



Coburn Resources Pty Ltd

(A private limited company incorporated under the laws of Australia with Australian Company Number ACN 165 036 537 and LEI-code 9845006AB745B93F1590)

Listing of

Coburn Resources Pty Ltd USD 60,000,000 Senior Secured Bonds 2021/2021

ISIN NO 0010955859

The information in this prospectus (the "**Prospectus**") relates to, and has been prepared in connection with the listing on Oslo Børs, a securities exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"), of the Coburn Resources Pty Ltd USD 60,000,000 Senior Secured Bond Issue 2021/2026 with ISIN NO 0010955859 (together the "**Bonds**") issued by Coburn Resources Pty Ltd (the "**Issuer**" or "**Coburn Resources**") pursuant to a bond agreement dated 25 March 2021 between the Issuer and Nordic Trustee AS (the "**Bond Trustee**" or "**Trustee**") (the "**Bond Issue**"). Coburn Resources is a 100% subsidiary of Strandline Resources Limited ("**Strandline**" or the "**Parent**") an Australian Securities Exchange ("**ASX**") Australian Public Company.

This Prospectus does not constitute an offer or an invitation to buy, subscribe or sell the securities described herein. This Prospectus serves as a listing prospectus as required by applicable laws, and no securities are being offered or sold pursuant to this Prospectus.

Investing in the Issuer and the Bonds involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" below when considering an investment in the Issuer and the Bonds.

The date of this Prospectus is 21 November 2022

IMPORTANT INFORMATION

For the definition of certain capitalised terms used throughout this Prospectus, see Section 10 "Definitions and Glossary of Terms".

This Prospectus has been prepared by the Issuer in connection with the listing of the Bonds on the Oslo Stock Exchange and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7.1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**").

This Prospectus has been prepared solely in the English language.

This Prospectus has been prepared in accordance with the Norwegian Securities Trading Act, the EU Prospectus Regulation and other ancillary regulations and comprises, inter alia, the information requested in (i) the checklist for registration documents applicable for companies which are to register retail non-equity securities (Annex 6) and (ii) the securities notes for retail non-equity securities (Annex 14).

This Prospectus has been approved by the Norwegian Financial Supervisory Authority ("**Finanstilsynet**"), as competent authority under the EU Prospectus Regulation. Finanstilsynet only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Bonds that are subject of this Prospectus.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with article 23 of the EU Prospectus Regulation significant new factors, or material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Bonds between the time of approval of this Prospectus by Finanstilsynet and the listing of the Bonds on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Issuer's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is or has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Bonds, and if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Bonds in any jurisdiction. This Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves of and observe any such restrictions. In addition, the Bonds may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The content of this Prospectus is not to be construed as legal, credit, business or tax advice. Each investor should consult its own legal, credit, business or tax advisor as to a legal, credit, business or tax advice. In making an investment decision, investors must rely on their own examination of the Issuer and the Bonds, including the merits and risks involved.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (No. *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

TABLE OF CONTENTS

1	SUMMARY	4
1.1	Introduction	4
1.2	Key information on the Issuer	4
1.3	Key information on the Bonds	7
1.4	Key information on the admission to trading on a regulated market.....	10
2	RISK FACTORS	11
2.1	Risks related to the Group and mineral sands industry	11
2.2	Legal, Regulatory and Insurance Risks.....	14
2.3	Risks related to the Group's financial situation	15
2.4	Risks related to the bonds	16
3	RESPONSIBILITY FOR THE PROSPECTUS	19
4	PRESENTATION OF THE GROUP	20
4.1	Overview.....	20
4.2	The Coburn mineral sands project	21
4.3	Recent events relevant to the evaluation of the Issuer's and the Guarantor's solvency.....	28
4.4	Financing facilities	29
5	FINANCIAL INFORMATION	30
5.1	Financial Statements	30
5.2	Auditor and audit report	30
5.3	Statements of no significant changes	30
5.4	Statement of no material adverse changes in the Issuer's or the Parent's prospects	30
6	INFORMATION ABOUT THE ISSUER, THE PARENT AND THE GROUP	31
6.1	The Issuer.....	31
6.2	The Parent	31
6.3	Legal and arbitration proceedings.....	31
6.4	Major shareholders.....	31
6.5	Information on share capital	32
6.6	Disclosure obligations	32
6.7	Regulatory disclosures over the last 12 months.....	32
7	INFORMATION ABOUT THE BONDS AND THE LISTING	35
7.1	The terms and details of the Bonds.....	35
7.2	Advisors.....	41
7.3	Listing	41
7.4	Reasons for the application for the admission to trading and use of proceeds	41
7.5	Approval of the Prospectus and other relevant information.....	42
7.6	Authorisation to issue the Bonds	42
7.7	Norwegian Tax Considerations	42
7.8	Tax Warning	43
7.9	Credit Rating	43
8	DESCRIPTION OF THE GUARANTEE	44
8.1	Introduction	44
8.2	The Guarantee.....	44
9	BOARD OF DIRECTORS AND MANAGEMENT OF THE ISSUER AND THE PARENT	46
9.1	Board of Directors	46
9.2	Management.....	48
9.3	Conflicts of interests and related parties transactions.....	49
10	ADDITIONAL INFORMATION	50
10.1	Information sourced from third parties.....	50
10.2	Information relating to experts	50
10.3	Documents on display.....	50
10.4	Incorporation by reference	50
10.5	Cautionary note regarding forward-looking statements	51
11	DEFINITIONS AND GLOSSARY	51
APPENDIX A:		53
APPENDIX B:		118
APPENDIX C:		220

1 SUMMARY

This prospectus summary (the "**Summary**") has been prepared in accordance with Article 7 of the EU Prospectus Regulations, setting out the key information that investors need in order to understand the nature and the risks of the Issuer and the Bonds, and is to be read together with the other parts of this Prospectus to aid investors when considering whether to invest in the Bonds.

1.1 Introduction

1.1.1 The name and international securities identification number (ISIN) of the Bonds

The Prospectus relates to the USD 60,000,000 Coburn Resources Pty Ltd Senior Secured Bond Issue 2021/2026 (the "**Bond Issue**") with ISIN NO 0010955859 (the "**Bonds**").

1.1.2 Contact details of the Issuer and legal entity identifier (LEI)

The Issuer is Coburn Resources Pty Ltd (Coburn Resources), an Australian Private Company with ACN 165 036 537 and LEI-code 9845006AB745B93F1590.

1.1.3 The identity and contact details of the Issuer asking for admission to trading on a regulated market

The Issuer of the Bonds is the person asking for admission to trading on Oslo Stock Exchange. The Issuer and contact details are: Coburn Resources Pty Ltd, ACN 165 036 537. The Issuer's registered office is at Level 9, 216 St Georges Terrace, Perth, Western Australia, Australia 6000. The LEI code of the Issuer is 9845006AB745B93F1590.

1.1.4 The contact details and identity of the competent authority approving the Prospectus

The competent authority approving the Prospectus is the Financial Supervisory Authority of Norway, business registration number 840 747 972, and registered office at Revierstredet 3, 0151 Oslo, Norway.

1.1.5 The date of approval of the Prospectus

The Prospectus was approved by Finanstilsynet on 21 November 2022.

1.1.6 Applicable warnings

- (i) This Summary should be read as an introduction to the Prospectus;
- (ii) Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) An investment in the Bonds involves inherent risk. Before making an investment decision, investors should carefully consider the risk factors and all information contained in the Prospectus, including the Financial Information. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment, as all the invested capital can be lost;
- (iv) Where a claim relating to the Bonds or the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;
- (v) Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds;
- (vi) As an investment product the Bonds are not simple and may be difficult to understand.

1.2 Key information on the Issuer

1.2.1 Who is the Issuer of the Bonds?

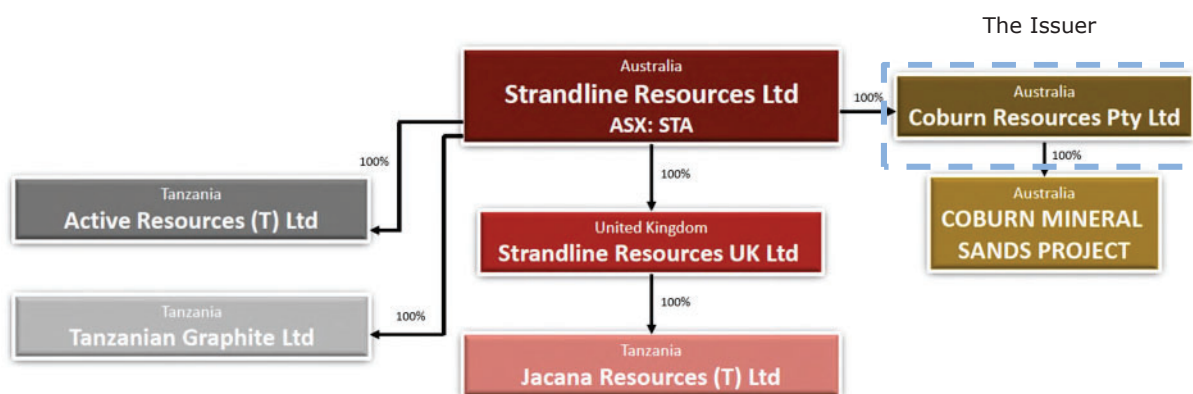
The Issuer was incorporated on 29 July 2013 as a private company limited registered under the laws of Australia, and operating under the Corporations Act 2001 (Commonwealth), with Australian Company Number ("ACN") 165 036 537 and

LEI-code 9845006AB745B93F1590. The Issuer was formerly known as Strandline Australia Pty Ltd, prior to its current name, which was changed to Coburn Resources Pty Ltd on 20 August 2019.

The Issuer was established as the operating company of the Parent to develop the Coburn minerals sands project in Western Australia (the “**Coburn Project**”). The Coburn Project was first discovered through exploration in 2000. Over the course of 2003 to 2019 feasibility studies and project evaluation was undertaken. This culminated in the release of the Coburn Project DFS in 2020.

1.2.1.1 Corporate Structure

Below is an overview of the Issuer’s corporate structure within the Group:



Under the Bond Terms Strandline is the Guarantor to the Issuer. Strandline is released as a Guarantor to the Issuer upon Project Completion of the Coburn Project.

1.2.1.2 The Issuer's shareholders

The Issuer is a 100% subsidiary of the Parent.

1.2.1.3 Board of Directors of the Issuer

As at the date of this Prospectus, the Board of Directors of the Issuer are represented by the following individuals:

Name	Details
Luke Graham	Position: Managing Director and Chief Executive Officer of Strandline Date of appointment to Board of Directors: 05-06-2018
Didier Murcia	Position: Director of Coburn Resources Pty Ltd and Strandline Date of appointment to Board of Directors: 29-07-2013

1.2.1.4 Key management personnel of Strandline

The following representatives are key management personnel of Strandline, however they are responsible primarily for the delivery and operations of the Coburn Project:

Name	Details
Luke Graham	Position: Managing Director and Chief Executive Officer of Strandline
Flavio Garofalo	Position: Chief Financial Officer and Company Secretary of Strandline
Mike Ferraro	Position: Technical and Marketing Director
Jim White	Position: General Manager Operations
Troy Whittaker	Position: Group Manager Commercial and Strategic Development
Reece Power	Position: Commercial Manager

Jacqui Hymus	Position: Manager People and Culture
Jamie Chialo	Position: Director of Tanzanian Subsidiaries – Stakeholder & Sustainability

1.2.1.5 Information on the Issuer's auditors

The Issuer's independent auditor is BDO Audit (WA) Pty Ltd ("**BDO**") an Australian incorporated limited liability company having its business address at Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, Western Australia, Australia, 6000, with an Australian Company Number (ACN) 112 284 787. The auditor signing the auditor's report on behalf of BDO is a member of the Chartered Accountants Australia & New Zealand.

1.2.2 What is the key financial information regarding the Issuer?

The summary of selected consolidated financial data below present data extracted from the Issuer's audited financial statements for the past two financial years (30 June 2022 and 30 June 2021). The Issuer's financial statements for the past three financial years have been audited as part of the Strandline consolidated group audit by BDO in accordance with Australian Accounting Standards. The Issuer's financial statements has also been audited separately. The Issuer's Financial Statements complies with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS")."

The selected historical unconsolidated financial information for the Issuer set out below should be read in conjunction with the Financial Information in the Prospectus.

Profit and Loss and Other Comprehensive Income of the Issuer (Select Items)

AUD	FY 30 June 2022 (Audited)	FY 30 June 2021 (Audited)
Revenue	20,841	-
Expenses	(4,403,716)	(2,222,793)
Loss before income tax	(4,382,875)	(2,222,793)
Income tax expense	-	-
Loss after income tax for the year	(4,382,875)	(2,222,793)
	-	-
Total comprehensive income/(loss) for	(4,382,875)	(2,222,793)

The Prospectus does not contain any profit forecasts or estimates, or any pro forma financial information.

1.2.3 What are the key risks that are specific to the Issuer?

Below is a brief description of the most material risk factors specific to the Issuer contained in the Prospectus:

- The Group's and the Issuer's success and ability to meet their debt servicing obligations could be negatively affected if the Coburn Project incurs a development delay and construction costs increase.
- The Group's revenues and success are dependent upon the Issuer achieving the Coburn development plan.
- The Group's revenues and success are exposed to prevailing prices for mineral sands products. A decline in the prices of and demand of zircon, rutile and other mineral sands products may have a material adverse effect on the Issuer.
- The Group's success and performance may be affected by various operational risks including a failure to achieve targeted production grades, lower recoveries and performance through the processing plant, and higher operating costs than anticipated.
- The Group's business and future success heavily depends upon the continued services of management and other key personnel.
- The Group's success is dependent upon various competent authorities approvals and permits in connection with the Coburn Project. To the extent approvals and permits are required and not obtained, the Group may be curtailed or prohibited from proceeding with its planned Coburn Project development and/or expansion activities.

- The Group's revenue and success is dependent upon customers under offtake agreements honoring their offtake contracts.
- The Group's performance and success is dependent upon the availability of a workforce which can be impacted by Covid-19. Strict isolation and close contact rules in Western Australia could cause a delay in the project construction or operations if workers at the project are forced into isolation.
- The Group's operations and success could be impacted by future aboriginal heritage sites if identified at the Coburn Project. The presence of sites of indigenous heritage significance on tenements held by the group may limit or preclude, mining or construction activity.

1.3 Key information on the Bonds

1.3.1 What are the main features of the Bonds?

The Bonds are senior secured callable bonds, electronically registered in dematerialized form with the Norwegian central securities depository, Verdipapirsentralen ASA, and with ISIN NO0010955859. The Bond Issue is governed by the Norwegian law bond terms entered into on 25 March 2021 (the "**Bond Terms**") between the Issuer as issuer and Nordic Trustee AS as the bond trustee on behalf of the bondholders (the "**Bond Trustee**"). In this Section 1.3 "*Key information on the Bonds*" capitalised terms used and not defined herein shall have the same meaning as in the Bond Terms.

The Bonds are denominated in United States Dollars (USD), each with an initial nominal amount of USD 1. The amount of Bonds issued were USD 60 000 000. The tenor of the Bond Issue is 5 years, with issue date on 30 March 2021 ("**Issue Date**") and Maturity Date on 20 March 2026. The Bonds were issued at a par value of 100%.

Each Bond has a fixed coupon rate of 12%. Interest on the bonds are payable quarterly in arrears on the 20th calendar day in March, June, September and December each year. Interest on the Bonds will start to accrue on the Issue Date. The Day-count fraction for the coupon is 30/360, business day convention is "unadjusted" and business day is "New York and Oslo" for the purpose of Interest Payments and Amortisations and "Perth, Sydney, Canberra and Oslo" for all other purposes.

The Bond Issue is to be repaid in instalments as per the schedule below:

	Repayment Date(s)	Amount
a)	20 March 2024	USD 4.25
b)	20 June 2024	USD 4.25
c)	20 September 2024	USD 4.25
d)	20 December 2024	USD 4.25
e)	20 March 2025	USD 4.25
f)	20 June 2025	USD 4.25
g)	20 September 2025	USD 2.25
h)	20 December 2025	USD 2.25
I)	20 March 2026	USD 30.0

The Bonds have Call Options whereby the Issuer may redeem the Bonds in whole or in parts on any Business Day as per the Call Option schedule below:

	Redemption Date(s)	Price
a)	from the Issue Date (30 March 2021) to, but not including, the First Call Date (20 December 2023)	Make Whole Amount
b)	from the First Call Date (20 December 2023) to, but not including 20 December 2024	104.8% of the Nominal Amount for each redeemed Bond
c)	from 20 December 2024 to, but not including 20 September 2025	102.4% of the Nominal Amount for each redeemed Bond
d)	From 20 September 2025 to, but not including, the Maturity Date (20 March 2026)	100.0% of the Nominal Amount for each redeemed Bond

The Bonds and each other payment obligation under or in relation to the Finance Documents shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall be secured on a first priority basis on certain assets of the Obligors on a pari passu basis with the other Secured Obligations, subject to the waterfall provisions of the Intercreditor Deed, and otherwise rank at least pari passu with the claims of the Obligors' other unsecured creditors, except for obligations which are mandatorily preferred by law.

Subject to the restrictions set forth in Clause 13.2 of the Bond Terms, the Bonds are freely transferable and may be

pledged. Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms.

Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.

Permitted Distribution under the Bond Terms are subject to waterfall, and withdrawals from Collection Accounts are permitted in the following order of priority:

	Waterfall order of priority
a)	Taxes and royalties
b)	Fees and costs
c)	Costs and expenses
d)	Interest payments
e)	Bond, hedging and working capital facility repayments
f)	Secured Creditor Agreement repayments
g)	Mandatory prepayments
h)	Debt Service Reserve Accounts
i)	WCP Relocation Reserve Account
j)	Lock Up Amount
k)	Catch-up Sweep Amount
l)	Cash share payments
m)	Voluntary prepayments
n)	Distributions
o)	Other

1.3.2 Where will the Bonds be traded?

Pursuant to the Bond Terms the Issuer shall within 12 months from the Issue Date apply for the Bonds to be admitted to listing on either: (a) Oslo Børs (the Oslo Stock Exchange); or (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable. An application for listing on the Oslo Stock Exchange will be submitted upon the approval of the Prospectus by Finanstilsynet, and admission to trading is expected to occur soon after the approval date of 21 November 2022.

1.3.3 Is there a guarantee attached to the Bonds?

The Parent is the guarantor to the Issuer until Project Completion of the Coburn Project has been achieved pursuant to an on-demand guaranty. On the date of Project Completion, the Parent's obligations under the Guarantee will automatically cease without the need for any action or thing to be undertaken by or on behalf of any party.

A brief description of the Guarantor is set out below.

Corporate information	Strandline Resources Limited (Strandline Resources) is a publicly listed mining company incorporated under the laws of Western Australia and operating under the Corporations Act 2001 (Commonwealth), with an ACN 090 603 642. The Parent's LEI is 984500374E3E491BEF05.
Principal activities	Mining; the Parent's main asset is the Coburn Project in Western Australia which is currently under construction. The Parent also owns a portfolio of mineral sands assets in Tanzania comprising of the high-margin Fungoni and Tajiri projects.
Major shareholders	The Parent is listed on the ASX, under the ticker STA. The shareholders currently holding more than 5% of the issued share capital of the Parent are:

(see table on next page)

#	Name of shareholder	Number of Shares	%
1	Ndovu Capital VII (BV)	227,779,233	18.21
2	Citicorp Nominees Pty Limited	84,928,137	6.79
3	JP Morgan Nominees Australia Pty Ltd	71,747,212	5.74

The largest shareholder of the Parent is Ndovu Capital VII (BV) which is part of Tembo Capital Management Ltd ("**Tembo**") a UK based mining private equity group.

Key managing directors Luke Graham is the Parent's Managing Director and CEO, and is the only executive director on the Parent's Board of Directors.

Auditor The Parent's independent auditor is BDO Audit (WA) Pty Ltd an Australian incorporated limited liability company having its business address at Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, Western Australia, Australia, 6000, with an ACN 112 284 787.

Accounting principles Australian Accounting Standards. The financial statements also comply with International Financial Reporting Standards (IFRS).

Most material risk factors pertaining to the Guarantor *Parent's ability to raise further financing*; The Parent has contributed funding into Coburn Resources Pty Ltd through intercompany loans. In order to complete the Coburn Project, if there are any capital overruns above the capital expenditure budget, contingencies and cost-overrun account, the Parent will be required to contribute more funding in order to complete the Coburn Project. If the Parent cannot raise further funding to contribute towards the Coburn Project, there is a risk that there could be a default on the Bonds.

Retaining key personnel; Key management of the Parent are primarily responsible for the delivery and operations of the Project. If the Parent was to lose key management this could potentially impact the ability to deliver the Project.

The risk factors specific to the Issuer and the Bonds set out in Section 1.2.3 above are also applicable to the Parent.

The Parent's financial statements are audited by BDO on a Group consolidated basis. More information on the Parent's financial statements for the last three financial years (Year end 30 June) are detailed in Section 5 "*Financial Information*". Selected historical consolidated financial information for the Parent, as part of the Group consolidated statements, is set out below and should be read in conjunction with the Financial Information in the Prospectus.

Consolidated Statement of Profit and Loss and Other Comprehensive Income of the Group

AUD ('000)	FY 30 June 2022 (audited)	FY 30 June 2021 (audited)	FY 30 June 2020 (audited)
Revenue			
Revenue from continuing operations	57	103	56
Other income	472	464	66
Expenses			
Exploration and evaluation expenditure	(439)	(8,749)	(4,865)
Other expenses	(8,646)	(4,625)	(3,393)
Loss before income tax	(9,085)	(12,807)	(8,136)
Income tax expense	-	-	-
Loss after income tax for the year	(9,085)	(12,807)	(8,136)
Total comprehensive income/(loss) for	(9,809)	(11,982)	(7,986)

1.3.4 What are the key risks that are specific to the Bonds?

Below is a brief description of the most material risk factors specific to the Bonds.

The bondholders will be subject to intercreditor restrictions

The Bonds are subject to intercreditor restrictions that will limit the autonomy and flexibility of the Bondholders under the Bond Terms. The Bondholders and certain other creditors will benefit from shared security from the Issuer and the Guarantor as well as a guarantee from the Guarantor, subject to an agreed waterfall mechanic.

The Issuer may not be able to repay the bonds

During the lifetime of the Bonds, the Issuer is required to make payments on the Bonds. The Group's ability to generate cash flow from operations and the Issuer's ability to make scheduled payments on and to repay its indebtedness, including the Bonds, will depend on the future financial performance of the Group.

There can be no assurance that there will be sufficient liquidity in the trading of the bonds

The Bonds have been trading over-the-counter for the past 12 months with limited trading. The Issuer has not entered into any market-making scheme to ensure liquidity of the Bonds and a liquid trading market for the Bonds may not develop or be maintained and investors may not be able to sell the Bonds quickly or at a favourable price.

Pari passu creditors may trigger enforcement of security without a default under the bond having occurred

In certain circumstances the other senior lenders of the Group may instruct the Security Trustee, holding the security interests on behalf all the senior lenders, including the Bondholders, to proceed with enforcement of such shared security interest without any event of default having occurred under the Bonds and even in a situation where the Bondholders would prefer that no enforcement action was taken.

The bond terms may be amended

The Bond Terms allow for modification of the Bonds or waivers or authorizations of breaches and substitution of the Issuer which, in certain circumstances, may be affected without the consent of Bondholders.

1.4 Key information on the admission to trading on a regulated market

1.4.1 Under which conditions and timetable can I invest in the Bonds?

The Bonds are freely transferable and have since the Issue Date on 30 March 2021 been available for trading on the secondary market through Verdipapirsentralen ASA ("**VPS**") while being registered at the Nordic ABM.

Pursuant to the Bond Terms the Issuer will apply for a listing of the Bonds on Oslo Børs (the Oslo Stock Exchange). An application for listing will be submitted as soon as possible after the Prospectus has been approved by Finanstilsynet, and admission to trading is expected to occur soon after the approval is in place.

The total anticipated costs for the Issuer in connection with the Listing is expected to NOK 564 088 (ex. VAT), divided into fees of NOK 265 000 to the Issuer's legal advisor, NOK 19,088 to Oslo Stock Exchange, and NOK 280,000 to Finanstilsynet for the prospectus control fees.

1.4.2 Who is the offeror and/or the person asking for admission to trading?

The Issuer is the person asking for admission to trading of the Bonds.

1.4.3 Why is this prospectus being produced?

This Prospectus is being produced in connection with the Issuer's application for the admission to trading and listing of the Bonds on Oslo Stock Exchange.

Pursuant to Clause 4 of the Bond Terms the Issuer shall, within 12 months of the Issue Date of the Bonds, apply for the Bonds admitted for listing on the to be listed on either: (a) the Oslo Børs (the Oslo Stock Exchange); or (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

The application for admission to trading on Oslo Stock Exchange is submitted by the Issuer to satisfy the conditions of the Bond Terms.

(i) The use and estimated net amount of the proceeds

The net proceeds of the Bond Issue (net of fees and legal cost of the Managers and the Bond Trustee and any other cost and expenses incurred in connection with the Bond Issue) shall be employed for development and ramp-up of the Coburn Project (Coburn Heavy Mineral Sands Project), including operating expenses during construction of the Coburn Project and corporate overheads (and including payments of interest of the Bonds).

(ii) Most material conflicts of interest pertaining to the admission to trading

There are no material conflicts of interest pertaining to the admission to trading of the Bonds.

2 RISK FACTORS

An investment in Bonds of the Issuer entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Such information is presented in this Prospectus is subject to change, completion or amendment without notice. The first risk factor set out under each section is considered by the Issuer to be the most significant in that section; however, the remaining risk factors are not ranked in order of importance or probability.

This Prospectus may contain forward looking statements that involve risks and uncertainties, and if any of the risks facing the Group should actually materialise, the Group's business, financial position and operating results, and the transactions described herein, could be materially and adversely affected. In such case, the trading price of the Bonds could decline and/or the Issuer's ability to make repayments on the Bonds may be impaired, and investors may lose all or part of their investment. Prospective investors should refer to risk factors set forth below and it is recommended they should consult their own expert advisors as to the suitability of an investment in the Bonds of the Issuer.

2.1 Risks related to the Group and mineral sands industry

2.1.1 *The project could face delays and construction cost increases*

The Issuer's proposed mine, processing plant and related infrastructure is under construction, its planned logistics solution has not yet been implemented and its commercial operations have not yet commenced. The Issuer is dependent on its ability to develop, construct, commission and operate the Coburn Project within the planned timeframe and in accordance with the capital cost estimated by the Issuer in its Definitive Feasibility Study ("DFS"). The Issuer's estimations are based on estimates relevant to the information and level of design and engineering studies, the accuracy of which cannot be assured due to the inherent uncertainty of future projections, the fact that some of these studies may be out of date and the limitations imposed by multiple focused studies.

Accordingly, the cost estimates on which the Issuer is relying do not represent fixed costs and may vary as construction progresses. Additionally, the capital expenditures assumed in these studies are also estimates and may vary from the actual capital expenditures required to implement the mining plan, the operation of the processing plant and the integration and development of the Issuer's planned logistics solution. If the Group does not obtain necessary approvals and permits and reach agreement on the outstanding material contracts that are required for the Coburn Project in the timeframes contemplated (in addition to those material contracts that have already been awarded), or there are necessary changes in scope, the Issuer may incur increased costs and/or the Coburn Project may be significantly delayed as a result.

Furthermore, even in those cases where the Group has signed contracts, it is possible that the Group's counterparties will have to negotiate their own contracts with sub-contractors, and any delays in such negotiations could delay the Coburn Project. Completion of construction and commissioning may be delayed, or require the expenditure of significant additional funds, as a result of either (1) factors outside the Group's control, such as the inability or failure of contractors to complete construction of the Coburn Project in a timely manner; the failure of contractors to enter into agreements with their sub-contractors in a timely manner; changes in the regulatory environment; industrial disputes; unavailability of parts, machinery or operators; inability to obtain the necessary permits, dispensations, licenses or approvals from government authorities or third parties; unforeseen geological, physical or weather conditions; natural disasters; labour shortages or stoppages; political and other factors; or (2) factors at least partially within the control of the Group, such as requested changes to the technical specifications of the plant design; failure to enter into additional agreements with contractors or suppliers in a timely manner; shortage of capital; and undisclosed changes to the detailed engineering plans. Any construction delay could delay the start of production, which could, even in those cases where the Group can seek some remedies for delays imposed upon it by the failures of the Group's counterparties, have a material adverse impact on its cash flow and financial performance, its ability to meet some or all of its contractual supply obligations and, in certain circumstances, delays could allow the Group's contractors and offtake parties to terminate their contracts with the Group. Any delay or increase in costs could materially and adversely affect the Coburn Project and / or the Group's business, results of operations, financial condition or prospects.

2.1.2 *The project has no operating history*

The Group's and the Issuer's principal asset is the Coburn Project. The Coburn Project does not have an operating history and is still in development. The Group and the Issuer will be subject to all the risks inherent in the establishment of a new greenfields mining and infrastructure project, including construction delays, capital cost overruns, delays in approvals and permits, logistics issues with getting materials and plant equipment to site, commissioning and ramp-up delays of processing and recoveries and commodity price risk. The Group's own commercial viability and future profitability are substantially dependent upon the completion, commissioning and successful operation of the Coburn Project. While the Group has planned the design, construction and initial operation of the Coburn Project based on the DFS, the Group cannot assure that it will be able to commission or sustain successful operation of the Coburn Project or

that the Group will achieve project completion or commercial viability in the timeline contemplated. Failure to complete the Coburn Project as intended could have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

2.1.3 The bond proceeds alone will not be sufficient to bring the project to production

The proceeds from the Bond Issue described herein will be used towards the financing of the construction and development of the Coburn Project, including operating expenses during construction of the Coburn Project and corporate overheads (and including payments of interest of the Bonds). The Bond Issue on its own will not provide the Issuer with all of the required funding to bring the Coburn Project into production. To bring the Coburn Project into production, the Issuer requires further funding. That such funding is sourced from the Northern Australia Infrastructure Facility ("NAIF") Loan and existing cash reserves. If these sources of funding prove insufficient, or unavailable, the Issuer would need to source alternate funding in the form of equity, which may or may not be available, to enable the Coburn Project to be developed and commissioned on satisfactory terms within a reasonable period of time or at all. If the Coburn Project is not developed according to plan, it could in turn have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

2.1.4 There can be no guarantee that the issuer will be able to fulfil the conditions precedent

Financing available to the Issuer includes terms and conditions to be satisfied in order for the Issuer to draw down further any amounts thereunder. For instance, further drawdowns from the Escrow Account are subject to the Issuer issuing a release notice to the Bond Trustee. Each release notice must specify the amount requested to be released from the Bond Escrow Account and be accompanied by a Physical Completion Cost to Complete Certificate and a Project Completion Cost to Complete Certificate, and confirmation of a Time to Complete Test. No assurance can be made that such terms and conditions will be satisfied. There is a risk that the Issuer will not be able to access some proceeds in the bond Escrow Account, and that some amounts may not be available under such Bond Issue financing. If the Issuer is unable to draw remaining funds from the Bond Issue escrow account it may have a material adverse effect upon the Issuer's ability to complete the Coburn Project, and the Issuer will have to seek other debt and equity financing options. The NAIF Loan is also subject to its own set of conditions being satisfied, which cannot be guaranteed to be satisfied. If funding to complete the Coburn Project is not available, it could in turn have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

2.1.5 Future sales of minerals not assured

The Group is dependent on future sales of minerals. Although the Group has entered into a number of offtake agreements for future sales, no assurance can be given that the Group will be able to sell produced minerals at such terms and conditions that are favourable to, or necessary to sustain the operations of, the Group. The Group may in the future enter into other such offtake agreements for the Coburn Project or other projects. Such agreements have, and may have, certain representations, terms and conditions in order to result in firm commitments, and no assurance can be made that such representations, terms and conditions can or will be satisfied. Further, no assurance can be made that the Group is able to maintain such offtake agreements in place, nor replace or obtain such agreements on satisfactory terms. Failure of this may have a material adverse effect for the Group's operations and financial position. Such offtake agreements may also confer firm commitments upon the Group to deliver products in the future. If the Group, for whatever reason, is not able to produce the products in accordance with the terms of such agreements, such noncompliance or violation of these agreements, resulting in termination or damages, may have a material adverse effect on the Group's operations and financial position. Even if the Group is able to meet the requirements set out in each offtake agreement, there is no assurance that the contract counterparties will be willing or able to purchase the production at the prices or quantities they have agreed to in the offtake agreement. If one of the offtake counterparties defaults or if the contract is otherwise terminated in accordance with its terms, there can be no guarantee that the Group will be able to find a new counterparty willing to enter into a replacement offtake agreement with similar pricing, quantity and quality terms or at all. Such termination or violation of these contracts by the relevant counterparties, depending upon the Group's ability to enter into replacement contracts of equivalent value, could materially and adversely affect the Group's business, results of operations and financial condition or prospects.

2.1.6 The issuer may not be able to achieve the development plan

The Issuer completed the Coburn Project DFS in June 2020, which sets out a detailed study of the resource, development and production plans. The DFS result established the technical and commercial viability of developing the Coburn Project. However, there is no assurance that the DFS results can be achieved or replicated in actual development and operations. The attributes of the deposit, such as size, grade and recoverability may be different from the DFS and these uncertainties may be beyond the Issuer's control. The exact effect of these factors cannot be accurately predicted, and the combination of these factors could result in the Issuer changing the mining and processing plans from the DFS. This may result in escalation of costs and, consequently, have a material adverse effect on the economic feasibility of the Coburn Project, where the Issuer would either receive less than satisfactory returns or choose simply not to proceed with the Coburn Project. This could in turn have a material adverse effect on the Group's business, financial condition and results of

operations.

2.1.7 There can be no assurance that the issuer will be able to secure future agreements and arrangements necessary for the project

There are various agreements to be entered into and arrangements to be put in place in order for the Group to complete the Coburn Project, including for construction, mining, processing, environmental and logistics purposes. No assurance can be made that the Group will be able to have such agreements and arrangements in place on acceptable terms, in the contemplated time schedule or at all. The commercial viability of the Coburn Project depends not only on developing the processing plant and all other Coburn Project-related facilities, but also on the Group's ability to enter into contracts that will allow the Group to utilise the road and port infrastructure and to complete the necessary upgrades and alterations to those facilities to create an integrated transportation system from the Coburn Project to the Port of Geraldton. The inability to initially implement and then maintain continuous logistics solutions, particularly if such were to occur repeatedly or for a prolonged period of time, could disrupt the timely delivery of mineral sands products to customers which could adversely affect the Group's revenues and could result in the termination of one or more of the offtake contracts which the Group has or will have in place and/or claims by customers under those contracts for damages for breach of the supply obligations. While the Group might, in such a case, be able to sell its mineral sands products to alternative third parties, there can be no guarantee that the prices paid by those alternative third parties would not be materially worse than under existing supply contracts, or that the Group could sell its supply at all. In addition, the Group could be required to incur unexpected capital or operating costs to rectify such failures, and such expected costs could materially and adversely affect the Group's business, results of operations, financial condition or prospects and the ability to make payments on the Bonds could be impaired.

2.1.8 The project will be dependent on the availability and affordability of transportation to deliver its mineral sands production to market

The Group will be dependent on roadways, ports and ocean-going vessels to deliver mineral sands to its customers, and revenue recovery is in part dependent on the freight market. The Coburn Project may experience delays in shipping and missed sale shipments due to berth congestion in the Australian ports used by the Group, lack of availability of appropriate vessels for the transportation of mineral sands and increasing freight charges. Extended timing delays, unavailability of vessels, port congestion, other disruption to transportation or reluctance on the part of the Group's customers to pay higher shipping fees could also lead to customers sourcing products elsewhere and otherwise have a material adverse effect on the Coburn Project or the Group's business, financial condition and results of operations. As all of the Coburn Project's products must be first transported by truck, any unavailability or increased cost of road transportation, including those caused by weather-related problems, infrastructure damage, strikes, lock-outs, increased fuel prices, lack of fuel or maintenance items or other events, could impair the Group's ability to supply mineral sands to its customers, or its customers' desire to purchase mineral sands from the Coburn Project, either of which could have a material adverse effect on the Coburn Project or the Group's business, financial condition and results of operations.

2.1.9 The Group's employees and staff face health and safety hazards

Due to the inherently hazardous nature of the business of the Issuer, the Issuer cannot guarantee that none of its or the Group's employees or contractors will ever be injured or become ill from any occupational disease related to the workplace, or that such injuries or diseases may not have any implications on the Issuer and the Group. The materialization of any of the foregoing may have a material and adverse effect on the Issuer's and the Group's business, results of operations and financial condition or prospect.

2.1.10 Covid-19 risk

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals, and governments to operate. The COVID-19 pandemic still stands as a risk to the Coburn Project and / or the Group's business, results of operations, financial condition or prospects. While restrictions in Western Australia have recently been relaxed, people who are infected with COVID-19 are still required to isolate which could impact the workforce on the Coburn Project due to isolation requirements. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 pandemic on the Coburn Project and / or the Group's business, results of operations, financial condition or prospects, and there is no guarantee that the Group's efforts to address the adverse impacts of COVID-19 will be effective. The impact to date has included periods of significant volatility in financial, commodities and other markets. This volatility, if it continues, could have an adverse impact on the Group's people, communities, suppliers or otherwise on its business, financial condition and results of operations.

2.2 Legal, Regulatory and Insurance Risks

2.2.1 The Group may not be able to obtain required permits and approvals

Various competent authorities' approvals and permits are required in connection with the Coburn Project and the Group's activities. The approvals and permits include approvals and agreements from the Department of Mines, Industry Regulation and Safety, Department of Environment and Water, Land Access Agreements, Mining Agreement with Native Title owners, and Environmental Protection Authority approval. To the extent approvals and permits are required and not obtained, the Group may be curtailed or prohibited from proceeding with its planned Coburn Project development and/or expansion activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities, pursuant to which the Group may be required to cease or curtail its operations or take corrective measures requiring additional expenditures, installation of additional equipment, or remedial actions. Any delay or increase in costs associated with such measures could materially and adversely affect the Coburn Project and / or the Group's business, results of operations, financial condition or prospects.

2.2.2 The Group may not have insurance coverage sufficient to protect it against certain risks

The Group's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground failures, changes in the regulatory environment, natural phenomena and inclement weather conditions such as drought, cyclones and floods. Such occurrences could result in damage to plant and equipment; personal injury or death; environmental damage to the Group's properties or the properties of others; delays in exploration, development, construction, mining, processing and transport activities; monetary losses; and possible legal liability. Although the Group maintains (or will have in place) insurance policies to protect itself against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with the Group's operations and may not be adequate to cover any particular liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of its activities is not generally available to companies in the industry on acceptable terms. It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks because of high premiums associated with insuring against those risks or for other reasons. Furthermore, insurance coverage may not continue to be available at economically feasible premiums, or at all. Losses arising from events that are not insured or are not adequately insured may cause the Group to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

2.2.3 The Group's operations and assets may expose it to significant compliance costs and liabilities

Mining and construction operations in Australia are subject to a variety of general and industry-specific regulations concerning emissions of harmful substances into the environment, the health and safety of employees, land access, native title, infrastructure creation and access, royalties, taxation, accounting policies and many other matters. In addition, certain types of operations require the use of certain mining and construction methods and equipment, submission of impact statements and approval thereof by government authorities. Compliance with such existing laws and regulations may cause delays or require capital outlays in excess of those anticipated, which, in turn, could have a material adverse effect on the Group's operations. Additionally, if these laws and regulations were to change and, as a result, material additional expenditure were required to comply with such new laws and regulations, restrictions or delays in the development of the Coburn Project or significant additional costs could occur that would cause the Coburn Project to become uneconomic, and thereby materially and adversely affect the Coburn Project and / or the Group's business, results of operations, financial condition or prospects.

The Coburn Project and / or the Group's operations may be affected in varying degrees by government regulations with respect to, for example, restrictions on exploration, development, processing, production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, rights and interests of native title groups, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. Changes in exploration, mining or investment policies or shifts in political attitude could materially adversely affect the Coburn Project and / or Group's business, results of operations, financial condition or prospects.

2.2.4 Applicable laws and regulations may evolve to the detriment of the Group or the Coburn Project

Certain laws and regulations, particularly those related to environmental legislation, are evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation will not adversely affect the Group's activities, including the Coburn Project. Any delays or increased costs as a result of existing regulations, new regulations or fines for a breach of such regulations could materially and adversely affect the Coburn Project and / or Group's business, results of operations, financial condition or prospects.

2.2.5 The Group's title to assets and property may be subject to disputes or claims

While the Group is not aware of and has not received notice of any disputes or other claims over its title in the tenements comprising the Coburn Project (excluding any known native title claims or determinations), the Group's title to the Coburn Project area or its other properties may in the future be subject to disputes or other claims. There may be valid challenges to the title of the Coburn Project area or the Group's other properties, which, if successful, could impair the Group's ability to (as relevant) explore, develop and/or operate the Coburn Project or its other properties or to enforce its rights with respect to its properties. The Group's title may be subject to prior unregistered native title claims or agreements, and its title may be adversely affected by unidentified or unknown defects. An impairment to or defect in the Group's title to its properties could have a material adverse effect on the Coburn Project and / or Group's business, financial condition or results of operations. In addition, such claims, whether or not valid, will involve additional costs and expenses to defend or settle which could adversely affect the Coburn Project and / or Group's business, financial condition or results of operations.

2.2.6 Aboriginal heritage sites

The Group has commissioned heritage surveys to identify any sites which are deemed to be "Significant" to Aboriginal people, and in accordance with the Group's legal obligation under the Aboriginal Heritage Act, in part of the proposed mining area and services corridor. Whilst a few heritage sites have been identified within the bounds of the Coburn Project area, none of the sites are deemed "Significant" or will preclude the Group from carrying out the Coburn Project according to current plans. However, the Group cannot guarantee to investors that there will not be further sites discovered in areas material to the Coburn Project's further development and operation. The presence of sites of indigenous heritage significance on tenements held by the Group may limit or preclude exploration, mining or construction activity within the sphere of influence of those sites and delays and expenses may be experienced in obtaining clearances. Although there is a Regulatory procedure for resolution, failure to resolve issues associated with sites of indigenous heritage significance could result in delays in the future development of the Coburn Project and the expansion of operations. The Group cannot guarantee investors that such issues will be satisfactorily resolved or that they will be resolved in a timely manner. Any delays could have a material adverse effect on the Coburn Project or the Group's business, financial condition and results of operations.

2.3 Risks related to the Group's financial situation

2.3.1 Sustained increase in supply of mineral sands could lead to a decline in prices

The mineral sands industry is small and concentrated. Levels of supply can be unpredictable as mineral sands from new sources enter the market. Discoveries of large mineral sands deposits or projects undertaken by other mining companies, including those capable of establishing very large projects or those capable of completing projects more quickly than the Group, could create a material increase or oversupply in the market and a significant market imbalance. The Group can give no assurances that there will not be an oversupply of its products. Any oversupply of mineral sands could have a material adverse effect on mineral sands prices. Any substantial or extended decrease in the prices for mineral sands could have a material adverse effect on the Coburn Project or the Group's business, financial condition and results of operations.

2.3.2 Sustained reduction in demand for mineral sands could have an adverse effect on the project and the group

A sustained reduction in demand for mineral sands would reduce the mineral sands market and adversely affect prices. As mineral sands are used in a range of consumer goods, their demand is linked to consumer spending and the general economic climate. A sustained reduction in consumer spending, for instance due to economic uncertainty, a decrease in real income and rising inflation, could in turn reduce the demand for mineral sands. The Group can give no assurances that there will be sufficient demand for its mineral sands products. In addition, it is possible that substitutes to the Group's mineral sands products could be developed. If technological change resulted in affordable alternatives to the products produced from the Coburn Project and the Group's customers switched to use of the alternative, demand for the Group's products could fall. A lack of demand for the Group's products could materially and adversely affect the Group's business, results of operations, financial condition or prospects.

2.3.3 Changes in critical accounting estimates could adversely affect financial results

Current global financial conditions have been subject to increased volatility in particular for companies operating in the mining industry. The Group's most significant accounting estimates relate to the carrying value of the Group's mineral property assets. The accounting policies in relation to mineral properties are set out in full in the Group's annual financial statements. Management regularly reviews the net carrying value of each mineral property. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if carrying value can be recovered. Management's estimates of mineral prices, Mineral Resources and operating, capital and rehabilitation

costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs for accounting purposes. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term, which could adversely affect the future net cash flows to be generated from the properties, and thereby negatively affect the Issuer's and the Group's results of operations.

2.4 Risks related to the bonds

2.4.1 The bondholders will be subject to intercreditor restrictions

The Bonds will be subject to intercreditor restrictions that will limit the autonomy and flexibility of the Bondholders under the Bond Terms. The Bondholders and certain other creditors will benefit from shared security from the Issuer and the Guarantor as well as a guarantee from the Guarantor, subject to an agreed waterfall mechanic. The intercreditor principles as defined in the schedules and annexures to the Bond Term Sheet together with the Security Trust Deed, will regulate the parties' (including the Bondholders) respective rights in relation to that shared security, and regulate how and when each creditor may exercise certain other rights under their respective financing terms, and how and when each creditor will be entitled to vote in respect of certain matters that affect all or some of the creditors, including as regards amendments and waivers. The Bondholders are obliged to comply with the resolutions made under the intercreditor deed and the eligible votes of the Bonds may potentially not be sufficient to secure the adoption of a resolution under the intercreditor agreement, nor sufficient to block a resolution under the intercreditor deed. This will place restrictions on the rights of the Bondholders in relation to the shared security and the enforcement of it, and certain waivers and/or amendments may be given or made even in situations where the Bondholders vote against. Further, the Bondholders could be restricted from taking such action that it would otherwise have been able to do under the standard Nordic bond terms.

2.4.2 Risks related to the shared security and the instruction rights of the senior lenders

The Bond financing is part of the first lien financing of the Coburn Project, which is shared between the senior lenders, and subject to a separate security trust deed with a separate security trustee (the "**Security Trustee**") from the Bond Trustee. There is no guarantee that upon enforcement of such security that the proceeds of the sale of the Group's assets will be sufficient to repay all of the amounts outstanding to the Bondholders and the other senior creditors.

In certain circumstances, like payment defaults or breaches of other material covenants which are not remedied, the other senior lenders of the Group may instruct the Security Trustee, holding the security interests on behalf all the senior lenders, including the Bondholders, to proceed with enforcement of such shared security interest without any event of default having occurred under the Bonds and even in a situation where the Bondholders would prefer that no enforcement action was taken. This entails a risk that the outcome of an enforcement of the security, recovery and distribution of any enforcement proceeds may be less favourable to the bondholders in comparison to bond issues where the bondholders are not sharing the security with other lenders

2.4.3 There may be limitations on the rights of the security trustee in an enforcement situation

Some of the Group's assets consist of rights arising under contracts which are material to the operation of the Coburn Project. Certain of these contracts contain restrictions on assignment and require consent of the counterparty before a valid assignment may be effected. The Group will seek consents from certain counterparties acknowledging the security rights of the Security Trustee (on behalf of the group of senior lenders, including the Bondholders) to enforce security over certain material contracts in accordance with agreed cure and step-in rights in the form of tripartite agreements executed by those counter parties. To the extent consent cannot be obtained, security over those contracts may not be effective or the ability to assign on enforcement may be restricted by the need for consent. This could in turn mean that any secured creditors, including the Bondholders, may face difficulties recovering their investment by enforcing the security, in the event that the Issuer is unable to repay the Bonds.

2.4.4 The bond terms contain restrictions and covenants that may limit the discretion of the Group's management

The Bond Terms and the terms of the other financing arrangements of the Group, including those of the NAIF Loan, will contain financial covenants including a Debt Service Cover Ratio greater than 1.2:1.0, a Loan Life Cover Ratio greater than 1.30:1.0, and a Reserve Tail Ratio greater than 20%, and operating covenants including permitted financial indebtedness and a mandatory prepayment of senior facilities on an asset sale that will limit the discretion of management with respect to certain business matters. These covenants will restrict the Group's ability to incur additional indebtedness, which may limit the Group's ability to finance any additional capital expenditure for the Coburn Project that may be necessary or appropriate once the Coburn Project has been completed and to finance additional exploration and development activities. These covenants will also place significant restrictions on, among other things, the Issuer's and the Group's ability to create liens or other encumbrances, to make certain payments and investments, and to sell or otherwise dispose of assets and merge or consolidate with other entities. This may in turn adversely affect the financial position of the Issuer and the Group, and thereby impair the Issuer's ability to repay the Bonds.

2.4.5 The issuer's call option may limit the market value of the bonds

The Bonds contain an optional redemption feature, which is likely to limit their market value. The market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. The Issuer may be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

2.4.6 Mandatory repayment events may reduce investors returns

Mandatory repayment events may lead to a repayment of the Bonds in circumstances where an investor may not be able to reinvest the repayment proceeds at an equivalent rate of interest. The Bond Terms provide that the Bonds shall be subject to mandatory repayment by the Issuer if (a) the NAIF Loan facility or any commitment thereunder, in whole or in part, is cancelled or terminated (other than by the Issuer through the agreed mechanisms for voluntary cancellation or cancellation of commitments by end of the availability period) or (b) there is a change of control of the Issuer or the Guarantor or (c) the shares of the Issuer's parent company are delisted or removed from the official list of the Australian Securities Exchange or (d) the Coburn Project assets are wholly or partially lost or destroyed and the simple majority of secured creditors vote under the intercreditor deed to apply the insurance proceeds to the mandatory repayment of the secured facilities. Upon the occurrence of such mandatory repayment event, the Issuer shall redeem 100% of the outstanding Bonds. Following any early redemption after the occurrence of a mandatory repayment event, it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

2.4.7 The issuer may not have sufficient funds to redeem bonds when required to do so

The Issuer's ability to redeem the Bonds with cash may be limited. Upon the occurrence of a mandatory repayment event, a review event that is not waived by the vote of the simple majority of secured creditors under the intercreditor deed, a cross default by the Issuer of any financial indebtedness in excess of Australian Dollars (AUD) 1,000,000 in aggregate or if Project completion is not achieved by the sunset Project completion date, each individual Bondholder shall have a right of repayment of the Bonds as set out in the Bond Terms. However, it is possible that the Issuer may not have sufficient funds to make the required redemption of Bonds, resulting in an event of default under the Bonds.

2.4.8 Insolvency proceedings will be governed by Australian insolvency laws, in the case of the issuer and the guarantor (both of which are incorporated in Australia), which are different from the insolvency laws of certain other jurisdictions

The Issuer and the Guarantor are incorporated in Australia, and the insolvency laws applicable in Australia are different from the insolvency laws of other jurisdictions. If the Issuer becomes insolvent, the treatment and ranking of holders of the Bonds, its other creditors and shareholders under Australian law may be different than the treatment and ranking of holders of the Bonds, its other creditors and shareholders if it were subject to the bankruptcy laws of other jurisdictions. For instance, the High Court of Australia has ruled that shareholders may, in certain circumstances, rank alongside unsecured creditors in a winding-up where shareholders have an independent damages claim against the debtor company arising out of the purchase of their shares. The bondholders may therefore have less chance of recovering their investment if the Issuer becomes insolvent than if the Issuer and Guarantor were subject to insolvency laws of other jurisdictions.

2.4.9 Rights of holders of the bonds in the security interests may be adversely affected by the failure to perfect security interests in the bonds

Applicable law provides that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. In Australia, perfection of security interests granted by an Australian entity or granted by any entity over collateral which is "personal property" for the purposes of the Personal Property Securities Act (the "**PPSA**") located in Australia is achieved through registration on a central register established under the PPSA. However, there are certain security interests, such as purchase money security interests, that are afforded 'super priority' under the PPSA. In addition, in respect of certain types of collateral (such as bank accounts and inventory), a security interest which is perfected by a person having possession or taking 'control' of the relevant collateral will have priority over registered security interests. The creation, perfection and enforcement of security over collateral which is not PPSA personal property (such as interests in land, fixtures attached to land, statutory licenses such as mining tenements and petroleum licenses, water rights and general law liens) is not governed by the PPSA. The creation, perfection and enforcement of these types of excluded property are governed by, among others, the real property and mining title legislation applying in the States and Territories of Australia and the Corporations Act. In relation to collateral over which the security interests are not perfected, a subsequent perfected security interest may take priority over the prior unperfected security interest. There can be no assurance that the Security Trustee will have taken or will take all actions necessary to create properly perfected security interests in the

collateral, which may result in the loss of the priority of the security interest in favour of the holders of the Bonds to which they would otherwise have been entitled. In particular, in relation to collateral other than PPSA personal property, the security interests in favour of the Security Trustee will only be perfected by registration under the applicable real property and mining titles legislation in relation to certain material mining tenements and real property.

2.4.10 Rights of holders of the bonds in the security interests may be adversely affected by administration proceedings in Australia or other applicable jurisdictions

The right of the Security Trustee to take possession and control of and dispose of the collateral securing the Bonds offered hereby upon acceleration is likely to be significantly impaired by the insolvency law of Australia, if administration proceedings are commenced by or against any security provider in its respective jurisdiction of incorporation prior to enforcement of the relevant security interest. During the period of the administration of a company in Australia, a statutory moratorium could, among other things, prevent the enforcement of any security interest over the property of the company. If the security cannot be enforced, it could adversely affect the bondholders' ability to recoup their investment should the Issuer not be able to repay the Bonds.

2.4.11 The Guarantor may default or become insolvent

The insolvency or bankruptcy of the Guarantor could result in its guarantee not being honoured and thereby the amounts recovered from the Guarantor may not be sufficient to cover the Issuer's and/or the Guarantor's payment obligations under the Bonds. If the proceeds of any sale of security are not sufficient to repay all amounts due on the Bonds, the holders of the Bonds (to the extent not repaid from the proceeds of the sale of the security) risk only having an unsecured claim against any remaining assets of the Issuer and the Guarantor.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the listing of the Bonds on the Oslo Stock Exchange.

The Issuer is responsible for the information contained in this Prospectus. The Issuer confirms that, to the best of the Issuer's knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Perth, 18 November 2022

**On behalf of Coburn Resources Pty Ltd,
with registered address at Level 9, 216 St Georges Terrace,
Perth, Western Australia, 6000 Australia**



Luke Graham (CEO)

4 PRESENTATION OF THE GROUP

4.1 Overview

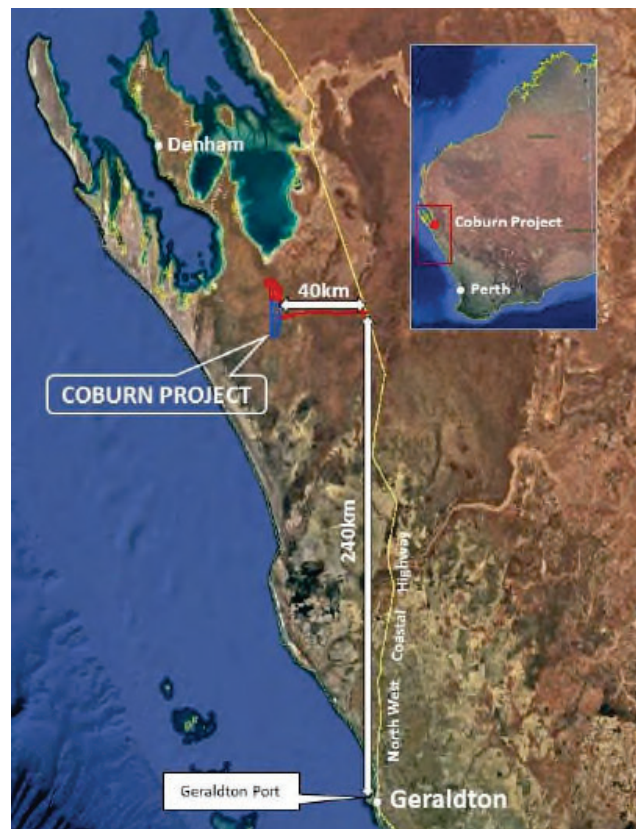
4.1.1 Principal business activities and markets in which the Group operates

Strandline Resources Ltd (the "**Parent**") is an Australian Securities Exchange ("**ASX**") listed mining company (**ASX: STA**) that is focused on the development of the Coburn mineral sands project ("**Coburn Project**") in Western Australia. The Coburn Project is a conventional mineral sands project with an initial mine life of 22.5 years (with possibility of a mine life extension to 37.5 years). The Project is underpinned by an Ore Reserve of 523 Megatonnes (Mt) @ 1.11% Total Heavy Minerals (THM), with a planned mining rate of 23.4 Million tonnes per annum (Mtpa) of ore.

In June 2020, Strandline completed a DFS (2020) on the Coburn Project. The outcome of this DFS concluded for a total development capital cost of AUD 260 million, the Coburn Project produced a pre-tax NPV_{8%} of AUD 705 million¹.

Coburn is world-scale asset designed to produce 34 kilo-tonnes per annum (ktpa) of zircon, 54ktpa of zircon concentrate, 110ktpa of ilmenite, and 24ktpa of rutile. The project product revenue split is forecast to be approximately 37% premium zircon, 23% zircon concentrate, 21% ilmenite and 19% rutile. The Coburn Project is strategically located 240 km from the Geraldton port in Western Australia, an established bulk minerals export facility with key supporting infrastructure. The Issuer and the Parent operate in the mining industry and the mineral sands market.

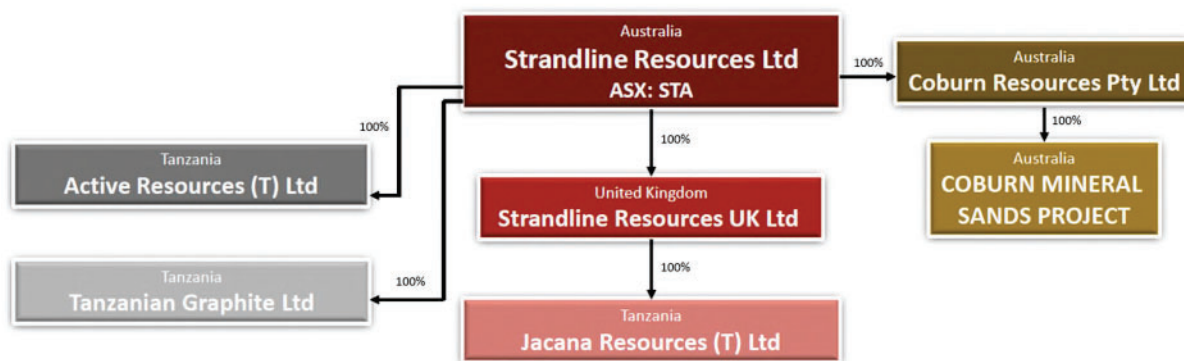
The image below illustrates the location of the Coburn Project and Geraldton Port.



¹ Refer Coburn Definitive Feasibility Study results ASX announcement dated 04 June 2020. AUD:USD Forex rate 0.70

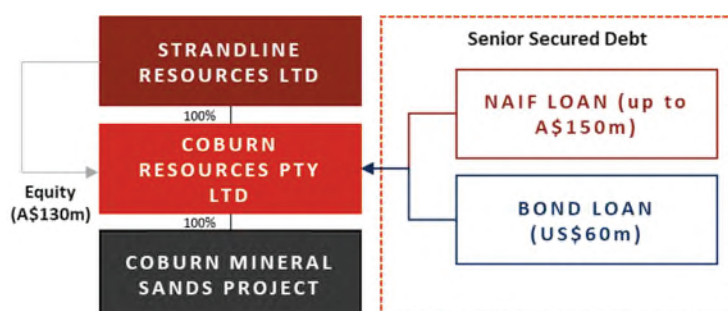
4.1.2 Group Structure

Coburn Resources Pty Ltd (the "**Issuer**") which holds the tenements associated with the Coburn Project is a single purpose company which is a 100% subsidiary of the Parent. The illustration below illustrates the Group's corporate structure.



As part of the project financing for the Coburn Project, Coburn Resources issued a 5-year USD 60 million bond, to, in combination with an AUD 130 million NAIF with an option to access AUD 150 million, and AUD 130m of new equity injected into Coburn Resources by Strandline, combined the NAIF facility, Bond Issue and equity fully finance the development of the Coburn Project.

Below is an illustration of the project financing for the Coburn Project.



The Parent funds the Issuer through intercompany loans and provides certain corporate services. The Issuer is an operating company in the Group and is not dependent upon other companies in the Group for its business operations. The Parent has provided a guarantee for the Issuer's obligations under the Bond Terms, which will be terminated upon Project Completion of the Coburn Project. The Parent's primary activity is to fund mining exploration and development assets. The funding for these activities comes from equity raises conducted by the Parent. In addition to raising equity, the Parent is dependent on the business operations of the subsidiaries in the Group for generating revenue, financing its investments etc. Furthermore, repayment of the Parent's indebtedness, is dependent upon the ability of the operating subsidiaries in the Group to make cash available, by dividend, debt repayment or similar.

4.2 The Coburn mineral sands project

4.2.1 Project overview

Coburn is located in the Gascoyne region of Western Australia. Western Australia is a well-established mining jurisdiction with a rich history of mineral sands operations. The Project is situated 40 km west of the North-West Coastal Highway, linking to port of Geraldton approximately 240 km to the south. Geraldton port is an established bulk mineral sands export facility with key materials handling and shiploader infrastructure already in place.

Coburn's Amy deposit is a large northerly trending zone of dune-hosted mineralisation with a strike length of approximately 35 km. The deposit runs adjacent and to the east of the Shark Bay World Heritage Property in the Shire of Shark Bay.

Carnarvon, a town of some 4,500 inhabitants, is the Gascoyne's regional centre and provides government, commercial and community services for the majority of the Region. However, Denham is the closest town to the Project, lying approximately 85 km to the north-west of the northern boundary of the Coburn mining tenements. Most of the operational supplies, labour and professional services for Coburn are accessed through Geraldton and other regional communities.

4.2.2 *Geology and mineralization*

Coburn's Amy deposit was discovered in 2000 after prospectors identified that the ancient coastline at Coburn was an ideal trap-site for heavy mineral sands with its characteristic hook shape. Mineralisation consists of an accumulation of mainly aeolian sands deposited over a Cretaceous basement of clays, clayey sands and limestone. A total of 3 dune sequences containing heavy mineral are recognised across the project area. The Amy South mineralisation has a strike length of approximately 27 km, a width up to 3 km and a maximum thickness of approximately 50 metres. Amy North adds a further 6 km in strike length.

4.2.3 *Mineral resources estimate introduction*

The Mineral Resources and Ore Reserve estimates for the Coburn Project, as set out in this Prospectus, are defined and classified according to JORC Code 2012. The JORC Code provides a mandatory system for the classification of minerals, Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports. The JORC Code was first published in 1989 with the most recent revision being published in late 2012. Since 1989 and 1992 respectively it has been incorporated in the Listing Rules of the ASX and New Zealand's Exchange (NZX) making compliance mandatory for listed public companies in Australia and New Zealand.

Estimates of Ore Reserves and Mineral Resources are largely dependent on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies that derive estimates of mining costs based on anticipated tonnage, expected recovery rates and capital expenditures and other factors. Mineral Resources and Ore Reserves are distinguishable from each other in that Mineral Resources represent mineralization of potential economic interest that has been identified through exploration and sampling, whereas Ore Reserves represent the subset of Mineral Resources that economic, technological and environmental analysis has identified as extractable according to an officially approved plan.

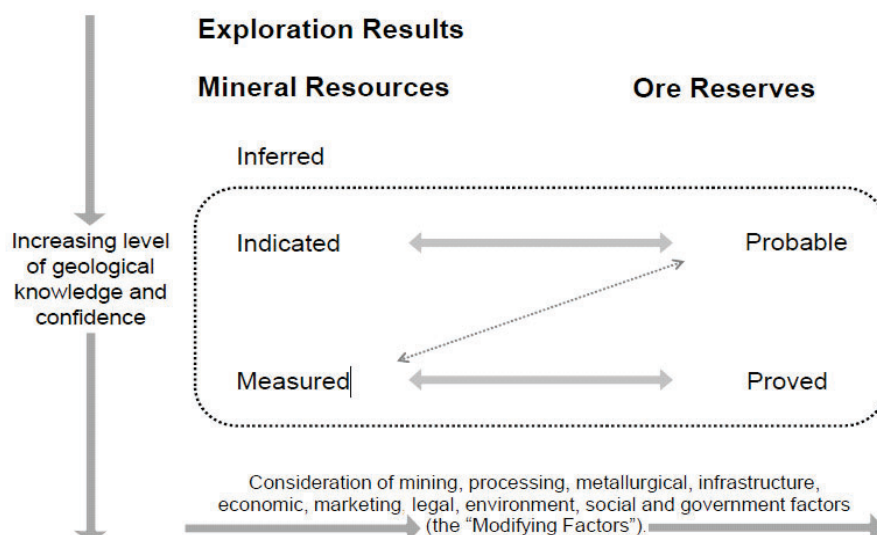
Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories. Ore Reserves which are a modified sub-set of the Indicated and Measured Mineral Resource require consideration of modifying factors affecting extraction which include mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological grade (or quality) continuity. An Inferred Mineral Resource has a lower level of confidence than an Indicated Mineral Resource.

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

The illustration on the next page highlights the relationship between Exploration Results, Mineral Resources and Ore Reserves.



4.2.4 Mineral resource estimate

In November 2018, IHC Robbins, a mining consultancy offering services to the mineral sands industry ("**IHC Robbins**") issued a Joint Ore Reserve Committee (JORC) compliant Global Mineral Resource estimate of 1.6 Billion tonnes (Bt) HM at 1.2% THM (cut-off grade of 0.8%)². Of the 1.6Bt, this contains measured and indicated resources of 726Mt at 1.3% THM contained in the Amy South deposit. The Amy South deposit comprises an exceptionally rich heavy mineral assemblage of 22% zircon, 12% rutile-leucoxene and 48% ilmenite. The Coburn Project JORC-2012 compliant global mineral resources are detailed below:

Resource Category	Ore ⁽¹⁾			Valuable HM Grade (In-Situ) ⁽²⁾					
	Material (Mt)	In situ THM (Mt)	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Leucoxene (%)	Slimes (%)	Oversize (%)
Measured	119	1.5	1.3	45	5	24	6	3	6
Indicated	607	7.7	1.3	48	7	22	5	3	3
Inferred	880	10.4	1.2	49	7	21	4	3	1
Total	1606	19.6	1.2	48	7	22	5	3	2

- 1) Mineral Resources reported at a cut-off grade of 0.8% THM
- 2) Valuable Mineral assemblage is reported as a percentage of in situ THM content

The information in this Prospectus that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cummins is the Competent Person for the provision of the drill database, and completed the site inspection. Mr Jones is the Competent Person for the data integration and resource estimation. Mr. Jones has no material interest in the Issuer. Mr Jones and Mr Cummins consent to the inclusion in this Prospectus of the matters based on their information in the form and context in which they appear.

² Coburn Updated JORC compliant Mineral Resource estimate, 14 November 2018, available to the public online at https://www.strandline.com.au/irm/PDF/2708_0/CoburnMineralResourceEstimateincreasesto16Bt

4.2.5 Ore reserves

Pit optimization work that was completed on the Mineral Resource model by specialist mineral sands mining consultants (AMC Consultants) defined the economic limits of open pit mining. This optimization work produced a large ore reserve of 523Mt @ 1.11% THM³ which underpins an initial mine life of 22.5 years at a planned mining rate of 23.4Mtpa of ore.

Below is illustrated the breakdown of the JORC compliant ore reserve:

ORE RESERVES SUMMARY FOR COBURN PROJECT				
Deposit	Reserve Category	Ore	Heavy Mineral	
		(Mt)	HM (Mt)	THM (%)
Coburn - Amy South	Proved	106	1.16	1.10
Coburn - Amy South	Probable	417	4.66	1.12
	Total	523	5.83	1.11

The information in this Prospectus that relates to the Coburn Ore Reserves is based on information compiled under the direction of Mr Adrian Jones. This information is presented in Annexure 1 to an ASX announcement dated 16 April 2019.⁴ Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the Ore Reserve estimate are drawn from contributions provided by various sources. Other significant contributors to this report are identified in Table 6 on page 9 of the ASX announcement together with their area of contribution. Mr Jones has no material interest in the Issuer.

4.2.6 Licenses

The Project comprises of 205 km² of tenure which is owned 100% by Strandline Resources Limited. The initial 20 years of mining and processing operations will be conducted on existing Mining Licenses M09/102, M09/103, M09/104, M09/105, M09/106, M09/111 and M09/112. Access to the Project is from the North West Coastal Highway in Western Australia and access is granted via a miscellaneous license L09/21. More information on the key project licenses is detailed below:

License	Expiry	License conditions	
M09/102	24/10/2025	Legal	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
		Economic	Minimum yearly expenditure of \$99,700, Western Australian Government royalty of 5%
		Environmental	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
M09/103	24/10/2025	Legal	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
		Economic	Minimum yearly expenditure of \$99,800, Western Australian Government royalty of 5%
		Environmental	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
M09/104	24/10/2025	Legal	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
		Economic	Minimum yearly expenditure of \$99,800, Western Australian Government royalty of 5%
		Environmental	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
M09/105	24/10/2025	Legal	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
		Economic	Minimum yearly expenditure of \$99,900, Western Australian Government royalty of 5%
		Environmental	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
M09/106	24/10/2025	Legal	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
		Economic	Minimum yearly expenditure of \$99,900, Western Australian

³ Coburn Updated JORC compliant Ore Reserve Statement, contained in ASX Announcement, 16.04.2019, available to the public online at <https://www.strandline.com.au/irm/PDF/1cd70364-4f13-4271-9093-b976aec74aff/OreReservesincreaseby70atCoburnMineralSandsProject>

⁴ ASX Announcement, 16.04.2019, available to the public online at <https://www.strandline.com.au/irm/PDF/1cd70364-4f13-4271-9093-b976aec74aff/OreReservesincreaseby70atCoburnMineralSandsProject>

			Government royalty of 5%
		Environmental	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
M09/111	18/07/2026	Legal	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
		Economic	Minimum yearly expenditure of \$99,800, Western Australian Government royalty of 5%
		Environmental	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
M09/112	18/07/2026	Legal	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations
		Economic	Minimum yearly expenditure of \$19,780, Western Australian Government royalty of 5%
		Environmental	Compliance with the Department of Mines, Industry Regulation and Safety (DMIRS) regulations

4.2.7 Mining

Topsoil and Subsoil material at the Project will be stripped by dozer or scraper and will be either placed in stockpiles in the vicinity of the pit or placed directly on top of recontoured tails areas. Overburden, where present, will be removed by large capacity bulldozers and placed in the pit void immediately behind the mined-out ore. No drill and blast is required at Coburn.

Ore is pushed by a fleet of manned carry dozers to Dozer Mining Units (DMU), oversize material is wet screened separated from the slurry undersize which is subsequently pumped to the ore processing facilities. Grade control of the ore has been defined through the mine optimisation and scheduling process to achieve the target feed head grade to the plant. The mining and related earthmoving activities will be delivered under a contract mining arrangement. The mining contractor will be responsible for efficiently feeding material to the DMU's as per the mine plan, and also performing the necessary contouring of tails and in-pit slimes, subsoil-topsoil replacement, haul road maintenance, bench management and drainage, in pit dewatering and re-contouring of the completed pit area in readiness for rehabilitation. Strandline is responsible for statutory duties, technical services, geology and detailed mine planning, potable water, power and communication systems

4.2.8 Processing – Wet concentration plant (WCP)

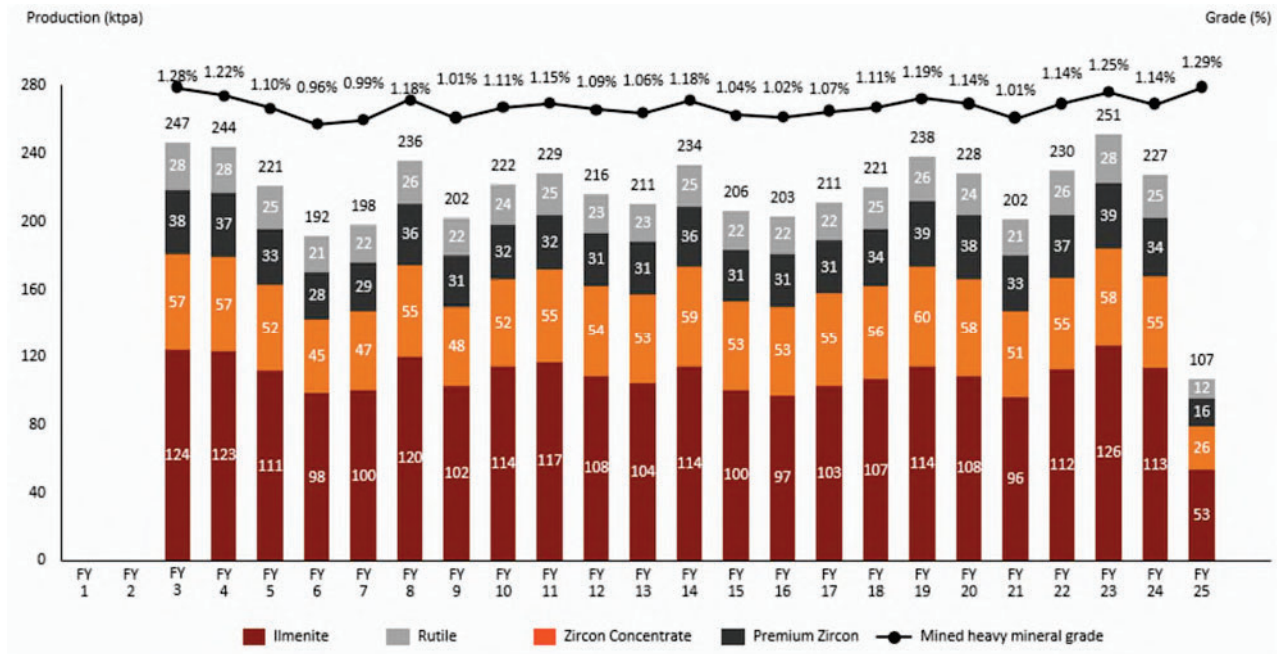
The WCP receives ore from the mining units and associated pumping system at an average rate of 3,000 tonnes per hour. A high grade 95% Heavy Mineral Concentrate (HMC) is produced through multiple stages of high efficiency gravity separation and classification technology. The WCP beneficiates the heavy minerals (ilmenite, leucoxene, rutile, zircon) and rejects the non-valuable, lighter minerals through multiple stages of high-capacity gravity separation and classification. The WCP process is designed to produce HMC containing nominally 95% Heavy Minerals (HM). The WCP infrastructure is relocatable and is planned to be moved four times over the initial 22.5 year mine life at Coburn. Once the HMC is produced it is then transported to the Mineral Separation Plant (MSP) and stockpiled ready for feeding into the MSP.

4.2.9 Processing – Mineral separation plant (MSP)

The MSP utilizes modern, but conventional process equipment to enhance product recovery, quality or marketability. Premium zircon, zircon concentrate, chloride-grade ilmenite and rutile products will be produced at the MSP. HMC is dried, screened to remove any trash material and then passed through an electrostatic rolls separator circuit to separate non-conductor mineral from conductor mineral. Conductive HM proceeds through the conductor circuit via a magnetic circuit to produce HiTi and ilmenite final products. Non-conductive HM proceeds through the non-conductor circuit to produce premium zircon and zircon concentrate. The Coburn final products are then transported via road and exported from the port of Geraldton.

4.2.10 Production profile

Illustrated below is the annual forecast production profile of ilmenite, rutile, zircon concentrate, premium zircon, and the associated mined heavy mineral grade of the Coburn Project. The production profile was developed as part of the Coburn updated DFS released to the ASX on the 4th June 2020.



4.2.11 Logistics – road and port infrastructure

The Coburn Project benefits from proximity to existing major road infrastructure linking it to the established mineral sands export port of Geraldton. The Geraldton port is an established bulk mineral sands export port, with export licences already in place to handle Coburn’s suite of minerals. Strandline has signed a binding Port Access and Services Agreement with the Mid West Ports Authority, which operates the Port of Geraldton in WA for the operations phase. Coburn products will be sold in bulk cargo form to global mineral sands customers.

Coburn product will be trucked (via road train) on a continuous basis from the mine site to a dedicated staging facility located close to port, at Nargulu, Geraldton. A 43.5 km sealed bitumen access road is being constructed to connect the mining facilities with the North West Coastal Highway. The existing Geraldton port handling and shiploading infrastructure will be used to receive and transfer the product onto the ship.

4.2.12 Products

The Coburn Project will produce four products: Premium zircon, zircon concentrate, chloride ilmenite and rutile. Zircon is resistant to water, chemical, heat and abrasion. Ceramics represent approximately 50% of the zircon market. Other uses of zircon include zirconia-zirconium chemicals and metals, refractory and foundry. The total global market for zircon is 1.1Mt⁵

Ilmenite and rutile are titanium feedstocks which are used in producing products in everyday life. Titanium dioxide (TiO₂) pigment imparts whiteness, is UV resistant and inert. The total global market for TiO₂ is approximately 7.0Mt.

4.2.13 Customers – offtake

Over the course of April 2020 to May 2021, Strandline entered into six binding offtake contracts to cover 100% of initial production at the Coburn Project, with 91-92% of revenue covered under offtake contracts for 5 years. Below is a summary of the offtake contracts and the proportion of revenue covered under each offtake contract.

⁵ TZMI February-2020 estimates – Market Study Report – Coburn Project



Premium zircon

In April 2020, Strandline secured a binding offtake agreement for the substantial portion of the premium (finished) zircon product for the first five years of production. The offtake agreement is with Industrie Bitossi s.p.a (Bitossi), one of the world's largest zircon consumers, based primarily in the high-quality European ceramics market. The zircon sales covered by the Agreement are expected to generate approximately 18 % of Coburn's forecast total revenue, based on the pricing structure contained in the Agreement.

In July 2020, Strandline secured a binding offtake agreement for ~7,000 tonnes per annum of premium (finished) zircon product for the first five years of production. The premium zircon offtake agreement is with European-based Chilches Materials S.A. (Chilches), a world-leader in providing products for the ceramics, glass, refractory and investment casting markets. The zircon sales covered by Chilches offtake agreement are expected to generate approximately 6-8% of Coburn's forecast total revenue.

In May 2021, Strandline entered into a binding offtake contract for premium zircon product with Mario Pilato BLAT S.A., a leading European raw material supplier to the ceramics, glass and refractory industries. The agreement is for nominally 10,000 tonnes per annum of finished premium zircon product for an initial two-year period. Coburn's premium zircon quality has been confirmed as a ceramic-grade specification and will be used by Pilato to produce zircon flour or zirconium silicate for downstream ceramics opacifiers and in premium refractory applications. The zircon sales covered by the Pilato contract are expected to generate approximately 8-9% of Coburn's total annual revenue during the first two-years of production.

Zircon concentrate

In April 2020, Strandline secured a binding offtake agreement for 100% of the zircon concentrate product for the first seven years of production. The Agreement is with Sanxiang Advanced Materials Co., Ltd (Sanxiang) and Nanjing Rzisources International Trading Co. Ltd (Nanjing), operating in strategic partnership.

Ilmenite

In April 2020, Strandline secured a binding ilmenite contract with America's The Chemours Company FC, LLC (Chemours) and covers 100% of the chloride ilmenite (a titanium feedstock) to be produced at Coburn for the first five years. The ilmenite sales are expected to generate between 20-24% of Coburn's forecast revenue.

Rutile

In March 2021, Strandline entered into a binding long term rutile offtake contract with Venator Materials Plc ("Venator"). The offtake contract with Venator covers 100% of the rutile produced at the Coburn Project, and is expected to generate between 17-20% of Coburn forecast revenue. Venator is a leading global chemical company dedicated to the development and manufacture of titanium dioxide (TiO₂) pigments. The specification of Coburn's rutile has been confirmed to be suitable for the

production of TiO₂ pigment which is the largest market for high grade titanium feedstocks, commonly used in the formulation of paints, coatings, inks, ceramics, paper and plastic production and other industrial applications.

4.2.14 Material contracts

The following contracts are material to the Coburn Project, and are entered into as part of the Issuer's and the Parent's ordinary course of business. Each contract has a Tripartite Deed between the Security Trustee, the Issuer and the other party to the contract.

Process Plant Design and Construct Contract

The Issuer entered into an EPC-M contract with Primero Group Ltd, a subsidiary of NRW Holdings Group for the Coburn processing plant EPC-M including engineering, construction, procurement, construction, commissioning and testing.

Mining Services Contract

The Issuer entered into a contract for mining services with Mine Site Construction Services, a leading Western Australian privately owned contracting firm with over 40 years of combined industry experience, to undertake the mining operations at the Coburn Project.

Bulk Earthworks Contract

The Issuer entered into a Civil Bulk Earthworks Construction contract with Macmahon Holdings Limited. The contract covers the bulk earthworks for road access and bulk earthworks, including dams and drainage.

Electricity Supply Agreement

The Issuer has entered into a Build Own Operate (BOO) contract with Contract Power Group for the onsite electricity generation including gas generators with hybrid solar renewable energy and batteries.

LNG Supply Contract

The Issuer entered into a Liquefied Natural Gas (LNG) agreement with Woodside Energy Ltd and Energy Development Ltd to supply LNG gas to the Coburn Project.

Camp Accommodation

The Issuer entered into an agreement with OTOC Australia Ltd to supply and install a 200 person permanent accommodation village at the Coburn Project.

Port Services Contract

The Issuer entered into a Port Access and Services Agreement with Mid-West Ports to export 100% of Coburn's produced products.

There are no material contracts entered into outside the Issuer's and the Parent's ordinary course of business.

4.2.15 Project update

As at the 17 January 2022, the Project development had reached 50% completion. All major construction contracts are awarded or committed, representing approximately 96% of project scope (in terms of value). The processing plant EPC engineering design is 95% complete, and concrete installation 70% complete. The steel fabrication is well underway and all key mechanical and electrical equipment is ordered with progressive site deliveries being received, commissioning planning progressing. Significant bulk earthworks and road clearing has taken place, cut-to-fill, sub-base and base course works progressed as a priority to enable the installation of above-ground infrastructure to proceed. Site accommodation village, hybrid power station, dozer mining units, bore field, site offices and buildings and environmental monitoring works are all advancing in accordance with the development plan. Preparations for production is ramping-up with senior-team appointments and key mining services and product transport and logistics contracts executed in line with the operating cost assumptions contained in the DFS. The Parent is expecting first production of mineral sands products to commence in the December quarter of 2022.

4.3 Recent events relevant to the evaluation of the Issuer's and the Guarantor's solvency

There have been no recent events particular to the Issuer or the Parent that to a material extent are relevant for the evaluation of the Issuer's or the Parent's solvency.

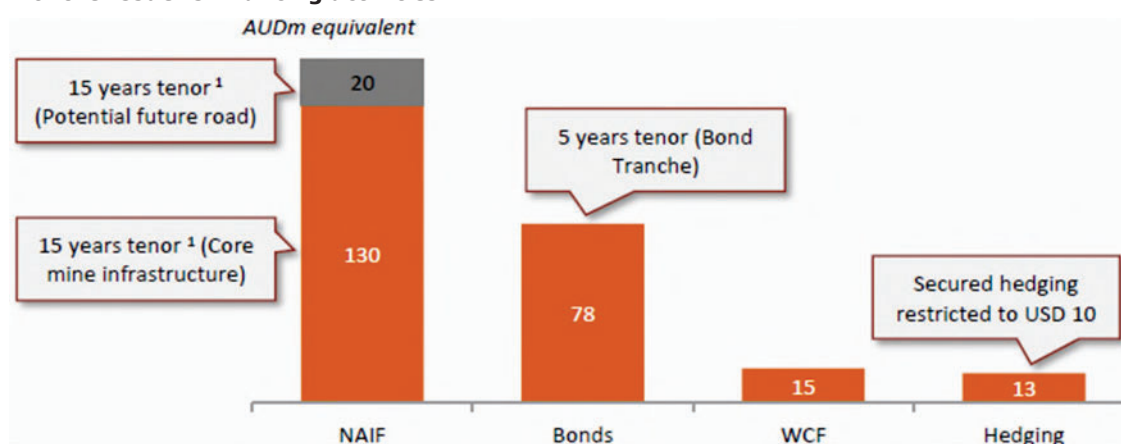
4.4 Financing facilities

4.4.1 Overview of financing facilities

To finance the development of the Coburn mineral sands project, the Issuer secured an AUD 130 million project financing facility from the Northern Australian Infrastructure Facility ("NAIF"). The NAIF funding also included another AUD 20 million to fund additional infrastructure supporting the Coburn mineral sands project. As part of the financing of the Coburn mineral sands project, the Issuer also issued a USD 60 million senior secured bond issue with the bond sitting pari-passu with the NAIF financing. Within the NAIF facility and Bond Terms, there was a carve out for an AUD 15 million working capital facility and secured hedging with a limit of USD 10 million. As part of the financing of the Coburn mineral sands project, and in addition to the debt, the Parent was required to transfer AUD 130 million of equity into the Issuer. This injection of equity was in the form of an inter-company loan.

The Issuer's equity is to be spent first on the Coburn mineral sands project, and then the NAIF facility and bond proceeds are drawn pari-passu to fund the remaining development of the Coburn mineral sands project. As of the date of this Prospectus, the Issuer has spent all equity on the project and is currently drawing down on the NAIF facility and bond proceeds to complete the project.

Overview of the Issuer's financing activities.



4.4.2 Bond Issue

On 17 March 2021, The Issuer successfully completed the issuance of a USD 60 million senior secured bond. The bond has a fixed rate coupon of 12.0% and a term of 5 years. The terms and conditions of the bond are described further in Section 7 "Information about the Bonds and the Listing".

4.4.3 NAIF facility

In June 2020, The Issuer received approval for a secured fixed rate facility from the Australian Government's Northern Australia Infrastructure Facility ("NAIF"), with a maximum facility amount of up to AUD 150 million, split into 2 tranches of up to AUD 130 million and AUD 20 million respectively. The NAIF facility has a tenor of 15 years. Amortization of the NAIF facility commences after the maturity of the bond.

The AUD 130 million tranche of the NAIF Facility is to be drawn to partially fund the construction of the Coburn mineral sands project. The drawing down of the NAIF Facility is on a pro-rate basis to the bond proceeds that are held in an Escrow Account. The second tranche is available for drawdown in order to fund a potential future northern access road for the Coburn mineral sands project, if required.

4.4.4 Working capital facility

The Bond Terms and intercreditor principles between the senior secured lenders provides the provision for a Working Capital Facility of AUD 15 million. The Issuer is currently in discussions with Working Capital Facility providers to provide this facility, however as at the date of this Prospectus, the Issuer has not executed a Working Capital Facility.

4.4.5 Intercompany loans

The Issuer is wholly owned and funded by The Parent. The Parent funds the Issuer through intercompany loans.

4.4.6 Financing of the Parent

In April 2022, the Parent, Strandline Resources, issued 116,279,070 fully paid ordinary shares on the ASX, each with an issue price of AUD 0,43. As a result, the Parent currently has cash reserves of approx. AUD 50 million. Parts of the proceeds are intended to be used to fund the development of the Coburn mineral sands project.

5 FINANCIAL INFORMATION

5.1 Financial Statements

The Issuer's audited unconsolidated financial statements as of and for the financial years ended 30 June 2022 and 30 June 2021 (the "**Issuer Financial Statements**") have been incorporated by reference hereto, see Section 10.4 "*Incorporation by reference*".

The Group's audited consolidated financial statements for the financial years ended 30 June 2022 and 30 June 2021 with comparable figures for the financial year 2020 (the "**Group Financial Statements**") have been incorporated by reference into this Prospectus, see Section 10.4 "*Incorporation by reference*".

The Issuer Financial Statements are audited in conjunction with the auditing of the Group Financial Statements and have also been audited separately. The Issuer Financial Statements and the Group Financial Statements are collectively referred to as the "**Financial Information**".

The Issuer Financial Statements are special purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001. The Issuer Financial Statements comply with Australian Accounting Standards. The Issuer Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The Group Financial Statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards Board ("**AASB**") Standards and Interpretations and comply with other requirements of the law. The Group Financial Statements also comply with IFRS. For the purposes of preparing the financial statements, the Group is a for-profit entity. The Group has adopted all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2020. For more information regarding the basis of preparation and accounting policies please see Note 2 and 3 in the annual report for the financial year 30 June 2022, which have been incorporated by reference into the Prospectus, see Section 10.4 "*Incorporation by reference*".

5.2 Auditor and audit report

The Issuer's independent auditor is BDO. BDO has been the Parent's auditor since 2000, and the Issuer's auditor since 2013.

BDO's audit report on the Issuer Financial Statements as at and for the financial years ended 30 June 2022 and 2021 is included in the Issuer's annual report, incorporated by reference into this Prospectus, cf. Section 10.4 "*Incorporation by reference*".

In the auditor reports to the audited Issuer Financial Statements for the financial years ended 30 June 2022 and 2021, the auditor has made the following emphasis of matter relating to the basis of accounting:

"We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the members'. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter."

BDO's audit report on the Group Financial Statements as at and for the financial years ended 30 June 2022 and 2021 is included in the Parent's annual report, incorporated by reference into this Prospectus, cf. Section 10.4 "*Incorporation by reference*".

BDO have not audited, reviewed or produced any other information provided in this Prospectus, save for the Financial Information.

The selected consolidated Financial Information included in this Prospectus should be read in connection with and is qualified in its entirety by reference to those documents incorporated into this Prospectus by reference, cf. Section 10.4 "*Incorporation by reference*".

5.3 Statements of no significant changes

There have been no significant changes in the financial position of the Issuer or the Guarantor which has occurred since the end of the last financial period for which their respective Financial Statements have been published. There has been no significant change in the financial performance of the Issuer or the Guarantor since 30 June 2022 to the date of this Prospectus. The Issuer is developing the Project and has spent all required equity on the project and is now drawing down on bond proceeds and the NAIF facility on a pro-rata basis to fund the remaining capital expenditure of the project.

5.4 Statement of no material adverse changes in the Issuer's or the Parent's prospects

There have been no material adverse changes in the prospects of the Issuer or the Parent since the date of their last published audited financial statements on 30 June 2022.

The Issuer does not have any information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Issuer's or the Guarantor's prospects for the current financial year.

6 INFORMATION ABOUT THE ISSUER, THE PARENT AND THE GROUP

6.1 The Issuer

The Issuer, Coburn Resources Pty Ltd (Coburn Resources), was incorporated on 29 July 2013 as a private company limited registered under the laws of Western Australia and operating under the Corporations Act 2001 (Commonwealth), with ACN 165 036 537 and LEI-code 9845006AB745B93F1590. The Issuer was formerly known as Strandline Australia Pty Ltd, prior to its current name, which was changed to Coburn Resources Pty Ltd on 20 August 2019.

The Issuer was established as the operating company of the Parent to develop the Coburn minerals sands project in Western Australia. The project was first discovered through exploration in 2000. Over the course of 2003 to 2019 feasibility studies and project evaluation was undertaken. This culminated in the release of the Coburn DFS in 2020. The Parent is the Issuer's sole shareholder.

The Issuer's registered office is Level 9, 216 St Georges Tce, Perth, Western Australia, Australia, 6000. The Issuer's telephone number is +61 8 9226 3130 and email address is enquiries@strandline.com.au.

The Issuer's independent auditor is BDO Audit (WA) Pty Ltd ("**BDO**") an Australian incorporated limited liability company having its business address at Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, Western Australia, Australia, 6000, with an ACN 112 284 787. The auditor signing the auditor's report on behalf of BDO is a member of the Chartered Accountants Australia & New Zealand.

6.2 The Parent

The Parent's registered name is Strandline Resources Ltd. (Strandline Resources) The Parent is an Australian public company listed on the ASX with the ticker ASX:STA. The Parent is incorporated under the laws of Western Australia and operating under the Corporations Act 2001 (Commonwealth), with an ACN 090 603 642. The Parent was incorporated in Perth, Western Australia on 23 December 1999. The Coburn Resources Pty Ltd Bonds are registered with the VPS under ISIN NO0010955859. The Parent is registered with LEI-code 9845006AB745B93F1590.

The Parent's registered office is Level 9, 216 St Georges Tce, Perth, Western Australia, Australia. The Parent's main telephone number at that address is +61 8 9226 3130 and its e-mail is enquiries@strandline.com.au. The Parent's website can be found at www.strandline.com.au. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

The Parent and the Issuer use the same auditor, BDO.

6.3 Legal and arbitration proceedings

The Parent and other companies in the Group are involved in litigation, disputes and other legal proceedings arising in the normal course of its business.

Nonetheless, neither the Parent nor any other company in the Group is, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, material adverse effects on the Parent's and/or the Group's financial position or profitability, and the Parent is not aware of any such proceedings which are pending or threatened.

6.4 Major shareholders

As at the date of this prospectus, the Parent has 1,245,388,665 fully paid shares on issue on the ASX. The largest shareholder is Ndovu Capital VII (BV) which is part of Tembo Capital Management Ltd ("**Tembo**") a UK based mining private equity group. As of 14 April 2022, Tembo holds a 18.21% stake in the Parent.

The current top 10 shareholders of the Parent as at the date of this Prospectus are listed below:

#	Name of shareholder	Number of Shares	%
1	Ndovu Capital VII (BV)	227,779,233	18.21
2	CITICORP NOMINEES PTY LIMITED	84,786,919	6.78
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	70,623,368	5.65
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	57,174,159	4.57
5	UBS NOMINEES PTY LTD	42,132,780	3.37
6	MR HARRY HATCH	18,904,015	1.51
7	NATIONAL NOMINEES LIMITED	16,258,696	1.30
8	MRS WENJUAN WU	16,088,949	1.29

9	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	16,088,949	0.92
10	MR KENNETH JOSEPH HALL <HALL PARK A/C>	11,269,509	0.90

6.5 Information on share capital

The Parent

Number of fully paid ordinary shares 1,245,388,665
The Parent has one class of shares, all shares carry one vote and the same rights.

The Issuer

Number of fully paid ordinary shares (owned by the Parent) 20,166,762
The Issuer has one class of shares, all shares carry one vote and the same rights.

6.6 Disclosure obligations

Australian Securities Investment Commission (ASIC) Regulatory Guide 5, requires shareholders to provide substantial holding notices once a person and any of their associates have a relevant interest in a listed security of 5% and above. The person holding the securities is also required to provide substantial holding notices relating to movements above or below the threshold, and any change of 1% or more. The person and their associates holding the securities cannot increase their holding in securities from below 20% to more than 20% unless the acquisition occurs via a specified exemption such as a takeover bid, scheme of arrangement or with target shareholder approval.

6.7 Regulatory disclosures over the last 12 months

The following section includes a summary of regulatory disclosures made by the Parent on the ASX over the last 12 months which are relevant at the date of this Prospectus. Disclosures relating to financial reports, Director notices, general investor presentations, movements in quoted securities, as well as notice of general meetings have not been included below. The full list of ASX disclosures by the Parent is available at <https://www.strandline.com.au/irm/content/asx-announcements.aspx?RID=8>

ASX disclosures

Date:	Disclosure:	Link:
1 September 2022	Coburn Commissioning of WCP Advancing rapidly	https://www.strandline.com.au/irm/pdf/03838746-bb26-41cd-8d56-997bbe3b4757/Coburn-Project-Commissioning-of-WCP-Advancing-Rapidly.pdf
21 July 2022	Coburn Project Construction of WCP Advancing Rapidly	https://www.strandline.com.au/irm/pdf/9be156c3-ab88-4dd0-84c4-ebc1008b2ed1/Coburn-Project-Construction-of-WCP-Advancing-Rapidly.pdf
29 June 2022	Coburn Project Open Pit Mining to Start Two Months Early	https://www.strandline.com.au/irm/pdf/2deed486-d2e8-4e73-a14b-e36b769e9ea3/Coburn-Project-Open-Pit-Mining-to-Start-Two-Months-Early.pdf
7 June 2022	Coburn Project Construction Progress Reaches 75% Complete	https://www.strandline.com.au/irm/pdf/3898ac0b-411d-4d34-a9fc-a9b85a476ee2/Coburn-Project-Construction-Progress-Reaches-75-Complete.pdf
6 April 2022	\$50M Capital Raising to Accelerate Growth Projects	https://www.strandline.com.au/irm/PDF/c7b1fea3-f95e-44e3-9ddb-8a28c90b0a19/50MCapitalRaisingtoAccelerateGrowthProjects
4 April 2022	Coburn Project Construction Capacity Upgrade Study initiated	https://www.strandline.com.au/irm/PDF/4283d668-e4f0-4197-a683-3c31f3ed433f/CoburnProjectProductionCapacityUpgradeStudyInitiated
1 April 2022	Coburn Project Construction Progress Reaches 65% Complete	https://www.strandline.com.au/irm/PDF/5da2f0f5-c658-411f-b7cb-23f2d78c00bd/CoburnProjectConstructionProgressReaches65Complete
28 March 2022	Strandline – Nyati Ramp Up Tanzanian Offtake Discussions	https://www.strandline.com.au/irm/PDF/05c58da6-f882-4fba-91df-c43020e0e23d/StrandlineNyatiRampUpTanzanianOfftakeDiscussi

		ons
22 March 2022	Tajiri Project Environmental Approval Received	https://www.strandline.com.au/irm/PDF/7d3e5370-1b96-4d83-95ba-ef00416f2f73/TajiriProjectEnvironmentalApprovalReceived
17 January 2022	Coburn Project Construction Progress Reaches 50%	https://www.strandline.com.au/irm/PDF/dff85e87-9c10-4abd-a1a2-9c89fde07da1/CoburnProjectConstructionProgressReaches50Complete
14 December 2021	Framework Agreement Signed with the Government of Tanzania	https://www.strandline.com.au/irm/PDF/f4cb9849-57a4-4a89-9120-92aff4d11dc3/FrameworkAgreementSignedwiththeGovernmentofTanzania
7 December 2021	Framework Agreement with Government of Tanzania Update	https://www.strandline.com.au/irm/PDF/766bb96f-00c7-47b3-8f3e-2c5d25c537c6/FrameworkAgreementwithGovernmentofTanzaniaUpdate
22 November 2021	Coburn Project Product Logistics Services Contract Awarded	https://www.strandline.com.au/irm/PDF/4059a020-3385-4e19-9ac1-721ba33ccb08/CoburnProjectProductLogisticsServicesContractAwarded
4 October 2021	Coburn Project Mining Services Contract awarded	https://www.strandline.com.au/irm/PDF/7c0a00b0-62c7-4456-984a-8ecb4b65350d/CoburnProjectMiningServicesContractAwarded
1 October 2021	Financial Close Achieved	https://www.strandline.com.au/irm/PDF/e434e6f5-f69a-4c03-be47-1f35236caaa2/FinancialCloseAchieved
28 September 2021	Coburn Project Infill Drilling Results	https://www.strandline.com.au/irm/PDF/0a64c642-84e5-4906-806c-641eb0a0e69a/CoburnProjectInfillDrillingResults
6 September 2021	Coburn Project Construction Update	https://www.strandline.com.au/irm/PDF/2c8f4683-88f7-4ed2-93a1-b6ba38362da0/CoburnProjectConstructionUpdate
1 June 2021	NAIF Loan Facility Reaches Contractual Close	https://www.strandline.com.au/irm/PDF/3cc70d6f-df69-436d-82f7-2548112c172f/NAIFLoanFacilityReachesContractualClose
19 May 2021	Coburn Binding Offtake Contract Signed for Premium Zircon	https://www.strandline.com.au/irm/PDF/55d3e840-2dfe-4c77-b29b-5de39f6cc0cb/CoburnBindingOfftakeContractSignedforPremiumZircon
4 May 2021	Coburn Project Final Investment Decision Approved	https://www.strandline.com.au/irm/PDF/871c4ea1-75fe-4eec-a319-fea61125d760/CoburnProjectFinalInvestmentDecisionApproved
29 April 2021	Coburn Project Process Plant EPC Contract Awarded	https://www.strandline.com.au/irm/PDF/77ce0543-b27a-42ac-84ea-17c08884caf4/CoburnProjectProcessPlantEPCContractAwarded
27 April 2021	Coburn Project LNG Supply Agreement Executed	https://www.strandline.com.au/irm/PDF/f91fbf25-85ef-4c0a-b1dc-220df969f9e7/CoburnProjectLNGSupplyAgreementExecuted
22 April 2021	Successful Completion of Retail Entitlement Offer	https://www.strandline.com.au/irm/PDF/67bc3d09-19bd-4e63-8066-5b08574f63c6/SuccessfulCompletionofRetailEntitlementOffer
6 April 2021	Settlement of Senior Secured USD 60 million Bond Financing	https://www.strandline.com.au/irm/PDF/decac6a3-0133-42e2-bd50-416193580328/SettlementofSeniorSecuredUS60MBondFinancing
31 March 2021	Completion of Placement and Institutional Entitlement Offer	https://www.strandline.com.au/irm/PDF/3fbed14d-e516-46a3-9b16-a2ec68eca60d/CompletionofPlacementandInstitutionalEntitlementOffer
29 March 2021	Equity Raising Presentation – Coburn Project	https://www.strandline.com.au/irm/PDF/70e4dca5-7127-434b-9538-e0f70ea8b896/EquityRaisingPresentationCoburnProject

29 March 2021	Strandline Launches Fully Underwritten Equity Raising	https://www.strandline.com.au/irm/PDF/4d43a8b5-ec73-40c4-85ad-44d1a9f367f2/StrandlineLaunchesFullyUnderwrittenEquityRaising
17 March 2021	Strandline Secures USD 60 million Bond Financing for Coburn	https://www.strandline.com.au/irm/PDF/87447771-cac9-45ba-937d-ca30e0b96ce9/StrandlineSecuresUS60mBondFinancingforCoburn

7 INFORMATION ABOUT THE BONDS AND THE LISTING

7.1 The terms and details of the Bonds

The Bond Issue is governed by the Norwegian law bond agreement entered into on 16 March 2021 (the "**Bond Terms**") between the Issuer as issuer and Nordic Trustee AS as the bond trustee on behalf of the bondholders (the "**Bond Trustee**"). A copy of the Bond Terms is attached to this Prospectus as Appendix 1.

In this Section 7.1 "*The terms and details of the Bonds*" capitalised terms used and not defined herein shall have the same meaning as in the Bond Terms.

ISIN code:	NO0010955859
The Bond Issue:	Coburn Resources Pty Ltd Senior Secured Bond Issue 2021/2026
Issuer:	Coburn Resources Pty Ltd
Parent / Guarantor:	Strandline Resources Limited
Project:	Coburn Heavy Mineral Sands Project
Security type:	Senior secured callable bond issue with fixed interest rate.
Issue amount:	USD 60,000,000
Nominal amount of each Bond:	USD 1.00
Issue price	100% of nominal amount
Currency:	USD
Securities form:	The Bonds are electronically registered in dematerialized form with Verdipapirsentralen ASA, Fred Olsens gate 1, 0152 Oslo, Norway.
Issue Date:	30 March 2021
Interest bearing from and including:	Issue Date
Interest bearing until:	Maturity Date
Maturity Date:	20 March 2026 (five years after the Issue Date)
Coupon Rate:	12% per annum, quarterly interest payments.
Interest Period:	Subject to adjustment in accordance with the Business Day Convention, the period between 20 March, 20 June, 20 September and 20 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Calculation of interest:	Interest shall be calculated on the basis of 30 days per month in the Interest Period in respect of which payment is being made divided by 360 (30/360-days basis).
Interest Payment Date:	Interest is payable at the last day of each Interest Period and the last Interest Payment Date being the Maturity Date.
First Interest Payment Date:	20 June 2021.
Business Day:	A day (other than a Saturday, Sunday, or public holiday, in that place) on which banks are open for general business in Perth, Sydney, Canberra, and Oslo.
Business Day Convention:	Means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day.

Indication of yield

The yield on the Bonds is dependent on the following three elements:

(i) the applicable Interest Rate during the tenor of the Bonds, the method of calculation is described above in this Section 7.1 of the Prospectus,

(ii) the applicable premium payable upon a voluntary early redemption (Call Option), the method of calculation is described below in this Section 7.1 of the Prospectus; and

(iii) the price of the Bonds in the secondary market.

For instance, the yield to maturity at the Issue Date would be 12.54%.

Maturity:

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100% of the Nominal Amount.

Amortization:

The Bonds shall be repaid in instalment as follows

On the Interest Payment Date in:	With Amount (in million):
March 2024	USD 4.25
June 2024	USD 4.25
September 2024	USD 4.25
December 2024	USD 4.25
March 2025	USD 4.25
June 2025	USD 4.25
September 2025	USD 2.25
December 2025	USD 2.25
Maturity Date	USD 30.00

The Bonds shall be repaid at 100% of the Nominal Amount (plus accrued interest on the redeemed Bonds). All partial redemptions will be made on a pro-rata basis between the Bondholders according to the procedure of the VPS.

Any redemption of Bonds following a Call Option or any Mandatory Prepayment and Redemption Event, shall reduce the Quarterly Instalment Amounts (including the Bonds due to be redeemed at the original Maturity Date) in inverse order of maturity and the redeemed Bonds will subsequently be cancelled.

Pledge Accounts:

Means:

- (a) The Bond Escrow Account;
- (b) Bond Refinancing Reserve Account;
- (c) The Collection Accounts;
- (d) Cost Overrun Account;
- (e) The WCP Relocation Reserve Account;
- (f) The Debt Service Reserve Accounts; and
- (g) The Insurance Proceeds Accounts.

For more information on these individual accounts, please refer to clause 7 of the Bond Terms.

First call date:

The Interest Payment Date in December 2023

Call Option:

The Issuer has the right to early redemption in accordance with the following, i.e. voluntary early redemption:

- a) The Issuer may redeem all or some of the Outstanding Bonds on any Business Day from and including:
 - (i) The Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) The First Call Date to, but not including, the Interest Payment Date in December 2024 at a price equal to 104.8% of the Nominal Amount for each redeemed Bond;

- (iii) The Interest Payment Date in December 2024 to, but not including, the Interest Payment Date in September 2025 at a price equal to 102.4% of the Nominal Amount for each redeemed Bond; and
 - (iv) The Interest Payment Date in September 2025 to, but not including, the Maturity Date at a price equal to 100.0% of the Nominal Amount of each redeemed Bond.
- b) The Issuer shall pay accrued and unpaid interest on the redeemed Bonds.
 - c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent which shall be satisfied at least three (3) Business Days prior to the relevant Call Option Repayment Date.
 - d) The redemption prices above shall be determined based on the settlement date for the call option and not based on the date the call option was exercised.
 - e) All partial redemptions will be made on a pro-rata basis between the Bondholders according to the procedures of VPS.

Make Whole Amount:

Means an amount equal to the sum of:

- (a) The present value on the Call Option Repayment Date of 106.0 per cent of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) The present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the First Call Date

where the present value shall be calculated using a discount rate of 0.25% p.a.

Financial Covenants:

Financial Ratios

The Issuer shall ensure that, at each Calculation Date:

- (a) The Debt Service Cover Ratio is greater than 1.20:1;
- (b) The Loan Life Cover Ratio is greater than 1.30:1; and
- (c) The Reserve Tail Ratio is greater than 20%.

For detailed explanation on calculation of the ratios mentioned above, please refer to clause 9 of the Bond Terms.

Financial testing

Any amount or figure to be calculated or estimated under or for the purpose of the Financial Ratios is to be calculated or estimated on the basis of the latest Base Case Financial Model and financial statements, Annual Budgets and Compliance Certificates delivered as set out in Information Undertakings.

Minimum Unrestricted Cash Balance:

The Issuer shall ensure that on each Quarter End Date after Financial Close, the Collection Accounts have an aggregate cash balance at least equal to the Minimum Unrestricted Cash Balance, which is equal to AUD 10,000,000.

Within five Business Days of the end of each Quarter End Date (and at other times if required by WA Lender), the Issuer must provide to WA Lender copies of bank statements evidencing compliance with the Minimum Unrestricted Cash Balance requirement.

Mandatory Prepayment and Redemption: Each of the following events described below, shall be a "Mandatory Prepayment and Redemption Event"

Termination or cancellation of Northern Australia Infrastructure Facility ("NAIF") facility

If for any reason what so ever (not limited to illegality, breach of obligations or an event of default) the NAIF Facility or any commitment thereunder, in whole or in part, is cancelled, terminated (other than by the Issuer through the agreed mechanisms for voluntary cancellation or cancellation of commitments by end of the availability period

thereunder) or otherwise cease to exist, the Issuer shall promptly and no later than within five (5) Business Days after such Mandatory Prepayment and Redemption Event redeem (i) in case of cancellation, termination or similar in part, a pro-rata share of all Outstanding Bonds; and (ii) in case of cancellation, termination or similar in full, all of the Outstanding Bonds, in each case at a price equal to 100 per cent. of the Nominal Amount for each redeemed Bonds (plus accrued unpaid interest).

Voluntary cancellation and/or voluntary prepayment of the NAIF facility

If any commitment or outstanding principal under the NAIF Facility, in whole or in part, is voluntary cancelled or voluntary prepaid, the Issuer shall promptly and no later than within five (5) Business Days after such Mandatory Prepayment and Redemption Event redeem (i) in case of voluntary cancellation or voluntary prepayment in part, a pro-rata share of all Outstanding Bonds; and (ii) in case of voluntary cancellation or voluntary prepayment in full, all of the Outstanding Bonds, in each case at a price equal to the prevailing call prices for Call Option at the time of the Mandatory Prepayment (plus accrued unpaid interest).

Insurance mandatory redemption

Where the Issuer receives any insurance proceeds for insurances taken by the Issuer in respect of the Project in accordance with paragraph 1.14 of Schedule 3 of the Bond Terms (General Undertakings) (other than for business interruption, consequential loss or third party public liability insurance) the Obligors must ensure those insurance proceeds are deposited immediately into the Insurance Proceeds Account and, subject to the Intercreditor Deed:

- (a) at any time while an Event of Default related to Non-payment, Insolvency, Insolvency proceedings or Creditors' process is continuing, those insurance proceeds must promptly (and no later than two (2) Business Days following receipt) be applied in full on a pro rata basis to prepay the Senior Facilities;
- (b) at any time while an Event of Default (other than Non-payment, Insolvency, Insolvency proceedings, or Creditors' process Event of Default) is continuing, those insurance proceeds shall, at the election of the Secured Creditors in accordance with the Intercreditor Deed, be applied in full on a pro rata basis to prepay the Senior Facilities; or
- (c) at any time prior to Project Completion and while no Event of Default is continuing, those insurance proceeds must promptly (and no later than two (2) Business Days following receipt) be applied to prepay the Senior Facilities on a pro rata basis, other than an amount up to AUD 5,000,000 for which any one of the following must apply:
 - (i) that amount is committed to be applied towards the repair, re-instatement and/or replacement of the relevant asset within two (2) Months after receipt in cleared funds and actually used for the repair, re-instatement and/or replacement of the relevant asset within six (6) Months after receipt in cleared funds;
 - (ii) the relevant asset or assets have already been repaired, re-instated or replaced by the time the Obligor receives the insurance proceeds; or
 - (iii) the relevant asset or assets have been partially repaired, re-instated or replaced by the time the Obligor receives the insurance proceeds, and such amount of the insurance proceeds that is necessary to complete the repair, re-instatement and/or replacement of the relevant asset or assets are committed to be applied in accordance with paragraph (i) above; or
- (d) at any time on or after Project Completion and while no Event of Default is continuing:
 - (i) where the insurance proceeds are for a total amount of AUD 10,000,000 or less, one of the following must apply:
 - (A) that amount is committed to be applied towards the repair, re-instatement and/or replacement of the relevant asset within 2 Months after receipt in

- cleared funds and actually used for the repair, re-instatement and/or replacement of the relevant asset within 6 Months after receipt in cleared funds;
- (B) the relevant asset or assets have already been repaired, re-instated or replaced by the time the Obligor receives the insurance proceeds; or
 - (C) the relevant asset or assets have been partially repaired, re-instated or replaced by the time the Obligor receives the insurance proceeds, and such amount of the insurance proceeds that is necessary to complete the repair, re-instatement and/or replacement of the relevant asset or assets are committed to be applied in accordance with paragraph (i) above; and
- (ii) where the insurance proceeds are for a total amount greater than AUD 10,000,000:
- (A) the insurance proceeds are received by an Obligor as a result of damage or destruction of any part of the Project ("Insurance Event");
 - (B) within 60 days (or such other period as the Secured Creditors may agree) of the Insurance Event, the Issuer has submitted a plan to repair, reinstate or replace the damaged or destroyed property, such that the Project will be in an equivalent position to that prior to the occurrence of the Insurance Event (the "Reinstatement Program");
 - (C) the Secured Creditors approved the Reinstatement Program (acting reasonably); and
 - (D) the Secured Creditors are satisfied that the Issuer is able to meet its repayment obligations under the Senior Facilities, then the Issuer may apply the insurance proceeds in accordance with the Reinstatement Program. If the Secured Creditors notify the Issuer that:
 - (1) the Secured Creditors do not approve of the Reinstatement Program (acting reasonably) within 30 Business Days of receipt; or
 - (2) the Secured Creditors are not satisfied that the Issuer is able to meet its repayment obligations under the Senior Facilities,
 then the Issuer must promptly (and in any event within 2 Business Days following receipt of notice from the Secured Creditors) apply the insurance proceeds in full on a pro rata basis to prepay the Senior Facilities.

Redemption of Bonds pursuant to this Mandatory Prepayment and Redemption Event shall be made at a price equal to 100 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued unpaid interest).

Asset sales mandatory prepayment

Subject to the Intercreditor Deed, if an Obligor sells or otherwise disposes of any asset (other than a Permitted Disposal under paragraphs (a), (b) or (c) of the Permitted Disposal definition) and where the net proceeds of the sale or disposal are greater than AUD 1,000,000, the Obligors must promptly (and no later than two (2) Business Days following receipt) apply in prepayment on a pro rata basis of the Senior Facilities those proceeds, other than where the proceeds are to be applied towards replacement assets as permitted hereunder.

Redemption of Bonds pursuant to this Mandatory Prepayment and Redemption Event shall be made at a price equal to the prevailing call prices for Call Option at the time of the Mandatory Prepayment (plus accrued interest).

Cash sweep and equity cure:

The Bonds are subject to certain cash sweep and equity cure mechanisms. For details on the mechanisms, please refer to clause 6 of the Bond Terms.

Any prepayment due to a Lock Up and Cash Sweep Mandatory Prepayment and Equity Cure Amount Mandatory Prepayment shall, subject to the Intercreditor Deed, be applied, subject to the Intercreditor Deed, against each Senior Facility on a pro-rata basis equal to the proportion borne by the total principal outstanding amount under each Senior Facility to the total

amount being prepaid, where, in the case of the Bonds, the total principal outstanding amount shall be calculated to be net of any amount standing to the credit of the Bond Refinancing Reserve Account.

Listing Failure Event:

There is a Listing Failure Event if (i) the Bonds have not been admitted to listing on an Exchange within twelve months following the Issue Date, or (ii) in case of a successful listing, the Bonds ceased to be admitted to listing on an Exchange. Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bond Terms will accrue at the Coupon Rate plus 0.1 percentage point per annum.

Status of the bonds and security:

The Bonds and each other payment obligation under or in relation to the Finance Documents shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall be secured on a first priority basis on certain assets of the Obligors on a pari passu basis with the other Secured Obligations, subject to the waterfall provisions of the Intercreditor Deed, and otherwise rank at least pari passu with the claims of the Obligors' other unsecured creditors, except for obligations which are mandatorily preferred by law.

All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.

Undertakings:

Several information and general undertakings apply to the Issuer, including but not limited to the undertaking of the Issuer to not distribute dividends, but with certain exceptions. See Clause 10 and Schedule 3 of the Bond Agreement for more information.

Listing:

An application will be made for the Bonds to be listed on the Oslo Stock Exchange (within twelve months of the Issue Date). The Bonds shall remain listed on an Exchange until the Bonds have been redeemed in full.

Approvals:

The Bonds have been issued in accordance with the Issuer's Board approval.

Use of proceeds:

The Issuer will use the net proceeds from the issuance of the Bonds (net of legal costs, fees of the manager and the Bond Trustee and any other agreed costs and expenses) for development and ramp-up of the Project, including operating expenses during construction of the Project and corporate overheads (and including payments of interest of the Bonds)

Bond Terms:

The Bond Terms has been entered into by the Issuer and the Bond Trustee. The Bondholders shall be bound by the terms and conditions of these Bond Terms and any other Finance Document without any further action or formality being required to be taken or satisfied.

The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

Finance Documents:

The Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Deed, the Security Trust Deed, Security Documents and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

Bondholders' Meeting:

At the Bondholders' Meeting each Bondholder (or person acting for a Bondholder under a power of attorney) has one vote for each Bond he/she owns. The Issuer's Bonds shall not carry any voting rights.

At least one Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.

Resolutions shall be passed with a simple majority of the votes represented at the Bondholders' Meeting, except as set forth below.

In the following matter, approval of at least 2/3 of the votes represented at the Bondholders' Meeting is required: resolution to replace Nordic Trustee AS as Bond Trustee and in case of an amendment, waiver or consent of, as the case may be, or any terms that has the effect of changing or which relates to the granting of the Bond Trustee with the authority to vote on behalf of the Bondholders under the Intercreditor Deed.

For further details of the Bondholders' Meeting's authority, procedures, voting rules and written resolutions, see Schedule 5 of the Bond Agreement.

Limitation of claims:

Claims for interest and principal shall be limited in time pursuant to the Norwegian statutes of limitation law of 18 May 1979, whereby the general

time limit is 3 years for interest and up to 10 years for the principal from the earliest date a claim can be made.

Availability of documentation:

The Bond Terms are available to the Bondholders on www.stamdata.no. Following the listing of the Bonds, the public will have free access to the Bond Terms, the Security Trust Deed (including the Guarantee) and the prospectus on www.strandline.com.au/bonds

Bond Trustee:

Nordic Trustee AS, business registration number 963 342 624, P.O.Box 1470 Vika, N-0116 Oslo, Norway, www.nordictrustee.com

Managers:

ABG Sundal Collier ASA; and Pareto Securities AS.

Paying Agent:

NT Services AS.

Transfer of Bonds:

Subject to the restrictions set forth in Clause 13.2 of the Bond Terms, the Bonds are freely transferable and may be pledged.

Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.

A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the voting rights pursuant to these terms of the Bond Agreement, provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

Governing Law and jurisdiction:

Norwegian law.

Tax gross up:

If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents the Issuer will pay an additional amount along with the payment such that the net amount paid (after making the required withholding) is equal to the payment which would have been received if no withholding had been required, subject to customary exceptions.

Fees and Expenses:

The Bondholders shall pay any public fees levied on the trade of Bonds in the secondary market, unless otherwise is provided by law or regulation. The Issuer shall not be responsible for reimbursing any such fees.

Prospectus:

This Prospectus dated 21 November 2022.

7.2 Advisors

Advokatfirma DLA Piper Norway DA, Bryggegata 6, 0250 Oslo, Norway with registration number 982 216 060 is acting as Norwegian legal counsel to the Issuer in relation to the listing.

7.3 Listing

The Issuer will apply for a listing of the Bonds on the Oslo Stock Exchange as soon as possible after this Prospectus has been approved by Finanstilsynet, and admission to trading of the Bonds with ISIN NO0010955859 is expected as soon as practicably possible after the approval date of this Prospectus. The Bonds are expected to have ticker code "COBUR01". The Bonds are currently listed on the Nordic ABM, a self-regulated marketplace operated by the Oslo Stock Exchange. No other members of the Group have securities of the same class of the Bonds listed on any EEA regulated market, third country market or SME Growth Market.

The total anticipated costs for the Issuer in connection with the Listing is expected to NOK 564 088 (ex. VAT), divided into fees of NOK 265 000 to the Issuer's legal advisor, NOK 19,088 to Oslo Stock Exchange, and NOK 280,000 to Finanstilsynet in prospectus control fees.

7.4 Reasons for the application for the admission to trading and use of proceeds

This Prospectus is being produced in connection with the Issuer's application for the admission to trading of the Bonds on Oslo Stock Exchange.

Pursuant to the Bond Terms the Issuer shall, within 12 months of the Issue Date of the Bonds, apply for the Bonds to be listed on either Oslo Stock Exchange or any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID

II), as applicable. The application for listing of the Bonds will be submitted more than 12 Months after the Issue Date. This does not constitute a default under the Bond Terms, however additional interest is accruing at a rate equal to the Interest Rate plus 0.10 percentage point per annum until the Bonds are admitted to listing. Equally, in the event that the Bonds are successfully listed but at a later point in time is suspended from listing, it shall not constitute a default under the Bond Terms, however additional interest shall apply until the Bonds are again admitted to listing.

The application for admission to trading is put forward by the Issuer to satisfy the conditions of the Bond Terms.

The table below describes how the proceeds from the bond issue shall be used:

Use of Funds	AUDm	Sources of Funds	AUDm
Pre-Production CAPEX	238	Bond Issue	78
Base Contingency	22	NAIF	130
Additional Contingency	14	Equity ¹	130
Cost Overrun Reserve	11		
Finance costs & interest	36		
Working Capital & Cash	17		
Total Uses of Funds	338	Total Sources	338

The bond issue along with the other sources of funds is being utilized to fund the remaining capital expenditure associated with the Coburn mineral sands project, debt servicing costs and working capital.

7.5 Approval of the Prospectus and other relevant information

This Prospectus was approved by Finanstilsynet on 21 November 2022, as competent authority under Regulation (EU) 2017/1129.

Finanstilsynet only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. Finanstilsynet has not checked or approved the accuracy or completeness of the information included in this Prospectus. The approval by Finanstilsynet only relates to the information included in accordance with pre-defined disclosure requirements. Finanstilsynet has not conducted any form of review or approval relating to corporate matters described in or referred to in this Prospectus.

7.6 Authorisation to issue the Bonds

The Issuer's Board of Directors passed a resolution to issue senior secured bonds with an aggregate issue amount of USD 60,000,000 with Nordic Trustee AS as the bond trustee on 25 March 2021.

7.7 Norwegian Tax Considerations

7.7.1 General

The following information is a general overview of certain Norwegian tax rules relevant for holders of Bonds that are tax residents in Norway (in this Section 7.8 referred to as the "**Norwegian Bondholders**"). The summary is based upon the laws of Norway as it is interpreted and practiced as of the date of this Prospectus. Such rules, laws, and regulations may be subject to changes after this date, possibly on a retroactive basis. The summary does not address foreign (i.e. non-Norwegian) tax laws.

The summary is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors should consult their own professional advisers as to the effects of state, local or foreign laws, including Norwegian tax law, to which they may be subject.

Bondholders who are tax resident outside of Norway, who are not subject to withholding tax, will not be tax liable in Norway on interests or capital gains derived from the Bonds unless the Bonds are connected to a business conducted in or managed from Norway (e.g. permanent establishment). The Norwegian tax rules applicable to income deriving from such Bonds, that are used in or connected to any such business activities in Norway, are generally the same as those set out for Norwegian Bondholders below. The mere holding of Bonds should not in itself create a business which is deemed conducted in or managed from Norway.

Special rules apply for Norwegian Bondholders that cease to be tax residents in Norway or that for some reason are no longer considered liable to taxation in Norway in relation to their Bonds. Such Bondholders are encouraged to consult their own tax advisors.

The overview below is based on the assumption that the Bonds are classified as debentures (*Norwegian: Mengdegjeldsbrev*) for Norwegian tax purposes, and that the Issuer is not tax resident in Norway nor any other taxable presence in Norway (e.g. permanent establishment).

7.7.2 *Interest payments on Bonds*

Norwegian Bondholders are taxable in Norway for interest payments received on the Bonds as ordinary income. The Norwegian tax rate on ordinary income is 22 per cent, or 25 per cent for financial institutions subject to Norwegian Financial Tax (*Norwegian: Finansskatt*). Interest is subject to Norwegian income tax in the year of accrual.

For Norwegian Bondholders holding Bonds issued at a discount (compared to the nominal value), the discount will for tax purposes be considered to be interest, and taxed when the Bond is realised.

7.7.3 *Redemption and realisation of Bonds*

Norwegian Bondholders are taxable in Norway for capital gains on the redemption or realisation of Bonds and have a corresponding right to tax deductions for losses that arise on such redemption or realisation.

The tax liability applies irrespective of how long the Bonds have been owned and the number of Bonds that have been redeemed or realised. Gains are taxable as ordinary income, and losses can be deducted from ordinary income, in the year of redemption/realisation. The Norwegian tax rate on ordinary income is 22 per cent, or 25 per cent for financial institutions subject to Norwegian Financial Tax.

Gains or losses are calculated per Bond, and will equal the difference between the consideration received on the redemption or realisation of the Bond and the cost price of the Bond. Costs incurred in connection with the acquisition, redemption or realisation of Bonds may be deducted in the calculation of the taxable gain/loss in the year of redemption/realisation.

7.7.4 *Net wealth tax*

Corporations and similar entities are not subject to net wealth tax in Norway.

Norwegian Bondholders, who are physical persons, are subject to net wealth taxation in Norway on net (taxable) wealth exceeding NOK 1,700,000. The net wealth tax rate is currently 0.95 per cent on amounts between NOK 1,700,000 and NOK 20,000,000, and 1.1 per cent on wealth exceeding NOK 20,000,000.

For Bonds listed on a Stock Exchange, the tax value for assessment purposes is the listed value as of 1 January in the year of the assessment. Unlisted Bonds are generally valued at the market value.

7.7.5 *Withholding tax*

Interest payments should not be subject to Norwegian withholding tax.

7.7.6 *Transfer tax, VAT etc.*

There are no transfer taxes, stamp duty, or similar charges currently imposed in Norway on the acquisition, redemption, or realisation of Bonds. Further, there is no VAT on the transfer of Bonds.

7.7.7 *Inheritance tax*

Norway does not impose inheritance tax or similar tax on inheritance or gifts. However, an heir or a recipient of gifts who has received Bonds will acquire the donor's tax input value on the Bonds based on principles of continuity. Thus, the heir/recipient will be liable to taxation for any increase in value in the donor's time of ownership. The gain will be taxable at the time of the heir's/recipient's realisation of the Bonds.

7.8 Tax Warning

Potential investors should be aware that changes in the tax legislation of the investors and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. There can be changes in the applicable tax legislation, increased taxation by national, local, or foreign authorities, new or modified taxation rules and requirements, including requirements relating to the timing of any tax payments, which may have an impact on the income received from the Bonds.

7.9 Credit Rating

There are no credit ratings assigned to the Issuer.

8 DESCRIPTION OF THE GUARANTEE

8.1 Introduction

All defined terms in this Section 8 "Description of the guarantee" shall have the meaning prescribed to such terms in the Bond Terms and the Security Trust Deed.

8.2 The Guarantee

Pursuant to Clause 20 of the Security Trust Deed, the Parent irrevocably and unconditionally guaranteed to each of the Security Trustee and each other Beneficiary punctual performance by each Obligor of all that Obligor's obligations under the Secured Documents. There is no separate guarantee agreement, as the terms and conditions of the Guarantor's guarantee in favour of the Security Trustee are set out in Clause 20 of the Security Trust Deed.

A summary of the main terms of the Guarantee is set out below:

Date of Guarantee:

Guarantor(s): Strandline Resources Limited, a limited liability company incorporated under the laws of Australia with Australian company number ACN 090 603 642.

Beneficiaries: Global Loan Agency Services Australia Nominees Pty Limited (ACN 608 945 008), as common security agent for Secured Creditors.

Secured Obligations: All obligations owing (including amounts that are payable, are owing but not payable or otherwise remain unpaid by an Obligor) to a Secured Creditor under or in relation to any Secured Creditor Finance Document, as further defined in the Intercreditor Deed.

Guarantee: Each Guarantor irrevocably and unconditionally jointly and severally, guarantees to each of the Security Trustee and each other Beneficiary (each a "Relevant Beneficiary") punctual performance by each Obligor of all that Obligor's obligations under the Secured Documents.

Governing law: Western Australia Law

Legal venue: Courts of Western Australia

Waiver of defences: The obligations of each Guarantor under this Clause 20 will not be affected by an act, omission, matter or thing which, but for this Clause 20, would reduce, release or prejudice any of its obligations under this Clause 20 (without limitation and whether or not known to it or any Beneficiary) including:

- (a) any time, waiver or other concession or consent granted to, or composition with, any Obligor or other person;
- (b) the release or resignation of any other Obligor or any other person;
- (c) any composition or arrangement with any creditor of any Obligor or other person;
- (d) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Secured Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Secured Document or other document or security;

any unenforceability, illegality or invalidity of any obligation of any person under any Secured Document or any other document or security;

any set off, combination of accounts or counterclaim;

any insolvency or similar proceedings; or

this Deed, the Intercreditor Deed or any other Secured Document not being executed by or binding against any other Obligor or any other party.

References in Clause 20.1 (Guarantee) to obligations of an Obligor or amounts due will include what would have been obligations or amounts due but for any of the above, as well as obligations and amounts due which result from any of the above.

Enforceability:

Continuing guarantee: The Guarantee is a continuing obligation and will extend to the ultimate balance of sums payable by any Obligor under the Secured Documents, regardless of any intermediate payment or discharge in whole or in part.

Secured Creditors: Nordic Trustee AS (in its capacity as bond trustee for the Bondholders)
The Ministerial Body Corporate preserved and continued pursuant to Section 5 of the *Industry*

and Technology development Act 1998 (WA)

Security Trustee:	Global Loan Agency Services Australia Nominees Pty Ltd, ACN 608 829 303
Immediate recourse:	Each Guarantor waives any right it may have of first requiring any Relevant Beneficiary (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under Clause 20 of the Security Trust Deed. This waiver applies irrespective of any law or any provision of a Secured Document to the contrary.
Additional security:	The Guarantee, undertaking and indemnity is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Relevant Beneficiary.
Project Completion	On and from the date of Project Completion (as that term is defined in the NAIF Facility Agreement), the Parent's obligations under Clause 20 (Guarantee) and the recourse of the Relevant Beneficiaries to the Parent under Clause 20 (Guarantee) of the Security Trust Deed will automatically cease without the need for any action or thing to be undertaken by or on behalf of any party.
	This is subject to Clause 20.3 (Reinstatement) of the Security Trust Deed and is without prejudice to any Transaction Security Interest granted by the Parent.
Availability of documentation:	The Guarantee is included in the Security Trust Deed which is published on www.strandline.com.au/bonds

9 BOARD OF DIRECTORS AND MANAGEMENT OF THE ISSUER AND THE PARENT

9.1 Board of Directors

9.1.1 Overview of the Board of Directors of the Issuer

The names and positions of the Board Members of the Issuer are set out in the table below:

Name	Position	Served since	Business address
Luke Graham	Managing Director and Chief Executive Officer of Strandline	5 June 2018	Level 9, 216 St Georges Tce, Perth, Western Australia, Australia, 6000
Didier Murcia AM	Director of Coburn Resources Pty Ltd and Strandline	29 July 2013	6000

9.1.2 Overview of the Board of Directors of the Parent

The names and positions of the Board Members of the Parent are set out in the table below:

Name	Position	Served since	Business address
Didier Marcel Murcia AM	Independent Non-Executive Chair	1 March 2016	
Luke Edward Graham	Managing Director and Chief Executive Officer	19 September 2016	
Peter Richard Watson	Non-Executive Director	10 September 2018	Level 9, 216 St Georges Tce, Perth, Western Australia, Australia, 6000
John Russell Hodder	Non-Executive Director	8 June 2016	
Mark David Hancock	Independent Non-Executive Director	11 August 2020	
Alexandra Clare Atkins	Independent Non-Executive Director	24 May 2021	
James Peter Chialo	Alternate Director (Alternate to A. Atkins)	10 December 2021	

9.1.3 Brief biographies of the Board Members of the Issuer and the Parent

Didier Marcel Murcia AM, Independent Non-Executive Chair

Mr Murcia is a lawyer with over 35 years' legal and corporate experience in the mining industry and was previously a Non-Executive Director from 23 October 2014 to 29 February 2016. He is Honorary Consul for the United Republic of Tanzania, a position that he has held for over 24 years and was appointed a Member of the Order of Australia for services to the international community in 2014.

Mr Murcia is Chair and founding director of Perth-based legal group MPH Lawyers and has held directorships in the following ASX listed companies over the past three years:

- Alicanto Minerals Limited – Non-Executive Director (appointed on 30 May 2012)
- Centaurus Metals Limited - Non-Executive Chair (appointed Non-Executive Director on 16 April 2009 and Non-Executive Chair since 28 January 2010)

Mr Murcia is also Chair of the Remuneration and Nomination Committee.

Luke Edward Graham, Managing Director and Chief Executive Officer

Mr Graham brings a diverse and extensive skill set to the development of Strandline Resources as an emerging mineral sands producer, formerly senior manager of global minerals engineering and mine operations company Sedgman Pty Limited (a member of the CIMIC Group). An engineer by profession, he has extensive experience in major mine and port project development, design, construction and operations within the resources sector including mineral sands, coal, iron ore, copper and gold projects, and successfully managing multi-functional operational teams.

Mr Graham has held directorships in the following ASX listed companies over the past three years:

- Primero Group Ltd - Non-Executive Director (appointed on 21 May 2018; resigned on 25 March 2020)

Mr Graham is a member of the Technical and Sustainability Committee.

Peter Richard Watson, Non-Executive Director

Mr Watson is a chemical engineer with over 35 years' experience in the resources sector, both in Australia and overseas. He has held technical and executive roles with a number of companies throughout his career, culminating in his appointment as the Managing Director (MD) & Chief Executive Officer (CEO) of Sedgman Limited, a market leading engineering and mining services firm. Initially joining Sedgman as Chief Operating Officer of the Metals Division in 2010, Mr Watson successfully led and supported the development and execution of EPC and Operations Contracts in excess of A\$2 Billion as he progressed through roles as Executive General Manager (2011 – 2012) and Global Executive Director (2012 – 2014), before being made MD & CEO (2014 – 2016). During this time at Sedgman, Peter provided leadership and guidance across a suite of over 10 large scale Mine Operations contracts and over 30 EPC contracts across a broad spectrum of commodities. Mr Watson Transitioned to a Non-Executive director from Executive as at 1 July 2021.

He has held directorships in the following ASX listed companies over the past three years:

- Resource Generation Limited - Non-Executive Director (appointed on 22 November 2017 and resigned on 1 November 2018)
- New Century Resources Limited - Non-Executive Director (appointed on 22 January 2018)
- Paladin Energy Limited – Non-Executive Director (appointed on 10 December 2019)

Mr Watson is also Chair of the Technical and Sustainability Committee.

John Russell Hodder, Non-Executive Director

Mr Hodder, is a geologist and co-founder of Tembo Capital with 30 years' of experience in the mining, oil & gas industry. Prior to establishing Tembo, he was a resource focused equity Fund Manager for Solaris, an Australian equity investment house. Previously, he founded and was a Director of CDC's Minerals, Oil & Gas investment division (from 1995) where he generated and arranged private equity and debt deals with a focus on the mining sector within emerging markets.

Mr Hodder has held directorships in the following ASX listed companies over the past three years:

- Paladin Energy Limited (appointed Non-Executive Director on 14 February 2018, resigned as Non-Executive on 11 December 2019)

Mr Hodder is also a member of the Remuneration and Nomination Committee.

Mark David Hancock, Independent Non-Executive Director

Mr Hancock, who holds a Bachelor of Business (B.Bus) degree, is a Chartered Accountant (CA) and a Fellow of the Financial Services Institute of Australia (F FIN), has over 30 years' experience in key financial, commercial and marketing roles across a variety of industries with a strong focus on natural resources. During 13 years at Atlas Iron, Mr Hancock served in numerous roles including CCO, CFO, Executive Director and Company Secretary. He also has strong board-level experience, particularly on matters covering governance, financial reporting, offtake marketing, mergers and acquisitions, risk management and strategy.

Mr Hancock has served as a director on a number of ASX-listed entities and has held directorships in the following ASX listed companies over the past three years:

- Fe Limited (appointed Executive Director on 1 September 2019)
- Centaurus Resources Limited (appointed Non-Executive Director on 23 September 2011)
- Cyclone Metals Ltd (appointed Non-executive Director on 11 February 2020 and resigned on 4 August 2020, formerly Cape Lambert Resources Limited)

Mr Hancock is also the Chair of the Audit & Risk Committee and a member of the Remuneration and Nomination Committee.

Alexandra Clare Atkins, Independent Non-Executive Director

Ms Atkins is also a non-executive director of International Women in Mining (based in London) and a former director of The Australasian Institute of Mining and Metallurgy. Alex has over 25 years' multidisciplinary, multi-commodity experience through the full mining value chain across Australia and Papua New Guinea. Ms Atkins holds two Bachelor of Engineering Degrees, from the University of Queensland and WA School of Mines, qualifying her as a Mining Engineer, Geotechnical Engineer and Geologist. She holds First Class Mine Manager's Certificates for Western Australia and Queensland and has an MBA (Finance) from the Australian Institute of Business. Alex is a Graduate Member of the

Australian Institute of Company Directors, Chartered Professional Fellow of The AusIMM and Engineers Australia. She was one of 2018's 100 Global Influential Women In Mining (WIMUK) and was inducted into the Western Australia Women's Hall of Fame in 2019.

Ms Atkins has served as a director on a number of ASX-listed entities and has held directorships in the following ASX listed companies over the past three years:

- Perenti Global Ltd, (appointed non-executive director on 14 July 2018)
- Aquarian Ltd – Non-Executive Director (appointed 9 April 2021)

Ms Atkins is also a member of the Audit and Risk Committee and the Technical and Sustainability Committee.

James Peter Chialo, Alternate Director (Alternate to Alexandra Atkins)

Mr Chialo obtained his Business Degree at Notre Dame University in Western Australia and has been a Director of Strandline's Tanzanian subsidiaries since 2016. Mr Chialo is based in Dar es Salaam, Tanzania and is also employed as Strandline's senior manager of Stakeholder and Sustainability, overseeing the Company's key exploration and development activities in Tanzania. Mr Chialo has not served as a Director on ASX-listed entities in the past three years.

9.2 Management

9.2.1 Overview of the Management

The Group's senior management team, which is also the senior management team of the Issuer and the Parent, consists of eight (8) individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Business address
Luke Edward Graham	Managing Director and Chief Executive Officer	
Flavio Lino Garofalo	Company Secretary and Chief Financial Officer	
Mike Ferraro	Technical and Marketing Director	
Brendan Cummins	Chief Geologist and Exploration Manager	
Reece Power	Commercial Manager	Level 9, 216 St Georges Tce, Perth, Western Australia, Australia, 6000
Jacqui Hymus	Manager People and Culture	
James White	General Manager Operations	
Troy Whittaker	Group Commercial and Strategic Development	

9.2.2 Brief biographies of Management (excluding those mentioned in the above section 9.1.3 (Board of Directors))

Flavio Lino Garofalo, Company Secretary and Chief Financial Officer

Mr. Garofalo is a finance and corporate executive with over 25 years' experience in the mining industry. He has held several other senior executive roles for ASX-listed mining companies, including General Manager of Finance, CFO and Company Secretary. Mr Garofalo has extensive experience in project financing, capital raisings and investor relations for listed resources companies which have transitioned from exploration and development to production. He is a member of CPA Australia with operational experience in both major and junior mining companies working in various jurisdictions including Africa, China and Australia.

Mike Ferraro, Project Director

Mike Ferraro is a resource industry professional with 30+ years' experience. He is a Metallurgist and MBA qualified. Former experiences include senior roles in mineral sands with Doral (MD) and MZI (COO) as well as technical and operational management roles with Cristal and Simcoa.

Brendan Cummins, Chief Geologist and Exploration Manager

Brendan Cummins is a geologist with 25 years' experience in mine and exploration geology both within Australia and Africa. He is a specialist in identifying exploration assets and developing them from greenfield through to resources

definition and feasibility study.

Reece Power, Commercial Manager

Reece Power is an accomplished senior commercial manager with extensive experience in managing end to end contracts for construction and operations in the resources sector. He has strong project controls, procurement and management capabilities.

Jacqui Hymus, Manager People and Culture

An experienced and trusted human resources professional who has held senior, strategic roles within various different industries including consulting, professional services, hospitality industry and mining. Competent across the full range of human resources abilities with a specific focus on delivering on organisational growth and managing issues at both the strategic and individual level.

She has had over 20 years experience in Human Resources holding a management roles. Her extensive experience includes providing industrial relations advice, building high performing teams, developing workable policies and procedures, coaching management, and training on various topics.

James White, General Manager Operations

Senior manager with extensive experience in management of complex processing plants and mining operations including mineral sands facilities in Australia, UK and Africa. Qualified Mechanical Engineer with strong leadership skills to build high performing teams and profitable, sustainable operations.

Troy Whittaker, Group Commercial and Strategic Development

A pragmatic, results driven leader with 20+ years experience specializing in project delivery, commercial management, supply chain planning and team leadership. Recently the Project Director for the Anglo's Woodsmith Project, Commercial Director for Sirius Minerals and Head of Contracts for Fortescue Metals Group.

9.3 Conflicts of interests and related parties transactions

None of the Board Members and the members of the Management have, or had, as applicable during the last five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

The Parent has entered into transactions with related parties in the financial year of 2022. Related party transactions are carried out in accordance with the arm's length principle, and significant transactions in 2022 are listed in note 28 of the annual report for the year 2022.

The Parent's remuneration policy for key management personnel has a variable component linked to performance of the individual and the company as a whole, besides a fixed base salary. The Parent also grants share-based payments in the form of options and performance rights, which will only vest if the performance conditions are satisfied before the expiry date. For more details on these remuneration policies, please refer to the Remuneration Report in the annual report for the year 2022.

Except for the related parties transactions and key management remuneration policies referred to above, neither the Issuer, nor the Parent, is currently aware of any actual or potential conflicts of interest between the Issuer and/or the Parent and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

10 Additional information

10.1 Information sourced from third parties

Any information sourced from third parties in this Prospectus has been accurately reproduced and, as far as the Issuer is aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the source of such information has been identified where relevant.

10.2 Information relating to experts

Name	Company	Business address	Material Interest in the Issuer or Guarantor?
Greg Jones	IHC Robbins	U 2 112 Darlington Drive Yatala, Queensland, 4207, Australia	No
Adrian Jones	AMC Consultants Pty Limited	29/140 William St., Melbourne VIC 3000, Australia	No

10.3 Documents on display

Copies of the following documents will be available on www.strandline.com.au or for inspection at the Parent's offices at Level 11, 216 St Georges Terrace, Western Australia, 6000, Australia during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Issuer's Constitution;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus;

10.4 Incorporation by reference

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list as set out in the table below. Except as provided in this Section, no other information is incorporated by reference into this Prospectus.

Section in the Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document ¹
Section 5	Annual financial statements	Annual report of the Parent 2022 https://www.strandline.com.au/irm/file/246/view/StrandlineResoucesLimitedAnnualReport30June2022_0sml.pdf	Page 33 to 65
Section 5	Annual financial statements	Annual report of the Parent 2021 https://www.strandline.com.au/irm/PDF/5665721a-7bd5-4ab8-91bb-781632f82990/AnnualReporttoShareholders	Page 35 to 64
Section 5	Annual financial statements	Financial Statement of the Issuer for the year ended 30 June 2022 https://strandline.sharepoint.com/:f/s/StrandlineExtranet/EvcBeXeu20BEhrN9tp-tTFABpo926kxC23DuCQZJeepvWQ?e=YRdcQc	Page 3 to 22
Section 5	Annual financial statements	Financial Statement of the Issuer for the year ended 30 June 2021 https://strandline.sharepoint.com/:f/s/StrandlineExtranet/EvcBeXeu20BEhrN9tp-tTFABpo926kxC23DuCQZJeepvWQ?e=YRdcQc	Page 3 to 21

¹ The original page number as stated in the reference document. Where only parts of a document have been referred to, the non-incorporated parts are either not relevant for the investor or covered elsewhere in the Prospectus.

10.5 Cautionary note regarding forward-looking statements

This Prospectus may include forward-looking statements that reflect the Issuer's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They may appear, among other areas, in Section 4 "Presentation of the Group" and may include statements regarding the Issuer's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as, but not limited to, statements relating to:

- the Group's strategy, outlook and growth prospects;
- the Group's operational and financial objectives, including statements relating to expectations for the financial outlook and statements as to the Company's medium or long-term growth, margin, and dividend policy;
- the competitive nature of the business in which the Group operates, the competitive pressure and competitive environment in general;
- the expected growth and other developments of the industries in which the Group operates;
- the Company's planned investments;
- the Company's liquidity, capital resources, capital expenditures, and access to funding; and
- economic, legal, social and political developments in the markets in which the Group operates.

11 DEFINITIONS AND GLOSSARY

In the Prospectus, the defined terms below have the following meanings:

ACN	Australian Company Number
AMC	AMC Consultants Pty Limited
ASIC	Australian Securities Investment Commission
ASX	Australian Securities Exchange
AUD	Australian Dollars, the lawful currency in Australia
Australia's antitrust legislation	The Competition and Consumer Act 2010
BDO	BDO Audit (WA) Pty Ltd
Bitossi	Industrie Bitossi S.p.A, one of the world's largest zircon consumers
Board Members	The members of the Board of Directors
Board of Directors	The Board of Directors of the Issuer
Bond Issue	A bond agreement dated 25 March 2021 between Coburn Resources Pty Ltd and Nordic Trustee AS
Bond Prospectus or Prospectus	This Prospectus dated 21 November 2022
Bond Terms	The Norwegian Bond Terms entered into on 25 March 2021
Bond Trustee	Nordic Trustee AS
Bonds	The Coburn Resources Pty Ltd USD 60,000,000 Senior Secured Bond Issue 2021/2026 with ISIN NO0010955859
BOO	Build Own Operate
CEO	Chief executive officer
CFO	Chief financial officer
Chemours	The Chemours Company FF, LLC
Chilches	Chilches Materials S.A.
Coburn Project	Coburn minerals sands project in Western Australia
Coburn Resources	Coburn Resources Pty Ltd
DFS	Definitive Feasibility Study
DMU	Dozer Mining Units
EPA	Western Australia Environmental Protection Authority
EPC	Engineering, Procurement and Construction
EPC-M	Engineering, Procurement, Construction and Management
EU	The European Union
EU Prospectus Regulation	Section 7.1 of the Norwegian Securities Trading Act
Financial Information	The audited consolidated financial statements for the financial years ended 30 June 2022 and 30 June 2021 with comparable figures for the financial year 2020
Finanstilsynet	The Norwegian Financial Supervisory Authority (Nw.: Finanstilsynet)
Group	The Parent and its subsidiaries
HM	Heavy Minerals
HMC	Heavy Mineral Concentrate
Interest rate	12 percentage points per annum
IFRS	International Financial Reporting Standards
IHC Robbins	A mining consultancy offering services to the mineral sands industry
ISIN	The name and international securities identification number
Issue date	30 March 2021
Issuer	Coburn Resources Pty Ltd
JORC Code 2012	A mandatory system for the classification of minerals, Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.
LEI	Issuer and legal entity identifier
LNG	Liquified Natural Gas
Management	The senior management team of the Parent or Issuer (as applicable)
MSP	Mineral separation plant

NAIF	Northern Australia Infrastructure Facility
Nanjing	Nanjing Reresources International Trading Co. Ltd
NOK	Norwegian Kroner, the lawful currency of Norway
Norwegian Bondholders	Holders of bonds that are tax residents in Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75
NZX	New Zealand's Exchange
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated securities exchange operated by Oslo Børs ASA
Parent	Strandline Resources Limited
PPSA	Personal Property Securities Act
Sanxiang	Sanxiang Advanced Materials Co., Ltd.
Security Trust Deed	Security Trust Deed for the Coburn Security Trust dated 31 May 2021 between Coburn Resources Pty Ltd as Company, the Secured Creditors as defined therein, Global Loan Agency Services Australia Pty Ltd and the Security Trustee
Security Trustee	Global Loan Agency Services Australia Nominees Pty Ltd, ACN 608 829 303
Strandline	Strandline Resources Limited
Tembo	Tembo Capital Management Ltd
Trustee	Nordic Trustee AS
USD	United States Dollars, the lawful currency in the United States
Venator	Venator Materials Plc
VPS	The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i>)
WCP	Wet concentration plant



Coburn Resources Pty Ltd
Level 11, 216 St Georges Tce
Perth, Western Australia
Australia

Legal advisor to the Issuer in the Listing



Advokatfirma DLA Piper Norway DA
Bryggegate 6, 0250 Oslo, Norway

APPENDIX A:

Bond Terms

Execution Version

BOND TERMS
FOR
Coburn Resources Pty Ltd Senior Secured Bond Issue 2021/2026
ISIN NO 0010955859

Contents

Clause	Page
1. INTERPRETATION	3
2. THE BONDS.....	38
3. THE BONDHOLDERS.....	40
4. ADMISSION TO LISTING	41
5. REGISTRATION OF THE BONDS.....	41
6. CONDITIONS FOR DISBURSEMENT	41
7. REPRESENTATIONS AND WARRANTIES	46
8. PAYMENTS IN RESPECT OF THE BONDS.....	49
9. INTEREST AND AMORTISATION	51
10. ACCOUNTS	52
11. INSTALMENTS AND REDEMPTION	59
12. REDEMPTION AND REPURCHASE OF BONDS	59
13. PURCHASE AND TRANSFER OF BONDS.....	63
14. INFORMATION UNDERTAKINGS	64
15. GENERAL AND FINANCIAL UNDERTAKINGS	66
16. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS	80
17. BONDHOLDERS’ DECISIONS	86
18. THE BOND TRUSTEE	94
19. AMENDMENTS AND WAIVERS	98
20. MISCELLANEOUS.....	99
21. GOVERNING LAW AND JURISDICTION.....	101

- ATTACHMENT 1 COMPLIANCE CERTIFICATE
- ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT
- ATTACHMENT 3 CONSTRUCTION REPORT AND COMPLETION TESTS
- ATTACHMENT 4 FORM OF COST TO COMPLETE CERTIFICATES

BOND TERMS between	
ISSUER:	Coburn Resources Pty Ltd, a private limited liability company incorporated under the laws of Australia with Australian company number ACN 165 036 537 and LEI code 9845006AB745B93F1590.
PARENT:	Strandline Resources Limited, a limited liability company incorporated under the laws of Australia with Australian company number ACN 090 603 642.
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	25 March 2021
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

"**Account Bank**" means:

- (a) National Australia Bank Limited; or
- (b) any other authorised deposit taking institution, with a long-term credit rating of A or higher by Standard & Poor's or a comparable rating from an internationally recognised credit rating agency, which is located in Australia, holds a Project Account and which is approved by the WA Lender.

"**Account Bank Deed**" means any document entered into between the Issuer, the Security Trustee and an Account Bank which is in form and substance acceptable to the WA Lender in relation to the operations of the Project Accounts.

"**Annual Budget**" means an annual budget and forecast for the Project covering each Month of each annual budget period, including budgeted profit and loss, cash flow forecast, capital expenditure budget and operation and maintenance budget, which must:

- (a) include a summary of the assumptions used in preparing that annual budget;
- (a) be approved by the board of the Issuer; and
- (b) be agreed between the Issuer and the WA Lender,

as subsequently updated, supplemented or replaced (pursuant to and as approved under the NAIF Facility).

"**Approved Hedging Policy and Protocol**" means the hedging policy and related hedging protocol approved by the WA Lender under the NAIF Facility from time to time.

"**ASX**" means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

"**Attachment**" means any schedule, appendix or other attachment to these Bond Terms.

"**AUD Collection Account**" means the Australian dollar-denominated bank account opened or to be opened by the Issuer prior to Financial Close and designated by the Issuer as a "Collection Account", together with any replacement and substitute accounts opened with the prior written consent of the WA Lender, and sub-accounts of those accounts.

"**AUD Debt Service Reserve Account**" means the Australian dollar-denominated bank account opened or to be opened by the Issuer prior to Financial Close and designated as a "Debt Service Reserve Account", together with any replacement and substitute accounts opened with the prior written consent of the WA Lender, and sub-accounts of those accounts.

"**Authorisation**" means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing or registration; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"**Base Case Financial Model**" means the computer model relating to the Project and used to produce financial cashflow projections for the Issuer and the Project provided as a condition precedent under clause 6.2(n) (*Pre-First Release Conditions Precedent*), as subsequently updated, supplemented or replaced from time to time in accordance with the NAIF Facility. The Base Case Financial Model shall be agreed between the Issuer and the WA Lender (using TZMI or other agreed price decks and other economic assumptions agreed to by the WA Lender).

"**Bond Refinancing**" means any facility entered into for the purposes of refinancing or replacing (however described) the Bonds that meets the conditions in the NAIF Facility.

"**Bond Refinancing Agreement**" means any agreement or terms entered into in connection with any Bond Refinancing.

"**Bond Refinancing Reserve Account**" means a bank account held with NT Services AS (as escrow agent), and in the name of the Issuer as described in Clause 10.2 (*Bond Refinancing Reserves Account*).

"**Bond Repayments**" means all scheduled principal repayments in respect of the Bonds which the Issuer is required to pay to comply with its obligations under the Bond Terms, but excluding the final scheduled principal repayment under the Bond Terms.

"**Bond Terms**" means these terms and conditions, including all Attachments which shall form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

"Bond Trustee" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"Bond Trustee Fee Agreement" means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

"Bondholders" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

"Bondholders' Meeting" means a meeting of Bondholders as set out in Clause 17 (*Bondholders' Decisions*).

"Bonds" means the debt instruments issued by the Issuer pursuant to these Bond Terms.

"Bulk Earthworks Contract" means the document entitled "Major Works Agreement – Coburn Mineral Sands Project – Bulk Earthworks and Access Road Package" dated 31 July 2020 between the Parent and TMM Group (Operations) Pty Ltd ABN 69 149 312 603, as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee) and TMM Group (Operations) Pty Ltd.

"Business Day" means

- (a) in relation to any interest payment or redemption of the Bonds, a day on which both the relevant CSD settlement system is open and the relevant currency of the Bonds settlement system is open; and
- (b) for all other purposes that those referred to in paragraph (a), a day on which banks are open for general business in Perth, Sydney, Canberra and Oslo.

"Business Day Convention" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

"Calculation Date" means:

- (a) in respect of the Loan Life Cover Ratio or the Reserve Tail Ratio, each Quarter End Date after the date of Financial Close; and
- (b) in respect of the Debt Service Cover Ratio, each Quarter End Date after the date of Project Completion.

"Calculation Period" means:

- (a) in respect of any Calculation Date which is less than (6) Months after the date of Project Completion, the period from the date of Project Completion to and including that Calculation Date; and
- (b) in respect of any Calculation Date thereafter, the period of (6) Months ending on and including that Calculation Date.

"Call Option" has the meaning given to it in Clause 12.1 (*Voluntary early redemption – Call Option*).

"Call Option Repayment Date" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 12.1 (*Voluntary early redemption – Call Option*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

"Camp Accommodation Contract" means the document dated on or before Financial Close between the Issuer and the camp accommodation provider in relation to accommodation at the Project site.

"Cash Share Excess Cash" means, in respect of each Cash Share or Lock Up Cash Sweep Date, the amount calculated as:

- (a) the amount available in the Collection Accounts on the immediately preceding Quarter End Date after all amounts set out in paragraphs (a) to (j) (inclusive) of Clause 10.10 (*Waterfall - Withdrawals post Ramp Up Period*) have been paid at that Quarter End Date; less
- (b) the Minimum Unrestricted Cash Balance.

"Cash Share or Lock Up Cash Sweep Date" means each date which is 3 Business Days after delivery of a Compliance Certificate following the date of Project Completion.

"Cash Sweep Excess Cashflow" means, in respect of a Cash Share or Lock Up Cash Sweep Date, the amount calculated as:

- (a) the amount available in the Collection Accounts on the immediately preceding Quarter End Date after all amounts set out in paragraphs (a) to (i) (inclusive) of Clause 10.10.10 (*Waterfall - Withdrawals post Ramp Up Period*) have been paid at that Quarter End Date; less
- (b) the aggregate of:
 - (i) the Minimum Unrestricted Cash Balance; and
 - (ii) AUD 10,000,000,

which, if less than zero, will be deemed to be zero.

"Catch-up Sweep Amount" means, in respect of any Lock Up Cash Sweep Event:

- (a) the aggregate amount that would have been paid under paragraph (a) of Clause 10.2 (*Bond Refinancing Reserves Account*) on the final Cash Share or Lock Up Cash Sweep Date in respect of that Lock Up Cash Sweep Event if the paragraph (b)(ii) of the definition of Cash Sweep Excess Cashflow were "\$0" (instead of "AUD 10,000,000");

less:

- (b) the sum of all Cash Sweep Excess Cashflow that has been paid under paragraph (a) of Clause 10.2 (*Bond Refinancing Reserves Account*) on the final Cash Share or Lock Up Cash Sweep Date in respect of that Lock Up Cash Sweep Event.

"CFADS" means, in relation to any period, an amount (which may be a negative or positive figure) calculated by deducting "B" from "A", where:

- (a) "A" is the aggregate (without double counting) of:

- (i) the Operating Revenue of the Issuer received or (as the case may be) projected in the Base Case Financial Model to be received in that period; and
 - (ii) amounts received into the Collection Accounts from the WCP Relocation Reserve Account in accordance with paragraphs (d) and (e) of Clause 10.4 (*WCP Relocation Reserve Account*); and
- (b) "B" is the aggregate (without double counting) of:
- (i) the Operating Costs of the Issuer paid or (as the case may be) projected in the Base Case Financial Model to be paid in that period; and
 - (ii) amounts paid from the Collection Accounts to the WCP Relocation Reserve Account in accordance with paragraph (i) of Clause 10.10 (*Waterfall - Withdrawals post Ramp Up Period*),

and where any of the above amounts are denominated in a foreign currency, converted into Australian dollars:

- (c) for hedged amounts, by taking into account the effect of any Treasury Transactions permitted by the NAIF Facility which, in respect of any calculation of the Debt Service Cover Ratio shall reflect the actual effect of (and the relevant amount will be the amount received by the Issuer under) the Treasury Transaction and in respect of any calculation of the Loan Life Cover Ratio shall reflect the forecast effect of the Treasury Transaction as set out in the then-current Base Case Financial Model; and
- (d) for unhedged amounts, converted into Australian dollars at the relevant exchange rate used in the assumptions in the Base Case Financial Model for the relevant period.

"Chemours Ilmenite Agreement" means the document entitled "Coburn Ilmenite Agreement" dated 17 April 2020 between the Parent (as seller), Chemours Company FC, LLC, Chemours International Operations Sàrl and Chemours Company Singapore Pte. Ltd, as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee), Chemours Company FC, LLC, Chemours International Operations Sàrl and Chemours Company Singapore Pte. Ltd.

"Chilches Premium Zircon Agreement" means the document entitled "Offtake Agreement – Coburn Heavy Mineral Sands Project, Australia" dated 2 July 2020 between the Parent (as seller) and Chilches Materials S.A., as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee) and Chilches Materials S.A..

"Collection Accounts" means an AUD-denominated and a USD-denominated account held with the Account Bank located in Australia, and in the name of the Issuer.

"Committed Funding" means the aggregate (without double counting) of the following amounts:

- (a) for the purposes of the Physical Completion Cost to Complete Test and the Project Completion Cost to Complete Test:
 - (i) the Available Commitment for Facility B, after any Utilisation of Facility B is made under an issued utilisation request (if any);

- (ii) the "available commitment" (however described) under the Bonds including any amount standing to the credit of the Escrow Account;
- (iii) the amount standing to the credit of the Collection Accounts and the Insurance Proceeds Account at that time;
- (iv) the Cost Overrun Proceeds provided that the Cost Overrun Conditions have been satisfied, in which case a revised Project Completion Cost to Complete Certificate and (where applicable) a revised Physical Completion Cost to Complete Certificate may be provided to the WA Lender;
- (v) the amount of any liquidated damages under a Project Document (which have not already been deposited into the Collection Accounts) and which the Issuer demonstrates to the satisfaction of the WA Lender are due and payable to the Issuer at such time by a counterparty to a Project Document, to the extent that either:
 - (A) the Issuer is entitled to draw an amount in respect of such liquidated damages under a performance bond, bank guarantee or any other form of security under that Project Document; or
 - (B) the WA Lender is otherwise satisfied that such amount will actually be paid by that counterparty to the Project Document prior to:
 - (aa) for the purposes of the Physical Completion Cost to Complete Test, the then scheduled date for satisfying the Physical Completion Test; and
 - (bb) for the purposes of the Project Completion Cost to Complete Test, the earlier of the then scheduled date for achieving Project Completion and the Sunset Project Completion Date; and
- (vi) the amount of any other committed sources of funding available to the Issuer (which has been accepted by the WA Lender); and
- (b) for the purposes of the Project Completion Cost to Complete Test only, forecast Operating Revenue (other than any liquidated damages already covered by paragraph (v) above) up to the Forecast Project Completion Date in accordance with the Base Case Financial Model (using the low case for TZMI),

and to the extent any of the above amounts are denominated in a foreign currency, converted into Australian dollars at the relevant exchange rate used in the assumptions in the Base Case Financial Model for the relevant period.

"**Compliance Certificate**" means a statement substantially in the form as set out in Attachment 1 hereto.

"**Construction Costs**" means the costs incurred by the Issuer or for which the Issuer is liable (including, for example, third party costs that are not directly incurred by the Issuer, but which are reimbursed by the Issuer) (without double counting):

- (a) in the engineering, design and construction of the Project in accordance with the Process Plant Design and Construct Contract and any other agreement between the Issuer and another person for the engineering, design or construction of the Project; and

(b) otherwise as owner of the Project in connection with the construction of the Project, where they are forecast, as forecast in accordance with the Base Case Financial Model.

"Construction Report" means a report substantially in a form set out in Part I (Construction Report and Completion Tests) of Attachment 3.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Cost Overrun Account" means the AUD-denominated bank account opened or to be opened by the Issuer prior to Financial Close and designated by the Issuer as the "Cost Overrun Account", together with any replacement and substitute accounts opened with the prior written consent of the WA Lender, and sub-accounts of those accounts.

"Cost Overrun Conditions" means each of the following conditions:

- (a) the Project Completion Cost to Complete Test and (where applicable) the Physical Completion Cost to Complete Test cannot be met without including in the Committed Funding, the Cost Overrun Proceeds, provided that any cost overrun in excess of the Cost Overrun Proceeds is to be satisfied from additional equity or Subordinated Issuer Debt; and
- (b) the Independent Technical Consultant has certified the cost overrun (including as to the amount of the cost overrun).

"Cost Overrun Proceeds" means the amount standing to the credit of the Cost Overrun Account at any time (which as at the date of First Release, shall be an amount equal to AUD 11 million).

"Cost to Complete – Physical Completion" means at any time, the aggregate of (without double counting):

- (a) all Construction Costs at that time payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion) but not yet paid, as certified by the Independent Technical Consultant;
- (b) all Financing Costs (including capitalised interest) at that time payable up to Physical Completion but not yet paid, as set out in the Base Case Financial Model;
- (c) all Operating Costs at that time payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion) but not yet paid, as certified by the Independent Technical Consultant;
- (d) all Project Costs at that time payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion) but not yet paid, as certified by the Independent Technical Consultant;
- (e) all cost overruns to the Project Costs at that time payable, or which the Issuer forecasts will be payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before

or after Physical Completion) but not yet paid, as certified by the Independent Technical Consultant;

- (f) any scheduled principal repayments under any Working Capital Facility Agreement at that time payable up to Physical Completion but not yet paid, as set out in the Base Case Financial Model, other than any amounts falling due under the Working Capital Facility Agreement which will be available for simultaneous redrawing according to the terms of the Working Capital Facility Agreement;
- (g) amounts required to maintain the Minimum Unrestricted Cash Balance in the Collection Accounts up to Physical Completion, as set out in the Base Case Financial Model; and
- (h) any other costs which the Issuer forecasts it will incur in respect of the Project in connection with achieving Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion), but not yet paid, as certified by the Independent Technical Consultant,

and to the extent any of the above amounts are denominated in a foreign currency, converted into Australian dollars at the relevant exchange rate used in the assumptions in the Base Case Financial Model for the relevant period.

"Cost to Complete – Project Completion" means at any time, the aggregate of (without double counting):

- (a) all Construction Costs at that time payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion) but not yet paid, as certified by the Independent Technical Consultant;
- (b) all Financing Costs (including capitalised interest) at that time payable up to Project Completion but not yet paid, as set out in the Base Case Financial Model;
- (c) all Operating Costs at that time payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion) but not yet paid, as certified by the Independent Technical Consultant;
- (d) all Project Costs at that time payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion) but not yet paid, as certified by the Independent Technical Consultant;
- (e) all cost overruns to the Project Costs at that time payable, or which the Issuer forecasts will be payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case whether payable before or after Project Completion) but not yet paid, as certified by the Independent Technical Consultant;
- (f) any scheduled principal repayments under any Working Capital Facility Agreement at that time payable up to Project Completion but not yet paid, as set out in the Base Case Financial

Model, other than any amounts falling due under the Working Capital Facility Agreement which will be available for simultaneous redrawing according to the terms of the Working Capital Facility Agreement;

- (g) amounts required to maintain the Minimum Unrestricted Cash Balance in the Collection Accounts up to Project Completion, as set out in the Base Case Financial Model;
- (h) amounts required to maintain the Debt Service Reserve Accounts at the DSRA Required Balance up to Project Completion, as set out in the Base Case Financial Model; and
- (i) any other costs which the Issuer forecasts it will incur in respect of the Project in connection with achieving Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion), but not yet paid, as certified by the Independent Technical Consultant,

and to the extent any of the above amounts are denominated in a foreign currency, converted into Australian dollars at the relevant exchange rate used in the assumptions in the Base Case Financial Model for the relevant period.

"**CSD**" means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

"**Dangerous Substance**" means any natural or artificial substance (including petroleum and whether in a solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any such other substance) capable of causing harm to the Environment or damaging the Environment or public health or welfare including any noxious, hazardous, toxic, dangerous, special or controlled waste or other polluting substance or matter.

"**Default**" means an event of default which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an event of default.

"**Default Notice**" means a written notice to the Issuer as described in Clause 16.25 (*Acceleration of the Bonds*).

"**Default Repayment Date**" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"**Denham Road Project**" means the new road connecting the Project to Denham, Western Australia.

"**Distribution**" means:

- (a) a dividend, distribution, share buy-back or other return of capital; and
- (b) any payment of principal, interest or any other amount under any Subordinated Parent Debt or Subordinated Issuer Debt.

"**Distribution Conditions**" means the following:

- (a) no Default, Review Event, or Lock Up Cash Sweep Event is continuing or would result from the proposed Distribution;

- (b) the later of:
 - (i) the first scheduled principal repayment under the Bonds; and
 - (ii) the date that is 12 Months after the end of the Ramp Up Period has occurred;
- (c) Project Completion has occurred;
- (d) the Debt Service Reserve Accounts are funded to the DSRA Required Balance;
- (e) the WCP Relocation Reserve Account is funded in full in accordance with Clause 10.4 (*WCP Relocation Reserve Account*);
- (f) no Catch-up Sweep Amount (or any portion thereof) remains owing by the Issuer in accordance with Clause 10.2 (*Bond Refinancing Reserves Account*);
- (g) the payment of the proposed Distribution is made within 15 days after the date on which the Issuer provides a Compliance Certificate to the WA Lender and the NAIF Representative; and
- (h) the amount of the proposed Distribution is not more than the balance of the Collection Accounts at the relevant Calculation Date, after paying all amounts in paragraphs (a) to (m) (inclusive) of Clause 10.10 (*Waterfall - Withdrawals post Ramp Up Period*) and after deducting the Minimum Unrestricted Cash Balance on the relevant Calculation Date.

"DSRA Required Balance" means on any day the aggregate of:

- (a) all Financing Costs in respect of Facility B, Facility C (if and when available following compliance with applicable conditions precedent under the NAIF Facility)) and the Bonds and any Bond Refinancing;
- (b) all principal repayments in respect of Facility B and (in respect of Facility C, if and when available following compliance with applicable conditions precedent under the NAIF Facility) Facility C which the Issuer will be required to pay to comply with its obligations under the NAIF Facility; and
- (c) all Bond Repayments,

in each case, during the six (6) Month period beginning on the day after that day, provided that, where in the 6 Month period beginning on the day after that day;

- (d) there is only 1 scheduled principal repayment to the Bonds, or if the Bonds have been redeemed or repaid in full and replaced with any Bond Refinancing, to any Bond Refinancing, then the first principal repayment to Facility B and (in respect of Facility C, on and from the date that all of the conditions precedent under the NAIF Facility has been satisfied) Facility C will be included; or
- (e) there are no scheduled principal repayments to the Bonds, or if the Bonds have been redeemed or repaid in full and replaced with any Bond Refinancing, to any Bond Refinancing, then both the first and second principal repayment to Facility B and (in respect of Facility C, on and from the date that all of the conditions precedent have been satisfied) Facility C will be included.

"Early Prepayment Conditions" means:

- (a) the Issuer delivers to the WA Lender and the NAIF Representative a Physical Completion Certificate dated no earlier than ten (10) Business Days prior to the proposed prepayment date showing that the Physical Completion Test has been satisfied;
- (b) the proposed prepayment date is a date during the Ramp Up Period; and
- (c) the proposed prepayment is being made for the purposes of, and in accordance with, an Equity Cure.

"Electricity Supply Agreement" means the document dated on or before Financial Close between the Issuer and Contract Power Australia Pty Ltd (ABN 48 081 538 258) in relation to the supply of electricity to the Project site.

"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

"Environmental and Social Law" means:

- (a) any applicable law or regulation which relates to:
 - (i) the pollution or protection of the Environment;
 - (ii) the conditions of the workplace; or
 - (iii) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste; and
- (b) any applicable law or regulation concerning labour matters; social security; the regulation of industrial relations; the protection of health and safety; the protection and regulation of the ownership of land, immovable property, intellectual property, cultural property and other assets; the protection and empowerment of indigenous peoples or ethnic groups; the protection, restoration and promotion of cultural heritage; the protection of human rights; or the protection or empowerment of employees, citizens or other people.

"Environmental and Social Permit" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental and Social Law for the operation of the business of any Obligor.

"Equity Raise Long Stop Date" means 31 July 2021.

"Escrow Account" means the blocked bank account in USD to be established by the Issuer with NT Services AS (as escrow agent) prior to the Issue Date, to which the net proceeds from the Initial

Bond Issue amount shall be transferred in connection with the issuance of the Bonds on the Issue Date, provided that all Pre-Settlement Conditions Precedent (as described below) have been satisfied.

"Escrow Account Pledge" means the pledge over the Escrow Account pursuant to the First Bond Escrow Account Pledge, where the bank operating the account and NT Services AS have waived any set-off rights.

"Escrow Account Release Notice" means escrow release notices in form and substances as set out in Attachment 1 to these Bond Terms accompanied by;

- (a) a description of the purpose of the proposed release;
- (b) for each utilisation until the Physical Completion Test has been met;
 - (i) a Physical Completion Cost to Complete Certificate showing that the Physical Completion Cost to Complete Test has been satisfied; and
 - (ii) a Project Completion Cost to Complete Certificate showing that the Project Completion Cost to Complete Test has been satisfied;
- (c) for each utilisation after the Physical Completion Test has been met, a Project Completion Cost to Complete Certificate showing that the Project Completion Cost to Complete Test has been satisfied;
- (d) a Project Completion Cost to Complete Certificate showing that the Time to Complete Test has been met (which for the avoidance of doubt, can be included in the same Project Completion Cost to Complete Certificate received by WA Lender under (as relevant) paragraph (b) or (c) of this definition of Escrow Account Release Notice; and
- (e) a certificate identifying details of the invoices which are to be funded by the proposed release, certified by the Independent Technical Consultant.

"Event of Default" means any of the events or circumstances specified as such in Clause 16 (*Events of Default*).

"Exchange" means:

- (a) Oslo Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

"Facility B" means the AUD 130,000,000 facility under the NAIF Facility.

"Facility C" means the AUD 20,000,000 facility under the NAIF Facility.

"Featherweight Security Deed" means the featherweight security deed dated on or about the date of the NAIF Facility between the Parent and the Security Trustee.

"Finance Documents" means these Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Deed, the Security Trust Deed, Security Documents and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

"Financial Close" means the time that all conditions precedent to "Financial Close" have been received under the NAIF Facility; notice of which will be sent by the Issuer to the Bond Trustee, enclosing a copy of the notice of satisfaction of conditions precedent to "Financial Close" from the WA Lender to the Issuer.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and any debit balance at any financial institution;
- (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019 have been treated as an operating lease);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets or services payable more than 180 days after acquisition;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

"Financing Costs" means interest, fees, discounts, costs and expenses and all other amounts payable by the Issuer in relation to its Financial Indebtedness under the Secured Creditor Agreements, other than payments of principal, or termination or close out amounts under any

Hedging Agreement (other than, for the avoidance of doubt, any fees payable to the Intercreditor Agent, Security Trustee or the Bond Trustee in respect of those roles).

"Financial Reports" means;

- (a) the Original Financial Statements; and
- (b) the audited or unaudited annual financial statements, half-year financial statements or interim financial statements referred to in Clause 14.1 (*Financial Reports*).

"First Call Date" means the Interest Payment Date falling in December 2023.

"First Release" has the meaning given in clause 6.2 (*Pre-first Release Conditions Precedent*).

"Forecast Project Completion Date" means the earlier of:

- (a) the Sunset Project Completion Date; and
- (b) the date the Project is forecast to be completed, as most recently certified by the Issuer, confirmed by the Independent Technical Consultant and accepted by the WA Lender in a Project Completion Cost to Complete Certificate.

"GAAP" means generally accepted accounting principles, standards and practices in Australia.

"Good Operating Practice" means:

- (a) if a Project Document includes a standard of good practice which applies in a particular event or circumstance, for the purposes of that event or circumstance only, the standard of good practice defined in that Project Document; and
- (b) in all other cases, the exercise of skill, prudence and operating practice which would be reasonably and ordinarily expected from a skilled and experienced owner and operator engaged in the same business as the Issuer under similar circumstances, in compliance in all material respects with all applicable legislation, industry codes of practice, Authorisations and all relevant documents relating to the Project or the Issuer's business.

"Governmental Agency" means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange.

"Group" means the Parent and its Subsidiaries from time to time.

"Group Company" means any person which is a member of the Group.

"Guarantee" has the meaning given in the Security Trust Deed.

"Guarantor" means the Parent.

"Hedge Counterparty" means any person which is, or has become, a party to the Security Trust Deed as a Hedge Counterparty in accordance with the provisions of the Security Trust Deed.

"Hedging Agreement" means any ISDA master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Issuer and a Hedge Counterparty for the purpose of hedging only the types of liabilities and/or risks in relation to the Facilities which is required or

permitted to be entered into by the NAIF Facility in accordance with the Approved Hedging Policy and Protocol.

"Independent Technical Consultant" means the independent technical consultant appointed by the WA Lender with prior consultation with the Issuer (and with the WA Lender acting reasonably) prior to Financial Close, or any other independent technical consultant subsequently appointed by the WA Lender with prior consultation with the Issuer (and with the WA Lender acting reasonably) from time to time, provided that any such independent technical consultant shall:

- (a) either be SRK Consulting (Australasia) Pty Ltd, CSA Global Pty Ltd, Palaris Mining Pty Ltd, Behre Dolbear Australia Pty Ltd or any other firm approved by the Bond Trustee and the WA Lender;
- (b) act for the benefit of all Secured Creditors and each Secured Creditor shall be entitled to rely on the work performed by the Independent Technical Consultant and be appointed on terms reasonably acceptable to the Bond Trustee and the WA Lender;
- (c) for each utilisation of any funds under the Senior Facilities *inter alia*:
 - (i) until the Physical Completion Test has been met:
 - (A) perform a Physical Completion Cost to Complete Test in order to confirm that the Committed Funding exceeds the Cost to Complete– Physical Completion at that time; and
 - (B) perform a Project Completion Cost to Complete Test in order to confirm that the Committed Funding exceeds the Cost to Complete – Project Completion at that time; or
 - (ii) after the Physical Completion Test has been met, perform a Project Completion Cost to Complete Test in order to confirm that the Committed Funding exceeds the Cost to Complete – Project Completion at that time; and
 - (iii) perform a Time to Complete Test in order to confirm that the date of Project Completion is reasonably likely to be achieved by the Sunset Project Completion Date.

"Industrie Bitossi Premium Zircon Agreement" means the document entitled "Offtake Agreement – Coburn Heavy Mineral Sands Project, Australia" dated 17 April 2020 between the Parent (as seller) and Industrie Bitossi S.p.A, Colorobbia Espana S.A. and Minerals 2000 S.A. (collectively as buyer), as amended by the document entitled "Variation of Offtake Agreement" dated 3 July 2020 between the same parties, and as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee), Industrie Bitossi S.p.A, Colorobbia Espana S.A. and Minerals 2000 S.A..

"Initial Bond Issue" means the aggregate Nominal Amount of all Bonds issued on the Issue Date.

"Initial Nominal Amount" means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Insolvent" means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

"Intercreditor Deed" means the intercreditor deed to be made between, among others, the Parent, the Issuer, the WA Lender, the Intercreditor Agent (as defined therein), the Security Trustee and the Bond Trustee and the WCF Lender, which contains certain provisions on intercreditor matters such as voting thresholds and procedures for waivers of, request for amendments of or other consents amongst the Secured Creditors in respect of the Finance Documents, including these Bond Terms (among other documents).

"Interest Payment Date" means the last day of each Interest Period, the first Interest Payment Date being on 20 June 2021 and the last Interest Payment Date being the Maturity Date.

"Interest Period" means, subject to adjustment in accordance with the Business Day Convention:

- (a) the period from the Issue Date to 20 June 2021; and thereafter
- (b) each period of 3 months ending on 20 September, 20 December, 20 March and 20 June of each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"Interest Rate" means 12 percentage points per annum.

"ISIN" means International Securities Identification Number.

"Issue Date" means 30 March 2021.

"Issuer" means the company designated as such in the preamble to these Bond Terms.

"Issuer's Bonds" means any Bonds which are owned by the Issuer or any Group Company.

"Joint Venture" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"JORC Code" means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves published by the Joint Ore Reserve Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective as at December 2012, as updated from time to time.

"Life of Mine Plan" means, at any time, the then current life of mine plan prepared by the Issuer in respect of the Project as incorporated into the Base Case Financial Model as subsequently updated, supplemented or replaced from time to time to reflect changes to the Base Case Financial Model and Annual Budget.

"Listing Failure Event" means:

- (a) that the Bonds have not been admitted to listing on an Exchange within twelve (12) Months following the Issue Date, or
- (b) in the case of a successful admission to listing, that the Bonds ceased to be admitted to listing on an Exchange.

"LNG Supply Contract" means the document dated on or before Financial Close between the Issuer and Woodside Energy (LNG) Fuels and Power Pty Ltd (ACN 626 310 727) and EDL LNG Fuel to Power Pty Ltd (ACN 054 545 069) in relation to the supply of trucked LNG to the Project site.

"Lock Up Cash Sweep Event" means on any Calculation Date on and from the date of Project Completion:

- (a) the Loan Life Cover Ratio is less than 1.50:1 times;
- (b) the Debt Service Cover Ratio is less than 1.40:1 times; or
- (c) the Reserve Tail Ratio is less than 30%.

"Logistics Contract" means the logistics contract (in form and substance satisfactory to the WA Lender) to be entered into by the Issuer in respect of the Project.

"Long Stop Date" means 30 September 2021.

"Make Whole Amount" means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of 106.0 per cent of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to the First Call Date,

where the present value shall be calculated by using a discount rate of 0.25% p.a.

"Managers" means ABG Sundal Collier ASA and Pareto Securities AS.

"Mandatory Prepayment and Redemption Event" means the occurrence of any event listed in Clause 12.3 (*Mandatory Prepayment and Redemption Events – NAIF Facility termination*), Clause 12.4 (*Mandatory Prepayment and Redemption Events – NAIF Facility voluntary prepayment or cancellation*), 12.5 (*Mandatory Prepayment and Redemption Events – Insurance mandatory redemption*) and Clause 12.6 (*Mandatory Prepayment and Redemption Events – asset sale*).

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, operations, financial, environmental or social condition, or assets of any Obligor; or
- (b) the ability of an Obligor to perform its payment or other material obligations under any Transaction Documents to which it is a party; or

- (c) the legality, validity or enforceability of the whole or any part of any Transaction Document or ranking of any Security granted or purporting to be granted pursuant to any of, the Transaction Documents.

"Material E&S Incident" means any incident, event or circumstance connected with the Project that results in:

- (a) the death of, or significant injury to, one or more persons;
- (b) a material threat to the health or safety of one or more persons;
- (c) significant damage to property or the Environment;
- (d) significant protest or other civil action (whether carried out by persons engaged in activities relating to the Project, the public or otherwise) which is directed against any Obligor or any activities relating to or connected with the Project; or
- (e) material breaches or violations of Environmental and Social Laws and Environmental and Social Permits.

"Maturity Date" means 20 March 2026, adjusted according to the Business Day Convention.

"Minimum Unrestricted Cash Balance" means AUD 10,000,000.

"Mining Information" means all exploration and mining information, documents, maps, reports, records, studies and other written data in connection with the Project, including all data stored on magnetic tapes, disks or diskettes or any other computer storage media, relating to geological, geochemical, geophysical work, metallurgical, engineering and processing feasibility studies and other operations conducted in connection with the Project.

"Mining Services Contract" means the document dated on or before Financial Close between the Issuer and the mining services provider in relation to certain mining services to be provided for the Project.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

"NAIF" means Northern Australia Infrastructure Facility, a body corporate constituted under the NAIF Act.

"NAIF Act" means the *Northern Australia Infrastructure Facility Act 2016* (Cth).

"**NAIF Facility**" means an AUD 150,000,000 Facility Agreement between the Issuer, the Parent and the WA Lender, and the NAIF Supplemental Agreement (if any) for the purpose of inter alia financing of the Project and the Denham Road Project.

"**NAIF Representative**" means:

- (a) a director or secretary of NAIF, or any person who holds or purports to hold a position within NAIF which includes in that person's title or designation, the word "director", "chief", "head" or "general counsel" (or a person performing, or purporting to perform", the functions of any of them); or
- (b) any other person appointed by NAIF to act on its behalf, and which is notified to the Issuer from time to time.

"**Nanda Native Title Party**" means Violet Drury, Noel Kelly, Mary Tullock, Phyliss McMahon, Lorraine Whitby, Lorna Lewis, Steven Kelly, June Ruffin, Clive Mallard, Barry Randall, Bevan Drage, Bill Mallard and William Mallard for and on behalf of the Nanda People.

"**Nanjing Sanxiang Zircon Concentrate Agreement**" means the document entitled "Offtake Agreement – Coburn Heavy Mineral Sands Project, Australia – Strandline Resources Limited and Nanjing RZisources International Trading Co. Ltd" dated 17 April 2020 between the Parent (as seller), Nanjing RZisources International Trading Co., Ltd and Sanxiang Advanced Materials Co., Ltd, as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee), Nanjing RZisources International Trading Co., Ltd and Sanxiang Advanced Materials Co., Ltd.

"**Nominal Amount**" means the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 12 (*Redemption and repurchase of Bonds*) and/or Clause 13 (*Purchase and transfer of Bonds*) or any other amount following a split of Bonds.

"**Obligors**" means the Issuer and the Guarantor(s) and any other company acceding as an additional obligor under the Security Trust Deed from time to time (each an "**Obligor**").

"**Offtake Agreement**" means each of:

- (a) the Chemours Ilmenite Agreement;
- (b) the Nanjing Sanxiang Zircon Concentrate Agreement;
- (a) the Chilches Premium Zircon Agreement;
- (b) the Industrie Bitossi Premium Zircon Agreement;
- (c) the Venator Supply Agreement; and
- (d) any other offtake agreement between an Obligor and a third party relating to the sale of Product from the Project.

"**Operating Costs**" means the costs, fees and expenses paid, payable or forecast to be paid (as applicable) by the Issuer (without double counting) in operating the Project (in respect of any forecast, as set out in the Base Case Financial Model) (excluding interest, fees and other amounts

in the nature of interest on Financial Indebtedness or Taxes on those amounts not listed in the following) including):

- (a) payments under Project Documents and any other documents or contracts entered into by the Issuer in respect of the operation of the Project (other than the Process Plant Design and Construct Contract and the Bulk Earthworks Contract);
- (b) ongoing maintenance and repair costs, fees and expenses;
- (c) lease payments in respect of the Project;
- (d) sustaining capital expenditure (including maintenance and repair costs, fees and expenses which constitute capital expenditure);
- (e) government charges, rates, rent and other outgoings;
- (f) Royalty Obligations;
- (g) costs, fees and expenses of the Issuer to maintain its incorporation, office, staff (including wages and superannuation) and other marketing and administrative costs, fees and expenses in an amount no greater than that provided in the most recent Base Case Financial Model;
- (h) fees payable to the Intercreditor Agent, Security Trustee and the Bond Trustee in respect of those roles;
- (i) fees of consultants and other advisers;
- (j) insurance premiums;
- (k) Taxes; and
- (l) any other costs, fees and expenses the Issuer and the WA Lender agree are Operating Costs.

"Operating Revenue" means all amounts the Issuer receives, or is forecast to receive, in that period from or in relation to the Project in the nature of revenues received by the Issuer on a cash basis (in respect of any forecast, as set out in the Base Case Financial Model) including:

- (a) proceeds of all sales of Product;
- (b) all revenue (or amounts in the nature of revenue) received by the Issuer;
- (c) compensation and other amounts which represent a return on, or compensation for, lost revenue, the proceeds of business interruption insurance claims and liquidated damages;
- (d) interest on bank accounts to the extent paid into the Collection Accounts; and
- (e) any Tax rebate or refund,

and any other amounts the Issuer and the WA Lender agree are Operating Revenue, but excluding any amounts drawn under the Facilities or received under any other Secured Creditor Agreement.

"Operational Completion Certificate" means a certificate from the Issuer in the form of Part III (Form of Operational Completion Certificate) of Attachment 3 (Construction Report and Completion Tests), signed by the Issuer, certified by the Independent Technical Consultant and

accepted by the WA Lender (acting reasonably) in respect of any item not certified by the Independent Technical Consultant. It shall not relate to the Denham Road Project.

"Operational Completion Test" has the meaning given to it in Part III (Form of Operational Completion Certificate) of Attachment 3 (Construction Report and Completion Tests).

"Ore Resource and Reserve Report" means an ore resource and reserve report with respect to the Project, substantially in a form agreed between the Issuer and the WA Lender.

"Original Financial Statements" means:

- (a) in relation to the Parent, the audited consolidated financial statements of the Group for the financial year ended 30 June 2020; and
- (b) in relation to each Original Obligor other than the Parent, its financial statements for its financial year ended 30 June 2020.

"Original Obligor" means the Issuer or the Parent.

"Outstanding Bonds" means any Bonds not redeemed or otherwise discharged.

"Overdue Amount" means any amount required to be paid by the Issuer under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"Parent" means the Guarantor.

"Partial Payment" means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

"Pastoral Lease" means the pastoral lease with registered number N049686 dated 12 May 2015 between the State of Western Australia acting through the Minister for Lands, a body corporate under the Land Administration Act 1997 as lessor and the Parent as lessee, in respect of the whole of land comprised in Certificate of Title Volume LR3067 Folio 231 and Certificate of Title Volume LR3085 Folio 124, as transferred to the Issuer prior to Financial Close.

"Paying Agent" means NT Services AS.

"Payment Date" means any Interest Payment Date or any Repayment Date.

"Permitted Acquisition" means:

- (a) in the case of the Parent or any Subsidiary (other than the Issuer) of the Parent:
 - (i) prior to the date of Project Completion:
 - (A) any acquisition of shares held by the Parent in another Obligor or in any other person before Financial Close and shown in the Group structure chart provided as Pre-First Release conditions precedent);
 - (B) any acquisition of land or exploration tenements, plant, equipment or other property in Tanzania in respect of the Funmoni or Tajiri mineral sands projects;

- (C) any acquisition for which the total consideration is less than AUD 5,000,000 (in aggregate with other acquisition permitted under this paragraph, per financial year of the Parent); or
 - (D) any other acquisition or investment with the prior written consent of the WA Lender;
- (ii) after the date of Project Completion, any acquisition of any asset of any kind; and
- (b) in the case of the Issuer:
 - (i) any acquisition of Project Assets or any other asset to be used in connection with the Project; or
 - (ii) any other acquisition or investment with the prior written consent of the WA Lender.

"Permitted Disposal" means any sale, lease, licence, transfer or other disposal which is on arm's length terms:

- (a) of Product, pursuant to the Offtake Agreements;
- (b) of assets other than Product, in the ordinary course of ordinary trading of the applicable Obligor;
- (c) of assets (other than shares in an Obligor), businesses, real property or intellectual property) in exchange for other assets comparable or superior as to type, value and quality (other than an exchange of a non-cash asset for cash);
- (d) of obsolete or redundant vehicles, plant and equipment for cash which are surplus or otherwise no longer required for the purpose of the Obligors' ordinary course of ordinary trading activities;
- (e) arising as a result of any Permitted Security;
- (f) with the prior written consent of the WA Lender; or
- (g) of assets (other than shares in an Obligor or Product) for cash where the higher of the market value and net consideration receivable (when aggregated with the higher of the market value and net consideration receivable for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs) does not exceed:
 - (i) in the case of Obligors other than the Parent, an aggregate of AUD 500,000 (or its equivalent in any other currency or currencies) in any financial year; and
 - (ii) in respect of the Parent, AUD 5,000,000 (or its equivalent in any other currency or currencies) in any financial year;
- (h) in respect of the Parent prior the date of Project Completion, all or any part of its interests in the Fungoni and Tajiri mineral sands projects; or
- (i) in respect of the Parent after the date of Project Completion, any asset of the Parent other than any shares in the Issuer, any loans advanced to the Issuer, any other asset the subject of

the specific security deed granted by the Parent to the Security Trustee, and (if any) any Project Asset.

"Permitted Distribution" means:

- (a) the payment of a Distribution to the Issuer;
- (b) the repayment of Subordinated Issuer Debt made under paragraph (c)(ii)(B) of Clause 10.7 (*Cost Overrun Account*); or
- (c) any other payment of a Distribution by an Obligor where the Distribution Conditions are satisfied.

"Permitted Financial Indebtedness" means Financial Indebtedness:

- (a) incurred under the Finance Documents;
- (b) under the NAIF Facility;
- (c) in the form of Treasury Transactions for the purpose of protecting the Issuer against fluctuations in interest rates, currency exchange rates or commodity prices but not for speculative purposes, provided that the Treasury Transaction is made in accordance with the Approved Hedging Policy and Protocol or any other hedging policy agreed between the Issuer and the WA Lender;
- (d) incurred under the Working Capital Facility Agreement, up to a maximum aggregate principal amount of AUD 15,000,000 and on terms which meet the Working Capital Facility Agreement Conditions;
- (e) arising under Subordinated Parent Debt or Subordinated Issuer Debt;
- (f) under leases and hire purchase contracts constituting Financial Indebtedness under paragraph (d) of the definition of Financial Indebtedness which are shown in the Base Case Financial Model;
- (g) incurred in the ordinary course of business for the acquisition of an asset or service where the payment for the asset or services is on the supplier's standard or usual terms (or on terms more favourable to the Obligors) and deferred for a period of not more than 120 days;
- (h) under ordinary course ancillary banking facilities such as credit cards provided by a financial institution provided that the outstanding principal amount of which does not exceed AUD 200,000 (or its equivalent in any other currency or currencies), in aggregate for the Obligors at any time;
- (i) under ordinary course bank guarantee or letter of credit facilities provided by a financial institution provided that the outstanding principal amount of which does not exceed AUD 500,000 (or its equivalent in any other currency or currencies), in aggregate for the Obligors at any time;
- (j) any other facilities provided in the normal course of business by a financial institution provided that the outstanding principal amount of which does not exceed AUD 500,000 (or its equivalent in any other currency or currencies), in aggregate for the Obligors at any time;

- (k) in respect of the Parent only (and at all times without prejudice to the first ranking security to be granted by the Parent in favour of the Security Trustee under the Transaction Security documents), incurred in respect of the development and funding of other assets in the Parent's existing portfolio (as at the date of the NAIF Facility), including the Fungoni and Tajiri mineral sands projects but only for the purposes of allowing the Parent to provide credit support (including completion guarantees and security over the shares in the Fungoni and Tajiri mineral sands project companies and any intermediate holding companies, and up to a USD 3.2 million equity funding obligation for the Fungoni project) under separate project financing arrangements for those assets;
- (l) incurred or subsisting with the prior written consent of the WA Lender and the Bond Trustee;
- (m) in respect of the Parent after the date of Project Completion, any other Financial Indebtedness; or
- (n) any guarantee provided by the Parent in respect of the obligations of another Obligor.

"Permitted Hedging" means any non-speculative secured or unsecured derivative transactions for the purpose of protecting the Issuer against fluctuations in interest rates, currency exchange rates or commodity prices but not for speculative purposes, provided that the derivative transactions are made in accordance with the Approved Hedging Policy and Protocol or any other hedging policy agreed between the Issuer and the WA Lender.

"Permitted Loan" means:

- (a) any trade credit extended by any Obligor to its customers on normal commercial terms and in the ordinary course of its trading activities; or
- (b) in the case of the Parent:
 - (i) any Subordinated Issuer Debt; or
 - (ii) a loan to a Subsidiary of the Parent for the development of other assets in the Parent's existing portfolio (as at the date of this Agreement), including the Fungoni and Tajiri mineral sands projects.

"Permitted Security" means:

- (a) any Security arising under the Transaction Security;
- (b) any lien arising by operation of law and in the ordinary course of trading so long as the debt it secures is paid when due or contested in good faith and appropriately provisioned;
- (c) any netting or set-off arrangement entered into by any Obligor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Obligors and credit balances of Obligors;
- (d) any payment or close out netting or set-off arrangement pursuant to any transactional banking facilities or any Treasury Transaction or foreign exchange transaction entered into by any Obligor which constitutes Permitted Financial Indebtedness, excluding any Security under a credit support arrangement;

- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to an Obligor in the ordinary course of ordinary trading and on the supplier's standard or usual terms (or on terms more favourable to the Obligors) so long as the debt it secures is paid when due or contested in good faith;
- (f) any arrangement or transaction which is a 'security interest' as defined in section 12(3) of the PPSA to the extent it does not secure any obligations;
- (g) any Security given by the Parent;
 - (i) in respect of Permitted Financial Indebtedness under paragraph (k) of the definition of Permitted Financial Indebtedness, provided that:
 - (A) such Security is: (I) over shares in those other Subsidiaries (excluding the Issuer or any Subsidiary of the Issuer (if any)); (II) over cash in an amount not exceeding USD 3.2 million in respect of the Parent's equity funding obligation for the Fungoni project; or (III) is otherwise a featherweight security; and
 - (B) any Transaction Security granted by the Parent (other than under the Featherweight Security Deed) remains first ranking at all times (or is otherwise subject to a priority deed in form and substance satisfactory to the WA Lender in its absolute discretion);
 - (ii) over any cash deposit made by the Parent in connection with any Permitted Acquisition;
 - (iii) in respect of cash held by the Parent with any financial institution as security for ordinary course bank guarantee or letter of credit facility issued by such financial institution for the benefit of a Subsidiary (other than in respect of the Project, or the Fungoni or Tajiri mineral sands projects) up to, in aggregate AUD 2,000,000;
- (h) any Security incurred or subsisting with the prior written consent of the WA Lender and the Bond Trustee ; and
- (i) in respect of the Parent after the date of Project Completion, any Security over any asset of the Parent other than any shares in the Issuer, any loans advanced to the Issuer, any other asset the subject of the specific security deed granted by the Parent, and (if any) any Project Asset.

"Physical Completion" means the time at which:

- (a) the WA Lender has received the Physical Completion Certificate (and where applicable, the WA Lender has accepted the certificate in accordance with the definition of that certificate); and
- (b) no Event of Default or Review Event has occurred and is continuing,

and for the avoidance of doubt shall not include the Denham Road Project.

"Physical Completion Certificate" means a certificate from the Issuer in the form, or substantially in the form of Part II (Form of Physical Completion Certificate) of Attachment 3 (Construction

Report and Completion Tests), signed by the Issuer, certified by the Independent Technical Consultant and accepted by the WA Lender (acting reasonably) in respect of any item not certified by the Independent Technical Consultant. It shall not relate to the Denham Road Project.

"Physical Completion Test" has the meaning given to it in Part II (Form of Physical Completion Certificate) of Attachment 3 (Construction Report and Completion Tests) hereto.

"Physical Completion Cost to Complete Certificate" means a certificate from the Issuer in the form, or substantially in the form of Part I (*Form of Physical Completion Cost to Complete Certificate*) of Attachment 4 (*Form of Cost to Complete Certificates*) hereto, signed by a director of the Issuer and certified by the Independent Technical Consultant.

"Physical Completion Cost to Complete Test" means a test which will be satisfied if the Committed Funding at any time exceeds the Cost to Complete – Physical Completion at that time.

"Pledged Account" means

- (a) the Escrow Account;
- (b) Bond Refinancing Reserve Account;
- (c) the Collection Accounts;
- (d) the Cost Overrun Account;
- (e) the WCP Relocation Reserve Account;
- (f) the Debt Service Reserve Accounts; and
- (g) the Insurance Proceeds Account,

in which all Pledged Accounts shall be maintained with (1) in respect to the Escrow Account and the Bond Refinancing Reserve Account, NT Services AS (and its account bank), and (2) in respect of any other Pledged Account, with the Account Bank.

"Port Services Contract" means the document entitled Port Access and Services Agreement dated on 16 December 2020 between the Issuer, the Parent and Mid West Ports Authority ABN 73 384 989 178.

"Power" means a power, right, authority, discretion or remedy which is conferred on a person:

- (a) under any Finance Document; or
- (b) by law in relation to any Finance Document.

"PPSA" means the *Personal Property Securities Act 2009* (Cth).

"Probable Ore Reserve" has the meaning given to it in the JORC Code.

"Process Plant Design and Construct Contract" means the document dated on or before Financial Close between the Issuer and the contractor in relation to the design and construction of the process plant for the Project.

"Product" means zircon, zircon concentrate, rutile, ilmenite and any other mineral sand products produced from the Project.

"Project" means the Coburn Heavy Mineral Sands Project carried on by the Issuer situated in the Gascoyne region of Western Australia.

"Project Accounts" means the Collection Accounts, the WCP Relocation Reserve Account, the Debt Service Reserve Accounts, the Insurance Proceeds Account and the Cost Overrun Account.

"Project Area" means any freehold, leasehold or other estate or interest in land in respect of which the Issuer has an interest in, easement over, right of access to or entry upon, for the purposes of the Project, from time to time and, for the avoidance of doubt, includes the area comprised in the Project Tenements.

"Project Assets" means all the right, title, estate and interest both present and future of any Obligor in connection with the Project, including all right, title, estate and interest in, to, under or derived from:

- (a) the Project Tenements;
- (b) the Pastoral Lease;
- (c) the Authorisations;
- (d) all Product;
- (e) all proceeds of all sales of Product;
- (f) the Project Area, including any title to or interest in or right to enter or occupy land in the Project Area now or at a later time held by an Obligor;
- (g) all buildings, improvements, structures, systems, fixtures, plant, machinery, tools and other personal property at any time acquired, leased or held and used or intended for use in connection with or incidental to the construction, refurbishing, transporting and commissioning of the Project or the mining, extraction, transporting, processing, metallurgical reduction and treating, transporting of the Product, and all associated facilities and infrastructure;
- (h) the Project Accounts;
- (i) each Project Document;
- (j) each Hedging Agreement;
- (k) the insurance policies required to be taken out by the Issuer under Clause 15.14 (*Insurance*) and all claims and proceeds in respect of those insurance policies;
- (l) all Mining Information and other intellectual property forming part of or relating to the Project; and
- (m) all other contracts, agreements, permits, leases, licences, consents, which form part of or relate to the design, construction, development, commissioning, operation or maintenance of

the Project, or to the mining, production, transportation, storage, treatment, processing or marketing of the Product or for any ancillary purpose.

"Project Completion" means the time at which:

- (a) the Bond Trustee and the WA Lender have received (and where applicable, WA Lender has accepted the certificate in accordance with the definition of that certificate):
 - (i) the Physical Completion Certificate; and
 - (ii) the Operational Completion Certificate;
- (b) no Event of Default or Review Event has occurred and is continuing; and
- (c) the Debt Service Reserve Accounts are funded to the DSRA Required Balance,

and for the avoidance of doubt shall not include the Denham Road Project.

"Project Completion Cost to Complete Certificate" means a certificate from the Issuer in the form, or substantially in the form of Part II (Form of Project Completion Cost to Complete Certificate) of Attachment 4 (Form of Cost to Complete Certificates), signed by a director of the Issuer and certified by the Independent Technical Consultant.

"Project Completion Cost to Complete Test" means a test which will be satisfied if the Committed Funding at any time exceeds the Cost to Complete – Project Completion at that time.

"Project Costs" means the following amounts paid, payable, or forecast to be paid (whichever is applicable), by the Issuer in achieving Project Completion, (in respect of any forecast, as set out in the Base Case Financial Model) (excluding, interest, fees and other amounts in the nature of interest on Financial Indebtedness and Taxes not listed in the following), in respect of:

- (a) Construction Costs;
- (b) Project Area specific costs including rates and other outgoings in relation to the Project Area;
- (c) costs, fees and expenses of the Issuer's engineering, environmental, social, governmental, insurance and legal consultants under or in relation to the negotiation, preparation, execution and completion of the Project Documents or otherwise in connection with the Project;
- (d) costs, fees and expenses of start-up, testing and commissioning of the Project;
- (e) insurance premiums payable before completion of construction;
- (f) any Taxes payable before the completion of construction; and
- (g) any other cost that the Issuer and the WA Lender agree are Project Costs.

"Project Documents" means:

- (a) each Offtake Agreement;
- (b) the Process Plant Design and Construct Contract;
- (c) the Mining Services Contract;

- (d) the Bulk Earthworks Contract;
- (e) the Electricity Supply Agreement;
- (f) the LNG Supply Contract;
- (g) the Camp Accommodation Contract;
- (h) the Port Services Contract;
- (i) on and from the date it is entered into, the Logistics Contract;
- (j) the Mining Agreement dated 20 September 2004 between the Parent and the Nanda Native Title Party, as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee) and the Nanda Native Title Party;
- (k) the Heritage Agreement dated 3 October 2017 between the Parent and YMAC, being the native title representative body for the Geraldton and Pilbara representative areas under the NT Act and the duly appointed agent of the Nanda Claimant Group in respect of the Heritage Agreement, as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee) and YMAC;
- (l) the Heritage Agreement (Pre-Native Title Determination) dated 3 October 2017 between the Parent and YMAC, being the native title representative body for the Geraldton and Pilbara representative areas under the NT Act and the duly appointed agent of The Malgana Shark Bay People Claimant Group in respect of the Heritage Agreement (Pre-Native Title Determination), as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee) and YMAC;
- (m) the Land Management Protocol dated 9 April 2018 between the Parent and Bush Heritage Australia ACN 053 639 115, as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee) and Bush Heritage Australia ACN 053 639 115;
- (n) the Compensation Agreement dated 15 February 2007 between the Parent and Harrold James Crawford, as assigned to the Issuer under an agreement between the Parent (as assignor), the Issuer (as assignee) and Harrold James Crawford; and
- (o) any other document agreed between the Issuer and the WA Lender (each acting reasonably) to be a Project Document.

"Project Tenement" means the following mining tenements:

- (a) M09/102;
- (b) M09/103;
- (c) M09/104;
- (d) M09/105;
- (e) M09/106;
- (f) M09/111;

- (g) M09/112;
- (h) E09/939;
- (i) E09/2355 (pending);
- (j) L09/21;
- (k) L09/43;
- (l) R09/2;
- (m) R09/3; and
- (n) R09/4 (pending),

and includes:

- (o) any present or future application, renewal, extension, modification, substitution, replacement, amalgamation, subdivision or variation of any of the above (whether extending over the same or a greater or lesser area); and
- (p) any tenement, lease, license, permit, agreement, document or instrument that the Issuer and the WA Lender agree to be a Project Tenement; and
- (q) any new tenement, lease, license, permit, agreement, document or instrument within the Project Area that is issued to the Issuer in connection with the Issuer’s exploration programme (if any).

"Proved Ore Reserve" has the meaning given to it in the JORC Code.

"Quarter End Date" means 31 March, 30 June, 30 September and 31 December in any year.

"Ramp Up Period" means the period that commences on the date that is 18 Months after the date of Financial Close, until and including the date that is 27 Months after the date of Financial Close, or such other commencement and end dates that are agreed between the Issuer and the WA Lender (and notified by the Issuer to the Bond Trustee).

"Relevant Jurisdiction" means the country in which the Bonds are issued, being Norway.

"Relevant Record Date" means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 17 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

"Repayment Date" means any date for payment and/or settlement in accordance with Clause 11 (*Instalments and Redemption*), Clause 12 (*Redemption and repurchase of Bonds*) (including the Call Option Repayment Date), any Default Repayment Date, any Tax Event Repayment Date or the Maturity Date.

"Review Event" means each of the following events or circumstances, whether or not it is in the control of any Obligor:

- (a) any person ceases to have or acquires, directly or indirectly, control of the Issuer or any other Obligor, where "control" has the meaning given to it in section 50AA of the Corporations Act; and
- (b) the shares of the Parent, listed on the ASX, are delisted or removed from the official list of the ASX, or are suspended from trading for a period of more than 5 consecutive trading days in any 12 Month period, and are not reinstated without any material adverse sanction.

"Royalty Obligations" means liabilities arising under or pursuant to:

- (a) any royalty payable to any Governmental Agency in connection with a Project Tenement;
- (b) any royalty payable on any native title or heritage agreement existing in respect of a Project Tenement at the date of the NAIF Facility;
- (c) any royalty payable on a tenement that becomes a Project Tenement after the date of the NAIF Facility, provided the royalty exists on the date it becomes a Project Tenement and was not created in contemplation of the acquisition by the Obligors; and
- (d) any other royalty approved by the WA Lender (such approval not to be unreasonably withheld).

"Secured Creditor" has the meaning given to that term in the Intercreditor Deed.

"Secured Creditor Agreement" means:

- (a) the NAIF Facility;
- (b) the Bond Terms;
- (c) any agreement entered into in connection with any Bond Refinancing;
- (d) (on accession of the WCF Lender to the Intercreditor Deed) the Working Capital Facility Agreement; and
- (e) any Hedging Agreement; and
- (f) any other "Secured Creditor Agreement" as that term is defined in the Intercreditor Deed.

"Secured Creditor Finance Documents" means all documents defined as a "Secured Document" in the Security Trust Deed.

"Secured Obligations" means, at any time, all obligations owing (including amounts that are payable, are owing but not payable or otherwise remain unpaid by an Obligor to a Secured Creditor under or in relation to any Secured Creditor Finance Document, as further defined in the Intercreditor Deed.

"Secured Bond Parties" means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

"Secured Property" means all of the assets of the Obligors which from time to time are the subject of the Transaction Security.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any "security interest" as defined in sections 12(1) or (2) of the PPSA.

"Security Agent" means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Bond Parties in accordance with any Security Agent Agreement or any other Finance Document.

"Security Agent Agreement" means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as security agent such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

"Security Trust Deed" means the security trust deed to be made between, among others, the Issuer, the Parent, the Bond Trustee, the WA Lender, the Intercreditor Agent (as defined therein) and the Security Trustee, pursuant to which all the Transaction Security is held on trust for the beneficiaries (with the exception of (i) the First Escrow Account Pledge, the First Bond Refinancing Reserve Account Pledge and the First Issuer GSD, which shall secure the Bonds only and be held by the Bond Trustee and (ii) the Second Escrow Account Pledge and the Second Bond Refinancing Reserve Account Pledge, which shall secure the Bonds in priority to any other Secured Obligation, and held by the Security Trustee).

"Security Trustee" means Global Loan Agency Services Australia Nominees Pty Limited (ACN 608 945 008), as common security agent for Secured Creditors.

"Senior Facility" means each of:

- (a) NAIF Facility; and
- (b) the Bonds (or, following redemption or repayment in full of the Bonds, any Bond Refinancing),

and **"Senior Facilities"** shall mean all of them. For the avoidance of doubt, "Senior Facility" and "Senior Facilities" shall exclude any Hedging Agreement.

"Subordinated Issuer Debt" means any unsecured debt in the form of a shareholder loan incurred by the Issuer from the Parent with interest capitalized until the Bonds are repaid or the Distribution Conditions are met by the Issuer on customary contractual subordinated terms satisfactory to the WA Lender. The Issuer acknowledges and agrees that the terms of such subordination shall include the grant of security by the Parent over its rights and interests in and to such debt.

"Subordinated Parent Debt" means any unsecured debt incurred by the Parent on customary contractual subordinated terms satisfactory to the WA Lender.

"Subsidiary" means a subsidiary within the meaning of Part 1.2 Division 6 of the Corporations Act.

"Summons" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

"**Sunset Financial Close Date**" means 30 September 2021 or such later date as the WA Lender may agree.

"**Sunset Project Completion Date**" means the date falling 33 Months after Financial Close.

"**Supplemental Agreement**" means the deed poll (if any) given by the Issuer and the Parent in favour of the WA Lender on or before the date of Financial Close containing any additional representations, undertakings, Defaults or Review Events for the purposes of the NAIF Facility.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Event Repayment Date**" means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 12.8 (*Early redemption option due to a tax event*).

"**Termination Date**" means

- (a) in relation to Facility B under the NAIF Facility, the date which is 15 years from the date of Financial Close; and
- (b) in relation to Facility C under the Facility, the date which is 15 years from the date of Financial Close.

"**Time to Complete Test**" means a test which will be satisfied by the Issuer providing to the WA Lender a Project Completion Cost to Complete Certificate, confirming that the date of Project Completion is reasonably likely to be achieved by the Sunset Project Completion Date.

"**Total Contribution**" means the Parent's raising of a minimum of AUD 115 million in the form of cash equity (the "**Equity**") with a subsequent injection of an amount equal to AUD 130 million in the Issuer, either as cash equity or Subordinated Issuer Debt or a combination thereof.

"**Transaction Document**" means each Finance Document, each other Secured Creditor Agreement.

"**Transaction Security**" has the meaning given to it in Clause 2.5 (*Transaction Security*).

"**Treasury Transaction**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Tripartite Deed**" means:

- (a) the deed between the Security Trustee, the Issuer and each other party to the Chemours Ilmenite Agreement;
- (b) the deed between the Security Trustee, the Issuer and each other party to the Nanjing Sanxiang Zircon Concentrate Agreement;
- (c) the deed between the Security Trustee, the Issuer and each other party to the Chilches Premium Zircon Agreement;
- (d) the deed between the Security Trustee, the Issuer and each other party to the Industrie Bitossi Premium Zircon Agreement;

- (e) the deed between the Security Trustee, the Issuer and each other party to the Venator Supply Agreement;
- (f) the deed between the Security Trustee, the Issuer and each other party to the Process Plant Design and Construct Contract;
- (g) the deed between the Security Trustee, the Issuer and each other party to the Mining Services Contract;
- (h) the deed between the Security Trustee, the Issuer and each other party to the Bulk Earthworks Contract;
- (i) the deed between the Security Trustee, the Issuer and each other party to the Electricity Supply Agreement;
- (j) the deed between the Security Trustee, the Issuer and each other party to the LNG Supply Contract;
- (k) the deed between the Security Trustee, the Issuer and each other party to the Camp Accommodation Contract;
- (l) the deed between the Security Trustee, the Issuer and each other party to the Port Services Contract;
- (m) on and from the date it is entered into, the deed between the Security Trustee, the Issuer and each other party to the Logistics Contract; and
- (n) any other document designated as such by the WA Lender and the Issuer.

"USD Debt Service Reserve Account" means the US dollar-denominated bank account opened or to be opened by the Issuer prior to Financial Close and designated as a "Debt Service Reserve Account", together with any replacement and substitute accounts opened with the prior written consent of the WA Lender, and sub-accounts of those accounts.

"USD Collection Account" means the US dollar-denominated bank account opened or to be opened by the Issuer prior to Financial Close and designated by the Issuer as a "Collection Account", together with any replacement and substitute accounts opened with the prior written consent of the WA Lender, and sub-accounts of those accounts.

"Venator Supply Agreement" means the Supply Agreement dated 2 March 2021 between the Issuer and Venator Americas LLC.

"Voting Bonds" means the Outstanding Bonds less the Issuer's Bonds.

"WA Lender" means The Ministerial body corporate preserved and continued pursuant to section 5 of the Industry and Technology Development Act 1998 (WA), as the lender of record, facilitated by the Northern Australia Infrastructure Facility ABN 83 960 779 392.

"WCF Lender" means the lender under the Working Capital Facility Agreement.

"WCP ITE Review" means a review of the Base Case Financial Model by the Independent Technical Consultant certifying that the amounts to be deposited into the WCP Relocation Reserve

Account under Clause 10.4 (*WCP Relocation Reserve Account*) are not less than 1/20th of the cost of the applicable relocation of the wet concentration plant.

"WHS Scheme" means the scheme established under the *Building and Construction Industry (Improving Productivity) Act 2016* (Cth).

"Working Capital Facility" means the facility agreement for working capital between, among others, the Issuer and any financial institution with a long term credit rating of A or higher by Standard & Poor's or a comparable rating from an internationally recognised credit rating agency, under which up to a maximum aggregate principal amount of AUD 15 million (or its equivalent in any other currency or currencies) is, pursuant to paragraph (d) of the definition of "Permitted Financial Indebtedness", permitted to be outstanding, and which does not have an obligation to clean down that is more onerous than a clean down to zero once per every 12 months (with a clean down period of no more than 5 Business Days).

"Written Resolution" means a written (or electronic) resolution for a decision making among the Bondholders, as set out in Clause 17.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of **"law"** is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a **"regulation"** includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a **"person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being **"redeemed"** means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being **"purchased"** or **"repurchased"** by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 13.1 (*Issuer's purchase of Bonds*); and
- (j) an Event of Default is **"continuing"** if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of USD 60,000,000.
- (b) The Bonds are dominated in USD and the Initial Nominal Amount of each Bond is USD 1.
- (c) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (d) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms other than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 17.1.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will use the net proceeds from the issuance of the Bonds (net of fees and legal cost of the Managers and the Bond Trustee and any other cost and expenses incurred in connection with the Initial Bond Issue) for development and ramp-up of the Project, including operating expenses during construction of the Project and corporate overheads (and including payments of interest on the Bonds).

2.4 Status of the Bonds

The Bonds and each other payment obligation under or in relation to the Finance Documents shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall be secured on a first priority basis on certain assets of the Obligors on a *pari passu* basis with the other Secured Obligations, subject to the waterfall provisions of the Intercreditor Deed, and otherwise rank at least *pari passu* with the claims of the Obligors' other unsecured creditors, except for obligations which are mandatorily preferred by law. All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.

2.5 Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted no later than at the Issue Date, as described under and subject to the terms of Clause 6.1 (*Pre- Settlement Conditions Precedent*) (the "**Pre-Settlement Security**):

From the Issuer:

- (i) a first priority Norwegian law pledge granted by the Issuer over the Escrow Account and any claim against the escrow agent under the escrow arrangement for such account granted in favour of the Bond Trustee and the Bondholders only (the "**First Escrow Account Pledge**");
- (ii) a first priority Norwegian law pledge granted by the Issuer over the Bond Refinancing Reserve Account and any claim against the escrow agent under the escrow

arrangement for such account granted in favour of the Bond Trustee and the Bondholders only (the "**First Bond Refinancing Reserve Account Pledge**"); and

- (iii) an Australian law general security deed granted by the Issuer in favour of the Bond Trustee over assets of the Issuer (to be released on the grant of the Australian law general security deed by the Issuer in favour of the Security Trustee as part of the Pre-First Release Security) (the "**First Issuer GSD**").
- (b) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Trustee no later than at the date of First Release, as described under and subject to the terms of Clause 6.2 (*Pre-First Release Conditions Precedent*) (the "**Pre-First Release Security**"):

From the Issuer:

- (i) a second priority Norwegian law pledge to be granted by the Issuer over the Escrow Account and any claim against the escrow agent under the escrow arrangement for such account granted in favour of the Security Trustee (the "**Second Escrow Account Pledge**");
- (ii) a second priority Norwegian law pledge to be granted by the Issuer over the Bond Refinancing Reserve Account and any claim against the escrow agent under the escrow arrangement for such account granted in favour of the Security Trustee ("**Second Bond Refinancing Reserve Account Pledge**");
- (iii) an Australian law general security deed between the Issuer and the Security Trustee in respect of all present and future assets of the Issuer;
- (iv) an Australian law mortgage of the Pastoral Lease between the Issuer and the Security Trustee; and
- (v) each Account Bank Deed.

From the Parent:

- (i) the Guarantee (to be contained in the Security Trust Deed for the benefit of all Secured Creditors);
- (ii) the Featherweight Security Deed; and
- (iii) an Australian law specific security deed between the Parent and the Security Trustee in respect of all shares in the Issuer.

The Security and Guarantee(s) listed to in paragraph (a) and (b) of this Clause 2.5 (*Status of the Bonds*) are hereinafter referred to as the "**Transaction Security**" and the agreements, documents and instruments documenting the granting, terms and perfection thereof are referred to as the "**Security Documents**".

- (c) The Transaction Security (with the exception of the First Escrow Account Pledge, the First Bond Refinancing Reserve Account Pledge and the First Issuer GSD, which shall secure the Bondholders only and with the exception of the Second Escrow Account Pledge and the Second Bond Refinancing Reserve Account Pledge which ranks first to the Bonds and

second to the other Secured Creditors) shall constitute a joint first priority Security for the Secured Creditors under the Secured Creditor Agreements (as further set out in the Intercreditor Deed). The Transaction Security may be formally registered or otherwise formally perfected with a different priority, provided that this will not affect the contractually agreed priorities in the Intercreditor Deed.

- (d) The Transaction Security shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Bond Parties under the relevant document.
- (e) On and from the date of Project Completion, the Parent's obligations under the Guarantee and the recourse of the Security Trustee and each Secured Creditor to the Parent under the Guarantee will automatically cease without the need for any action or thing to be undertaken by or on behalf of any party.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and

effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

- (c) Each Bondholder has the right to request and receive copies of information received by the Bond Trustee (pursuant to these Bond Terms) directly from the Issuer, subject to such Bondholder:
 - (i) sending a written request to that effect to the Bond Trustee together with evidence of ownership of Bonds (whereby the Bond Trustee shall pass such request on to the Issuer); and
 - (ii) entering into a confidentiality agreement with the Issuer which shall substantially be in the same form as that provided to the Bondholders prior to the date of these Bond Terms, except for any changes reasonably required by the Issuer (taking into consideration the type of information requested and the Issuer's obligations in respect of any applicable stock exchange rules and regulations).

4. ADMISSION TO LISTING

- (a) The Issuer shall within twelve (12) Months of the Issue Date apply for the Bonds to be admitted to listing on the Exchange.
- (b) For the avoidance of doubt:
 - (i) any failure by the Issuer to comply with clause 4(a) shall not be an Event of Default under clause 16.4 (*Other obligations*); and
 - (ii) clause 14.3 (*Listing Failure Event*) shall apply in respect of any failure by the Issuer to comply with clause 4(a).

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Pre- Settlement Conditions Precedent

Payment of the net proceeds from the issuance of the Bonds to the Issuer to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond

Trustee) on or prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee (the "**Pre-Settlement Conditions Precedent**"):

- (a) the Bond Terms duly executed by all parties hereto;
- (b) the Bond Trustee Fee Agreement duly executed by the parties thereto;
- (c) the Pre-Settlement Security duly executed by all parties thereto and perfected in accordance with applicable law (including acknowledgment from NT Services and the escrow bank confirming their waiver of set-off right (as relevant));
- (d) certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party and which are required to be in place as conditions precedent to issuance of Bonds;
- (e) certified copies of all necessary corporate resolutions of the Parent to execute the Finance Documents to which it is a party which are required to be in place as conditions precedent to issuance of Bonds;
- (f) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party which are required to be in place as conditions precedent to issuance of Bonds, or extracts from the Australian Securities and Investments Commission (ASIC) register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
- (g) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Parent to relevant individuals for their execution of the Finance Documents to which it is a party which are required to be in place as conditions precedent to issuance of Bonds, or extracts from the ASIC register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Parent;
- (h) certified copies of the Issuer's articles of association and of a company extract from the register maintained by ASIC in respect of the Issuer evidencing that the Issuer is validly existing;
- (i) certified copies of the Parent's articles of association and of a company extract from the register maintained by ASIC in respect of the Parent evidencing that the Parent is validly existing;
- (j) copies of the Issuer's latest Financial Reports (being its unaudited financial statements for its financial year ended 30 June 2020);
- (k) copies of the Parent's latest Financial Reports (being its audited consolidated financial statements of the Group for its financial year ended 30 June 2020);
- (l) evidence that an amount equal the aggregate of (i) the difference between the gross proceeds and the net proceeds of the Initial Bond Issue, (ii) a sum equal to 1% of the Initial Bond Issue amount, and (iii) an amount equal to the anticipated sum of all interest to accrue on the Initial Bond Issue amount from the Issue Date to the Equity Raise Long Stop Date (together the "**Top-Up Amount**"), has been transferred to the Escrow Account;

- (m) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation, Regulation (EU) (2017/1129)) concerning the issuance of the Bonds have been fulfilled;
- (n) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
- (o) a certificate from the Issuer confirming that the Bond Issue would not cause any borrowing, issuance, or similar limit binding on it to be exceeded or breached;
- (p) confirmation in writing from the Issuer that no Event of Default has occurred or is likely to occur as a result of the issuance of the Bonds;
- (q) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
- (r) appointment of process agent under Norwegian law; and
- (s) legal opinions or other statements, addenda, agreements or approvals as may be required by the Bond Trustee and agreed with the Issuer to be delivered as pre-settlement conditions precedent (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).

The Bond Trustee, acting in its sole discretion, may waive or postpone the delivery of one or more conditions precedent or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Pre-First Release Conditions Precedent

The first release of funds from the Escrow Account (the "**First Release**") shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) on or prior to the date of First Release each of the following documents, in form and substance satisfactory to the Bond Trustee (the "**Pre-First Release Conditions Precedent**"):

- (a) a duly executed Escrow Account Release Notice;
- (b) confirmation in writing from the Issuer that it has no Financial Indebtedness or provided any Security or Financial Support other than that expressly permitted under the Finance Documents and that no Event of Default has occurred or is likely to occur as a result of the release of the net proceeds;
- (c) copies of the Finance Documents (unless delivered Pre-Settlement) duly executed by the parties thereto;
- (d) a group structure chart for the Group;
- (e) the Intercreditor Deed duly executed by all relevant parties;
- (f) the Security Trust Deed (incorporating the Parent's completion guarantee);
- (g) evidence that all Project Assets (other than any Project Tenement which is "pending" as at the date of Financial Close) are in the name of the Issuer (including, but not limited to, a certified copy of any assignment deed, deed of covenant or other document required under any Project Document to properly assign, transfer or novate the Parent's right and obligations under that Project Document to the Issuer);

- (h) all Pre-First Release Security duly executed by all parties thereto and perfected in accordance with applicable law;
- (i) each Tripartite Deed (other than the Tripartite Deed listed at paragraph (m) of the definition of that term in respect of the Logistics Contract);
- (j) a certified copy, duly executed by each of the parties thereto, of each Project Document (other than the Project Document listed at paragraph (i) of the definition of that term);
- (k) evidence that the Equity has been raised and that the Total Contribution has been contributed to the Issuer and deposited into the Issuer's Collection Accounts and (to the extent required to satisfy the Pre-First Release Conditions Precedent described in paragraph (l) of this Clause 6.2 (*Pre-First Release Conditions Precedent*)) the Cost Overrun Account;
- (l) evidence that the Cost Overrun Account holds a cash balance of AUD 11,000,000;
- (m) written evidence that the Total Contribution, excluding the Cost Overrun Proceeds withheld in the Cost Overrun Account, has been fully utilized towards the Project or will be fully utilized together with the first release of the bond proceeds and the first utilisation of the NAIF Facility (the "**Equity Spend Condition**");
- (n) the Base Case Financial Model (including the Life of Mine Plan) which has been agreed between the Issuer and the WA Lender;
- (o) evidence that under the Offtake Agreements which exist at Financial Close:
 - (i) the minimum aggregate total amount payable by the counterparties to the Issuer under the Offtake Agreements for the purchase of Product (after taking into account any quantity reduction clause contained in any Offtake Agreement) for the first 5 years after the earliest date on which commercial production (as defined or determined under the Offtake Agreements) at the Project is forecast to commence (as certified by the Issuer, confirmed by the Independent Technical Consultant and accepted by the WA Lender) is equal to at least 75% of Operating Revenue for that period;
 - (ii) the backstop date or the deadline for satisfaction of any condition precedent (in each case, however described) with respect to the commencement of the purchase obligations of the offtaker under each Offtake Agreement referred to in paragraph (o)(i) of this Clause 6.2 (*Pre-First Release Conditions Precedent*) is (in the case where such backstop date or condition precedent deadline is prescribed in that Offtake Agreement) no earlier than the date on which commercial production (as defined or determined under the relevant Offtake Agreement) at the Project is forecast to commence plus 3 months, as certified by the Issuer, confirmed by the Independent Technical Consultant and accepted by the WA Lender; and
 - (iii) a proportion of the material Product (including premium zircon, zircon, chloride ilmenite and rutile) are covered by those Offtake Agreements;
- (p) evidence that all relevant licences, rights and other regulatory approvals or Authorisations (including environmental, native title and other regulatory Authorisations) required by the Obligors to undertake the Project (other than the Denham Road Project) have been granted

to the Issuer and are in full force and effect (including satisfaction of any conditions required under those licences, rights and other regulatory approvals or Authorisations;

- (q) evidence that the Project Accounts have been opened and are being maintained;
- (r) evidence that the Collection Accounts hold an aggregate cash balance not less than the Minimum Unrestricted Cash Balance;
- (s) evidence that each insurance policy required under the Bond is in full force and effect (such evidence to be either certified copies of each insurance policy and confirmations of currency or a "certificate of insurance" from the Issuer's insurance broker describing the insurance coverage and loss payees) with the Security Trustee noted as loss payee as required under the Bond;
- (t) confirmation from the Issuer evidencing that Financial Close has occurred; and
- (u) legal opinions or other statements, addenda, agreements or approvals as may be required by the Bond Trustee and agreed with the Issuer to be delivered as conditions precedent for the issuance of Bonds (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).

The Bond Trustee, acting in its sole discretion, may waive or postpone the delivery of one or more conditions precedent or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.3 Disbursement of the proceeds

- (a) Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Pre- Settlement Conditions Precedent*) and Clause 6.2 (*Pre-First Release Conditions Precedent*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to Clause 6.1 (*Pre- Settlement Conditions Precedent*) and Clause 6.2 (*Pre-First Release Conditions Precedent*) above.
- (b) Subsequent releases of proceeds from the Bond Escrow Account are subject to the delivery of new Escrow Account Release Notices and the Issuer may not issue more than one (1) Escrow Account Release Notice in any month. Each utilisation or drawdown (however described) of Facility B under the NAIF Facility and of the Bonds shall occur on a pro-rata basis (to the extent reasonably practicable), and using the AUD equivalent (determined by reference to the Base Case Financial Model) of the Initial Bond Issue amount set at Financial Close) (the "**Bond Pro Rata Utilisation**").
- (c) Promptly following receipt, the Issuer must give a notice to the Bond Trustee (and the WA Lender) confirming the receipt of the proceeds of both the utilisation of Facility B under the NAIF Facility and the Bond Pro Rata Utilisation, and the applicable amounts.
- (d) The Issuer must hold all proceeds of each Bond Pro Rata Utilisation in the Collection Accounts and may not withdraw such proceeds from the Collection Accounts, until the Issuer has received the proceeds of both the utilisation of Facility B under the NAIF Facility and the Bond Pro Rata Utilisation into the Collection Accounts.

- (e) The Bond Trustee will make no assessment or evaluations in respect of the instructions and confirmations set out in the release notice. For the avoidance of doubt, the Bond Trustee will not and may not release any amount from the Bond Escrow Account unless the relevant release notice is accompanied by the evidence as aforesaid.
- (f) If the Physical Cost to Complete Test or the Project Cost to Complete Test (as applicable) is not satisfied even after taking into account the Cost Overrun Proceeds that form part of the Committed Funding, it will operate as a draw stop to any further release of funds from the Escrow Account until additional Committed Funding is obtained by the Issuer and the Physical Cost to Complete Test or the Project Cost to Complete Test (as applicable) can be satisfied.

7. REPRESENTATIONS AND WARRANTIES

The Obligors make the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each other Obligor to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms;
- (b) at the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account.

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
 - (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,
- have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the GAAP, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Permitted Security and Permitted Financial Indebtedness

- (a) The Secured Property is not subject to any Security other than Permitted Security.
- (b) No Obligor has provided or incurred any Financial Indebtedness other than Permitted Financial Indebtedness.

7.14 Good title to assets

It has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted.

7.15 Shares

The shares, membership or other interests, or other securities in or issued by any Obligor which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional or other documents of entities whose shares, membership or other interests, or other securities are subject to the Transaction Security do not and could not restrict or inhibit any transfer or creation or enforcement of the Transaction Security.

7.16 Security

- (a) To the extent that it has entered into any Transaction Security document, it is the sole legal and beneficial owner of the assets over which Security is purported to be given under that Transaction Security document, subject to Permitted Security.
- (b) To the extent that it has entered into a Transaction Security document that creates, or purports to create, Security over any shares, the shares over which such Security has been created, or purported to be created, constitute the entire issued share capital of the relevant person that has issued shares.
- (c) All of the Security which constitutes real property or tangible personal property is, or where installed pursuant to the Project Documents, will be, located in the Project Area.

7.17 Land Claims

Except as otherwise disclosed in writing, no land claims, occupation rights or sacred site claims (whether or not recognised by law) have been asserted in respect of all or any part of the Project from, by or with any person in relation to any estate or interest in the land used in connection with the Project (including the Project Area) which is held by that person or owner because that person is indigenous or is a traditional owner.

7.18 No immunity

Neither it nor its assets has immunity from the jurisdiction of a court or from legal process.

7.19 Ownership of assets

The Issuer:

- (a) on and from Financial Close, is the sole legal and beneficial owner of the Project and all other Project Assets, free from Security other than Permitted Security;
- (b) has good and marketable title to all assets which are reflected in the latest audited financial statements;
- (c) on and from Financial Close, has:

- (i) good and valid rights to use, occupy or access (as applicable) the Project Area by way of good and valid leasehold title, easement rights, land use permits, right of access or entry or similar rights and interests; and
- (ii) the right to use all easements, wayleaves, rights of way and other rights (including water rights) necessary or desirable to implement the Project.

7.20 Base Case Financial Model

The Base Case Financial Model:

- (a) is based on reasonable assumptions;
- (b) is not inconsistent with the requirements in relation to the Project Documents and the Transaction Documents;
- (c) has been prepared in good faith and with due care; and
- (d) fairly represents the Issuer's expectations.

7.21 Partnerships and Joint Ventures

The Issuer is not a limited or general partner in any partnership or a joint venturer in any joint venture or a member in any limited liability company.

7.22 Utilities

All utility services necessary for the construction and operation of the Project for the intended purposes are available at or to the Project Area or will be available as and when required on commercially reasonable terms.

7.23 Roads

All roads necessary for the full utilisation of the Project for its intended purposes under the Project Documents have either been completed or the necessary rights of way therefor have been or will be acquired at the time they are required for the Project (which for the avoidance of doubt, shall not include the Denham Road Project).

7.24 Expropriation

- (a) It has not received notice of any material proposed rezoning of all or any part of the Project Area.
- (b) It has not received notice of any material expropriation of all or any part of the Project Area.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made

by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.

- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest and Listing Failure Event interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 0.10 (zero point ten) percentage point per annum.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 16.25 (*Acceleration of the Bonds*), or

- (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST AND AMORTISATION

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis).

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. ACCOUNTS

10.1 Escrow Account - additional top-up and release on Escrow Account

- (a) In the event the Equity Raise Long Stop Date, pursuant to a request being made by the Issuer and approved pursuant to the voting provisions in the Intercreditor Deed, is extended, the Issuer shall as a condition for such extension evidence that an amount equal the aggregate of all interest to accrue from the existing Equity Raise Long Stop Date to the extended the Equity Raise Long Stop Date has been transferred to the Escrow Account.
- (b) If the Total Contribution is completed and all Transaction Security are established on or before the Equity Raise Long Stop Date or (if extended under Clause 10.1 (a) (*Escrow Account – additional top-up and release on Escrow Account*) above) the extended Equity Raise Long Stop Date, the Top-Up Amount (that was deposited as a Pre- Settlement Conditions Precedent) plus (to the extent relevant) any additional amounts deposited pursuant to Clause 10.1 (a) (*Escrow Account – additional top-up and release on Escrow Account*) above shall at the Issuer's request be released from the Escrow Account and returned to the Issuer within 7 Business Days.
- (c) If the Equity Raise Long Stop Date has passed and the Issuer has deposited amounts pursuant to Clause 12.2 (b) (*Mandatory Long Stop Redemption*) below , and then, pursuant to a request being made by the Issuer and approved pursuant to the voting provisions in the Intercreditor Deed, the Long Stop Date is extended, the Issuer shall as a condition for such extension evidence that an amount equal the aggregate of all interest to accrue from the existing Long Stop Date to the extended Long Stop Date has been transferred to the Escrow Account.
- (d) If the Pre-First Release Conditions Precedent (other than the Equity Spend Condition) are satisfied on or before the Long Stop Date or (if extended under Clause 10.1 (c) (*Escrow Account – additional top-up and release on Escrow Account*) above) the extended Long Stop Date, the Top-Up Amount (that was deposited as a Pre-Settlement Conditions Precedent) plus (to the extent relevant) all amounts deposited pursuant to Clause 10.1 (a) and (c) (*Escrow Account – additional top-up and release on Escrow Account*) above, and pursuant to Clause 12.2 (b) (*Mandatory Long Stop Redemption*) below , shall at the Issuer's Request be released from the Escrow Account and returned to the Issuer within 7 Business Days.

10.2 Bond Refinancing Reserves Account

- (a) If a Lock Up Cash Sweep Event occurs and while it is continuing, the Issuer must apply 100% of the Cash Sweep Excess Cashflow (a "**Lock Up Amount**") in mandatory prepayment of the Senior Facilities (the "**Lock Up Cash Sweep and Mandatory Prepayment**"). Each prepayment must be made on or before the Cash Share or Lock Up Cash Sweep Date that occurs immediately after delivery of the Compliance Certificate that demonstrates the Lock Up Cash Sweep Event.
- (b) On the first Cash Share or Lock Up Cash Sweep Date arising after a Lock Up Cash Sweep Event ceases to continue, the Issuer must apply the difference between:

- (i) the aggregate amount available in the Collection Accounts on the immediately preceding Quarter End Date after all amounts set out in paragraphs (a) to (k) (inclusive) of Clause 10.10 (*Waterfall - Withdrawals post Ramp Up Period*) have been paid at each such Quarter End Date; and
- (ii) the Minimum Unrestricted Cash Balance,

in mandatory prepayment of the Senior Facilities, up to the Catch-up Sweep Amount. In the event that there is an insufficient aggregate cash balance in the Collection Accounts (less the Minimum Unrestricted Cash Balance) on that Cash Share or Lock Up Cash Sweep Date to pay the Catch-up Sweep Amount in mandatory prepayment in accordance with this paragraph, then the Issuer must pay:

- (i) the aggregate cash balance in the Collection Accounts (less the Minimum Unrestricted Cash Balance) on that first Cash Share or Lock Up Cash Sweep Date in mandatory prepayment of the Senior Facilities; and
 - (ii) on each subsequent Cash Share or Lock Up Cash Sweep Date, the aggregate cash balance in the Collection Accounts (less the Minimum Unrestricted Cash Balance) in mandatory prepayment of the Senior Facilities until the whole of the Catch-up Sweep Amount has been applied in prepayment.
- (c) Any Equity Cure Amount received by the Issuer must be applied in prepayment of the Senior Facilities (the "**Equity Cure Amount Mandatory Prepayment**").
 - (d) Prepayment of Bonds pursuant to the Lock Up Cash Sweep and Mandatory Prepayment and Equity Cure Amount Mandatory Prepayment shall take place by transfer of such funds to the Bond Refinancing Reserve Account.
 - (e) Any prepayment due to a Lock Up Cash Sweep and Mandatory Prepayment and Equity Cure Amount Mandatory Prepayment shall, subject to the Intercreditor Deed, be applied against each Senior Facility on a pro-rata basis equal to the proportion borne by the total principal outstanding amount under each Senior Facility to the total amount being prepaid, where, in the case of the Bonds, the total principal outstanding amount shall be calculated to be net of any amount standing to the credit of the Bond Refinancing Reserve Account.
 - (f) The Issuer shall have the right to use the fund deposited in the Bond Refinancing Reserve Account to redeem the Bonds in whole or in parts in accordance in accordance with Clause 12.1 (*Voluntary early redemption – call option*).
 - (g) Subject to the Intercreditor Deed, on each Cash Share or Lock Up Cash Sweep Date, the Issuer shall transfer to the Bond Refinancing Reserve Account 15% of any Cash Share Excess Cash until the amount deposited in the Bond Refinancing Reserve Account is equal to the total amount of Outstanding Bonds and accrued interest) (the "**Cash Sharing**").

10.3 Collection Accounts

The Issuer shall procure that the following amounts are paid into the Collection Accounts:

- (a) proceeds of all sales of Product;
- (b) all amounts received by the Issuer under or in relation to any Hedging Agreement;

- (c) all amounts received by the Issuer under any Project Document whether by way of liquidated damages or other amounts;
- (d) any interest and other earnings on the Collection Accounts;
- (e) the proceeds of all loans drawn by the Issuer under the NAIF Facility;
- (f) the proceeds of all "loans", "drawdowns" or "utilisations" (however described) of any other Secured Creditor Agreement;
- (g) all amounts received by the Issuer in connection with Subordinated Issuer Debt or any equity contribution;
- (h) any transfers from the Debt Service Reserve Accounts under paragraphs (e), (f) and (g) of Clause 10.5 (*Debt Service Reserve Accounts*);
- (i) any transfers from the WCP Relocation Reserve Account under paragraphs (d) and (e) of Clause 10.4 (*WCP Relocation Reserve Account*); and
- (j) the proceeds received by the Issuer from a Permitted Disposal (other than a Permitted Disposal under paragraph (c) of the definition of Permitted Disposal).

10.4 WCP Relocation Reserve Account

- (a) The Issuer shall open and maintain the WCP Relocation Reserve Account.
- (b) On and from the date that is five (5) years prior to each scheduled relocation of the wet concentration plant (as determined in the Base Case Financial Model), the Issuer shall make payments to the WCP Relocation Reserve Account on each Quarter End Date equal to 1/20th of the projected cost of the relocation of the applicable wet concentration plant as modelled in the Base Case Financial Model and reviewed and certified by the Independent Technical Consultant until the date of the applicable relocation of the wet concentration plant. It is acknowledged that under the Base Case Financial Model wet concentration plant relocations occur in years 8 and 10 of operations and so on certain Quarter End Dates the Issuer will be making payments under this paragraph (b) of this Clause 10.4 (*WCP Relocation Reserve Account*) in respect of 2 relocations.
- (c) Other than as provided under paragraphs (d) and (e) of this Clause 10.4 (*WCP Relocation Reserve Account*), no amount may be withdrawn from the WCP Relocation Reserve Account.
- (d) The Issuer may, at any time, with two (2) Business Days' notice to the Bond Trustee and the WA Lender and to the extent that it otherwise would not have sufficient funds available in the Collection Accounts, withdraw amounts from the WCP Relocation Reserve Account and deposit those amounts into the AUD Collection Account in or towards payment of any costs and expenses incurred at that time in connection with the relocation of the wet concentration plant.
- (e) If there is any amount standing to the credit of the WCP Relocation Reserve Account after all amounts payable or forecast to be payable in connection with the relocation of the wet concentration plant have been paid, the Issuer may transfer that amount to the AUD Collection Account.

10.5 Debt Service Reserve Accounts

- (a) The Issuer shall open and maintain the Debt Service Reserve Accounts.
- (b) Subject to paragraph (c) of this Clause 10.5 (*Debt Service Reserve Accounts*), the Issuer shall make payments to the Debt Service Reserve Accounts insofar as required to ensure that the amounts standing to the credit of the Debt Service Reserve Accounts is (in aggregate) at least equal to the DSRA Required Balance at each Quarter End Date following the end of the Ramp Up Period or (if earlier), following the date of Project Completion.
- (c) If, at any time, the aggregate balance of the Debt Service Reserve Accounts is less than the DSRA Required Balance, the Issuer must, no later than 30 days after the date the balance falls below the DSRA Required Balance, make payments to the Debt Service Reserve Accounts necessary to ensure that the amounts standing to the credit of the Debt Service Reserve Accounts is (in aggregate) at least equal to the DSRA Required Balance.
- (d) Other than as provided under paragraphs (e), (f) and (g) of this Clause 10.5 (*Debt Service Reserve Accounts*), no amount may be withdrawn from the Debt Service Reserve Accounts.
- (e) The Issuer may, at any time, with two (2) Business Days' notice to the Bond Trustee and the WA Lender and to the extent that it otherwise would not have sufficient funds available in the Collection Accounts, withdraw amounts from a Debt Service Reserve Account in or towards payment of any amounts due but unpaid under the Secured Creditor Agreements (other than in case of any illegality or voluntary prepayment of redemption). The Issuer will not be taken to have failed to comply with its obligation to ensure the amount standing to the credit of the Debt Service Reserve Accounts is at least equal to the DSRA Required Balance as a result of any withdrawal in accordance with this paragraph (e) of this Clause 10.5 (*Debt Service Reserve Accounts*) if the amount standing to the credit of the Debt Service Reserve Accounts is at least equal to the DSRA Required Balance on or before the date that is ten (10) days from the date of that withdrawal.
- (f) If at any time the balance of the Debt Service Reserve Accounts exceeds the DSRA Required Balance, the Issuer may transfer the net excess amount standing to the credit of the Debt Service Reserve Accounts to the USD Collection Account or the AUD Collection Account (as applicable).
- (g) If the aggregate balance of each Collection Account is not sufficient to fully satisfy all the payments required under paragraphs (a) through (f) of Clause 10.8 (*Waterfall - Withdrawals pre and during Ramp Up Period*) or required under paragraphs (a) through (g), (k) and (l) of Clause 10.10 (*Waterfall - Withdrawals post Ramp Up Period*), Bond Trustee is irrevocably authorised to withdraw from the USD Debt Service Reserve Account the amount required to satisfy those payments in full or, if the balance of the USD Debt Service Reserve Account is insufficient, to the maximum extent possible.

10.6 Insurance Proceeds Accounts

- (a) The Issuer shall open and maintain the Insurance Proceeds Account.
- (b) The Issuer shall procure that any insurance proceeds (other than for business interruption, consequential loss or third party or public liability) insurance) received by or for the account of an Obligor are immediately deposited or transferred to the Insurance Proceeds Account.

- (c) Other than as provided under paragraph (d) of this Clause 10.6 (*Insurance Proceeds Account*), no amount may be withdrawn from the Insurance Proceeds Account.
- (d) The Issuer may not withdraw or transfer any amount from the Insurance Proceeds Account other than as permitted and in accordance Clause 12.5 (*Mandatory Prepayment and Redemption Events – Insurance mandatory redemption*).

10.7 Cost Overrun Account

- (a) The Issuer shall open and maintain the Cost Overrun Account.
- (b) Other than as provided under paragraph (c) of this Clause 10.7 (*Cost Overrun Account*), no amount may be withdrawn from the Cost Overrun Account.
- (c) The Issuer may not withdraw or transfer any amount from the Cost Overrun Account other than:
 - (i) to include the Cost Overrun Proceeds in the Committed Funding for the purposes of satisfying the Project Completion Cost to Complete and (where applicable) the Physical Completion Cost to Complete Test, provided that the Cost Overrun Conditions have been satisfied, in which case such Cost Overrun Proceeds shall be applied for those purposes;
 - (ii) if Project Completion has been achieved (which in this case may exclude the requirement that the Debt Service Reserve Accounts are funded to the DSRA Required Balance), to transfer the Cost Overrun Proceeds as follows:
 - (A) to the AUD Debt Service Reserve Account (to the extent required to ensure that the amounts standing to the credit of the Debt Service Reserve Accounts is (in aggregate) at least equal to the DSRA Required Balance); and
 - (B) any surplus after transfer to the AUD Debt Service Reserve Account in accordance with paragraph (c)(ii)(A) of this Clause 10.7 (*Cost Overrun Account*), to the Parent in repayment of Subordinated Issuer Debt; or
 - (iii) otherwise as the Bond Trustee and the WA Lender permits.

10.8 No withdrawal

If an Event of Default has occurred and is continuing:

- (a) no amount will be payable to any Obligor from any Pledged Account;
- (b) no amount may be withdrawn by any Obligor, from any Pledged Account;
- (c) the Bond Trustee shall be authorised to take all necessary measures to effectuate any required payment from the Escrow Account or Bond Refinancing Reserve Account, including to the extent applicable redeem Outstanding Bonds applying the funds deposited on the Escrow Account or Bond Refinancing Reserve Account for such redemption (and, if required, make any currency exchange in their sole discretion convert the proceeds USD prior to returning the proceeds to the Bondholders); and
- (d) the Secured Creditors (or the Security Trustee on behalf of the Secured Creditors) will, subject to the terms of the Intercreditor Deed and to the fullest extent under all applicable

laws and pursuant to the applicable Account Bank Deeds, be entitled (but not obliged) without prior notice to, or the consent of, any Obligor, to take control of, and to be the sole signatory on all Project Accounts.

10.9 Waterfall - Withdrawals pre and during Ramp Up Period

Unless otherwise agreed by the Bond Trustee (on behalf of the Bondholders) and the WA Lender, prior to and during the Ramp Up Period, withdrawals from the Collection Accounts may only be made to pay or meet the following amounts in the following order of priority as and when those amounts fall due:

- (a) **(Taxes and royalties)** all Taxes and any royalty payable to any Governmental Agency in connection with a Project Tenement;
- (b) **(Fees and costs)** fees, expenses and costs due under a Secured Creditor Agreement, including fees and expenses of the Security Trustee and Bond Trustee;
- (c) **(Costs and expenses)** Operating Costs (other than amounts covered by paragraph (b) of this Clause 10.9 (*Waterfall - Withdrawals pre and during Ramp Up Period*)) and Project Costs payable including any payments to Hedge Counterparties under Hedging Agreements (other than termination amounts);
- (d) **(Interest payments)** any interest due and payable under any Secured Creditor Agreement;
- (e) **(Hedge termination and working capital facility payments)** termination amounts payable to the Hedge Counterparties under the Hedging Agreements (if any) and scheduled repayments of principal under the Working Capital Facility Agreement (to the extent that such principal is not redrawn);
- (f) **(Mandatory prepayments)** mandatory prepayments due to illegality under the NAIF Facility and the related pro-rata prepayment under the Bonds, mandatory prepayment and redemption under Clause 12.5 (Mandatory Prepayment and Redemption Events – Insurance mandatory redemption) and Clause 12.6 (Mandatory Prepayment and Redemption Events – asset sale) and Denham Road Project mandatory prepayment as set out in the NAIF Facility (if any);
- (g) **(Debt Service Reserve Accounts)** necessary payments to the Debt Service Reserve Accounts to ensure that the aggregate amount standing to the credit of the Debt Service Reserve Accounts is at least equal to the DSRA Required Balance; and
- (h) **(Voluntary prepayments)** voluntary prepayments (or related pro-rata prepayments) under any Secured Creditor Agreement.

10.10 Waterfall - Withdrawals post Ramp Up Period

Unless otherwise agreed by the Bond Trustee (on behalf of the Bondholders) and the WA Lender, after the last day of the Ramp Up Period, withdrawals from the Collection Accounts may only be made to pay or meet the following amounts in the following order of priority as and when those amounts fall due:

- (a) **(Taxes and royalties)** Taxes and any royalty payable to any Governmental Agency in connection with a Project Tenement;

- (b) **(Fees and costs)** fees, expenses and costs due under or in relation to a Secured Creditor Agreement, including fees and expenses of the Security Trustee and Bond Trustee;
- (c) **(Costs and expenses)** Operating Costs (other than amounts covered by paragraph (b) of this Clause 10.10 (*Waterfall - Withdrawals post Ramp Up Period*)) and Project Costs payable, including any payments to Hedge Counterparties under Hedging Agreements (other than termination amounts);
- (d) **(Interest payments)** any interest due and payable under the Secured Creditor Agreements;
- (e) **(Bond, hedging and working capital facility repayments)** scheduled repayments of principal under the Bonds, termination amounts payable to the Hedge Counterparties under the Hedging Agreements (if any) and scheduled repayments of principal under the Working Capital Facility Agreement (to the extent that such principal is not redrawn);
- (f) **(Secured Creditor Agreement repayments)** if no amount remains outstanding under the Bond, scheduled repayments under the other Secured Creditor Agreements (other than amounts already covered under paragraph (e) of this Clause 10.10 (*Waterfall - Withdrawals post Ramp Up Period*));
- (g) **(Mandatory prepayments)** mandatory prepayments due to illegality under the NAIF Facility and the related pro-rata prepayment under the Bonds, mandatory prepayment and redemption under Clause 12.5 (*Mandatory Prepayment and Redemption Events – Insurance mandatory redemption*) and Clause 12.6 (*Mandatory Prepayment and Redemption Events – asset sale*) and Denham Road Project mandatory prepayment as set out in the NAIF Facility (if relevant);
- (h) **(Debt Service Reserve Accounts)** necessary payments to the Debt Service Reserve Accounts to ensure that the aggregate amount standing to the credit of the Debt Service Reserve Accounts is at least equal to the DSRRA Required Balance;
- (i) **(WCP Relocation Reserve Account)** necessary payments to the WCP Relocation Reserve Account in accordance with Clause 10.4 (b) (*WCP Relocation Reserve Account*);
- (j) **(Lock Up Amount)** any Lock Up Amount required to be paid out of the Collection Accounts under Clause 10.2 (a) (*Bond Refinancing Reserves Account*);
- (k) **(Catch-up Sweep Amount)** any Catch-up Sweep Amount required to be paid out of the Collection Accounts under Clause 10.2 (b) (*Bond Refinancing Reserves Account*);
- (l) **(Cash Share payments)** any amount payable as Cash Sharing in accordance with Clause 10.2 (g) (*Bond Refinancing Reserves Account*);
- (m) **(Voluntary prepayments)** voluntary prepayments (or related pro-rata prepayments) under any Secured Creditor Agreement;
- (n) **(Distributions)** Permitted Distributions by the Issuer; and
- (o) **(Other)** making such other withdrawals for such purposes as the Issuer may decide, provided such purpose is permitted under the relevant agreements.

11. INSTALMENTS AND REDEMPTION

- (a) The Bonds will be repaid by the Issuer in the following instalments (the "**Quarterly Instalment Amounts**"):

Due date on Interest Payment Date in:	Instalment amount:
March 2024	USD 4.25 million
June 2024	USD 4.25 million
September 2024	USD 4.25 million
December 2024	USD 4.25 million
March 2025	USD 4.25 million
June 2025	USD 4.25 million
September 2025	USD 2.25 million
December 2025	USD 2.25 million
Maturity Date	USD 30.00 million

- (b) Any redemption of Bonds following a Call Option or any Mandatory Prepayment and Redemption Event shall reduce the Quarterly Instalment Amounts (including the Bonds due to be redeemed at the original Maturity Date) in inverse order of maturity and the redeemed Bonds will subsequently be cancelled.
- (c) Instalment payments will be made pro rata in accordance with the applicable regulations of the CSD.
- (d) Any remaining Outstanding Bonds will be redeemed in full on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

12. REDEMPTION AND REPURCHASE OF BONDS

12.1 Voluntary early redemption - Call Option

- (a) The Issuer may redeem in whole or in part any of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:
- (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in December 2024 at a price equal to 104.8 per cent. of the Nominal Amount for each redeemed Bond;
 - (iii) the Interest Payment Date in December 2024 to, but not including, the Interest Payment Date in September 2025 at a price equal 102.4 per cent. of the Nominal Amount for each redeemed Bond; and

- (iv) the Interest Payment Date in September 2025 to, but not including, the Interest Payment Date in December 2025 at a price equal to, but not including, the Maturity Date at a price equal to 100.0 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 12 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date and may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent which shall be satisfied at least three (3) Business Days prior to the relevant Call Option Repayment Date.

Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.

- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

12.2 Mandatory Long Stop Redemption

- (a) If the Pre-First Release Conditions Precedent (other than the Equity Spend Condition) have not been fulfilled by the Long Stop Date, the Issuer shall promptly, and in any event no later than on the date occurring two (2) Business Days after the Long Stop Date, redeem all the Bonds at a price equal to 101% of the Nominal Amount thereof (plus accrued and unpaid interest thereon) (the "**Long Stop Redemption**").
- (b) Unless:
 - (i) the Issuer has evidenced the completion of the Total Contribution and the establishment of all Transaction Security by the Equity Raise Long Stop Date, or
 - (ii) the Issuer has evidenced that an amount equal the aggregate of the anticipated sum of all interest to accrue from the Equity Raise Long Stop Date to the Long Stop Date has been transferred to the Escrow Account,

the Issuer shall promptly, and in any event no later than on the date occurring two (2) Business Days after the Equity Raise Long Stop Date, redeem all the Bonds at a price equal to 101% of the Nominal Amount thereof (plus accrued and unpaid interest on the redeemed Bonds) (the "**Equity Raise Long Stop Redemption**").

12.3 Mandatory Prepayment and Redemption Events – NAIF Facility termination

If for any reason what so ever (not limited to illegality, breach of obligations or an event of default) the NAIF Facility or any commitment thereunder, in whole or in part, is cancelled, terminated (other than by the Issuer through the agreed mechanisms for voluntary cancellation or cancellation of commitments by end of the availability period thereunder) or otherwise cease to exist, the Issuer shall promptly and no later than within five (5) Business Days after such Mandatory Prepayment and Redemption Event redeem (i) in case of cancellation, termination or similar in part, a pro-rata

share of all Outstanding Bonds; and (ii) in case of cancellation, termination or similar in full, all of the Outstanding Bonds, in each case at a price equal to 100 per cent. of the Nominal Amount for each redeemed Bonds (plus accrued unpaid interest).

12.4 Mandatory Prepayment and Redemption Events – NAIF Facility voluntary prepayment or cancellation

If any commitment or outstanding principal under the NAIF Facility, in whole or in part, is voluntary cancelled or voluntary prepaid, the Issuer shall promptly and no later than within five (5) Business Days after such Mandatory Prepayment and Redemption Event redeem (i) in case of voluntary cancellation or voluntary prepayment in part, a pro-rata share of all Outstanding Bonds; and (ii) in case of voluntary cancellation or voluntary prepayment in full, all of the Outstanding Bonds, in each case at a price equal to the prevailing call prices for Call Option at the time of the Mandatory Prepayment (plus accrued unpaid interest) in accordance with Clause 12.1 (*Voluntary early redemption – Call Option*).

12.5 Mandatory Prepayment and Redemption Events – Insurance mandatory redemption

Where the Issuer receives any insurance proceeds for insurances taken by the Issuer in respect of the Project in accordance with Clause 15.14 (*Insurance*) (other than for business interruption, consequential loss or third party public liability insurance) the Obligors must ensure those insurance proceeds are deposited immediately into the Insurance Proceeds Account and, subject to the Intercreditor Deed:

- (a) at any time while an Event of Default related to Non-payment, Insolvency, Insolvency proceedings or Creditors' process is continuing, those insurance proceeds must promptly (and no later than two (2) Business Days following receipt) be applied in full on a pro rata basis to prepay the Senior Facilities;
- (b) at any time while an Event of Default (other than Non-payment, Insolvency, Insolvency proceedings or Creditors' process Event of Default) is continuing, those insurance proceeds shall, at the election of the Secured Creditors in accordance with the Intercreditor Deed, be applied in full on a pro rata basis to prepay the Senior Facilities; or
- (c) at any time prior to Project Completion and while no Event of Default is continuing, those insurance proceeds must promptly (and no later than two (2) Business Days following receipt) be applied to prepay the Senior Facilities on a pro rata basis, other than an amount up to AUD 5,000,000 for which any one of the following must apply:
 - (i) that amount is committed to be applied towards the repair, reinstatement and/or replacement of the relevant asset within two (2) Months after receipt in cleared funds and actually used for the repair, re-instatement and/or replacement of the relevant asset within six (6) Months after receipt in cleared funds;
 - (ii) the relevant asset or assets have already been repaired, re-instated or replaced by the time the Obligor receives the insurance proceeds; or
 - (iii) the relevant asset or assets have been partially repaired, re-instated or replaced by the time the Obligor receives the insurance proceeds, and such amount of the insurance proceeds that is necessary to complete the repair, re-instatement and/or replacement of the relevant asset or assets are committed to be applied in accordance with this

Clause 12.5 (c) (i) (*Mandatory Prepayment and Redemption Events – Insurance mandatory redemption*) above; or

- (d) at any time on or after Project Completion and while no Event of Default is continuing;
- (i) where the insurance proceeds are for a total amount of AUD 10,000,000 or less, one of the following must apply:
- (A) that amount is committed to be applied towards the repair, re-instatement and/or replacement of the relevant asset within 2 Months after receipt in cleared funds and actually used for the repair, re-instatement and/or replacement of the relevant asset within 6 Months after receipt in cleared funds;
 - (B) the relevant asset or assets have already been repaired, reinstated or replaced by the time the Obligor receives the insurance proceeds; or
 - (C) the relevant asset or assets have been partially repaired, reinstated or replaced by the time the Obligor receives the insurance proceeds, and such amount of the insurance proceeds that is necessary to complete the repair, reinstatement and/or replacement of the relevant asset or assets are committed to be applied in accordance with paragraph (i) above; and
- (ii) where the insurance proceeds are for a total amount greater than AUD 10,000,000:
- (A) the insurance proceeds are received by an Obligor as a result of damage or destruction of any part of the Project (“**Insurance Event**”);
 - (B) within 60 days (or such other period as the Secured Creditors may agree) of the Insurance Event, the Issuer has submitted a plan to repair, reinstate or replace the damaged or destroyed property, such that the Project will be in an equivalent position to that prior to the occurrence of the Insurance Event (the “**Reinstatement Program**”);
 - (C) the Secured Creditors approved the Reinstatement Program (acting reasonably); and
 - (D) the Secured Creditors are satisfied that the Issuer is able to meet its repayment obligations under the Senior Facilities,

then the Issuer may apply the insurance proceeds in accordance with the Reinstatement Program.

If the Secured Creditors notify the Issuer that:

- (a) the Secured Creditors do not approve of the Reinstatement Program (acting reasonably) within 30 Business Days of receipt; or
- (b) the Secured Creditors are not satisfied that the Issuer is able to meet its repayment obligations under the Senior Facilities,

then the Issuer must promptly (and in any event within 2 Business Days following receipt of notice from the Secured Creditors) apply the insurance proceeds in full on a pro rata basis to prepay the Senior Facilities.

Redemption of Bonds pursuant to this Mandatory Prepayment and Redemption Event shall be made at a price equal to 100 per cent. of the Nominal Amount of the redeemed Bonds (plus accrued unpaid interest).

12.6 Mandatory Prepayment and Redemption Events – asset sale

- (a) Subject to the Intercreditor Deed, if an Obligor sells or otherwise disposes of any asset (other than a Permitted Disposal under paragraphs (a), (b) or (c) of the definition of Permitted Disposal) and where the net proceeds of the sale or disposal are greater than AUD 1,000,000, the Obligors must promptly (and no later than two (2) Business Days following receipt) apply in prepayment on a pro rata basis of the Senior Facilities those proceeds, other than where the proceeds are to be applied towards replacement assets as permitted hereunder.
- (b) Redemption of Bonds pursuant to this Mandatory Prepayment and Redemption Event shall be made at a price equal to the prevailing call prices for Call Option at the time of the Mandatory Prepayment (plus accrued interest) in accordance with Clause 12.1 (*Voluntary early redemption – call option*).

12.7 Redemption after a Review Event

- (a) If, upon the occurrence of a Review Event, no waiver is granted pursuant to the Intercreditor Deed within 20 Business Days (as defined in the Intercreditor Deed) on the repayment and redemption obligations arising out of a Review Event under the Senior Facilities, all Outstanding Bonds shall be redeemed within 150 days following the occurrence of a Review Event (the "**Review Event Redemption**").
- (b) Such redemption shall be made at a price equal to 101% of the Nominal Amount.

12.8 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right (and not an obligation) to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. If the Issuer exercises its redemption rights under this clause, the Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax on a payment in respect of any Bonds then due.

13. PURCHASE AND TRANSFER OF BONDS

13.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds shall be cancelled.

13.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.

- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

14. INFORMATION UNDERTAKINGS

14.1 Financial Reports

- (a) The Issuer shall prepare unaudited annual financial statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than four Months after the end of the financial year.
- (b) The Issuer shall prepare quarterly financial statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than two Months after the end of the relevant Quarter End Date.
- (c) The Parent shall prepare audited annual financial statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than four Months after the end of the financial year.
- (d) The Parent shall prepare semi-annual financial statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than two Months after the end of the relevant financial half year.

14.2 Requirements as to Financial Reports

- (a) Each set of Financial Reports delivered by an Obligor pursuant to Clause 14.1 (*Financial Reports*) shall be certified by a director of the relevant company as giving a true and fair view of (in the case of annual financial statements for any financial year), or (in other cases) fairly representing its financial condition as at the date as at which those financial statements were drawn up.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 14.1 (*Financial Reports*) are prepared using the GAAP consistently applied.

14.3 Compliance Certificate

- (a) The Issuer shall supply to the Bond Trustee, with each set of financial statements delivered pursuant to Clause 14.1(b) (*Financial Reports*) a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 15.35 (*Financial Covenants*) and Clause 10.2(a) (*Bond Refinancing Reserves Account*) as at the date as at which those financial statements were drawn up.
- (b) Each Compliance Certificate shall be signed by two directors or a director and the company secretary of the Issuer.

14.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with

Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, only additional interest in accordance with paragraph (c) of Clause 8.2 will accrue as long as such Listing Failure Event is continuing.

14.5 Information: Miscellaneous

The Issuer shall promptly inform the Bond Trustee in writing of:

- (a) the details of any event or circumstance which has resulted in any material physical damage to any material part of the facilities or infrastructure connected with the Project;
- (b) the details of any litigation, arbitration or administrative proceedings which are current, threatened in writing or pending against any Obligor, and which might reasonably be expected, if adversely determined, to have a Material Adverse Effect;
- (c) any material notice, order or correspondence from or with a Governmental Agency relating to an Obligor, the Project or the Secured Property;
- (d) the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any Obligor and which is reasonably likely to have a Material Adverse Effect;
- (e) following a change in the structure of the Group, an updated group structure chart;
- (f) such further information regarding the financial condition, business and operations of any Obligor as the Bond Trustee may reasonably request;
- (g) such information as the Bond Trustee may reasonably require about the Secured Property and compliance of the Obligors with the terms of any Transaction Security documents;
- (h) the occurrence of a Review Event;
- (i) following any update or change as agreed with the WA Lender, the updated Base Case Financial Model;
- (j) any other information shared with NAIF, the WA Lender or any other creditor of the Group or the shareholders of the Parent generally as the Bond Trustee may reasonably request;
- (k) the occurrence of any other event which could reasonably be expected to result in the revocation, withdrawal, cancellation, termination, suspension, forfeiture or variation of any of the permissions or licences held by an Obligor, and/or any material agreement and/or any other material assets of the Project, if such revocation, withdrawal, cancellation, termination, suspension, forfeiture or variation is likely to either have a material adverse impact on the Project or otherwise have a Material Adverse Effect;
- (l) inform the Bond Trustee of changes in the registration of the Bonds in the CSD;
- (m) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (n) prior to Project Completion, as soon as practicable but no later than 12 Business Days after each Month, a certified copy of the Borrower's Construction Report; and

- (o) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange.

15. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer and each other Obligor undertakes to and shall, where applicable, procure that the other members of the Group comply with the undertakings set forth in this Clause 15 (*General and Financial Undertakings*) for so long as any Bonds remain outstanding

15.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the WA Lender of:
 - (i) any Authorisation required to perform its obligations under the Transaction Documents;
 - (ii) any Authorisation required for the conduct of its business, trade and ordinary activities (including any Environmental and Social Permit); and
 - (iii) any Authorisation required to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Transaction Document,

in each case including any material amendment, supplement or other modification to any Authorisation received by any Obligor after the date of this Agreement.

- (c) Each Obligor shall not, without the prior consent of the WA Lender:
 - (i) cancel or terminate any Authorisation or consent to or accept any cancellation or termination of any such Authorisation (other than any cancellation or termination upon expiration thereof);
 - (ii) in any way vary, or consent or agree to the variation of any provision of such Authorisation in any material respect;
 - (iii) petition, request or take any other legal or administrative action that seeks, or may be expected, to impair any Authorisation in any material respect or seeks to amend, modify or supplement any such Authorisation; or
 - (iv) amend, supplement or modify any Authorisation in any material respect.

15.2 Compliance with laws

Each Obligor shall comply in all material respects with all laws that may be applicable to it, its assets or any activity relating to the Project (including the *Australian Jobs Act 2013* (Cth)).

15.3 Taxation

- (a) Each Obligor shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;

- (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the WA Lender under the provisions on financial statements; and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.
- (b) No Obligor may change its residence for Tax purposes.
 - (c) Each Obligor shall file all tax returns required to be filed by it in any jurisdiction within the period required by law to the extent that any failure to file such tax returns would, or would be reasonably likely to, result in a Material Adverse Effect.

15.4 Preservation of assets

Each Obligor shall maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary in the conduct of its business (including material Project Assets).

15.5 Pari passu ranking

Each Obligor shall ensure that at all times its payment obligations under the Transaction Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

15.6 Negative pledge

- (a) No Obligor shall create or permit to subsist any Security over any of its assets.
- (b) Without limiting paragraph (a) no Obligor shall:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any title retention arrangement in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;
 - (iv) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (v) enter into any other preferential arrangement having a similar effect.
- (c) Paragraphs (a) and (b) above do not apply to any Security or arrangement which is Permitted Security.

15.7 Disposals

No Obligor shall, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset other than a Permitted Disposal.

15.8 Merger

No Obligor shall enter into any amalgamation, demerger, merger or corporate reconstruction or sell, lease or otherwise transfer or dispose of all or substantially all of its property.

15.9 Acquisitions

No Obligor shall acquire or own shares or other securities of any person, or acquire all or a substantial part of (whether by way of asset purchase or otherwise) the assets of any other person, other than a Permitted Acquisition.

The Parent must ensure that before the date of Project Completion, no member of the Group shall acquire or own shares or other securities of any person, or acquire all or a substantial part of (whether by way of asset purchase or otherwise) the assets of any other person, other than a Permitted Acquisition.

15.10 Joint Ventures

No Obligor shall:

- (a) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or
- (b) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).

15.11 Existence, Conduct of Business etc.

Each Obligor shall maintain and preserve its existence as a corporation under its jurisdiction of incorporation, and the Issuer shall engage only in the business of ownership, construction, operation and maintenance of the Project.

15.12 Change of business

- (a) The Issuer shall procure that no substantial change is made to the general nature of the business of the Issuer from that carried on at the date of this Agreement.
- (b) Until the date of Project Completion, the Parent shall procure that no substantial change is made to the general nature of the business of the Parent from that carried on at the date of this Agreement.

15.13 No new bank accounts

The Issuer must not maintain any bank account other than the Project Accounts, the Escrow Account and the Bond Refinancing Reserve Account.

15.14 Insurance

- (a) Each Obligor shall take out and maintain all insurances required by applicable law.
- (b) In addition, the Issuer shall take out and maintain insurances in respect of the Project with a reputable insurer in the manner and to the extent which is in accordance with prudent business practice having regard to the nature of the business and assets of the Obligors in respect of the Project. To the extent not included in the above, the Issuer shall also give consideration to, and (unless the Issuer reasonably considers that such insurance is not available on economic or otherwise commercially reasonable terms) take out, public liability, business interruption and advanced business interruption insurance in respect of the Project, if recommended to do so by the insurance report provided as a condition precedent under Pre-Disbursement Conditions Precedent.
- (c) The insurances maintained in accordance with Clause 15.14 (a) above must be:

- (i) on terms and conditions which are customary for the relevant type of insurance (or terms and conditions which are more favourable to the Obligor); and
 - (ii) in the names of the Issuer or Obligor for their respective rights and interests (noting the Security Trustee as a loss payee). However, insurances need not note the Security Trustee as a loss payee if it is not customary practice in the insurance industry for that type of insurance.
- (d) The Issuer shall promptly produce to the Bond Trustee, the WA Lender and the NAIF Representative (each acting reasonably) evidence satisfactory to the WA Lender of current insurance cover (including a certified copy of each policy or a certificate of currency) whenever the Bond Trustee or the WA Lender reasonably asks.
- (e) The Issuer shall promptly notify the Bond Trustee if:
- (i) an event occurs which gives rise, or may give rise, to an insurance claim of AUD 500,000 or more; or
 - (ii) an insurance claim of AUD 500,000 or more is refused either in whole or in part.
- (f) If an Event of Default is continuing and the Bond Trustee or Security Trustee notifies the Issuer, the Security Trustee may take over the relevant Obligor's rights to make, pursue or settle an insurance claim. Subject to any obligations it may have at law, the Security Trustee may exercise those rights in any manner it chooses.

15.15 Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall enter into any transaction with any person except on arm's length terms or better for the Obligor and for valuable commercial consideration from the other person.
- (b) The following transactions shall not be a breach of this Clause 15.15:
- (i) the fees, costs and expenses payable under the Transaction Documents in the amounts set out in the Transaction Documents delivered to the Bond Trustee or the Security Trustee under the Pre-Disbursement Conditions Precedent or agreed by the WA Lender; or
 - (ii) any transaction where the only parties to it are Obligors.

15.16 Constitution and financial year

No Obligor shall:

- (a) amend its constitution in any manner adverse to the rights or interests of the Bondholders; or
- (b) change its financial year.

15.17 Loans or credit

No Obligor shall be a creditor in respect of any Financial Indebtedness other than a Permitted Loan.

15.18 Project

The Issuer shall:

- (a) subject to paragraph (d) below, promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation that is required to commence construction of the Project;
- (b) subject to paragraph (d) below, promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation that is required to carry out the Project in accordance with the Project Documents and the Base Case Financial Model;
- (c) ensure that each Authorisation which has been obtained by or on behalf of the Issuer and is either issued in the Issuer's name or on terms under which the Issuer is fully entitled to the use and benefit thereof in accordance with applicable law, is not the subject of any appeals or further proceedings or to any unsatisfied condition that could reasonably be expected to result in material modification, suspension or revocation thereof;
- (d) ensure that any Authorisation in connection with the Project that has not yet been obtained but is of a type that is routinely granted on application and which would not normally be obtained at the current stage of construction or operation of the Project, will be obtained on or prior to the time it becomes necessary for the applicable stage of construction or operation of the Project;
- (e) ensure that it is not in breach of any Authorisation for the construction or operation of the Project in any material respect;
- (f) ensure that the Project and Project Assets are:
 - (i) designed, constructed and completed in a proper and workmanlike manner and:
 - (A) in accordance with the designs, plans, requirements and specifications in or contemplated by the Base Case Financial Model, the Life of Mine Plan, the Environmental and Social Permits and the Project Documents;
 - (B) in accordance with all applicable laws and Authorisations in all material respects;
 - (C) in accordance with good business practice for a project of the nature of the Project,

except to the extent those designs, plans, requirements and specifications are varied with the prior written consent of the WA Lender (acting reasonably); and
 - (ii) diligently operated, managed and maintained in a proper and workmanlike manner and in accordance with the Project Documents, Base Case Financial Model and Good Operating Practice;
- (g) ensure that the Product is diligently processed in a good and workmanlike manner as would a prudent producer in accordance with Good Operating Practice;
- (h) ensure that there is no material change in the design, development or operation of the Project from that assumed in or contemplated by the Base Case Financial Model without the WA Lender's prior written consent;
- (i) ensure that no amounts are incurred or committed to be incurred which:

- (i) during the period from the date of this Agreement until the date of Project Completion:
 - (A) exceed the higher of (1) \$4,000,000 or (2) 20% of the forecast Project Costs in any sub-category of Project Costs as set out in the Base Case Financial Model; or
 - (B) exceed in aggregate across all sub-categories of Project Costs, the aggregate Project Costs as set out in the Base Case Financial Model by any amount which is not paid for by the Committed Funding (so that there cannot be any increase to the aggregate Project Costs unless the increase can be satisfied from Committed Funding under paragraph (a) of that definition); and
- (ii) on and from the date of Project Completion, exceed:
 - (A) 25% of the forecast Operating Costs as set out in the Base Case Financial Model,

in each case without the WA Lender's prior written consent;
- (j) promptly on becoming aware of it, notify the WA Lender and the NAIF Representative of any material adverse change to the processing methods for the Project from those provided for in the Base Case Financial Model and/or in existence as at the date of this Agreement;
- (k) notify the WA Lender and the NAIF Representative promptly of any unscheduled stoppages of or disruption to construction, development or operation at the Project for a period greater than 5 consecutive days;
- (l) maintain full and proper technical and financial records in relation to the Project; and
- (m) promptly pay, when due, all Project Costs and all Operating Costs in connection with the Project and the Project Documents.

15.19 Project Documents

The Issuer shall:

- (a) ensure that it (and not any other Obligor, except where that other Obligor is only a party as a Guarantor of the Issuer's obligations) is a party to each Project Document and each other material document or contract entered into relating to the Project or the operation of the Project;
- (b) ensure that none of its rights under or in respect of any of the Project Documents are at any time materially suspended (other than as a result of a force majeure) or materially limited as a result of any act or omission of the Issuer (including an event of default or default (however described) under a Project Document) without the prior written consent of the WA Lender (acting reasonably);
- (c) promptly notify the WA Lender and the NAIF Representative on becoming aware of any circumstances that exist which would, or would be reasonably likely to, give any other party to a Project Document legal grounds to terminate, cancel or revoke that Project Document;
- (d) not modify, amend or vary or permit the modification, amendment or variation of any term of any Project Document, or make or permit any waiver (expressly or impliedly) or extend

or grant any time (including an extension of time) or indulgence or consent in respect of a provision of a Project Document or any supplemental or collateral agreement thereto without the prior written consent of the WA Lender (which shall not be unreasonably withheld or delayed) other than:

- (i) where it is mandatory to do so under that Project Document;
- (ii) changes of a minor nature or to correct a manifest error in accordance with the relevant Project Document; or
- (iii) any Permitted Amendment or Waiver.

This paragraph (d) does not apply to ordinary course "variation claims" that are dealt with in accordance with the existing terms of the relevant Project Document.

For the purposes of this paragraph (d), a "**Permitted Amendment or Waiver**" means, in respect of any Project Document (other than any Offtake Agreement), any modification, amendment or variation to that Project Document, or any waiver, indulgence or consent granted or to be granted by the Issuer in respect of that Project Document, which satisfies all of the following criteria:

- (i) it does not result in any additional cost or liability to any Obligor, in any 12 Month period, of more than (i) 2.5% of the existing costs or liabilities under the contract in respect of that 12 Month period; or (ii) if less, AUD 200,000, or in aggregate with any other previous Permitted Amendments or Waivers is not in excess of AUD 500,000;
 - (ii) it does not extend the date by which the counterparty must perform any obligation by more than 20 days in aggregate;
 - (iii) it is not likely to have a Material Adverse Effect; and
 - (iv) a copy of the proposed modification, amendment, variation, consent, waiver or indulgence has been provided to the WA Lender and the NAIF Representative;
- (e) ensure that each Project Document is in full force and effect and not terminated, cancelled, rescinded or discharged, in each case, without the prior written consent of the WA Lender unless:
- (i) the termination or discharge of that Project Document follows full and final performance of the parties' obligations under that Project Document; or
 - (ii) it is demonstrated to the reasonable satisfaction of the WA Lender that such Project Document, or the arrangements contemplated by such Project Document, have been replaced by a replacement Project Document, or alternative arrangements, that is or on equivalent terms (or better for the Issuer) as the original Project Document or which are otherwise satisfactory to the WA Lender (acting reasonably) before that occurrence;
- (f) ensure that each Project Document (as supplemented or modified by the provisions or operation of the relevant Tripartite Deed):
- (i) contain no restrictions, covenants and conditions that would adversely affect the use, possession, ownership, exploration, development, construction, operation and/or

exploitation of the Project Assets in the manner contemplated by the Transaction Documents; and

- (ii) on and from Financial Close, is capable of being:
 - (A) assigned to the Security Trustee; and
 - (B) the subject of a security granted to the Security Trustee
- (g) not assign its rights under any Project Document to any person except as permitted under these Bond Terms;
- (h) duly and properly perform and comply with, in all material respects, its obligations under the Project Documents and any other material document or contract entered into by the Issuer relating to the Project (except to the extent, if any, they are inconsistent with the obligations of the relevant Obligors under the Transaction Documents);
- (i) enforce its rights and not waive any of its material rights or any other party's material obligations thereunder;
- (j) not enter into any Project Document or any other material document or contract relating to the Project, the entry into or performance of which would, or would be reasonably likely to, result in a Material Adverse Effect;
- (k) enter into and use commercially reasonable efforts to cause counterparties to Project Documents to enter into Tripartite Deeds.

15.20 Offtake requirement

- (a) The Issuer shall ensure that at all times on or after the date of Project Completion, the revenue from contracted quantities of Product payable to the Issuer under the Offtake Agreements for the purchase of Product under those Offtake Agreements will be equal to at least 75% of Operating Revenue for the following 18 Month period.
- (b) All proceeds from Offtake Agreements shall be paid into the relevant Collection Account.

15.21 Use of Project Site

The Issuer shall not use or permit to be used, by persons under control of the Issuer, the Project or any applicable lease or easement for any purpose other than for the construction, operation and maintenance of the Project as contemplated by the Life of Mine Plan and Base Case Financial Model, or as contemplated by the leases relating to the Project or reserved by the lessor or grantor under the leases relating to the Project or any easement, without the prior written consent of the WA Lender, or locate any portion of the Project on a site other than the Project Area or the applicable easements.

15.22 Abandonment of Project

The Issuer shall not wilfully and voluntarily cease or stop construction or operation of the Project for a continuous period of more than 30 days, other than with the prior written consent of the WA Lender. For the avoidance of doubt, scheduled maintenance outages in accordance with the Base Case Financial Model will not be considered to be “wilful and voluntary” cessation or stoppage of the Project or its construction.

15.23 Dangerous substances

The Issuer shall not release into the environment any Dangerous Substances in breach of any Environmental and Social Laws, requirements of law or Authorisations which results or is likely to result in a Material Adverse Effect.

15.24 Annual Budget

- (a) The Issuer must not, without the prior written consent of the WA Lender, materially amend or vary the Annual Budget (including by adding any new sub-category or type of costs) other than in accordance with these Bond Terms and the NAIF Facility.
- (b) The Issuer must comply with the then-current Annual Budget.

15.25 PPSA Policies and Steps

Each Obligor will promptly take all reasonable steps which are prudent for its business under or in relation to the PPSA.

15.26 Environmental and social compliance

- (a) Each Obligor shall:
 - (i) comply in all material respects with all Environmental and Social Law and Environmental and Social Permits that are required in connection with the Project;
 - (ii) obtain, maintain and ensure compliance in all material respects with all requisite Environmental and Social Permits;
 - (iii) use all reasonable precautions to avoid any act or omission that would or is likely to result in a Material E&S Incident; and
 - (iv) implement procedures to monitor compliance with, and aimed at preventing liability arising as a result of a breach of any Environmental and Social Law,

where failure to do so has or is reasonably likely to have a Material Adverse Effect.
- (b) Each Obligor shall, promptly upon becoming aware of the same, inform the WA Lender and the NAIF Representative in writing of:
 - (i) any claim, proceeding, formal notice or investigation by any person in respect of any Environmental and Social Law against any Obligor which is current, pending or threatened; and
 - (ii) any facts or circumstances which are reasonably likely to result in any claim, proceeding, formal notice or investigation by any person in respect of any Environmental and Social Law being commenced or threatened against any Obligor,

where the claim, if determined against that Obligor, has or is reasonably likely to have a Material Adverse Effect.
- (c) If any Material E&S Incident does arise:
 - (i) the Issuer shall, in consultation with the WA Lender, devise a plan (a "Corrective Action Plan") for remedying, managing, mitigating or otherwise addressing the effects of such Material E&S Incident;

- (ii) each Obligor shall ensure that each material aspect of each Corrective Action Plan is implemented in accordance with that Corrective Action Plan and within the timescales provided for in that Corrective Action Plan; and
- (iii) each Obligor shall, in any event, comply with any remedial action prescribed by any Governmental Agency in connection with the occurrence of such Material E&S Incident.
- (d) The consultation in paragraph (c) above shall take place prior to a Corrective Action Plan being devised unless the Issuer reasonably considers that any delay in devising the plan would materially and adversely affect the Issuer's ability to address the effects of the Material E&S Incident, in which case, the Issuer agrees to consult with the WA Lender as soon as reasonably practicable after the Corrective Action Plan.
- (e) Subject to paragraph (d) above, the Issuer may implement any Corrective Action Plan that has been devised prior to its approval by the WA Lender in accordance with paragraph (c)(i) above, provided that the Issuer shall, if required by the WA Lender, amend the Corrective Action Plan with 10 Business Days of request so that it is in form and substance satisfactory to the WA Lender and, once amended, implement that amended Corrective Action Plan.

15.27 Anti-corruption law

- (a) No Obligor shall (and the Issuer shall ensure that no other Obligor will) directly or indirectly use the proceeds of the Facilities for any purpose which would breach the United Kingdom's Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.
- (b) Each Obligor shall:
 - (i) conduct its businesses in compliance with applicable anti-corruption laws; and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

15.28 Sanctions

Notwithstanding any other provision in this Agreement, the Issuer shall not:

- (a) use the proceeds of any loan or proceeds of the Bonds for the purpose of financing directly or indirectly the activities of any person or entity (or otherwise make available to any person or entity) which is currently listed on the SDN List (or any European Union or World Bank equivalent) or in a country which is currently subject to any OFAC Sanctions (or any European Union or World Bank equivalent), to the extent such financing would currently be prohibited by OFAC Sanctions (or any European Union or World Bank equivalent) if conducted by a person in the US or the European Union (as applicable); and/or
- (b) contribute or otherwise make available the proceeds of any loan or proceeds of the Bonds to any other person or entity if the Issuer has knowledge that such party intends to use such proceeds for the purpose of financing the activities of any person or entity which is currently on the SDN List (or any European Union or World Bank equivalent) or in a country which is subject to any OFAC Sanctions (or any European Union or World Bank equivalent), to the extent such financing would currently be prohibited by OFAC Sanctions (or any European

Union or World Bank equivalent) if conducted by a person in the US or the European Union (as applicable).

15.29 Dividends and share redemption

- (a) Except as permitted under paragraph (b) below, no Obligor shall:
 - (i) declare, make or pay any Distribution, charge, fee or other distribution (or interest on any unpaid Distribution, charge, fee or other distribution) (whether in cash or in kind) to its members or on or in respect of its share or equity capital (or any class of its share or equity capital) or subordinated debt;
 - (ii) repay or distribute any dividend or share premium reserve;
 - (iii) pay any management, advisory or other fee to or to the order of any of the shareholders of the Issuer or the Parent; or
 - (iv) redeem, repurchase, defease, retire or repay any of its share or equity capital, membership interests or subordinated debt or resolve to do so.
- (b) Paragraph (a) above does not apply to a Permitted Distribution.

15.30 Financial Indebtedness

- (a) Except as permitted under paragraph (b) below, no Obligor shall incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) does not apply to Financial Indebtedness which is Permitted Financial Indebtedness.

15.31 Financial assistance

Each Obligor shall comply in all respects with Part 2J.3 of the *Corporations Act, 2001* and any equivalent legislation in other jurisdictions.

15.32 Treasury Transaction

The Issuer shall not enter into any Treasury Transaction, other than for the purpose of protecting the Issuer against fluctuations in interest rates, currency exchange rates or commodity prices but not for speculative purposes, provided that the Treasury Transaction is made in accordance with the Approved Hedging Policy and Protocol or any other hedging policy agreed between the Issuer and the WA Lender.

15.33 Working Capital Facility Agreement Conditions

The Issuer acknowledges and agrees that it shall not enter into any Working Capital Facility Agreement (alone or with any other Obligor) except where each of the following conditions are satisfied:

- (a) the aggregate principal amount available under the Working Capital Facility Agreement does not exceed AUD 15,000,000 (or its equivalent in any other currency or currencies);
- (b) the proposed WCF Lender is a financial institution with a long term credit rating of A or higher by Standard & Poor's or a comparable rating from an internationally recognised credit rating agency
- (c) the Working Capital Facility Agreement does not have an obligation to "clean down" (however described) the outstanding amounts under the Working Capital Facility Agreement

that is more onerous than a clean down to zero once every 12 Months, with a "clean down period" of no more than 5 Business Days;

- (d) the WCF Lender accedes to the Intercreditor Deed and the Security Trust Deed as a Secured Creditor under and in accordance with the terms of the Intercreditor Deed and the Security Trust Deed; and
- (e) the WCF Lender does not benefit from any Security or guarantee other than the Transaction Security.

15.34 Conditions subsequent

- (a) By no later than 6 Months prior to the start of production at the Project, the Issuer shall procure that it enters into:
 - (i) the Logistics Contract; and
 - (ii) the Tripartite Deed referred to in paragraph (m) of that definition in respect of the Logistics Contract,

and provide to the Bond Trustee certified copies of those documents which have been fully executed.
- (b) Promptly after it is granted, and in any event by no later than the date of Project Completion, the Parent must transfer to the Issuer any Project Tenement which is "pending" as at Financial Close.

15.35 Financial Covenants

- (a) The Issuer shall ensure that, at each Calculation Date:
 - (i) the Debt Service Cover Ratio is greater than 1.20:1;
 - (ii) the Loan Life Cover Ratio is greater than 1.30:1; and
 - (iii) the Reserve Tail Ratio is greater than 20%,

(the "**Financial Covenants**").
- (b) Any amount or figure to be calculated or estimated under or for the purpose of the Financial Covenants is to be calculated or estimated on the basis of the latest Base Case Financial Model and financial statements, Annual Budgets and Compliance Certificates delivered as set out in Clause 14 (*Information Undertakings*).
- (c) The Issuer shall ensure that on each Quarter End Date after Financial Close the Collection Accounts have an aggregate cash balance at least equal to the Minimum Unrestricted Cash Balance. Within five 5 Business Days of the end of each Quarter End Date (and at other times if required by WA Lender), the Issuer must provide to WA Lender copies of bank statements evidencing compliance with an aggregate cash balance at least equal to the Minimum Unrestricted Cash Balance.
- (d) For the purpose of calculating the financial covenants:

"Debt Service Cover Ratio ("DSCR")" means in respect of a Calculation Date, the ratio of C:D where:

- (i) "C" is the CFADS for the Calculation Period; and
- (ii) "D" is the aggregate (without double counting) of:
 - (A) all Financing Costs;
 - (B) all scheduled principal repayments in respect of the NAIF Facility which the Issuer is required to pay to comply with its obligations under Facility B and Facility C (each in accordance with the NAIF Facility);
 - (C) all Bond Repayments;
 - (D) all principal repayments or other amounts in respect of each other Secured Creditor Agreement (excluding any Hedging Agreement) which the Issuer is required to pay to comply with its obligations under those Secured Creditor Agreements other than any amounts falling due under the Working Capital Facility Agreement which were available for simultaneous redrawing according to the terms of the Working Capital Facility Agreement; and
 - (E) the net amount of any payments (excluding any termination payments) under any Hedging Agreement,

in each case for the Calculation Period.

Loan Life Coverage Ratio ("LLCR") means in respect of a Calculation Date, the ratio of N:A where:

- (i) "N" is the net present value of the projected CFADS for the period from that Calculation Date to the "Termination Date" for the NAIF Facility (being 15 years from Financial Close) (as shown in the then current Base Case Financial Model) (based on a discount rate calculated as the weighted average of the interest rate applying at that time to each of Facility B and (if applicable) Facility C (each in accordance with the NAIF Facility) and the Bonds (as determined under these Bond Terms) or (if applicable) any Bond Refinancing (as determined under the Bond Refinancing Agreement); and
- (ii) "A" is the aggregate amount of:
 - (A) all loans under the NAIF Facility;
 - (B) all "loans", "utilisations" or "issuances" (however described) under any other Secured Creditor Agreement (less any amount standing to the credit of the Escrow Account and the Bond Refinancing Reserve Account),

(in each case, actual or forecast, as applicable), less any amounts held in the Debt Service Reserve Accounts, and to the extent any of these amounts are denominated in a foreign currency, converted into Australian dollars at the relevant exchange rate used in the assumptions in the Base Case Financial Model for the relevant period.

"Reserve Tail Ratio" means at any Calculation Date, the ratio (expressed as a percentage) of A:B where:

- (i) "A" means the aggregate total of Proved Ore Reserve and Probable Ore Reserve inventory as represented in the then current Life of Mine Plan which fits into the Base Case Financial Model in respect of the Project which, according to the then current Life of Mine Plan which fits into the Base Case Financial Model, are forecast to be mined after the latest Termination Date under the NAIF Facility; and
 - (ii) "B" means the total reserve inventory as represented in the then current Life of Mine Plan which fits into the Base Case Financial Model in respect of the Project.
- (e) Subject to paragraph (b) of this Clause 15.35 (*Financial Covenants*), in respect of a breach of Financial Covenants under paragraph (a)(i) and (a)(ii) of this Clause 15.35 (*Financial Covenants*), the Issuer shall have the right to cure the breach as follows (the "**Equity Cure**"):
 - (i) in the relevant Compliance Certificate, giving the Bond Trustee notice (which notice is agreed to be irrevocable) that it will procure additional equity contribution or Subordinated Issuer Debt to be applied as a prepayment as set out below in paragraph (e)(ii) of this Clause 15.35 (*Financial Covenants*):
 - (A) in an amount ("**Equity Cure Amount**") sufficient so that when:
 - (1) the Loan Life Cover Ratio is re-calculated on a notional basis as though the prepayment of the Equity Cure Amount has been made on the day immediately after the relevant Calculation Date; or
 - (2) the Debt Service Cover Ratio is recalculated on a notional basis as though the prepayment of the Equity Cure Amount has been made on the first day of the Calculation Period ending on the relevant Calculation Date,
 the Event of Default under this Clause 15.35 (*Financial Covenants*) would not occur based on such calculation;
 - (B) within 30 Business Days following delivery of the applicable Compliance Certificate; and
 - (ii) that Equity Cure Amount is procured by the Issuer and applied in mandatory prepayment in accordance with Equity Cure Amount mandatory prepayment within the 30 Business Day period referred to in (e)(i)(B) of this Clause 15.35 (*Financial Covenants*).
- (f) The Issuer may not cure any breach of the Loan Life Cover Ratio under Financial Covenants prior to the date of Project Completion.
- (g) If an Equity Cure Amount is paid in accordance with this Clause, the Loan Life Cover Ratio or Debt Service Cover Ratio (as applicable) will be re-calculated for the Calculation Period in which the applicable breach occurred, taking into account the Equity Cure Amount and as if such Equity Cure Amount had been received and applied in prepayment of the NAIF Facility and a payment to the Bond Refinancing Reserve Account, in the pro rata proportion required under the Intercreditor Deed at the commencement of the relevant Calculation

Period (in the case of the Debt Service Cover Ratio) or on the day after the relevant Calculation Date (in the case of the Loan Life Cover Ratio). For all other purposes of the Secured Creditor Finance Documents, the pro rata amount of the Equity Cure Amount will be treated as having been prepaid on the date of actual prepayment.

- (h) If, after the Loan Life Cover Ratio or Debt Service Cover Ratio (as applicable) is recalculated, the breach has been prevented or cured, the Financial Covenants referred to in paragraph (a)(i) or (a)(ii) of this Clause 15.35 (*Financial Covenants*) (as applicable) shall be deemed to have been satisfied on the date of delivery of the relevant Compliance Certificate as though no breach had ever occurred, and any related Event of Default under this Clause 15.35 (*Financial Covenants*) shall be deemed never to have occurred.
- (i) The Issuer shall not have the ability to cure breaches of paragraph (a)(i) or (a)(ii) of this Clause 15.35 (*Financial Covenants*) by way of an Equity Cure:
 - (i) more than five (5) times (in aggregate) during the term of the NAIF Facility; and
 - (ii) on consecutive Calculation Dates.

16. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

16.1 Events of Default

Each of the events or circumstances set out in 16.2 (*Non-payment*) to 16.23 (*Failure in respect of Project Completion*) shall constitute an Event of Default.

16.2 Non-payment

An Obligor does not pay within three (3) Business Days of the due date any amount payable pursuant to a Transaction Document at the place and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a disruption event; and
- (b) payment is made within five (5) Business Days of its due date.

16.3 Financial covenants

Subject to paragraph (e) to (i) of Clause 15.35 (*Financial Covenants*), any requirement of *Financial Covenants* is not satisfied (including, if *Equity Cure* is used, any requirement under that paragraph is not satisfied).

16.4 Other obligations

- (a) An Obligor does not comply with any provision of the Transaction Documents (other than those referred to in Clause 16.2 (*Non-payment*) and Clause 16.3 (*Financial covenants*) above or with any condition of any waiver or consent by the Bondholders under or in connection with any Transaction Document which the Obligors have accepted as a condition.

- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of (A) the Bond Trustee giving notice to the Issuer and (B) the Issuer becoming aware of the failure to comply.

16.5 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor in the Transaction Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Transaction Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (b) No Event of Default under paragraph (a) above will occur if the circumstances giving rise to the misrepresentation are capable of remedy and are remedied, or if the effect of the misrepresentation is overcome to the satisfaction of the WA Lender, in each case within 15 Business Days of the earlier of (A) the Bond Trustee giving notice to the Issuer and (B) the Issuer becoming aware of the misrepresentation.

16.6 Transaction Document

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Transaction Documents.
- (b) All or a material part of a Transaction Document is terminated or is or becomes void, illegal, invalid or unenforceable, or of limited force and effect.
- (c) An Obligor repudiates or evidences an intention to repudiate either the whole or a part of a Transaction Document.
- (d) A provision of a Transaction Document is or becomes or is claimed by a party other than the Bond Trustee (on behalf of the Bondholders) or any other Secured Creditor to be wholly or partly invalid, void, voidable or unenforceable.
- (e) The guarantee provided by a Guarantor under this Agreement, or any Security constituted or purported to be constituted by the Transaction Security documents, is not or ceases to be effective.
- (f) Any Transaction Security document ceases to confer the Security it purports to create.
- (g) Any Security constituted or purported to be constituted by the Transaction Security documents does not, or ceases to, have the priority purported to be created.

16.7 Default under Secured Creditor Agreement

An event occurs which is called an "event of default" or "termination event" (however described) under any Secured Creditor Agreement other than this Agreement, or any other event occurs which renders a Transaction Security document enforceable.

16.8 Governmental Agency intervention

Any measure or series of measures taken, directed, authorised, ratified or approved by any Governmental Agency (including through the imposition of confiscatory taxation) which results in:

- (a) any of the Project Assets, or all or any part of the share capital of any Obligor, or any material amount of the revenues derived from any Project asset or the capital stock or share capital of

any Obligor, being rezoned, nationalised, expropriated, compulsorily acquired or seized by a Governmental Agency; or

- (b) the assumption of custody or control by a Governmental Agency of:
 - (i) any Project Assets or any material amount of revenues derived from any Project asset; or
 - (ii) any material portion of the business or operations of any Obligor.

16.9 Cross default

- (a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default or review event (however described).
- (c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default or review event (however described).
- (d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor due and payable prior to its specified maturity as a result of an event of default or review event (however described).
- (e) No Event of Default will occur under this Clause 16.9 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than AUD 1,000,000 (or its equivalent in any other currency or currencies).

16.10 Insolvency

- (a) An Obligor:
 - (i) is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due;
 - (ii) suspends making payments on any of its debts; or
 - (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Bondholders in its capacity as such or the Bond Trustee on behalf of the Bondholders) with a view to rescheduling any of its indebtedness.
- (b) A moratorium is declared in respect of any indebtedness of any Obligor.

16.11 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor other than a solvent liquidation or reorganisation of any Obligor;

- (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or any of its assets; or
 - (iv) enforcement of any Security over any assets of any Obligor,
- or any analogous procedure or step is taken in any jurisdiction.

16.12 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of an Obligor or the Parent having an aggregate value of AUD 1,000,000 and is not discharged within 15 Business Days.

16.13 Ownership of the Project

The Issuer ceases to own 100% of the Project.

16.14 Ownership of the Issuer

The Parent ceases to own 100% of the shares of the Issuer.

16.15 Repudiation

An Obligor repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document or any Transaction Security.

16.16 Cessation of business

- (a) An Obligor suspends or ceases:
 - (i) to carry on (or threatens to suspend or cease to carry on) all or a material part of its business;
 - (ii) in the case of the Issuer, conducting the Project,

except as a result of a Permitted Disposal or with the prior written consent of the Bondholders.
- (b) The authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets or the shares in that Obligor (including without limitation the displacement of all or part of the management of any Obligor).

16.17 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened, or any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made, in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any Obligor or its assets which have, or has, or are, or is, reasonably likely to have a Material Adverse Effect.

16.18 Revocation of Authorisation

- (a) An Authorisation which is:
- (i) required for the entry into or performance by any Obligor of a Transaction Document or Project Document, or the validity and enforceability of a Transaction Document or a Project Document; or
 - (ii) material to the Security of the Bondholders; or
 - (iii) necessary for the Project,
- is repealed, revoked or terminated or expires or is modified or amended or conditions are attached to it in a manner unacceptable to the WA Lender.
- (b) An Obligor commits a material breach or default under an Authorisation referred to in paragraph (a)(i) and that material breach or default is not rectified within 30 days of such breach or default or such other period that is provided for or contemplated by the terms of that Authorisation.

16.19 Project Documents

- (a) There is a material breach or default under the Project Documents.
- (b) It is or becomes unlawful for an Obligor to perform any of its material obligations under a Project Document or a Project Document ceases to be in full force and effect other than by expiry or performance in accordance with its terms.
- (c) A Project Document is terminated, cancelled, discharged or rescinded or becomes capable of being terminated, cancelled, discharged or rescinded unless:
- (i) the termination or discharge of a Project Document follows expiry of or full and final performance of the parties' obligations under that Project Document; or
 - (ii) it is demonstrated to the reasonable satisfaction of the WA Lender that such Project Document, or the arrangements contemplated by such Project Document, have been replaced by a replacement Project Document, or alternative arrangements, that is or are satisfactory to the WA Lender (acting reasonably) before that occurrence.
- (d) A Project Document is or becomes void, illegal, invalid, unenforceable, or of limited force or effect or is materially amended without the prior written consent of the WA Lender.

16.20 Abandonment

The Project is abandoned or placed on care and maintenance, other than as permitted under Clause 15.22 (*Abandonment of Project*), or the Issuer permanently abandons or cancels or evidences an intention to permanently abandon or cancel the construction or operation of the whole or a substantial part of the Project other than in accordance with the Life of Mine Plan.

16.21 Destruction of Project Assets

All or a substantial part of the tangible Project Assets are destroyed or damaged beyond repair.

16.22 Insurance cancelled

- (a) Any insurances (and all re-insurance policies relating to them) which are required to be effected and maintained pursuant to this Agreement with respect to the Project and all activities relating to the Project:
 - (i) are not, or cease to be, in full force and effect;
 - (ii) are unavailable at the time they are required to be effected; or
 - (iii) are or are likely to become void or cancelled.
- (b) No Event of Default under paragraph (a) above will occur if the relevant insurance is replaced in compliance with this Clause 16.22 (*Insurance cancelled*) within ten (10) Business Days of the earlier of:
 - (i) the Bond Trustee giving notice to the Issuer; and
 - (ii) the Issuer becoming aware of the event described in paragraph (a) above.

or where a failure to replace within 10 Business Days, or the absence or unavailability (for whatever reason) of, the relevant insurance is due to that insurance no longer being available from the existing insurer, and it is replaced within 45 days.

16.23 Material adverse change

An event or circumstance occurs which has, or is reasonably likely to have (or a number of events or circumstances occur, whether related or not, which together have or are reasonably likely to have) a Material Adverse Effect.

16.24 Failure in respect of Project Completion

Project Completion does not occur on or prior to the Sunset Project Completion Date.

16.25 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 16.26 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

16.26 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 16.25 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or

- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

16.27 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 12.1 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice);

- (a) for any Event of Default arising out of a breach of Clause 16.2 (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

17. BONDHOLDERS' DECISIONS

17.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 18.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) Save for any amendments or waivers which can be made in accordance with paragraph (h) of this Clause 17.1 (Authority of the Bondholders' Meeting), at least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Save for any amendments or waivers which can be made in accordance with paragraph (h) of this Clause 17.1 (Authority of the Bondholders' Meeting), resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for;

- (i) any amendments or waivers which can be made without resolution pursuant to paragraph (a), section (i) and (ii) of Clause 19.1 (*Procedure for amendments and waivers*); and
- (ii) any amendments or waivers which can be made in accordance with paragraph (h) of this Clause 17.1 (*Authority of the Bondholders' Meeting*)

a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

- (h) The Bond Trustee (acting on behalf of the Bondholders) may agree to amend any of the Bond Terms and any term of any of the other Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document with binding effect on all Bondholders, provided that:

- (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (iii) such amendment or waiver has been duly approved by more than 50 per cent. of the Bondholders represented at a validity convened Bondholder's Meeting where at least one (1) Voting Bond is represented, except for a resolution to replace Nordic Trustee AS as Bond Trustee and in case of an amendment, waiver or consent of, as the case may be, or any terms that has the effect of changing or which relates to the granting of the Bond Trustee with the authority to vote on behalf of the Bondholders under the Intercreditor Deed (which will be binding on all Secured Creditors) in respect of;

- (A) any amendments to the Intercreditor Deed in respect of;

- (1) the definition of "Aggregate Secured Lender Eligible Voting Amount", "Cost to Complete Eligible Voting Amount", "Pre-Enforcement Eligible Voting Amount", "Secured Lender", "Secured Lender Agreement" or "Super Majority Beneficiaries" in the Intercreditor Deed;
- (2) the definition of "Eligible Voting Amount", "Finance Document", "Insolvency Event of Default", "Material Event of Default", "NAIF Covenant", "NAIF Debt", "NAIF Specific Event of Default", "NAIF Finance Document", "NAIF Specific Decision", "Simple Majority Beneficiaries" or "Secured Obligations" or the provisions on "Servicing of Secured Obligations, standstill and enforcement", the provisions of "Distribution of Recovered Money";
- (3) which has the effect of varying the order of priority in the enforcement waterfall set out in the provisions on "Distribution of Recovered Money" in the Intercreditor Deed;
- (4) to amend the terms of the guarantee set out in the provisions on "Guarantee" of the Security Trust Deed;

- (5) to permit any re-assignment, re-transfer or release (whether partial or in full) of any Security created or evidenced by any Transaction Security granted by an Obligor or otherwise release, materially modify or adversely affect any such Security or guarantee in each case granted by an Obligor (other than as permitted by, or in relation to a Permitted Disposal under, the Finance Documents (as defined in the Intercreditor Deed) under the Intercreditor Deed), or to waive any requirement for an Obligor to grant any Security or any material waiver of the type or substance of Security contemplated to be granted;
 - (6) an amendment of any definition in the Finance Documents (as defined in the Intercreditor Deed) relevant to anything covered by this limb (A);
 - (7) the definition of "Aggregate Eligible Voting Amount", "Beneficiary", "Hedge Counterparties' Debt", "Hedge Counterparties' Eligible Voting Amount", "Payment Event of Default", "Post-Enforcement Eligible Voting Amount", "Potential Hedge Exposure", "Secured Creditor", "Secured Creditor Agreement" or "Secured Obligations Limits" or to amend the provisions on "NAIF Specific Decisions";
- (B) any amendment to provisions Secured Creditor Agreement (except for Hedging Agreements) related to;
- (1) any financial covenants (including definitions and means for calculation of financial covenants);
 - (2) any maturity dates (other than any extension or deferral);
 - (3) any amortisation schedules and prepayment and cancellation provisions (including cash sweep and cash share provisions) (other than any extension or deferral);
 - (4) any increase in interest rates, fees or other pricing;
- (C) any amendment to provisions of these Bond Terms or NAIF Facility ("**Material Provisions**") related to;
- (1) (Pari passu ranking);
 - (2) (Negative pledge);
 - (3) (Existence, Conduct of Business etc.);
 - (4) (Change of business);
 - (5) (No new bank accounts);
 - (6) (Loans or credit);
 - (7) (Dividends and share redemption); and
 - (8) (Financial Indebtedness);

- (9) a financial covenant (however described) under a Finance Document (as defined in the Intercreditor Deed);
- (D) any Event of Default waiver decision in relation to a payment event of default under these Bond Terms and any of the following event of defaults under the Secured Creditor Agreements (except for Hedging Agreements) ("**Material Event of Default**") related to;
 - (1) any financial covenant (however described) by an Obligor under a Finance Document (as defined in the Intercreditor Deed) and the applicable grace period under the Finance Document (as defined in the Intercreditor Deed) (before such breach becomes an Event of Default under the relevant Finance Document (as defined in the Intercreditor Deed)) has expired;
 - (2) (Payment Default)
 - (3) (Financial covenants);
 - (4) (Transaction Document);
 - (5) (Default under Secured Creditor Agreement);
 - (6) (Governmental Agency Intervention);
 - (7) (Cross default);
 - (8) (Insolvency);
 - (9) (Insolvency proceedings);
 - (10) (Creditors' process);
 - (11) (Repudiation);
 - (12) (Cessation of business);
 - (13) (Revocation of Authorisation), but only to the extent that it relates to "Transaction Documents" (and not, for the avoidance of doubt, Project Documents);
 - (14) (Revocation of Authorisation);
 - (15) (Abandonment);
 - (16) (Destruction of Project Assets);
 - (17) (Failure in respect of Project Completion); and
 - (18) any cross default or cross acceleration clause in a Secured Creditor Agreement which is triggered by the relevant beneficiaries under another Secured Lender Agreement declaring the amounts owing under that other Secured Creditor Agreement due and payable prior to the

scheduled date for payment as a consequence of the occurrence of a Material Event of Default of the kind referred to above;

- (E) any non-EoD decision related to;
 - (1) in respect of any failure by the Issuer to meet a "Cost to Complete – Physical Completion" or "Cost to Complete – Project Completion";
 - (2) in respect of any proposed withdrawal from a Debt Service Reserve Account by NAIF or the Bond Trustee for the purposes of meeting the Issuer's payment obligations as permitted to be paid in accordance with any cash flow waterfall under the NAIF Facility or the Bond Terms (as applicable);
 - (3) the Material Provisions;
 - (4) in respect of a payment of any amount under the Bond Terms; and
 - (5) in respect of a waiver of any requirement for an Obligor to grant any Security or any material waiver of the type or substance of Security contemplated to be granted;
- (F) in respect of any urgent action to taken by the under the Intercreditor Deed, direct the Security Trustee to take any action which would otherwise require the instructions of the required majority which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of rights or claims;
- (G) in respect of any appointment of an administrator under the Intercreditor Deed, instruct the Security Trustee to appoint a receiver under any Transaction Security within the decision period (in this context as defined in the Corporations Act) in the provisions on "Notice of Event of Default and appointment of administrator" in the Intercreditor Deed;
- (H) a default notice is given in relation to a general event of default under the Intercreditor Deed and during the applicable standstill period for the general event of default then subsisting, direct the Intercreditor Agent to instruct the Security Trustee to take enforcement action under the Transaction Security;
- (I) a payment event of default is subsisting, direct the Intercreditor Agent to instruct the Security Trustee to take enforcement action under the Transaction Security prior to the end of the "First Payment EoD Decision Period" (as defined in the Intercreditor Agreement); and
- (J) an Obligor and a Hedge Counterparty entering into a new treasury transaction at any time while an event of default is continuing,

in which case such amendment or waiver has been duly approved when more than 2/3 of the votes represented at a validity convened Bondholder's Meeting have voted in favour of the resolution.

For the avoidance of doubt, if the relevant majority of the votes represented at a validity convened Bondholder's Meeting do not vote in favour of the resolution, the Bond Trustee will vote against the relevant resolution under the Intercreditor Agreement.

17.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
- (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 9.2 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a

Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").

- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

17.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 17 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the

Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.

- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

17.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 17.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 17.1 (*Authority of the Bondholders' Meeting*), Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 17.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 17.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 17.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

17.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 17.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 17.1 (*Authority of the Bondholders' Meeting*), 17.2 (*Procedure for arranging a Bondholders Meeting*), Clause 17.3 (*Voting Rules*) and Clause 17.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:

- (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 17.2 (*Procedure for arranging Bondholders Meetings*); or
- (ii) provisions which are otherwise in conflict with the requirements of this Clause 17.5 (*Written Resolution*),

shall not apply to a Written Resolution.

- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the “**Voting Period**”), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders’ rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 17.1 (*Authority of Bondholders’ Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 17.1 (*Authority of Bondholders’ Meeting*).

18. THE BOND TRUSTEE

18.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders’ rights and/or carrying out its duties under the Finance Documents.

18.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 18.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

18.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

18.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee’s obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee’s actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the

entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.

- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee’s obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 16.26 (*Bondholders’ instructions*) or Clause 17.2 (*Procedure for arranging a Bondholders’ Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

18.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 17 (*Bondholders’ Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer’s approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 18.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 18.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.

- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

18.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Bond Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 18.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

19. AMENDMENTS AND WAIVERS

19.1 Procedure for amendments and waivers

- (a) Subject to the Intercreditor Deed, the Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

19.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

19.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 19 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 19.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

20. MISCELLANEOUS

20.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

20.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.

- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

20.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

20.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
- then;
- (A) the Issuer will be relieved from its obligations under Clause 14.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 14.5 (*Information: Miscellaneous*) and Clause 15 (*General and financial undertakings*); and
 - (B) any Transaction Security granted solely in favour of the Security Agent shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

21. GOVERNING LAW AND JURISDICTION

21.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

21.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

21.3 Alternative jurisdiction

Clause 21 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.



21.4 Service of process


- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (i) irrevocably appoints Marinelaw AS as its agent for service of process in relation to any proceedings in connection with these Bond Terms and any other Finance Documents governed by laws of Norway; and
 - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

-----000-----

These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

<p>The Issuer: Executed by Coburn Resources Pty Ltd ACN 165 036 537</p> <p> Signature of director</p> <p><u>LUKE E GRHAM</u> Name of director</p> <p> Signature of director secretary</p> <p><u>FLAVIO L CAROFALO</u> Name of director secretary</p>	<p>As Bond Trustee and Security Agent: Nordic Trustee ASA</p> <p>..... By: Position:</p>
--	--

<p>The Issuer: Executed by Coburn Resources Pty Ltd ACN 165 036 537</p> <p>..... Signature of director</p> <p>..... Name of director</p> <p>..... Signature of director/secretary</p> <p>..... Name of director/secretary</p>	<p>As Bond Trustee and Security Agent: Nordic Trustee ASA</p> <p></p> <p>..... By: Vivian Trøsch Position: Authorised signatory</p>
---	---

The Parent:
Executed by Strandline Resources Limited
ACN 090 603 642


.....
Signature of director

LUKE E GRAHAM
.....
Name of director


.....
Signature of director/secretary

FLAVIO L GAROFALO
.....
Name of director/secretary

**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

Coburn Resources Pty Ltd Senior Secured Bond Issue 2021/2026 ISIN NO 0010955859

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 14.3 of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

Capitalised terms used herein will have the same meaning as in the Bond Terms unless given a different meaning in this Compliance Certificate.

With reference to Clause 14.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest [consolidated] [annual financial statements] / [Semi-annual] / [interim accounts] are enclosed.

1. We confirm that the Loan Life Cover Ratio for the Calculation Period ending on [*insert Quarter End Date*] is [*insert*]:1. Details of calculations in respect of the Loan Life Cover Ratio are attached to this Compliance Certificate.
2. We confirm that the Reserve Tail Ratio as at [*insert Quarter End Date*] is [*insert*]%. Details of calculations in respect of the Reserve Tail Ratio are attached to this Compliance Certificate.
3. We confirm that the Collection Accounts hold an aggregate cash balance at least equal to the Minimum Unrestricted Cash Balance.
4. [We confirm that the Debt Service Cover Ratio for the Calculation Period ending on [*insert Quarter End Date*] is [*insert*]:1. Details of calculations in respect of the Debt Service Cover Ratio are attached to this Compliance Certificate.][*This paragraph 4 is to be included for each Compliance Certificate delivered for each Quarter End Date falling after the date of Project Completion.*]
5. [We give you notice that we will procure additional equity contributions/Subordinated Borrower Debt in an amount of A\$[*insert*] within 30 Business Days following the date of this Compliance Certificate and to apply that amount in mandatory prepayment of the Senior Facilities within that period. We confirm that the Equity Cure regime under Clause [15.35(e) (*Financial Covenants*)] of the Bond Terms has not been used:
 - (a) more than 5 times (in aggregate) during the term of the Facilities; or
 - (b) on consecutive Quarter End Dates.]

[This paragraph 5 is only to be included if there has been a breach of the Loan Life Cover Ratio or the Debt Service Cover Ratio under Clause [15.35(a)(i) or (ii) (Financial Covenants)] and the Issuer wishes to cure that breach in accordance with the equity cure regime in Clause [15.35(e) (Financial Covenants)].]

- 6. We confirm that [no Lock Up Cash Sweep Event is continuing/a Lock Up Cash Sweep Event is continuing]. Details of calculations in respect of the Lock Up Cash Sweep Event are attached to this Compliance Certificate.
- 7. [Because a Lock Up Cash Sweep Event [is continuing/has ceased], we confirm that [Lock Up Amounts/ the Catch-up Sweep Amount] will be applied in prepayment of the Senior Facilities in accordance with Clause [10.2(a) (Bond Refinancing Reserves Account)].*[This paragraph 7 is only to be included if mandatory prepayments are required to be made in accordance with Clause 10.2(a) (Bond Refinancing Reserves Account).]*
- 8. [We confirm that no Default or Review Event is continuing.]*

Signed:
	Director	Director/Secretary
	of	of
	Coburn Resources Pty Ltd	Coburn Resources Pty Ltd

* If this statement cannot be made, the certificate should identify any Default or Review Event that is continuing and the steps, if any, being taken to remedy it.

ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

Coburn Resources Pty Ltd Senior Secured Bond Issue 2021/2026 ISIN NO 0010955859

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

We also enclose the documentation required by us to disclose under the definition of Escrow Account Release Notice of the Bond Terms.

Yours faithfully,

NX

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]

Enclosure: [documentation listed in the definition of Escrow Account Release Notice of the Bond Terms]

**ATTACHMENT 3
CONSTRUCTION REPORT AND COMPLETION TESTS**

**Part I
Form of Construction Report**

To: *[the Bond Trustee]*
From: Coburn Resources Pty Ltd as Issuer
Dated:
Reporting Period: [previous month][year]

Dear Sirs

**Coburn Resources Pty Ltd – [USD 60,000,000] Bond Terms
dated [] (the "Agreement")**

- 1. We refer to the Agreement. This is a Construction Report. Terms used in the Agreement shall have the same meaning in this Construction Report unless given a different meaning in this Construction Report.**
- 2. Executive Summary**
 - (a) Summary of key activities, events and issues for the previous month
- 3. Status of Project**
 - (a) Details of all substantive construction work undertaken in the previous month
 - (b) Details of progress of construction work against timetables in each of the Process Plant Design and Construct Contract, Bulk Earthworks and Access Road Contract, Electricity Supply Agreement, LNG Supply Contract, and the Camp Accommodation Contract
 - (c) Schedule progress reporting, including the updated Project S-curve, Project critical path and Earned Value reporting
 - (d) An updated forecast accommodation profile
 - (e) Expected date for Project Completion and other key milestones including first ore to the WCP and first HMC to the MSP
 - (f) Explanation for any delays in progress of construction work / Details of any anticipated delays in progress of construction work
 - (g) Details of strategies implemented to overcome delays / avoid potential delays
 - (h) Details of any extensions of time / variations granted under each of the Process Plant Design and Construct Contract, Bulk Earthworks and Access Road Contract, Electricity Supply Agreement, LNG Supply Contract and the Camp Accommodation Contract
 - (i) Details of any material updates or amendments to any works plans/programmes

- (j) Details of any anticipated material changes required to designs, plans or specifications
- (k) Statement of continuing compliance with quality management / assurance systems, including details of any non-compliance or approved deviations, any quality issues or anticipated quality issues (including defects / potential defects)
- (l) Details of operations readiness progress and status according to the operations readiness schedule
- (m) An updated project risk and opportunities register

4. Subcontracting and Project Documents

- (a) Details of all new material subcontractors engaged by each of the counterparty/ies (in accordance with the individual contract Principal approval obligations) to each of the Process Plant and Design Contract, water infrastructure contract], Bulk Earthworks and Access Road Contract, Electricity Supply Agreement, LNG Supply Contract, Mining Contract and the Camp Accommodation Contract
- (b) Details of any material disputes with a subcontractor relating to the Project (if applicable)
- (c) Confirmation that no Obligor who is a party to any Project Document is in default and that each Obligor who is a party to any Project Document has complied in all material respects with such Project Document
- (d) Any material non-compliances with the Project Documents are to be detailed and any corrective actions taken in respect of any non- compliance

5. Project Budgeting

- (a) Summary of project budgeting position, including explanation of any material differences between actual and forecast Project and/or Operating Costs
- (b) Provide details of material variations, trends and contingency drawdown in the form of a register,

5.1. Project Costs

Project Costs	Forecast Cost [Previous Month]	Actual Cost [Previous Month]	Forecast Cost [Next Month]
<i>TOTAL Project Costs</i>	[total]	[total]	[total]
<i>[detailed breakdown of components of Project Costs, as defined in Schedule 6]</i>			

5.2. Operating Costs

Operating Costs	Forecast Cost	Actual Cost	Forecast Cost
	[Previous Month]	[Previous Month]	[Next Month]
TOTAL Operating Costs	[total]	[total]	[total]
<i>[detailed breakdown of components of Project Costs, as defined in Schedule 6]</i>			

6. **Environmental & Social Compliance and industrial relations**

- (a) Statement of continuing compliance with; Environmental & Social Law; Environmental & Social Permits; Authorisations
- (b) Details of any required corrective action to address any issues with compliance with; Environmental & Social Law; Environmental & Social Permits; Authorisations
- (c) Details of any material Environmental or Social Claims current, pending or threatened against the Issuer or connected with the Project (if applicable)
- (d) Details of any required corrective action to address any material Environmental or Social Claims current, pending or threatened against the Issuer or connected with the Project
- (e) Details of any industrial relations disputes relating to the Project, including any Material E&S Incidents or potential Material E&S Incidents (if applicable)
- (f) Details of required corrective action to address any Material E&S Incident /prevent potential Material E&S Incidents

7. **Other Information**

- (a) [Any other information reasonably requested from time to time by the Bond Trustee on behalf of the Bondholders]
- (b) [Any other information the Issuer wishes to disclose to the Bond Trustee in respect of the construction works]

Signed:

.....

Director

Of Coburn Resources Pty Ltd

.....

Director

Of Coburn Resources Pty Ltd

Annexures

- A. Photographs of Project Area
- B. A copy of any construction report and any progress claim received from each contractor under each of the Process Plant Design and Construct Contract, Bulk Earthworks and Access Road Contract, Electricity Supply Agreement, LNG Supply Contract and the Camp Accommodation Contract
- C. Authorisations obtained for the Project and [pending Authorisations / applications for Authorisations] (including Environmental and Social Permits)
- D. Notices, orders or directions received by a Governmental Agency in relation to the Project
- E. Other certifications / reports related to key milestones (if not within those in Item (A)) under each of the Process Plant Design and Construct Contract, Bulk Earthworks and Access Road Contract, Electricity Supply Agreement, LNG Supply Contract and the Camp Accommodation Contract
- F. Any other information reasonably requested from time to time by the Bond Trustee on behalf of the Bondholders

Part II
Form of Physical Completion Certificate

To: [the Bond Trustee]

[address]

[fax]

[attention]

Date: [●]

Dear Sirs

COBURN RESOURCES PTY LTD – [USD 60,000,000] Bond Terms dated [●] between, among others, the Issuer and the Bondholders (as amended, modified or supplemented from time to time) (the "Bond Terms")

This Physical Completion Certificate (the "**Certificate**") is delivered to you pursuant to the Bond Terms.

1. Definitions

Unless otherwise defined herein or the context otherwise requires, terms used herein shall have the meanings provided in, and shall be interpreted in accordance with the Bond Terms. In addition, the following terms in this Certificate have the meanings specified:

"**Contracts**" means each of the Process Plant Design and Construct Contract, the Bulk Earthworks and Access Road Contract, the Electricity Supply Agreement, LNG Supply Contract and the Camp Accommodation Contract.

"**Physical Completion Test**" means each of the conditions and criteria set out in paragraph 2 (without reference to the Denham Road Project), unless modified or waived in accordance with the Intercreditor Deed.

"**WCP**" means Wet Concentration Plant.

2. Achievement of Physical Completion

We hereby certify as follows:

2.1. Completion of construction

All plant, associated services (including utilities, water and power supplies) and infrastructure required for the implementation of the Project in accordance with the Life of Mine Plan have been installed and constructed and each of the Contracts (and any construction subcontracts contemplated by them) have been completed in accordance with the respective definitions of completion within each Contract.

2.2. Performance tests

All the performance tests required to be passed or satisfied under the Contracts (if any) have been passed or satisfied except where any failure to pass or satisfy them would not have a material and

adverse impact on the ability to of the Project to generate the cash flows contemplated in (and in accordance with) the current Base Case Financial Model.

2.3. Mineral Resource and Ore Reserve reconciliation

Grade control, assaying and mineral resource and ore reserve reconciliation systems are in place.

2.4. Payments

All Project Costs have been paid except for amounts (i) that are genuinely in dispute, and (ii) in respect of which the Issuer has set aside an appropriate and adequate reserve or any retention amounts under the relevant Contracts that the Issuer is entitled to retain.

2.5. Mining equipment

All primary mining equipment in accordance with the fleet schedule in the Mining Contract is located at site and is in good working order.

2.6. Plant handover and operating manuals documentation

All necessary installation documents, operating and maintenance manuals and other documentation relevant and relating to the operation or maintenance of the plant, equipment, infrastructure, residual storage impoundment and facilities part of the Project have been completed and/ or received.

2.7. Spares and consumables inventory

All required Critical Capital Spares and Operating Spares as listed in the Critical Spares and Consumables Schedule of the Issuer (which is agreed by the WA Lender, if required with input from the Independent Technical Consultant, prior to the date of this Certificate) are held in stock in the required quantities and that those capital spares, operating spares and consumables are adequate to enable the Project to be implemented; and adequate systems for maintaining inventories of all spare parts and consumables have been implemented.

2.8. Cost control

Cost control and management systems are in place.

2.9. Personnel

Adequate technically trained staff to the operation of the Project in accordance with the Life of Mine Plan organisation chart and Clause 1.18.6 (*Project*) in Schedule 3 of the Bond Terms has been recruited. A manning chart showing management, technical, operating and maintenance staff has been provided along with this Certificate.

2.10. Supply and service contracts

All material supply and service contracts necessary for the operation of the Project have been entered into on terms that are appropriate in the context of the Project.

2.11. Authorisations

Each Authorisation (including the Licence to Operate (which does not place any materially adverse conditions upon the capacity of the Project to meet the Base Case Financial Model)) necessary for

the continuous operation of the Project in accordance with the Contracts and the Base Case Financial Model has been obtained and is in full force where failure by it to obtain or maintain such Authorisation is reasonably likely to have a Material Adverse Effect.

2.12. Insurances

As of the date of this Certificate, the Issuer has commercial insurance and reinsurance cover in place as required by Clause 15.14 (*Insurance*) of the Bond Terms.

2.13. Representations

The Repeating Representations are true in all material respects and not misleading in any material respect as of the date of this Certificate.

2.14. Events of Default

As at the date of this Certificate, no Event of Default has occurred which is continuing.

COBURN RESOURCES PTY LTD

By.....
Name.....
Title.....

The Independent Technical Consultant confirms the items under paragraphs 2.1 to 2.8 (inclusive)

By.....
Name.....
Title.....

Part III
Form of Operational Completion Certificate

For the purposes of the Operational Completion Certificate:

1. Not later than thirty five (35) Business Days prior to the proposed commencement of the Operational Completion Test Period (as defined in the Operational Completion Certificate), the Issuer shall propose to the WA Lender and the Independent Technical Consultant a measurement and sampling procedure detailing the measurements and methodology to be used in carrying out the Operational Completion Tests (the "**Measurement and Sampling Procedure**"), for approval by the WA Lender and the Independent Technical Consultant. In the event that the Issuer, the WA Lender and the relevant Independent Technical Consultant cannot agree the Measurement and Sampling Procedure by the date which is twelve (12) Business Days' prior to the Issuer's proposed date to commence the Operational Completion Test Period, the Issuer shall notify the WA Lender and the relevant Independent Technical Consultant accordingly, and the Measurement and Sampling Procedure in the form approved by the relevant Independent Technical Consultant (acting reasonably) shall prevail. Within 5 Business Days' of receiving such notice from the Issuer, the relevant Independent Technical Consultant shall notify the WA Lender and the Issuer of the Measurement and Sampling Procedure.
2. The Issuer shall provide at least 10 Business Days' notice to the WA Lender and the relevant Independent Technical Consultant of the commencement of the Operational Completion Test Period. The Operational Completion Test Period may not commence until the Measurement and Sampling Procedure has been agreed or notified by the relevant Independent Technical Consultant in accordance with paragraph 1 above.
3. The Operational Completion Test period shall not begin until the ramp up period is complete and the Project is operating at the full capacity as set out in the "Physicals Schedule" in the current Base Case Financial Model.

To: [the Bond Trustee]

[address]

[fax]

[attention]

Date: [●]

Dear Sirs

COBURN RESOURCES PTY LTD – [USD 60,000,000] Bond Terms dated [●] between, among others, Coburn Resources Pty Ltd and the Bondholders (as amended, modified or supplemented from time to time) (the "Bond Terms")

This Operational Completion Certificate (the "**Certificate**") is delivered to you pursuant to the Bond Terms.

1. Definitions

Unless otherwise defined herein or the context otherwise requires, terms used herein shall have the meanings provided in, and shall be interpreted in accordance with the Bond Terms. In addition, the following terms in this Certificate have the meanings specified:

"Availability" means the percentage of a specified time period in which the process control system records the state of the relevant section of plant as either operating or ready to operate, without specifications as to whether any of the component equipment available to operate within that section is duty or standby equipment.

"DMU" means Dozer Mining Units.

"HMC" means Heavy Mineral Concentrate.

"Ilmenite" means ilmenite (that meets the Product Specifications) for Ilmenite.

"Measurement and Sampling Procedure" means the measurement and sampling procedure detailing the measurements and methodology to be used in carrying out the Operational Completion Tests, as agreed between the Issuer, the WA Lender and the relevant Independent Technical Consultant (or, if not agreed, as stipulated by the relevant Independent Technical Consultant (acting reasonably)) prior to the commencement of the Operational Completion Test Period.

"MSP" means Mineral Separation Plant.

"Operational Completion Tests" means each of the conditions and criteria set out in paragraph 2 (without reference to the Denham Road Project), unless modified or waived in accordance with the Intercreditor Deed.

"Operational Completion Test Period" means the period of Three (3) month (including allowance for normal operational shutdown and maintenance periods) ending on [●] during which the Operational Completion Tests have been carried out in accordance with the agreed Measurement and Sampling Procedure.

"Operational Utilisation" means the calculated product, Availability x Utilisation.

"Opex Schedule" means the Operating Costs schedule used in the Base Case Financial Model.

"Physicals Schedule" means the physicals schedule used in the Base Case Financial Model.

"Premium Zircon" means the zircon product which meets the Product Specifications for Premium Zircon as defined by the Chilches Materials Offtake Agreement.

"Product Specifications" means the chemical, mineralogical, metallurgical, particle size and radiometric properties of the product to be produced, being the higher (in terms of valuable mineral content) or lower (in terms of deleterious or penalty components) of the specifications in the "Product Data Sheet" on the Parent's website for the relevant product as at the date of the Bond Terms (or any update to the "Product Data Sheet" which is accepted by the WA Lender with input from the Independent Technical Consultant).

"Recoverable Ilmenite" means the ilmenite product that is able to be extracted into Ilmenite as defined by the Chemours Offtake Agreement.

"Recoverable Zircon" means the zircon product that is able to be extracted into Premium Zircon or Zircon Concentrate as defined by the RZI/Sanxiang Offtake Agreement.

"ROM" means run of mine.

"Rutile" means rutile (including rutile-leucoxene minerals) that meet the Product Specifications for rutile as defined by the Coburn Rutile Offtake (once finalised).

"Utilisation" means the percentage of available time in which the process control system records the state of the relevant section of plant as operating, without specification as to whether any of the component equipment in operation is duty or standby equipment.

"WCP" means Wet Concentration Plant.

"Zircon Concentrate" means the zircon product which meets the Product Specifications for Zircon Concentrate as defined by the RZI/Sanxiang Agreement.

2. Achievement of Operational Completion

As determined from the data in the Operation Report over the Operational Completion Test Period supplied to the WA Lender we hereby certify as follows:

2.1. Mining test

Throughout the Operational Completion Test Period:

- (a) the tonnage of the ore mined and delivered to the DMU was at least 90% of that projected in the Physicals Schedule for the Operational Completion Test Period to be delivered to the DMU; and
- (b) the tonnage of the waste mined and delivered to the relevant waste dumping site(s) of the Project was at least 90% of that projected in the Life of Mine Plan for the Operational Completion Test Period to be delivered to the relevant waste dumping site(s).

Exposed areas of ROM ore are adequate to ensure production can continue beyond the Operational Completion Test Period.

2.2. Mined Grade test

Throughout the Operational Completion Test Period, mined grades for zircon and ilmenite for the ore blocks mined during the Operational Completion Test Period was at least 90% of the contained zircon and ilmenite forecast in the current Physicals Schedule during that period.

2.3. Reserves test

The ore actually mined and processed in the relevant ore blocks that have been mined since commencement of production have been reconciled against the tonnage and grade projections for those ore blocks in the reserve block model forming the basis for the Physicals Schedule, and that reconciliation demonstrates that:

- (a) in the Operational Completion Test Period the tonnage of the ore actually mined from the reserve blocks depleted has been at least 90% of that projected to be contained within the reserve blocks depleted in the reserve block model forming the basis of the Physicals Schedule;
- (b) the mined grades for zircon, ilmenite have both been at least 90% of that projected in the reserve block model forming the basis of the Life of Mine Plan for the ore blocks mined since commencement of production; and
- (c) the contained zircon and ilmenite in the ore actually mined has been at least 90% of that projected to be contained in the reserve block model forming the basis of the Physicals Schedule for the reserve blocks mined since commencement of production.

2.4. Process Plant Feed

Throughout the Operational Completion Test Period:

- (a) the tonnage of the ore fed to the WCP Rougher Spirals has been at least 90% of that projected to be treated in such WCP Rougher Spirals in the Operational Completion Test Period in the current Physicals Schedule during that period; and
- (b) the grade of zircon, ilmenite in the ore so fed to the WCP has been at least 90% of that projected to be treated in such WCP in that Operational Completion Test Period in the current Physicals Schedule during that period.

2.5. Recovery test

An average mineral recovery rate to final product of at least 90% of the recovery rate to final product in the Physicals Schedule over the Operational Completion Test Period has been achieved during the Operational Completion Test Period for each of:

- (a) Recoverable Zircon to Premium Zircon;
- (b) Recoverable Zircon to Zircon Concentrate; and
- (c) Recoverable Ilmenite to Ilmenite.

2.6. Production Test

Throughout the Operational Completion Test Period, the saleable mineral production of the plant has been at least 90% of that projected in that Operational Completion Test Period in the current Physicals Schedule during that period for each product item.

- (a) Premium Zircon;
- (b) Zircon Concentrate; and
- (c) Ilmenite.

2.7. Product Quality Test

The quality of at least 90% of the final product stockpiled or dispatched during the Operational Completion Test Period meets the required Product Specifications as per the sales contracts.

2.8. Product Stockpiling and Transportation Test

Throughout the Operational Completion Test Period, the quantity of the following mineral products shipped to the designated port facility has been at least 90% of that projected to be shipped in that Operational Completion Test Period in the current Base Case Financial Model during that period for each product item and not less than 90% in aggregate as projected to be shipped in that Operational Completion Test Period in the current Base Case Financial Model.

- (a) Premium Zircon;
- (b) Zircon Concentrate; and
- (c) Ilmenite.

Stockpiling facilities are functioning as per the design intent.

2.9. Product Offtake Acceptance and Penalty Test

No shipments of final products, generated during the Operation Completion Test Period, will be subjected to breaches of said product specifications that will result in:

- (a) For small batch shipment, rejection of more than 5% of the total product tonnage shipped, or,
- (b) For bulk shipments, total value of penalties applied of greater than 5% of net revenue.

2.10. Cost test

Throughout the Operational Completion Test Period:

- (a) the average unit mining operating cost per tonne of ore, per tonne of waste and per tonne of material mined did not exceed (in each case) 115% of the projected unit operating cost (in \$/tonne of ore, \$/tonne of waste and \$/tonne of material mined) in the Operating Costs schedule for the Operational Completion Test Period;

- (b) the average unit processing operating cost per tonne of ore processed during the Operational Completion Test Period did not exceed 115% of the projected unit operating cost (in \$/tonne ore) in the Operating Costs schedule for the Operational Completion Test Period; and
- (c) the total outbound logistics excluding shipping operating costs during the Operational Completion Test Period did not exceed 110% of the projected outbound operating expenditures (in \$/t) for the Operational Completion Test Period in the Operating Costs schedule for each product item.
 - (i) Premium Zircon;
 - (ii) Zircon Concentrate; and
 - (iii) Ilmenite.
- (d) the total project Operating Costs during the Operational Completion Test Period did not exceed 115% of the projected on site operating expenditures for the Operational Completion Test.

2.11. Operating cost

Through the Operational Completion Test Period, the cost per tonne of Product (which is comprised of mining costs, processing costs, outbound logistic costs, site g&a costs, sustaining capex costs and corporate overhead costs) produced by the plant has not exceeded 115% of that projected for that Operational Completion Test Period in the current Base Case Financial Model.

2.12. Environmental and social compliance

The Project is being implemented in compliance, in all material respects, with all applicable Environmental and Social Laws and Environmental and Social Permits that are required in connection with the Project.

2.13. Tailings Storage Facility

The design, construction and operation of the Tailings Storage Facility complies in all material respects with all applicable Environmental and Social Laws (including the Standards of Practice of ANCOLD and the Operating Manuals for the Tailings Storage Facility) and all applicable Environmental and Social Permits and the required rate of tailings placement is sustainable.

2.14. Operational Availability and Utilisation

Operational Utilisation at 90% of the assumed Operational Utilisation as stated in, or determined from, the Design Documentation in each Contract (or any other design documentation approved by the Independent Technical Consultant) has been achieved for the processing facilities over the Operational Completion Test Period for each of the following plant sections:

- (a) DMU;
- (b) WCP; and
- (c) MSP.

2.15. Continuity test

No material issues or matters have been identified since the commencement of operations that are likely to prevent the Project from being implemented in accordance with, and as contemplated by, the current Base Case Financial Model.

2.16. Financial Covenants

With reference to the Base Case Financial Model most recently delivered to the Bond Trustee, as of the date of this Certificate, the Issuer is in compliance with the *Financial Covenants* of the Bond Terms and the Bond Trustee has received a Compliance Certificate to that effect dated on the date of this Certificate.

2.17. No Default

As at the date of this Certificate, no Default or Review Event has occurred and is continuing.

2.18. Project Accounts

As of the date of this Certificate the aggregate balance credited to the Debt Service Reserve Accounts is no less than the DSRA Required Balance.

2.19. Insurances

As of the date of this Certificate, the Issuer has commercial insurance and reinsurance cover in place as required by Clause 15.14 (*Insurance*) of the Bond Terms.

2.20. Authorisations

Each Authorisation necessary for the continuous operation of the Project in accordance with the Project Documents and the Base Case Financial Model has been obtained and is in full force where failure by it to obtain or maintain such Authorisation is reasonably likely to have a Material Adverse Effect.

2.21. Representations

The Repeating Representations are true in all material respects and not misleading in any material respect as of the date of this Certificate.

COBURN RESOURCES PTY LTD

By.....

Name.....

Title.....

The Independent Technical Consultant confirms the matters under paragraphs 2.1 to 2.15 (inclusive).

[] as Independent Technical Consultant

By.....

Name.....

Title.....

ATTACHMENT 4
FORM OF COST TO COMPLETE CERTIFICATES

Part I
Form of Physical Completion Cost to Complete Certificate

To: [the Bond Trustee]

From: Coburn Resources Pty Ltd as Issuer

Dated:

Dear Sirs

Coburn Resources Pty Ltd – [USD 60,000,000] Bond Terms dated [] (the "Agreement")

We refer to the Agreement. This is a Physical Completion Cost to Complete Certificate. Terms used in the Agreement shall have the same meaning in this Physical Completion Cost to Complete Certificate unless given a different meaning in this Physical Completion Cost to Complete Certificate.

The Issuer certifies as follows.

1. Physical completion test

- (a) The forecast date of completion or passing of the "Physical Completion Test" is *[insert date]* ("**Physical Completion Date**").

2. Committed Funding (paragraph (a) of that definition)

- (a) The Available Facility for Facility B (after any Utilisation of Facility B is made under an issued utilisation request (if any)) is AUD *[insert]*;
- (b) The "available commitment" (however described) under the Bonds including any amount standing to the credit of the Bond Escrow Account, is USD *[insert]*;
- (c) The aggregate amount standing to the credit of the USD Collection Account is USD *[insert]*;
- (d) The aggregate amount standing to the credit of the AUD Collection Account is AUD *[insert]*;
- (e) The aggregate amount standing to the credit of the Insurance Proceeds Account is AUD *[insert]*;
- (f) The Cost Overrun Proceeds (provided that the Cost Overrun Conditions have been satisfied) is AUD *[insert]*;
- (g) The amount of any liquidated damages under a Project Document (which have not already been deposited into the Collection Accounts) and which the Issuer demonstrates to the satisfaction of the WA Lender are due and payable to the Issuer at such time by a counterparty to a Project Document, to the extent that either:

- (A) the Issuer is entitled to draw an amount in respect of such liquidated damages under a performance bond, bank guarantee or any other form of security under that Project Document, is [insert figure and currency]; or
 - (B) the WA Lender is otherwise satisfied that such amount will actually be paid by that counterparty to the Project Document prior to the then scheduled date for satisfying the Physical Completion Test is [insert figure and currency].
- (h) Without double counting any of the above, the amount of any other committed sources of funding available to the Issuer (which has been accepted by the WA Lender) is [insert figure and currency].

The aggregate amount in paragraphs 2(a) – (h) (inclusive) is AUD [insert].

3. Cost to Complete – Physical Completion

Without double counting:

- (a) All Construction Costs at that time payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion) but not yet paid, are AUD [].
- (b) All Financing Costs (including capitalised interest) at that time payable up to Physical Completion but not yet paid, as set out in the Base Case Financial Model but not yet paid, are AUD [].
- (c) All Operating Costs at that time payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion) but not yet paid, are AUD [].
- (d) All Project Costs at that time payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion) but not yet paid, are AUD [].
- (e) All cost overruns to the Project Costs at that time payable, or which the Issuer forecasts will be payable to achieve Physical Completion or are otherwise payable as set out in the Base Case Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion) but not yet paid, are AUD [].
- (f) Any scheduled principal repayments under any Working Capital Facility Agreement at that time payable up to Physical Completion but not yet paid, as set out in the Base Case Financial Model, other than any amounts falling due under the Working Capital Facility Agreement which will be available for simultaneous redrawing according to the terms of the Working Capital Facility Agreement, but not yet paid, are AUD [].
- (g) Amounts required to maintain the Minimum Unrestricted Cash Balance in the Collection Accounts up to Physical Completion, as set out in the Base Case Financial Model but not yet paid, are AUD [].
- (h) Any other costs which the Issuer forecasts it will incur in respect of the Project in connection with achieving Physical Completion or are otherwise payable as set out in the Base Case

Financial Model up to Physical Completion (and in each case, whether payable before or after Physical Completion), but not yet paid, are AUD [].

The aggregate amount in paragraphs 3(a) – (h) (inclusive) is AUD [insert].

4. Physical completion cost to complete test

The aggregate amount in paragraphs 2(a) – (h) (inclusive) above is greater than the aggregate amount in paragraphs 3(a) – (h) (inclusive) above.

Signed:

.....

Director

Of Coburn Resources Pty Ltd

INDEPENDENT TECHNICAL CONSULTANT CONFIRMATION

I,....., for and on behalf of the Independent Technical Consultant, certify that:

- (a) the factual information set out in this Physical Completion Cost to Complete Certificate (other than any factual information with respect to Financing Costs or with respect to paragraph 3(v)(A)) is true, correct and not misleading as at the date set out below; and
- (b) the non-factual information (including any forecasts and projections) set out in this Physical Completion Cost to Complete Certificate (other than any non-factual information with respect to Financing Costs or with respect to paragraph 3(v)(A)) is true, correct and not misleading as at the date set out below.

Date:

Signed:

.....

Name:

For and on behalf of the Independent Technical Consultant

Part II
Form of Project Completion Cost to Complete Certificate

To: [the *Bond Trustee*]

From: Coburn Resources Pty Ltd as Issuer

Dated:

Dear Sirs

Coburn Resources Pty Ltd – [USD 60,000,000] Bond Terms dated [] (the "Agreement")

We refer to the Agreement. This is a Project Completion Cost to Complete Certificate. Terms used in the Agreement shall have the same meaning in this Project Completion Cost to Complete Certificate unless given a different meaning in this Project Completion Cost to Complete Certificate.

The Issuer certifies as follows.

1. Project completion tests

- (a) The forecast date of completion or passing of the “Physical Completion Tests” is [insert date]; and
- (b) The forecast date of completion or passing of the “Operational Completion Tests” is [insert date],

("Project Completion Date").

2. Committed Funding

- (a) The Available Facility for Facility B (after any Utilisation of Facility B is made under an issued utilisation request (if any)) is AUD [insert];
- (b) The "available commitment" (however described) under the Bonds including any amount standing to the credit of the Bond Escrow Account, is USD [insert];
- (c) The aggregate amount standing to the credit of the USD Collection Account is USD [insert];
- (d) The aggregate amount standing to the credit of the AUD Collection Account is AUD [insert];
- (e) The aggregate amount standing to the credit of the Insurance Proceeds Account is AUD [insert];
- (f) The Cost Overrun Proceeds (provided that the Cost Overrun Conditions have been satisfied) is AUD [insert];
- (g) The amount of any liquidated damages under a Project Document (which have not already been deposited into the Collection Accounts) and which the Issuer demonstrates to the satisfaction of the WA Lender are due and payable to the Issuer at such time by a counterparty to a Project Document, to the extent that either:

- (A) the Issuer is entitled to draw an amount in respect of such liquidated damages under a performance bond, bank guarantee or any other form of security under that Project Document [insert figure and currency]; or
- (B) the WA Lender is otherwise satisfied that such amount will actually be paid by that counterparty to the Project Document prior to the earlier of the then scheduled date for achieving Project Completion and the Sunset Project Completion Date is [insert figure and currency];
- (h) The forecast Operating Revenue up to the Project Completion Date in accordance with the Base Case Financial Model (using the low case for TZMI) is AUD [insert]; and
- (i) Without double counting any of the above, the amount of any other committed sources of funding available to the Issuer (which has been accepted by the WA Lender) is [insert figure and currency].

The aggregate amount in paragraphs 2(a) – (i) (inclusive) is AUD [insert].

3. Cost to Complete – Project Completion

Without double counting:

- (a) all Construction Costs at that time payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion) but not yet paid, are AUD [];
- (b) all Financing Costs (including capitalised interest) at that time payable up to Project Completion but not yet paid, as set out in the Base Case Financial Model are AUD [];
- (c) all Operating Costs at that time payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion) but not yet paid, are AUD [];
- (d) all Project Costs at that time payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion) but not yet paid, are AUD [];
- (e) all cost overruns to the Project Costs at that time payable, or which the Issuer forecasts will be payable to achieve Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case whether payable before or after Project Completion) but not yet paid, are AUD [];
- (f) any scheduled principal repayments under any Working Capital Facility Agreement at that time payable up to Project Completion but not yet paid, as set out in the Base Case Financial Model, other than any amounts falling due under the Working Capital Facility Agreement which will be available for simultaneous redrawing according to the terms of the Working Capital Facility Agreement are AUD [];
- (g) amounts required to maintain the Minimum Unrestricted Cash Balance in the Collection Accounts up to Project Completion, as set out in the Base Case Financial Model are AUD [];

- (h) amounts required to Maintain the Debt Service Reserve Accounts at the DSRA Required Balance up to Project Completion, as set out in the Base Case Financial Model are AUD []; and
- (i) any other costs which the Issuer forecasts it will incur in respect of the Project in connection with achieving Project Completion or are otherwise payable as set out in the Base Case Financial Model up to Project Completion (and in each case, whether payable before or after Project Completion), but not yet paid, are AUD [].

The aggregate amount in paragraphs 3(a) – (i) (inclusive) is AUD [*insert*].

4. Cost to complete test

The aggregate amount in paragraphs 2(a) – (i) (inclusive) above is greater than the aggregate amount in paragraphs 3(a) – (i) (inclusive) above.

5. Time to complete test

The date of Project Completion is reasonably likely to be achieved by [*insert date*] (the "**Forecast Project Completion Date**", being earlier than the Sunset Project Completion Date (being [*insert date*])).

Signed:

.....

Director

Of Coburn Resources Pty Ltd

INDEPENDENT TECHNICAL CONSULTANT CONFIRMATION

I,....., for and on behalf of the Independent Technical Consultant, certify that:

- (a) the factual information set out in this Project Completion Cost to Complete Certificate (other than any factual information with respect to Financing Costs or with respect to paragraph 3(vi)(A)) is true, correct and not misleading as at the date set out below; and
- (b) the non-factual information (including any forecasts and projections) set out in this Project Completion Cost to Complete Certificate (other than any non-factual information with respect to Financing Costs or with respect to paragraph 3(vi)(A)) is true, correct and not misleading as at the date set out below.

Date:

Signed:

.....

Name:

For and on behalf of the Independent Technical Consultant

APPENDIX B:

Constitutional documents of the Issuer



CONSTITUTION OF COBURN RESOURCES PTY LTD

Ref:PC:4214-020



Suite 183, Level 6 580 Hay Street, Perth, WA, 6000

p +61 8 9221 0033
f +61 8 9221 0133

mphlawyers.com.au

INDEX

1.	DEFINITIONS AND INTERPRETATION	3
2.	EXCLUSION OF REPLACEABLE RULES	4
3.	PREVIOUS CONSTITUTION	4
4.	PROPRIETARY COMPANY PROVISIONS	4
5.	VARIATION OF SHARE RIGHTS	4
6.	BROKERAGE OR COMMISSION	5
7.	SHARES HELD IN TRUST	5
8.	SHARE CERTIFICATES	6
9.	LIEN	6
10.	CALLS ON SHARES	7
11.	FORFEITURE OF SHARES	8
12.	SURRENDER OF SHARES.....	9
13.	TRANSFER OF SHARES	9
14.	TRANSMISSION OF SHARES	11
15.	SHARE BUY BACK AND CAPITAL REDUCTION	12
16.	OFFERS OF SHARES.....	12
17.	CONVENING GENERAL MEETINGS	13
18.	PROCEEDINGS AT GENERAL MEETINGS	14
19.	APPOINTMENT, REMOVAL AND REMUNERATION OF DIRECTORS	17
20.	POWERS AND DUTIES OF DIRECTORS	18
21.	CONFLICT OF INTEREST	19
22.	MEETINGS OF DIRECTORS	19
23.	ALTERNATE DIRECTORS	21
24.	APPOINTMENT AND TERMINATION OF MANAGING DIRECTOR.....	22
25.	POWER OF ATTORNEY	22
26.	SECRETARY.....	22
27.	MINUTES.....	23
28.	COMPANY SEAL AND EXECUTION OF INSTRUMENTS	23
29.	INSPECTION OF RECORDS	23
30.	DIVIDENDS AND RESERVES	24
31.	CAPITALISATION OF PROFITS	25
32.	AUDITOR.....	25
33.	NOTICE	26
34.	WINDING UP	26

35. INDEMNITY OF OFFICERS, AUDITORS OR AGENTS.....26

36. SHARE RIGHTS.....27

37. LOANS TO MEMBERS AND ASSOCIATES28

SCHEDULE – LOAN AGREEMENT29

THE CONSTITUTION
A COMPANY LIMITED BY SHARES
UNDER THE CORPORATIONS ACT 2001 (CTH)

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

“Alternate Director” means a person appointed as an alternate Director in accordance with Rule 23.

“Associate” has the meaning given by section 318 of the Income Tax Assessment Act as amended.

“Corporations Act” means the Corporations Act 2001 (Cth) and the Corporations Regulations made under it as amended from time to time.

“Director” has the meaning given by section 9 of the Corporations Act and includes an Alternate Director.

“Income Tax Assessment Act” means the *Income Tax Assessment Act 1936* (Cth).

“Loan Agreement” means the agreement set out in Part A of the Schedule.

“Loan” means an advance or facility defined in subsection 109D(3) of the Income Tax Assessment Act and made by the Company to a Member or the Member’s Associate (as the case may be) on the terms and conditions set out in the Loan Agreement.

“Member” means any person entered in the Register as the holder of a Share or Shares.

“Quorum” means any 2 Members entitled to vote or 1 Member where that Member is the only Member entitled to vote provided that such Member or Members hold at least 50% of the Shares.

“Register” means a Register of Members kept pursuant to the Corporations Act.

“Rule” means a provision of this Constitution.

“Seal” means the common seal of the Company and includes any official seal of the Company.

“Secretary” means any person (including, if applicable, the sole Director) appointed to perform the duties of a secretary of the Company.

“Secured Party” has the meaning given in Rule 13.18(a).

“Share” or **“Shares”** means any issued Share or Shares in the share capital of the Company.

“Special Resolution” has the meaning given by section 9 of the Corporations Act.

1.2 Interpretation

(a) The singular means and includes the plural and vice versa and any reference to

Directors will be deemed to mean a sole Director acting alone where the Company has only one Director.

- (b) Any gender means and includes all other genders.
- (c) References to any statutory enactment will mean and be construed as references to that enactment as amended modified and re-enacted from time to time.
- (d) The Table of Contents and headings used are for ease of reference only and will not affect the construction or interpretation of this Constitution.
- (e) Words importing persons include corporations.

2. EXCLUSION OF REPLACEABLE RULES

The replaceable rules contained in the Corporations Act are excluded and do not apply to the Company (except in so far as they are repeated in this Constitution).

3. PREVIOUS CONSTITUTION

- 3.1 This Constitution supersedes the constitution of the Company (if any) in force immediately prior to the adoption of this Constitution.
- 3.2 The adoption of this Constitution does not affect the validity or effect of anything done under any previous constitution of the Company so that (and without limitation):
 - (a) every Director and Secretary in office immediately prior to the adoption of this Constitution is taken to have been appointed and will continue in office under this Constitution; and
 - (b) any Seal properly adopted by the Company prior to the adoption of this Constitution is taken to be a Seal properly adopted under this Constitution.

4. PROPRIETARY COMPANY PROVISIONS

- 4.1 The Company is registered as a proprietary company within the meaning of section 113 of the Corporations Act and accordingly will:
 - (a) be limited by Shares;
 - (b) have no more than fifty (50) non-employee Members; and
 - (c) will not engage in any activity that would require disclosure to investors under Chapter 6D of the Corporations Act or a corresponding law except that the Company may offer its Shares to:-
 - (i) existing Members of the Company; or
 - (ii) employees of the Company or a subsidiary of the Company.
- 4.2 The Company will have the legal capacity and powers of an individual both inside and outside Australia as well as all powers referred to in section 124 of the Corporations Act.

5. VARIATION OF SHARE RIGHTS

- 5.1 Subject to this Constitution, the Corporations Act and to any special rights attached to any

Shares, all Shares will be under the absolute control of the Directors who may classify, allot, grant options over or dispose of or otherwise deal with the same to any person and on any terms and with full power to give to any person the call of any Shares as the Directors may determine and any Shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may determine.

- 5.2 The Company will have power to issue Shares whether preference or otherwise carrying the right of redemption out of profits or otherwise in accordance with section 254A of the Corporations Act or liable to be so redeemed at the option of the Company and the Directors may, subject to the provisions of section 254J-L of the Corporations Act exercise such power of redemption in any manner they may determine.
- 5.3 If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, in a winding up or otherwise, be varied with the consent in writing of the holders of three-quarters of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class.
- 5.4 The provisions of this Constitution relating to general meetings will apply (where applicable) to every separate meeting of a class of Shareholders except that:
- (a) a quorum is constituted by two (2) persons who between them hold or represent by proxy one-third of the issued Shares of that class; or
 - (b) where the Company has issued Shares of that class to only one Member, that Member will constitute a quorum; and
 - (c) any holder of Shares of that class (present in person or by proxy) may demand a poll.
- 5.5 Unless expressly provided by the terms of issue, the rights conferred upon the holders of Shares of any class which are issued with preferred or other rights are deemed to be varied by the creation or issue of further Shares ranking equally with or in priority to the first-mentioned Shares.

6. BROKERAGE OR COMMISSION

- 6.1 The Company may exercise the power to make payments by way of brokerage or commission in the manner provided by the Corporations Act.
- 6.2 Payments by way of brokerage or commission may be satisfied by the payment of cash, by the allotment of fully or partly paid Shares or by any combination of cash or allotment.

7. SHARES HELD IN TRUST

- 7.1 Shares held by a Member as trustee may be recorded in the Register in such a way as to identify them as being held upon trust provided that no liability will be created by any such record and the Company will not be affected with notice of any trust so recorded.
- 7.2 Notwithstanding Rule 7.1 the Company is not bound by or compelled in any way to recognise or to investigate (whether or not it has notice of the interest or rights concerned) any equitable, contingent, future or partial interest in any Share or the holding of any Share upon trust or any dealing by the trustee of such Share or (except as otherwise provided by this Constitution or by law) any other right in respect of a Share except an absolute right of ownership in the registered holder.

8. SHARE CERTIFICATES

- 8.1 The Company will complete and deliver a Share certificate to any person allotted Shares or the transferee of any Shares (or their nominee) in accordance with the Corporations Act.
- 8.2 Where a Share certificate is lost or destroyed:
- (a) if the holder of the Shares lodges an application for a duplicate certificate the Directors will; or
 - (b) in any other circumstances the Directors may,
- issue a duplicate certificate to replace the lost or destroyed Share certificate.
- 8.3 Where a Share certificate is worn out or defaced and upon production of the certificate to the Company, the Directors may order the certificate to be cancelled and issue a replacement certificate.
- 8.4 Delivery of a certificate for a Share or Shares to one of several joint holders is sufficient delivery to all joint holders.

9. LIEN

- 9.1 The Company has a first and paramount lien and charge upon every Share (other than Shares that are fully paid) for all money (whether presently payable or not) called or payable at a fixed time in respect of that Share.
- 9.2 The Company also has a first and paramount lien on all Shares (other than Shares that are fully paid) for all money which the Company may be called upon by law to pay in respect of those Shares together with interest and any monies so paid may be recovered from the Member or the Member's legal personal representative as a debt due by the Member or the Member's estate to the Company.
- 9.3 The Company may charge and recover interest at current bank overdraft rates on any monies paid by the Company pursuant to Rule 9.2 until the monies have been paid in full to the Company by the Member or the Member's legal personal representative.
- 9.4 The Company's lien on a Share extends to all dividends payable in respect of that Share.
- 9.5 Subject to Rule 9.6, the Company may sell, in such manner as the Directors determine, any Shares on which the Company has a lien.
- 9.6 A Share on which the Company has a lien must not be sold unless:
- (a) a sum in respect of which the lien exists is presently payable; and
 - (b) the Company has, not less than 14 days before the date of the sale, given to the registered holder of the Share, or the person entitled to the Share by reason of the death or bankruptcy of the registered holder, a notice in writing setting out and demanding payment of such part of the amount in respect of which the lien exists as is presently payable.
- 9.7 For the purpose of giving effect to the sale of a Share pursuant to Rule 9.5, the Directors may authorise a person to transfer the Shares sold to the buyer of the Shares.
- 9.8 The Company will register the buyer as the holder of the Shares comprised in such transfer

and the title of the buyer to the Shares is not affected by any irregularity or invalidity in connection with the sale.

- 9.9 The Company will apply the net proceeds of any sale of Shares under Rule 9.5 in or towards satisfaction of that part of the amount in respect of which the lien exists as is presently payable together with any interest on that amount and expenses paid or payable in connection with the enforcement of the lien and the sale of the Shares.
- 9.10 The Company will pay any balance of the net proceeds of sale (subject to any like lien for sums not presently payable that existed upon the Shares before the sale) to the person entitled to the Shares at the date of sale.
- 9.11 The Directors may at any time in their discretion exempt a Share wholly or in part from the provisions of this Rule.

10. CALLS ON SHARES

- 10.1 The Directors may make calls upon the Members in respect of any money unpaid on the Shares.
- 10.2 The Directors may determine that a call may be payable by instalments.
- 10.3 Each Member must, upon receiving at least 14 days' notice specifying the time and place of payment, pay to the Company at the time and place specified in the notice the amount called on the person's Shares.
- 10.4 The accidental omission to give notice of any call or the non-receipt of any notice by any Member or Members does not invalidate the call.
- 10.5 The Directors may revoke or postpone a call.
- 10.6 A call will be deemed to have been made at the time when the resolution of the Directors authorising the call is passed.
- 10.7 The joint holders of a Share are jointly and severally liable to pay all calls in respect of the Share.
- 10.8 If a sum called in respect of a Share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due must pay interest on the sum from the day appointed for payment to the time of actual payment at such rate as the Directors may determine but not exceeding the rate charged by the Company's bankers on overdrafts of \$100,000 and the Directors may waive payment of that interest wholly or in part.
- 10.9 Any sum that, by the terms of issue of a Share, becomes payable on allotment or at a fixed date, will for the purpose of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the sum becomes payable and, in case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise apply as if the sum had become payable by virtue of a call duly made and notified.
- 10.10 The Directors may, on the issue of Shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 10.11 The Directors may accept from a Member the whole or a part of the amount unpaid on a Share although no part of that amount has been called up and the Directors may authorise

payment by the Company of interest upon the whole or any part of an amount so accepted until the amount becomes payable at such rate as is determined by the Directors in their absolute discretion.

11. FORFEITURE OF SHARES

- 11.1 If any Member fails to pay, on or before the day appointed for payment, any call or instalment of a call or any money payable under the terms of allotment of a Share, the Directors may at any time after that day and while any part of the call, instalment or other monies remains unpaid, serve a notice on the Member requiring payment of:
- (a) the unpaid call, instalment or other monies;
 - (b) any interest that may have accrued on the unpaid call, instalment or other monies; and
 - (c) any costs and expenses that may have been incurred by the Company as a result of the non- payment of the call, instalment or other monies.
- 11.2 A notice sent to a Member pursuant to Rule 11.1 must:
- (a) name a further day (not being less than 14 days from the date of the notice) on or before which the call, instalment or other monies and all interest and expenses that have accrued by reason of the non-payment are to be paid;
 - (b) identify the place where payment is to be made; and
 - (c) include a statement to the effect that in the event of non-payment of all of the monies on or before the date and at the place appointed, the Shares in respect of which the payment is due will be liable to be forfeited.
- 11.3 If the requirements of a notice served under Rules 11.1 and 11.2 are not complied with, any Share in respect of which the notice has been given may at any time thereafter be forfeited by a resolution of the Directors to that effect.
- 11.4 Any forfeiture will include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.
- 11.5 A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors determine in their absolute discretion and, at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors may determine.
- 11.6 A person whose Shares have been forfeited ceases to be a Member in respect of the forfeited Shares but remains liable to pay to the Company all money that, at the date of forfeiture, was payable by the person to the Company in respect of the Shares (including interest at a rate determined by the Directors which may be charged from the date of forfeiture on the money unpaid) provided that the person's liability ceases if and when the Company receives payment in full of all the money (including interest) payable in respect of the Shares.
- 11.7 A statutory declaration in writing declaring that the person making the statement is a Director or a Secretary and that a Share in the Company has been duly forfeited on a date stated in that declaration is prima facie evidence of the facts stated in that declaration as against all persons claiming to be entitled to the Share.
- 11.8 The Company may receive the consideration (if any) given for a forfeited Share on any sale or

disposition of the Share and may execute a transfer of the Share in favour of the transferee of the Share.

- 11.9 The title of the transferee to the Share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Share.

12. SURRENDER OF SHARES

- 12.1 The Directors may accept the surrender of any fully paid Share by way of compromise of any question as to the holder being properly registered in respect of that Share.
- 12.2 The Directors may dispose of any Share so surrendered in the same manner as a forfeited Share.

13. TRANSFER OF SHARES

- 13.1 Subject to Rules 13.7 to 13.15 a Member may transfer all or any of the Member's Shares by instrument in writing in any usual form or in any other form approved by the Directors.
- 13.2 An instrument of transfer referred to in Rule 13.1 must be executed by or on behalf of both the transferor and the transferee or otherwise in accordance with the Corporations Act.
- 13.3 A transferor of a Share or Shares remains the holder of the Share or Shares transferred until the transfer is registered and the name of the transferee is entered in the Register.
- 13.4 The instrument of transfer must be left for registration at the registered office of the Company accompanied by any Share certificate.
- 13.5 The Directors may decline to register any transfer of Shares without giving any reason for such refusal.
- 13.6 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that any period of suspension does not exceed 30 days in any calendar year.
- 13.7 Subject to this Constitution and except as provided in Rule 13.15 no Shares in the Company will be transferred unless and until the rights of pre-emption conferred by Rules 13.8 to 13.14 inclusive have been exhausted provided that that these pre-emption provisions will not apply where the Company buys back its own Shares pursuant to the provisions of Division 2 of Part 2J.1 of the Corporations Act.
- 13.8 Any Member proposing to transfer any Share or Shares ("**the Transferor**") must give notice in writing to the Company of the person's intention to do so ("**Transfer Notice**") specifying the Share or Shares the person proposes to transfer and the price per Share which the person is willing to accept. Such notice will be deemed to include the appointment of the Company as the Transferor's agent for a period of 60 days from the date of the Company's receipt of the Transfer Notice (subject to the other provisions of this Rule 13) to sell the Share or Shares to any person eligible to be a Member at the price per Share specified in the Transfer Notice or determined in terms of Rule 13.9. A Transfer Notice will not be revocable except as provided in Rule 13.10.
- 13.9 If the price specified in the Transfer Notice is in the opinion of the Directors not a fair value for the Share or Shares, the Directors will request the Company auditor or, if there is no auditor, a person selected by the Directors as an expert (the auditor or person so selected being referred to in this Rule as the "Valuer") to determine the fair value of such Share or

Shares. The costs of any valuation undertaken pursuant to this Rule 13.9 will be borne by the Transferor and the Company equally. In determining the fair value the Valuer will act as an expert and not as an arbitrator and, accordingly, the provisions of the Commercial Arbitration Act 2012 (WA) (or the equivalent Commercial Arbitration Act applicable in the relevant jurisdiction) will not apply.

- 13.10 The Directors will notify the Transferor of the fair value determined by the Valuer and the Transferor will be entitled to withdraw the person's Transfer Notice within seven (7) days after receiving such notification.
- 13.11 The Share or Shares the subject of a Transfer Notice will be offered by the Directors to all other holders of Shares in the same class as those described in the Transfer Notice as nearly as may be in proportion to the existing Shares held by them at the price specified by the Transferor or determined by the Valuer (as the case may be) and the offer will:
- (a) limit the time within which the offer may be accepted; and
 - (b) specify that any Member entitled who desires to acquire Shares in excess of the person's proportion is required, in the person's reply, to state how many excess Shares the person desires to acquire.
- 13.12 If all the Members entitled do not claim their proportions the unclaimed Shares will be used in or towards satisfying any requests for excess Shares. Any Shares which are not capable (without introducing fractions) of being offered to the Members entitled in proportion to their existing holdings will be offered to the Members entitled or some of them in such proportions or in such manner as may be determined by the Directors in their absolute discretion.
- 13.13 If the Directors give notice to the Transferor that a buyer is willing to purchase all or any of the Shares the subject of the Transfer Notice, the Transferor will be bound upon payment of the price to transfer the Shares concerned to the buyer purchasing the Shares.
- 13.14 If the Transferor defaults in transferring any such Share or Shares the Company may receive the purchase money and the Transferor will be deemed to have appointed any one Director or the Secretary of the Company as the person's attorney with full power to execute, complete and deliver a transfer of such Share or Shares to the buyer and upon the execution of such transfer the Company will hold the purchase money in trust for the Transferor. The receipt of the Company for the purchase money will be a good discharge to the buyer and after the buyer's name has been entered in the Register the validity of the transfer will not be questioned by any person.
- 13.15 If within the 60 day period referred to in Rule 13.13 the Directors have not found a Member or buyer for all or any of the Shares in accordance with this Rule 13, the Transferor may at any time within six (6) months of the expiry of the 60 day period sell those Shares or any of them to any person provided that:
- (a) the price received by the Transferor is not less than the price specified in the Transfer Notice or as determined by the Valuer in accordance with Rule 13.9 (as the case may be); and
 - (b) the terms and conditions of the sale are no more favourable than those offered in the Transfer Notice,

but subject always to the right of the Directors to decline to register any transfers as provided in Rule 13.5.

- 13.16 The company in general meeting may by Special Resolution make and from time to time vary the pre-emptive rights and procedures mentioned in this Rule 13 and, in particular, may give any Member or class of Members a preferential right to purchase the same.
- 13.17 The foregoing provisions of this Rule will not apply to any transfer of Share or Shares as follows:
- (a) a transfer from a retiring trustee to a new trustee;
 - (b) a transfer to a husband, wife, brother, sister, parent, child or grandchild of a Member;
 - (c) a transfer by a legal personal representative to a beneficiary under the will of or to persons beneficially entitled to Shares upon the distribution of the estate of a deceased Member;
 - (d) where all the Members of the Company (excluding the proposing Transferor) sign an instrument waiving all rights of entitlement they have under this Rule;
 - (e) where the Share or Shares are held jointly by several persons, by one of those persons to one or more of the other joint holders; or
 - (f) by one Member holding all the issued Shares in the Company.

Provided that it is proved to the satisfaction of the Directors that the transfer bona fide falls within one of these exceptions.

- 13.18 Despite any other provision of this Constitution and any replaceable rules in the Corporations Act that apply to the Company, the Directors must not decline to register any transfer of Shares, nor suspend registration thereof, and must register the transferee as a member of the Company:
- (a) where such transfer is in favour of a person holding a mortgage, charge, pledge or other security interest (or to a person acting as agent, trustee or nominee for such a person) (**Secured Party**) given by a member of the Company over their Shares or any call or other share option granted in favour of the Secured Party; or
 - (b) where such transfer is by or on behalf of a Secured Party in favour of any third party upon disposal or realisation of shares following the Secured Party having become entitled to exercise or enforce its rights under any such mortgage, charge, pledge, security interest and/or call or other share option.

A certificate by any officer of the Secured Party that the relevant transfer is within Rules 13.18(a) or (b) above shall be conclusive evidence of that fact. The Directors must immediately register the transfer on receiving a written request from the transferor or the transferee to register the transfer.

14. TRANSMISSION OF SHARES

- 14.1 In the case of the death of a Member, the survivor and the legal representatives of the deceased (as the case may be) will be the only person recognised by the Company as having good title to the Shares, provided that this Rule does not release the estate of a deceased joint holder from any liability in respect of a Share that had been jointly held by the person with other persons.
- 14.2 Where the registered holder of a Share dies or becomes bankrupt, the person's personal

representative or the trustee of the person's estate (as the case may be) is, upon the production of such information as is properly required by the Directors, entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if the person had not died or become bankrupt.

- 14.3 Subject to this Constitution and to the *Bankruptcy Act 1966* (Cth) as amended, a person becoming entitled to a Share in consequence of the death or bankruptcy of a Member may, upon such information being produced as is properly required by the Directors, elect either to:
- (a) be registered themselves as holder of the Share; or
 - (b) have some other person nominated by the person registered as the holder of the Share.
- 14.4 If the person becoming entitled elects to be registered themselves, the person must provide to the company a notice in writing signed by the person to that effect or if the person elects to have another person registered, the person will execute a transfer of the Share to that other person and arrange for such transfer to be registered by the Company.
- 14.5 All the limitations, restrictions and provisions of this Constitution relating to the right to transfer, and a registration of transfer of a Share is applicable to any such notice or transfer as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

15. SHARE BUY BACK AND CAPITAL REDUCTION

Subject to Division 2 of Part 2J.1 of the Corporations Act, the Company may buy back its own Shares and may, by Special Resolution, reduce its Share capital, any capital redemption reserve fund or any paid up Share capital.

16. OFFERS OF SHARES

- 16.1 Subject to this Constitution and to any direction to the contrary that may be given by the Company in general meeting, all unissued Shares in any class must, before issue, be offered to Members holding Shares in that class as at the date of the offer in proportion to the number of the Shares already held by them in that class as a percentage of the total Shares issued in that class.
- 16.2 The offer must be made by notice to the relevant Members specifying the number of Shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined.
- 16.3 After the expiration of that time or on being notified by the Member to whom the offer is made that the Member declines to accept the offer, the Directors may issue those Shares to any person in such manner as they think most beneficial to the Company.
- 16.4 Where, by reason of the proportion that Shares proposed to be issued bear to Shares already held, some of the first-mentioned Shares cannot be offered in accordance with Rule 16.1, the Directors may issue the Shares that cannot be so offered in such manner as they think most beneficial to the Company.
- 16.5 This Rule 16 will not apply to offers of unissued Shares where the Company has only one Member who is also the sole Director.

17. CONVENING GENERAL MEETINGS

- 17.1 Any Director may at any time convene a general meeting of Members or a meeting of any class of Members.
- 17.2 The Directors must call a general meeting if called to do so in accordance with section 249D of the Corporations Act.
- 17.3 Members with at least 5% of the votes that may be cast at a general meeting may call and arrange to hold a general meeting in accordance with section 249F of the Corporations Act.
- 17.4 Except as provided by Rule 17.5, a notice of a general meeting will:
- (a) subject to section 249H of the Corporations Act, be given at least 21 days prior to the date of the general meeting unless otherwise agreed in accordance with section 249H(2) of the Corporations Act;
 - (b) set out the place, date and time for the meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this);
 - (c) state the general nature of the meeting's business;
 - (d) if a Special Resolution is to be proposed at the meeting, set out an intention to propose the Special Resolution and state the resolution; and
 - (e) otherwise comply with section 249L of the Corporations Act.
- 17.5 It is not necessary for a notice of an annual general meeting to include details of:
- (a) declaring of a dividend;
 - (b) the consideration of accounts;
 - (c) the reports of the Directors and auditor; or
 - (d) the appointment and fixing of the remuneration of the auditor.
- 17.6 The non-receipt of a notice of a general meeting by a Member or the accidental omission to give such a notice to a Member will not invalidate any resolution passed at any such meeting.
- 17.7 If all the Members of the Company have signed a document containing a statement that they are in favour of a prescribed resolution in terms set out in the document, a resolution in those terms will be deemed to have been passed at a general meeting of the Company held on the day on which the document was signed by the last Member and where a document is so signed:
- (a) the Company will be deemed to have held a general meeting at that time on the day; and
 - (b) the document will be deemed to constitute a minute of that meeting.
- 17.8 Rule 17.7 does not apply unless the document has been signed by each person who was a Member of the Company at the time when the document was last signed.
- 17.9 For the purposes of Rule 17.7:

- (a) two or more separate documents containing statements in identical terms each of which is signed by one or more Members will together be deemed to constitute one document containing a statement in those terms signed by those Members on the respective days on which they signed the separate documents; and
- (b) an electronically transmitted facsimile copy of a document, the original of which in the opinion of the Secretary has been apparently signed by a Member, is deemed to be a document signed by that Member; and
- (c) a prescribed resolution is a resolution that is required by or permitted by the Corporations Act or this Constitution to be passed at a general meeting of the Company and includes a resolution appointing a Director or auditor or approving of or agreeing to any act, matter or thing but does not include a Special Resolution or any other resolution of which special notice is required or that is required to be passed by a majority other than a simple majority.

17.10 Where the Company has only one Member and the Member records the Member's decision to a particular effect, the recording of the decision counts as the passing by the Member of a resolution to that effect in accordance with section 249B of the Corporations Act and a record made has effect as a minute of the passing of the resolution.

18. PROCEEDINGS AT GENERAL MEETINGS

- 18.1 The Company may hold a meeting at two or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.
- 18.2 No business must be transacted at any general meeting unless a Quorum is present at the time when the meeting proceeds to business.
- 18.3 For the purpose of determining whether a Quorum is present, a person attending as a proxy, or as representing a corporation that is a Member, will be deemed to be a Member.
- 18.4 If a Quorum is not present within 30 minutes from the time appointed for the meeting:
- (a) where the meeting was convened upon the requisition of Members, the meeting will be dissolved; or
 - (b) in any other case:
 - (i) the meeting stands adjourned to such day and at such time and place as the Directors determine or, if no determination is made by the Directors, to the same day in the next week at the same time and place; and
 - (ii) if at the adjourned meeting a Quorum is not present within 30 minutes from the time appointed for the meeting, the meeting will be dissolved.
- 18.5 If the Directors have elected one of their number as chairperson of their meetings, that person will preside as chairperson at every general meeting of the Company.
- 18.6 Where a general meeting is held and:
- (a) a chairperson has not been elected as provided by Rule 18.5; or
 - (b) the chairperson is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,

the Members present will elect one of their number to be chairperson of the meeting.

- 18.7 The chairperson may with the consent of any meeting at which a Quorum is present, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but so that:
- (a) no business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place; and
 - (b) when a meeting is adjourned for 30 days or more, notice of the adjourned meeting will be given as in the case of an original meeting.
- 18.8 Except as provided by Rule 18.7, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 18.9 At any general meeting a resolution put to the vote of the meeting will be decided on a show of hands unless a poll is (before, or on the declaration of the result of the show of hands) demanded:
- (a) by at least 2 Members (or 1 Member where the Company has only 1 Member entitled to vote) present in person or by proxy;
 - (b) by a Member or Members with at least 5% of the votes that may be cast on the resolution on a poll; or
 - (c) by the chairperson.
- 18.10 The percentage of votes that Members have is to be worked out as at the midnight before the poll is demanded.
- 18.11 Unless a poll is demanded, a declaration by the chairperson that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book containing the minutes of the meeting, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 18.12 The demand for a poll may be withdrawn.
- 18.13 If a poll is duly demanded it will be taken in such manner and (subject to Rule 18.14) either at once or after an interval or adjournment or otherwise as the chairperson directs and the result of the poll will be the resolution of the meeting at which the poll was demanded.
- 18.14 A poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately.
- 18.15 In the case of an equal number of votes, whether on a show of hands or on a poll, the chairperson of the meeting will not have a casting vote.
- 18.16 Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
- (a) at meetings of Members or classes of Members each Member entitled to vote may vote in person or by proxy or attorney; and
 - (b) on a show of hands every person present who is a Member or a representative of a Member has one vote, and on a poll every person present in person or by proxy or

attorney has one vote for each Share the person holds.

- 18.17 In the case of joint holders the vote of the Member whose name stands first in the Register will be accepted to the exclusion of the vote of any other joint holder.
- 18.18 If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with under the law relating to mental health, the person's committee or trustee or such other person as properly has the management of the person's estate may exercise any rights of the Member in relation to a general meeting as if the committee, trustee or other person were the Member.
- 18.19 In the case of a dispute as to the admission or rejection of a vote, the chairperson of the meeting will decide the matter and the chairperson's decision is final and conclusive.
- 18.20 A Member is not entitled to vote at a general meeting unless all calls and other sums presently payable by the Member in respect of Shares in the Company have been paid.
- 18.21 An objection may be raised to the qualification of a vote only at the meeting or adjourned meeting at which the vote objected to is given or tendered and:
- (a) any such objection must be referred to the chairperson of the meeting whose decision is final; and
- (b) a vote not disallowed pursuant to such an objection is valid for all purposes.
- 18.22 An instrument appointing a proxy must be in writing under the hand or seal of the appointor or of the person's attorney duly authorised in writing.
- 18.23 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- 18.24 An instrument appointing a proxy will be deemed to confer authority to demand or join in demanding a poll.
- 18.25 An instrument appointing a proxy must be in substantially the same form as the following:
- (NAME OF COMPANY)**
- I/We, _____, of, _____,
being a Member/Members of the above-named Company, hereby appoint,
_____ of _____ or, in
his/her absence, _____ of _____ as
my/our proxy to vote for me/us on my/our behalf at the *annual general *general meeting
of the Company to be held on the _____ day of 20__ and at any adjournment of that
meeting.*
- # This form is to be used *in favour of *against the resolution. Signed this _____ day of 20__*
- * Strike out whichever is not desired.
To be inserted if desired.*
- 18.26 An appointment of a proxy may be a standing one.
- 18.27 The appointment of a proxy may specify the proportion or number of votes that the proxy may exercise.

- 18.28 An instrument appointing a proxy will not be treated as valid unless the instrument and the power of attorney or other authority (if any) under which the instrument is signed or a notarially certified copy of that power or authority is or are deposited not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the registered office of the Company or at such other place within the State as is specified for that purpose in the notice convening the meeting.
- 18.29 Unless the Company has received written notice of the matter before the start or resumption of the meeting at which a proxy votes, a vote cast by the proxy will be valid even if before the proxy votes:
- (a) the appointing Member dies;
 - (b) the Member is mentally incapacitated;
 - (c) the Member revokes the proxy's appointment;
 - (d) the Member revokes the authority under which the proxy was appointed by a third party; or
 - (e) the Member transfers the Share in respect of which the proxy was given.
- 18.30 Notwithstanding any other provision of this Rule 18, a proxy is to be deemed validly received by the Company if received in any manner authorised by section 250B of the Corporations Act.

19. APPOINTMENT, REMOVAL AND REMUNERATION OF DIRECTORS

- 19.1 Until otherwise determined by a general meeting the number of Directors will not be less than one (1) nor more than twenty (20).
- 19.2 A Director must be a natural person.
- 19.3 Subject to Rule 19.7, the Directors and every Director appointed under this Constitution must hold office until they are removed or until their office becomes vacant pursuant to this Constitution or pursuant to the Corporations Act.
- 19.4 The Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, provided that that the total number of Directors does not at any time exceed the number determined in accordance with this Constitution.
- 19.5 The Company may by ordinary resolution:
- (a) remove any Director before the expiration of the Director's term of office, and may appoint another person in the removed Director's stead; and/or
 - (b) appoint a person as a Director.
- 19.6 A Director will not be required to hold any Share or Shares and is not subject to retirement by rotation.
- 19.7 In addition to the circumstances in which the office of a Director becomes vacant by virtue of the Corporations Act, the office of a Director becomes vacant if the Director:

- (a) becomes bankrupt;
- (b) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (c) resigns the person's office by notice in writing to the Company; or
- (d) is absent without the consent of the Directors from meetings of the Directors held during a period of six months.

19.8 If a person is the only Director and the only Member of the Company and that person:

- (a) dies or becomes incapacitated and a personal representative or trustee is appointed to administer the person's estate or property; or
- (b) becomes an insolvent under administration or bankrupt,

then the personal representative or trustee (as the case may be) may appoint a person as the Director of the Company.

19.9 The Directors will be paid such remuneration as is from time to time determined by the Company in general meeting.

19.10 Director's fees accrue on a day to day basis and are apportionable accordingly.

19.11 In addition to a Director's remuneration, the Director is entitled to be reimbursed out of the funds of the Company for reasonable travelling, accommodation and other expenses the Director incurs when travelling to or from and attending meetings of the Directors or a committee of the Directors or when otherwise engaged on the business of the Company.

19.12 In addition to any other fees or remuneration otherwise provided by this Constitution, when a Director (who is not engaged in the full time employment of the Company or of a subsidiary of the Company) ceases to hold office by reason of retirement, death or otherwise, the Directors may pay that Director (or in the case of the Director's death, the Director's spouse, dependants or legal personal representative) such sum as the Directors decide, either in the form of a lump sum or instalments, but not exceeding the sum permitted by or approved in accordance with sections 200B and 200E of the Corporations Act.

20. POWERS AND DUTIES OF DIRECTORS

20.1 Subject to the Corporations Act and to any other provision of this Constitution, the business of the Company will be managed by the Directors who may pay all expenses incurred in promoting and forming the Company and may exercise all such powers of the Company as are not, by the Corporations Act or the Constitution, required to be exercised by the Company in general meeting.

20.2 Without limiting the generality of Rule 20.1, the Directors may exercise all the powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

20.3 All cheques, promissory notes, bankers drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company will be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any Director or in such other manner as the Directors may determine.

21. CONFLICT OF INTEREST

- 21.1 Notwithstanding any rule of law to the contrary or the holding by a Director of any office in the Company or in any other company or any other interest, a Director may:
- (a) hold any office or position of profit (except that of auditor) in the Company or in any company in which the Company is a shareholder or is otherwise interested;
 - (b) in any capacity enter into a contract, arrangement or understanding with the Company;
 - (c) retain for the Director's own benefit any profit arising from any other office or position of profit or from any contract, arrangement or understanding;
 - (d) help to constitute a quorum and vote at any meeting of Directors convened to deal with any contract, arrangement or understanding; or
 - (e) sign or witness the affixing of the Seal on any contract or other document in which the Director has an interest, whether directly or indirectly.
- 21.2 No contract, arrangement or understanding will be avoided or rendered voidable by reason that the Director is or may be interested in that contract, arrangement or understanding within the meaning of section 191 of the Corporations Act or otherwise.
- 21.3 No Director will be liable to account to the Company for any profit realised by the person from any contract, arrangement or understanding.
- 21.4 Subject to section 191(5) of the Corporations Act, a Director entering into a contract, arrangement or understanding must disclose the person's interest in that contract, arrangement or understanding in the manner mentioned in section 191 of the Corporations Act provided that failure to make or record that disclosure will not operate to avoid or render voidable that contract, arrangement or understanding.

22. MEETINGS OF DIRECTORS

- 22.1 The Directors may meet together either in person or by conference telephone, closed circuit television or other form of instantaneous communication for the dispatch of business and adjourn and otherwise regulate their meetings as they determine.
- 22.2 A Director may at any time, and a Secretary must on the request of a Director, convene a meeting of the Directors.
- 22.3 The person convening a meeting of Directors must give notice of the meeting to each Director by delivering or posting the notice or by sending the notice by facsimile or email to the last address or number provided by the Director.
- 22.4 If any Director considers that a meeting of the Directors is required upon short notice for consideration of urgent business, notice of such meeting and of the general nature of the business for discussion at the meeting may be given by telephone to each Director at the Director's last telephone number provided by the Director.
- 22.5 Subject to this Constitution:
- (a) questions arising at a meeting of Directors will be decided by a majority of votes of Directors present and voting and any such decision will for all purposes be deemed

-
- a decision of the Directors;
- (b) where the Company is a wholly owned subsidiary of a holding company, any Director of the Company will be expressly authorised to act in the best interests of that holding company in accordance with section 187(a) of the Corporations Act.
- 22.6 The Directors will elect one of their number as chairperson of their meetings and may determine the period for which the chairperson is to hold office.
- 22.7 In the case of an equal number of votes, the chairperson of the meeting will not have a casting vote.
- 22.8 Two (2) Directors constitute a quorum at a meeting of Directors unless:
- (a) the Directors at any time determine that a greater number of Directors must be present to constitute a quorum; or
- (b) the Company has only one Director, in which case that Director alone constitutes a quorum.
- 22.9 In the event of a vacancy or vacancies in the office of a Director or offices of Directors, the remaining Directors may act provided that if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, they may act only for the purpose of:
- (a) increasing the number of Directors to a number sufficient to constitute such a quorum; or
- (b) convening a general meeting of the Company.
- 22.10 The Directors may delegate any of their powers to a committee or committees consisting of such of their number as they determine.
- 22.11 The members of a committee may elect one of their number as a chairperson of their meetings and in the case of an equal number of votes, the chairperson will not have a casting vote.
- 22.12 A committee may meet and adjourn as it thinks proper and the committee will exercise the powers delegated to it in accordance with the directions of the Directors.
- 22.13 Questions arising at a meeting of a committee will be determined by a majority of votes of the members of the committee present and voting.
- 22.14 Where either a meeting of Directors or of a committee is held and:
- (a) a chairperson has not been elected as provided for in Rule 22.6 and 22.11 (as the case may be); or
- (b) the chairperson is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,
- then the Directors or members of the committee present may elect one of their number to be chairperson of the meeting.
- 22.15 The Directors may pass a resolution without holding a Directors' meeting if all the Directors entitled to vote on the resolution sign a document containing a statement that they are in
-

favour of the resolution set out in the document.

- 22.16 Separate copies of a document may be used for signing by Directors if the wording of the resolution and statement is identical in each copy. An electronically transmitted facsimile copy of a document, the original of which in the opinion of the Secretary has been apparently signed by a Director, is deemed to be a document signed by that Director for these purposes.
- 22.17 A statement sent electronically by a Director to an agreed electronic address that he or she is in favour of a specified resolution is deemed to be a document containing that statement and duly signed by the Director at the time when the statement is received at the agreed electronic address.
- 22.18 A resolution is passed pursuant to Rule 22.15 when the last Director signs it.
- 22.19 If the Company has only one Director, the Director may pass a resolution by recording the resolution and signing the record.
- 22.20 All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director are valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee notwithstanding that:
- (a) it is afterwards discovered that there was some defect in the appointment of a person to be a Director or a member of the committee or to act as a Director; or
 - (b) a person so appointed was disqualified.

23. ALTERNATE DIRECTORS

- 23.1 A Director may appoint a person approved by a majority of the other Directors (whether a Member of the Company or not) to be an Alternate Director in the appointer's place during such period as the appointer thinks fit.
- 23.2 An Alternate Director is entitled to notice of meetings of the Directors and, if the appointor is not present at such a meeting, is entitled to attend and vote in the appointer's stead.
- 23.3 An Alternate Director may exercise any powers that the appointor may exercise and the exercise of any such power by the Alternate Director will be deemed to be the exercise of the power by the appointor.
- 23.4 An Alternate Director is not required to have any Share qualification.
- 23.5 The appointment of an Alternate Director may be terminated at any time by the appointor notwithstanding that the period of the appointment of the Alternate Director has not expired and such appointment will terminate in any event if the appointor vacates office as a Director.
- 23.6 An Alternate Director appointed under the provisions of this Rule:
- (a) may exercise all the powers of the appointing Director (subject to any conditions or restrictions imposed in that regard by the appointing Director) but does not have the power to appoint an Alternate Director; and
 - (b) whilst acting as a Director, is responsible to the Company for his or her own acts and defaults, and the appointing Director is not responsible for those acts or defaults.
- 23.7 An appointment, or the termination of an appointment, of an Alternate Director will be

effected by a notice in writing signed by the appointor and served on the Company.

- 23.8 If the appointing Director requests the Company to give the Alternate Director notice of Directors meetings, then the Company must do so.

24. APPOINTMENT AND TERMINATION OF MANAGING DIRECTOR

- 24.1 The Directors may from time to time appoint one or more of their number to the office of Managing Director for such period and on such terms as they determine in their absolute discretion and, subject to the terms of any agreement entered into in a particular case, may revoke any such appointment.
- 24.2 The term of the appointment of any Managing Director will terminate automatically if that person ceases to be a Director for any reason.
- 24.3 A Managing Director will, subject to the terms of any agreement entered into in a particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or a combination of all or any such ways) as the Directors determine.
- 24.4 The Directors may, upon such terms and conditions and with such restrictions as they determine, confer upon a Managing Director any of the powers exercisable by them and any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Directors.
- 24.5 The Directors may at any time withdraw or vary any of the powers so conferred on a Managing Director.

25. POWER OF ATTORNEY

- 25.1 The Directors may, by power of attorney, appoint a person or persons, jointly or severally, to be the attorney of the Company:
- (a) with powers not exceeding those conferred on the Directors by this Constitution; and
 - (b) for the purposes and on such terms and conditions as the Directors determine when making the appointment.
- 25.2 An attorney may be, but need not be, a Director or a Member.
- 25.3 A power of attorney document may:
- (a) contain provisions for the protection or convenience of persons dealing with the attorney as the Directors determine; and
 - (b) authorise the attorney to delegate any power for the time being vested in the attorney.

26. SECRETARY

- 26.1 The Company need not appoint a Secretary.
- 26.2 If the Company does appoint a Secretary, that person holds office on such terms and conditions, as to remuneration and otherwise, as the Directors determine.

27. MINUTES

- 27.1 The Directors must ensure that minutes of all proceedings of general meetings and of meetings of Directors are entered in books kept for that purpose within one month after the relevant meeting is held.
- 27.2 Except in the case of documents that are deemed to be minutes by virtue of the provisions of this Constitution, minutes will be signed by the chairperson of the meeting at which the proceedings took place or by the chairperson of the next succeeding meeting.

28. COMPANY SEAL AND EXECUTION OF INSTRUMENTS

- 28.1 The Company need not have a Seal.
- 28.2 If the Company has a Seal, the Directors must provide for the safe custody of the Seal.
- 28.3 The Seal of the company may not be affixed to any instrument except by the authority of a resolution of the Directors or a committee of the Directors duly authorised by the Directors.
- 28.4 Every instrument to which the Seal is affixed must be signed as a witness by at least 1 Director and signed as a counter-witness by another Director, Secretary or another person appointed by the Directors to witness that document provided that the same person is unable to sign in the dual capacities of Director or Secretary and provided further that If one person is the only Director of the Company then the Seal may be affixed in the presence of that sole Director only and the sole Director must:
- (a) witness the use of the seal; and
 - (b) state next to the signature that they witness the sealing in the capacity as sole Director of the Company.
- 28.5 The Company may execute instruments without the Seal by:
- (a) two (2) Directors signing the instrument; or
 - (b) a Director and the Secretary (if applicable) signing the instrument provided that the same person is unable to sign in the dual capacities of Director and Secretary; or
 - (c) if one person is the only Director of the Company, by that person only and the person must state next to the person's signature that the person signs in the capacity of sole Director of the Company.
- 28.6 Nothing in this Rule 28 will limit the ways in which the Company may execute documents.

29. INSPECTION OF RECORDS

- 29.1 Subject to the Corporations Act, the Directors will determine whether and to what extent and at what time and places and under what conditions the accounting records and other documents of the Company or any of them will be open to the inspection of Members and other persons.
- 29.2 A Member or other person (not being a Director):
- (a) has no right to inspect any documents of the Company, except as conferred by the Corporations Act or any other law or except as authorised by the Directors; and

-
- (b) is not entitled to require, demand or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process or other intellectual property belonging to or used by the Company.

30. DIVIDENDS AND RESERVES

- 30.1 The Directors may determine that a dividend is payable and fix:
- (a) the amount;
 - (b) the time of payment; and
 - (c) the method of payment.
- 30.2 If the terms of issue of any Shares include an entitlement to preferential dividends, the Directors may pay preferential dividends on those Shares in accordance with the terms of issue of those Shares.
- 30.3 A dividend may be paid out of profits of the Company. A declaration by the Directors as to the amount of profits available for dividends is conclusive evidence of the amount so available.
- 30.4 Interest is not payable on any dividend or any other monies payable on or in respect of a Share.
- 30.5 The Directors may deduct from any dividend payable to a Member all money (if any) presently payable by the Member to the Company on account of calls (where Shares have been issued partly paid) or otherwise in relation to Shares held by the Member.
- 30.6 A transfer of Shares does not pass the right to any dividend determined or fixed to be payable on those Shares before registration of the transfer of those Shares.
- 30.7 The holders of Shares on which the full amount of the issue price has been paid are entitled to participate equally in any dividends payable on the Shares, subject to any special rights attaching to any Shares.
- 30.8 The holders of partly paid Shares are entitled to participate in any dividends payable in proportion to the amounts paid on the Shares at the time fixed for payment of the dividend. An amount paid on a Share in advance of calls is deemed, for the purpose of this Rule, not to have been paid.
- 30.9 Any Shares having special rights to dividends are entitled to participate in dividends payable in accordance with the terms of issue of those Shares.
- 30.10 The methods of payment of dividends may include payment of cash, the issue of Shares, the grant of options and the transfer of assets and the Directors may determine that any particular method of payment applies:
- (a) to all or any part of any dividend payable; and/or
 - (b) in relation to all or some of the Shares on which the dividend is payable.
- 30.11 Any dividend (or part of a dividend) payable in cash may be paid by cheque, by electronic transfer or in such other manner as the Directors may determine.
- 30.12 If a dividend (or part dividend) is paid otherwise than in cash, the Directors may for the

purpose of giving effect to the payment in a manner that is fair as between all Members:

- (a) issue Shares, notes or debentures in fractions;
- (b) fix the value of any specific assets;
- (c) determine that cash payments will be made to any Members on the value fixed for any specific assets;
- (d) vest any specific assets in trustees; or
- (e) settle any difficulty which arises in relation to the payment.

30.13 The Directors may:

- (a) before determining or recommending a dividend, set aside reserves out of the profits of the Company, to be applied for any purpose for which the profits of the Company may be properly applied, and use the reserves in the business of the Company or invest the reserves in such investments as the Directors determine; and
- (b) carry forward so much of the profits of the Company as the Directors think ought not be distributed as dividends, without transferring these profits to a reserve.

31. CAPITALISATION OF PROFITS

31.1 The Directors may capitalise profits to:

- (a) pay up any amount unpaid on issued Shares; and
- (b) pay up Shares to be issued to Members as fully paid bonus Shares.

31.2 The Directors may do anything necessary to give effect to a capitalisation and, in particular, to the extent necessary to adjust the rights of the Members among themselves may:

- (a) issue Shares in fractions or make cash payments in cases where Shares become issuable in fractions; and
- (b) settle any difficulty which arises in regard to the application or distribution of the capitalised sum.

32. AUDITOR

32.1 If the Company has an auditor, the auditor or the auditor's agent authorised in writing for the purpose is entitled to:

- (a) attend general meetings of the Company;
- (b) receive all notices of and other communications relating to general meetings which a Member is entitled to received; and
- (c) speak at any general meeting which the auditor attends on any part of the business of the meeting which concerns the auditor in that capacity.

32.2 Any auditor appointed or the agent of an appointed auditor will not have the right to vote at a general meeting of the Company.

33. NOTICE

- 33.1 A notice may be given by the Company to any Member either by:
- (a) serving it on the person personally;
 - (b) sending it by post to the person at their address as shown in the Register or the address supplied by the person to the Company for the giving of notices to the person;
 - (c) sending it to the fax number or electronic address nominated by the Member; or
 - (d) any other means that this Constitution permits.
- 33.2 Where a notice is sent by post, service of the notice will be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice and to have been effected, in the case of a notice of a meeting, 3 days after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- 33.3 Where a notice is sent by email, in the case of a notice of a meeting, it is taken to be given at the time shown in the delivery confirmation report generated by the sender's email system which indicates that the email was sent to the recipient's email address.
- 33.4 A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Register in respect of that Share.
- 33.5 A notice may be given by the Company to a person entitled to a Share in consequence of the death or bankruptcy of a Member by serving it personally or by sending it to the person by post addressed to the person by name or by the title of representative of the deceased or trustee of the bankrupt or by any like description at the address (if any) within the State supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred.

34. WINDING UP

- 34.1 If the Company is wound up, whether voluntarily or otherwise, the liquidator may (but without prejudice to the rights of any holders of Shares issued on special terms or conditions):
- (a) with the approval of a Special Resolution, divide among the Members in specie the whole or any part of the assets of the Company;
 - (b) set a value upon any property to be divided;
 - (c) determine how the division is to be carried out as between the Members or different classes of Members; and
 - (d) with the approval of a Special Resolution, vest the whole or any part of any such assets of the Company in a trustee upon such trusts for the benefit of the Members or any of them as the liquidator determines.
- 34.2 A Member is not obliged to accept any property in respect of which there is any liability upon a division or vesting of assets under Rule 34.1.

35. INDEMNITY OF OFFICERS, AUDITORS OR AGENTS

- 35.1 Subject to the Corporations Act and Rules 35.2 and 35.3, every officer, auditor or agent of the Company will be indemnified out of the property of the Company against any liability incurred by the person in the person's capacity as officer, auditor or agent in defending any proceedings, whether civil or criminal, in which judgement is given in the person's favour or in which the person is acquitted or in connection with any application in relation to any such proceedings in which relief is, under the Corporations Act, granted to the person by the Court.
- 35.2 An officer, auditor or agent of the Company is not entitled to be indemnified under Rule 35.1 against any of the following liabilities incurred as an officer, auditor or agent of the Company:
- (a) a liability owed to the Company or a related body corporate;
 - (b) a liability for a pecuniary penalty order under section 1317G or a compensation order under section 1317H of the Corporations Act; or
 - (c) a liability that is owed to someone other than the Company or a related body corporate and did not arise out of conduct in good faith.
- 35.3 An officer, auditor or agent of the Company is not entitled to be indemnified out of the assets of the Company against legal costs incurred by that person if the costs are incurred:
- (a) in defending or resisting proceedings in which the person is found to have liability for which they could not be indemnified under Rule 35.1; or
 - (b) in defending or resisting criminal proceedings in which the person is found guilty; or
 - (c) in defending or resisting proceedings brought by the Australian Securities and Investments Commission ("ASIC") or a liquidator for a court order if the grounds for making the order are found by the court to have been established provided that such costs are not incurred as part of an investigation on the part of ASIC or a liquidator before commencing proceedings for a court order; or
 - (d) in connection with proceedings for relief to the person under the Corporations Act in which the court denies the relief.
- 35.4 The Directors may authorise the Company to enter into any insurance policy for the benefit of any officer, auditor or agent of the Company to the extent permitted by law and on such terms as the Directors approve.

36. SHARE RIGHTS

The rights, privileges and conditions attaching to the ordinary Shares is set out in this Rule.

36.1 Voting Rights

Ordinary Shares will entitle the holder or holders thereof to receive notice of meetings and will confer upon any holder thereof, when present in person or by proxy or by attorney at any general meeting of the Company the right to cast one (1) vote upon a show of hands and upon a poll to cast one (1) vote for each share held.

36.2 Dividends/Winding up

Ordinary Shares will confer upon the holder or holders thereof the rights to payment of such dividends as the Directors may from time to time recommend and as the Company may

pursuant to this Constitution declare.

Upon winding up of the Company, ordinary Shares will confer upon the holder or holders thereof the right to payment of any distribution of surplus profits or assets of the company.

37. LOANS TO MEMBERS AND ASSOCIATES

Where the Company makes a Loan to a Member or an Associate:

- (a) such Loan will be upon the terms and conditions described in the Loan Agreement;
- (b) any Member will be bound by the Loan Agreement pursuant to section 140 of the Corporations Act where the Loan is made to the Member; and
- (c) any Associate will be bound by the Loan Agreement upon signing the Acknowledgement where the Loan is made to the Associate.

SCHEDULE – LOAN AGREEMENT

PART A**1. DEFINITIONS AND INTERPRETATIONS**

1.1 For the purposes of this Schedule:

“Act” means the *Income Tax Assessment Act 1936* (Cth) and any amending or substituted legislation and any reference to a section of the Act includes a reference to any amending or substituted section.

“Benchmark Interest Rate” means the interest rate determined by subsection 109N(2) of the Act.

“Borrower” means a Member or Member’s Associate who receives an Original Advance or Further Advance under this Loan Agreement.

“Commencement Date” means the date on which the Company makes a Loan to a Member or a Member’s Associate and, in the case of an Associate, the date upon which the Associate signs the Acknowledgement.

“Constitution” means the Constitution of the Company.

“Division 7A” means Division 7A of the Act.

“Events of Default” means the events of default described in Rule 7 of this Loan Agreement.

“Further Advance” means any additional Loan by the Company to the Member or the Member’s Associate from time to time.

“Interest” means the interest payable on the Loan at the Benchmark Interest Rate.

“Minimum Yearly Repayment” means the minimum annual repayment in reduction of the Principal Sum required under subsection 109E of Division 7A of the Act.

“Original Advance” means the first Loan made by the Company to the Borrower.

“Principal Sum” means:

- (a) the Original Advance; and
- (b) any Further Advance.

“Secured Borrowing” means any Loan which is secured by a registered mortgage over real property and the market value of the mortgaged property (after deducting any mortgages on the property which have priority) is at least 110% of the amount borrowed at the time the Loan was made.

“Unsecured Borrowing” means any Loan which is not a Secured Borrowing.

1.2 The definitions and interpretations contained in Rule 1.1 of the Constitution will apply to this Loan Agreement.

1.3 When two or more persons comprise a party to this Loan Agreement, the covenants and conditions on their part contained in this Loan Agreement will bind them jointly and each of

them severally.

- 1.4 A reference to any gender includes all other genders and a reference to the singular includes the plural and vice versa.
- 1.5 Reference to a statute includes all amendments from the time being in force and any other statute enacted in substitution for and the regulations by-laws or other orders for the time being made under the statute.
- 1.6 Headings will not affect the interpretation of this Loan Agreement.

2. APPLICATION

Any Loan by the Company to a Member or an Associate must be on the terms and conditions set out in this Loan Agreement.

3. TERMS OF BORROWING

- 3.1 The Company has agreed to lend to the Borrower and the Borrower has agreed to borrow from the Company the Principal Sum on the Commencement Date.
- 3.2 The Borrower covenants with the Company to repay the Principal Sum together with Interest thereon at the times specified in this Loan Agreement.
- 3.3 From the Commencement Date up until the 30th June next following, no interest will be payable on the Principal Sum and from 1st July next following the Commencement Date, interest will be paid on the Principal Sum or on so much thereof as is outstanding from time to time and will be computed daily and paid:
- (a) annually in arrears on 30 June in each year; or
 - (b) at the written request of the Company, monthly in arrears on the last day of each calendar month; or
 - (c) within 30 days of receipt of written notice by the Company.
- 3.4 Any Interest accrued on any Principal Sum between the last day for payment of Interest and the date of repayment of the Principal Sum will be paid in full on the date of repayment of the Principal Sum.
- 3.5 The Company may in its discretion lend to the Borrower a Further Advance.

4. SECURED AND UNSECURED BORROWINGS

- 4.1 Each Unsecured Borrowing must be repaid in full by the Borrower within 7 years of the Commencement Date.
- 4.2 Each Secured Borrowing must be repaid in full by the Borrower within 25 years of the Commencement Date.

5. EARLIER REPAYMENT OF PRINCIPAL SUM

- 5.1 Notwithstanding Rule 4, the Borrower:
- (a) must repay to the Company the Minimum Yearly Repayment as required under Division 7A of the Act; and

- (b) may at any time and from time to time prior to the expiration of the Unsecured Borrowing or Secured Borrowing (as the case may be) repay the Principal Sum.
- 5.2 In the case of an Unsecured Borrowing, the Company may at any time and from time to time give the Borrower not less than 30 days written notice for the repayment of the whole or any part of the Principal Sum and the Borrower must promptly make such payment to the Company without deduction; and
- 5.3 In the case of a Secured Borrowing, the early repayment of the Principal Sum will be governed by such security document provided always that the Borrower will not be entitled in any event to pay less than the Minimum Yearly Repayment.
- 5.4 All monies paid by the Borrower to the Company under this Loan Agreement will be applied firstly in payment of any outstanding Interest, secondly in payment of other monies owing under this Loan Agreement and thirdly in reduction of the Principal Sum.
- 5.5 The Company may at any time demand immediate payment of the Principal Sum together with Interest on the occurrence of any Event of Default and the Borrower must reimburse the Company upon demand for any costs and expenses incurred by the Company in connection with the occurrence of any Event of Default and recovery by the Company of all monies owing by the Borrower to the Company under this Loan Agreement.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Borrower hereby represents and warrants to the Company that:
- (a) no action suit or proceeding is pending against the Borrower;
- (b) this Loan Agreement is a legal and binding obligation enforceable against the Borrower in accordance with its terms.
- 6.2 The Company hereby represents and warrants to the Borrower that:
- (a) the Company is not in the business of providing credit within the meaning of the National Credit Code as amended;
- (b) this Loan Agreement is not a loan contract within the meaning of the National Credit Code as amended;
- (c) this Agreement is not a credit contract or a mortgage within the meaning of the National Consumer Protection Act and the National Credit Code.

7. EVENTS OF DEFAULT

- 7.1 The following events each constitute an Event of Default:
- (a) if the Borrower defaults in the repayment of the whole or any part of the Principal Sum or the Interest by the due date for each payment;
- (b) if the Borrower otherwise defaults in the observance or performance of any of the covenants agreements or conditions contained or implied in this Loan Agreement;
- (c) if the Borrower becomes insolvent or is placed under official management or makes a composition or arrangement with any of its creditors or in the case of a natural person the Borrower commits an act of Bankruptcy or is placed under

administration;

- (d) if an order is made or a resolution is passed to wind up the Borrower or the Borrower appoints a voluntary administrator; or
- (e) if any receiver, agent for a mortgagee in possession or other external administrator takes possession of any assets of the Borrower.

8. NOTICES

- 8.1 Any notice required to be served by or on any party (including an Associate) must be in writing and the provisions of Rule 89 and 90 of the Constitution will apply.

9. COSTS AND STAMP DUTY

- 9.1 The Borrower must pay all legal costs (if any), stamp duty and other expenses incurred by the Company in connection with the preparation, execution, stamping and upstamping of this Loan Agreement.

10. SEVERABILITY

- 10.1 If any part of this Loan Agreement is or becomes void or unenforceable or offends or will offend the provisions of the National Consumer Credit Protection Act, the National Credit Code, the Corporations Act or the Act then that part will be severed from this Loan Agreement to the intent that all remaining parts will not be or become void or unenforceable and will remain in full force and effect and be unaffected by any severance.

11. ENTIRE AGREEMENT

- 11.1 Notwithstanding anything said or written prior to the signing of this by the parties or their authorised representatives, this Loan Agreement constitutes the entire agreement between the parties and supersedes any prior agreement.

12. GOVERNING LAW

- 12.1 This Loan Agreement will be governed by and construed in accordance with the laws of the state in which the Company has its registered office.

13. FURTHER ASSURANCES

- 13.1 Each party must do, sign and execute all deeds, schedules, acts, documents and things as may reasonably be required by the other party to carry out and give effects to the terms and intentions of this Loan Agreement.

14. VARIATION

- 14.1 Subject to Rule 14.2 of this Loan Agreement, any variation to the terms and conditions of this Loan Agreement must be in writing and initiated by a Director (on behalf of the Company) and the Borrower.
- 14.2 Any amendments to the Act changing or amending the requirements of section 109N of Division 7A of the Act will be deemed to be included in this Loan Agreement.

PART B

ACKNOWLEDGMENT BY ASSOCIATE

I, *** of ***, *** acknowledge that:

1. Any Loan to me/us* by Coburn Resources Pty Ltd (the "**Company**") will be on the terms described in the Loan Agreement contained in the Schedule to the Constitution of the Company.
2. I/we*¹ will be bound by the terms and conditions of the Loan Agreement with respect to any Loan.

_____ Date:
Name of Associate

_____ Date:
Name of Associate
(on behalf of*)

*add particulars of trust, company or entity (if any) when the Associate is signing on its behalf.

*delete as appropriate.

APPENDIX C:

Constitutional documents of the Guarantor



STRANDLINE
resources limited

STRANDLINE RESOURCES LIMITED

CONSTITUTION

(ACN 090 603 642)

Adopted by Special Resolution of the members on 10 November 2020

*Didier Murcia
Non-Executive Chair*

10 November 2020

INDEX

1.	PRELIMINARY.....	2
2.	DEFINITIONS AND INTERPRETATIONS	2
3.	EXERCISE OF POWERS	5
4.	ARTICLES OF THIS CONSTITUTION	5
5.	SHARES.....	6
6.	CALLS, COMPANY PAYMENTS, FORFEITURE AND LIENS	8
7.	TRANSFER OF SHARES	8
8.	PROCEEDINGS OF MEMBERS	10
9.	DIRECTORS.....	19
10.	OFFICERS	25
11.	POWERS OF THE COMPANY AND DIRECTORS.....	26
12.	PROCEEDINGS OF DIRECTORS	28
13.	DIVIDENDS AND PROFITS	31
14.	NOTICES AND PAYMENTS.....	33
15.	WINDING UP.....	36
16.	RESTRICTED SECURITIES	37
	SCHEDULE 1 – PROVISIONS REQUIRED BY ASX LISTING RULE 15.11.1	38
	SCHEDULE 2 - CALLS, COMPANY PAYMENTS, FORFEITURE AND LIENS	39
	SCHEDULE 3 – TRANSMISSION	46
	SCHEDULE 4 – UNMARKETABLE PARCELS	47
	SCHEDULE 5 – PROPORTIONAL TAKEOVER BID APPROVAL.....	50
	SCHEDULE 6 – PREFERENCE SHARES	51
	SCHEDULE 7 – RESTRICTED SECURITIES.....	56

Strandline Limited
ACN 090 603 642

Constitution

1. PRELIMINARY

1.1 Nature of the Company

The Company is a public company limited by shares.

1.2 Replaceable rules

The replaceable rules in the Corporations Act do not apply to the Company.

2. DEFINITIONS AND INTERPRETATIONS

2.1 Definitions

In this Constitution:

Alternate Director means a person for the time being holding office as an alternate director of the Company under Article 9.4.

Applicable Law means the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement in its capacity as a CS facility licensee, except to the extent of any relief given by ASX Settlement in their application to the Company.

ASX means ASX Limited ACN 008 624 691.

Business Day:

- (a) if the Company is admitted to the official list of ASX at the time, has the meaning given in the Listing Rules; or
- (b) otherwise, means a day except a Saturday, Sunday or public holiday in Western Australia.

Company means the company named Strandline Limited ACN 090 603 642 whatever its name may be from time to time.

Corporations Act means the *Corporations Act 2001* (Commonwealth), except to the extent of any exemption, modification, declaration or order made in respect of that legislation which applies to the Company.

Directors means the directors of the Company for the time being.

Dividend includes an interim dividend and a final dividend.

Eligible Member means, in respect of a meeting of Members:

- (a) the date and time specified in the notice of that meeting, a person who is a Member at that time; or
- (b) as otherwise determined by the party calling the meeting,

provided that the time is not more than 48 hours prior to the meeting.

Executive Director means a Director who is an employee (whether full-time or part-time) of the Company or of any related body corporate of the Company other than by virtue of being a Director of the Company.

Legal Costs of a person means legal costs incurred by that person in defending an action for a Liability of that person.

Liability of a person means any liability incurred by that person as an officer of the Company or a subsidiary of the Company.

Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except and to the extent of any express written waiver by ASX.

Member means a person whose name is entered in the Register as the holder of a Share.

Non-Executive Directors means all Directors other than Executive Directors.

Notice means a notice given pursuant to, or for the purposes of, this Constitution or the Applicable Law.

Notifiable Interest has the meaning given by paragraph (a) of the definition of notifiable interest of a director in the Listing Rules.

Personal Representative means the legal personal representative, executor or administrator of the estate of a deceased person.

Prescribed Notice means 28 days or any shorter period of notice for a meeting of members of the Company allowed under the Corporations Act.

Register means the register of Members kept under the Applicable Law and, where appropriate, includes any sub-register and branch register.

Relevant Officer means a person who is, or has been, a Director or Secretary.

Secretary means a company secretary of the Company for the time being.

Share means a share in the capital of the Company.

Transmission Event means:

- (a) if a Member is an individual:
 - (i) death or bankruptcy of that Member; or
 - (ii) that Member becoming of unsound mind or becoming a person whose property is liable to be dealt with under a law about mental health;

- (b) if a Member is a body corporate, the deregistration of that Member under the laws of the jurisdiction of its registration; or
- (c) in any case, the vesting in, or transfer to, a person of the Shares of a Member without that person becoming a Member.

2.2 Interpretation

- (a) In this Constitution:
 - (i) a reference to a partly paid Share is a reference to a Share on which there is an amount unpaid;
 - (ii) a reference to a call or an amount called in respect of a Share includes an amount that, by the terms of issue of a Share or otherwise, is payable at one or more fixed times;
 - (iii) a reference to a Share which is jointly held is a reference to a Share for which there is more than one Member;
 - (iv) a reference to a meeting of Members includes a meeting of any class of Members;
 - (v) a Member is taken to be present at a meeting of Members if the Member is present in person or by proxy, attorney or representative; and
 - (vi) a reference to a notice or document in writing includes a notice or document given by fax or another form of written communication.
- (b) In this Constitution, headings are for convenience only and do not affect interpretation, and unless the context indicates a contrary intention:
 - (i) words importing the singular include the plural (and vice versa);
 - (ii) words indicating a gender include every other gender;
 - (iii) the word person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
 - (iv) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
 - (v) the word includes in any form is not a word of limitation.
- (c) Unless the context indicates a contrary intention, in this Constitution:
 - (i) a reference to an Article or a Schedule is to an article or a schedule of this Constitution;
 - (ii) a reference in a Schedule to a paragraph is to a paragraph of that Schedule;
 - (iii) a Schedule is part of this Constitution; and

- (iv) a reference to this Constitution is to this Constitution (and where applicable any of its provisions) as modified or repealed from time to time.
- (d) Unless the context indicates a contrary intention, in this Constitution:
 - (i) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it; and
 - (ii) a reference to the Listing Rules or the ASX Settlement Operating Rules includes any amendment or replacement of those rules from time to time.
- (e) Unless the context indicates a contrary intention:
 - (i) an expression in a provision of this Constitution which deals with a matter dealt with by a provision of the Applicable Law has the same meaning as in that provision of the Applicable Law; and
 - (ii) an expression in a provision of this Constitution that is defined in section 9 of the Corporations Act has the same meaning as in that section.
- (f) In this Constitution, a reference to the Listing Rules, the ASX Settlement Operating Rules or ASX has effect only if at that time the Company is included in the Official List of ASX.

3. EXERCISE OF POWERS

Where this Constitution confers a power or imposes a duty, then, unless the contrary intention appears, the power may be exercised and the duty must be performed from time to time as the occasion requires.

4. ARTICLES OF THIS CONSTITUTION

- (a) Unless the Applicable Law provides that the Constitution may contain a provision contrary to the Applicable Law, the Articles of this Constitution are subject to the Applicable Law such that any Article of this Constitution that is inconsistent with or contrary to the Applicable Law will be read down to the extent of the inconsistency with the Applicable Law.
- (b) If an Article is inconsistent with or contrary to the Applicable Law and is not capable of being read down to the extent of the inconsistency under Article 4(a), the relevant Article will be severed from this Constitution.
- (c) If at any time any provision of this Constitution is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that does not affect or impair:
 - (i) the legality, validity or enforceability in that jurisdiction of any other provision of this Constitution; or
 - (ii) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Constitution.

5. SHARES

5.1 Issue of Shares and options

- (a) Subject to any rights and restrictions attached to a class of Shares, the Company may:
 - (i) allot and issue unissued Shares; and
 - (ii) grant options over unissued Shares,on any terms, at any time and for any consideration, as the Directors resolve.
- (b) The powers of the Company under Article 5.1(a) may only be exercised by the Directors.

5.2 Preference Shares

- (a) The Company may issue any Shares as preference Shares including:
 - (i) preference Shares which are liable to be redeemed in a manner permitted by the Corporations Act; and
 - (ii) preference Shares in accordance with the terms of Schedule 6.
- (b) Holders of preference Shares have the same rights as holders of ordinary Shares in relation to receiving notices, reports and audited accounts, and attending meetings of Members.
- (c) A holder of a preference Share only has the right to vote:
 - (i) during a period during which a dividend (or part of a dividend) in respect of the Share is in arrears;
 - (ii) on a proposal to reduce the share capital of the Company;
 - (iii) on a resolution to approve the terms of a buy-back agreement;
 - (iv) on a proposal that affects rights attached to the Share;
 - (v) on a proposal to wind up the Company;
 - (vi) on a proposal for the disposal of the whole of the property, business and undertaking of the Company; and
 - (vii) during the winding up of the Company.

5.3 Variation of classes and class rights

- (a) Subject to the terms of issue of Shares in a particular class, the Company may:
 - (i) vary or cancel rights attached to Shares in that class; or
 - (ii) convert Shares from one class to another,by a special resolution of the Company and:

- (iii) a special resolution passed at a meeting of the Members holding Shares in that class; or
 - (iv) the written consent of Members who are entitled to at least 75% of the votes that may be cast in respect of Shares in that class.
- (b) The provisions in this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under Article 5.3(a)(iii).

5.4 Converting Shares

The Company may by ordinary resolution passed at a general meeting convert all or any of its Shares into a larger or smaller number of Shares.

5.5 Reductions of capital and buy-backs

- (a) The Company may:
 - (i) reduce its share capital; and
 - (ii) buy-back Shares in itself,on any terms and at any time.
- (b) The method of distribution of a reduction of the share capital of the Company may include any or all of the payment of cash, the issue of shares, the grant of Company options or other Company securities, the transfer of shares or any other securities in any other body corporate or units in any unit trust or the transfer of any other assets.
- (c) If a distribution of a reduction of the share capital of the Company includes an issue or transfer of shares in a body corporate, each Member:
 - (i) agrees to become a member of that body corporate; and
 - (ii) in the case of transfer, appoints the Company and each Director as its agent to execute an instrument of transfer or other document required to transfer those shares to that Member.

5.6 Unmarketable parcels of Shares

Schedule 4 applies and forms part of this Constitution.

5.7 Registered holder is absolute owner

Except as required by law, the ASX Settlement Operating Rules or this Constitution, the Company is not required to recognise any interest in, or right in respect of, a Share except an absolute right of legal ownership of the Member registered as the holder of that Share.

5.8 Holding statements and certificates

- (a) The Company may not issue certificates for Shares, or cancel existing certificates for Shares without issuing any replacement certificate, if the Directors so resolve.
- (b) The Company must issue to each Member, in accordance with the Applicable Law, statements of the holdings of Shares registered in the Member's name.

- (c) Subject to Article 5.8(a) the Company must issue to each Member, free of charge and in accordance with the Applicable Law, one certificate in respect of each class of Shares registered in the Member's name.
- (d) If a Share is jointly held:
 - (i) the Company is not required to issue more than one certificate for the Share; and
 - (ii) delivery of a certificate for the Share to any one of the joint holders of the Share is delivery to all the joint holders.
- (e) Subject to Article 5.8(a) the Company must issue a replacement certificate for a Share if:
 - (i) the Company receives and cancels the existing certificate; or
 - (ii) the Company is satisfied that the existing certificate is lost or destroyed, and the Member complies with all conditions set out in the Corporations Act and pays any fee as the Directors resolve.

6. CALLS, COMPANY PAYMENTS, FORFEITURE AND LIENS

Schedule 2 applies and forms part of this Constitution.

7. TRANSFER OF SHARES

7.1 Electronic transfer systems

The Company may do any act, matter or thing permitted under the Applicable Law to facilitate involvement by the Company in any clearing and settlement facility provided under the Applicable Law for the transfer of securities.

7.2 Forms of transfer

Subject to this Constitution, a Member may transfer one or more Shares the Member holds by:

- (a) a proper ASX Settlement transfer;
- (b) an instrument of transfer in compliance with this Constitution; or
- (c) any other method permitted by the Applicable Law.

7.3 Instrument of transfer

An instrument of transfer of a Share referred to in Article 7.2(b) must be:

- (a) in writing;
- (b) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
- (c) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee;

- (d) stamped, if required by a law about stamp duty; and
- (e) delivered to the Company, at the place where the Register is kept, together with the certificate (if any) of the Share to be transferred and any other evidence as the Directors require to prove:
 - (i) the title of the transferor to that Share;
 - (ii) the right of the transferor to transfer that Share; and
 - (iii) the proper execution of the instrument of transfer.

7.4 Transferor is holder until transfer registered

Subject to the ASX Settlement Operating Rules, a person transferring a Share remains the registered holder of that Share until the transfer for that Share is registered and the name of the person to whom the Share is being transferred is entered in the Register as the holder of that Share.

7.5 Refusal to register transfers

- (a) Subject to:
 - (i) the Applicable Law;
 - (ii) Article 7.3 and this Article 7.5;
 - (iii) paragraph 2.1(c) of Schedule 2; and
 - (iv) Schedule 7,

the Company must not refuse or fail to register a transfer of Shares.
- (b) The Company may refuse to register a transfer of Shares where the Applicable Law permits the Company to do so.
- (c) The Company must refuse to register a transfer of Shares where the Applicable Law or a law about stamp duty requires the Company to do so.
- (d) Schedule 5 applies and forms part of the Constitution.
- (e) The Company may apply, or may ask ASX Settlement to apply, a holding lock (including to prevent a transfer, or to refuse to register a paper-based transfer document) where the Applicable Law permits the Company to do so.
- (f) The Company must give notice in writing of any refusal to register a transfer of Shares, and the reasons for the refusal, to the person transferring those Shares and the person who lodged the transfer (if not the same person) within 5 Business Days after the date on which the transfer was lodged with the Company.
- (g) The Company must give notice in writing of any holding lock, and the reasons for the holding lock, to the Member of those Shares within 5 Business Days after the date on which the Company asked for the holding lock.
- (h) Failure by the Company to give notice under Article 7.5(f) or 7.5(g) does not invalidate the refusal to register the transfer or the holding lock.

- (i) The powers of the Company under Articles 7.5(b) and 7.5(e) may only be exercised by the Directors.

7.6 No registration fee

The Company must not charge a fee to register a transfer of a Share in compliance with this Constitution except as permitted by the Applicable Law.

7.7 Transmission of Shares

Schedule 3 applies and forms part of this Constitution.

8. PROCEEDINGS OF MEMBERS

8.1 Who can call meetings of Members

- (a) The Directors may call a meeting of Members at a time and place as the Directors resolve.
- (b) Subject to the Corporations Act, a Director may call a meeting of Members at a time and place as that Director determines.
- (c) The Directors must call and arrange to hold a general meeting of the Company on the request of Members made in accordance with the Corporations Act.
- (d) The Members may call and arrange to hold a general meeting of the Company as provided by the Corporations Act.

8.2 Annual General Meeting

The Company must hold an AGM if required by, and in accordance with, the Applicable Law.

8.3 How to call meetings of Members

- (a) The Company must give not less than Prescribed Notice of a meeting of Members.
- (b) Notice of a meeting of Members must be given to ASX, each Member, each Director, each Alternate Director and any auditor of the Company.
- (c) Holders of preference Shares have the same rights as holders of ordinary Shares to:
 - (i) receive notice of a meeting of Members; and
 - (ii) receive notices, reports and financial reports of the Company.
- (d) Subject to Article 8.11(h), a notice of a meeting of Members must include:
 - (i) the date and time for the meeting (and if the meeting is to be held in 2 or more places, the technology that will be used to facilitate this);
 - (ii) the general nature of the business of the meeting;
 - (iii) the date and time (being not more than 48 hours before the meeting) at which persons will be taken for the purposes of the meeting to hold Shares; and

- (iv) any other information or documents specified by the Applicable Law.
- (e) A person may waive notice of any meeting of Members by notice in writing to the Company to that effect.
- (f) Anything done (including the passing of a resolution) at a meeting of Members is not invalid because either or both a person does not receive notice of the meeting or the Company accidentally does not give notice of the meeting to a person.

8.4 Right to attend meetings

- (a) Each Eligible Member and any auditor of the Company is entitled to attend any meetings of Members.
- (b) Holders of preference Shares have the same rights as holders of ordinary Shares to attend a meeting of Members.
- (c) Subject to this Constitution, each Director is entitled to attend and speak at all meetings of Members.
- (d) The chairperson of a meeting of Members may refuse any person admission to, or require a person to leave and remain out of, the meeting if that person:
 - (i) in the opinion of the chairperson, is not complying with the reasonable directions of the chairperson;
 - (ii) has any audio or visual recording device;
 - (iii) has a placard or banner;
 - (iv) has an article the chairperson considers to be dangerous, offensive or liable to cause disruption;
 - (v) refuses to produce or to permit examination of any article, or the contents of any article, in the person's possession;
 - (vi) behaves or threatens to behave in a dangerous, offensive or disruptive manner; or
 - (vii) is not:
 - (A) an Eligible Member;
 - (B) a proxy, attorney or representative of an Eligible Member;
 - (C) a Director; or
 - (D) an auditor of the Company.

8.5 Meeting at more than one place

- (a) A meeting of Members may be held in 2 or more places linked together by any technology that:
 - (i) gives the Eligible Members as a whole in those places a reasonable opportunity to participate in proceedings;

- (ii) enables the chairperson to be aware of proceedings in each place; and
 - (iii) enables the Eligible Members in each place to vote on a show of hands and on a poll.
- (b) If a meeting of Members is held in 2 or more places under Article 8.5(a):
- (i) an Eligible Member present at one of the places is taken to be present at the meeting; and
 - (ii) the chairperson of that meeting may determine at which place the meeting is taken to have been held.

8.6 Quorum

- (a) A quorum of Members is five Members holding not less than 5% of the issued capital of the Company, unless there are not more than five Members, in which case a quorum is one or more Members holding not less than 51% of the issued capital of the Company.
- (b) In determining whether a quorum for a meeting of Members is present:
- (i) where more than one proxy, attorney or representative of an Eligible Member is present, only one of those persons is counted;
 - (ii) where a person is present as an Eligible Member and as a proxy, attorney or representative of another Eligible Member, that person is counted separately for each appointment provided that there is at least one other Eligible Member present; and
 - (iii) where a person is present as a proxy, attorney or representative for more than one Eligible Member, that person is counted separately for each appointment provided that there is at least one other Eligible Member present.
- (c) A quorum for a meeting of Members must be present at the commencement of the meeting. If a quorum is present at the commencement of a meeting of Members, it is taken to be present throughout the meeting unless the chairperson otherwise determines.
- (d) If a quorum is not present within 30 minutes after the time appointed for a meeting of Members:
- (i) if the meeting was called under Article 8.1(c) or Article 8.1(d), the meeting is dissolved; and
 - (ii) any other meeting is adjourned to the date, time and place as the Directors may by notice to the Members appoint, or failing any appointment, to the same day in the next week at the same time and place as the meeting adjourned.
- (e) If a quorum is not present within 30 minutes after the time appointed for an adjourned meeting of Members, the meeting is dissolved.

8.7 Chairperson

- (a) The chairperson of Directors (if any) must (if present within 15 minutes after the time appointed for the holding of the meeting and willing to act) chair each meeting of Members.
- (b) If there is no chairperson of Directors or the chairperson of Directors will be unable to attend a meeting of Members or not willing to chair the meeting, the Directors may, by majority vote at any time prior to a meeting of Members, elect a person to chair a meeting of Members.
- (c) If at a meeting of Members:
 - (i) there is no chairperson of Directors;
 - (ii) the chairperson of Directors is not present within 15 minutes after the time appointed for the holding of a meeting of Members; or
 - (iii) the chairperson of Directors is present within that time but is not willing to chair all or part of that meeting,
 the Directors present may, by majority vote, elect a person present to chair all or part of the meeting of Members.
- (d) Subject to Article 8.7(a), Article 8.7(b) or Article 8.7(c), if at a meeting of Members:
 - (i) a chairperson of that meeting has not been elected by the Directors under Article 8.7(a), Article 8.7(b) or Article 8.7(c); or
 - (ii) the chairperson elected by the Directors is not willing to chair all or part of a meeting of Members,
 the Eligible Members present must elect another person present and willing to act to chair all or part of that meeting.

8.8 General conduct of meetings

- (a) The chairperson of a meeting of Members is responsible for the general conduct of that meeting and for the procedures to be adopted at that meeting.
- (b) The chairperson of a meeting of Members may:
 - (i) make rulings or adjourn a meeting of Members without putting the question (or any question) to the vote if that action is required to ensure the orderly conduct of the meeting;
 - (ii) determine the procedures to be adopted for the casting or recording of votes;
 - (iii) determine any dispute concerning the admission, validity or rejection of a vote at a meeting of Members;
 - (iv) terminate debate or discussion on any matter being considered at the meeting and require that matter be put to a vote;
 - (v) refuse to allow debate or discussion on any matter which is not business referred to in the notice of that meeting or is not business allowed to be discussed in accordance with the Corporations Act;

- (vi) subject to the Corporations Act, refuse to allow any amendment to be moved to a resolution set out in the notice of that meeting; or
- (vii) determine who may speak at Meetings of Members.
- (c) The chairperson of a meeting of Members may delegate any power conferred by this Article to any person.
- (d) The powers conferred on the chairperson of a meeting of Members under this Article 8.8 do not limit the powers conferred by law.

8.9 Resolutions of Members

- (a) A resolution at a meeting of Members is passed if the number of votes cast in favour of the resolution by Members entitled to vote on the resolution exceeds the number of votes cast against the resolution by Members entitled to vote on the resolution.
- (b) Unless a poll is requested in accordance with Article 8.10, a resolution put to the vote at a meeting of Members must be decided on a show of hands.
- (c) A declaration by the chairperson of a meeting of Members that a resolution on a show of hands is passed, passed by a particular majority, or not passed, and an entry to that effect in the minutes of the meeting, are sufficient evidence of that fact, unless proved incorrect.

8.10 Polls

- (a) A poll may be demanded on any resolution at a meeting of Members.
- (b) A poll on a resolution at a meeting of Members may be demanded by:
 - (i) at least 5 Eligible Members present and entitled to vote on that resolution;
 - (ii) one or more Eligible Members present and who are together entitled to at least 5% of the votes that may be cast on that resolution on a poll; or
 - (iii) the chairperson of that meeting.
- (c) A poll on a resolution at a meeting of Members may be demanded:
 - (i) before a vote on that resolution is taken; or
 - (ii) before or immediately after the results of the vote on that resolution on a show of hands are declared.
- (d) A demand for a poll may be withdrawn.
- (e) A poll demanded on a resolution at a meeting of Members other than for the election of a chairperson of that meeting or the adjournment of that meeting must be taken in the manner and at the time and place the chairperson directs.
- (f) A poll demanded on a resolution at a meeting of Members for the election of a chairperson of that meeting or the adjournment of that meeting must be taken immediately.

- (g) The result of a poll demanded on a resolution of a meeting of Members is a resolution of that meeting.
- (h) A demand for a poll on a resolution of a meeting of Members does not prevent the continuance of that meeting or that meeting dealing with any other business.

8.11 Adjourned, cancelled and postponed meetings

- (a) The chairperson:
 - (i) may adjourn a meeting of Members to any day, time and place; and
 - (ii) must adjourn a meeting of Members if the Eligible Members present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. The chairperson may adjourn that meeting to any day, time and place.
- (b) No person other than the chairperson of a meeting of Members may adjourn that meeting.
- (c) The Company is only required to give notice of a meeting of Members resumed from an adjourned meeting if the period of adjournment exceeds 30 days.
- (d) Only business left unfinished is to be transacted at a meeting of Members resumed after an adjournment.
- (e) Subject to this Article 8.11, the Directors may at any time postpone or cancel a meeting of Members by giving notice not less than 5 Business Days before the time at which the meeting was to be held to ASX and each person who is, at the date of the notice:
 - (i) a Member;
 - (ii) a Director or Alternate Director; or
 - (iii) an auditor of the Company.
- (f) A general meeting called under Article 8.1(c) must not be cancelled by the Directors without the consent of the Members who requested the meeting.
- (g) A general meeting called under Article 8.1(d) must not be cancelled or postponed by the Directors without the consent of the Members who called the meeting.
- (h) A notice under Article 8.11(c) of a meeting of Members resumed from an adjourned meeting and a notice postponing a meeting of Members must set out the place, date and time for the revised meeting (and if the revised meeting is to be held in 2 or more places, the technology that will be used to facilitate this).

8.12 Number of votes

- (a) Subject to this Constitution and any rights or restrictions attached to a class of Shares, on a show of hands at a meeting of Members, every Eligible Member present has one vote.
- (b) Subject to this Constitution and any rights or restrictions attached to a class of Shares, on a poll at a meeting of Members, every Eligible Member present has:

- (i) one vote for each fully paid up Share (whether the issue price of the Share was paid up or credited or both) that the Eligible Member holds; and
 - (ii) a fraction of one vote for each partly paid up Share that the Eligible Member holds. The fraction is equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.
- (c) Amounts paid in advance of a call on a Share are ignored when calculating the proportion under Article 8.12(b)(ii).
- (d) If the total number of votes to which an Eligible Member is entitled on a poll does not constitute a whole number, the Company must disregard the fractional part of that total.
- (e) A holder of a preference Share has the right to vote in the following circumstances only:
 - (i) during a period during which a Dividend (or part of a Dividend) in respect of the Share is in arrears;
 - (ii) on a proposal to reduce the share capital of the Company;
 - (iii) on a resolution to approve the terms of a buy-back agreement;
 - (iv) on a proposal that affects rights attached to the Share;
 - (v) on a proposal to wind up the Company;
 - (vi) on a proposal for the disposal of the whole of the property, business and undertaking of the Company; and
 - (vii) during the winding up of the Company.
- (f) If a Share is held jointly and more than one Member votes in respect of that Share, only the vote of the Member whose name appears first in the Register counts.
- (g) A person may vote in respect of a Share at a meeting of Members if:
 - (i) the person is entitled to be registered as the holder of that Share because of a Transmission Event; and
 - (ii) the person satisfied the Directors of that entitlement not less than 48 hours before that meeting.
- (h) An Eligible Member present at a meeting of Members is not entitled to vote on any resolution in respect of any Shares on which any calls due and payable in respect of those Shares have not been paid.
- (i) An Eligible Member present at a meeting of Members is not entitled to vote on a resolution at that meeting where that vote is prohibited by the Applicable Law, an order of a court of competent jurisdiction or ASX.
- (j) The Company must disregard any vote on a resolution purported to be cast by a Member present at a meeting of Members where that person is not entitled to vote on that resolution.

- (k) The authority of any proxy or attorney for an Eligible Member to speak or vote at a meeting of Members in respect of the Shares to which the authority relates is suspended while the Eligible Member is present in person at that meeting.
- (l) If more than one proxy or attorney for an Eligible Member is present at a meeting of Members:
 - (i) none of them is entitled to vote on a show of hands; and
 - (ii) on a poll, the vote of each one is of no effect where the aggregate number or proportion of the Eligible Member's votes for which they have been appointed exceeds the total number or proportion of votes that could be cast by the Eligible Member.

8.13 Objections to qualification to vote

- (a) An objection to the qualification of any person to vote at a meeting of Members may only be made:
 - (i) before that meeting, to the Directors; or
 - (ii) at that meeting (or any resumed meeting if that meeting is adjourned), to the chairperson of that meeting.
- (b) Any objection under Article 8.13(a) must be decided by the Directors or the chairperson of the meeting of Members (as the case may be), whose decision, made in good faith, is final and conclusive.

8.14 Proxies, attorneys and representatives

- (a) An Eligible Member, who is entitled to attend and cast a vote at a meeting of Members, may vote on a show of hands and on a poll:
 - (i) in person or, if the Member is a body corporate, by its representative appointed in accordance with the Corporations Act;
 - (ii) by proxy or, if the Member is entitled to cast two or more votes at the meeting, by not more than 2 proxies; or
 - (iii) by attorney or, if the Member is entitled to cast two or more votes at the meeting, by not more than 2 attorneys.
- (b) A proxy, attorney or representative of a Member need not be a Member.
- (c) A Member may appoint a proxy, attorney or representative for:
 - (i) all or any number of meetings of Members; or
 - (ii) a particular meeting of Members.
- (d) An instrument appointing a proxy is valid if it is signed by the Member making the appointment and contains:
 - (i) the name and address of that Member;
 - (ii) the name of the Company;

- (iii) the name of the proxy or the name of the office of the proxy; and
 - (iv) the meetings of Members at which the proxy may be used.
- (e) The chairperson of a meeting of Members may determine that an instrument appointing a proxy is valid even if it contains only some of the information specified in Article 8.14(d).
- (f) The decision of the chairperson of a meeting of Members as to the validity of an instrument appointing a proxy, attorney or representative is final and conclusive.
- (g) Unless otherwise provided in the Corporations Act or in the instrument appointing a proxy or attorney, a proxy or attorney may:
 - (i) agree to a meeting of Members being called by shorter notice than is required by the Corporations Act or this Constitution;
 - (ii) speak on any resolution at a meeting of Members on which the proxy or attorney may vote;
 - (iii) vote at a meeting of Members (but only to the extent allowed by the appointment);
 - (iv) demand or join in demanding a poll on any resolution at a meeting of Members on which the proxy or attorney may vote; and
 - (v) attend and vote at any meeting of Members which is rescheduled or adjourned.
- (h) Unless otherwise provided in the instrument appointing a proxy or attorney, a proxy or attorney may vote on:
 - (i) any amendment to a resolution on which the proxy or attorney may vote;
 - (ii) any motion not to put that resolution or any similar motion; and
 - (iii) any procedural motion relating to that resolution, including a motion to elect the chairperson of a meeting of Members, vacate the chair or adjourn that meeting,

even if the appointment directs the proxy or attorney how to vote on that resolution.
- (i) The Company must only send a form of proxy to Eligible Members in respect of a meeting of Members which provides for the Eligible Member:
 - (i) to appoint proxies of the Eligible Member's choice, but may specify who is to be appointed as proxy if the Eligible Member does not choose; and
 - (ii) to vote for or against each resolution, and may also provide for the Eligible Member to abstain from voting on each resolution or for the proxy to exercise a discretion to vote for or against each resolution.
- (j) If the name of the proxy or the name of the office of the proxy in a proxy form of an Eligible Member is not filled in, the proxy of that Eligible Member is:

- (i) the person specified by the Company in the form of proxy in the case the Eligible Member does not choose; or
 - (ii) if no person is so specified, the chairperson of that meeting.
- (k) An Eligible Member may specify the manner in which a proxy or attorney is to vote on a particular resolution at a meeting of Members.
- (l) A proxy appointed in accordance with the Corporations Act to attend and vote may only exercise the rights of the Eligible Member on the basis and subject to the restrictions provided in the Corporations Act.
- (m) The appointment of a proxy or attorney by an Eligible Member may specify the proportion or number of the Eligible Member's votes that the proxy or attorney may exercise.
- (n) If an Eligible Member appoints 2 persons as proxy or attorney, and the appointment does not specify the proportion or number of the Eligible Member's votes those persons may exercise, those persons may exercise one half of the votes of the Eligible Member.
- (o) If the total number of votes to which a proxy or attorney is entitled to exercise does not constitute a whole number, the Company must disregard the fractional part of that total.
- (p) An appointment of proxy or attorney for a meeting of Members is effective only if the Company receives the appointment (and any authority under which the appointment was signed or a certified copy of the authority) not less than:
 - (i) 48 hours before the time scheduled for commencement of that meeting; or
 - (ii) in the case of a meeting which has been adjourned, 48 hours before the time scheduled for resumption of the meeting.
- (q) Unless the Company has received notice in writing of the matter not less than 48 hours before the time scheduled for the commencement of a meeting of Members, a vote cast at that meeting by a person appointed by an Eligible Member as a proxy, attorney or representative is, subject to this Constitution valid even if, before the person votes:
 - (i) there is a Transmission Event in respect of that Eligible Member;
 - (ii) that Eligible Member revokes the appointment of that person;
 - (iii) that Eligible Member revokes the authority under which the person was appointed by a third party; or
 - (iv) that Eligible Member transfers the Shares in respect of which the appointment is made.

9. DIRECTORS

9.1 Number of Directors

- (a) The Company must have not less than 3, and not more than 12, Directors.
- (b) The Company in general meeting may by ordinary resolution alter the maximum or minimum number of Directors provided that the minimum is not less than 3.
- (c) Subject to this Article 9.1 and in compliance with the Applicable Law, the Directors may determine the number of Directors provided that the Directors cannot reduce the number of Directors below the number in office at the time that determination takes effect.
- (d) If the number of Directors is below the minimum fixed by this Constitution, the Directors must not act except in emergencies, for appointing one or more directors in order to make up a quorum for a meeting of Directors, or to call and arrange to hold a meeting of Members.

9.2 Appointment of Directors

- (a) The first Directors are the persons specified as directors in the application for the registration of the Company under the Corporations Act.
- (b) Subject to Article 9.1, the Directors may appoint any person as a Director.
- (c) The Company in general meeting may by ordinary resolution appoint any person as a Director.
- (d) A Director need not be a Member.
- (e) The Company must hold an election of Directors each year.
- (f) The Company must accept nominations for the election of a Director 30 Business Days before the date of the meeting of Members at which the Director may be elected.
- (g) A nomination of a person for Director (other than a Director retiring in accordance with this Constitution) must be:
 - (i) in writing;
 - (ii) signed by a Member entitled to attend and vote at the meeting of Members at which the election is proposed;
 - (iii) accompanied by a notice in writing signed by the nominee consenting to the nomination; and
 - (iv) lodged with the Company at its registered office.

9.3 Retirement of Directors and vacation of office

- (a) Articles 9.3(b), 9.3(c), 9.3(d), 9.3(i) and 9.3(j) do not apply to the managing director of the Company, or if more than one, the managing director of the Company determined by the Directors.
- (b) A Director must retire from office no later than the longer of:
 - (i) the third annual general meeting of the Company; or

- (ii) 3 years following that Director's last election or appointment.
- (c) If the Company has 3 or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each AGM.
- (d) If the Company has less than 3 Directors, one Director must retire at each AGM.
- (e) The Directors to retire under Articles 9.3(c) and 9.3(d) are:
 - (i) those who have held their office as Director the longest period of time since their last election or appointment to that office; and
 - (ii) if two or more Directors have held office for the same period of time, those Directors determined by lot, unless those Directors agree otherwise.
- (f) A Director who retires under Articles 9.3(b), 9.3(c), 9.3(d) or 9.3(l) is eligible for re-election.
- (g) A Director may resign from office by giving the Company notice in writing.
- (h) The Company may by ordinary resolution passed at a general meeting remove any Director, and if thought fit, appoint another person in place of that Director.
- (i) A Director appointed under Article 9.2(b) may retire at the next general meeting of the Company and is eligible for re-election at that meeting.
- (j) Unless a Director appointed under Article 9.2(b) has retired under Article 9.3(i), that Director must retire at the next AGM, and is eligible for re-election at that meeting.
- (k) A Director ceases to be a Director if:
 - (i) the Director becomes of unsound mind or a person whose property is liable to be dealt with under a law about mental health;
 - (ii) the Director is absent without the consent of the Directors from all meetings of the Directors held during a period of 6 months;
 - (iii) the Director resigns or is removed under this Constitution or the Corporations Act;
 - (iv) the Director is an Executive Director (including a managing director) and ceases to be an employee of the Company (not including being a Non-executive Director) or of a related body corporate of the Company;
 - (v) the Director becomes an insolvent under administration;
 - (vi) the Corporations Act so provides; or
- (l) A Director who ceases to be the managing director must retire at the next annual general meeting of the Company following the Director ceasing to be managing director.

9.4 Alternate Directors

- (a) With the approval of a majority of the other Directors, a Director may appoint a person as an alternate director of that Director for any period.
- (b) An Alternate Director need not be a Member.
- (c) The appointing Director may terminate the appointment of his or her Alternate Director at any time.
- (d) A notice of appointment, or termination of appointment, of an Alternate Director is effective only if:
 - (i) the notice is in writing;
 - (ii) the notice is signed by the Director who appointed that Alternate Director; and
 - (iii) the Company is given a copy of the notice.
- (e) If the Director who appointed an Alternate Director is not present at a meeting of Directors, that Alternate Director may, subject to this Constitution and the Applicable Law:
 - (i) attend, count in the quorum of, speak at, and vote at that meeting in place of that appointing Director; and
 - (ii) exercise any other powers (except the power under Article 9.4(a)) that the appointing Director may exercise.
- (f) An Alternate Director cannot exercise any powers of his or her appointing Director if that appointing Director ceases to be a Director.
- (g) A person does not cease to be a Director under Article 9.4(f) if that person retires as a Director at a meeting of Members and is re-elected as a Director at that meeting.
- (h) Subject to Article 9.5(g), the Company is not required to pay any remuneration to an Alternate Director.
- (i) An Alternate Director is an officer of the Company and not an agent of his or her appointing Director.

9.5 Remuneration of Directors

- (a) The Company may pay to the Non-Executive Directors a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve.
- (b) The remuneration of the Non-Executive Directors must not be calculated as a commission on, or percentage of, profits or operating revenue.
- (c) The Directors may determine the manner in which all or part of the amount in Article 9.5(a) is divided between the Non-Executive Directors, or until so determined, the amount in Article 9.5(a) must be divided between the Non-Executive Directors equally.
- (d) The remuneration of the Non-Executive Directors is taken to accrue from day to

day.

- (e) The remuneration of the Executive Directors:
 - (i) must, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors; and
 - (ii) must not be calculated as a commission on, or percentage of, operating revenue.
- (f) If a Director performs extra or special services, including being:
 - (i) a member on a committee of Directors; or
 - (ii) the chairperson of Directors or deputy chairperson of Directors,the Company may, subject to this Article 9.5, pay additional remuneration or provide benefits to that Director as the Directors resolve.
- (g) The Company must pay all reasonable travelling, accommodation and other expenses that a Director or Alternate Director properly incurs:
 - (i) in attending meetings of Directors or any meetings of committees of Directors;
 - (ii) in attending any meetings of Members; and
 - (iii) in connection with the business of the Company.
- (h) Subject to the Applicable Law, any Director may participate in any fund, trust or scheme for the benefit of:
 - (i) past or present employees or Directors of the Company or a related body corporate of the Company; or
 - (ii) the dependants of, or persons connected with, any person referred to in Article 9.5(h)(i).
- (i) Subject to the Applicable Law, the Company may give, or agree to give, a person a benefit in connection with that person's, or someone else's, retirement from a board or managerial office in the Company or a related body corporate of the Company.

9.6 Interests of Directors

- (a) A Director may:
 - (i) hold an office or place of profit (except as auditor) in the Company, on any terms as the Directors resolve;
 - (ii) hold an office or otherwise be interested in any related body corporate of the Company or other body corporate in which the Company is interested; or
 - (iii) act, or the Director's firm may act, in any professional capacity for the Company (except as auditor) or any related body corporate of the

Company or other body corporate in which the Company is interested,

and retain the benefits of doing so if the Director discloses in accordance with the Corporations Act the interest giving rise to those benefits.

- (b) If a Director discloses the interest of the Director in accordance with the Corporations Act:
- (i) the Director may contract or make an arrangement with the Company, or a related body corporate of the Company or a body corporate in which the Company is interested, in any matter in any capacity;
 - (ii) the Director may, subject to the Corporations Act, be counted in a quorum for a meeting of Directors considering the contract or arrangement;
 - (iii) the Director may, subject to the Applicable Law, vote on whether the Company enters into the contract or arrangement, and on any matter that relates to the contract or arrangement;
 - (iv) the Director may sign on behalf of the Company, or witness the affixing of the common seal of the Company to, any document in respect of the contract or arrangement;
 - (v) the Director may retain the benefits under the contract or arrangement; and
 - (vi) the Company cannot avoid the contract or arrangement merely because of the existence of the Director's interest.
- (c) The Director must give to the Company:
- (i) at its registered office; or
 - (ii) any other place the Company reasonably notifies the Director in writing,
- the information which the Company is required by the Listing Rules to disclose to ASX in respect of:
- (iii) Notifiable Interests of the Director; and
 - (iv) changes to the Notifiable Interests of the Director,
- in the form which the Company is required to tell ASX under the Listing Rules.
- (d) The information referred to in Article 9.6(c) must be given to the Company as soon as reasonably possible after each of the following dates but in any event no later than 3 Business Days after each of the following dates:
- (i) when the Director is appointed as a director of the Company, the date of appointment;
 - (ii) when a change in a Notifiable Interest of the Director occurs, the date of the change; and
 - (iii) when the Director ceases to be a director of the Company, the date of cessation.

- (e) Each Director authorises the Company to give the information provided by the Director under Article 9.6(c) to ASX on the Director's behalf and as the Director's agent.
- (f) The Company may enforce after the date a person ceases to be a Director an obligation of that person under Article 9.6(c) in respect of events which occurred on or prior to the date that person ceased to be a Director.

10. OFFICERS

10.1 Managing Director

- (a) The Directors may appoint one or more of themselves as a managing director, for any period and on any terms (including as to remuneration) as the Directors resolve.
- (b) Subject to any agreement between the Company and a managing director and without prejudice to any other Article in the Constitution, the Directors may remove or dismiss a managing director (without removing him as a Director) at any time, with or without cause.
- (c) The Directors may delegate any of their powers (including the power to delegate) to a managing director.
- (d) The Directors may revoke or vary:
 - (i) the appointment of a managing director; or
 - (ii) any power delegated to a managing director,without removing him or her as a Director.
- (e) A managing director must exercise the powers delegated to him or her in accordance with any directions of the Directors.
- (f) The exercise of a delegated power by a managing director is as effective as if the Directors exercised the power.
- (g) A person ceases to be a managing director if the person ceases to be a Director.
- (h) Subject to Article 9.3(k)(iv), removal as managing director under this Article 10.1 does not remove the managing director as a Director.

10.2 Secretary

- (a) The first Secretary is the person specified in the application for registration of the Company as company secretary.
- (b) The Directors may appoint one or more Secretaries, for any period and on any terms (including as to remuneration) as the Directors resolve.
- (c) Subject to any agreement between the Company and a Secretary, the Directors may remove or dismiss a Secretary at any time, with or without cause.
- (d) The Directors may revoke or vary the appointment of a Secretary.

10.3 Indemnity and insurance

- (a) To the extent permitted by law, the Company must indemnify each Relevant Officer against:
 - (i) a Liability of that person; and
 - (ii) Legal Costs of that person.
- (b) To the extent permitted by law, the Company may make a payment (whether by way of advance, loan or otherwise) to a Relevant Officer in respect of Legal Costs of that person.
- (c) To the extent permitted by law, the Company may pay, or agree to pay, a premium for a contract insuring a Relevant Officer against:
 - (i) a Liability of that person; and
 - (ii) Legal Costs of that person.
- (d) To the extent permitted by law, the Company may enter into an agreement or deed with:
 - (i) a Relevant Officer; or
 - (ii) a person who is, or has been an officer of the Company or a subsidiary of the Company,under which the Company must do all or any of the following:
 - (iii) keep books of the Company and allow either or both that person and that person's advisers access to those books on the terms agreed;
 - (iv) indemnify that person against any Liability of that person;
 - (v) make a payment (whether by way of advance, loan or otherwise) to that person in respect of Legal Costs of that person; and
 - (vi) keep that person insured in respect of any act or omission by that person while a Relevant Officer or an officer of the Company or a subsidiary of the Company, on the terms agreed (including as to payment of all or part of the premium for the contract of insurance).

11. POWERS OF THE COMPANY AND DIRECTORS

11.1 General powers

- (a) The Company may exercise in any manner permitted by the Corporations Act any power which a public company limited by shares may exercise under the Corporations Act.
- (b) The business of the Company is managed by or under the direction of the Directors.
- (c) The Directors may exercise all the powers of the Company except any powers that the Corporations Act or this Constitution requires the Company to exercise in general meeting.

11.2 Execution of documents

- (a) If the Company has a common seal, the Company may execute a document if that seal is fixed to the document and the fixing of that seal is witnessed by:
 - (i) 2 Directors;
 - (ii) a Director and a Secretary; or
 - (iii) a Director and another person appointed by the Directors for that purpose.
- (b) The Company may execute a document without a common seal if the document is signed by:
 - (i) 2 Directors;
 - (ii) a Director and a Secretary; or
 - (iii) a Director and another person appointed by the Directors for that purpose.
- (c) The Company may execute a document as a deed if the document is expressed to be executed as a deed and is executed in accordance with Article 11.2(a) or 11.2(b).
- (d) The Directors may resolve, generally or in a particular case, that any signature on certificates for securities of the Company may be affixed by mechanical or other means.
- (e) Negotiable instruments may be signed, drawn, accepted, endorsed or otherwise executed by or on behalf of the Company in the manner and by the persons as the Directors resolve.

11.3 Committees and delegates

- (a) The Directors may delegate any of their powers (including this power to delegate) to a committee of Directors, a Director, an employee of the Company or any other person.
- (b) The Directors may revoke or vary any power delegated under Article 11.3(a).
- (c) A committee or delegate must exercise the powers delegated in accordance with any directions of the Directors.
- (d) The exercise of a delegated power by the committee or delegate is as effective as if the Directors exercised the power.
- (e) Article 12 applies with the necessary changes to meetings of a committee of Directors.

11.4 Attorney or agent

- (a) The Directors may appoint any person to be attorney or agent of the Company for any purpose, for any period and on any terms (including as to remuneration) as the Directors resolve.

- (b) The Directors may delegate any of their powers (including the power to delegate) to an attorney or agent.
- (c) The Directors may revoke or vary:
 - (i) an appointment under Article 11.4(a); or
 - (ii) any power delegated to an attorney or agent.

12. PROCEEDINGS OF DIRECTORS

12.1 Written resolutions of Directors

- (a) The Directors may pass a resolution without a meeting of the Directors being held if all of the Directors entitled to vote on the resolution assent to a document containing a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of the document referred to in Article 12.1(a) may be used for assenting to by Directors if the wording of the resolution and the statement is identical in each copy.
- (c) A Director may signify assent to a document under this Article 12.1 by signing the document or by notifying the Company of the assent of the Director:
 - (i) in a manner permitted by Article 14.3; or
 - (ii) by any technology including telephone or email.
- (d) Where a Director signifies assent to a document under Article 12.1(c) other than by signing the document, the Director must by way of confirmation sign the document before or at the next meeting of Directors attended by that Director.
- (e) The resolution the subject of a document under Article 12.1(a) is not invalid if a Director does not comply with Article 12.1(d).

12.2 Meetings of Directors

- (a) The Directors may meet, adjourn and otherwise regulate their meetings as they think fit.
- (b) A meeting of Directors may be held using any technology.
- (c) If a meeting of Directors is held in 2 or more places linked together by any technology:
 - (i) a Director present at one of the places is taken to be present at the meeting unless and until the Director states to the chairperson of the meeting that the Director is discontinuing her or her participation in the meeting; and
 - (ii) the chairperson of that meeting may determine at which place the meeting will be taken to have been held.

12.3 Who can call meetings of Directors

- (a) A Director may call a meeting of Directors at any time.
- (b) On request of any Director, a Secretary of the Company must call a meeting of the Directors.

12.4 How to call meetings of Directors

- (a) Notice of a meeting of Directors must be given to each Director and Alternate Director.
- (b) The Company must give not less than 12 hours notice of a meeting of Directors, unless all Directors agree otherwise.
- (c) A Director or Alternate Director may waive notice of a meeting of Directors by notice in writing to the Company to that effect.

12.5 Quorum

- (a) Subject to the Corporations Act, a quorum for a meeting of Directors is:
 - (i) if the Directors have fixed a number for the quorum, that number of Directors; and
 - (ii) in any other case, 2 Directors entitled to vote on a resolution that may be proposed at that meeting.
- (b) In determining whether a quorum for a meeting of Directors is present:
 - (i) where a Director has appointed an Alternate Director, that Alternate Director is counted if the appointing Director is not present;
 - (ii) where a person is present as Director and an Alternate Director for another Director, that person is counted separately provided that there is at least one other Director or Alternate Director present; and
 - (iii) where a person is present as an Alternate Director for more than one Director, that person is counted separately for each appointment provided that there is at least one other Director or Alternate Director present.
- (c) A quorum for a meeting of Directors must be present at all times during the meeting.
- (d) If there are not enough persons to form a quorum for a meeting of Directors, one or more of the Directors (including those who have an interest in a matter being considered at that meeting) may call a general meeting of the Company and the general meeting may pass a resolution to deal with the matter.

12.6 Chairperson

- (a) The Directors may elect a Director as chairperson of Directors or deputy chairperson of Directors for any period they resolve, or if no period is specified, until that person ceases to be a Director.
- (b) The Directors may remove the chairperson of Directors or deputy chairperson of Directors at any time.

(c) The chairperson of Directors must (if present within 15 minutes after the time appointed for the holding of the meeting and willing to act) chair each meeting of Directors.

(d) If:

(i) there is no chairperson of Directors; or

(ii) the chairperson of Directors is not present within 15 minutes after the time appointed for the holding of a meeting of Directors; or

(iii) the chairperson of Directors is present within that time but is not willing to chair all or part of that meeting,

then if the Directors have elected a deputy chairperson of Directors, the deputy chairperson of Directors must (if present within 15 minutes after the time appointed for the holding of the meeting and willing to act) chair all or part of the meeting of Directors.

(e) Subject to Articles 12.6(c) and 12.6(d), if:

(i) there is no deputy chairperson of Directors; or

(ii) the deputy chairperson of Directors is not present within 15 minutes after the time appointed for the holding of a meeting of Directors; or

(iii) the deputy chairperson of Directors is present within that time but is not willing to chair all or part of that meeting,

the Directors present must elect one of themselves to chair all or part of the meeting of Directors.

(f) A person does not cease to be a chairperson of Directors or deputy chairperson of Directors if that person retires as a Director at a meeting of Members and is re-elected as a Director at that meeting.

12.7 Resolutions of Directors

(a) A resolution of Directors is passed if more votes are cast in favour of the resolution than against it.

(b) Subject to Article 9.6 and this Article 12.7, each Director has one vote on a matter arising at a meeting of the Directors.

(c) In determining the number of votes a Director has on a matter arising at a meeting of Directors:

(i) where a person is present as Director and an Alternate Director for another Director, that person has one vote as a Director and, subject to Article 9.4(e), one vote as an Alternate Director; and

(ii) where a person is present as an Alternate Director for more than one Director, that person has, subject to Article 9.4(e), one vote for each appointment.

(d) Subject to the Applicable Law, in case of an equality of votes on a resolution at a

meeting of Directors, the chairperson of that meeting has a casting vote on that resolution in addition to any vote the chairperson has in his or her capacity as a Director in respect of that resolution.

13. DIVIDENDS AND PROFITS

13.1 Who may determine dividends

- (a) Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shares and to the rights of the holders of any Shares created or raised under any special arrangement as to Dividend, the Directors may from time to time declare Dividend to be paid to the shareholders entitled to the Dividend. Subject to the rights of any preference Shares and to the rights of the holders of any Shares created or raised under any special arrangement as to Dividend, the Dividend as declared shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.
- (b) The Directors may determine that a Dividend is payable on Shares and fix:
 - (i) the amount of the Dividend;
 - (ii) whether the Dividend is franked, the franking percentage and the franking class;
 - (iii) the time for determining entitlements to the Dividend;
 - (iv) the time for the payment of the Dividend; and
 - (v) the method of payment of the Dividend.
- (c) The method of payment of a Dividend may include any or all of the payment of cash, the issue of shares, the grant of Company options or other Company securities, the transfer of shares or any other securities in any other body corporate or units in any unit trust or the transfer of any other assets.
- (d) If the method of payment of a Dividend includes an issue or transfer of shares in a body corporate, each Member:
 - (i) agrees to become a member of that body corporate; and
 - (ii) in the case of a transfer, appoints the Company and each Director as its agent to execute instrument of transfer or other document required to transfer those shares to that Member.
- (e) A Dividend in respect of a Share must be paid to the person whose name is entered in the Register as the holder of that Share:
 - (i) where the Directors have fixed a time under Article 13.1(b)(iii), at that time; or
 - (ii) in any other case, on the date the Dividend is paid.
- (f) A Member who holds restricted securities is not entitled to any Dividends in respect of those restricted securities during:

- (i) a breach of the Listing Rules relating to those restricted securities; or
- (ii) a breach of a restriction agreement.

13.2 Dividends for different classes

The Directors may determine that Dividends be paid:

- (a) on Shares of one class but not another class; and
- (b) at different rates for different classes of Shares.

13.3 Dividends proportional to paid up capital

- (a) Subject to any rights or restrictions attached to a class of Shares, the person entitled to a Dividend on a Share is entitled to:
 - (i) if the Share is fully paid (whether the issue price of the Share was paid or credited or both), the entire Dividend; or
 - (ii) if the Share is partly paid, a proportion of that Dividend equal to the proportion which the amount paid (excluding amounts credited) on that Share is of the total amounts paid or payable (excluding amounts credited) on that Share.
- (b) Amounts paid in advance of a call on a Share are ignored when calculating the proportion under Article 13.3(a)(ii).

13.4 Effect of a transfer on Dividends

If a transfer of a Share is registered after the time determined for entitlements to a Dividend on that Share but before the Dividend is paid, the person transferring that Share is, subject to the ASX Settlement Operating Rules, entitled to that Dividend.

13.5 No interest on Dividends

The Company is not required to pay any interest on a Dividend.

13.6 Unpaid amounts

The Company may retain the whole or part of any Dividend on which the Company has a lien and apply that amount in total or part satisfaction of any amount secured by that lien.

13.7 Capitalisation of profits

- (a) The Directors may capitalise any profits of the Company and distribute that capital to the Members, in the same proportions as the Members are entitled to a distribution by Dividend.
- (b) The Directors may fix the time for determining entitlements to a capitalisation of profits.
- (c) The Directors may decide to apply capital under Article 13.7(a) in either or both of the following ways:
 - (i) in paying up an amount unpaid on Shares already issued; and

- (ii) in paying up in full any unissued Shares or other securities in the Company.
- (d) The Members must accept an application of capital under Article 13.7(c) in full satisfaction of their interests in that capital.

13.8 Distributions of assets

The Directors may settle any problem concerning a distribution under Article 13 in any way. This may include:

- (a) rounding amounts up or down to the nearest whole number;
- (b) ignoring fractions;
- (c) valuing assets for distribution;
- (d) paying cash to any Member on the basis of that valuation; and
- (e) vesting assets in a trustee on trust for the Members entitled.

13.9 Dividend plans

- (a) The Directors may establish a dividend selection plan or bonus share plan on any terms, under which participants may elect in respect of all or part of their Shares:
 - (i) to receive a Dividend from the Company paid in whole or in part out of a particular fund or reserve or out of profits derived from a particular source; or
 - (ii) to forego a Dividend from the Company and receive some other form of distribution or entitlement (including securities) from the Company or another body corporate or a trust.
- (b) The Directors may establish a dividend reinvestment plan on any terms, under which participants may elect in respect of all or part of their Shares to apply the whole or any part of a Dividend from the Company in subscribing for securities of the Company or a related body corporate of the Company.
- (c) Subject to the Listing Rules, the Directors may implement, amend, suspend or terminate a plan established under this Article 13.9.

14. NOTICES AND PAYMENTS

14.1 Notice to Members

- (a) The Company may give Notice to a Member:
 - (i) in person;
 - (ii) by sending it by post to the address of the Member in the Register or the alternative address (if any) nominated by that Member;
 - (iii) by sending it to the fax number or electronic address (if any) nominated by that Member; or

- (iv) such other means as permitted by the Corporations Act.
- (b) If the address of a Member in the Register is not within Australia, the Company must send all documents to that Member by air-mail, air courier, fax or by electronic means.
- (c) The Company must give any Notice to Members who are joint holders of a Share to the person named first in the Register in respect of that Share, and that notice is notice to all holders of that Share.
- (d) The Company may give Notice to a person entitled to a Share because of a Transmission Event in any manner specified in Article 14.1(a).
- (e) Notice to a person entitled to a Share because of a Transmission Event is taken to be notice to the Member of that Share.
- (f) A Notice to a Member is sufficient, even if:
 - (i) a Transmission Event occurs in respect of that Member (whether or not a joint holder of a Share); or
 - (ii) that Member is an externally administered body corporate,and regardless of whether or not the Company has notice of that event.
- (g) A person entitled to a Share because of a transfer, Transmission Event or otherwise, is bound by every Notice given in respect of that Share.
- (h) Any Notice required or allowed to be given by the Company to one or more Members by advertisement is, unless otherwise stipulated, sufficiently advertised if advertised once in a daily newspaper circulating in the states and territories of Australia.

14.2 Notice to Directors

The Company may give Notice to a Director or Alternate Director:

- (a) in person;
- (b) by sending it by post to the usual residential address of that person or the alternative address (if any) nominated by that person;
- (c) by sending it to the fax number or electronic address (if any) nominated by that person; or
- (d) by any other means agreed between the Company and that person.

14.3 Notice to the Company

A person may give Notice to the Company:

- (a) by leaving it at the registered office of the Company during a time when the registered office is open;
- (b) by sending it by post to the registered office of the Company;

- (c) by sending it to a fax number at the registered office of the Company nominated by the Company for that purpose;
- (d) by sending it to the electronic address (if any) nominated by the Company for that purpose; or
- (e) by any other means permitted by the Corporations Act.

14.4 Time of service

- (a) A notice sent by post to an address within Australia is taken to be given:
 - (i) in the case of a notice of meeting, one day after it is posted; or
 - (ii) in any other case, at the time at which the notice would be delivered in the ordinary course of post.
- (b) A notice sent by post or air-mail to an address outside Australia is taken to be given:
 - (i) in the case of a notice of meeting, one day after it is posted; or
 - (ii) in any other case, at the time at which the notice would be delivered in the ordinary course of post.
- (c) A notice sent by air courier to a place outside Australia is taken to be given one day after delivery to the air courier.
- (d) A notice sent by fax is taken to be given on the day it is sent, provided that the sender's transmission report shows that the whole notice was sent to the correct fax number.
- (e) A notice sent to an electronic address is taken to be given on the date it is sent unless a delivery failure message is received by the Company.
- (f) The giving of a notice by post, air-mail or air courier is sufficiently proved by evidence that the notice:
 - (i) was addressed to the correct address of the recipient; and
 - (ii) was placed in the post or delivered to the air courier.
- (g) A certificate by a Director or Secretary of a matter referred to in Article 14.4(f) is sufficient evidence of the matter, unless it is proved to the contrary.

14.5 Signatures

The Directors may decide, generally or in a particular case, that a notice given by the Company be signed by mechanical or other means.

14.6 Payments

- (a) The Company may pay a person entitled to an amount payable in respect of a Share (including a Dividend) by:
 - (i) crediting an account nominated in writing by that person;

- (ii) cheque made payable to bearer, to the person entitled to the amount or any other person the person entitled directs in writing; or
 - (iii) any other manner as the Directors resolve.
- (b) The Company may post a cheque referred to in Article 14.6(a)(ii) to:
 - (i) the address in the Register of the Member of the Share;
 - (ii) if that Share is jointly held, the address in the Register of the Member named first in the Register in respect of the Share; or
 - (iii) any other address which that person directs in writing.
- (c) Any joint holder of a Share may give effective receipt for an amount (including a Dividend) paid in respect of the Share.

15. WINDING UP

15.1 Distributions proportional to paid up capital

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the Members in the proportions which the amount paid (including amounts credited) on the Shares of a Member is of the total amounts paid and payable (including amounts credited) on the Shares of all Members.

15.2 Distributions of assets

- (a) Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Members:
 - (i) distribute among the Members the whole or any part of the property of the Company; and
 - (ii) decide how to distribute the property as between the Members or different classes of Members.
- (b) The liquidator of the Company may settle any problem concerning a distribution under Article 15 in any way. This may include:
 - (i) rounding amounts up or down to the nearest whole number;
 - (ii) ignoring fractions;
 - (iii) valuing assets for distribution;
 - (iv) paying cash to any Member on the basis of that valuation; and
 - (v) vesting assets in a trustee on trust for the Members entitled.
- (c) A Member need not accept any property, including shares or other securities, carrying a liability.

16. RESTRICTED SECURITIES

Schedule 7 applies and forms part of this Constitution.

SCHEDULE 1 – PROVISIONS REQUIRED BY ASX LISTING RULE 15.11.1

If the Company is admitted to the Official List of ASX, the following clauses apply:

- (a) notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (b) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (f) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

SCHEDULE 2 - CALLS, COMPANY PAYMENTS, FORFEITURE AND LIENS

1. Exercise of powers

The powers of the Company under this Schedule 2 may only be exercised by the Directors.

2. Calls

2.1 Making a call

- (a) Subject to the terms of issue of a Share, the Company may at any time make calls on the Members of a Share for all or any part of the amount unpaid on the Share as the Directors resolve.
- (b) The Company may make calls payable for one or more Members for different amounts and at different times.
- (c) Subject to the terms of issue of a Share, a call may be made payable by instalments.
- (d) Subject to the Company may revoke or postpone a call or extend the time for payment of a call.
- (e) A call is made when the Directors resolve to make the call.

2.2 Notice of a call

- (a) The Company must give Members at least 10 Business Days notice of a call.
- (b) A notice of a call must be in writing and specify the amount of the call, the due date for payment, the manner in which payment of the call must be made, the consequences of non-payment of the call and any other information required by the Listing Rules.
- (c) A call is not invalid if either or both a Member does not receive notice of the call or the Company accidentally does not give notice of the call to a Member.

2.3 Payment of a call

- (a) A Member must pay to the Company the amount of each call made on the Member on the date and in the manner specified in the notice of the call.
- (b) If an amount unpaid on a Share is payable, by the terms of issue of the Share or otherwise, in one or more fixed amounts on one or more fixed dates, the Member of that Share must pay to the Company those amounts on those dates.
- (c) A Member must pay to the Company:
 - (i) interest at the rate specified in paragraph 7(a) on any amount referred to in paragraphs 2.3(a) or 2.3(b) which is not paid on or before the time appointed for its payment, from the time appointed for payment to the time of the actual payment; and
 - (ii) expenses incurred by the Company because of the failure to pay or late payment of that amount.

- (d) The Company may waive payment of all or any part of an amount payable under paragraph 2.3(c).
- (e) The joint holders of a Share are jointly and severally liable for the payment of all calls due in respect of that Share.

2.4 Recovery of a call

- (a) The Company may recover an amount due and payable under this paragraph 2 from a Member by:
 - (i) commencing legal action against the Member for all or part of the amount due;
 - (ii) enforcing a lien on the Share in respect of which the call was made; or
 - (iii) forfeiting the Share in respect of which the call was made.
- (b) The debt due in respect of an amount payable under this paragraph 2 in respect of a Share is sufficiently proved by evidence that:
 - (i) the name of the Member sued is entered in the Register as one or more of the holders of that Share; and
 - (ii) there is a record in the minute books of the Company of:
 - (A) in the case of an amount referred to in paragraph 2.3(b), that amount; or
 - (B) in any other case, the resolution making the call.

2.5 Payment in advance of a call

- (a) The Company may:
 - (i) accept from any Member all or any part of the amount unpaid on a Share held by the Member before that amount is called for;
 - (ii) pay interest at any rate the Directors resolve, on the amount paid before it is called, from the date of payment until and including the date the amount becomes actually payable; and
 - (iii) repay the amount paid to that Member.
- (b) An amount paid pursuant to paragraph 2.5(a)(i) does not confer a right to participate in:
 - (i) a Dividend determined to be paid from the profits of the Company; or
 - (ii) any surplus of the Company in a winding up of the Company,for the period before the date when the amount paid would have otherwise become payable.

3. Company Payments on Behalf of a Member

3.1 Rights of the Company

- (a) A Member or, if the Member is deceased, the Member's Personal Representative, must indemnify the Company against any liability which the Company has under any law to make a payment (including payment of a tax) in respect of:
 - (i) a Share held by that Member (whether solely or jointly);
 - (ii) a transfer or transmission of Shares by that Member;
 - (iii) a Dividend or other money which is, or may become, due or payable to that Member; or
 - (iv) that Member.
- (b) A Member or, if the Member is deceased, the Member's Personal Representative, must pay to the Company immediately on demand:
 - (i) the amount required to reimburse the Company for a payment referred to in paragraph 3.1(a); and
 - (ii) pay to the Company interest at the rate specified in paragraph 7(a) on any amount referred to in paragraph 3.1(a) paid by the Company, from the date of payment by the Company until and including the date the Company is reimbursed in full for that payment.
- (c) Subject to the Applicable Law, the Company may refuse to register a transfer of any Shares by a Member referred to in paragraph 3.1(a), or that Member's Personal Representative, until all money payable to the Company under this paragraph 3.1 has been paid.
- (d) The powers and rights of the Company under this paragraph 3.1 are in addition to any right or remedy that the Company may have under the law which requires the Company to make a payment referred to in paragraph 3.1(a).

3.2 Recovery of Company payments

- (a) The Company may recover an amount due and payable under paragraph 3.1 from the Member or the Member's Personal Representative by any or all of:
 - (i) deducting all or part of that amount from any other amount payable by the Company to that person in respect of the Shares of that person;
 - (ii) commencing legal action against that person for all or part of that amount; or
 - (iii) enforcing a lien on one or more of the Shares of that person.
- (b) The Company may waive any or all its rights under paragraph 3.

4. Forfeiture

4.1 Forfeiture procedure

The Company may forfeit a Share of a Member by a resolution of the Directors if:

- (a) that Member does not pay a call or instalment on that Share on or before the date for its payment;
- (b) the Company gives that Member notice in writing:
 - (i) requiring the Member to pay that call or instalment, any interest on it and all expenses incurred by the Company by reason of the non-payment; and
 - (ii) stating that the Share is liable to be forfeited if that Member does not pay to the Company, at the place specified in the notice, the amount specified in the notice, within 10 Business Days (or any longer period specified) after the date of the notice; and
- (c) that Member does not pay that amount in accordance with that notice.

4.2 Notice of forfeiture

- (a) When any Share has been forfeited, the Company must:
 - (i) give notice in writing of the forfeiture to the Member registered as its holder before the forfeiture; and
 - (ii) record the forfeiture with the date of forfeiture in the Register.
- (b) Failure by the Company to comply with any requirement in paragraph 4.2(a) does not invalidate the forfeiture.

4.3 Effect of forfeiture

- (a) The forfeiture of a Share extinguishes:
 - (i) all interests in that Share of the former Member; and
 - (ii) all claims against the Company in respect of that Share by the former Member, including all Dividends determined to be paid in respect of that Share and not actually paid.
- (b) A former Member of a forfeited Share must pay to the Company:
 - (i) all calls, instalments, interest and expenses in respect of that Share at the time of forfeiture; and
 - (ii) interest at the rate specified in paragraph 7(a) on those amounts from the time of forfeiture until and including the date of payment of those amounts.

4.4 Sale or reissue of forfeited Shares

The Company may sell, otherwise dispose of or reissue, a Share which has been forfeited on any terms and in any manner as the Directors resolve.

4.5 Cancellation of forfeited Shares

The Company may by ordinary resolution passed at a general meeting cancel a Share which has been forfeited under the terms on which the Share is on issue.

16.2 Proof of forfeiture

A certificate in writing from the Company signed by a Director or Secretary that a Share was forfeited on a specified date is sufficient evidence of:

- (a) the forfeiture of that Share; and
- (b) the right and title of the Company to sell, dispose or reissue that Share.

16.3 Waiver or cancellation of forfeiture

The Company may:

- (a) waive any or all of its rights under paragraph 4; and
- (b) at any time before a sale, disposition, reissue or cancellation of a forfeited Share, cancel the forfeiture on any terms as the Directors resolve.

5. Liens

5.1 First ranking lien

The Company has a first ranking lien on:

- (a) each Share registered in the name of a Member;
 - (b) the proceeds of sale of those Shares; and
 - (c) all Dividends determined to be payable in respect of those Shares,
- for:
- (d) each unpaid call or instalment which is due but unpaid on those Shares;
 - (e) if those Shares were acquired under an employee incentive scheme, all amounts payable to the Company by the Member under loans made to enable those Shares to be acquired;
 - (f) all amounts which the Company is required by law to pay, and has paid, in respect of those Shares (including any payment under paragraph 3) or the forfeiture or sale of those Shares; and
 - (g) all interest and expenses due and payable to the Company under this Schedule 2.

5.2 Enforcement by sale

The Company may sell a Share of a Member to enforce a lien on that Share if:

- (a) an amount secured by that lien is due and payable;
- (b) the Company gives that Member or the Member's Personal Representative notice

in writing:

- (i) requiring payment to the Company of that amount, any interest on it and all expenses incurred by the Company by reason of the non-payment; and
 - (ii) stating that the Share is liable to be sold if that person does not pay to the Company, in the manner specified in the notice, the amount specified in the notice within 10 Business Days (or any longer period specified) after the date of the notice; and
- (c) that Member or the Member's Personal Representative does not pay that amount in accordance with that notice.

5.3 Release or Waiver of lien

- (a) Registration of a transfer of a Share by the Company releases any lien of the Company on that Share in respect of any amount owing on that Share, unless the Company gives notice in writing, to the person to whom that Share is transferred, of the amount owing.
- (b) The Company may waive any or all of its rights under paragraph 5.

6. Sales, Disposals and Reissues

6.1 Sale procedure

- (a) The Company may:
 - (i) receive the purchase money or consideration for Shares sold or disposed of under this Schedule 2;
 - (ii) appoint a person to sign a transfer of Shares sold or disposed of under this Schedule 2;
 - (iii) do all things necessary or desirable under the Applicable Law to effect a transfer of Shares sold or disposed of under this Schedule 2; and
 - (iv) enter in the Register the name of the person to whom Shares are sold or disposed.
- (b) The person to whom a Share is sold or disposed under this Schedule 2 need not enquire whether the Company:
 - (i) properly exercised its powers under this Schedule 2 in respect of that Share; or
 - (ii) properly applied the proceeds of sale or disposal of those Shares,and the title of that person is not affected by those matters.
- (c) The remedy (if any) of any person aggrieved by a sale or other disposal of Shares under this Schedule 2 is in damages only and against the Company exclusively.
- (d) A certificate in writing from the Company signed by a Director or Secretary that a Share was sold, disposed of or reissued in accordance with this Schedule 2 is sufficient evidence of those matters.

6.2 Application of proceeds

The Company must apply the proceeds of any sale, other disposal or reissue of any Shares under this Schedule 2 in the following order:

- (a) the expenses of the sale, other disposal or reissue;
- (b) the amounts due and unpaid in respect of those Shares; and
- (c) the balance (if any) to the former Member or the former Member's Personal Representative, on the Company receiving the certificate (if any) of those Shares or other evidence satisfactory to the Company regarding the ownership of those Shares.

7. Interest

- (a) A person must pay interest under this Schedule 2 to the Company:
 - (i) at a rate the Directors resolve; or
 - (ii) if the Directors do not resolve, at 15% per annum.
- (b) Interest payable to the Company under this Schedule 2 accrues daily.
- (c) The Company may capitalise interest payable under this Schedule 2 at any interval the Directors resolve.

SCHEDULE 3 – TRANSMISSION

1. Deceased Members

1.1 Effect of death

- (a) If a Member in respect of a Share which is not jointly held dies, the Company must recognise only the Personal Representative of that Member as having any title to or interest in, or any benefits accruing in respect of, that Share.
- (b) If a Member in respect of a Share which is jointly held dies, the Company must recognise only the surviving Members of that Share as having any title to or interest in, or any benefits accruing in respect of, that Share.

1.2 Estates and Personal Representatives

- (a) The estate of a deceased Member is not released from any liability in respect of the Shares registered in the name of that Member.
- (b) Where 2 or more persons are jointly entitled to any Share as a consequence of the death of the registered holder of that Share, they are taken to be joint holders of that Share.

2. Transmission Events

2.1 Transmittee right to register or transfer

- (a) Subject to the Bankruptcy Act 1966 if a person entitled to a Share because of a Transmission Event gives the Directors the information they reasonably require to establish the person's entitlement to be registered as the holder of the Share, that person may:
 - (i) elect to be registered as a Member in respect of that Share by giving a signed notice in writing to the Company; or
 - (ii) transfer that Share to another person.
- (b) On receiving a notice under paragraph 2.1(a)(i), the Company must register the person as the holder of that Share.
- (c) A transfer under paragraph 2.1(a)(ii) is subject to all provisions of this Constitution relating to transfers of Shares.

2.2 Other transmute rights and obligations

- (a) A person registered as a Member as a consequence of paragraph 2.1 must indemnify the Company to the extent of any loss or damage suffered by the Company as a result of that registration.
- (b) A person who has given to the Directors the information referred to in paragraph 2.1(a) in respect of a Share is entitled to the same rights to which that person would be entitled if registered as the holder of that Share.

SCHEDULE 4 – UNMARKETABLE PARCELS

1. Definitions

In this Schedule:

Sale Share means a Share which is sold or disposed of in accordance with this Schedule.

2. Power to Sell Unmarketable Parcels

2.1 Existing unmarketable parcels

- (a) The Company may sell the Shares of a Member if:
 - (i) the total number of Shares of a particular class held by that Member is less than a marketable parcel;
 - (ii) the Company gives that Member notice in writing stating that the Shares are liable to be sold or disposed of by the Company; and
 - (iii) that Member does not give notice in writing to the Company, by the date specified in the notice of the Company (being not less than 42 days after the date of the Company giving that notice), stating that all or some of those Shares are not to be sold or disposed of.
- (b) The Company may only exercise the powers under paragraph 2.1(a), in respect of one or more Members, once in any 12 month period.
- (c) The power of the Company under paragraph 2.1(a) lapses following the announcement of a takeover bid. However, the procedure may be started again after the close of the offers made under the takeover bid.

2.2 New unmarketable parcels

- (a) The Company may sell the Shares of a Member if:
 - (i) the Shares of a particular class held by that Member are in a new holding created by a transfer on or after 1 September 1999; and
 - (ii) that transfer is of a number of Shares of that class that was less than a marketable parcel at the time the transfer document was initiated, or in the case of a paper based transfer document, was lodged with the Company.
- (b) The Company may give a Member referred to in paragraph 2.1(a) notice in writing stating that the Company intends to sell or dispose of the Shares.

3. Exercise of Power of Sale

3.1 Extinguishment of interests and claims

The exercise by the Company of its powers under paragraph 2 extinguishes, subject to this Schedule 4:

- (a) all interests in the Sale Shares of the former Member; and
- (b) all claims against the Company in respect of the Sale Shares by that Member, including all Dividends determined to be paid in respect of those Share and not actually paid.

3.2 Manner of sale

- (a) The Company may sell or dispose of any Shares under paragraph 2 at any time:
 - (i) using a financial services licensee on the basis that person obtains the highest possible price for the sale of the Shares; or
 - (ii) in any other manner and on any terms as the Directors resolve.
- (b) The Company may:
 - (i) exercise any powers permitted under the Applicable Law to enable the sale or disposal of Shares under this Schedule;
 - (ii) receive the purchase money or consideration for Sale Shares;
 - (iii) appoint a person to sign a transfer of Sale Shares; and
 - (iv) enter in the Register the name of the person to whom Sale Shares are sold or disposed.
- (c) The person to whom a Sale Share is sold or disposed need not enquire whether the Company:
 - (i) properly exercised its powers under this Schedule in respect of that Share; or
 - (ii) properly applied the proceeds of sale or disposal of those Shares,and the title of that person is not affected by those matters.
- (d) The remedy of any person aggrieved by a sale or disposal of Sale Shares is in damages only and against the Company exclusively.
- (e) A certificate in writing from the Company signed by a Director or Secretary that a Share was sold or disposed of in accordance with this Schedule 4 is sufficient evidence of those matters.

3.3 Application of proceeds

- (a) If the Company exercises the powers under paragraph 2.1, either the Company or the person to whom a Sale Share is sold or disposed of must pay the expenses of the sale or disposal.
- (b) The Company must apply the proceeds of any sale or disposal of any Sale Shares in the following order:
 - (i) in the case of an exercise of the powers under paragraph 2.2, the expenses of the sale or disposal;

- (ii) the amounts due and unpaid in respect of those Shares; and
- (iii) the balance (if any) to the former Member or the former Member's Personal Representative, on the Company receiving the certificate (if any) for those Shares or other evidence satisfactory to the Company regarding the ownership of those Shares.

3.4 Voting and dividend rights pending sale

- (a) If the Company is entitled to exercise the powers under paragraph 2.2, the Company may by resolution of the Directors remove or change either or both:
 - (i) the right to vote; and
 - (ii) the right to receive Dividends,of the relevant Member in respect of some or all of the Shares liable to be sold or disposed of.
- (b) After the sale of the relevant Sale Shares, the Company must pay to the person entitled any Dividends that have been withheld under paragraph 3.4(a).

SCHEDULE 5 – PROPORTIONAL TAKEOVER BID APPROVAL

1. DEFINITIONS

In this Schedule:

Approving Resolution means a resolution to approve a proportional takeover bid in accordance with this Schedule.

Deadline means the 14th day before the last day of the bid period for a proportional takeover bid.

Voter means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

2. REFUSAL OF TRANSFERS

2.1 Requirement for an Approving Resolution

- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- (b) This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

2.2 Voting on an Approving Resolution

- (a) Where offers are made under a proportional takeover bid, the Directors must, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 2.2(a).
- (c) Subject to this Constitution, every Voter present at the meeting held under paragraph 2.2(a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.

1. DEFINITIONS

In this Schedule, unless the context otherwise requires:

Conversion Circumstances means, in respect of a Converting Preference Share, whether the Preference Share is liable to be converted or convertible:

- (a) at the option of the Holder, or of the Company, or both;
- (b) upon the happening of a particular event; or
- (c) at a fixed time.

Conversion Date means, in respect of a Converting Preference Share, the date (if any) specified in the Issue Resolution for the conversion of that Preference Share or the date upon which an event specified in the Issue Resolution occurs which results in the conversion of that Preference Share.

Conversion Number means the number, or formula for determining the number, of ordinary Shares into which a Converting Preference Share will convert upon conversion.

Converting Preference Share means a Preference Share which is specified in the Issue Resolution as being liable to be converted or convertible into ordinary Shares in a manner permitted by the Corporations Act, whether at the option of the Holder or otherwise.

Dividend means any distribution of any property (including without limitation, money, Paid Up shares, debentures, debenture stock or other securities of the Company or of any other Corporation) to a Holder in respect of a Preference Share as a dividend, whether interim or final.

Dividend Date means, in respect of a Preference Share, a date specified in the Issue Resolution on which a Dividend in respect of that Preference Share is payable.

Dividend Rate means, in respect of a Preference Share, the terms specified in the Issue Resolution for the calculation of the amount of Dividend to be paid in respect of that Preference Share on any Dividend Date, which calculation may be wholly or partly established by reference to an algebraic formula.

Franked Dividend has the meaning given in section 160APA of the *Income Tax Assessment Act 1936* (Cth)

Holder means, in respect of a Preference Share, the registered holder of that Share.

Issue Resolution means the resolution specified in paragraph 3.

Preference Share means a Share issued under Article 5.2.

Redeemable Preference Share means a Preference Share which is specified in the Issue Resolution as being liable to be redeemed in a manner permitted by the Corporations Act.

Redemption Amount means, in respect of a Redeemable Preference Share, the amount specified in the Issue Resolution to be paid on redemption of the Redeemable Preference

Share.

Redemption Circumstances means, in respect of a Redeemable Preference Share, whether the Preference Share is liable to be redeemed:

- (a) at the option of the Holder, or of the Company, or both;
- (b) upon the happening of a particular event; or
- (c) at a fixed time.

Redemption Date means, in respect of a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Preference Share or the date upon which an event specified in the Issue Resolution occurs which results in the redemption of that Preference Share.

Specified Date means, in respect of a Redeemable Preference Share, the date (if any) specified in the Issue Resolution before which that Redeemable Preference Share may not be redeemed by the Holder.

2. RIGHTS OF HOLDERS

Each Preference Share confers upon its Holder:

- (a) the rights referred to in Articles 5.2(b) and 5.2(c);
- (b) the right in winding up to payment in cash of the amount then paid up on it, and any arrears of Dividend in respect of that Preference Share in priority to any other class of Shares;
- (c) the right in priority to any payment of a Dividend to any other class of Shares, to a cumulative preferential dividend payable on each Dividend Date in relation to that Preference Share calculated in accordance with the Dividend Rate in relation to that Preference Share; and
- (d) no right to participate beyond the extent elsewhere specified in this paragraph 2 in surplus assets or profits of the Company, whether in winding up or otherwise.

3. ISSUE RESOLUTION

- (a) The Directors may allot a Preference Share by a resolution of the Directors specifying:
 - (i) the Dividend Date;
 - (ii) the Dividend Rate;
 - (iii) whether the Preference Share is or is not a Redeemable Preference Share;
 - (iv) if the Preference Share is a Redeemable Preference Share, the Redemption Amount, the Redemption Date, the Redemption Circumstances and any Specified Date for that Redeemable Preference Share;
 - (v) whether the Preference Share is or is not a Converting Preference Share;

- (vi) if the Preference Share is a Converting Preference Share, the Conversion Circumstances, the Conversion Number and any Conversion Date; and
 - (vii) any other terms and conditions to apply to that Preference Share.
- (b) The Issue Resolution in establishing the Dividend Rate for a Preference Share may specify that the Dividend is to be:
- (i) fixed;
 - (ii) variable depending upon any variation of the respective values of any factors in an algebraic formula specified in the Issue Resolution; or
 - (iii) variable depending upon such other factors as the Directors may specify in the Issue Resolution,
- and may also specify that the Dividend is to be a Franked Dividend or not a Franked Dividend.
- (c) Where the Issue Resolution specifies that the Dividend to be paid in respect of the Preference Share is to be a Franked Dividend the Issue Resolution may also specify:
- (i) the extent to which such Dividend is to be franked; and
 - (ii) the consequences of any Dividend paid not being so franked, which may include a provision for an increase in the amount of the Dividend to such an extent or by reference to such factors as may be specified in the Issue Resolution.

4. REDEMPTION

- (a) The Company must redeem a Redeemable Preference Share on issue:
- (i) in the case where the Redeemable Preference Share is liable to be redeemed at the option of the Company, on the specified date where the Company, not less than 10 Business Days before that date, has given a notice to the Holder of that Redeemable Preference Share stating that the Redeemable Preference Share will be redeemed on the specified date;
 - (ii) in the case where the Redeemable Preference Share is liable to be redeemed at the option of the Holder, on the specified date where the Holder of that Redeemable Preference Share, not less than 10 Business Days before that date, has given a notice to the Company stating that the Redeemable Preference Share will be redeemed on the specified date; and
 - (iii) in any event, on the Redemption Date,
- but no Redeemable Preference Share may be redeemed by the Holder before the Specified Date unless the Redemption Date occurs before that date.
- (b) On redemption of a Redeemable Preference Share, the Company, after the Holder has surrendered to the Company the Certificate (if any) in respect of that Redeemable Preference Share, must pay to the Holder the Redemption Amount by:

- (i) directly crediting the account nominated in writing by the Holder from time to time; or
- (ii) cheque made payable to the Holder or such other person nominated in writing by the Holder sent through the post to:
 - (A) in the case where the Holder is a joint holder of the Redeemable Preference Share, the address in the Register of the person whose name stands first on the Register in respect of the joint holding; or
 - (B) otherwise, to the address of the Holder in the Register.

5. CONVERSION

- (a) The Company must convert a Converting Preference Share on issue:
 - (i) in the case where the Converting Preference Share is liable to be redeemed at the option of the Company, on the specified date where the Company, not less than 10 Business Days before that date, has given a notice to the Holder of that Converting Preference Share stating that the Converting Preference Share will be converted on the specified date;
 - (ii) in the case where the Converting Preference Share is liable to be redeemed at the option of the Holder, on the specified date where the Holder of that Converting Preference Share, not less than 10 Business Days before that date, has given a notice to the Company stating that the Converting Preference Share will be converted on the specified date; and
 - (iii) in any event, on the Conversion Date.
- (b) On conversion of a Converting Preference Share the Company must allot to the Holder additional ordinary Shares such that following conversion the Holder holds that number of ordinary Shares in accordance with the Conversion Number. Conversion of a Converting Preference Shares does not constitute a cancellation, redemption or termination of a Converting Preference Share or the issue, allotment or creation of a new Share.
- (c) The allotment of additional ordinary Shares on Conversion does not constitute a cancellation, redemption or termination of a Converting Preference Share. Conversion is the taking effect of existing rights of a Converting Preference Share and the ending of the special rights attached to the Converting Preference Share.
- (d) Following Conversion, each Converting Preference Share will rank equally with and will confer rights identical with and impose obligations identical with all other fully paid ordinary Shares then on issue.

6. CERTIFICATE

The Certificate (if any) issued by the Company in relation to any Preference Share, must specify in relation to that Preference Share:

- (a) the date of issue of the Preference Share;
- (b) the Dividend Rate and Dividend Dates;

- (c) whether the Preference Share is a Redeemable Preference Share;
- (d) if the Preference Share is a Redeemable Preference Share, the:
 - (i) Redemption Circumstances;
 - (ii) Redemption Amount; and
 - (iii) Redemption Date to the extent possible or if not, the event which if it occurs will result in redemption of that Redeemable Preference Share; and
- (e) if the Preference Share is a Converting Preference Share, the:
 - (i) Conversion Circumstances;
 - (ii) Conversion Number; and
 - (iii) Conversion Date to the extent possible or if not, the event which if it occurs will result in conversion of that Converting Preference Share; and
- (f) any other matter the Directors determine.

SCHEDULE 7 – RESTRICTED SECURITIES

The Company will comply in all respects with the requirements of the Listing Rules with respect to restricted securities. Without limiting the generality of the above:

- (a) A holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.
- (b) If the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities.
- (c) The Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.
- (d) A holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.
- (e) If a holder of restricted securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.