

**AWABAKAL / GOWS FILE NOTE TO UPDATE MEMORANDUM OF
DECLARATION, ACKNOWLEDGMENT AND CONSENT**

28 April 2016 - Sunshine complaint issue

The record is updated as follows:

We have had bizarre correspondence from Matt Fisk of Sunshine suggesting that somehow ALALC needed permission to enter into any agreements.

Matt Fisk dropped out of the negotiations at the most important times for quite a period – on holidays or something.

What happened with Zhong? His gamble on attracting potential investors who he could charge premiums has not paid off. ALALC got better offers in the meantime.

Zhong said could not get investor interest in Wollongong and went silent on other properties.

His friend, the CEO from Shinwah Mines has gone back to China, apparently a promotion which may still be good, but not what he had hoped for immediate returns.

RG was supposed to go with him to a pre-fab house exhibition in China in May, but we heard nothing about it.

Ryan Strauss was introduced to ALALC by Sam. Ryan is Keith and Sam's client, so WTF?

The issue:

By the Heads of Agreement 2 October 2015, it is clear that everything Awabakal was entering into was at all times (as per 1.2(h), Awabakal "acting within its legal capacity". By Section 52AA of the ALRA, it has every right and it is the only way an agreement is to be entered into. The fact that there is an approval process does not make agreements that are entered into before that approval is obtained, contrary to the Act: *Redglove Projects Pty Ltd v Ngunnawal LALC* [2005] NSWSC 892. Division 4A is read as providing entering into contracts conditional upon the relevant approval being applied for and obtained: *Redglove case*, para [36].

By clause 4.9 of the Heads of Agreement, Sunshine warranted that it did not rely on any warranties and relied on its own enquiries in all relation to all matters relevant to the subject matter of this Deed. By clause 4.10, the agreement supersedes all oral and written communications between them. These clauses are not written for fun, they have a purpose.

Factually, this is an issue that was raised in the drafts their lawyers (Mark Driscoll) made reference to in our negotiations and in respect of which they ultimately removed reference. It is in the successive drafts of the put, put and call options etc from 9 October 2015, 14 and 15 October 2015 and 21 October 2015.

The title certificates which Matt Fisk obtained, as all title certificates, made clear reference on their fact to the ALRA as a restriction.

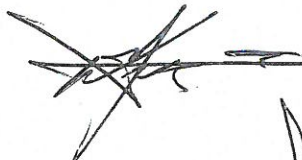
Richard always carried on about the community meeting and that is why they sent us a copy of the presentation that Sunshine was to make. Keith and Sam were talking about putting on a drinks and food show to please the community.

Zhong is still in the running as Solstice is shaky and dubious, but now Board and community will want more money given the other offers even if eliminate the 'cherry picking' problem.

KNL has just written its advice letter to ALALC on 4 April 2016.

We agreed to get a second opinion from Jackson & Associates on this issue and revisit if there anything they identify differently. ALALC won't be charged.

Confirmed as a true record:

A handwritten signature in black ink, appearing to be 'J. H. H.' or similar, written in a cursive style.A large, stylized handwritten signature in black ink, possibly 'Richard' or 'Richard A.', written in a cursive style.A handwritten signature in black ink, appearing to be 'J. H. H.' or similar, written in a cursive style.A handwritten signature in black ink, appearing to be 'J. H. H.' or similar, written in a cursive style.