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Doray Minerals Limited

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Mutiny Gold Limited

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# Bid Implementation Agreement

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Date **28** October 2014

## Parties

**Doray Minerals Limited** ABN 48 138 978 631 of Level 3, 41 - 43 Ord Street, West Perth, Western Australia (**Doray**)

**Mutiny Gold Limited** ABN 72 101 224 999 of 29 Charles Street, South Perth, Western Australia (**Mutiny**)

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## Background

- A Doray proposes to make a takeover bid to acquire all of the Shares and Listed Options on the terms and subject to the conditions set out in this document.
  - B All of the Mutiny Directors have indicated that they intend to recommend the Offers in the absence of a Superior Proposal.
  - C The parties have agreed to implement the Takeover Bid on the terms set out in this document.
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## Agreed terms

### 1 Definitions

In this document these terms have the following meanings:

<b>Advisers</b>	In relation to an entity, its legal, financial and other expert advisers and agents.
<b>Agreed Announcement</b>	The announcement in the terms set out in <b>schedule 4</b> .
<b>Agreed Budget</b>	Mutiny's budget for the period ending 6 months after the date of this document as agreed between Doray and Mutiny (being the excel spreadsheet attached to an email from Mr Mark Cossom (Doray Development Manager) to Mr Anthony James (Mutiny Managing Director) at 10.18am (Perth time) on 22 October 2014), as may be amended as agreed by Doray and Mutiny from time to time.
<b>Agreed Form</b>	In respect of a document means that document in the form, or substantially in the form, agreed by the parties

	prior to execution of this agreement.
<b>Agreed Terms</b>	The terms and conditions set out in <b>schedule 1</b> .
<b>Announcement Date</b>	The date on which Doray announces publicly that Doray proposes to make the Offers.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Associate</b>	The meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) included a reference to this document.
<b>ASX</b>	ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.
<b>ASX Listing Rules</b>	The official listing rules of ASX.
<b>Bidder's Statement</b>	The bidder's statement issued or to be issued by Doray in relation to the Offers in accordance with the Corporations Act.
<b>Break Fee</b>	\$360,000 (exclusive of GST).
<b>Business Day</b>	The meaning given in the ASX Listing Rules.
<b>Claim</b>	In relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.
<b>Change of Control Right</b>	<p>A right to:</p> <ul style="list-style-type: none"> <li>(a) terminate the relevant contract;</li> <li>(b) vary, amend or modify the relevant contract;</li> <li>(c) exercise or enforce any right under the relevant contract; or</li> <li>(d) benefit from the operation of a provision which automatically terminates, varies, amends or modifies the relevant contract,</li> </ul> <p>(each a <b>Change of Control Right</b>) as a direct or indirect result of:</p> <ul style="list-style-type: none"> <li>(e) Doray announcing or making the Offers;</li> <li>(f) Doray obtaining a Relevant Interest in 50% or more of the Shares then on issue;</li> <li>(g) Doray acquiring control of Mutiny; or</li> <li>(h) any of the Mutiny Directors making a recommendation in relation to the Offers.</li> </ul>
<b>Conditions</b>	The conditions set out in <b>clause 3 of schedule 1</b> .

<b>Confidentiality Agreement</b>	The confidentiality agreement dated 9 September 2014 between Doray and Mutiny.
<b>Control</b>	The meaning given to that term in the Corporations Act.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Debt Financier</b>	Any person whose primary business is money lending (and not precious or base metals exploration or production).
<b>Deflector Project</b>	Mutiny's Deflector gold/copper project located within the South Murchison region of Western Australia.
<b>Doray Disclosure Material</b>	The information disclosed to Mutiny and its Representatives prior to the date of this document.
<b>Doray Group</b>	Doray and each of its Related Entities.
<b>Doray Information</b>	Information relating to the Doray Group, including the Doray Group's assets or liabilities, financial or trading position, profitability or prospects.
<b>Doray Listed Option</b>	An option to acquire a Doray Share, having an exercise price of \$0.475 and an expiry date of 15 August 2015, and otherwise being on materially the same terms as the Listed Options.
<b>Doray Material Adverse Change</b>	<p>An act, omission, event, change, condition, matter, thing or circumstance (either individually or aggregated with other acts, omissions, events, changes, conditions, matters, things or circumstances) which:</p> <ul style="list-style-type: none"> <li>(a) has diminished, or could reasonably be expected to diminish, the net assets of the Doray Group by \$2,000,000 or more;</li> <li>(b) has resulted, or could reasonably be expected to result, in any material rights under any of the material tenements in which a member of the Doray Group has an interest being suspended, revoked, invalidated, varied, terminated, or otherwise coming to an end;</li> <li>(c) has resulted, or could reasonably be expected to result, in a material restraint on or hindrance to the feasibility, development, timely completion, operation, or profitability of the material projects in which a member of the Doray Group has an interest;</li> <li>(d) has resulted, or could reasonably be expected to result, in any member of the Doray Group incurring any obligations, liabilities, costs or expenses (whether contingent or otherwise) where the</li> </ul>

quantum (whether individually or when aggregated) exceeds \$2,000,000, except in the ordinary course of business;

- (e) has resulted, or could reasonably be expected to result, in any person commencing any litigation against any member of the Doray Group (whether in aggregate or for any single litigation) which may reasonably result in a judgment against any member of the Doray Group of more than \$2,000,000 (individually or in aggregate);

but does not include any of the following, which are taken not to constitute a material adverse effect:

- (f) matters that are Fairly Disclosed:
  - (i) in the Doray Disclosure Materials or otherwise widely known publicly on or before the Announcement Date;
  - (ii) in information accessible prior to the Announcement Date on a public register monitored by the Western Australian Supreme Court, the Federal Court of Australia, the Personal Property Securities Register; Mineral Titles Online register maintained by the Western Australian Department of Mines and Petroleum pursuant to the *Mining Act 1978 (WA)*, the register maintained by the National Native Title Tribunal in relation to registered native title applications, determinations and indigenous land use agreements; or
  - (iii) in Doray's public filings with the ASX and ASIC prior to the Announcement Date;
- (g) any event, occurrence, circumstance or matter affecting the gold mining industry generally;
- (h) changes in general economic conditions, currency exchange rates, securities markets or commodities prices;
- (i) changes occurring as a result of any matter, event or circumstance required by this document, the Offers or the transactions contemplated by them or is otherwise consented to in writing by Mutiny;
- (j) arising as a result of any generally applicable change in accounting standards required by law or government policy in Australia.



**Doray  
Prescribed  
Occurrence**

Any of the following (being the occurrences listed in section 652C of the Corporations Act):

- (a) Doray converts all or any of its shares into a larger or smaller number of shares;
- (b) Doray or a subsidiary of Doray resolves to reduce its share capital in any way;
- (c) Doray or a subsidiary of Doray:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Doray or a subsidiary of Doray:
  - (i) issues shares or agrees to issue shares; or
  - (ii) grants an option over its shares or agrees to grant an option over its shares;
- (e) Doray or a subsidiary of Doray issues, or agrees to issue, convertible notes;
- (f) Doray or a subsidiary of Doray disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Doray or a subsidiary of Doray charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Doray or a subsidiary of Doray resolves to be wound up;
- (i) a liquidator or provisional liquidator of Doray or of a subsidiary of Doray is appointed;
- (j) a court makes an order for the winding up of Doray or of a subsidiary of Doray;
- (k) an administrator of Doray, or of a subsidiary of Doray, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Doray or a subsidiary of Doray executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Doray or of a subsidiary of Doray.

**Doray Shares**

An ordinary fully paid share in the capital of Doray.

**Doray's Nominee**

The entity nominated by Doray pursuant to **clause 2.2**.

<b>Encumbrance</b>	<p>Any of:</p> <ul style="list-style-type: none"> <li>(a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;</li> <li>(b) a notice under section 255 of the <i>Income Tax Assessment Act 1936 (Cth)</i>, subdivision 260-A in schedule 1 to the <i>Taxation Administration Act 1953 (Cth)</i> or any similar legislation;</li> <li>(c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);</li> <li>(d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or</li> <li>(e) an agreement to create anything referred to above or to allow any of them to exist.</li> </ul>
<b>End Date</b>	<p>The earlier of:</p> <ul style="list-style-type: none"> <li>(a) the expiry of the Offer Period, or any earlier date on which the Offers otherwise lapses or are withdrawn; and</li> <li>(b) the termination of this document in accordance with <b>clause 11</b>.</li> </ul>
<b>Fairly Disclosed</b>	<p>Sufficient information has been disclosed so as to enable a sophisticated investor with experience in transactions of the nature of the Takeover Bid and familiar with the business of gold exploration, development and production, would be aware of the substance and significance of the relevant information.</p>
<b>Foreign Mutiny Holder</b>	<p>A holder of Shares or Listed Options whose address in the register of members (in the case of Shares) or in the register of option holders (in the case of Listed Options) is a place outside of Australia and its external territories or New Zealand, unless Doray determines (in its absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Offers to a holder of Shares or Listed Options in the relevant jurisdiction and to issue to that holder of Shares with Doray Shares, or that holder of Listed Options with Doray Listed Options, on the completion of the Offers and that it is lawful for that holder of Shares or Listed Options to participate in the Offers by the law of the relevant jurisdiction.</p>
<b>JORC Code</b>	<p>Australasian Code for Reporting of Exploration Results, Resources and Reserves (The JORC Code 2012 Edition).</p>

<b>Listed Option</b>	An option to acquire a Share having an exercise price of \$0.05 and an expiry date of 15 August 2015 issued by Mutiny prior to the date of this document, which option is tradeable on ASX.
<b>Listed Optionholder</b>	Each person who is registered as the holder of Listed Options.
<b>Losses</b>	All Claims, actions, proceedings, liabilities, obligations, damages, loss, charges, costs, expenses and duties or other outgoings.
<b>Material Contract</b>	Any agreement, contract, deed or other arrangement or instrument which: <ul style="list-style-type: none"> <li>(a) involves the provision of financial accommodation to Mutiny or any member of the Mutiny Group of a value greater than \$500,000;</li> <li>(b) imposes obligations or liabilities on any party of at least \$500,000 over the life of the agreement, contract, deed or other arrangement or instrument,</li> </ul> and includes any agreement, contract, deed or other arrangement or instrument which primarily relates to the engineering, procurement, construction and/or financing of the Deflector Project and gives rise to obligations or liabilities on any party of at least \$500,000 over the life of the agreement, contract, deed or other arrangement or instrument.
<b>Mineral Resource</b>	Has the meaning given to that term in the JORC Code.
<b>Mutiny Board</b>	The board of directors of Mutiny.
<b>Mutiny Director</b>	A director of Mutiny.
<b>Mutiny Disclosure Material</b>	The information disclosed to Doray and its Representatives prior to the date of this document.
<b>Mutiny Group</b>	Mutiny and each of its Related Entities.
<b>Mutiny Information</b>	Information relating to the Mutiny Group, including the Mutiny Group's assets or liabilities, financial or trading position, profitability or prospects.
<b>Mutiny Material Adverse Change</b>	An act, omission, event, change, condition, matter, thing or circumstance (either individually or aggregated with other acts, omissions, events, changes, conditions, matters, things or circumstances) which has had, or could reasonably be expected to: <ul style="list-style-type: none"> <li>(a) has diminished, or could reasonably be expected to diminish, the net assets of the Mutiny Group by</li> </ul>

\$500,000 or more;

- (b) has resulted, or could reasonably be expected to result, in any material rights under any of the material tenements in which a member of the Mutiny Group has an interest being suspended, revoked, invalidated, varied, terminated, or otherwise coming to an end;
- (c) has resulted, or could reasonably be expected to result, in a material restraint on or hindrance to the feasibility, development, timely completion, operation, or profitability of the material projects in which a member of the Mutiny Group has an interest;
- (d) has resulted, or could reasonably be expected to result, in any member of the Mutiny Group incurring any obligations, liabilities, costs or expenses (whether contingent or otherwise) where the quantum (whether individually or when aggregated) exceeds \$500,000, except in the ordinary course of business;
- (e) has resulted, or could reasonably be expected to result, in any person commencing any litigation against any member of the Mutiny Group (whether in aggregate or for any single litigation) which may reasonably result in a judgment against any member of the Mutiny Group of more than \$500,000 (individually or in aggregate);

but does not include any of the following, which are taken not to constitute a material adverse effect:

- (f) matters that are Fairly Disclosed:
  - (i) in the Mutiny Disclosure Materials or otherwise widely known publicly on or before the Announcement Date;
  - (ii) in information accessible prior to the Announcement Date on a public register monitored by the Western Australian Supreme Court, the Federal Court of Australia, the Personal Property Securities Register; Mineral Titles Online register maintained by the Western Australian Department of Mines and Petroleum pursuant to the *Mining Act 1978 (WA)*, the register maintained by the National Native Title Tribunal in relation to registered native title applications, determinations and indigenous

	land use agreements; or
	(iii) in Mutiny's public filings with the ASX and ASIC prior to the Announcement Date;
	(g) any event, occurrence, circumstance or matter affecting the gold mining industry generally;
	(h) changes in general economic conditions, currency exchange rates, securities markets or commodities prices;
	(i) changes occurring as a result of any matter, event or circumstance required by this document, the Offers or the transactions contemplated by them or is otherwise consented to in writing by Doray;
	(j) arising as a result of any generally applicable change in accounting standards required by law or government policy in Australia.
<b>Mutiny Performance Rights</b>	Any entitlement to a Mutiny Share issued as a "performance right" under the rules of the Mutiny Employee and Contractor Employee Share Trust, details of which are set out in <b>Schedule 2</b> .
<b>Mutiny Prescribed Occurrence</b>	Any of the following (being the occurrences listed in section 652C of the Corporations Act): <ul style="list-style-type: none"> <li>(a) Mutiny converts all or any of its shares into a larger or smaller number of shares;</li> <li>(b) Mutiny or a subsidiary of Mutiny resolves to reduce its share capital in any way;</li> <li>(c) Mutiny or a subsidiary of Mutiny:             <ul style="list-style-type: none"> <li>(i) enters into a buy-back agreement; or</li> <li>(ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;</li> </ul> </li> <li>(d) Mutiny or a subsidiary of Mutiny:             <ul style="list-style-type: none"> <li>(i) issues shares or agrees to issue shares; or</li> <li>(ii) grants an option over its shares or agrees to grant an option over its shares;</li> </ul> </li> <li>(e) Mutiny or a subsidiary of Mutiny issues, or agrees to issue, convertible notes;</li> <li>(f) Mutiny or a subsidiary of Mutiny disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</li> <li>(g) Mutiny or a subsidiary of Mutiny charges, or agrees</li> </ul>

to charge, the whole, or a substantial part, of its business or property;

- (h) Mutiny or a subsidiary of Mutiny resolves to be wound up;
- (i) a liquidator or provisional liquidator of Mutiny or of a subsidiary of Mutiny is appointed;
- (j) a court makes an order for the winding up of Mutiny or of a subsidiary of Mutiny;
- (k) an administrator of Mutiny, or of a subsidiary of Mutiny, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Mutiny or a subsidiary of Mutiny executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Mutiny or of a subsidiary of Mutiny,

**Offers**

Offers by Doray to:

- (a) Shareholders by way of the Takeover Bid on terms no less favourable than the Agreed Terms in respect to the Shares on issue as at the date of the Offers and those Shares that are issued during the Offer Period as a result of the exercise of the Listed Options, Unlisted Options or Mutiny Performance Rights (subject always to any necessary ASIC modifications being obtained and to the extent they are permitted to vest in accordance with this document) that are on issue as at the date of this document; and
- (b) Listed Optionholders, by way of the Takeover Bid on terms no less favourable than the Agreed Terms in respect to Listed Options.

**Offer Period**

The period during which the Offers will remain open for acceptance as specified in the Bidder's Statement, as extended in accordance with the Corporations Act.

**Officer**

In relation to an entity, means its directors and senior executives.

**Ore Reserve**

Has the meaning given to that term in the JORC Code.

**Public Authority**

Any government or any governmental, semi-governmental, administrative, statutory or judicial entity (including a court), commission, tribunal, agency or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere,

	including any self-regulating organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange and the Takeovers Panel, the Foreign Investment Review Board, ASIC and any other securities regulator.
<b>Register</b>	The register of members of Mutiny maintained by or on behalf of Mutiny in accordance with the Corporations Act.
<b>Related Body Corporate</b>	The meaning given to that term in the Corporations Act.
<b>Related Entity</b>	Of a party means another entity which: <ul style="list-style-type: none"> <li>(a) is a Related Body Corporate of the first party;</li> <li>(b) is in any consolidated entity (as defined in section 9 of the Corporations Act) which contains the party; or</li> <li>(c) the party Controls.</li> </ul>
<b>Relevant Interest</b>	The meaning given in sections 608 and 609 of the Corporations Act.
<b>Representative</b>	In relation to a party: <ul style="list-style-type: none"> <li>(a) each of the party's Related Entities; and</li> <li>(b) each of the Officers, employees and Advisers of the party or of any of its Adviser's Related Entities.</li> </ul>
<b>Sandstorm Agreement</b>	The agreement between Mutiny, Deflector Gold Pty Ltd, Gullewa Gold Project Pty Ltd, Central Infrastructure Pty Ltd and Sandstorm Gold Ltd (amongst others) dated 5 December 2012, as amended by a letter agreement between those parties dated 19 August 2013.
<b>Share</b>	A fully paid ordinary share in the capital of Mutiny.
<b>Shareholder</b>	Each person who is registered in the Register as the holder of Shares.
<b>Superior Proposal</b>	A bona fide Third Party Proposal received after the date of this document which the Mutiny Board: <ul style="list-style-type: none"> <li>(a) acting in good faith and reasonably; and</li> <li>(b) in order to satisfy what the Mutiny Board reasonably considers to be its fiduciary or statutory duties after consultation with and receipt of written advice from its external legal and financial advisers who have relevant expertise to provide advice in this area,</li> </ul> <p>determines is more favourable to Shareholders (as a whole) than the Offers (taking into account, among other</p>

	things, all legal, financial, regulatory, conditionality, certainty, timing and other aspects of the Third Party Proposal and the identity of the offeror).
<b>Takeover Bid</b>	A takeover bid or bids to be made by Doray for all of the issued Shares and for all of Listed Options under Chapter 6 of the Corporations Act.
<b>Takeovers Panel</b>	The body of that name continued in existence under section 261 of the <i>Australian Securities and Investments Commission Act 2001</i> as the primary forum for resolving disputes about takeovers.
<b>Target's Statement</b>	The target's statement issued or to be issued by Mutiny under Chapter 6 of the Corporations Act in response to the Offers.
<b>Third Party Proposal</b>	<p>(a) A transaction which, if completed, would mean a person (other than Doray or Doray's Nominee) would, directly or indirectly:</p> <ul style="list-style-type: none"> <li>(i) acquire all or a substantial part of the assets or business of the Mutiny Group;</li> <li>(ii) acquire a Relevant Interest (or a right to acquire a Relevant Interest) in 10% or more of Mutiny's voting shares or of the share capital of any of its Related Bodies Corporate or enter into or acquire any option, cash settled equity swap or other derivative contract arrangement in respect of (when aggregated with any shareholding) 10% or more of the relevant company's share capital; or</li> <li>(iii) acquire Control of Mutiny;</li> </ul> <p>(b) a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving Mutiny and/or its Related Bodies Corporate;</p> <p>(c) a transaction involving the formation of a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement in respect of, Mutiny and/or its Related Bodies Corporate; or</p> <p>(d) any agreement, arrangement or understanding requiring Mutiny to abandon, or otherwise fail to proceed with, the Offers or which is otherwise</p>



materially prejudicial to the Offers.

For the purposes of clause 7.2(b)(ii)(A) only, references in paragraph (a)(ii) to 10% are taken to read 20%.

<b>Unlisted Option</b>	An unlisted option issued by Mutiny prior to the date of this document to acquire a Share, details of which are set out in <b>Schedule 2</b> .
<b>Unlisted Options List</b>	<p>A list in the Agreed Form setting out the identity of each Unlisted Optionholder, together with:</p> <ul style="list-style-type: none"> <li>(a) the current address of the Unlisted Optionholder to which the Unlisted Options Offer should be sent;</li> <li>(b) the number of Unlisted Options held (broken down by tranche);</li> <li>(c) the expiry date of such Unlisted Options (broken down by tranche); and</li> <li>(d) the consideration proposed to be offered by Doray for the Unlisted Options.</li> </ul>
<b>Unlisted Options Offer</b>	An offer in respect of the Unlisted Options in the Agreed Form.
<b>Unlisted Optionholder</b>	Each registered holder of an Unlisted Option.

## 2 The Offers

### 2.1 Doray agrees to make Offers

Doray agrees to:

- (a) make the Offers; and
- (b) make the Agreed Announcement to the ASX as soon as practicable after the parties have executed this document.

### 2.2 Doray may use subsidiary

Doray may satisfy its obligations under **clause 2.1** by causing a wholly-owned subsidiary to do the things referred to in **clause 2.1**. If Doray does that, references in this document to:

- (a) the Offers are references to the Offers by the subsidiary (except that any shares to be issued as consideration under the Offers are to be Doray Shares);
- (b) Doray making the Offers are references to Doray causing the wholly-owned subsidiary to make the Offers;
- (c) Doray must procure that its relevant wholly-owned subsidiary performs and observes Doray's obligations under this document;

- (d) Doray unconditionally and irrevocably guarantees to Mutiny the due performance and observance of its wholly-owned subsidiary of all of Doray's obligations under this document; and
- (e) Doray remains liable to Mutiny for the due performance of those obligations by that wholly-owned subsidiary.

## 2.3 Variation, waiver of conditions and extension

- (a) Subject to the Corporations Act, Doray may:
  - (i) vary the terms of the Offers in any manner permitted by the Corporations Act provided the varied terms are no less favourable to Shareholders and Listed Optionholders than the Agreed Terms; and
  - (ii) declare the Offers to be free from any Condition or extend the Offers at any time.
- (b) Despite anything else in this document or the Corporations Act, Doray must not:
  - (i) extend the Offer Period beyond the date that is 6 months after the date of this document unless:
    - (A) Doray has obtained a Relevant Interest in at least 50.1% of the Mutiny Shares prior to that time; or
    - (B) the prior written consent of Mutiny has been obtained (such consent not to be unreasonably withheld or delayed);
  - (ii) waive the Condition described:
    - (A) in clause 3.1 of **Schedule 1** unless Doray has acquired a Relevant Interest in at least 50.1% of Mutiny Shares or the prior written consent of Munity has been obtained; or
    - (B) in clause 3.8 of **Schedule 1** unless the prior written consent of Munity has been obtained.

## 3 Obligations in respect of the Conditions

### 3.1 Conditions

- (a) Each party must:
  - (i) use its best endeavours to satisfy the Conditions which the party is capable of satisfying as soon as practicable after the date of this agreement or to ensure that those Conditions continue to be satisfied at all times until the last time they are to be satisfied (as the case may require); and
  - (ii) not do or omit to do anything within its control which will, or is likely to, result in any of the Conditions being breached, or not being capable of being satisfied.

- (b) Nothing in **clause 3.1(a)** prevents Mutiny or the Mutiny Board from taking, or failing to take, action where to do otherwise would, in the opinion of the Mutiny Board (determined in good faith and acting reasonably after receiving written legal advice from external lawyers), constitute a breach of any of the duties of the Mutiny Directors or of the law.

### **3.2 Notification of certain events**

Each party must:

- (a) on request from the other party at reasonable intervals, promptly inform the other party of the steps it has taken and of its progress towards satisfaction of the Conditions which it is capable of or primarily responsible for satisfying;
- (b) promptly notify the other if it becomes aware that any Condition has been satisfied; and
- (c) if any event occurs or becomes apparent which would cause any of the Conditions to be breached or prevent them from being able to be satisfied or cause satisfaction of them to be materially delayed, to the extent the party is aware of such information, immediately notify the other party in writing of the event.

## **4 Facilitating the Offer**

### **4.1 Mutiny Board recommendation and acceptances**

Mutiny represents and warrants that:

- (a) the Mutiny Board have met and considered the possibility of Doray agreeing to make the Offers; and
- (b) all of the Mutiny Directors have informed Mutiny that, if Doray makes the Agreed Announcement, they will:
  - (i) on the Announcement Date, unanimously and immediately recommend that Shareholders and Listed Optionholders accept the Offers made to them; and
  - (ii) within 5 Business Days of the first date that the Offers can be accepted, accept, or procure the acceptance of the Offers, in respect of any Shares and Listed Options controlled or held by them, or on behalf of them,

in each case in the absence of a Superior Proposal, and subject to this agreement not being terminated by Mutiny in accordance with **clause 11** beforehand.

## 4.2 Bidder's Statement

- (a) Doray must prepare a Bidder's Statement and acceptance form for the Offers that are consistent with this document and in accordance with the Corporations Act and relevant ASIC regulatory guides.
- (b) Doray must, to the extent practicable, give Mutiny a reasonable opportunity to review an advanced draft of the Bidder's Statement and will consult in good faith with Mutiny with respect to any comments Mutiny or its Representatives have. Mutiny must provide Doray with its comments on the Mutiny Information contained in the advanced draft of the Bidder's Statement provided to Mutiny in accordance with this clause (or otherwise confirm that it has no comments) by marking up any required changes in that document as soon as reasonably practicable, and in any event no later than 3 Business Days, after receipt of that advanced draft from Doray.
- (c) Mutiny must provide any assistance or information reasonably requested by Doray in connection with the preparation of the Bidder's Statement and any other document to be sent by Doray to Shareholders or Listed Optionholders in connection with the Offers.
- (d) Mutiny takes responsibility for the Mutiny Information set out in the Bidder's Statement provided by Mutiny to Doray in accordance with **clause 4.2(b)**. Mutiny acknowledges that the Bidder's Statement will include a statement to that effect.
- (e) On and from the date that the Bidder's Statement is lodged with ASIC until the end of the Offer Period, Mutiny must provide Doray with any further or new information which may arise which is necessary to ensure that the Bidder's Statement, insofar as it discloses Mutiny Information, is not misleading or deceptive in any material respect (whether by omission or otherwise).

## 4.3 Target's Statement

- (a) Mutiny must prepare a Target's Statement in response to the Offers in accordance with the Corporations Act and relevant ASIC regulatory guides.
- (b) Mutiny must, to the extent practicable, give Doray a reasonable opportunity to review an advanced draft of the Target's Statement and consult in good faith with Doray with respect to any comments Doray or its Representatives have. Doray must provide Mutiny with its comments on the Doray Information contained in the advanced draft of the Target's Statement provided to Doray in accordance with this clause (or otherwise confirm that it has no comments) by marking up any required changes in that document as soon as reasonably practicable, and in any event no later than 3 Business Days, after receipt of that advanced draft from Mutiny.
- (c) Mutiny must ensure that, in the absence of a Superior Proposal, the Target's Statement includes:

- (i) a recommendation from the Mutiny Directors unanimously recommending that Shareholders and Listed Optionholders accept the Offers made to them; and
  - (ii) a statement by each Mutiny Director that that director will accept or procure the acceptance of the Offers in respect of all Shares and Listed Options controlled or held by, or on behalf of, that director within 5 Business Days of the first date that the Offers can be accepted.
- (d) Doray must provide any assistance or information reasonably requested by Mutiny in connection with the preparation of the Target's Statement and any other document to be sent by Mutiny to Shareholders or Listed Optionholders in connection with the Offers.
- (e) Doray takes responsibility for the Doray Information set out in the Target's Statement provided by Doray to Mutiny in accordance with **clause 4.3(b)**. Doray acknowledges that the Target's Statement will include a statement to that effect.
- (f) On and from the date that the Target's Statement is lodged with ASIC until the end of the Offer Period, Doray must provide Mutiny with any further or new information which may arise which is necessary to ensure that the Target's Statement, insofar as it discloses Doray Information, is not misleading or deceptive in any material respect (whether by omission or otherwise).

#### 4.4 Despatch of documents

- (a) Mutiny agrees that the Bidder's Statement in respect of the Offers and accompanying documents to be sent by Doray under item 6 of section 633(1) of the Corporations Act may be sent on any date nominated by Doray that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act provided always that the Bidder's Statement is not dispatched earlier than the date that is 10 Business Days after the date of this document.
- (b) Mutiny undertakes to direct its share registry to:
  - (i) co-operate with Doray for the purposes of satisfying its obligations under the Corporations Act and allowing it to dispatch the Bidder's Statement in accordance with **clause 4.4(a)**; and
  - (ii) provide Doray (at Doray's cost) with:
    - (A) a copy of the register of Shareholders and Listed Optionholders of Mutiny as at the date nominated by Doray in the electronic form requested by Doray within two Business Days after such request; and
    - (B) during the Offer Period, a copy of the register of Shareholders and Listed Optionholders in the electronic form requested by Doray within two Business Days after receipt of

a written request by Doray to provide a copy of such register(s).

Further, during the Offer Period, Mutiny undertakes to provide Doray with a copy of the register kept by Mutiny under section 672DA of the Corporations Act within two Business Days after receipt of a written request from Doray to provide such register.

- (c) Mutiny agrees to use its best endeavours to arrange despatch of the Target's Statement to Shareholders and Listed Optionholders together with the Bidder's Statement to be sent by Doray under the Takeover Bid.
- (d) If for any reason the Target's Statement is not despatched together with the Bidder's Statement, then Mutiny undertakes to despatch the Target's Statement to Shareholders and Listed Optionholders as soon as practicable (and in any event no later than 14 days) after the date that the Bidder's Statement in respect of the Offers was dispatched to Shareholders and Listed Optionholders.

#### 4.5 Indicative timetable

- (a) Without prejudice to the remainder of the obligations contained in this **clause 4**, each party agrees to use their best endeavours to implement the Takeover Bid as quickly as is reasonably permitted in the circumstances, having regard to the following indicative timetable:

Date	Action
27 October 2014	Release of Agreed Announcement
14 November 2014	Doray lodges Bidder's Statement with ASIC and ASX, and serves it on Mutiny.  Mutiny lodges Target's Statement with ASIC and ASX, and serves it on Doray.
18 November 2014	The Bidder's Statement and Target's Statement are jointly despatched to Shareholders by Doray and Mutiny in the same envelope
18 November 2014	Offer Period commences
19 December 2014	Offer Period closes (unless extended)

- (b) If the dates in the timetable in **clause 4.5(a)** become unachievable, the parties will consult in good faith to agree necessary amendments to the indicative timetable.

#### 4.6 Promoting the takeover bid

- (a) During the Offer Period, in the absence of a Superior Proposal, the Mutiny Board will support the Offers and will use its best endeavours to participate in efforts reasonably required by Doray to promote the merits of the Offers (at Doray's cost), including attending meetings with key

Shareholders, key Listed Optionholders, analysts, management, customers and press if requested to do so by Doray.

- (b) Mutiny must:
  - (i) include in all material public statements relating to the Offers following the execution of this agreement (including the Target's Statement), a statement to the effect that:
    - (A) the Mutiny Directors unanimously recommend that Shareholders and Listed Optionholders accept the Offers made to them;
    - (B) each Mutiny Director intends to accept, or procure the acceptances of, the Offers in respect of all Shares and Listed Options controlled or held by, or on behalf of, them within 5 Business Days of the first date that the Offers can be accepted,in each case in the absence of a Superior Proposal;
  - (ii) not make any public statement or take any other public action which would suggest that the Offers are not unanimously recommended by the Mutiny Directors unless a Superior Proposal emerges; and
  - (iii) procure that no Mutiny Director subsequently withdraws their recommendation unless a Superior Proposal emerges.

#### **4.7 Conduct of Mutiny Group during Offer Period**

- (a) Until the End Date:
  - (i) Mutiny must, and must procure that each member of the Mutiny Group, carries on its business in the usual and ordinary course and on a basis consistent with the manner in which it was conducted prior to the date of this document;
  - (ii) Mutiny must, and must procure that each member of the Mutiny Group, keep Doray regularly informed of the conduct of its business and must consult with Doray on material matters concerning the financial affairs and operations of the Mutiny Group;
  - (iii) Mutiny must, and must procure that each member of the Mutiny Group, take reasonable steps to preserve and maintain the value of their business;
  - (iv) Mutiny must not, and must ensure each member of the Mutiny Group does not, enter into, vary, amend, modify or terminate any Material Contract (including for the avoidance of doubt entering into any Material Contract in relation to the engineering, procurement, construction and/or financing of the Deflector Project);

- (v) Mutiny must not, and must ensure each member of the Mutiny Group does not, borrow or agree to borrow (whether or not subject to conditions) any money from any person other than Doray.
  - (vi) Mutiny must not, and must ensure each member of the Mutiny Group does not, incur any expenditure in relation to the engineering, procurement, construction and/or financing of the Deflector Project other than in accordance with the Agreed Budget;
  - (vii) Mutiny must not, and must ensure each member of the Mutiny Group does not, satisfy the conditions to the Sandstorm Agreement;
  - (viii) Mutiny must not, and must ensure each member of the Mutiny Group does not, enter into or agree to enter into, or materially amend or agree to materially amend, any material employment, consulting, severance or similar agreement or arrangement with any director, officer, other executive or employee of any member of the Mutiny Group or otherwise materially increase the compensation or benefits, or accelerate the compensation or benefits, in respect of any director, officer, other executive or employee of any member of the Mutiny Group;
  - (ix) Mutiny must not, and must ensure each member of the Mutiny Group does not, declare, agree to pay or become liable to pay a material bonus (or similar remuneration based incentive payment) to any director, officer, employee, consultant or contractor of any member of the Mutiny Group, other than pursuant to a contract or arrangement entered into before 30 September 2014 (but not pursuant to an amendment to such contract or arrangement made after 30 September 2014);
  - (x) Mutiny must not permit:
    - (A) any Mutiny Performance Rights to vest as a result of the execution of this document; and
    - (B) more than that number of Mutiny Performance Rights specified in **Schedule 2** to vest as a result of Doray obtaining a Relevant Interest in at least 50.1% of the Mutiny Shares and the Offer made in relation to Shares becoming unconditional or otherwise being declared by Doray to be free of all Conditions, and must procure that any residual Mutiny Performance Rights that have not vested in accordance with this clause immediately lapse;
  - (xi) Mutiny must not appoint any person as a Director (other than as contemplated in this document); and
  - (xii) Mutiny must, and must procure that each member of the Mutiny Group, comply with all applicable laws.
- (b) Without limiting **clause 4.7(a)**, until the End Date. Mutiny must inform and consult in good faith with Doray in relation to all material business



decisions of Mutiny (other than Mutiny's consideration of the Offer or any Third Party Proposal in accordance with Mutiny's obligations under this document).

- (c) The obligations of Mutiny under this **clause 4.7** do not apply in respect of:
  - (i) any matter required to be done or procured by Mutiny pursuant to, or which is otherwise contemplated by, this document or the Offers;
  - (ii) any matter which is required to be done by law or by an order of a court or a Public Authority;
  - (iii) any matter which is consistent with the activities and expenditure reflected in the Agreed Budget; or
  - (iv) any matter the undertaking of which Doray has approved in writing (such consent not to be unreasonably withheld).

#### **4.8 Conduct of Doray during Offer Period**

- (a) Until the End Date:
  - (i) Doray must, and must ensure each member of the Doray Group, carries on its business in the usual and ordinary course and on a basis consistent with the manner in which it was conducted immediately prior to the date of this document;
  - (ii) Doray must, and must ensure that each member of the Doray Group, take reasonable steps to preserve and maintain the value of their business;
  - (iii) Doray undertakes to work pro-actively with Mutiny to seek to advance the project financing arrangements in relation to the engineering, procurement, construction and/or financing of the Deflector Project where reasonably practicable to do so in the circumstances, acknowledging always that the implication of the Takeover Bid being successful is likely to result in materially more favourable terms being obtained by Mutiny in relation to the proposed project financing arrangements; and
  - (iv) Doray must, and must procure that each member of the Doray Group, comply with all applicable laws.
- (b) The obligations of Doray under this **clause 4.8** do not apply in respect of:
  - (i) any matter required to be done or procured by Doray pursuant to, or which is otherwise contemplated by, this document or the Offers;
  - (ii) any matter which is required to be done by law or by an order of a court or a Public Authority; or
  - (iii) any matter the undertaking of which Mutiny has approved in writing (such consent not to be unreasonably withheld).

#### 4.9 Independent Expert

Mutiny acknowledges that an expert's report for the target's statement in respect of the Offers is not required under section 640 of the Corporations Act or otherwise, and that Mutiny agrees that it will not commission such a report in connection with the Offers.

#### 4.10 Access to information

- (a) Each party agrees to provide the other party on a timely basis with all information that may reasonably be required to assist in the preparation of the Bidder's Statement or the Target's Statement (as applicable) or to satisfy any of the Conditions.
- (b) On and from the date of this document:
  - (i) Mutiny must, and must cause each member of the Mutiny Group to afford to Doray and its Representatives reasonable access to such documents, records and other information (subject to any existing confidentiality obligations owed to third parties), premises, personnel and advisers of Mutiny and the records, premises or personnel of any member of the Mutiny Group and such reasonable co-operation as Doray reasonably requires for the purpose of obtaining an understanding of the operations of Mutiny's business in order to allow and facilitate the smooth transition of the business of Mutiny following the acquisition by Doray of the Shares under the Offers; and
  - (ii) Doray must, and must cause each member of the Doray Group to afford to Mutiny and its Representatives reasonable access to such documents, records and other information (subject to any existing confidentiality obligations owed to third parties), premises, personnel and advisers of Doray and the records, premises or personnel of any member of the Doray Group and such reasonable co-operation as Mutiny reasonably requires for the purpose of obtaining an understanding of the operations of Mutiny's business in order to allow and facilitate the smooth transition of the business of Mutiny following the acquisition by Doray of the Shares under the Offers.
- (c) From the date of this document:
  - (i) Mutiny must promptly provide Doray with any information that is being withheld from disclosure under Listing Rule 3.1 in reliance on Listing Rule 3.1A; and
  - (ii) Doray must promptly provide Mutiny with any information that is being withheld from disclosure under Listing Rule 3.1 in reliance on Listing Rule 3.1A.
- (d) The obligations in **clause 4.10(b)** and **4.10(c)** do not apply to the extent that:

- (i) in respect of Mutiny, the access or information is connected to the Mutiny Board's deliberations in relation to the transactions contemplated by this document, or information connected to a Superior Proposal (where the information required to be provided under this clause is limited to the information which Mutiny is required to provide to Doray in accordance with **clause 6**); and
- (ii) in respect of Doray, the access or information is connected to the Doray Board's deliberations in relation to the transactions contemplated by this document.

#### **4.11 Mutiny Board changes**

- (a) As soon as practicable after the Offer made in relation to Shares is or becomes unconditional or is declared by Doray to be free of all Conditions and Doray has Relevant Interests in more than:
  - (i) 50.1% of the Shares, Mutiny must use its best endeavours to cause the appointment as directors of Mutiny of such number of persons nominated by Doray as would constitute those nominees (acting together) as a majority of the directors on the Mutiny Board; and
  - (ii) 90% of the Shares, Mutiny must use its best endeavours to ensure that all directors on the Mutiny Board, other than:
    - (A) Doray's nominees:
    - (B) Mr Allan Brown (being an existing Mutiny Director as at the date of this document),resign (provided always that a proper board is constituted at all times).
- (b) Doray must use its best endeavours to procure that its nominees on the Mutiny Board do not participate in any discussions or decisions of that board which relate to the Offers during the Offer Period.

#### **4.12 Doray Board changes**

As soon as practicable after the Offer made in relation to Shares is or becomes unconditional or is declared by Doray to be free of all Conditions and Doray has Relevant Interests in more than 50.1% of the Shares, Doray must use its best endeavours to cause the appointment of Mr Allan Brown (being an existing Mutiny Director as at the date of this document) as a non-executive director of Doray on terms consistent with the terms of appointment of Doray's other non-executive directors (excluding the chairman of the Doray Board).

### **5 Unlisted Options**

- (a) Before the end of the Offer Period, Doray will make an Unlisted Options Offer to the persons set out in the Unlisted Options List to acquire the Unlisted Options in exchange for the relevant consideration set out in the Unlisted Options List and conditional only on:

- (i) the Offers made in relation to Shares becoming unconditional or is declared by Doray to be free of all Conditions; and
  - (ii) any necessary or desirable ASX Listing Rule waivers being granted to facilitate the Unlisted Options Offer.
- (b) Mutiny undertakes to consent to any transfer of Unlisted Options to Doray under an Unlisted Options Offer.
- (c) If necessary or desirable, Mutiny must promptly after the date of this agreement apply to the ASX for a waiver of ASX Listing Rule 6.23, or a release of any applicable transfer restrictions that apply to any of the Unlisted Options, so as to facilitate the Unlisted Options Offer.
- (d) If the Unlisted Options Offer becomes or is declared unconditional, Mutiny agrees to:
  - (i) ensure the transfer of each Unlisted Option held by an Unlisted Optionholder who has accepted an Unlisted Options Offer (the **Accepted Options**); and
  - (ii) update the register of option holders to show that the relevant Unlisted Optionholder is no longer the holder of Accepted Options and to show that Doray is the new holder of those Accepted Options.

## 6 Exclusivity

### 6.1 Cease discussions

- (a) Mutiny must immediately cease any discussions or negotiations existing as at the date of this document relating to any actual, proposed or potential Third Party Proposal, unless the prior written consent has been obtained from Doray to Mutiny continuing to progress such discussions or negotiations (and then only to the extent, and on the conditions, consented to by Doray in its absolute discretion). For the purposes of this clause, and subject always to Mutiny's compliance with **clause 4.7**, Doray consents to Mutiny continuing to progress discussions or negotiations with Debt Financiers with whom Mutiny is in existing discussions or negotiations with as at the date of this document in regards to the provision of debt funding to finance the development of the Deflector Project where the details of those Debt Financiers, and the status of discussions or negotiations, has been Fairly Disclosed by Mutiny in the Mutiny Disclosure Materials.
- (b) To the extent that Mutiny has provided confidential information to any person other than:
  - (i) Doray and its Associates; or
  - (ii) any Debt Financier Mutiny for the sole purpose of enabling the Debt Financier to assess whether to provide debt finance to Mutiny in connection with the development of the Deflector Project; or

(iii) Mutiny's Advisors,

(a **Third Party**) at any time during the 6 months before the date of this document in relation to a Third Party Proposal, Mutiny must as soon as practicable and in any event within two Business Days of the date of this document, terminate the access of that Third Party (and any of their Representatives) to Mutiny's confidential information on an on-going basis and must request in writing the immediate return or destruction of all of Mutiny's confidential information that has been provided to that Third Party unless the prior written consent of Doray has been obtained to authorise that Third Party retaining access to that confidential information.

## **6.2 No shop restriction**

Mutiny must not, and must ensure that none of its Representatives, directly or indirectly solicit, invite, initiate or encourage the submission of, any enquiries, negotiations or discussions, which might reasonably be expected to encourage or lead to obtaining any expression of interest, offer or proposal from any person in relation to an actual, proposed or potential Third Party Proposal or communicate to any person an intention to do any of these things.

## **6.3 No talk and no due diligence**

Mutiny must not and must ensure that its Representatives do not:

- (a) directly or indirectly enter into or participate in any discussions or negotiations with any person regarding a Third Party Proposal or which would reasonably be expected to encourage or lead to an actual, proposed or potential Third Party Proposal;
- (b) grant any other person any right or access to conduct due diligence investigations in respect of any member of the Mutiny Group, or disclose or otherwise provide any non-public information in relation to any member of the Mutiny Group with respect to, or which would reasonably be expected to encourage or lead to an actual, proposed or potential Third Party Proposal;
- (c) enter into any agreement, arrangement or understanding in relation to, or which might reasonably be expected to encourage or lead to, an actual, proposed or potential Third Party Proposal; or
- (d) communicate to any person an intention to do anything referred to in paragraphs (a), (b) or (c) above,

even if the actual, proposed or potential Third Party Proposal was not directly solicited, invited, encouraged, or initiated by Mutiny or any of its Representatives or the person has publicly announced the Third Party Proposal.

## **6.4 Notification of approaches**

- (a) Mutiny must promptly notify Doray in writing of:

- (i) any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with, Mutiny or any of its Representatives with respect to any actual, proposed or potential Third Party Proposal; or
- (ii) any request for information relating to any of Mutiny or any member of the Mutiny Group or any of their businesses or operations, if Mutiny has reasonable grounds to suspect that it may relate to an actual, proposed or potential Third Party Proposal,

whether direct or indirect, whether solicited or unsolicited, and in writing or otherwise. Nothing in this **clause 6.4** in any way limits the obligations of Mutiny under **clauses 6.2** and **6.3**.

- (b) A notice under this **clause 6.4** must include reasonable details of the applicable matter (to the extent that Mutiny is aware of them), including:
  - (i) all material terms of the actual, proposed or potential Third Party Proposal; and
  - (ii) the identity of the person making or proposing the relevant actual, proposed or potential Third Party Proposal (or, if applicable, on whose behalf such proposal was made).

## **6.5 Exception to no talk and notification**

**Clauses 6.3** and **6.4** do not apply to the extent that they restrict Mutiny or the Mutiny Board from responding to a bona fide actual, proposed or potential Third Party Proposal (which was not solicited, invited, encouraged or initiated by Mutiny or its Representatives in contravention of **clause 6.2**) provided that the Mutiny Board has determined:

- (a) in good faith that:
  - (i) the actual, proposed or potential Third Party Proposal is bona fide; and
  - (ii) it is or would reasonably be expected to lead to a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisors, that failing to respond would in the reasonable opinion of the Mutiny Board, formed in good faith be likely to constitute a breach of the fiduciary or statutory duties of the Mutiny Directors, or would reasonably be expected to lead to a contravention of law.

## **6.6 Matching right**

Mutiny must:

- (a) not enter into any agreement, arrangement or understanding (whether or not in writing) with a Third Party in relation to an actual, proposed or potential Third Party Proposal; and
- (b) use its best endeavours to procure that none of the Mutiny Directors change their recommendation in favour of the Offers to publicly

recommend an actual, proposed or potential Third Party Proposal (or recommend against the Offers),

unless:

- (c) the Mutiny Board has reasonably determined in good faith that the Third Party Proposal is bona fide and that, after receiving the benefit of financial and legal advice, the Third Party Proposal is or would reasonably be expected to lead to a Superior Proposal;
- (d) Mutiny has complied with its obligations under **clause 6.4**;
- (e) Mutiny has given Doray not less than three Business Days after provision of the information referred to in paragraph (d) above to consider the Third Party Proposal and make a new proposal or propose a revision to the Offers which is on terms no less favourable than the terms of the Third Party Proposal (**Counterproposal**) (for clarity, if Doray's Counterproposal is on terms no less favourable than the Third Party Proposal, Mutiny must, in the absence of a Superior Proposal, proceed exclusively with Doray's Counterproposal); and
- (f) Doray has not announced a Counterproposal by the expiry of the three Business Day period referred to in paragraph (e) above.

#### **6.7 Revisions to a Third Party Proposal**

Any material modification to any Third Party Proposal will be deemed to make that proposal a new Third Party Proposal in respect of which Mutiny must comply with its obligations under **clause 6.4** and **6.6**.

#### **6.8 Time of the essence**

Time is of the essence in this **clause 6**.

#### **6.9 Exception to clauses 6.6 to 6.8**

**Clauses 6.6 to 6.8** do not apply to the extent that the Mutiny Board has determined:

- (a) in good faith that:
  - (i) the actual, proposed or potential Third Party Proposal is bona fide; and
  - (ii) it is or would reasonably be expected to lead to a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisors, that compliance with clauses 6.6 to 6.8 would in the reasonable opinion of the Mutiny Board, formed in good faith be likely to constitute a breach of the fiduciary or statutory duties of the Mutiny Directors, or would reasonably be expected to lead to a contravention of law.

## 7 Break fee

### 7.1 Rationale

Mutiny and Doray acknowledge that:

- (a) if they enter into this document and the Takeover Bid is not successful, Doray and Mutiny will have incurred significant costs, expenses, outgoings and losses (which it is difficult to quantify);
- (b) the Break Fee represents a genuine and reasonable pre-estimate of the internal, external advisory, financial and opportunity costs (and all associated out of pocket expenses) of Doray and Mutiny in relation to the Takeover Bid and the acquisition of the Shares;
- (c) Doray and Mutiny have each required the inclusion of this **clause 7**, in the absence of which they would not have entered into this document and the proposal would not have been put to Mutiny;
- (d) each party and their respective boards of directors believe that the Takeover Bid will provide significant benefits to Mutiny and Doray and that it is reasonable and appropriate that the parties agree to the inclusion of this **clause 7**, in order to secure the other party's participation in the Takeover Bid; and
- (e) each party has received legal advice on the size and terms of the Break Fee.

### 7.2 Events triggering payment of Break Fee

Mutiny will pay Doray the Break Fee without set-off or withholding if any of the following occur:

- (a) **(change of recommendation)** on or before the End Date, any Mutiny Director:
  - (i) makes any public statement to the effect that they do not recommend (or no longer recommend) one or both of the Offers; or
  - (ii) without limiting **clause 7.2(a)(i)**, fails to recommend that Shareholders and Listed Optionholders accept the Offers in the absence of a Superior Proposal or, having done so, any Mutiny Director publicly withdraws or adversely varies or qualifies their favourable recommendation of the Offers (or any part of it),  
  
other than following a Doray Material Adverse Change or a Doray Prescribed Occurrence occurring;
- (b) **(Third Party Proposal)** on or before the End Date:
  - (i) any Mutiny Director publicly recommends, promotes or otherwise endorses in any way a Third Party Proposal; or
  - (ii) a Third Party Proposal of any kind is announced (whether or not such proposal is stated to be subject to any pre-conditions) and within twelve months of the date of such announcement, the person proposing the Third Party Proposal or any of its Associates:



- (A) completes a Third Party Proposal; or
  - (B) enters into any agreement, arrangement or understanding prior to the close of the Offers that requires Mutiny to abandon, or otherwise fail to proceed with, the Offers or which is otherwise materially prejudicial to the Offers; or
  - (C) acquires a Relevant Interest in more than 50% of Shares or acquires Control of Mutiny;
- (c) **(material breach)** Doray terminates this document in accordance with **clause 11.1(a)**; or
- (d) **(breach of Condition)** any of the Conditions (other than the Condition described in section 3.8 of Schedule 1) are breached or become incapable of being fulfilled, in either case due to an act or omission of Mutiny, a Related Body Corporate of Mutiny or a Mutiny Director, provided that those Conditions are not waived by Doray prior to that breach.

### 7.3 Demand for payment

Any demand for payment of the Break Fee under **clause 7.2** must be in writing stating the circumstances giving rise to the payment. Mutiny must pay the Break Fee to Doray within five Business Days of receipt of a valid demand for payment of the Break Fee under **clause 7.2**.

### 7.4 Refund of Break Fee

If, despite the occurrence of any of the events referred to in **clause 7.2**, Doray becomes the registered legal and beneficial holder of not less than 50.1% of Mutiny Shares before the End Date as a result of the transfer of Shares accepted under the Offers, Doray must repay to Mutiny any amount received by it under **clause 7.2**.

### 7.5 Compliance with law

- (a) If the payment of all or part of the Break Fee:
- (i) involves, involved or would involve a breach of the duties of the Mutiny Directors; or
  - (ii) constitutes, unacceptable circumstances within the meaning of the Corporations Act (as declared by a court or the Takeovers Panel); or
  - (iii) is, was or would be unlawful,
- (the relevant part of the Break Fee being the **Impugned Amount**), then:
- (iv) the requirement to pay the Break Fee does not apply to the extent of the Impugned Amount;
  - (v) Mutiny is not obliged to comply with **clause 7** to the extent of the Impugned Amount; and

- (vi) if Doray has received the Impugned Amount, it must refund it within five Business Days of the final determination being made.
- (b) Mutiny must not make, nor may it cause or encourage to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in **clause 7.5(a)**.
- (c) If the court or the Takeovers Panel consents, Mutiny must allow Doray to participate in any action or proceedings referred to in **clause 7.5(a)**.

## **7.6 No other break fees**

Mutiny must not pay or agree to pay to any other person (including a person who offers, submits or proposes a Third Party Proposal) any break fee or similar fee which would become payable if that Third Party Proposal did not proceed.

## **7.7 Break Fee sole and exclusive remedy**

Where Doray is entitled to a Break Fee under **clause 7.2** which is actually paid to Doray by Mutiny, Doray releases and cannot make any Claim against Mutiny or any of Mutiny's Representatives in respect of any event that gave rise to the right to or the right to demand the payment of the Break Fee, nor any other event, matter or circumstance that may give rise to a separate right to the Break Fee or that constitutes or may constitute a breach of this agreement, with the effect that the payment of the Break Fee represents the sole and exclusive remedy of Doray in relation to such matters.

# **8 Representations and warranties**

## **8.1 Preliminary**

- (a) Each of the representations and warranties of Mutiny and Doray in **clauses 8.3** and **8.4** respectively are subject to and qualified by, and the liability of the parties in respect of a breach of any such representations and warranties will be reduced or extinguished (as the case may be) to the extent that the breach arises as a result of:
  - (i) any matter which has been Fairly Disclosed:
    - (A) in the case of Mutiny, in the Mutiny Disclosure Material; and
    - (B) in the case of Doray, in the Doray Disclosure Material;
  - (ii) any matter disclosed to ASX before execution of this document; and
  - (iii) any relevant information of which the other party or its Representatives (other than its Advisers) has actual knowledge.
- (b) Each of the representations and warranties of Mutiny and Doray in **clauses 8.3** and **8.4** respectively is given, unless otherwise expressly stated, as at each of the date of this document and each day from the date of this document until and including the later of the last day of the

Offer Period and the last date on which Doray Shares and/or Doray Listed Options are issued under the Offers.

- (c) Doray and Mutiny each acknowledge and accept that any estimates, budgets or forecasts made, or opinion expressed, in relation to the financial position, production forecasts, prospects of Mutiny or Doray (as applicable) or Ore Reserves or Mineral Resources (whether written or oral) were made or expressed to and accepted by Doray or Mutiny (as applicable) on the basis and condition that:
  - (i) neither Mutiny or Doray (as applicable) nor any of its Representatives or their Associates have made nor makes any representation or warranty as to the accuracy or completeness of such estimate, budget, forecast, or expression of opinion will be achieved; and
  - (ii) neither Mutiny or Doray (as applicable) nor any of its Representatives or their Associates will be liable to Doray or Mutiny (as applicable) in the event that, for whatever reason, such estimate, budget, forecast, or expression of opinion is or becomes inaccurate, incomplete or misleading in any respect.

## 8.2 Mutual representations

Each party represents and warrants to the other that:

- (a) **(status)** it is a body corporate duly incorporated under the laws of its jurisdiction of incorporation or formation;
- (b) **(power for business)** it has the power to own its assets and to carry on its business as now conducted or contemplated;
- (c) **(power for document)** it has the corporate power to enter into and perform or cause to be performed its obligations under this document and the transactions contemplated by this document;
- (d) **(corporate authorisations)** it has taken or will take all necessary corporate action to authorise its entry into and performance of this document and the transactions contemplated by this document;
- (e) **(document binding)** this document has been duly executed and is a valid and binding obligation enforceable against it in accordance with its terms, subject to any necessary stamping;
- (f) **(transactions permitted)** the execution and performance by it of its obligations under this document and each transaction contemplated by this document and the Offers do not and will not:
  - (i) violate in any material respect a provision of a law or treaty or a judgment, ruling, order or decree of a Public Authority binding on it or any of its Related Bodies Corporate, or its constitution or any other document or agreement that is binding on it or any of its Related Bodies Corporate or their respective assets; or

- (ii) give to any person any rights of termination, amendment, acceleration or cancellation in relation to any agreement entered into by it;
- (g) **(Insolvency Event)** no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (h) **(no regulatory action)** no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this document; and
- (i) **(continuous disclosure)** as at the date of this agreement, it:
  - (i) has complied with its obligations under chapter 3 of the ASX Listing Rules and the information disclosed to ASX is true, complete and correct in all material respects; and
  - (ii) is not withholding any information from disclosure under Listing Rule 3.1 in reliance on Listing Rule 3.1A (except for any information connected with the transactions contemplated by this document).

### 8.3 Mutiny's representations

In addition to the representations and warranties set out in **clause 8.2**, Mutiny represents and warrants to Doray that as at the date of this document and on each day up to and including the End Date:

- (a) **(Mutiny Information in Bidder's Statement)** provided always that the Mutiny Information contained in the Bidder's Statement lodged with ASIC is in substantially the same form as that provided by Mutiny to Doray under **clause 4.2(b)**, the Bidder's Statement will in respect of the Mutiny Information not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel;
- (b) **(Target's Statement)** the Target's Statement will:
  - (i) as at the date it is lodged with ASIC and excluding any Doray Information contained in the Target Statement for which Doray takes responsibility for, not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel; and

- (ii) subject always to Doray's compliance with **clause 4.3(f)**, be updated by all such further or new information which may arise after the Target's Statement has been lodged with ASIC until the end of the Offer Period which is necessary to ensure that the Target's Statement is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (c) (**securities**) its issued securities as at the date of this document are set out in **schedule 2** and no member of the Mutiny Group is under any actual or contingent obligation to issue and has not offered to issue any shares or securities convertible into shares to any person including under any option, convertible security or other right;
- (d) (**subsidiaries**) it or one of its wholly-owned subsidiaries is the beneficial owner of all the issued share capital in each of its subsidiaries and there is no obligation to transfer shares in any of those companies to any third party;
- (e) (**Conditions**) it is not aware of any event or circumstance that would, or would be likely to, result in any Condition being breached or becoming incapable of satisfaction;
- (f) (**Change of Control Rights**) none of the Material Contracts contain Change of Control Rights;
- (g) (**Sandstorm Agreement**) the conditions to the Sandstorm Agreement have not been satisfied;
- (h) (**advisors**) as at the date of this document, Mutiny has no arrangements in place with any financial advisor in respect of the Takeover Bid, other than as Fairly Disclosed to Doray in the Mutiny Disclosure Materials;
- (i) (**Mutiny Disclosure Material**):
  - (i) each document comprising the Mutiny Disclosure Material is complete and accurate in all material respects;
  - (ii) the Mutiny Disclosure Material contains complete and accurate copies of all Material Contracts; and
  - (iii) so far as Mutiny is aware, there has been no deliberate non-disclosure of any information that is reasonably likely to be material to Doray's decision to execute this document and proceed with the transactions contemplated by this document.

For the purposes of this **clause 8.3**, Mutiny will be deemed to know or be aware of a particular fact, matter or thing if Mutiny or an Officer of Mutiny is actually aware of that fact, matter or thing as at the date of this document, or would be aware of that fact, matter or thing if they had made reasonable enquiries in relation to that fact, matter or thing.

## 8.4 Doray's representations

In addition to the representations and warranties set out in **clause 8.2**, Doray represents and warrants to Mutiny that as at the date of this document and on each day up to and including the End Date:

- (a) **(Doray Information in Target Statement)** provided always that the Doray Information contained in the Target's Statement lodged with ASIC is in substantially the same form as that provided by Doray to Mutiny under **clause 4.3(b)**, the Target's Statement will in respect of the Doray Information not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel;
- (b) **(Bidder's Statement)** the Bidder's Statement will:
  - (i) as at the date it is lodged with ASIC, and excluding any Mutiny Information contained in the Bidder's Statement for which Mutiny takes responsibility for not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel; and
  - (ii) subject always to Mutiny's compliance with **clause 4.2(e)**, be updated by all such further or new information which may arise after the Bidder's Statement has been lodged with ASIC until the end of the Offer Period which is necessary to ensure that the Bidder's Statement is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (c) **(Doray Shares)** the Doray Shares to be issued to Shareholders under the Takeover Bid will be fully paid and issued free from any encumbrances and rank equally with all other Doray Shares on issue;
- (d) **(securities)** its issued securities as at the date of this document are set out in **schedule 3** and Doray is not:
  - (i) under any actual or contingent obligation to issue and has not offered to issue any shares or securities convertible into shares to any person including under any option, convertible security or other right; or
  - (ii) prohibited from making the Offers or issuing the Doray Shares and Doray Listed Options pursuant to the terms of the Offers;
- (e) **(Doray Disclosure Material)**:
  - (i) each document comprising the Doray Disclosure Material is complete and accurate in all material respects;

- (ii) so far as Doray is aware, there has been no deliberate non-disclosure of any information that is reasonably likely to be material to Mutiny's decision to execute this document and proceed with the transactions contemplated by this document.

For the purposes of this **clause 8.4**, Doray will be deemed to know or be aware of a particular fact, matter or thing if Doray or an Officer of Doray is actually aware of that fact, matter or thing as at the date of this document, or would be aware of that fact, matter or thing if they had made reasonable enquiries in relation to that fact, matter or thing.

## **8.5 Reliance by parties**

Each party (the **Representor**) acknowledges that in entering into this document the other party has relied on the representations and warranties provided by the Representor under this **clause 8**.

## **8.6 Survival of representations**

The representations and warranties provided by each party under this **clause 8**:

- (a) are severable;
- (b) will survive the termination of this document; and
- (c) are given with the intent that liability under them will not be confined to breaches of them discovered prior to the date of termination of this document.

## **8.7 Notification of breach**

Each of Doray and Mutiny must promptly advise each other in writing as soon as they become aware of:

- (a) a representation or warranty provided in this document by either party becoming false; or
- (b) a breach of this document by it.

## **8.8 Release of Officers**

- (a) Subject to the Corporations Act, Doray (for itself and as agent for every member of the Doray Group) releases all rights against and agrees with Mutiny that it will not make a Claim against, any of Mutiny's Representatives in connection with:
  - (i) Mutiny's execution or delivery of this document;
  - (ii) any breach of any representation, undertaking and warranty of Mutiny in this document;
  - (iii) the implementation of the Offers; or
  - (iv) any disclosure made by Mutiny or a Mutiny Representative including in the Mutiny Disclosure Material that contains any statement which is false or misleading whether in content or by omission,

except to the extent the relevant Mutiny Representative has not acted in good faith or has engaged in wilful misconduct or has otherwise knowingly misled (including by omission) Doray in relation to the matters set out above, or to the extent the Claim is actually covered under an insurance policy that is paid for by the Mutiny Group where the relevant insurer accepts liability for the Claim.

- (b) Subject to the Corporations Act, Mutiny (for itself and as agent for every member of the Mutiny Group) releases all rights against and agrees with Doray that it will not make a Claim against, any of Doray's Representatives in connection with:
  - (i) Doray's execution or delivery of this document;
  - (ii) any breach of any representation, undertaking and warranty of Doray in this document;
  - (iii) the implementation of the Offers; or
  - (iv) any disclosure made by Doray or a Doray Representative including in the Doray Disclosure Material that contains any statement which is false or misleading whether in content or by omission,

except to the extent the relevant Doray Representative has not acted in good faith or has engaged in wilful misconduct or has otherwise knowingly misled (including by omission) Mutiny in relation to the matters set out above, or to the extent the Claim is actually covered under an insurance policy that is paid for by the Doray Group where the relevant insurer accepts liability for the Claim.

## 9 Confidentiality

- (a) Each party must comply, and must procure that its Representatives comply, with the terms of the Confidentiality Agreement governing use and disclosure of confidential information.
- (b) For the purposes of the Confidentiality Agreement, each party consents to the use of, and the disclosure on a confidential basis to a Public Authority of, its confidential information for the purposes of satisfying any Condition and the implementation of the transactions contemplated by this document.

## 10 Public announcements

### 10.1 Public announcements

Subject to **clauses 2.2(b), 10.2 and 10.3**, no public announcement or disclosure (including any presentations or briefings to analysts, the media or shareholders) of the Offers or any other transaction the subject of this document may be made other than in a form approved by each party (acting



reasonably), but each party must use its best endeavours to provide such approval as soon as practicable.

## **10.2 Required disclosure**

Where a party is required by law or the ASX Listing Rules to make any announcement or to make any disclosure in connection with the Offers or any other transaction the subject of this document, it may do so only after it has given at least one Business Day's notice, or such lesser period as may be required or permitted to comply with its legal or regulatory responsibilities, but in any event prior notice, to the other party and has taken all reasonable steps to consult with the other party and its legal advisers and to take account of all reasonable comments received from the other party.

## **10.3 Statements on termination**

The parties must act in good faith and use their best endeavours to issue an agreed statement or statements in respect of any termination provided for in this document and will make no statements or disclosure in respect of the termination of this document except in accordance with **clauses 10.1 and 10.2**.

# **11 Termination**

## **11.1 Termination by either party**

This document may be terminated with immediate effect by either party giving notice in writing to the other at any time after the date in paragraph (a) of the definition of End Date, or if:

- (a) the other party is in material breach of its obligations under this document, or there is a material breach of any representation or warranty given by that other party, and (if capable of remedy) has failed to remedy the breach within five Business Days of receipt by it of written notice from the first party notifying the other party of the breach;
- (b) any Public Authority has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Offers, or has refused to do anything necessary to permit the Offers, and the action is final and cannot be appealed or reviewed or the party reasonably believes (after receiving external legal advice) that any appeal or review is unlikely to succeed; or
- (c) the Mutiny Board or a majority of the Mutiny Board changes its recommendation to the Takeover Bid as a result of the Mutiny Board or a majority of the Mutiny Board determining that a Third Party Proposal (provided always that Mutiny has complied with its obligations in **clause 6**) is a Superior Proposal.

## **11.2 Termination by Doray**

Doray may, by notice in writing to Mutiny, terminate this document with immediate effect if any of the circumstances in **clauses 7.2(a) or 7.2(b)** occur.

### 11.3 Termination by Mutiny

Mutiny may, by notice in writing to Doray, terminate this document with immediate effect if at any time before the End Date:

- (a) a Doray Material Adverse Change occurs; or
- (b) a Doray Prescribed Occurrence occurs.

### 11.4 Effect of termination

If this document is terminated by a party under this **clause 11**:

- (a) each party will be released from its obligations under this document except its obligations under **clauses 2.3(b)** (variation, waiver of conditions and extension), **7** (break fee), **8** (representations and warranties), **9** (confidentiality), **10.3** (statements on termination), **11** (termination), **12** (GST) and **14** (general) which will survive termination;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this document; and
- (c) in all other respects, all future obligations of the parties under this document will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Offers.

### 11.5 No other termination

Neither party may terminate or rescind this document except as permitted under this **clause 11**.

## 12 GST

### 12.1 Construction

In this **clause 12**:

- (a) words and expressions which are not defined in this document but which have a defined meaning in GST Law have the same meaning as in the GST Law;
- (b) **GST Law** has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999*; and
- (c) references to GST payable and input tax credit entitlement include GST payable by, and the input tax credit entitlement of, the representative member for a GST group of which the entity is a member.

### 12.2 Consideration GST exclusive

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this document are exclusive of GST.

### **12.3 Payment of GST**

If GST is payable on any supply made by a party (or any entity through which that party acts) (**Supplier**) under or in connection with this document, the recipient will pay to the Supplier an amount equal to the GST payable on the supply.

### **12.4 Timing of GST payment**

The recipient will pay the amount referred to in **clause 12.3** in addition to and at the same time that the consideration for the supply is to be provided under this document.

### **12.5 Tax invoice**

The Supplier must deliver a tax invoice or an adjustment note to the recipient before the Supplier is entitled to payment of an amount under **clause 12.3**. The recipient can withhold payment of the amount until the Supplier provides a tax invoice or an adjustment note, as appropriate.

### **12.6 Adjustment event**

If an adjustment event arises in respect of a taxable supply made by a Supplier under this document, the amount payable by the recipient under **clause 12.3** will be recalculated to reflect the adjustment event and a payment will be made by the recipient to the Supplier or by the Supplier to the recipient as the case requires.

### **12.7 Reimbursements**

Where a party is required under this document to pay or reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- (a) the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party is entitled; and
- (b) if the payment or reimbursement is subject to GST, an amount equal to that GST.

### **12.8 No merger**

This **clause 12** does not merge in the completion or termination of this document or on the transfer of the property supplied under this document.

## **13 Notices**

### **13.1 General**

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

### 13.2 How to give a communication

- (a) In addition to any other lawful means, a communication may be given by being:
  - (i) personally delivered;
  - (ii) left at the party's current delivery address for notices;
  - (iii) sent to the party's current postal address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail;
  - (iv) sent by email to the party's current email address for notices; or
  - (v) sent by fax to the party's current fax number for notices.
- (b) The parties will use their best endeavours to provide a copy of any communication provided under this clause by email to the email address of the other party set out in **clause 13.3**. To avoid doubt, such email communication is provided as support for the official communication provided in accordance with **paragraphs (a)(i) to (a)(v)** of this clause and does not supersede or replace any obligation on a party to provide that communication in accordance with **paragraphs (a)(i) to (a)(v)** of this clause or derogate from the other provisions of this **clause 13**.

### 13.3 Particulars for delivery of notices

- (a) The particulars for delivery of notices are initially:

#### **Doray**

Delivery address: Level 3, 41 - 43 Ord Street , West Perth, Western Australia, 6005

Postal address: Same as 'delivery address'

Fax: +61 8 9226 0633

Attention: Company Secretary

Email: iain.garrett@dorayminerals.com.au

with a copy to Corrs Chambers Westgarth, Level 15, Woodside Plaza, 240 St Georges Terrace, Perth, WA, 6000 (Attention: Russell Philip).

#### **Mutiny**

Delivery address: 29 Charles Street, South Perth, Western Australia, 6151

Postal address: Same as 'delivery address'

Fax: +61 8 9474 3011

Attention: Company Secretary

Email: cecilia.tyndall@mutinygold.com.au

with a copy to Minter Ellison Lawyers, Level 4, Allendale Square, 77 St Georges Terrace, Perth, WA, 6000 (Attention: Adam Handley).

- (b) Each party may change its particulars for delivery of notices by notice to each other party.

#### **13.4 Communications by post**

Subject to **clause 13.6**, a communication is given if posted:

- (a) within Australia to an Australian postal address, three Business Days after posting; or
- (b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, ten Business Days after posting.

#### **13.5 Communications by fax**

Subject to **clause 13.6**, a communication is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

#### **13.6 After hours communications**

If a communication is given:

- (a) after 5.00 pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

#### **13.7 Process service**

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 13** or in accordance with any applicable law.

### **14 General**

#### **14.1 Duty**

- (a) Doray as between the parties is liable for and must pay all duty (including any fine, interest or penalty except where it arises from default by the other party) on or relating to this document or any dutiable transaction evidenced or effected by this document.
- (b) If a party other than Doray pays any duty (including any fine, interest or penalty) on or relating to this document or any dutiable transaction evidenced or effected by this document Doray must pay that amount to the paying party on demand.

#### **14.2 Legal costs**

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

#### **14.3 Amendment**

This document may only be varied or replaced by a document executed by the parties.

#### **14.4 Waiver and exercise of rights**

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

#### **14.5 Rights cumulative**

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

#### **14.6 Consents**

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

#### **14.7 Further steps**

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

#### **14.8 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

#### **14.9 Assignment**

- (a) A party must not assign or deal with any right under this document without the prior written consent of the other parties.
- (b) Any purported dealing in breach of this clause is of no effect.

#### **14.10 Counterparts**

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

#### **14.11 Entire understanding**

- (a) This document contains the entire understanding between the parties as to the subject matter of this document. To the extent of any inconsistency between them, this document prevails.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
  - (i) affects the meaning or interpretation of this document; or
  - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

#### **14.12 No merger**

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this document.

#### **14.13 Severability**

- (a) Subject to **clause 14.13(b)**, if a provision of this document is illegal or unenforceable in any relevant jurisdiction, it may be severed for the purposes of that jurisdiction without affecting the enforceability of the other provisions of this document.
- (b) **Clause 14.13(a)** does not apply if severing the provision:
  - (i) materially alters the:
    - (A) scope and nature of this document; or
    - (B) the relative commercial or financial positions of the parties;  
or
  - (ii) would be contrary to public policy.

#### **14.14 Construction**

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) 'includes' means includes without limitation;

- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (g) a reference to:
  - (i) a holder includes a joint holder;
  - (ii) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
  - (iii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
  - (iv) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
  - (v) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
  - (vi) a right includes a benefit, remedy, discretion or power;
  - (vii) time is to local time in Perth, Western Australia;
  - (viii) '\$' or 'dollars' is a reference to Australian currency;
  - (ix) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
  - (x) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
  - (xi) this document includes all schedules and annexures to it; and
  - (xii) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
- (h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day;
- (i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded; and
- (j) a reference to any statement, including a warranty made by a party on the basis of its knowledge, belief or awareness, is made on the basis of the actual knowledge, belief or awareness of the Officers of the party (and no other persons) as at the date of this document.



#### **14.15 Headings**

Headings do not affect the interpretation of this document.

## Schedule 1

### Agreed Terms

#### 1 Offer Price

In relation to the Offers made in respect of Shares, the consideration to be provided by Doray under those Offers is 1 Doray Share for every 9.5 Shares held. The Offers made in respect of Shares will extend to Shares that are issued during the Offer Period as a result of the exercise of the Listed Options or Unlisted Options that are on issue as at the date of this document and to Shares that are issued during the Offer Period as a result of the vesting of the Mutiny Performance Rights proposed to be granted to the persons specified in Schedule 2, subject always to any necessary ASIC modifications being obtained to extend the Offers to those Shares and to the extent that such Mutiny Performance Rights are permitted to vest in accordance with this document.

In relation to the Offers made in respect of Listed Options, the consideration to be provided by Doray under those Offers is 1 Doray Listed Option for every 9.5 Listed Options held.

If the number of Shares held by a Shareholder means that their aggregate entitlement to Doray Shares is not a whole number (or in the case of Listed Optionholders, the number of Doray Listed Options held by a Listed Optionholder means that their aggregate entitlement to Doray Listed Options is not a whole number), then any fractional entitlement will be rounded down to the nearest whole number.

Subject to the Corporations Act, Doray will issue the Doray Shares and/or Doray Listed Options to which a Foreign Mutiny Holder would otherwise be entitled to a nominee appointed by Doray who will sell those Doray Shares or Doray Listed Options and pay to that Foreign Mutiny Holder the net proceeds received (after deducting applicable brokerage (applied at standard market rates), taxes and charges) in accordance with the Offers, calculated on an average basis per Doray Share or Doray Listed Option so that all Foreign Mutiny Holders receive the same price per Doray Share and per Doray Listed Option (subject to rounding), unless Doray is satisfied (in its absolute discretion) that the laws of a Foreign Mutiny Holder's country of residence (as shown in the register of members and/or option holders of Mutiny) permit the issue of Doray Shares and Doray Listed Options (as applicable) to the Foreign Mutiny Holder either unconditionally or after compliance with conditions which Doray regards as not unduly onerous or unduly impracticable.

## 2 Offer Period

The Offer Period shall initially last for at least one month and, subject always to **clause 2.3(b)** of this document, shall be subject to Doray's right to extend the period in its absolute discretion in accordance with the Corporations Act.

## 3 Bid Conditions

The Offers, and any contract resulting from the acceptance of the Offers, are subject to the fulfilment of the following conditions.

### 3.1 Minimum acceptance - Shares

During the Offer Period, Doray has received acceptances under the Offer that give Doray a relevant interest in at least 90% of all of the Shares (on a fully diluted basis).

### 3.2 Minimum acceptance – Listed Options and Unlisted Options

During the Offer Period, Doray has acquired not less than an aggregate of 90% of the Listed Options and Unlisted Options on issue.

### 3.3 No action by Public Authority adversely affecting the Bid

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; or
- (b) no inquiry, action or investigation is instituted, or threatened by any Public Authority,

in consequence of, or in connection with, the Offers (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which restrains, prohibits or impedes, or is likely to restrain, prohibit or impede, or materially adversely impacts upon (or is reasonably likely to restrain, prohibit, impede or materially impact upon) the making of the Offers or the completion of the Takeover Bid or requires (or is reasonably likely to require) the divestiture by Doray of any Shares or Listed Options, or the divestiture of any material assets of the Mutiny Group following the close of the Takeover Bid.

### 3.4 No Mutiny Material Adverse Change

Between the Announcement Date and the end of the Offer Period (each inclusive), no Mutiny Material Adverse Change has occurred, been announced or otherwise become apparent or known to Doray (whether or not becoming public).

### 3.5 Conduct of business and other matters

Between the Announcement Date and the end of the Offer Period (each inclusive), other than with the prior written approval of Doray:

- (a) Mutiny and each of its subsidiaries carries on its business in the usual and ordinary course and on a basis consistent with the manner in which it was conducted immediately prior to the Announcement Date;
- (b) neither Mutiny nor any of its subsidiaries acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:
  - (i) the manner in which any member of the Mutiny Group conducts its business;
  - (ii) the nature (including the balance sheet classification), extent or value of the assets or liabilities of any member of the Mutiny Group,

including, without limitation, any transaction which would or (subject to one or more conditions) may involve Mutiny, or any subsidiary of Mutiny:

- (iii) acquiring, offering to acquire or agreeing to acquire one or more companies, businesses or assets (or an interest in one or more companies or assets) for an amount in aggregate of greater than \$500,000;
- (iv) disposing, offering to dispose or agreeing to dispose of, or creating an option or other right or entitlement (including a pre-emptive right) the effect of which could be the disposal or loss of control of, one or more companies, businesses or assets (or an interest in one or more companies or assets) for an amount in aggregate of greater than \$500,000;
- (v) entering into, agreeing to enter into, or offering to enter into any agreement, joint venture, partnership, farm out agreement or other agreement or commitment involving the disposal of a legal, beneficial or economic interest in or right to, or in connection with, any material mining tenements, licences or permits held by, or applications relating to any material mining tenements, licences or permits made by, Mutiny or any subsidiary of Mutiny;

except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of this document or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;

- (c) neither Mutiny nor any of its subsidiaries borrows or agrees to borrow (whether or not subject to conditions) any money from any person other than Doray;
- (d) neither Mutiny nor any of its subsidiaries materially varies, amends or modifies any Material Contract, or enters into, offers to enter into, or announces that it proposes to enter into, any material engineering, procurement, construction and/or financing agreement in relation to the Deflector Project, or any material joint venture, asset or profit sharing, partnership, royalty, commodity pre-purchase, offtake or mineral

streaming agreement (including by satisfying any outstanding condition precedent to the Sandstorm Agreement), or makes an announcement in relation to such a commitment, except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of this document or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;

- (e) neither Mutiny nor any of its subsidiaries incurs or otherwise becomes exposed to a liability or contingent liability for one or more related items for an amount or value in aggregate of greater than \$500,000 except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of this document or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
- (f) neither Mutiny nor any of its subsidiaries gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of this document or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
- (g) neither Mutiny nor any of its subsidiaries announces, makes, declares or pays any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) or agree to do any of those things;
- (h) neither Mutiny nor any of its subsidiaries enters into or agrees to enter into, or materially amends or agrees to materially amend, any material employment, consulting, severance or similar agreement or arrangement with directors, officers, other executives or employees of any member of the Mutiny Group or otherwise materially increasing compensation or benefits, or accelerating compensation or benefits, for any of the above;
- (i) neither Mutiny nor any of its subsidiaries declares, agrees to pay or becomes liable to pay a material bonus (or similar remuneration based incentive payment) to any director, officer, employee, consultant or contractor of any member of the Mutiny Group, other than by way of the grant of the Mutiny Performance Rights set out in Schedule 2 to this document or pursuant to a contract or arrangement entered into before 30 September 2014 (but not pursuant to an amendment to such contract or arrangement made after 30 September 2014).

### **3.6 No prescribed occurrences**

Between the Announcement Date and the date that is the third Business Day after the end of the Offer Period (each inclusive), no Mutiny Prescribed Occurrence occurs, other than any issue of Shares as a result of the exercise of any Listed Options or Unlisted Options, or the issue and subsequent vesting of any Mutiny Performance Rights in accordance with this document.

**3.7 No breach of representation or warranty**

Between the Announcement Date and the end of the Offer Period (each inclusive), each of the representations and warranties given by Mutiny in **clauses 8.2 and 8.3** (as qualified by **clause 8.1(a)** of this document) are true and correct in all material respects.

**3.8 No termination of Bid Implementation Agreement by Mutiny**

Between the Announcement Date and the end of the Offer Period (each inclusive), Mutiny has not terminated this document pursuant to **clauses 11.1(a), 11.1(b) or 11.3** of this document.

## Schedule 2

### Mutiny's capital structure

#### Shares

Mutiny has 678,227,617 Shares on issue.

#### Listed Options

Mutiny has 84,618,116 Listed Options expiring 15 August 2015.

#### Mutiny Unlisted Options

Mutiny has the following unlisted options on issue:

Number of Mutiny Unlisted Options	Expiry Date	Exercise Price
10,000,000	3 April 2016	A\$0.03375
764,000 (comprising 382,000 held by Mr Allan Brown and 382,000 held by Mr Rowan Johnston)	31 December 2017	A\$0.15
910,000 (comprising 455,000 held by Mr Allan Brown and 455,000 held by Mr Rowan Johnston)	31 December 2017	A\$0.20
1,060,000 (comprising 530,000 held by Mr Allan Brown and 530,000 held by Mr Rowan Johnston)	31 December 2017	A\$0.25
1,060,000 (comprising 530,000 held by Mr Allan Brown and 530,000 held by Mr Rowan Johnston)	31 December 2017	A\$0.30
1,056,000 (comprising 528,000 held by Mr Allan Brown and 528,000 held by Mr Rowan Johnston)	31 December 2017	A\$0.35

### Mutiny Performance Rights

Subject to obtaining all necessary shareholder approvals at its 2014 annual general meeting, Mutiny will have the following Mutiny Performance Rights on issue:

Number of Mutiny Performance Rights to be issued	Holder	Exercise price	Vesting Conditions	Number of Mutiny Performance Rights permitted to vest under clause 4.7(a)(x)
20,000,000	Mr Anthony James (Mutiny Executive Director)	Nil	As set out in the Mutiny Disclosure Materials	9,650,000
5,000,000	Mr Rowan Johnston (Mutiny Executive Director)	Nil	As set out in the Mutiny Disclosure Materials	2,000,000



## Schedule 3

### Doray's capital structure

#### Shares

Doray has 165,834,256 Doray Shares on issue.

#### Doray options

Doray has the following unlisted options on issue:

Number of Doray unlisted options	Expiry Date	Exercise Price
1,250,000	4 February 2015	\$0.20
250,000	31 March 2015	\$1.20
175,000	31 October 2015	\$1.65
50,000	12 December 2015	\$2.03
100,000	5 December 2015	\$2.08
195,000	1 March 2016	\$2.00
150,000	28 February 2016	\$1.93
150,000	10 April 2016	\$1.79
1,743,800	20 November 2014	\$1.10
100,000	9 September 2017	\$1.03
3,490,413	19 December 2015	\$0.83

#### Doray performance rights

Doray has 116,626 performance rights (entitling the holder to acquire Doray Shares) which are subject to vesting conditions set out in the Doray Disclosure Materials.

## Schedule 4

### Agreed Announcement

28 October 2014

## **DORAY MINERALS AND MUTINY GOLD TO MERGE**

**Creating a Leading Mid-Tier, High-Grade WA Gold Company**

### **Highlights**

- Doray Minerals and Mutiny Gold to merge to form a leading mid-tier, high-grade Western Australian gold company with substantial growth prospects
- Doray to acquire Mutiny via a unanimously recommended off-market takeover offer with 1 new Doray share offered for every 9.5 Mutiny shares held
- Offer values Mutiny at 5.4 cents per share,<sup>1</sup> representing a:
  - 38% premium to the closing price of Mutiny shares on 20 October 2014
  - 49% premium to the 30 day VWAP of Mutiny shares <sup>2</sup>
  - 40% premium to the 60 day VWAP of Mutiny shares <sup>2</sup>
- Proposed merger creates a leading Western Australian mid-tier gold company with:
  - An attractive portfolio of complementary high-grade production, development and exploration assets in the highly prospective Murchison mining district
  - Forecast production of around 160,000oz AuEq per year across two high-grade, low-cost gold production centres from FY2016
  - Combined Mineral Resource base in excess of 1.0Moz Au at grade of 7.7g/t Au plus 27Kt Cu at grade of 0.9% Cu, anticipated to increase with further systematic exploration
  - Enhanced financial strength expected to optimise funding the development of Mutiny's Deflector project
  - Board and management with proven track record of delivering shareholder value through the successful discovery, development and operation of high-grade, narrow vein gold projects
  - Increased scale, market relevance and trading liquidity
- Mutiny security holders will hold up to 33% of the combined group (fully diluted), thereby:
  - Retaining a significant interest in the future upside of Deflector
  - Mitigating and diversifying current development risks, whilst gaining exposure to Doray's assets, balance sheet, cash flow and development expertise
  - Benefiting from the combined group's strong exploration, mine development and operational expertise, enhanced financial strength and ability to optimise exploration spend across an enlarged exploration portfolio
- Major Mutiny shareholders have entered into pre-bid acceptance agreements with Doray in respect of 18.68% of Mutiny shares on issue
- Mutiny Chairman, Mr Allan Brown, has been invited to join the board of the combined group

<sup>1</sup> Based on the 5-day volume weighted average price (VWAP) of Doray shares on ASX of 51 cents prior to and including 20 October 2014, the last full trading day prior to Mutiny requesting a halt to trading in Mutiny shares on ASX. The implied value of the Offer will change with fluctuations in the Doray share price.

<sup>2</sup> VWAP of Mutiny shares is calculated for the period up to the close of trading on the ASX on 20 October 2014, the last full trading day prior to Mutiny requesting a halt to trading in Mutiny shares on ASX.

**Doray Minerals Ltd** (ASX: DRM, Doray) and **Mutiny Gold Ltd** (ASX: MYG, Mutiny) are pleased to announce they have agreed to merge and have entered into a Bid Implementation Agreement (**BIA**) by which Doray will offer to acquire all of the issued ordinary shares and listed options in Mutiny via an off-market takeover offer (the **Offer**).

Under the Offer, Mutiny shareholders will receive 1 new Doray share for every 9.5 Mutiny shares held, valuing Mutiny at approximately A\$36 million or 5.4 cents per share,<sup>3</sup> representing a:

- 38% premium to Mutiny's closing share price of 3.9 cents on 20 October 2014
- 49% premium to the 30 day VWAP of Mutiny shares of 3.6 cents<sup>4</sup>
- 40% premium to the 60 day VWAP of Mutiny shares of 3.8 cents<sup>4</sup>.

Outstanding Mutiny listed options will be exchanged for listed options in Doray on comparable terms, taking into account the exchange ratio under the Offer.

The Board of Directors of Mutiny unanimously recommend to Mutiny shareholders and listed optionholders that they accept the Offer, in the absence of a superior proposal.

All of the Directors of Mutiny intend to accept, or procure the acceptance of, the Offer in respect of any Mutiny shares and listed options that they own or control, in the absence of a superior proposal.

### Strategic rationale for the transaction

The transaction will create a leading mid-tier, high-grade Western Australian gold producer, which is expected to fill a growing investment void in the ASX gold sector and provide an attractive investment proposition for existing and new shareholders.

Key benefits of the transaction include:

- The creation of a leading mid-tier gold company with an attractive and complementary portfolio of high-grade Western Australian production, development and exploration assets
- The combined group will have operational flexibility from two high-grade, low-cost production centres - Andy Well in the northern Murchison district and the Deflector project in the southern Murchison district of Western Australia – which combined are forecast to produce around 160,000oz AuEq per year from FY2016<sup>5</sup>
- The combined group will have a Mineral Resource base in excess of 1.0Moz Au at a grade of 7.7g/t Au plus 27Kt Cu at a grade of 0.9% Cu<sup>6</sup>
- Enhanced financial strength to optimise funding the development of Deflector, including an increased level of liquidity and exposure to a global and expanding retail and institutional investor base giving greater funding flexibility
- The ability to optimise the exploration spend across the combined group's highly prospective exploration portfolio
- Pro-forma market capitalisation of approximately A\$120 million (prior to any re-rate), increasing scale and market relevance of the combined group within the ASX gold sector<sup>7</sup>

<sup>3</sup> Based on the 5-day VWAP of Doray shares on ASX of 51 cents prior to and including 20 October 2014, the last full trading day prior to Mutiny requesting a halt to trading in Mutiny shares on ASX. The implied value of the Offer will change with fluctuations in the Doray share price.

<sup>4</sup> VWAP of Mutiny shares in the period up to the close of trading on the ASX on 20 October 2014, the last full trading day prior to Mutiny requesting a halt to trading in Mutiny shares on ASX.

<sup>5</sup> Pro-forma forecast gold production for the combined group has been based on the internal mine plans for Doray and Mutiny. Production forecasts are subject to risk factors associated with developing, mining and processing including, amongst others, variations in grade, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment, permit approvals, labour force disruptions, adverse weather conditions, geopolitical risks and landowner relations. Forecast gold production for the Deflector project is also subject to risks relating to the financing and development of that project.

<sup>6</sup> For further information, refer to Appendix 1.

<sup>7</sup> The pro-forma market capitalisation is calculated as the sum of the market capitalisation of Doray on 20 October 2014, the last full trading day prior to Mutiny requesting a halt to trading in Mutiny shares on ASX, and Mutiny at the implied offer price of 5.4 cents.

- A strong board and management team with significant depth of technical and corporate expertise and a track record of delivering shareholder value through the successful discovery, development and operation of high-grade, narrow vein gold projects

Doray Chairman, Mr Peter Alexander, said the strategic merit of the combination is clear.

“The complementary nature of the two companies’ projects and the exceptional organic growth profile of the combined business will be a strong value driver for shareholders of both Mutiny and Doray,” said Mr Alexander.

“This acquisition will diversify Doray’s existing production centre at Andy Well with a high quality, development ready asset in Deflector, which once in production should double Doray’s annual production,” he said.

“Doray’s interest in Mutiny was confirmed by the results from the recent ‘Mine Operators Review’ completed by the Mutiny management team under the leadership of Mutiny’s Managing Director, Mr Tony James, which validated and has significantly enhanced Deflector’s viability.”

“We also look forward to welcoming Mutiny’s Non-Executive Chairman, Allan Brown, to the board of the combined group as a Non-Executive Director, where his strong, long term understanding of the project will prove valuable.”

“Doray’s Board is confident that merging the assets of Doray and Mutiny, combined with the potential upside offered, places the combined group in a strong position to fill the growing investment void in the mid-tier ASX listed gold sector.”

Mutiny Chairman, Mr Allan Brown, said the transaction is compelling for Mutiny shareholders.

“In addition to a significant premium, the transaction provides Mutiny shareholders with the opportunity to become shareholders of a standout multi-mine, high-grade, gold-focused Western Australian mid-tier producer with strong growth prospects,” said Mr Brown.

“It allows our shareholders to continue to have a significant interest in the upside associated with the development of Deflector, while mitigating and diversifying the current development risks associated with being a single asset company,” he said.

“The Mutiny Board believes that this transaction is in the best interests of Mutiny and unanimously recommends it to our shareholders, in the absence of a superior proposal.”

## Transaction details

The Offer will be implemented by way of an off-market takeover offer under the Australian Corporations Act.

The Offer is subject to a number of conditions, including:

- 90% minimum acceptance
- no Mutiny Material Adverse Change (as defined in the BIA)
- other customary conditions.

Full details of the conditions to the Offer are set out in the BIA, which is being released to ASX at the same time as this announcement.

The Offer extends to any Mutiny shares that are issued as a result of the exercise of Mutiny options, or the vesting of any Mutiny performance rights held by Mutiny executives (subject to obtaining any necessary ASIC modifications), during the Offer period. A separate off-market takeover offer will be made in respect of the Mutiny listed options currently on issue, whereby Doray will offer 1 new Doray listed option for every 9.5 Mutiny listed options held, with the Doray listed options having an exercise

price of \$0.475 and expiry date of 15 August 2015. Further details of the offer for Mutiny listed options will be set out in Doray's Bidder's Statement. In addition, Doray intends to enter into private treaty arrangements with the holders of unlisted options in Mutiny to acquire their options.

Doray and Mutiny have agreed to a deal protection regime including no shop and no talk rights, a right to match any superior offer and payment of an agreed break fee of A\$360,000 by Mutiny to Doray in certain circumstances.

Further details about the Offer will be provided in the Doray Bidder's Statement and Mutiny Target's Statement which will be dispatched in the coming weeks.

### **Doray's intentions**

If the Offer is successful, Mutiny will become a wholly-owned subsidiary of Doray. In those circumstances, Doray intends to invite Mutiny Non-Executive Chairman, Mr Allan Brown, to join the Doray Board as a Non-Executive Director, which will continue to be chaired by Doray Non-Executive Chairman, Mr Peter Alexander.

Upon completion of the Offer, Doray intends to continue to pursue the necessary project development activities, including advancing financing solutions, required to progress the Deflector project to production as soon as possible.

Further details of Doray's intentions will be included in its Bidder's Statement.

### **Pre-bid acceptance agreements**

Doray has entered into pre-bid acceptance agreements with Ausdrill International Pty Ltd, Drake Private Investments, LLC and Sandstorm Gold Ltd in relation to 18.68% of the shares in Mutiny.

The full terms and conditions of the pre-bid acceptance agreements are attached to a Form 603 'Notice of Initial Substantial Holder' which is being released to ASX at the same time as this announcement.

### **Interim funding**

Doray has agreed to provide Mutiny with a \$3 million unsecured loan facility to assist Mutiny to fund early works in relation to the development of the Deflector project and to meet its working capital requirements during the Offer period. Interest is payable on amounts drawn down under the loan facility at 12% p.a. Any amounts advanced under the loan facility are repayable on the date that is 3 months after the close of the Offer, although there is an obligation to repay those amounts in full:

- (a) immediately if an event of default occurs under the facility agreement;
- (b) within 5 business days:
  - if a majority of Mutiny directors recommend a competing proposal (in which case Doray is also entitled to an amount equal to the interest foregone as a result of early repayment of the loan);
  - if any person (other than Doray) acquires voting power to more than 30% of Mutiny, or Doray otherwise terminates the BIA due to a material breach of that agreement by Mutiny;
  - if Mutiny raises an amount in cash exceeding \$1 million as a result of one or more issues of new equity, debt or hybrid securities;
- (c) if the BIA is terminated for reasons other than that set out above, within 3 months of the date of termination of the BIA.

As part of securing this interim funding, Mutiny has reached agreement to extend the repayment date of its existing US\$6 million loan owing to Sandstorm Gold Ltd to 16 October 2015.

## Timetable

It is expected that Doray's Bidder's Statement and Mutiny's Target's Statement, containing further information about the Offer, will be posted to Mutiny shareholders and listed optionholders in around mid-November 2014, with the Offer to open for acceptance around that time.

## Advisers

Gresham Advisory Partners is acting as financial adviser and Corrs Chambers Westgarth is acting as legal adviser to Doray.

Argonaut is acting as financial adviser and Minter Ellison is acting as legal adviser to Mutiny.

### For further information please contact:

<b>Doray Minerals Ltd</b>	<b>Advisor</b>	<b>Media</b>
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Further information about the companies is available on the Doray and Mutiny websites (see [www.dorayminerals.com.au](http://www.dorayminerals.com.au) and [www.mutinygold.com.au](http://www.mutinygold.com.au))

## About Doray Minerals Limited

Doray is Western Australia's newest high-grade gold producer. The company began mining its high-grade Wilber Lode deposit at the Andy Well Gold Project in the northern Murchison region of Western Australia in November 2012 and commenced gold production in August 2013, approximately 3.5 years after the initial discovery.

Doray has a strategic portfolio of gold exploration properties within Western Australia and South Australia and each presents multiple discovery opportunities. Doray's Board and management team have expertise in discovery, development and production.

## About Mutiny Gold Limited

Mutiny Gold is an emerging gold, copper and silver producer based in Western Australia. The company's core asset is the high-grade Deflector gold-copper-silver deposit located within the Gullewa Gold Project, in the southern Murchison region of Western Australia.

The company recently completed a "Mine Operator's Review" (MOR) of previously completed technical evaluations and feasibility studies using 2014 commodity prices and operating costs. The MOR resulted in a revision of the execution plan and the financial assumptions associated with building and operating the Project.

The Gullewa Project also provides various exploration opportunities as a result of a thin layer of transported regolith cover which overlies the prospective geology over a majority of the tenement package.

## Appendix 1

### Combined Doray / Mutiny Mineral Resource Inventory

	Tonnes	Grade Au (g/t)	Contained Ounces Au	Grade Cu (%)	Contained Tonnes Cu
Doray Mineral Resources	1,273,000	10.8	440,000	-	-
Mutiny Mineral Resources	2,865,000	6.4	591,000	0.9	27,000
<b>Total Resource</b>	<b>4,138,000</b>	<b>7.7</b>	<b>1,031,000</b>	<b>0.9</b>	<b>27,000</b>

Note: For a breakdown of the Mineral Resources as per JORC (2012), refer to the individual Competent Person's Statements and tables below.

### Doray Competent Person's Statement

The information in this announcement that relates to Doray's Mineral Resources or Ore Reserves is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by Doray of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this announcement regarding Doray's Mineral Resources or Ore Reserves has been extracted from the Doray ASX announcement dated 25 September 2014 and is available on the Doray website at [www.dorayminerals.com.au](http://www.dorayminerals.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au) (using ticker code DRM). Doray confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed. Doray confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### Doray Mineral Resource Inventory – 30 June 2014

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Andy Well - Wilber	89,000	23.2	67,000	369,000	15.1	179,000	203,000	10.5	68,000	662,000	14.8	314,000
Andy Well - Judy	-	-	-	405,000	7.6	99,000	206,000	4.1	27,000	611,000	6.4	126,000
<b>Total Resource</b>	<b>89,000</b>	<b>23.2</b>	<b>67,000</b>	<b>774,000</b>	<b>11.2</b>	<b>277,000</b>	<b>409,000</b>	<b>7.3</b>	<b>95,000</b>	<b>1,273,000</b>	<b>10.8</b>	<b>440,000</b>

Note: Wilber Lode reported above a 0.1g/t Au, Judy Lode reported above 0.0g/t Au. Upper cut-off grades vary, and are documented in previously announced JORC Tables (Wilber – ASX announcement on 25 September 2014; Judy - ASX announcement on 6 August 2014). Rounding errors may occur. All Mineral Resources are inclusive of those used to determine Ore Reserves.

### Doray Ore Reserve Inventory – 30 June 2014

	Proven			Probable			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Wilber – Open Pit Stage 2	-	-	-	28,000	15.3	14,000	28,000	15.3	14,000
Wilber - Underground	-	-	-	566,000	8.2	148,000	566,000	8.2	148,000
Judy - Underground	-	-	-	203,000	8.8	58,000	203,000	8.8	58,000
<b>Total Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>797,000</b>	<b>8.6</b>	<b>220,000</b>	<b>797,000</b>	<b>8.6</b>	<b>220,000</b>

Note: Open Pit Reserves are based on a nominal 1.4g/t Au lower cut-off grade. Rounding errors may occur. Wilber Reserve details can be found in ASX announcement on 25 September 2014. Judy Reserve details can be found in the ASX announcement on 6 August 2014.



### Mutiny Competent Person's Statement

The information in this announcement that relates to Mutiny's Mineral Resources or Ore Reserves is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by Mutiny of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this announcement regarding Mutiny's Mineral Resources or Ore Reserves has been extracted from the Mutiny ASX announcements dated 26 November 2012 and 4 August 2014 and are available on the Mutiny website at [www.mutinygold.com.au](http://www.mutinygold.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au) (using ticker code MYG). Mutiny confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed. Mutiny confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this announcement that relates to Mutiny's production targets has been extracted from the Mutiny ASX announcement dated 4 August 2014 and is available on the Mutiny website at [www.mutinygold.com.au](http://www.mutinygold.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au) (using ticker code "MYG"). Mutiny confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions underpinning the production target in that market announcement continue to apply and have not materially changed.

#### Deflector Mineral Resource Statement – ASX Release 26 November 2012

		Au	Au	Cu	Cu	Ag	Ag
Classification	Tonnes	(g/t)	(oz)	(%)	(t)	(g/t)	(oz)
Measured	1,164,000	6.0	223,000	1.5	17,000	10.9	407,000
Indicated	1,043,000	7.3	246,000	0.6	7,000	4.2	140,000
Measured & Indicated	2,207,000	6.6	468,000	1.1	24,000	7.7	547,000
Inferred	658,000	5.8	122,000	0.5	3,000	3.9	82,000
<b>Totals</b>	<b>2,865,000</b>	<b>6.4</b>	<b>591,000</b>	<b>0.9</b>	<b>27,000</b>	<b>6.8</b>	<b>628,000</b>

#### Deflector Total Ore Reserve – ASX Release 4 August 2014

		Au	Au	Cu	Cu	Ag	Ag
Classification	Tonnes	(g/t)	(oz)	(%)	(t)	(g/t)	(oz)
Proven	908,000	5.3	153,000	1.3	11,000	9.4	274,000
Probable	873,000	6.0	168,000	0.5	4,000	3.1	86,000
<b>Totals</b>	<b>1,781,000</b>	<b>5.6</b>	<b>322,000</b>	<b>0.9</b>	<b>16,000</b>	<b>6.3</b>	<b>360,000</b>

#### Deflector LoM Production Inventory – ASX Release 4 August 2014

		Au	Au	Cu	Cu	Ag	Ag
Classification	Tonnes	(g/t)	(oz)	(%)	(t)	(g/t)	(oz)
Measured	903,000	5.4	157,000	1.3	12,000	9.6	279,000
Indicated	875,000	6.3	178,000	0.5	4,000	3.2	91,000
Inferred	470,000	5.0	76,000	0.4	2,000	3.0	45,000
<b>Totals</b>	<b>2,248,000</b>	<b>5.7</b>	<b>411,000</b>	<b>0.8</b>	<b>18,000</b>	<b>5.7</b>	<b>415,000</b>

Note: Figures are nearest to 10,000 tonnes, 0.1g/t, and 1,000 ounces. Rounding errors may occur

Gold equivalent oz per tonne (AuEq oz/t) calculation basis

The AuEq ounces are based on the following formula:

$$\text{AuEq (in situ)} = ((\text{Au oz's in situ} \times \$/\text{ozAu}) + (\text{Ag oz's in situ} \times \$/\text{ozAg}) + (\text{Cu t in situ} \times \$/\text{tCu})) / \$/\text{oz Au}$$

$$\text{AuEq (payable)} = ((\text{Au oz's payable} \times \$/\text{ozAu}) + (\text{Ag oz's payable} \times \$/\text{ozAg}) + (\text{Cu t payable} \times \$/\text{tCu})) / \$/\text{oz Au}$$

$$\text{Ounces au eq} \times 31.1/\text{t} = \text{au eq g/t}$$

Where the gold price is USD\$1,300 per ounce, silver price is USD\$20 per ounce and the copper price is \$USD6,660 per tonne using an AUD:USD currency exchange rate of 0.93:1. These metal prices are based on spot prices in June 2014 from Kitco and London Metal Exchange websites.

The 0.89 factor (Gold), 0.80 factor (silver) and 0.85 factor (copper) are based on weighted average metallurgical recoveries for all material types (oxide, transitional and primary ore) and products (gravity, concentrate and float tail leach) achieved in test work by SGS Perth announced by Mutiny on December 13th 2011. Smelter recoveries of 0.95 for gold, 0.90 for silver and 0.965 for copper are also factored based on a commercially sensitive draft bid for Deflector Concentrate Products.

Metal equivalent grades are based on the Life of Mine Inventory (LoM), which includes Proven and Probable Ore Reserves and Inferred Resources. There is a low level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources (or Ore Reserves), or that the production target itself will be realised. It is the company's opinion that the gold, silver and copper metals used in the metal equivalent calculation have reasonable potential for recovery and sale based on metallurgical recoveries in test work noted above. There are a number of well established processing routes for deposits of this and sales of the resulting product as bullion and concentrate.

**Disclaimers and forward looking statements**

This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Doray and Mutiny and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward looking statements. The past performance of Doray or Mutiny is no guarantee of future performance.

None of Doray, Mutiny or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

## Execution

**Executed** as an agreement.

**Executed by Doray Minerals Limited** )  
ABN 48 138 978 631: )

.....  
Company Secretary/Director

IAN GARRETT  
.....  
Name of Company Secretary/Director  
(print)

.....  
Director

Allan Kelly  
.....  
Name of Director (print)

**Executed by Mutiny Gold Limited** )  
ABN 72 101 224 999: )

.....  
Company Secretary/Director

.....  
Name of Company Secretary/Director  
(print)

.....  
Director

.....  
Name of Director (print)

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**Executed by Mutiny Gold Limited** )  
ABN 72 101 224 999: )

.....  
Company Secretary/Director

.....  
Director

.....  
ROMAN JOHNSON  
Name of Company Secretary/Director  
(print)

.....  
ANTHONY (TONY) JAMES  
Name of Director (print)

 