



MICROMINE CONSULTING SERVICES

Proposal and Contract

for

NOVAMETAL RESOURCES LLC

6 December 2010

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Approved by: Dean O'Keefe

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1 Executive Summary

Micromine Consulting Services (MCS) was requested by the Novametal Resources LLC to submit a proposal for

- a) a competent persons NI 43-101 standard appraisal of the UT Project (Licence 8573X) in southern Mongolia and
- b) to provide planning and implementation of a geophysical program to help define drill targets. At this stage it is thought that an IP program represents the best method for generating drill targets.

The licence has outcrop available for inspection in addition to surface sampling results and other geochemistry results.

The total cost of the work program and estimated expenses is USD35,000 including expenses, and not including tax that may be an additional cost to the customer.

The program doesn't include the cost of external contractors such as geophysical companies nor does it include such things as assay costs.

2 Scope of Work

Novametal Resources LLC has requested MCS to provide the following services, should the work proposal be accepted –

- An MCS geologist will first travel to Ulaan Baatar and then the project site.
- An MCS geologist will visit the project site and will examine all outcroppings, the geological setting and will document all available data.
- Previous geochemical data will be entered into a database.
- Some surface confirmation samples will be taken and sent for analysis.
- The observed geology, geochemical data, and geological mapping will be used to compile a summary assessment of the OU Project.
- The MCS geologist will write a competent persons report.
- The MCS geologist will plan and implement a geophysical program (IP) to help delineate anomalies that may constitute possible drill targets.

3 Preconditions

- All required data should be made available to the MCS geologist in a timely manner by Novametal Resources LLC.
- The site visit should be conducted at a time suitable for the MCS geologist to view outcrops and the geological situation.
- Novametal Resources LLC must be legally able to operate on the lease and in Mongolia.

4 Financials

All prices US Dollars (USD) 35,000. Not including tax that may be an additional cost to the customer.

Novametal Resources LLC is responsible for the cost of the sample analysis.

Stage 1	
International staff, Write and signoff independent competent persons JORC standard exploration prospect report.	
o Including travel to Ulaanbaatar and travel to and from the project site.	\$22,000
o Check of geophysics, the available soil sample results and other geochemical data, in addition to all other available project data.	
o Write the competent persons report.	
Stage 2	
Planning and implementation of geophysical program	\$10,000
Estimated expenses, air flights, accommodation.	\$3,000
(not including tax) total USD \$ 35,000	

5 Deliverables

All reports in English only. Any plots will be an additional expense. Micromine is not responsible for the quality of data or the results of submission of project reports to any outside authority or exchange.

6 Standard Terms and Conditions

A standard workday is defined as eight hours, and a standard work week is defined as forty hours over five days.

- Not including tax that may be an additional cost to the customer
- All expenses are an additional charge to the client, should expenses exceed the predicted figure contained in the financial section then this cost will be paid by the client. Expenses include all travel costs; hire of cars, plane flights; food, accommodation and other expenses such as visa costs. These are quoted in estimated expenses.

Validity

This quote is valid for a period of thirty (30) days from date of issue. Long term the consulting rates may vary in accordance with market trends.

Payment

- Payment can be made to a nominated Micromine bank account in Australia or Mongolia, should tax be incurred this will be an additional cost to the client.
- A deposit of 50 percent is required before work commences
- A balance of 50 percent must be paid before the report is delivered to the customer.

Variations

In the event that Micromine Consulting Services expects the actual cost or duration of a particular service to deviate by more than 15% of the original estimate, Micromine Consulting Services will advise the Client in writing before proceeding further with that service. If the Client requests any additional work beyond the original scope of work, such work will be considered a variation and will be separately quoted as per the Schedule of Fees.

- Tax may be an additional cost to the customer depending upon where payment is made.
- All quoted figures are in United States dollars.



- The client is responsible for all travel, food, accommodation and other expenses; this is included in estimated expenses. These costs are included within the estimated expenses quote.
- Any variation to the listed scope of work is an additional cost to the client.
- The report will report results compliant with NI-43101 guidelines.
- All aspects of work must be agreed and clearly defined in the scope of work.
- The report versions will be English only.



Fax: ATTN: WARREN WOODHOUSE

Please fax confirmation to +976 11 463869

Acceptance of Contract:

Company – Novametal Resources LLC, UT Project

ITEM	Description	Due with purchase order
Consulting		US\$32000
Expenses		US\$3000
Total	No tax fees	US\$35,000

For more details please refer to the Financials section. Payment is US\$35,000 not including any tax. Should tax be incurred this will be an additional cost to the client.

Terms and Conditions

- Prices quoted are in United States Dollars and are valid for 30 days.
- Payment to the nominated Micromine account.

Novametal Resources LLC accepts the proposal and wishes to proceed with purchase.

Date: 12/10/2010

Name: Batbantar Badan

Signature: [Handwritten Signature]

Position: CEO