

KING & WOOD MALLESONS

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www.kwm.com

11 November 2014

Mungana Goldmines Ltd
Level 12
500 Queen Street
Brisbane QLD 4000
Attention: Company Secretary

By Fax: (07) 3832 5045

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

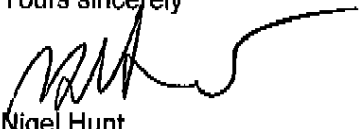
By Fax: 1300 135 638

Dear Sir

Mungana Goldmines Ltd (ASX:MUX): Notice of change of interest of substantial holder - ASIC Form 604

Pursuant to section 671B of the *Corporations Act 2001* (Cwth), please find enclosed notice of change of interests of substantial holder in Mungana Goldmines Ltd, issued by Kagara Ltd (in liquidation) and its related entities, on ASIC Form 604.

Yours sincerely



Nigel Hunt
Partner
T +61 8 9269 7080
M +61 419 818 819
nigel.hunt@au.kwm.com

Encl 1

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Mungana Goldmines Ltd ("MUX")

ACN/ARSN ACN 136 606 338

1. Details of substantial holder (1)

Name Kagara Ltd (in liquidation) ("KZL") and its related entities listed in Annexure A ("Associates")

ACN/ARSN (if applicable) ACN 008 980 583

There was a change in the interests of the substantial holder on

7/11/2014

The previous notice was given to the company on

14/06/2010

The previous notice was dated

14/06/2010

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's vote	Voting power (5)	Person's vote	Voting power (5)
Ordinary Fully Paid Shares	97,546,942	62.1%	173,830,175	72.16%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
7/11/14	Kagara Ltd (in liquidation)	Pursuant to a Convertible Note Deed Poll dated 31 July 2014 between MUX, KZL and Mungana Pty Ltd (ACN 101 738 096) ("MPL") ("CN Deed Poll"), KZL was on 7 November 2010 issued 27,594,188 fully paid ordinary shares in MUX ("KZL Shares") upon the conversion of convertible notes ("KZL Notes") issued to KZL pursuant to the CN Deed Poll – see Annexure B for terms of the CN Deed Poll.	The KZL Notes, and subsequently the KZL Shares, were issued as part consideration for the sale by KZL and the purchase by MUX of assets relating to the Northern Chillagoe Project. See MUX announcements for details.	Together with MPL (a wholly-owned subsidiary of KZL), KZL has obtained an interest in an additional 76,283,233 ordinary fully paid shares in MUX, which brings KZL's total interest in MUX to 173,830,175 ordinary fully paid shares.	Together with MPL (a wholly-owned subsidiary of KZL), KZL has a voting interest in MUX of 72.16%.
7/11/14	Mungana Pty Ltd (in liquidation)	Pursuant to the CN Deed Poll, MPL was on 7 November 2010 issued 48,689,045 fully paid ordinary shares in MUX ("MPL Shares") upon the conversion of convertible notes ("MPL Notes") issued to MPL pursuant	The MPL Notes, and subsequently the MPL Shares, were issued as part consideration for the sale by MPL and the purchase by MUX of assets relating to the Northern Chillagoe Project. See MUX	Together with KZL (of which MPL is a wholly-owned subsidiary), MPL has obtained an interest in an additional 76,283,233	Together with KZL (of which MPL is a wholly-owned subsidiary), MPL has a voting interest in MUX of 72.16%.

		to the CN Deed Poll – see Annexure B for terms of the CN Deed Poll.	announcements for details.	ordinary fully paid shares in MUX, which brings MPL's total interest in MUX to 173,830,175 ordinary fully paid shares.	
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4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (8)	Class and number of securities	Person's votes
Kagara Ltd (in liquidation)	Mungana Pty Ltd (in liquidation)	Mungana Pty Ltd (in liquidation)	Issue of shares pursuant to the conversion of convertible notes held by KZL issued by MUX.	KZL's total interest in MUX is 173,830,175 ordinary fully paid shares.	Together with MPL (a wholly-owned subsidiary of KZL), KZL has a voting interest in MUX of 72.16%.
Kagara Ltd (in liquidation)	Kagara Ltd (in liquidation)	Kagara Ltd (in liquidation)	Issue of shares pursuant to the conversion of convertible notes held by KZL issued by MUX.	MPL's total interest in MUX is 173,830,175 ordinary fully paid shares.	Together with KZL (of which MPL is a wholly-owned subsidiary), MPL has a voting interest in MUX of 72.16%.

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A


6. Addressee

The addresses of persons named in this form are as follows:

Name	Address
Kagara Ltd (In liquidation) ACN 008 988 583	c/- FTI Consulting, Level 6, 30 The Esplanade, Perth, WA 6000
Associates	See Annexure A

Signature

print name Michael Ryan capacity Joint & Several Liquidator

sign here  date 10/11/2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

KAGARA LTD (in liquidation)

ACN 008 988 583

'ANNEXURE A'

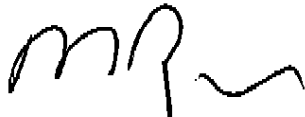
This page is Annexure A referred to in Form 604: Notice of change of interests of substantial holder.

This page contains a list of associates and related body corporates of Kagara Ltd. Each of these entities, except Mungana Goldmines Ltd, may be contacted at c/- FTI Consulting, level 6, 30 The Esplanade, Perth, WA 6000. Mungana Goldmines Ltd may be contacted at level 12, 500 Queen Street, Brisbane, Queensland, 4000.

Kagara Ltd associates	Entity holding the investment	Ownership Interest (%)
Mungana Pty Ltd	Kagara Ltd	100
Kagara Copper Pty Ltd	Kagara Ltd	100
Einasleigh Mining Pty Ltd	Kagara Ltd	100
Mungana Goldmines Ltd	Mungana Pty Ltd and Kagara Ltd	72.16%

Name: *Michael Ryan*

Signature



Capacity: *Joint & Several liquidator*

Date: *10/11/2014*

KAGARA LTD (in liquidation)

ACN 008 988 583

'ANNEXURE B'

This and the following 60 pages is Annexure 'B' referred to in Form 604: Notice of change of interests of substantial holder.

This annexure contains the Convertible Note Deed Poll dated 31 July 2014 between Mungana Goldmines Limited, Kagara Ltd and Mungana Pty Ltd being the relevant agreement pursuant to section 671B(4) of the Corporations Act 2001.

Name: *Michael Ryan*

Signature 

Capacity *Joint & Several Liquidator*

Date *10/11/2014*

KING & WOOD
MALLESONS

Convertible Note Deed Poll

Dated 31 July 2014

Given by Mungana Goldmines Ltd (ABN 15 136 606 338) (Issuer)

In favour of each "Noteholder" (as defined in the Convertible Note
Conditions set out in Schedule 1)

King & Wood Mallesons
Level 30
QV.1 Building
250 St Georges Terrace
Perth WA 6000
Australia
T +61 8 9269 7000
F +61 8 9269 7999
DX 210 Perth
www.kwm.com
MJC:AVF:NRH:09-5505-6723

Convertible Note Deed Poll

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Convertible Note Deed Poll

Details

Parties		Issuer
Issuer	Name	Mungana Goldmines Ltd
	ABN	15 136 606 338
	Address	Level 12, 500 Queen Street Brisbane QLD 4000
	Telephone	(07) 3835 0808
	Email	ben-louis@mungana.com.au
	Attention	Ben-Louis Ludik
In favour of		Noteholders
Recitals	A	The Issuer proposes to issue Convertible Notes, to be governed by the terms set out in this deed poll.
	B	The Convertible Notes will be issued in registered form by entry into the Convertible Note Register.
Governing law and Jurisdiction	Queensland	
Maturity Date	Five years from the Issue Date	
Interest Rate	7.5% per annum	
Default Interest Rate	18% per annum	
Date of deed	See Signing page	

Convertible Note Deed Poll

General terms

1 Definitions and Interpretation

1.1 Definitions

In this deed poll (unless the context otherwise requires):

- (a) **Convertible Note Conditions** means the terms and conditions set out in schedule 1 (including the annexure to that schedule 1);
- (b) a reference to this deed poll includes the Convertible Note Conditions; and
- (c) all other words and phrases used in this deed poll have the meaning given to them in the Convertible Note Conditions.

1.2 Interpretation

Unless the contrary intention appears, a reference in this deed poll to:

- (a) **(variations or replacement)** a document (including this deed poll) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this deed poll;
- (c) **(statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association or any Government Agency;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (i) **(individual liability)** an agreement, representation or warranty by two or more persons binds them individually only;

- (j) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (k) **(dollars)** Australian dollars, dollars, A\$ or "\$" is a reference to the lawful currency of Australia;
- (l) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (m) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (n) **(meaning not limited)** the words "include", "including", "for example", or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (o) **(time of day)** time is a reference to Brisbane time; and
- (p) **(reference to any thing)** any thing (including any amount) is a reference to the whole and each part of it; and
- (q) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia.

1.3 Next day

If an act under this deed poll to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.

1.4 Next Business Day

If an event under this deed poll must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed poll.

2 Convertible Notes

- (a) Any Convertible Notes issued under this deed poll will be subject to the provisions of this deed poll.
- (a) The Issuer undertakes with each Noteholder to comply with the terms of this deed poll.

3 Rights and obligations

3.1 Benefit and entitlement

This deed is executed as a deed poll. Accordingly, each Noteholder and, to the extent specified in this deed poll, the Security Trustee, has the benefit of, and is

entitled to enforce, this deed poll even though it is not a party to, or is not in existence at the time of execution and delivery of, this deed poll.

3.2 Noteholder bound

The Convertible Notes are issued subject to and on the basis that the Noteholder is taken to have notice of, and be bound by, all the provisions of this deed poll.

4 Convertible Note Certificates

4.1 Issue of Convertible Note Certificate

The Issuer must issue a Convertible Note Certificate to each person who is:

- (a) issued a Convertible Note, within ten Business Days after the Issue Date of that Convertible Note; and
- (b) registered in the Convertible Note Register as the holder of a Convertible Note, within five Business Days after the day on which the Issuer registers a valid Transfer Form.

4.2 Replacement of Convertible Note Certificates

If any Convertible Note Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the registered office of the Issuer upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, indemnity and security as the Issuer may reasonably require.

Mutilated or defaced Convertible Note Certificates must be surrendered before replacements will be issued.

4.3 Validity of issue or transfer

All Convertible Notes in respect of which an entry has been made in the Register in accordance with the Convertible Note Conditions will, as between:

- (a) the relevant Noteholder and the Issuer;
- (b) the relevant Noteholder and any liquidator of the Issuer; and
- (c) the relevant Noteholder and all other Noteholders,

be deemed to have been validly issued or transferred under this deed poll.

5 Alteration of deed poll

At any time the Issuer may amend, add or delete any of the terms of this deed poll, if:

- (a) the Issuer (acting reasonably) determines that the alteration, amendment, addition or deletion is:
 - (i) of a formal or technical nature;
 - (ii) made to correct a manifest error; or

- (iii) necessary to comply with the provisions of any statute or the requirements of any statutory authority; or
- (b) the amendment, addition or deletion is approved by an Extraordinary Resolution.

6 Discharge and release

The Issuer is immediately discharged and released from its liabilities, obligations and undertakings under this deed poll in respect of any Convertible Note on the first to occur of the following:

- (a) the Convertible Note is converted in accordance with the Convertible Note Conditions;
- (b) the Convertible Note is redeemed in accordance with the Convertible Note Conditions; and
- (c) the Convertible Note is bought-back or repurchased by the Issuer on terms to be agreed between the Issuer and the relevant Noteholder(s).

7 Warranties

The Issuer warrants that:

- (a) **(corporate existence)** it is duly registered and validly existing under the laws of its place of incorporation;
- (b) **(power and authority)** it has full power and authority to enter into and perform its obligations under this deed poll and carry out the transactions contemplated by this deed poll;
- (c) **(execution authorised)** it has taken all necessary action to authorise the execution and delivery and the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) **(no breach)** the execution, delivery and performance of this deed poll does not violate, breach or result in a contravention of:
 - (i) any law by which it is bound;
 - (ii) any authorisation, ruling, judgment, order or decree of any Government Agency;
 - (iii) its constitutional documents; or
 - (iv) any Encumbrance by which it is bound;
- (e) **(binding nature)** this deed poll constitutes its legal, valid and binding obligations enforceable in accordance with its terms;
- (f) **(benefit)** it benefits by entering into this deed poll;
- (g) **(solvency)** there are no reasonable grounds to suspect that it or any of its Subsidiaries is unable to pay its debts as and when they become due and payable; and

- (h) (trustee) unless stated in the Details, It does not enter into this deed poll as trustee.

8 Notices

8.1 Form

All notices or other communications in respect of this deed poll must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an authorised officer of the sender; and
- (c) marked for the attention of the person identified in the Details (if sent to the Issuer) or the person identified in the Convertible Note Register (if sent to a Noteholder) or, if the recipient has notified otherwise, then marked for attention in the way last notified.

8.2 Delivery

Communications must be:

- (a) left at the address set out or referred to;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to; or
- (c) sent by fax to the fax number set out or referred to,

in the Details (if sent to the Issuer) or the person identified in the Convertible Note Register (if sent to a Noteholder) or given in any other way permitted by law.

However, if the intended recipient has notified (in accordance with this clause 8) a changed address, fax number or email address, then communications must be to that address, fax number or email address.

8.3 When effective

Communications take effect from the time they are received or taken to be received under clause 8.4 (whichever happens first) unless a later time is specified.

8.4 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another);
- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent.

8.5 Receipt outside business hours

Despite clauses 8.3 and 8.4, if communications are received or taken to be received under clause 8.4 after 5.00pm in the place of receipt or on a non-

Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

9 General

9.1 Custody of deed poll

The Issuer must hold the original executed counterpart of this deed poll at the registered office of the Issuer, or in any other place selected by the Issuer from time to time.

9.2 Waiver of rights

Subject to the Security Trust Deed, a right of a Noteholder may only be waived in writing, signed by the Noteholder, and:

- (a) no other conduct of the Noteholder (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

9.3 Severability

If the whole or any part of a provision of this deed poll is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this deed poll has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this deed poll or is contrary to public policy.

9.4 Remedies cumulative

The rights and remedies provided in this deed poll are in addition to other rights and remedies given by law independently of this deed poll.

9.5 Rights independent

Subject to the Security Trust Deed, each Noteholder may enforce its rights under this deed poll independently from each other Noteholder and any other person.

9.6 Assignment or novation

- (a) The Issuer may only assign or novate all or any of its rights, benefits and obligations under this deed poll by approval of an Extraordinary Resolution of Noteholders.
- (b) Each Noteholder may only assign or novate all or any of its rights and benefits under this deed poll on the same terms and subject to the same conditions as apply to the transfer of a Convertible Note as set out in the Convertible Note Conditions.

9.7 Stamp duty

All stamp duty (including fines and penalties) payable and assessed by legislation or by any revenue office on this deed poll, any instruments entered

into under this deed poll (other than a Transfer Form), and in respect of a transaction effected by or made under this deed poll (not including a transfer of Convertible Notes), must be paid by the Issuer.

10 Governing law and jurisdiction

10.1 Governing law

This deed poll is governed by the law in force in the place specified in the Details.

10.2 Jurisdiction

The Issuer submits to the non-exclusive jurisdiction of the court of the place specified in the Details and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts, including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

EXECUTED as a deed poll

Convertible Note Deed Poll

Schedule 1 - Convertible Note Conditions

1 Definitions

In these Convertible Note Conditions, these meanings apply unless the contrary intention appears:

Asset Sale Agreement means the agreement for sale of assets dated 18 February 2014 between the Issuer, KZL, MPL and Michael Ryan, Mark Englebert, Stefan Dopking and Quentin Olde, all of FTI Consulting, as joint and several liquidators of each of KZL and MPL.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules or Listing Rules means the official listing rules of ASX as waived or modified from time to time.

ASX Operating Rules means the official operating rules of ASX as waived or modified from time to time.

ASX Settlement Operating Rules means the official settlement operation rules of ASX as waived or modified from time to time.

Automatic Conversion Date means, in relation to a Tranche A Note, the date falling five Business Days after the Old Stamp Duty Liability and any Duty payable by the Issuer under clause 24.2(a) ("Duty and other fees") of the Asset Sale Agreement are both fully discharged.

Beneficiary has the meaning it has in the Security Trust Deed.

Business Day means a day other than a Saturday, Sunday or public holiday in Brisbane, Queensland or Perth, Western Australia.

Chairperson means the chairperson appointed at any meeting of Noteholders in accordance with schedule 5.

Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Collateral has the meaning given to it in the General Security Agreement.

Condition means a condition of these Convertible Note Conditions.

Control of a corporation includes the direct or indirect power to directly or indirectly:

- (a) direct the management or policies of the corporation; or
- (b) control the membership of the board of directors,

whether or not the power has statutory, legal or equitable force or is based on statutory, legal or equitable rights and whether or not it arises by means of trusts, agreements, arrangements, understandings, practices, the ownership of any interest in shares or stock of the corporation or otherwise.

Controller has the meaning it has in the Corporations Act.

Conversion means, in relation to a Convertible Note, the conversion into Ordinary Shares as described in Condition 7 and **Convert** and **Converted** have corresponding meanings.

Conversion Date means:

- (a) in relation to a Convertible Note that is to be Converted as a result of a Conversion Notice being issued, the date nominated for Conversion in that Conversion Notice; and
- (b) in relation to a Convertible Note that is to be Converted on the Automatic Conversion Date, the Automatic Conversion Date.

Conversion Notice means a written notice in the form set out in schedule 4 or otherwise in a form reasonably acceptable to the Issuer.

Conversion Shares has the meaning given in Condition 7.5(d)(i).

Convertible Note means a Tranche A Note or Tranche B Note.

Convertible Note Certificate means a certificate evidencing a holding of Convertible Notes, substantially in the form set out in schedule 2.

Convertible Note Document means:

- (a) this document;
- (b) the Security Trust Deed and any document described as a "Security Document" in the Security Trust Deed;
- (c) the General Security Agreement;
- (d) the Featherweight Security Agreement;
- (e) any document which the Issuer and the Noteholder agree in writing is a Convertible Note Document for the purposes of this definition; and
- (f) any document entered into for the purpose of varying, novating, supplementing, extending, replacing or restating any of the above.

Convertible Note Register means the register of Noteholders maintained by the Issuer.

Converting Noteholder means:

- (a) a Noteholder that has given a Conversion Notice; or
- (b) a Noteholder whose Convertible Notes are to be automatically converted on the Automatic Conversion Date under Condition 7.1.

Corporations Act means the Corporations Act 2001 (Cwlth).

Daily Rate is calculated using the following formula:

$$\text{Daily Rate} = \frac{\text{Interest Rate}}{365}$$

Default Daily Rate is calculated using the following formula:

$$\text{Default Daily Rate} = \frac{\text{Default Interest Rate}}{365}$$

Default Interest Rate has the meaning given in the Details.

Details means the section of this deed poll headed "Details".

Determined by an Expert has the meaning it has in the Annexure to this Schedule 1.

Duty has the meaning it has in the Asset Sale Agreement.

Encumbrance means any:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the PPSA;
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off;
- (c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or
- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

Event of Default means an event so described in Condition 10.1.

Extraordinary Majority Beneficiaries has the meaning it has in the Security Trust Deed.

Expert has the meaning it has in the Annexure to this Schedule 1.

Extraordinary Resolution means:

- (a) a resolution in writing signed by Noteholders holding Convertible Notes representing at least 75% of the total Face Value of all Convertible Notes at the relevant time (and the resolution in writing may be contained in one document or in several documents in like form, each signed by one or more Noteholders); or
- (b) a resolution passed at a meeting of Noteholders duly convened and held in accordance with schedule 5 and carried by at least 75% of the persons voting at the meeting on a show of hands or if a poll is duly demanded then by or on behalf of Noteholders holding at least 75% of the total Face Value of all Convertible Notes held by the Noteholders who are present and vote at the meeting, whether in person, by attorney, by proxy or by representative.

Face Value means, in relation to a Convertible Note, the principal owing by the Issuer to the Noteholder on that Convertible Note, being the amount set out in the Convertible Note Register in respect of that Convertible Note, as adjusted from time to time pursuant to these Convertible Note Conditions.

Featherweight Security Agreement means the featherweight security agreement dated on or about the date of this deed poll between the Issuer and the Security Trustee.

General Security Agreement means the general security agreement dated on or about the date of this deed poll between the Issuer and the Security Trustee.

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

A person is **Insolvent** if:

- (a) It is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) It is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its assets;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute, or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Noteholder);
- (d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, or any other action taken, in each case in connection with that person, in respect of any of (a), (b) or (c) above;
- (e) It is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) It is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Security Trustee reasonably deduces it is so subject);
- (g) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction; or
- (h) it is otherwise unable to pay its debts when they fall due.

Interest has the meaning given in Condition 5.1.

Interest Payment Date means the earlier of:

- (a) 30 June;
- (b) the Conversion Date; or
- (c) the Redemption Date.

Interest Rate has the meaning given in the Details.

Issue Date means the date of Completion (as that term is defined in the Asset Sale Agreement) or any other date of Issue of a Convertible Note.

KZL means Kagara Ltd (in liquidation) ABN 36 008 988 583.

Material Adverse Effect means a material adverse effect on:

- (a) the ability of the Issuer and its Subsidiaries (taken as a whole) to comply with its obligations under the Convertible Note Documents;
- (b) the rights and remedies of the Noteholder under the Convertible Note Documents;
- (c) the business, operation, property, condition (financial or otherwise), cashflows or prospects of the Issuer and its Subsidiaries (taken as a whole);
- (d) the effectiveness or priority of any Encumbrance granted by the Issuer in connection with any Convertible Note Document or the value of the Collateral; or
- (e) the validity or enforceability of any Convertible Note Document.

Maturity Date has the meaning given to it in the Details.

MPL means Mungana Pty Ltd (in liquidation) ABN 67 101 738 098.

Noteholder means the holder of a Convertible Note Issued under this deed poll from time to time, being:

- (a) as at the date of this deed poll, KZL and MPL (each an **Initial Holder**); or
- (b) a person to whom an Initial Holder (or a transferee of an Initial Holder) sells, assigns or otherwise transfers a Convertible Note in accordance with Condition 8.1.

Old Stamp Duty Liability has the meaning given to it in the Asset Sale Agreement.

Ordinary Share means an ordinary share in the capital of the Issuer.

Outstanding Amount means, in respect of a Convertible Note, the Face Value of the Convertible Note, plus any unpaid capitalised interest from time to time payable by the Issuer in respect of the Convertible Note under this deed poll.

Payout Amount means, in respect of a Convertible Note, the Outstanding Amount of the Convertible Note plus any unpaid accrued interest on that Convertible Note which has not been capitalised from time to time in respect of the Convertible Note under this deed poll.

Permitted Encumbrance means:

- (a) a lien or right of set off that arises by operation of law in the ordinary course of business, where the amount secured or amount in respect of which the right of set off arises is not overdue nor is being diligently contested in good faith;
- (b) an Encumbrance provided for by one of the following transactions if the transaction does not secure payment or performance of an obligation:
 - (i) a transfer of an account or chattel paper in respect of which the Issuer is the transferor;

- (ii) a commercial consignment in respect of which the Issuer is the consignee; or
- (iii) a PPS lease in respect of which the Grantor is the lessee,
(where account, chattel paper, commercial consignment, PPS lease have the meanings they have in the PPSA); or
- (c) any contractual right of set-off pursuant to a Contract, other than the GRA (both as defined in the Asset Sale Agreement);
- (d) any Encumbrance granted by the Issuer over the Third Party Assets (as defined in the Asset Sale Agreement);
- (e) any Encumbrance granted by the Issuer in favour of the Noteholders or any Beneficiary;
- (f) any Encumbrance existing over the Assets (as defined in the Asset Sale Agreement) at Completion (as defined in the Asset Sale Agreement); or
- (g) any Encumbrance in respect of which the Noteholder has provided its written consent (acting reasonably).

PPSA means the Personal Property Securities Act 2009 (Cwth).

Quarter means a period of three consecutive months from 1 January, 1 April, 1 July or 1 October.

Redeem means redemption in accordance with Condition 6, and **Redeemed** and **Redemption** have corresponding meanings.

Redemption Date means the day on which Convertible Notes are Redeemed in accordance with Condition 6.

Registrar means the person appointed under Condition 4.1(b).

Security Document means each of:

- (a) the General Security Agreement; and
- (b) the Featherweight Security Agreement.

Security Trust Deed means the Mungana Convertible Note Security Trust Deed dated on or around the date of this deed poll between the Issuer, KZL and MPL as the Initial Noteholders and KZL in its capacity as security trustee of the Mungana Convertible Note Security Trust.

Security Trustee means the security trustee of the Mungana Convertible Note Security Trust from time to time, which is KZL as at the date of this agreement.

Shareholder means the person in whose name an Ordinary Share is for the time being registered in the register of Ordinary Share ownership maintained by or on behalf of the Issuer.

Subsidiary has the meaning given to it in the Corporations Act.

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of a Noteholder.

Tranche A Conversion Price means \$0.10, as adjusted in accordance with Condition 7.4.

Tranche B Conversion Price means \$0.20, as adjusted in accordance with Condition 7.4.

Tranche A Conversion Ratio means, in respect of a Tranche A Note, the number of Ordinary Shares per Convertible Note, calculated according to the following formula:

$$\text{Number of Ordinary Shares} = \frac{\text{Payout Amount}}{\text{Tranche A Conversion Price}}$$

Tranche B Conversion Ratio means, in respect of a Tranche B Note, the number of Ordinary Shares per Convertible Note, calculated according to the following formula:

$$\text{Number of Ordinary Shares} = \frac{\text{Payout Amount}}{\text{Tranche B Conversion Price}}$$

Tranche A Note means a convertible note of the Issuer with the Tranche A Conversion Price being subject to this deed poll and issued in accordance with the Asset Sale Agreement.

Tranche B Note means a convertible note of the Issuer with the Tranche B Conversion Price being subject to this deed poll and issued in accordance with the Asset Sale Agreement.

Transfer Form means a form evidencing the transfer of Convertible Notes, being substantially in the form set out in schedule 3 or in any other form approved by the Issuer.

2 General Terms of Issue

2.1 General terms

Each Convertible Note:

- (a) subject to Condition 2.2, has the Face Value specified for it in the Convertible Note Register;
- (b) bears interest as set out in Condition 5;
- (c) is redeemable in accordance with Condition 6;
- (d) is convertible into Ordinary Shares in accordance with Condition 7;
- (e) is transferrable in accordance with Condition 8; and
- (f) entitles its holder to the rights set out in, and is otherwise subject to, these Convertible Note Conditions.

2.2 Face Value adjustment

The Face Value of each Convertible Note may be adjusted from time to time in the circumstances and in the manner set out in these Convertible Note Conditions. Those adjustments are cumulative so that if more than one adjustment is made, the new Face Value following the first adjustment is to be

used as a starting Face Value for the second adjustment and so on for each subsequent adjustment.

2.3 Initial Face Value

Notwithstanding Condition 2.2, the Face Value of each and every Convertible Note is Initially the amount specified on its Convertible Note Certificate.

2.4 No shareholder rights

Subject to law, a Convertible Note does not, prior to Conversion, confer on a Noteholder any:

- (a) beneficial entitlement to, or interest in, any Ordinary Share or any share in any Subsidiary of the Issuer; or
- (b) right to vote at a meeting of members of the Issuer.

2.5 Property in Convertible Notes

The property in the Convertible Notes in respect of which any Convertible Note Certificate is issued is to be regarded, for all purposes, as located where the Convertible Note Register is located.

The holding of a Convertible Note does not confer on the relevant Noteholder any proprietary interest in any asset or cash flow of the Issuer.

3 Security and ranking

- (a) Prior to each Noteholder being satisfied that the Old Stamp Duty Liability and any Duty payable by Buyer under clause 24.2(a) ("Duty and other fees") of the Asset Sale Agreement have been fully discharged, the Convertible Notes are secured on the terms set out in the General Security Agreement and the Featherweight Security Agreement.
- (b) The security interest in the Collateral and the Featherweight Collateral granted to the Security Trustee under each Security Document and referred to in Condition 3(a) is held on trust for each Noteholder (and each other Beneficiary from time to time) on the terms set out in the Security Trust Deed.
- (c) The Convertible Notes:
 - (i) will rank equally and without any preference or priority among themselves, notwithstanding that they may be issued or entered into the Convertible Note Register at different times, except to the extent that differing rights arise in accordance with these Convertible Note Conditions because of any adjustment to the Tranche A Conversion Ratio or Tranche B Conversion Ratio in respect of some but not all of the Convertible Notes; and
 - (ii) rank in priority to Ordinary Shares.

4 Convertible Note Register

4.1 Establishment of Convertible Note Register

The Issuer must:

- (a) establish and maintain a Convertible Note Register in accordance with this Condition 4; and
- (b) act as Registrar of the Convertible Note Register at all times while Convertible Notes are on issue.

The Issuer must keep the Convertible Note Register at its registered office, or in any other place selected by the Issuer.

4.2 Entry In Convertible Note Register

The Issuer must ensure that the following information is included in the Convertible Note Register in respect of a Convertible Note:

- (a) the name and address of its Noteholder;
- (b) its date of issue;
- (c) its Maturity Date;
- (d) the applicable Interest Rate and Default Interest Rate;
- (e) its Face Value and, if different, its Outstanding Amount current on the first day of each Quarter;
- (f) the payment instructions (if any) notified by its Noteholder;
- (g) details of any Redemption of the Convertible Note; and
- (h) details of any Conversion of the Convertible Note.

4.3 Inspection of Register

The Registrar must permit each Noteholder to inspect the Convertible Note Register:

- (a) on reasonable notice; and
- (b) during normal business hours in the place where the Convertible Note Register is kept.

4.4 Register conclusive evidence

- (a) Entries in the Convertible Note Register in relation to a Convertible Note constitute conclusive evidence that the person entered as the Noteholder is the owner of that Convertible Note, subject to correction for fraud or error. Except as required or permitted by law, the Issuer must treat the person entered on the Convertible Note Register as the absolute owner of that Convertible Note.
- (b) Neither the Issuer nor the Noteholder, except as ordered by a court or as required by law, is obliged to take notice of any claim to a Convertible Note by a person other than its Noteholder.

5 Interest

5.1 Accrual

- (a) From the Issue Date, interest accrues daily on the Outstanding Amount in respect of each Convertible Note at the Daily Rate and compounds on the last day of each Quarter.
- (b) The Issuer agrees to pay each Noteholder (in respect of its Convertible Notes) all accrued and capitalised interest in arrears on each Interest Payment Date (Interest).

5.2 Default Interest Rate

If an Event of Default is subsisting, then, from the time at which the relevant Event of Default occurred, the Daily Rate for the purposes of this Condition 5 will be reset at the Default Daily Rate until the day on which the relevant Event of Default is remedied to the satisfaction of the Noteholder (acting reasonably) (Default Interest Period).

At the expiry of the Default Interest Period, the Daily Rate for the purposes of this Condition 5 (Interest) will automatically revert to the Daily Rate.

5.3 Payment

Interest must be paid:

- (a) if accrued during the Default Interest Period, in cash; and
- (b) if accrued at any other time, at the Issuer's discretion:
 - (i) in cash; or
 - (ii) by converting the interest for that Convertible Note into the number of Ordinary Shares calculated by dividing the interest by the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be).

within five Business Days of the Interest Payment Date (with such date to be taken as the Conversion Date for the purposes of Condition 7 if the Issuer pays interest in accordance with Condition 5.3(b)(ii)).

5.4 When payments cease to accrue

Interest ceases to accrue on a Convertible Note that is:

- (a) Redeemed, on and from the Redemption Date;
- (b) Converted, on and from the Conversion Date; or
- (c) bought-back or repurchased by the Issuer, on and from the date of the buy-back or repurchase (or as otherwise agreed between the Issuer and the relevant Noteholder(s)).

6 Redemption

6.1 Mandatory Redemption

If a Convertible Note is not:

- (a) Redeemed or Converted prior to the Maturity Date; or
- (b) the subject of a Conversion Notice provided by the Noteholder at least three Business Days prior to the Maturity Date,

that Convertible Note must be Redeemed in full on the Maturity Date.

6.2 Optional Redemption by Issuer

Subject to law, on not less than 14 days' prior written notice to all of the Noteholders (or such shorter period as the Noteholders may agree by Extraordinary Resolution), the Issuer may Redeem some or all of the Convertible Notes, provided that the Issuer may not Redeem Tranche B Notes in respect of which a Conversion Notice has been given to the Issuer at least three Business Days before the notified date of proposed Redemption of those Tranche B Notes.

6.3 Effect of Redemption

On the Redemption Date:

- (a) each relevant Convertible Note will be repaid by the Issuer to the Noteholder for the Payout Amount as at the Redemption Date; and
- (b) upon payment of the Payout Amount, the Issuer's obligation to the Noteholder in respect of the Interest accrued pursuant to Condition 5 will be satisfied.

6.4 If legal restriction on Redemption

If the Issuer is prohibited by law from paying the full Payout Amount in respect of a Convertible Note being Redeemed, the Issuer must:

- (a) pay as much as it may lawfully pay towards the Payout Amount; and
- (b) continue to pay all funds of the Issuer that it may lawfully apply towards the Payout Amount until the Payout Amount is fully paid.

6.5 Cancellation

Subject to the Issuer satisfying Condition 6.3(a), all Convertible Notes Redeemed by the Issuer will be cancelled on the Redemption Date, the entry for that Noteholder will be removed from the Convertible Note Register (to the extent it relates to the Convertible Notes being Redeemed) and any Convertible Note Certificate in respect of those Convertible Notes will not evidence any current title to any Convertible Note.

7 Conversion

7.1 Automatic Conversion of Tranche A Notes

On the Automatic Conversion Date, the Tranche A Notes automatically convert into Ordinary Shares at the Tranche A Conversion Price.

The Issuer must provide written notice setting out the details of such Conversion to the Noteholder of such Converted Tranche A Notes within ten Business Days of the Conversion Date.

7.2 Noteholder's right to Convert Tranche A Notes

Subject to Condition 7.1, a Noteholder may convert some or all of its Tranche A Notes into Ordinary Shares at the Tranche A Conversion Price at the Maturity Date by the Noteholder giving the Issuer a Conversion Notice at least three Business Days prior to the Maturity Date.

7.3 Noteholder's right to Convert Tranche B Notes

A Noteholder may convert some or all of its Tranche B Notes into Ordinary Shares at the Tranche B Conversion Price at any time, by the Noteholder giving the Issuer a Conversion Notice at least three Business Days prior to the anticipated Conversion Date.

7.4 Conversion rights

- (a) The Tranche A Conversion Price and Tranche B Conversion Price must be adjusted in the manner set out in the Annexure of these Convertible Note Conditions.
- (b) The Issuer shall give notice to the Noteholders of any adjustment of the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as soon as reasonably practicable following the determination thereof.

7.5 Conversion procedures

- (a) Each Tranche A Note the subject of a Conversion Notice (or otherwise Converting on the Automatic Conversion Date) will be converted into the number of Ordinary Shares equal to the Tranche A Conversion Ratio in effect as at the Conversion Date in respect of the Convertible Note.
- (b) Each Tranche B Note the subject of a Conversion Notice will be converted into the number of Ordinary Shares equal to the Tranche B Conversion Ratio in effect as at the Conversion Date in respect of the Convertible Note.
- (c) Any entitlement to a fraction of an Ordinary Share which results from the calculations referred to in Conditions 7.5(a) and 7.5(b) will be disregarded.
- (d) Upon Conversion in accordance with Conditions 5.3(b)(ii), 7.5(a), 7.5(b) or 10.2(a)(ii) and subject to Condition 7.5(e), the Issuer must on the Conversion Date:
 - (i) Issue the Ordinary Shares to which the Converting Noteholder is entitled on Conversion (**Conversion Shares**);
 - (ii) apply for quotation on ASX of all Conversion Shares and do all things thereafter reasonably necessary to procure quotation of the Conversion Shares; and
 - (iii) take all reasonably necessary steps including:
 - (A) lodging with ASX a notice in accordance with section 708A(5)(e)(i) of the Corporations Act in respect of the Conversion Shares; or
 - (B) if section 708A(5) of the Corporations Act would not apply in respect of the Conversion Shares, issuing a

prospectus in respect of the Conversion Shares for the purposes of section 708A(11) of the Corporations Act,

such that the Conversion Shares may be freely traded on ASX and the sale of those Conversion Shares in the ordinary course of trading on ASX will not require disclosure under section 707(3) of the Corporations Act.

- (e) If Condition 7.5(d)(iii)(B) applies, despite any other provision of these Convertible Note Conditions the Conversion Date for all purposes of these Convertible Note Conditions will be taken to be the date which is 15 Business Days after the Conversion Date which would have applied but for this Condition.

7.6 Satisfaction of Issuer's obligations

The Issue of Conversion Shares in accordance with Condition 7.5(d)(i) operates in satisfaction of the Issuer's obligation to the Noteholder in respect of the Payout Amount, including the Interest accrued pursuant to Condition 5.

7.7 Holding statements

The Issuer must, no later than three Business Days after the Issue of the Conversion Shares pursuant to Condition 7.5(d)(i), dispatch new holding statements in respect of those Conversion Shares in accordance with the constitution of the Issuer, ASX Listing Rules, ASX Settlement Operating Rules, ASX Operating Rules and all other relevant laws and regulations.

7.8 Share certificate

- (a) In the event that the Issuer is no longer able to issue a holding statement pursuant to Condition 7.7, the Issuer must, no later than three Business Days after the Issue of the Conversion Shares pursuant to Condition 7.5(d)(i), send to the Converting Noteholder a share certificate (free of charge) for the number of the Ordinary Shares issued and provide confirmation that the relevant Convertible Notes have been cancelled.
- (b) In the event that the Issuer has already issued holding statements to the Converting Noteholder pursuant to Condition 7.7 and is no longer able to issue holding statements, the Issuer must, no later than three Business Days after the Issuer ceases to be a listed company, send to the Converting Noteholder a share certificate (free of charge) for the number of the Ordinary Shares issued.

7.9 Conversion Shares

Conversion Shares must be issued on the Conversion Date:

- (a) fully paid;
- (b) free from Encumbrances;
- (c) ranking equally in all respects on and from, and constituting one class with, the other Ordinary Shares on issue at the Conversion Date; and
- (d) participating in full for all distributions on Ordinary Shares.

7.10 Acknowledgement

A Converting Noteholder acknowledges and agrees that upon the issue to it of Ordinary Shares pursuant to this Condition 7, it will be a member of the Issuer and will be bound by the constitution of the Issuer.

7.11 Conversion Notice revocable

A Conversion Notice is revocable by a Noteholder issuing it at any time up to the issue of Ordinary Shares pursuant to Condition 7.5(d)(i).

7.12 Cancellation

All Convertible Notes Converted by the Issuer will be automatically cancelled, the entry for that Noteholder will be removed from the Convertible Note Register (to the extent it relates to the Convertible Notes being Converted) and any Convertible Note Certificate in respect of those Convertible Notes will not evidence any current title to any Convertible Note.

8 Transfer of Convertible Notes**8.1 Transfer**

A Noteholder may transfer or dispose of all or any of the Convertible Notes that it holds provided, in relation to such transfer or disposal:

- (a) the proposed transferee is within one or more of the categories of investors to whom disclosure is not required as specified in section 708 of the Corporations Act;
- (b) the Noteholder complies with the terms of these Convertible Note Conditions;
- (c) the Noteholder executes a Transfer Form in respect of the Convertible Notes to be transferred; and
- (d) the Noteholder complies with the requirements of clause 13 ("New Beneficiaries") of the Security Trust Deed.

8.2 Transfer form

The Transfer Form must be:

- (a) lodged at the registered office of the Issuer together with proof of payment of any required stamp duty, taxes or other governmental charges payable on the transfer;
- (b) accompanied by such evidence as the Issuer may require to prove the title and identity of the transferor and the transferee, the right of entitlement of the transferee to receive a transfer of the relevant Convertible Note; and
- (c) duly executed and in compliance with all applicable laws.

8.3 Recording Transfers

The Issuer must promptly upon being satisfied with the Transfer Form, the information lodged with it and the identity of the transferor and the transferee,

accept the application contained in the Transfer Form by making an entry in the Convertible Note Register recording the transfer of the relevant Convertible Note.

8.4 Registration

On the entry being made in the Convertible Note Register, the Issuer and the Noteholder must recognise the transferee as the registered owner of the relevant Convertible Note and as being entitled to all rights vested in Noteholders under this deed poll. The transferor will for all purposes be, and will be deemed to be, the registered owner of the relevant Convertible Note until an entry is made in the Convertible Note Register recording the transfer, the name and address of the transferee and the other matters required to be entered into the Convertible Note Register by the Issuer from time to time.

8.5 No transfers after Maturity Date

The Issuer must not register the transfer of a Convertible Note on or after its Maturity Date.

8.6 Transmission

Subject to Condition 8.1, a person becoming entitled to Convertible Notes as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar consider sufficient, transfer the Convertible Notes of that Noteholder or, if so entitled, become registered as the Noteholder of the Convertible Notes.

8.7 No Registration Fee

Transfers must be entered in the Register without charge, provided all taxes or other governmental charges (if any) imposed in relation to the transfer have been paid.

9 Meetings of Noteholders

Meetings of Noteholders must be called and held in the manner described in schedule 5.

10 Default

10.1 Events of Default

Each of the following is an Event of Default:

- (a) **(non-compliance with obligations)** the Issuer does not:
 - (i) pay when due any amount payable by it under these Convertible Note Conditions in the manner required under it;
 - (ii) comply with any other obligation under these Convertible Note Conditions and, if the non-compliance can be remedied, does not remedy the non-compliance within 10 Business Days of the Noteholder notifying the Issuer, or the Issuer becoming aware of the failure to comply (whichever is the earlier); or
 - (iii) comply with any undertaking given to the Noteholder or its solicitors by or on behalf of the Issuer or another person in

connection with (but not in) these Convertible Note Conditions within the period specified in the undertaking or, where no period is specified and the undertaking is not an ongoing undertaking, within 5 Business Days after the date of the undertaking; or

- (b) **(misrepresentation)** a representation, warranty or statement made, or taken to be made, by or on behalf of the Issuer or any of its Subsidiaries in this deed poll (or any document given by or on behalf of the Issuer in connection with this deed poll) is incorrect or misleading in any material respect when made or taken to be made and, if the circumstances giving rise to the misrepresentation can be remedied, the Issuer or any of its Subsidiaries does not remedy them within 10 Business Days of the Noteholder notifying the Issuer or the Issuer or any of its Subsidiaries becoming aware of the relevant circumstances (whichever is the earlier); or
- (c) **(cross acceleration)** any debt incurred as a result of the borrowing of money by, or the provision of financial accommodation to, the Issuer for amounts totalling more than \$50,000 (or its equivalent) is declared, or otherwise becomes, due before its stated maturity or expiry as a result of an event of default or other similar event (however described); or
- (d) **(insolvency and enforcement)**
- (i) the Issuer becomes insolvent; or
 - (ii) the Issuer stops payment, ceases to carry on its business or a material part of it, or threatens to do either of those things, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Noteholder; or
 - (iii) distress is levied or a judgment, order or encumbrance is enforced against any asset of the Issuer for amounts totalling more than \$100,000 (or its equivalent); or
- (e) **(voidable, loss of priority, repudiation or unlawful)**
- (i) any Convertible Note Document or any transaction in connection with it is or becomes (or is claimed to be by anyone other than the Noteholder) wholly or partly void, voidable or unenforceable; or
 - (ii) any Convertible Note Document or any transaction in connection with it does not have (or is claimed not to have by anyone other than the Noteholder) the priority which the Noteholder intended it to have; or
 - (iii) the Issuer rescinds or repudiates any Convertible Note Document (or the Issuer attempts or takes any step to do so); or
 - (iv) it is or becomes unlawful for the Issuer to comply with any of its obligations under any Convertible Note Document; or
- (f) **(reduction of capital)** without the consent of the Noteholder, the Issuer or any of its Subsidiaries takes any action to reduce its capital, buy back any of its shares or make any of its shares capable of being called up only in certain circumstances (such as by passing a resolution or calling a meeting to consider such a resolution); or
- (g) **(Material Adverse Effect)** an event occurs which has, or is likely, in each case in the reasonable opinion of the Security Trustee, to have (or

a series of events occur which, together, have or are likely to have) a Material Adverse Effect; or

- (h) **(Encumbrance)** the Issuer attempts to create an Encumbrance (other than any Permitted Encumbrance) over the Collateral or allows one to exist or an Encumbrance (other than any Permitted Encumbrance) comes into existence over the Collateral, otherwise than in accordance with this document;
- (i) **(change of Control)** without the Noteholders' prior written consent, one or more persons acquire Control of the Issuer after the date of this document (other than where such person(s) acquire Control as a result of acquiring the Ordinary Shares from MPL); or
- (j) **(default under Convertible Note Document)** an event occurs which is called an "event of default" under any Convertible Note Document (other than this document), or any other event occurs which renders enforceable an Encumbrance granted by the Issuer under the Convertible Note Documents.

10.2 Consequences of default

- (a) If an Event of Default occurs, then a Noteholder may declare at any time by notice to the Issuer that an amount equal to the Payout Amount as at the date of the notice in respect of the Convertible Notes held by it is either:
 - (i) payable on demand; or
 - (ii) Immediately to be Converted, with the Conversion Date taken to be three Business Days after the notice is provided by the Noteholder.
- (b) Without prejudice to its rights under Condition 10.2(a), if an Event of Default occurs the Noteholder may continue to exercise any of its rights under this Deed, including the Conversion rights under Condition 7.

11 Determined by an Expert

In relation to any matter required by these Convertible Note Conditions to be Determined by an Expert, the Issuer shall promptly appoint an Expert with the prior written approval of the Noteholders (such approval not to be unreasonably withheld or delayed). If, when any matter is required by these Convertible Note Conditions to be Determined by an Expert, the Issuer shall within a reasonable time fail to appoint an Expert the Noteholders shall be entitled (but not obliged) to make such appointment. In either case, any such appointment shall be for the account of the Issuer.

12 Payments

12.1 Manner of payment to Noteholders

Any money payable in cash in respect of any Convertible Note (including a payment of interest or Payout Amount), must be paid in Australian dollars by:

- (a) electronic bank transfer of cleared funds into the bank account nominated by the Noteholder in writing from time to time (or by cheque

mailed to the registered address of the Noteholder if the Noteholder has failed to provide details of a registered account); or

- (b) any method requested by the Noteholder and approved by the Issuer.

For the purpose of making payments to any Noteholder any fraction of a cent will be disregarded.

12.2 Withholding

If a law requires the Issuer to deduct an amount in respect of Taxes from a payment under these Convertible Note Conditions such that the Noteholder would not actually receive on the due date the full amount provided for under these Convertible Note Conditions, then:

- (a) the Issuer agrees to deduct the amount for the Taxes; and
- (b) the Issuer agrees to pay to the relevant authority an amount equal to the amount deducted in accordance with applicable law and give the original receipt received from the relevant authority to the Noteholder.

13 Security Trustee provisions

13.1 Effect of certain resolutions

For the purposes of determining whether the Extraordinary Majority Beneficiaries, or all Beneficiaries have provided instructions or given consent under the Security Trust Deed, the Security Trustee is entitled to treat a resolution passed by the Noteholders (whether or not by circulating resolution and whether or not an Extraordinary Resolution) as though it has received unanimous instructions or consent from all Noteholders in their capacity as Beneficiaries.

13.2 Security Trustee reliance and enquiry

- (a) The Security Trustee need not enquire as to whether or not:
 - (i) a meeting of Noteholders was duly convened; or
 - (ii) a resolution was otherwise properly passed,

In accordance with this deed poll.
- (b) The Security Trustee may accept a certified record of resolution provided by a Noteholder as conclusive evidence of the passing of that resolution.
- (c) Without limiting paragraphs (a) or (b) above, if the Security Trustee receives instructions from one or more Noteholders in relation to a power exercisable only by an Extraordinary Resolution in accordance with paragraph 5.1 of schedule 5 ("Powers only exercisable by Extraordinary Resolution"), the Security Trustee may refrain from acting unless it receives evidence to its satisfaction that an Extraordinary Resolution was passed.

Convertible Note Deed Poll

Annexure – Adjustments to the Tranche A Conversion Price and Tranche B Conversion Price

1 Definitions

In this Annexure, these meanings apply unless the contrary intention appears:

Aggregate Consideration has the meaning given in Paragraph 14.

Bonus Issue means any issue of Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than a Dividend in Ordinary Shares.

Consideration per Share has the meaning given in Paragraph 14.

Current Market Price means, in respect of an Ordinary Share at a particular date, the arithmetic average of the Volume Weighted Average Price per Share for the five consecutive Exchange Business Days ending on the Exchange Business Day immediately preceding such date (the **Relevant Period**), provided that:

- (a) if at any time during the Relevant Period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), then:
 - (i) if the Ordinary Shares to be Issued do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Ordinary Share (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of Australia); or
 - (ii) if the Ordinary Shares to be Issued do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to have been the amount thereof increased by such similar amount; and
- (b) If on each of the five Exchange Business Days during the Relevant Period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement) in respect of a Dividend (or entitlement) which has been declared or announced but the Ordinary Shares to be Issued do not rank for that Dividend (or entitlement) the Volume Weighted Average Price on each of such dates

shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Ordinary Share (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of Australia); and

- (c) if such closing prices are not available on each of the five Exchange Business Days during the Relevant Period, then the arithmetic average of such Volume Weighted Average Prices which are available in the Relevant Period shall be used (subject to the Volume Weighted Average Prices being available on at least two such Exchange Business Days); and
- (d) If the Volume Weighted Average Price is not available on any Exchange Business Day in the Relevant Period, then the Current Market Price shall be Determined by an Expert.

Determined by an Expert means determined in good faith by an Expert acting as an expert.

Dividend means any dividend or distribution of any kind on the class of capital represented by the Ordinary Shares, whether in cash or otherwise and however described:

- (a) including, without limitation, a Dividend in Ordinary Shares;
- (b) excluding a Bonus Issue; and
- (c) including, without limitation, any other issue of shares or other securities credited as fully or partly paid by way of capitalisation of profits or reserves.

Exchange Business Day means any day that is a trading day on the Relevant Exchange other than a day on which the Relevant Exchange is scheduled to close prior to its regular weekday closing time.

Expert means, in relation to any matter to be Determined by an Expert, an independent investment bank and / or a firm of accountants which is, in either case, of international repute, appointed to act as an expert for the purposes of such matter in accordance with these Convertible Note Conditions.

Fair Market Value means,

- (a) with respect to a cash Dividend or other cash amount the amount of such cash; and
- (b) with respect to any other property on any date, the fair market value of that property as Determined by an Expert,

provided, however, that in any such case:

- (c) where options, warrants or other rights are publicly traded in a market which is Determined by an Expert to have adequate liquidity, the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such options, warrants or other rights are publicly traded) or such shorter period as such options, warrants or other rights are publicly traded;

- (d) any cash Dividend declared or paid in a currency other than Australian dollars shall be converted into Australian dollars at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid the cash Dividend in Australian dollars; and
- (e) any other amount or value in a currency other than Australian dollars shall be converted into Australian dollars at the Screen Rate on that date.

MUX Group means the Issuer and each of its Subsidiaries (as defined in the Corporations Act) from time to time.

Number of Ordinary Shares has the meaning given in Paragraph 14.

Paragraph means a paragraph of this Annexure.

Record Date means, in respect of any entitlement to receive any dividend or other distribution declared, paid or made, or any rights granted, the record date or other due date for the establishment of the relevant entitlement.

Relevant Exchange means:

- (a) the ASX; or
- (b) if the Shares are no longer traded on the ASX, the principal stock exchange or securities market on which the Ordinary Shares are then traded.

Rights means, in respect of any securities or assets, any options, warrants or other rights (other than Share-Related Securities) which by their terms of issue carry a right to subscribe for, purchase or otherwise acquire such securities or assets.

Screen Rate means, on any day, and, in respect of the translation or conversion of one currency into another currency, the rate of exchange between such currencies appearing on the relevant Reuters page on that day, or, if that page is not available or that rate of exchange does not appear on that page on that day, the rate of exchange between such currencies appearing on such other screen or information service, or determined in such other manner, as the Issuer shall determine, with the prior written approval of the Noteholders.

Share-Related Securities means any securities (excluding the Convertible Notes) which by their terms of issue:

- (a) carry a right to subscribe for, purchase or otherwise acquire Ordinary Shares or any securities which by their terms of issue might be redesignated as Ordinary Shares; or
- (b) might be redesignated as Ordinary Shares or be redesignated so as to carry a right to subscribe for, purchase or otherwise acquire Ordinary Shares.

Share Repurchase Threshold means the threshold determined in accordance with Paragraph 2(b).

Volume Weighted Average Price means, in respect of an Ordinary Share on any Exchange Business Day, the order book volume-weighted price of an Ordinary Share (expressed in Australian dollars) appearing on or derived from the Relevant Exchange and, where there is more than one Relevant Exchange, such volume-weighted price shall be calculated based on the aggregated volumes and prices of that Ordinary Share derived from each such Relevant

Exchange (or such other source as shall be Determined by an Expert) on such Exchange Business Day, provided that (other than for the purpose of the definition of Current Market Price):

- (a) if on any such Exchange Business Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Exchange Business Day on which the same can be so determined; and
- (b) if any Dividend or other entitlement in respect of the Shares is announced on or prior to the relevant Conversion Date in circumstances where the Record Date in respect of such Dividend or other entitlement shall be on or after the relevant Conversion Date and if on any such Exchange Business Day the price as determined as provided above is based on a price ex-Dividend or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of any such Dividend or other cash entitlement as at the date of announcement of such Dividend or entitlement per Share (excluding, in the case of a dividend in cash, any associated tax credit and less the tax, if any, falling to be deducted on payment thereof to a resident of Australia).

2 Extraordinary Dividends

- (a) *Determination of Extraordinary Dividends:* whether or not any event constitutes an extraordinary dividend (an **Extraordinary Dividend**) will be determined as follows:
 - (i) any Dividend, whether or not expressed by the Issuer or declared by the board of directors of the Issuer to be an ordinary dividend, an ordinary distribution, a capital distribution, an extraordinary dividend, an extraordinary distribution, a special dividend or a special distribution or any analogous or similar term, will constitute an Extraordinary Dividend, and the amount of such Extraordinary Dividend will be the Fair Market Value of the entire amount of the relevant Dividend; and
 - (ii) a purchase or redemption of Ordinary Shares by the Issuer which causes the Share Repurchase Threshold to be exceeded will constitute an Extraordinary Dividend, and the amount of such Extraordinary Dividend will be the product of:
 - (A) the number of Ordinary Shares purchased or redeemed by the Issuer on the relevant date; and
 - (B) the average price (before expenses) of such purchase or redemption on that date.
- (b) *Share Repurchase Threshold:* a purchase or redemption of share capital by the Issuer will cause the Share Repurchase Threshold to be exceeded if (and only if) it comprises a purchase or redemption of Ordinary Shares by the Issuer at an average price (before expenses) on any one day which exceeds by more than five per cent the Volume Weighted Average Price of the Ordinary Shares either:
 - (i) on that date (or if that date is not an Exchange Business Day, the immediately preceding Exchange Business Day); or

- (ii) where an announcement (excluding for the avoidance of doubt, general authority for such purchases given by a Shareholders meeting of the Issuer or any notice convening such meeting) has been made of the intention to purchase Shares at some future date at a specified price, on the Exchange Business Day immediately preceding the date of such announcement.
- (c) *Adjustment Event:* If and whenever the Issuer shall distribute any Extraordinary Dividend to the Shareholders, the Conversion Price shall be subject to adjustment in accordance with this Paragraph 2.
- (d) *Effective Date:* for the purposes of this Paragraph 2, the "Effective Date" means the date on which the relevant Extraordinary Dividend is actually distributed.
- (e) *Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price for Extraordinary Dividend (other than buy-back):* If and whenever the Issuer shall distribute any Extraordinary Dividend to the Shareholders (other than a purchase or redemption of Ordinary Shares by the Issuer), in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Exchange Business Day immediately preceding the date of the first public announcement of the terms of such Extraordinary Dividend; and

B is the Fair Market Value on the date of such announcement of the portion of the Extraordinary Dividend attributable to one Ordinary Share.

- (f) *Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price for Extraordinary Dividend (in the form of a buy-back):* If and whenever the Issuer shall make a purchase or redemption of Ordinary Shares that constitutes an Extraordinary Dividend, in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in force immediately prior to the Effective Date by the following fraction:

$$\frac{A \times C - D}{A \times (C - E)}$$

where:

A is the Current Market Price of one Ordinary Share on the Exchange Business Day immediately preceding the date of the first public announcement of the terms of such Extraordinary Dividend;

C is the number of Ordinary Shares on issue immediately before the purchase or redemption;

D is the amount of such Extraordinary Dividend calculated in accordance with Paragraph 2(a)(ii) above; and

E is the number of Ordinary Shares purchased or redeemed by the Issuer on the relevant date.

- (g) *Effect of adjustment:* the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 2 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

3 Bonus Issues

- (a) *Adjustment event:* if and whenever the Issuer shall make any Bonus Issue, the Tranche A Conversion Price and Tranche B Conversion Price shall be subject to adjustment in accordance with this Paragraph 3.
- (b) *Effective Date:* for the purposes of this Paragraph 3, the "Effective Date" means the date of issue of the relevant Ordinary Shares.
- (c) *Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:* in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

A = the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares; and

B = the number of Ordinary Shares in issue immediately after the issue of such Ordinary Shares.

- (d) *Effect of adjustment:* the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 3 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

4 Consolidation or subdivision of Ordinary Shares

- (a) *Adjustment event:* if and whenever there shall be a consolidation or subdivision of the Ordinary Shares, the Tranche A Conversion Price and Tranche B Conversion Price shall be subject to adjustment in accordance with this Paragraph 4.

- (b) **Effective Date:** for the purposes of this Paragraph 4, the "Effective Date" means the date on which such subdivision or consolidation becomes effective.
- (c) **Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:** In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:
- $$\frac{A}{B}$$
- where:
- A = the number of Ordinary Shares In issue immediately before such alteration; and
- B = the number of Ordinary Shares In issue immediately after such alteration.
- (d) **Effect of adjustment:** the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 4 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

5 Ordinary Shares, Rights and Share-Related Securities issued to Shareholders

- (a) **Adjustment event:** If and whenever a member of MUX Group shall Issue or grant Ordinary Shares, Share-Related Securities, Rights in respect of Ordinary Shares or Rights in respect of Share-Related Securities to all or substantially all of the Shareholders as a class by way of rights as a result of which, in each case, Shareholders have the right to acquire Ordinary Shares at a Consideration per Share which is less than 95 per cent, or greater than 105 per cent, of the Current Market Price of the Ordinary Shares on the Exchange Business Day immediately preceding the date of the first public announcement of such issue or grant or of an offer in relation to such issue or grant, the Tranche A Conversion Price and Tranche B Conversion Price shall be subject to adjustment in accordance with this Paragraph 5.
- (b) **Effective Date:** for the purposes of this Paragraph 5, the "Effective Date" means the first date on which the Ordinary Shares are traded ex-rights, ex-warrants or ex-options on the Relevant Exchange.
- (c) **Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:** in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A = the number of Ordinary Shares in Issue on the Exchange Business Day immediately preceding the date of such announcement;
- B = the number of Ordinary Shares which the Aggregate Consideration would purchase at such Current Market Price; and
- C = (1) In the case of an Issue or grant of Ordinary Shares, the Number of Ordinary Shares comprised in the issue, grant or offer; or
- (2) in the case of an Issue or grant of Share-Related Securities or Rights, the maximum Number of Ordinary Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share-Related Securities or Rights at the Initial price or rate.
- (d) *Formula:* if on the date (the "Specified Date") of Issue or grant of the relevant Share-Related Securities, Rights in respect of Ordinary Shares or Rights in respect of Share Related Securities the maximum Number of Ordinary Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share Related Securities or Rights is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Paragraph 5, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.
- (e) *Effect of adjustment:* the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 5 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

6 Issue of other securities to Shareholders

- (a) *Adjustment event:* if and whenever a member of MUX Group shall Issue any securities (other than Ordinary Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities) to all or substantially all of the Shareholders as a class by way of rights or any member of MUX Group shall Issue or grant any Rights in respect of any securities (other than Ordinary Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities) or assets to all or substantially all of the Shareholders as a class, the Tranche A Conversion Price and Tranche B

Conversion Price shall be subject to adjustment in accordance with this Paragraph 6.

- (b) *Effective Date:* for the purposes of this Paragraph 6, "**Effective Date**" means the first date on which the Ordinary Shares are traded ex-rights, ex-warrants or ex-options on the Relevant Exchange.
- (c) *Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A = the Current Market Price of one Ordinary Share on the Exchange Business Day immediately preceding the date of the first public announcement of the terms of such issue or grant; and
- B = the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

- (d) *Effect of adjustment:* the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 6 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

7 Issues of Ordinary Shares at above or below Current Market Price

- (a) *Adjustment event:* if and whenever a member of MUX Group shall issue, wholly for cash, any Ordinary Shares or a member of MUX Group shall issue or grant, wholly for cash or for no consideration, Rights in respect of Ordinary Shares or Rights in respect of Share-Related Securities as a result of which, in each case, persons to whom the Ordinary Shares or Rights are issued or granted have the right to acquire Ordinary Shares at a Consideration per Share which is less than 95 per cent, or greater than 105 per cent, of the Current Market Price of the Ordinary Shares on the Exchange Business Day immediately preceding the date of the first public announcement of such issue or grant, the Tranche A Conversion Price and Tranche B Conversion Price shall be subject to adjustment in accordance with this Paragraph 7. However, if any such issue or grant also falls within the terms of Paragraph 5, Paragraph 6 or Paragraph 10 or constitutes an issue of Ordinary Shares consequent upon the exercise of a right to Convert under a Convertible Note or on the exercise of any other rights of conversion into, or exchange or subscription for, Ordinary Shares, the Conversion Price shall not be subject to adjustment in accordance with this Paragraph 7.

- (b) **Effective Date:** for the purposes of this Paragraph 7, the "**Effective Date**" means the date of issue of such Ordinary Shares or, as the case may be, the issue or grant of such Rights.
- (c) **Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:** in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A = the number of Ordinary Shares in issue on the Exchange Business Day immediately preceding the date of such announcement;
- B = the number of Ordinary Shares which the Aggregate Consideration would purchase at such Current Market Price; and
- C = (1) in the case of an issue of Ordinary Shares, the Number of Ordinary Shares Issued; or
- (2) In the case of an issue or grant of Rights, the maximum Number of Ordinary Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights and, if applicable, Share-Related Securities at the initial price or rate.
- (d) **Formula:** if on the date (the "**Specified Date**") of issue or grant of the relevant Rights in respect of Ordinary Shares or Rights in respect of Share-Related Securities the maximum Number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights and, if applicable, Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Paragraph 7, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.
- (e) **Effect of adjustment:** the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 7 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

8 Share-Related Securities Issued other than to Shareholders

- (a) *Adjustment event:* if and whenever a member of MUX Group or (pursuant to arrangements with the Issuer or any of its Subsidiaries) any other person or entity shall issue, wholly for cash or for no consideration, any Share-Related Securities or shall grant to any existing securities so issued such rights as to make such securities Share-Related Securities as a result of which, in each case, persons to whom the Share-Related Securities or such rights are issued or granted have the right to acquire Ordinary Shares at a Consideration per Share which is less than 95 per cent, or greater than 105 per cent, of the Current Market Price of the Ordinary Shares on the Exchange Business Day immediately preceding the date of the first public announcement of the terms of issue of such Share-Related Securities or the terms of such grant, the Tranche A Conversion Price and Tranche B Conversion Price shall be subject to adjustment in accordance with this Paragraph 8. However, if any such issue or grant also falls within the terms of Paragraph 5, Paragraph 6, Paragraph 7 or Paragraph 10, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall not be subject to adjustment in accordance with this Paragraph 8.
- (b) *Effective Date:* for the purposes of this Paragraph 8, the "Effective Date" means the date of issue of the Share-Related Securities or the grant of the relevant rights.
- (c) *Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:* in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A = the number of Ordinary Shares in issue on the Exchange Business Day immediately preceding the date of such announcement;
- B = the number of Ordinary Shares which the Aggregate Consideration would purchase at such Current Market Price; and
- C = the maximum Number of Ordinary Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share-Related Securities at the initial price or rate.
- (d) *Formula:* If on the date (the "Specified Date") of issue of the relevant Share-Related Securities or date of grant of such rights the maximum Number of Ordinary Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for

the purposes of this Paragraph 8, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

- (e) *Effect of adjustment:* the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 8 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

9 Amendment of terms of Rights or Share-Related Securities

- (a) *Adjustment event:* If and whenever the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of any Rights or Share-Related Securities are amended (other than in accordance with their terms of issue (including terms as to adjustment of such rights)) so that following such amendment the Consideration per Share is (1) reduced and (2) less than 95 per cent, or (1) increased and (2) greater than 105 per cent, of the Current Market Price of the Ordinary Shares on the Exchange Business Day immediately preceding the date of the first public announcement of the proposals for such amendment, the Tranche A Conversion Price and Tranche B Conversion Price shall be subject to adjustment in accordance with this Paragraph 9.
- (b) *Effective Date:* for the purposes of this Paragraph 9, "Effective Date" means the date of amendment of such rights.
- (c) *Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:* in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A = the number of Ordinary Shares in issue on the Exchange Business Day immediately preceding the date of such announcement;
- B = the number of Ordinary Shares which the Aggregate Consideration (calculated taking account of the amended rights) would purchase at such Current Market Price; and
- C = the maximum Number of Ordinary Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Rights or Share-Related Securities at the amended subscription, purchase or acquisition price or rate (but giving credit in such manner as shall be determined by an Expert to be appropriate

for any previous adjustment under Paragraph 5, Paragraph 8 or this Paragraph 9).

- (d) *Formula:* If on the date (the "**Specified Date**") of such amendment the maximum Number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Rights or Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Paragraph 9, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.
- (e) *Effect of adjustment:* the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 9 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

10 Demerger or spin-off

- (a) *Adjustment event:* if and whenever the Issuer or any Subsidiary or (pursuant to arrangements with the Issuer or any of its Subsidiaries) any other person or entity shall offer any securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them, the Tranche A Conversion Price and Tranche B Conversion Price shall be subject to adjustment in accordance with this Paragraph 10 on issue or grant of such securities. However, if any such offer also causes the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) to be adjusted within the terms of Paragraph 5 or Paragraph 6 (or would cause the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) to be so adjusted if the relevant Consideration per Share was less than 95 per cent, or greater than 105 per cent, of the Current Market Price per Ordinary Share on the relevant Exchange Business Day), the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall not be subject to adjustment in accordance with this Paragraph 10.
- (b) *Effective Date:* for the purposes of this Paragraph 10, the "**Effective Date**" means the first date on which the Ordinary Shares are traded ex-rights on the Relevant Exchange.
- (c) *Adjustment to the Tranche A Conversion Price and Tranche B Conversion Price:* in relation to each Note for which the Conversion Date has not occurred prior to the Effective Date, the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall be adjusted by multiplying the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A = the Current Market Price of one Ordinary Share on the Exchange Business Day immediately preceding the date of the first public announcement of such offer; and
- B = the Fair Market Value on the date of such announcement of the portion of the relevant offer attributable to one Ordinary Share.
- (d) *Effect of adjustment:* the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as adjusted pursuant to this Paragraph 10 shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Convertible Note Conditions.

11 Other events; contemporaneous events

- (a) *Adjustment event:* if the Issuer (after consultation with the Noteholders) or the Noteholders (after consultation with the Issuer) determine that:
- (i) an adjustment should be made to the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as a result of one or more events or circumstances not referred to in Paragraph 2 to Paragraph 10 (even if the relevant event or circumstance is specifically excluded from the operation of Paragraph 2 to Paragraph 10);
 - (ii) more than one event which gives rise or may give rise to an adjustment to the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
 - (iii) one event which gives rise or may give rise to more than one adjustment to the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,
- the Issuer shall, at its own expense, use all reasonable endeavours to procure that such adjustment (if any) to the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) as is fair and reasonable to take account thereof and the date on which such adjustment should take effect shall be Determined by an Expert.
- (b) *Effective Date:* upon such determination, the Issuer shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided, however, that an adjustment shall only be made pursuant to this Paragraph 11 if the relevant Expert is requested to make such a determination not more than 60 days after the date on which the relevant event occurs or circumstances exist.
- (c) *Certificate of Expert:* If any doubt shall arise as to any appropriate adjustment to the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be), the Issuer shall use all reasonable endeavours to procure that the appropriate adjustment shall be Determined by an Expert and a certificate from the relevant Expert as to the appropriate adjustment to the Tranche A Conversion Price or

Tranche B Conversion Price (as the case may be) shall, in the absence of manifest error, be conclusive and binding on all concerned.

12 Corporations Act and ASX Listing Rules

The Convertible Notes are issued subject to any applicable provisions of the Corporations Act and the ASX Listing Rules. Notwithstanding any provision of these Convertible Note Conditions:

- (a) no adjustment under these Convertible Note Conditions may contravene the ASX Listing Rules; and
- (b) if any doubt shall arise as to whether an adjustment under these Convertible Note Conditions would contravene the ASX Listing Rules, the Issuer may refer the matter for Determination by an Expert and a certificate from the relevant Expert as to the appropriate adjustment to the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) shall, in the absence of manifest error, be conclusive and binding on all concerned.

13 Minor adjustments and no adjustments

- (a) *Rounding and adjustments of less than one per cent:* on any adjustment of the Tranche A Conversion Price or Tranche B Conversion Price, the resultant Tranche A Conversion Price or Tranche B Conversion Price (as the case may be), if not an integral multiple of one cent, shall be rounded down to the nearest whole cent. No adjustment shall be made to the Tranche A Conversion Price or Tranche B Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent of the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) then in effect. Any adjustment not required to be made, and any amount by which the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) has been rounded down, shall be carried forward and taken into account in any subsequent adjustment but such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.
- (b) *Employee share schemes:* no adjustment shall be made to the Tranche A Conversion Price and Tranche B Conversion Price where Ordinary Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees or former employees (including directors holding or formerly holding executive office) or officers or former officers of the Issuer or any Subsidiary or any associated company of the Issuer pursuant to any employees' share scheme or plan (including a dividend reinvestment plan granted to or for the benefit of such employees or former employees).
- (c) *Adjustments not permitted by law:* the Tranche A Conversion Price and Tranche B Conversion Price may not be adjusted so that exercise of a right to Convert under a Convertible Note would require Ordinary Shares to be issued in circumstances not permitted by applicable law.

14 Adjustments for Conversion near a Record Date

- (a) *Adjustment Event:* if and whenever the Tranche A Conversion Price or Tranche B Conversion Price is to be adjusted pursuant to any of

Paragraph 2 to Paragraph 10 and the Conversion Date in relation to any Convertible Note is either:

- (i) after the Record Date for any such issue, distribution, grant or offer as is mentioned in the relevant Paragraph but before the relevant adjustment becomes effective under the relevant Paragraph; or
- (ii) before the Record Date for any such issue, distribution, grant or offer as is mentioned in the relevant Paragraph but before the relevant adjustment becomes effective under the relevant paragraph and in circumstances where the relevant Noteholder is unable, by the relevant Record Date, to become duly entitled to the Ordinary Shares for the purpose of receiving the issue, distribution, grant or offer as is mentioned in the relevant Paragraph,

the right to Convert attaching to the relevant Note shall be subject to adjustment in accordance with this Paragraph 14.

- (b) *Adjustment to the right to Convert:* upon the relevant adjustment becoming effective under the relevant Paragraph, the Issuer shall procure that there shall be issued to the Converting Noteholder or in accordance with the Instructions contained in the relevant Conversion Notice (subject to any applicable exchange control or other laws or other regulations) such additional number of Ordinary Shares as, together with the Ordinary Shares issued or to be issued on Conversion of the relevant Convertible Note, is equal to the number of Ordinary Shares which would have been required to be issued on Conversion of such Convertible Note if the relevant adjustment to the Tranche A Conversion Price or Tranche B Conversion Price (as the case may be) had in fact been made and become effective immediately before the relevant Conversion Date.
- (c) *Shares in uncertificated form:* such additional Ordinary Shares will be delivered in the manner described in Condition 7.5 except that references therein to Conversion Date shall for the purposes of this Paragraph 14 be construed as references to the date of issue of the relevant additional Ordinary Shares.

15 Aggregate Consideration and Consideration per Share

- (a) *Applicability of this Condition:* for the purpose of calculating any adjustment to the Tranche A Conversion Price and Tranche B Conversion Price pursuant to these Convertible Note Conditions, in the case of any:
 - (i) issue, grant or offer of Ordinary Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities; or
 - (ii) grant to any existing securities issued of such rights as to make such securities Share-Related Securities; or
 - (iii) amendment of the terms of any Rights or Share-Related Securities (other than in accordance with their terms of issue),

the "Aggregate Consideration" and the "Number of Ordinary Shares" shall be calculated or determined (if necessary) in accordance with the following provisions of this Paragraph 14 and the "Consideration per

Share' shall, in each case, be the relevant Aggregate Consideration divided by the relevant Number of Ordinary Shares.

- (b) *Shares for cash:* In the case of an issue, grant or offer of Ordinary Shares for cash:
- (i) the Aggregate Consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the issuer for any underwriting of the issue or otherwise in connection therewith; and
 - (ii) the Number of Ordinary Shares shall be the number of Ordinary Shares so issued, granted or offered.
- (c) *Shares not for cash:* In the case of the issue, grant or offer of Ordinary Shares for a consideration in whole or in part other than cash:
- (i) the Aggregate Consideration shall be the amount of such cash (if any) plus the consideration other than cash, which shall be deemed to be the Fair Market Value thereof or, if pursuant to applicable law such determination is to be made by application to a court of competent jurisdiction, the value thereof as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof; and
 - (ii) the Number of Ordinary Shares shall be the number of Ordinary Shares so issued, granted or offered.
- (d) *Issue of Share-Related Securities:* In the case of the issue, grant or offer of Share-Related Securities or Rights in respect of Share-Related Securities or the grant to any securities issued of such rights as to make such securities Share-Related Securities:
- (i) the Aggregate Consideration shall be:
 - (A) the consideration (if any) received by the issuer for such Share-Related Securities and (if applicable) Rights or, as the case may be, such grant; plus
 - (B) the additional consideration (if any) to be received by the issuer upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate, the consideration in each case to be determined in the same manner as provided in Paragraph 15(b) and 15(c); and
 - (ii) the Number of Ordinary Shares shall be the number of Ordinary Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate.

- (e) *Amendment of Share-Related Securities / Rights in respect of Share-Related Securities:* In the case of the amendment of the terms of any Share-Related Securities and / or Rights in respect of Share-Related Securities (In either case, other than in accordance with their terms of Issue):
- (i) the Aggregate Consideration shall be:
- (A) the consideration (if any) received by the Issuer for such amendment; plus
- (B) the additional consideration (if any) to be received by an the Issuer upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share-Related Securities at the Initial price or rate or (in the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (If applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,
- the consideration in each case to be determined in the same manner as provided in Paragraph 15(b) and 15(c); and
- (ii) the Number of Ordinary Shares shall be the number of Ordinary Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Share-Related Securities at the Initial price or rate or (In the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (If applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.
- (f) *Rights in respect of Ordinary Shares:* In the case of the issue, grant or offer of Rights in respect of Ordinary Shares or the amendment of the terms of any Rights in respect of Ordinary Shares (other than in accordance with their terms of Issue):
- (i) the Aggregate Consideration shall be:
- (A) the consideration received by the Issuer for any such Rights or, as the case may be, such amendment; plus
- (B) the additional consideration to be received by an the Issuer upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Rights at the Initial price or rate or (In the case of an amendment to the terms of such Rights) the amended price or rate,
- the consideration in each case to be determined in the same manner as provided in Paragraph 15(b) and 15(c); and
- (ii) the Number of Ordinary Shares shall be the number of Ordinary Shares to be issued upon (and assuming) the exercise in full of

the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.

- (g) *Currency translation:* If any of the consideration referred to in any of this Paragraph 14 is receivable in a currency other than Australian dollars, such consideration shall be translated into Australian dollars for the purposes of this Paragraph 14:
- (i) In any case where there is a fixed rate of exchange between Australian dollars and the relevant currency for the purposes of the issue, grant or offer of the Ordinary Shares, Share-Related Securities or Rights, the exercise of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights or the exercise of the rights to subscribe for, purchase or otherwise acquire Ordinary Shares pursuant to the terms of such Rights or Share-Related Securities, at such fixed rate of exchange; and
 - (ii) In all other cases, at the Screen Rate on the date as of which the said consideration is required to be calculated.

Convertible Note Deed Poll

Schedule 2 - Form of Convertible Note Certificate

Mungana Goldmines Ltd (ABN 15 136 606 338)
 ("Issuer")

Convertible Note Certificate No. #insert number#

Noteholder:	#insert details#
Issue Date:	#insert details#
Number of Convertible Notes:	#insert details#
Face Value of Convertible Notes:	\$#insert details#
Total amount paid for Convertible Notes:	\$#insert details#
Tranche A Note / Tranche B Note:	
Maturity Date:	As defined in the Convertible Note Deed Poll
Interest Rate:	As defined in the Convertible Note Deed Poll
Interest Payment Date:	As defined in the Convertible Note Deed Poll

This Convertible Note is issued under a Convertible Note Deed Poll dated #insert date# ("Convertible Note Deed Poll") executed by the Issuer. The rights and obligations of the Noteholder and the Issuer are subject to the terms and conditions of the Convertible Note Deed Poll (including its schedules). Terms defined in the Convertible Note Deed Poll have the same meaning in this notice unless the contrary intention appears.

The Convertible Notes have been issued in consideration of assets sold to the Noteholder under the Asset Sale Agreement. For value received, the Issuer unconditionally undertakes to pay to the Noteholder the Face Value and Interest on this Convertible Note on the above dates, subject to the terms of the Convertible Note Deed Poll.

Any transfer or disposal of Convertible Notes is subject to the terms of the Convertible Note Deed Poll.

Dated: #insert date#

EXECUTED by **MUNGANA GOLDMINES LTD** in accordance with section 127(1) of the Corporations Act 2001 (Cwth) by authority of its directors:

.....	}	Signature of director/company secretary*
Signature of director		*delete whichever is not applicable

.....	}	Name of director/company secretary* (block letters)
Name of director (block letters)		*delete whichever is not applicable

Convertible Note Deed Poll

Schedule 3 - Transfer Form

To: The Directors
Mungana Goldmines Ltd ABN 15 136 606 338 ("Issuer")
Level 12
500 Queen Street
Brisbane QLD 4000

TRANSFER FORM

In respect of Convertible Notes issued by the Issuer under a Convertible Note Deed Poll executed by the Issuer on #insert date# ("Convertible Note Deed Poll").

This is a Transfer Form for the purposes of the Convertible Note Deed Poll. Terms defined in the Convertible Note Deed Poll have the same meaning in this transfer form unless the contrary intention appears.

Transferred Convertible Notes	#insert number# of #insert either "Tranche A Notes" or "Tranche B Notes"# (with a Face Value of \$#insert Face Value#) issued under the terms of the Convertible Note Deed Poll.
Transferor	#insert name of transferor# #insert address of transferor#
Transferee	#insert name of transferee# #insert address of transferee#
Date of transfer	/ / 20
Registration request	Please register the transfer of the Transferred Convertible Notes from the Transferor to the Transferee.

The Transferor warrants that it:

- (a) Is the registered holder of the Transferred Convertible Notes;
- (b) Is legally authorised to transfer the Transferred Convertible Notes to the Transferee; and
- (c) has complied with the terms of the Convertible Note Condition 8.1.

The Transferee agrees to accept the transfer of the Transferred Convertible Notes and to be bound by the terms of the Convertible Note Deed Poll upon being registered as the holder of the Transferred Convertible Notes.

EXECUTED by #name of Transferor#
In accordance with section 127(1) of
the Corporations Act 2001 (Cwth) by
authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company
secretary*
*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

EXECUTED by #name of Transferee#
In accordance with section 127(1) of
the Corporations Act 2001 (Cwth) by
authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company
secretary*
*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

Instructions:

1. This Transfer Form should be lodged at the Issuer's registered office.
2. In case of joint Noteholders, each Noteholder must sign. If there is insufficient space on this form, please attach a separate page containing the name, address and signature of each Noteholder.
3. If this form has been signed by an attorney and the relevant power of attorney has not already been produced to the Issuer, such power of attorney must be forwarded with this form for noting and return.

Convertible Note Deed Poll

Schedule 4 - Form of Conversion Notice

To: The Directors
 Mungana Goldmines Ltd ABN 15 136 606 336 ("**Issuer**")
 Level 12
 500 Queen Street
 Brisbane QLD 4000

CONVERSION NOTICE

In respect of Convertible Notes Issued by the Issuer under a Convertible Note Deed Poll executed by the Issuer on #insert date# ("**Convertible Note Deed Poll**").

This is a Conversion Notice for the purposes of the Convertible Note Deed Poll. Terms defined in the Convertible Note Deed Poll have the same meaning in this notice unless the contrary intention appears.

I/We whose full name(s) and address(es) appear below give notice of election to convert the #insert either "Tranche A Notes" or "Tranche B Notes"# specified below:

Insert number of Convertible Notes to be Converted into fully paid Ordinary Shares in the Issuer

I/We request that the Issuer Convert the Convertible Notes specified above and apply the proceeds payable on Conversion in the Issue to me/us of Ordinary Shares to which I/we are entitled upon conversion of the Convertible Notes in accordance with the terms and conditions of the Convertible Notes.

I/We agree to accept the shares issued to me/us subject to the constitution of the Issuer.

Dated #insert date#

EXECUTED by #NAME OF)
 NOTEHOLDER# in accordance with)
 section 127(1) of the Corporations Act)
 2001 (Cwith) by authority of its)
 directors:)

.....)
 Signature of director)

.....)
 Name of director (block letters)

.....)
 Signature of director/company)
 secretary*)
 *delete whichever is not applicable

.....)
 Name of director/company secretary*)
 (block letters))
 *delete whichever is not applicable

Instructions:

1. This Conversion Notice should be lodged at the Issuer's registered office.
2. In case of joint Noteholders, each Noteholder must sign. If there is insufficient space on this form, please attach a separate page containing the name, address and signature of each Noteholder.

3. If this form has been signed by an attorney and the relevant power of attorney has not already been produced to the Issuer, such power of attorney must be forwarded with this form for noting and return.

Convertible Note Deed Poll

Schedule 5 - Meetings of Noteholders

The following are the terms which apply to meetings of Noteholders. Unless the contrary intention appears, terms which are defined in the Convertible Note Conditions have the same meaning when used in this schedule and a reference to a paragraph is to a paragraph in this schedule 5.

1 Notice

1.1 Calling of meetings

The Issuer may at any time and the Issuer must at the request in writing of:

- (a) the Security Trustee; or
- (b) persons holding Convertible Notes representing at least 5% of the total Face Value of the Convertible Notes on issue,

convene a meeting of Noteholders.

1.2 Period of notice

The Issuer must give the Noteholders at least 14 days' notice of every meeting. If the meeting is being convened for the purpose of passing an Extraordinary Resolution, the Issuer must give Noteholders at least 21 days' notice of the meeting. In calculating the period of notice, both the day on which the notice is served or deemed to be served and the day on which the meeting (of which notice is being given) is held, are to be excluded. Noteholders holding at least 95% of the total Face Value of the Convertible Notes on issue may unanimously agree in writing to convene a meeting on shorter notice.

1.3 Contents of notice

The notice must specify the place, day and hour of meeting and the general nature of the business to be transacted but it is not necessary to specify in the notice the precise terms of the resolutions to be proposed. A copy of the notice must be sent by post to the Issuer unless the meeting is convened by the Issuer.

1.4 Omission to give notice

Accidental omission to give notice to, or the non-receipt of notice by, a Noteholder does not invalidate the meeting nor any resolution passed at a meeting.

1.5 Circulating resolutions

Subject to paragraph 5, Noteholders may pass a resolution without a meeting being held in accordance with this Condition if Noteholders representing at least 95% of the total Face Value of all Convertible Notes at the relevant time sign a document containing a statement that they are in favour of the resolution set out in the document.

Separate copies of a document may be used for signing if the wording of a resolution is identical in each copy. The resolutions take effect on the day on which they are signed by the last Noteholder.

2 Proceedings at meeting

2.1 Quorum

The quorum for any meeting is two Noteholders present in person or by attorney, proxy or duly authorised representative holding (in aggregate) Convertible Notes representing at least 50% of the total Face Value of all Convertible Notes when the meeting begins, unless there is only one Noteholder who holds all Convertible Notes on issue in which case the quorum is that Noteholder. No business may be transacted at any meeting unless a quorum of Noteholders is present at the commencement of business.

2.2 No quorum

If a quorum is not present within half an hour from the time appointed for the meeting, then the meeting if convened upon the requisition of Noteholders must be dissolved. In any other case, it will stand adjourned to such day and time not being less than 14 days later or, in the case of an adjourned meeting of Noteholders at which an Extraordinary Resolution is to be submitted, 21 days later and to such place as may be appointed by the Chairperson. At the adjourned meeting, the Noteholders present and entitled to vote whatever the value of the Convertible Notes held by them will be a quorum for the transaction of business including the passing of any Extraordinary Resolutions.

2.3 Chairperson

The Noteholders present at a meeting (in person or by attorney, proxy or duly authorised representative) holding (in aggregate) at least 50% of the total Face Value of Convertible Notes held by all Noteholders present at the meeting may nominate the Chairperson of the meeting. The Chairperson need not be a Noteholder.

2.4 Adjournment

The Chairperson may with the consent of any meeting at which a quorum is present, and must if directed by the meeting so resolving on a poll, adjourn the meeting from time to time and from place to place but no business may be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

2.5 Minutes

Minutes of a meeting signed by the Chairperson constitute conclusive evidence of the proceedings of the meeting unless proven to be incorrect.

2.6 Technology

A meeting of Noteholders may be held at two or more venues using any technology that gives the Noteholders as a whole a reasonable opportunity to participate.

3 Voting

3.1 Show of hands

At any meeting of Noteholders, a resolution put to the vote of the meeting will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairperson or in writing by one or more Noteholders present in person or by proxy or attorney and holding or representing 5% of the total Face Value of all Convertible Notes. A declaration by the Chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

3.2 Poll

If a poll is duly demanded, it is to be taken in such manner as the Chairperson may direct and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.

3.3 Conduct of poll

A poll demanded on the election of a Chairperson or on a question of adjournment must be taken at the meeting without adjournment. A poll demanded on any other question may be taken either immediately or at such time (not being more than 30 days from the date of the meeting) and place as the Chairperson may direct. No notice need be given of a poll not taken immediately. The demand for a poll will not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

3.4 Number of votes on a show of hands

On a show of hands, every Noteholder who being an individual is present in person, by proxy or by attorney or being a corporation is present by proxy or attorney or by its authorised representative will have one vote.

3.5 Number of votes on a poll

On a poll, every Noteholder who is present in person, by proxy or by attorney will have one vote for every Convertible Note for which it is the registered holder. A Noteholder entitled to more than one vote need not use all its votes or cast all the votes it uses in the same way.

3.6 Joint holders

For joint registered holders of Convertible Notes, the vote of the joint holder named first in the Convertible Note Register who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders.

4 Proxies

4.1 Instrument appointing proxy

The instrument appointing a proxy must be in writing under the hand of the appointor or of its attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.

4.2 Proxy need not be Noteholder

A person appointed to act as a proxy need not be a Noteholder.

4.3 Deposit of proxy

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority must be deposited at any place as the Issuer may in the notice convening the meeting direct or if no place is appointed then at the registered office of the Issuer last notified not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy must be treated as invalid. The instrument appointing a proxy will be valid for 12 months from the date of its execution, unless revoked earlier by the appointor.

4.4 Form of proxy

An instrument of proxy may be in the usual common form or in any other form as the Issuer approves. The proxy will be deemed to include the right to demand or join in demanding a poll. A proxy will, unless the contrary is stated in the proxy form, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.

4.5 Validity of vote

A vote given in accordance with the terms of a proxy form will be valid despite the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer or disposal of the Convertible Notes in respect of which the proxy is given provided that no intimation in writing of the death, insanity, revocation or transfer will have been received by the Issuer at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

5 Resolutions**5.1 Powers only exercisable by Extraordinary Resolution**

At a meeting of the Noteholders, the following powers are only exercisable by Extraordinary Resolution:

- (a) power to sanction the release of the Issuer from all or any part of its liability to pay the Face Value and Interest owing upon the Convertible Notes;
- (b) power to sanction any modification or compromise or any arrangement in respect of the rights of the Noteholders against the Issuer;
- (c) power to assent to any amendment, addition or deletion of the provisions contained in this deed poll in accordance with this paragraph 5.1;
- (d) power to instruct the Security Trustee to release or discharge:
 - (i) any specified Security Document in full; or
 - (ii) all or any specified assets from any specified Security Document;

- (e) power to instruct the Security Trustee to take or refrain from taking any action, or exercise or refrain from exercising any power, which under a Convertible Note Document requires the Instructions of the Extraordinary Majority Beneficiaries or all Beneficiaries;
- (f) power to give any sanction, direction or request which under any of the provisions of this deed poll is required to be given by an Extraordinary Resolution.

5.2 Noteholders bound

Subject to the terms of this deed poll, a resolution passed at a meeting of the Noteholders duly convened and held in accordance with this schedule is binding upon all the Noteholders whether or not they are present at the meeting and each of the Noteholders is bound to give effect to it accordingly. Each Noteholder agrees to do anything (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed) which is necessary to give effect to a resolution passed at a meeting of Noteholders duly convened and held in accordance with this schedule.

Convertible Note Deed Poll

Signing page

DATED: 31 July 2014

EXECUTED by **MUNGANA GOLDMINES LTD** in accordance with section 127(1) of the Corporations Act 2001 (Cwth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company secretary*

*delete whichever is not applicable

.....
Name of director/company secretary* (block letters)
*delete whichever is not applicable