieth day of June, 1972, PROVIDED that the Company may by notice to all Redeemable Preference Shareholders offer to redeem the whole or any part of each Redeemable Preference Share at some earlier date and on such terms as the Company may offer and the Redeemable Preference Shares of such of the holders thereof as shall accept such offer shall be wholly or partially redeemed by the Company in accordance with such offer. Redemption shall be effected out of the profits or the moneys of the Company which may be lawfully applied for that purpose.

(f) The Redeemable Preference Shares numbered 9,000,001 to 9,866,700 inclusive shall be classified as Redeemable Preference Shares (Restricted) and shall be subject to the condition that if on or before the expiry of one year from the date of allotment thereof an order is made for the winding up of the Company or it is resolved to wind up the Company they shall on a distribution of assets to shareholders rank after all other Redeemable Preference Shares in the Company but they shall, after that expiry, rank *pari passu* with other Redeemable Preference Shares and be classified and treated in all respects as Redeemable Preference Shares.

"62. (1) Subject to the restrictions on voting from time to time affecting any class of shares and subject to the further conditions set out in this Article and Article 3 hereof upon a show of hands every person present at the meeting being a member a proxy for a member or the duly authorised representative of a corporation which is a member shall have one vote and on a poll every member present in person or by representative proxy or attorney shall have one vote for each share held by him.

(2) A person entitled to cast more than one vote upon a poll need not if he votes, use all his votes or cast all the votes he uses in the same way.

19. Fitzgerald Gunn & Partners, Kenneth McMahon & Partners Pty. Limited and W. Layton have each given their written consent to the issue of this Prospectus with their report included in the form and context in which such report appears and have not withdrawn such consent prior to delivery of copies of this Prospectus for registration.
20. The Company has not established a place of business in Queensland, or in Victoria, or in the Australian Capital Territory, nor at the date of this Prospectus has it commenced to carry on business. The businesses of Cudgen R. Z. and Cudgen Rutile (No. 2.) Pty. Ltd. have been carried on for more than three years.
21. Under the Company's Articles of Association it is provided that until 1st August 1967 John Alexander Foyster shall not have any vote either as a director or as a shareholder.

Directors' Report

The Directors report after having made due enquiries in relation to the interval between the 30th day of June, 1966 (being the date to which the last accounts of Cudgen R. Z. and of Cudgen Rutile (No. 2.) Pty. Ltd. have been made up) and 15th March, 1967, being a date no earlier than 14 days before the issue of this Prospectus that—

- (a) the Company has not commenced to carry on business—the business of Cudgen R. Z. and of Cudgen Rutile (No. 2.) Pty. Ltd. has, in their opinion been satisfactorily maintained;
- (b) there have in their opinion arisen no circumstances adversely affecting the trading or the value of those assets (being acquired by the Company) of Cudgen R. Z. or of Cudgen Rutile (No. 2.) Pty. Ltd.;
- (c) the current assets of Cudgen R. Z. and of Cudgen Rutile (No. 2.) Pty. Ltd. appear in their respective books at values which are believed to be realisable in the ordinary course of business. There are no other subsidiary companies;
- (d) there are no contingent liabilities by reason of any guarantees given by the Company or by Cudgen Rutile (No. 2.) Pty. Ltd.;
- (e) there are not since the last partnership accounts of Cudgen R. Z. nor since the last annual report of Cudgen Rutile (No. 2.) Pty. Ltd. any changes in the published reserves nor are there any unusual factors affecting the profit of Cudgen R. Z. or of Cudgen Rutile (No. 2.) Pty. Ltd.

J. A. FOYSTER

G. O. MORRIS

MARK FOYSTER

J. B. FOYSTER

P. J. SOLOMON

D. C. WRIGHT

Directors.

ORDINARY SHARES

CUDGEN R. Z. LIMITED

[Incorporated under the Companies Act, 1961-1966, of the State of New South Wales]

Issue of 2,800,000 Ordinary Shares of 50 cents each at par

Application for Ordinary Shares

To the Directors,
Cudgen R. Z. Limited.

Mr. _____ Mrs. _____ Miss _____ Full Address _____	Surname _____ Christian Names _____ (Block Letters, Please) (Block Letters, Please)
NUMBER OF ORDINARY SHARES APPLIED FOR ▶	
Application money: 2.5 cents per share	
Advance payment of 47.5 cents per share	
Total payment: 50 cents per share ▶	\$

I/We whose full name(s) and address(es) appear above hereby apply for the number of shares shown hereon in the terms of the Company's Prospectus dated 17th March, 1967.

I/We agree to accept this or any smaller number of shares allotted to me/us.

I/We tender the above advance payment of 47.5 cents per share on account of uncalled liability understanding that subject to allotment and due making of call(s) the Company may appropriate the same pro tanto towards payment of such call(s).

I/We authorise you to register me/us as the holder(s) of the shares allotted to me/us on the Register of the Company at *SYDNEY.
 *BRISBANE.
 *CANBERRA.

*Delete whichever is inapplicable.

I/We agree to be bound by the Memorandum and Articles of Association of the Company.

If this application is signed by attorney, the attorney states that he has no notice of revocation of the power of attorney under authority of which this application is signed.

DATE.....

USUAL SIGNATURE(S) ◀ **PLEASE SIGN HERE**

Instructions to Applicants:

- Cheques should be made payable to Cudgen R. Z. Limited and crossed "Not Negotiable".
- This application, together with the relative remittance, must be lodged with any of the following:—
 RALPH W. KING & YUILL or WILSON & Co.
 at any of their addresses shown on page 1 of this Prospectus or with any Member of a recognised Stock Exchange in Australia.
- This application must be signed by the applicant personally or by his/her authorised Attorney(s). If signed by an Attorney, the relative Power of Attorney must accompany the form of application.
- If the application is made in joint names, all applicants must sign.
- An application lodged by a Company must be executed under its Common Seal, and a copy of its Memorandum and Articles of Association must be submitted with the application.

PREFERENCE SHARES

CUDGEN R. Z. LIMITED

[Incorporated under the Companies Act, 1961-1966, of the State of New South Wales]

**Issue of 433,300 8% Cumulative Redeemable Preference Shares
of One Dollar each.**

Application for Redeemable Preference Shares

To the Directors,
Cudgen R. Z. Limited.

Mr. Mrs. Miss	Surname	Christian Names
(Block Letters, Please)		
Full Address		
(Block Letters, Please)		

Number of 8% Cumulative Redeemable Preference Shares applied for	▶
Application money: 5 cents per share	
Advance payment of 95 cents per share	
Total payment: \$1 per share	▶

	\$
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I/We whose full name(s) and address(es) appear above hereby apply for the number of shares shown hereon in the terms of the Company's Prospectus dated 17th March, 1967.

I/We agree to accept this or any smaller number of shares allotted to me/us.

I/We tender the above advance payment of 95 cents per share on account of uncalled liability understanding that subject to allotment and due making of call(s) the Company may appropriate the same pro tanto towards payment of such call(s).

I/We authorise you to register me/us as the holder(s) of the shares allotted to me/us on the Register of the Company at *SYDNEY.
*BRISBANE.
*CANBERRA.

*Delete whichever is inapplicable.

I/We agree to be bound by the Memorandum and Articles of Association of the Company.

If this application is signed by attorney, the attorney states that he has no notice of revocation of the power of attorney under authority of which this application is signed.

DATE

USUAL SIGNATURE(S)

◀ **PLEASE SIGN
HERE**

Instructions to Applicants:

1. Cheques should be made payable to Cudgen R. Z. Limited and crossed "Not Negotiable".
2. This application, together with the relative remittance, must be lodged with any of the following:—
 RALPH W. KING & YUILL or WILSON & Co.
 at any of their addresses shown on page 1 of this Prospectus or with any Member of a recognised Stock Exchange in Australia.
3. This application must be signed by the applicant personally or by his/her authorised Attorney(s). If signed by an Attorney, the relative Power of Attorney must accompany the form of application.
4. If the application is made in joint names, all applicants must sign.
5. An application lodged by a Company must be executed under its Common Seal, and a copy of its Memorandum and Articles of Association must be submitted with the application.

COFFS HARBOUR DIVISIONGudgen R. Z. Limited - Pine Creek

15/3/71

Leases 31, 33 and 34 being P.M.L. 7 Parish North Bellingen and others. Inspection with Management and officers of State Planning Authority re Interim Development consent. C. R. Z. have own agreement with the land owner and have commenced clearing the land on P.M.L. 7 and re constructed access road along existing prior access. Plant has been moved on site and an early commencement of mining is anticipated. Council does not object to proposal but requires some road formation.

C. R. Z. - Pine Creek Project

15/4/71

Being areas embraced by P.M.L. 7, M.L. 6 and H.L. 4 Parish North Bellingen County Raleigh being S.P.L.L.'s 34, 31 and 33 and S.L. 521 and S.L.A. 134 respectively. The area being worked to date is just East of Pine Creek. Access is by Forestry Road (5.4. miles) from the Highway 10 miles south of Coffs Harbour. B. Buckley and 62 men engaged on Plant 7 Phone Sartell 531 - 455. This fairly new plant is well designed and difficult to fault. It is land based and mining is by 10 cub. yard front end loaders. Capacity 700 T.P.H. Manager to submit applications for F.E.L.'s, Crane and Diesel and Electric Motor drivers and check on certificate for Air Receiver. Rehabilitation is to conform with agreement with land owners and the area will be levelled to desired contour to allow for suitable drainage and to be planted out in flooded gum to owners specifications.

Gudgen R. Z. - Pine Creek Project

13/5/71

Current work is on ML 4 and PML 7 and ML 6 Parish North Bellingen and satisfactory to date. Also inspected lease areas on South end of Project. Work will soon start on the rehabilitation of North end, as sufficient space will soon be available to complete a section by levelling, top soiling and planting out in flooded gum to meet owners requirements. Brian Buckley Manager with approx. 60 men employed. On day of visit I also had an opportunity to meet Gudgen R. Z. Management - B. Cox A. Taylor and R. McMillan and discuss various mutual problems facing the industry. (See also PLLA No. 169 Bellingen on papers 70/4874/T for urgent attention forwarded on 14/5/71.)



D003647940

Gudgen R. Z. Ltd. - Pine Creek

23/8/71

Inspection of current operations at Pine Creek and proposed operations at North Beach. Considered satisfactory to date. Manager to submit various applications under Section 12 Mines Inspection Act including Elect. Motor (licenced elect.) Diesel and Front End Loaders.

Cudgen R. Z. Limited - Pine Creek Project

(Embraced by SLA 134 (ML 4) SPLL's 31, 33 and 34, (PML 7) SL 521 (ML 6 Road) PLL 1175 11/8/71
(PML 6) and SPLLA 169 Bellingham all in Parish of North Bellingham County Raleigh).

Mining has ceased on the areas some 200 acres having been worked, and the area is now under preparation for restoration techniques. Initially the area will be fertilized and planted in a cover crop and early in 1972 some 80,000 flooded gums will be planted in accordance with the wishes of the land owner A.P.M.
The plant has now moved to the MYLESTON area.

Gudgen R. Z. Limited - Myleston Project

11/8/71

Operations have commenced at the North end of the general area and will shortly move to the South end and work North in accordance with local requirements (Council etc.). Exact lease details not available as my Office records have not been returned from Head Office where they were sent for general information. Work completed to date on PML 8 Parish North Bellingham.

COFFS HARBOUR DIVISION

Cudgen R.Z. - Kingscliff

10.6.74

Interview at Coffs Harbour with Management and Restoration Manager with Mr. Quilty re proposed project at Lake Aragon. C.R.Z. holds the lease and an agreement with N.S.W. Rutille and has obtained local government consent. Discussions centred around S.P. Conditions and proposals in general. We were also informed that removal of old plant and gear at Blackfellows Bog - Harrington would take place as from 18.6.74 and be completed by end of current month.

Inspection of ML 7 Parish Woogoolga for renewal. Area is thick scrub, hind dune close to holiday cabins.

Page II.

MONTHLY RETURN - MINE INSPECTIONS

LISMORE

DISTRICT.

MONTH NOVEMBER, 1975

DATE INSPECTED	SITE	MINERALS MINED	CONTINUOUS INTERMITTENT	COMMENTS
2.11.75	<u>CUCCEN RZ LTD</u> Sapphire Beach Coffs Harbour	Rutile Zircon	Completed	Inspection re-rehabilitation, area very satisfactory, can- cellation of lease pending.
2.11.75	Moonee Beach, Coffs Harbour	"	"	Inspection of rehabilitation, area very satisfactory, can- cellation pending.
2.11.75	Corindi Beach Corindi	"	"	Inspection re-rehabilitation, area very satisfactory, can- cellation pending.

1/3.2.75

Red Rocks Area - Cullinan Reef, Ltd.

Inspection made of rehabilitation carried out. Required stand of Sheoaks planted at Northern End of area, also mining equipment and access culvert removed.
(File No. 274/2877)

21.2.75

General inspection of areas between Ice Point Head and Crowdy Bay.

THE BEACH SANDS OF THE NORTH COAST

The beach sands of the North Coast have been worked intermittently since the year 1870.

The minerals contained in the sands have been concentrated on the beaches during stormy weather, and have been brought down by wave action from an older beach deposit (known locally as "black rock") which occurs about six feet above the present sea-level. The older beach deposit consists chiefly of small zircons, with some grains of ilmenite, quartz, garnet, menazite and tinstone. It contains also small, variable quantities of platinum, platinoid metals, and gold.

In working the beach deposits for gold and platinum, considerable difficulty has been experienced in obtaining a marketable product. Recent activities have been confined almost entirely to the working of the sands by hand, in places where a certain amount of ~~natural~~ concentration has been effected by the waves of the sea.

It is impossible to state the quantities of gold, platinum and tin which it might be expected to find in a beach sand, because of the extreme variability in the relative proportions of these metals from point to point. A true idea of the value of the sands could only be ascertained by systematic prospecting, a somewhat costly experiment, which has not yet been carried out.

With reference to zircon, it might be stated that up to the present, the demand for this mineral has been very limited, and apparently no new uses have been suggested which would be likely to consume it, in increased quantities. The use of zircon as a refractory mineral, or as a source of the metal zircon as a refractory mineral, or as a source of the metal zirconium, may be said to be still in the experimental stage. There is certainly no local market for zircon, and the Department has no knowledge regarding any increased demand for it abroad.

(Sgd.) HAROLD G. RAGGATT.



R00018614



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BEACH SANDS OF NORTH COAST.

Ms.26/4257

(1) The beach sands to which attention has been directed in New South Wales extend from Port Macquarie to the Queensland Border. They have been exploited chiefly in the vicinity of Evans' Head and Ballina.

Until the year 1909 (approximately), a considerable number of men were engaged on the northern beaches, but since that date the number employed has gradually decreased. At present fossickers find gold in payable quantities at intervals, particularly after stormy weather.

The aggregate amount of gold obtained is noteworthy but the actual quantities won from definite localities cannot be ascertained.

(2), (3) and (4) The beaches have been worked as far seaward as possible, but they have not been teated below tide marks, and the possible extent seawards of sand containing gold in sufficient quantities to pay for working is a matter for conjecture.

(5) The Mines Department grants prospecting rights over extensive areas, subject to certain conditions, set out in the Guide to the Mining Laws, herewith.

A full description of the beach sands is given in the Annual Report for 1895, pp. 149-160.



Coff's Harbour Rutile N.L.
Australian Rutile Pty. Ltd.

These companies have not yet constructed plants and were the subject of a special report dated 26th October, 1956.

Pointon Rutile Pty. Ltd., Coff's Harbour. 2939 Inspected 4/4/57.

Australian Rutile Pty. Ltd. and the above company are identical. A suction dredge and tabling plant are situated partially on special lease application 384 Coramba by P.G. Pointon and portion 253 parish of Coff's which is private land owned by the Council. The separation plant situated at Marcia Street, Coff's Harbour is near completion. 5 men are employed. The manager is Mr H.S. Leibeck of Couper Street, Taree. The secretary is F.R. Knox, Bannock Chambers, Moonee Street, Coff's Harbour.

Pointon Rutile Pty. Ltd., Coff's Harbour. Inspected 24/6/57.

Tabling plant working satisfactorily. Dry plant given a trial run on day of visit. A large pile of concentrates has been stacked ready for separation.

T.G. Pointin Rutile Pty. Ltd., Coff's Harbour. Inspected 20.2.1957.

A dredge unit and portable spiral plant have been erected on a lease application near Coff's Harbour aerodrome and a separation plant has been erected in Coff's Harbour.

Several lease applications by Pointin and his associates were inspected.

Pointon Rutile Pty. Ltd., Coff's Harbour. Inspected 4/9/57

All work practically ceased. 200 tons of rutile is bagged and stacked at the separation plant, Marcia Street. No rutile has been sold.

Pointon Rutile Pty. Ltd., Coff's Harbour. 2939 Inspected 22/10/57.

Dredge and tabling plant operating. No separation being done.

Pointon Rutile Pty. Ltd., Coff's Harbour. 2939 Inspected 27/11/57.

No mineral being produced. Rutile was being rebagged for shipment to Germany, an order for 150 tons had been received, being the first sale the company has had.

Pointon Rutile Pty. Ltd. 2939

Parish Coff's, County Fitzroy. Inspected 16/1/58.

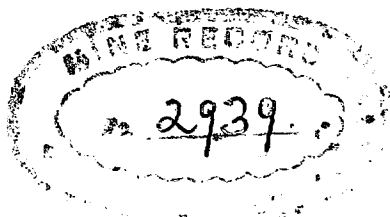
Operations are confined to portion 253 where filling in holes and levelling off has commenced. No other work has been done since my last visit.



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Pointon Rutile Pty. Ltd.

Parish Coff.

Inspected 12/3/59.

Sp. L. App. 385 Coramba, being part of portion 253 has been dredged out. No further work or restoration has been done since my last report. A special report has been furnished.

Pointon Rutile Pty. Ltd., Coff's Harbour.

Inspected 14/5/59.

No further mining or restoration work has been done on Special Lease Application 385 Coramba since my last visit.

Pointon Rutile Pty. Ltd., Coff's H.

Inspected 20/8/59.

No mining being done on Sp. L. App. 385 Coramba. The greater part of the dredge pool has been filled in.

Pointon Rutile Pty. Ltd., Coff's Harbour.

Inspected 15/10/59.

Restoration work has ceased on part of portion 253 and has not been completed. Part of the dredge pool remains to be filled. There appears to be enough filling to complete the work. The dredge and tabling plant is still on the area.

Pointon is making an effort to sell the separation plant at Marcia Street.

Pointon Rutile Pty. Ltd.

2939

Parish Coff's

Inspected 7/4/59.

No work has been done on Sp. L. Appn. 385 Coramba for some considerable time. As all intentions to resume operations appears to be abandoned further filling of the dredge pool would be desirable.

Pointon Rutile Pty Ltd., Coff's H.

Inspected 18/11/59.

No work was being done by this company. Since the last inspection the Department of Public Works has carried out a considerable amount of work in connection with the sewerage treatment plant. The company's restoration work could not be followed up satisfactorily and a special report has been furnished.

Pointon Rutile Pty. Ltd., Coff's Harbour.

Inspected 19/1/60.

Some additions have been made to the tabling plant off Howard Street. Mr Pointon stated that he intended to start up the concentration and separation plants for the purpose of cleaning approximately 10,000 tons of zircon, dumped by Coff's Harbour Rutile N.L., and his company.

Pointon Rutile Pty. Ltd.

Parish Coff's.

Inspected 16/5/60.

Pointon has been cleaning zircon by putting it over the tabling plant on portion 253 and through the separation plant at Marcia Street, Coff's Harbour. No actual mining operations are being conducted. An alternator powered by a diesel engine has been installed at the tabling plant. Pointon claims that that this power is cheaper than purchasing it from the supply authorities.

Pointon Rutile Pty. Ltd., Coffe Harbour.

Inspected 14/2/62.

As previously reported this company has been taken over by Cudgen R.Z. No work has been done on the mining areas since the take over. Mineral stored at Marcia Street has been removed.

Deepwater Division:

Deepwater 1962 Report 2939
At Ten Mile, T.H. Smith's "Willow Dredge" workings were under tribute to Pointon Rutile Pty. Ltd. A patented tin saving plant was installed and a small paddock of shallow ground mined by bulldozer, but the operations were uneconomical and the tribute was cancelled.

POINTON RUTILE PTY. LTD.

2939

INSPECTED 21.2.63

Cudgen R.Z. has removed the tabling plant and almost the whole of the separation plant to Cudgen.

No mining is being conducted and it is reported that Cudgen R.Z. who took over Pointon Rutile Pty. Ltd., does not contemplate commencing within the near future.

Deepwater Division All work by Pointon Rutile ceased at Ten Mile on T. H. Smith's leases and plant moved to Glen Creek, Emmaville. Restoration not carried out at end of year.

NO DATE approx 1963

2939

Pointon Rubble Pty. Ltd., Cardiff Harbour. 2939 Inspected 24/4/51.

No work being done on day of visit.