

STRATEGIC INVESTMENT BY ALKANE RESOURCES

29 October 2018

Explaurum Limited (ASX:EXU) (**Explaurum**) is pleased to advise that ASX-listed Alkane Resources Ltd (ASX:ALK) (**Alkane**) has agreed to make a strategic investment in Explaurum, subject to Explaurum shareholder approval.

HIGHLIGHTS

- Alkane to invest A\$8.0 million in Explaurum through placement of 66,666,675 ordinary shares at an issue price of 12.0 cents per share to become a 12.2% shareholder in Explaurum
- Issue price represents a 9.1% premium to the last traded Explaurum price of 11.0 cents on 25 October 2018, a 3.4% premium to the 30-day VWAP price as at close of trade on 25 October 2018¹, and a 10.3% premium to the implied value of the Ramelius off-market takeover offer of 10.9 cents as at close of trade on 26 October 2018²
- Funds to be used to aggressively accelerate extensional drilling of Mace to fully test scale potential, intensive exploration drilling of highly prospective gravity and gold-in-soil confirmed regional Tampia targets (starting with Anomaly 8) and completion of the Tampia Project BFS
- Placement shares to be escrowed until 30 June 2019 subject to 'competing deal' conditions
- Strategic technical alliance to leverage Alkane's technical, operational and financing experience
- Explaurum to grant Alkane 53,406,594 Explaurum options exercisable on or before 1 November 2019 in two tranches comprising: (i) 18,692,308 options exercisable at 13.0 cents per share; and (ii) 34,714,286 options exercisable at 14.0 cents per share
- Alkane entitled to appoint one Explaurum Director and a 12 month anti-dilution right (subject to obtaining any necessary ASX Listing Rule waiver) and, as long as it has a shareholding of at least 12% for more than 10 ASX trading days, a first right of refusal in relation to any proposed mezzanine debt, royalty or metal streaming over \$1 million
- Transaction subject to Explaurum shareholder approval to be sought at a general meeting to be held in early December 2018

Commenting on the Alkane strategic investment, Explaurum Chairman, Chris Baker, said:

"I would like to warmly welcome Alkane and its shareholders in their agreed entry to the Explaurum register. If approved by Explaurum shareholders, this strategic investment will deliver Explaurum the opportunity it has sought for the better part of the last year. That is the chance to go after the potential exploration upside that the Tampia district offers. Alkane's belief in this potential, and their willingness to express it through this significant investment in Explaurum, is a strong validation for our shareholder base as to the potential significance of the opportunity that lies in front of us with the Tampia asset."

¹ 11.6 cents per share.

² Based on a closing price of Ramelius shares on 26 October 2018 of 43.5 cents per share.

“The funds will allow aggressive acceleration of our Tampia drilling program. First stop will be extensional testing of the shallow and potentially valuable Mace supergene system. This mineralisation remains open to the west and will be step-out drilled as a priority. Our best regional gravity and gold-in-soil confirmed targets will also now have the opportunity to be subject to exploration drilling programs over the coming months. Anomaly 8 is currently underway and will be followed by another group of highly prospective target zones that demand drill testing in the short term – and now have the opportunity to get it.

“The Alkane investment is a highly attractive transaction for Explaurum shareholders. It will provide your company with the very real opportunity to progress the Tampia Project to a final investment decision in the first quarter of next year, as well as seek to drive value aggressively through the drill-bit in coming months. It is also struck at a premium to the implied Ramelius takeover offer price and is without any opportunistic change of control implications.

Explaurum directors unanimously recommend that shareholders vote in favour of the Alkane investment in the absence of a superior offer.”

Capital raising

Explaurum today announces a placement of 66,666,675 ordinary shares to Alkane at an issue price of 12.0 cents per share, to raise A\$8.0 million (**Placement Shares**). The Placement Shares will be escrowed until earlier of 30 June 2019, a competing takeover bid being made for all or a majority of Explaurum's Shares, if an improved Ramelius takeover offer is announced, Ramelius acquires a relevant interest in 50% or more of Explaurum shares or Explaurum reaching an agreement with a third party in relation to the sale of all of its shares or substantially all of its assets.

Explaurum will also grant Alkane 53,406,594 Explaurum options exercisable on or before 1 November 2019 in two tranches comprising 18,692,308 options exercisable at 13.0 cents per share and 34,714,286 options exercisable at 14.0 cents per share.

A deposit of A\$800,000 will be provided within 5 business days. If the Alkane strategic investment is not approved by shareholders Explaurum is required to repay the deposit within 30 business days. This will provide Explaurum time to secure refinancing and, if necessary, associated shareholder approval.

Strategic alliance

The agreement with Alkane will create an important strategic relationship between Explaurum and Alkane under which the current skills and expertise of the Explaurum Board and management team will be supplemented by the technical, strategic and financing experience of Alkane. The strategic relationship will broaden Explaurum's exposure to a wider range of investors, financiers and other commercial partners through Alkane's network and with the objective of assisting Explaurum to progress the feasibility and development of Tampia.

Representatives of Explaurum and Alkane will participate in a technical steering committee to review and assess Explaurum's exploration and development work and provide non-binding advice and recommendations to the Explaurum Board.

Alkane will be entitled to appoint 1 Explaurum Director for so long as its shareholding is not below 12% of Explaurum shares for more than 10 consecutive days on which ASX is open for trading (**Minimum Investment Condition**).

Other rights

For so long as the Minimum Investment Condition is satisfied, Alkane will have a first right of refusal to participate in any proposed mezzanine debt, royalty or metal streaming arrangement of an amount by Explaurum in excess of A\$1 million.

Alkane will also have a right for 12 months, to participate in any equity offer by Explaurum up to the number of equity securities required to ensure that Alkane's percentage holding immediately before completion of the equity offer remains the same immediately following the equity offer (**Anti-Dilution Right**). This right is on the proviso that such participation is for cash consideration that is:

- no more favourable to Explaurum than any cash consideration paid by third parties (in the case of issues of equity securities to third parties for cash consideration); or
- equivalent in value to non-cash consideration offered by third parties (in the case of issues of equity securities to third parties for non-cash consideration).

The grant of the Anti-Dilution Right is conditional on the receipt of an ASX waiver to the extent necessary to permit the Anti-Dilution Right. The Anti-Dilution Right does not apply to shares issued under certain equity incentive schemes.

Alkane may terminate the Share Subscription Agreement in certain circumstances, including if Ramelius acquires 30% or more of Explaurum before the completion date, any Board member changes, qualifies or withdraws his recommendation or the Board recommends a competing proposal.

Break fee

Explaurum has agreed to pay a A\$400,000 break fee to Alkane to compensate it for the costs and expenses incurred in pursuing the transaction if completion does not occur in certain circumstances, including where the Explaurum Board, prior to the Shareholders Meeting to approve the Alkane placement, recommends to Explaurum shareholders to accept a competing proposal. A break fee will not be payable to Alkane simply due to Explaurum shareholders not voting in favour of the Alkane strategic investment at the Shareholders Meeting.

Effect on Explaurum capital structure

At completion of the Placement, Alkane will hold approximately 12.16% of Explaurum's issued securities. If Alkane were to exercise the 53,406,594 options, it would hold 19.96% of Explaurum (assuming there are no other share issues during this period, including the exercise of any options or performance rights).

Alkane has agreed not to increase its fully diluted interest in Explaurum, except in certain circumstances, for 12 months. The general effect of the standstill is that, subject to exceptions, if Alkane acquires Explaurum shares on market at any time in the next 12 months its fully diluted interest will not exceed 19.96% because for each share acquired, one option (commencing with options with a 13.0 cents exercise price) will be forfeited and cancelled.

Use of proceeds

The funds raised will be used to fund Explaurum's ongoing exploration, studies and financing arrangements for the Tampia Project and general corporate purposes through to a final investment decision targeted for 1Q CY2019.

Effect on Ramelius Offer

The Alkane transaction breaches a number of conditions of the current Ramelius Offer including the conditions that Explaurum does not agree to issue shares or grant an option over its shares and that Explaurum does not enter into any agreement with respect to the financing, engineering, procurement, construction or development of the Tampia Project. Ramelius may choose to waive or vary these conditions insofar as it applies to the Alkane transaction or declare its offer free of these conditions generally. Ramelius could also decide to allow its offer to lapse due to breach of the conditions. If the offer was allowed to lapse, Explaurum Shareholders would lose the opportunity to accept the Ramelius Offer.

Explaurum considers that the proposed Alkane transaction is not an unacceptable 'frustrating action' (being an action by Explaurum which would enable the Ramelius bid to lapse) because:

- the capital raising is occurring in the ordinary course of business to fund Explaurum's ordinary activities as disclosed to the market;
- Explaurum has a need for additional funding; and
- Explaurum is providing its shareholders with a choice of whether to approve the Alkane investment or accept the Ramelius offer.

Shareholder approvals

The Alkane investment is subject to Explaurum shareholder approval to be sought at a general meeting to be held in early December 2018. Shareholder approvals will be sought for the purposes of listing rules 7.1 and 7.9 and also for the purpose of providing a basis for 'unacceptable circumstances' not to arise in relation to the Ramelius Offer. If approved by shareholders, completion of the Alkane strategic investment will occur 2 business days after it is approved.

A full copy of the Share Subscription Agreement is annexed.

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SHARE SUBSCRIPTION AGREEMENT

DATED 28 OCTOBER 2018

Between

**EXPLAURUM LIMITED
(as the “Company”)**

and

**ALKANE RESOURCES LIMITED
(as the “Subscriber”)**

ALLEN & OVERY

Allen & Overy LLP

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CONTENTS

Clause	Page
1. Interpretation	1
2. Conditions precedent	8
3. Subscription	9
4. Pre-Completion period	10
5. Completion	11
6. Post-Completion Obligations	12
7. Securities Dealings	13
8. Strategic Relationship.....	14
9. Board of Directors	15
10. Alternative Capital Raisings.....	16
11. Anti-Dilution Right.....	16
12. Break Fee.....	18
13. Warranties.....	20
14. Confidentiality	21
15. GST.....	21
16. Notices	22
17. General.....	24
18. Governing Law and Jurisdiction.....	26
 Schedule	
1. Application to Subscribe for Securities.....	28
2. Company Warranties	29
3. Subscriber Warranties.....	32
4. Terms and Conditions of Options.....	33
5. Execution Page	35

THIS AGREEMENT is made on 28 October 2018

PARTIES:

- (1) **EXPLAURUM LIMITED** ACN 114 175 138 of Unit 101, 27 Cunningham Street, Newstead, Queensland 4006 (**Company**); and
- (2) **ALKANE RESOURCES LIMITED** ACN 000 689 216 of Ground Floor, 89 Burswood Road, Burswood, Western Australia (**Alkane**).

BACKGROUND:

The Company has agreed to issue or grant (as applicable) the Subscription Securities to the Subscriber and the Subscriber has agreed to subscribe for or acquire (as applicable) the Subscription Securities and pay the Subscription Amount to the Company on the terms and conditions of this agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this agreement:

Additional Amount has the meaning given to that term in clause 15.3.

Associates means associates for the purposes of Chapter 6 of the Corporations Act

ASX means the Australian Securities Exchange or ASX Limited, as the context requires.

ASX Listing Rules means the listing rules of ASX as waived or modified in respect of the Company.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules means the ASX Settlement Operating Rules published by the ASX, as in operation on the date of this agreement.

Authorisation includes:

- (a) a consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and
- (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action.

Board means the board of directors of the Company from time to time.

Break Fee means \$400,000.

Business Day means a day on which banks are open for business excluding Saturdays, Sundays or public holidays in Perth, Western Australia and Brisbane, Queensland.

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.

Company Warranties means the representations and warranties set out in clause 13.1.

Competing Proposal means any offer, proposal or expression of interest in respect of a takeover bid, scheme of arrangement, reverse takeover, capital reduction, sale of assets, sale of securities, strategic alliance, joint venture, partnership, dual listed companies structure, economic or synthetic merger or combination, deed of company arrangement, any debt for equity arrangement or other transaction or arrangement which, if completed, would result in a Third Party:

- (a) directly or indirectly acquiring or being entitled to acquire a relevant interest or any other direct or indirect interest in more than 50% of the Shares;
- (b) directly or indirectly acquiring or being entitled to acquire a direct or indirect interest in, or control of the whole or a substantial part of the business or assets of the Company;
- (c) acquiring control of the Company or merging or amalgamating with the Company,

or which would otherwise require the Company to abandon, or otherwise fail to proceed with, the Transaction and includes the Ramelius Takeover Offer or an Improved Ramelius Takeover Offer.

Completion means the completion of the issue and allotment of the Subscription Shares and the grant of the Subscription Options in accordance with this agreement on the Completion Date and **Complete** has a corresponding meaning.

Completion Amount means the Subscription Amount less the Deposit.

Completion Date means the date that is the second Business Day after the date on which the last of the conditions in clause 2.1 have been satisfied or waived in accordance with clause 2.5.

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth) as exempted or modified in respect of the Company.

Cut Off Date means 15 December 2018.

Deposit means \$800,000.

Dispose in respect of a Share means to:

- (a) dispose of, or agree or offer to dispose of, that Share or any legal, beneficial or economic interest in that Share;
- (b) create, or agree or offer to create, any Security Interest in that Share or any legal, beneficial or economic interest in that Share; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Share or any legal, beneficial or economic interest in that Share; or
- (d) agree to any of the things described in paragraphs (a) to (c) (inclusive),

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and any penalty, fine, interest or additional charge payable in relation to any such duty or charge, but excludes any Tax.

Equity Offer means an offer by the Company to issue any Equity Securities.

Equity Securities has the meaning given to that term in the ASX Listing Rules.

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Government Agency means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity, whether foreign, federal, state, territorial or local.

GST has the meaning given in the GST Law.

GST Exclusive Consideration has the meaning given in clause 15.2.

GST Law has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holding Lock has the meaning given to that term in Section 2 of the ASX Settlement Operating Rules.

Immediately Available Funds means payment by electronic funds transfer of cleared funds into an account nominated by the Company.

Improved Ramelius Takeover Offer means the Ramelius Takeover Offer varied to provide for an increase to the implied offer price and/or an additional form of consideration.

Insolvency Event in relation to a person, means any of the following events occur in respect of the person (where references to sections or Parts are to sections and Parts of the Corporations Act):

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585;
- (b) it is the subject of a Liquidation;
- (c) an External Administrator is appointed to it or any of its assets or a step is taken to do so, except an application made to a court for the purposes of such appointment which is discharged, stayed or dismissed within 20 Business Days of commencement, or its Related Entity requests such an appointment;
- (d) if a registered corporation under the Corporations Act, a step is taken under sections 601AA, 601AB or 601AC to cancel its registration;

- (e) if a trustee of a trust, it is unable to satisfy out of the assets of the trust the liabilities incurred by it for which it has a right to be indemnified from the assets of the trust as and when those liabilities fall due;
- (f) an analogous or equivalent event to any listed above occurs in any jurisdiction; or
- (g) it stops or suspends payment to creditors generally.

Issuer Sponsored Subregister means the part of the Company's register for Shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.

Liquidation means:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them.

Loss means all losses, damages, costs, expenses, charges and other liabilities whether present or future, fixed or unascertained, actual or contingent.

Nominated Director means the person/s nominated from time to time by the Subscriber to be appointed to the Board, in a non-executive capacity.

Officer means, in relation to a body corporate, a director, managerial personnel or secretary of that body corporate.

Option means an option to subscribe for Shares on the terms and conditions set out in Schedule 4.

Percentage Holding means the Equity Securities in the Company held by the Subscriber divided by the total number of issued Equity Securities in the Company expressed as a percentage (on a fully diluted basis).

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

Ramelius means Ramelius Resources Limited ABN 51 001 717 540.

Ramelius Takeover Offer means the offer under the off-market takeover bid under Chapter 6 of the Corporations Act for all of the Shares as contained in its bidder's statement dated 10 September 2018.

Related Entity means, in respect of any person, a second person that:

- (a) controls the first person;
 - (b) is under the control of the first person; or
 - (c) is under the control of a third person that also controls the first person,
- with control having the meaning given in section 50AA of the Corporations Act.

Relevant Interest has the meaning given in section 608 of the Corporations Act.

Representative means in relation to a person, any director, officer or employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person.

Restriction Period means the period commencing on the Completion Date and ending on the first to occur of:

- (a) 30 June 2019;
- (b) the date a takeover bid is made by a Third Party to acquire all or a majority of the Shares, other than the Ramelius Takeover Offer;
- (c) the date on which an Improved Ramelius Takeover Offer is announced;
- (d) the date on which Ramelius acquires a Relevant Interest in 50% or more of the Shares;
- (e) the date on which a majority of the Board recommends that Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Shares held by the Directors), a Competing Proposal;
- (f) the date on which the Company accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding to give effect to or implement a Competing Proposal;
- (g) an Insolvency Event occurs in respect of the Company or any of its material subsidiaries; and
- (h) the Company announces any proposal to de-list from the official list of the stock exchange operated by ASX.

Securities means:

- (a) Shares or any other class of shares in the capital of the Company; and
- (b) options, warrants, notes, bonds or other securities convertible into, or exchangeable for, Shares or any other class of shares in the Company.

Security Interest means with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind (including a “security interest” within the meaning of section 12(1) of the PPS Act but excluding any deemed security interest referred to in section 12(3) of the PPS Act that does not secure the payment or performance of an obligation) in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable.

Share means an ordinary share in the capital of the Company.

Standstill Period means the period commencing on the date of this agreement and ending on the first to occur of:

- (a) the date that is 12 months after the date of this agreement;

- (b) the date a takeover bid is made by a Third Party to acquire all or a majority of the Shares, other than the Ramelius Takeover Offer;
- (c) the date on which an Improved Ramelius Takeover Offer is announced;
- (d) the date on which Ramelius acquires a Relevant Interest in 50.1% of the Shares;
- (e) the date on which a majority of the Board recommends that Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Shares held by the Directors), a Competing Proposal; and
- (f) the date on which the Company accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding to give effect to or implement a Competing Proposal.

Subscriber means:

- (a) Alkane; or
- (b) a Subsidiary of Alkane notified in writing to the Company prior to Completion.

Subscriber Warranties means the representations and warranties set out in Schedule 3.

Subscription Amount means the amount equal to the Subscription Shares multiplied by the Subscription Price.

Subscription Application means an application to subscribe for the Subscription Securities materially in the form set out in Schedule 1.

Subscription Options means 53,406,594 Options.

Subscription Price means \$0.12 per Share.

Subscription Securities means the Subscription Shares and the Subscription Options.

Subscription Shares means 66,666,675 Shares.

Subsidiary means a subsidiary for the purposes of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received after the date of this agreement that the Board determines, acting in good faith and after having taken advice from its external financial and legal advisers:

- (a) is reasonably capable of being implemented, taking into account all aspects of the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to Shareholders (as a whole) than the Transaction, taking into account all the terms and conditions of the Competing Proposal and the Transaction.

Supplier has the meaning given to that term in clause 15.3.

Surviving Clauses means clause 1 (interpretation), clause 12 (Break Fee), clause 13 (confidentiality and announcements), clause 15 (GST), clause 16 (notices), clause 17 (general) (other than clause 17.11 (further assurance)) and clause 18 (governing law and jurisdiction).

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Tax means any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Government Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or other amount imposed on, or in respect of any of the above, but excludes Duty.

Third Party means a person other than a party or any of their respective Related Entities or Associates.

Transaction means the subscription for or grant of the Subscription Securities in accordance with the terms of this agreement.

Warranties mean the Company Warranties and the Subscriber Warranties.

1.2 Things required to be done other than on a Business Day

Unless otherwise indicated, where the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.3 Other rules of interpretation

In this agreement:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after signature of this agreement;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after signature of this agreement under that legislation, including (where applicable) that legislation as amended, extended or applied as described in clause 1.3(a)(i), or under any legislation which it re-enacts as described in clause 1.3(a)(ii);
- (b) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives;
- (d) a reference to a clause, schedule or annex is a reference to a clause, schedule or annex of or to this agreement (and the schedules and annexes form part of this agreement);
- (e) subject to clause 17.6, references to a party to this agreement include the successors or assigns (immediate or otherwise) of that party;
- (f) a reference to any instrument or document includes any variation or replacement of it;

- (g) unless otherwise indicated, a reference to any time is, a reference to that time in Perth, Australia;
- (h) a reference to \$, A\$ or dollars is to Australian currency;
- (i) singular words include the plural and vice versa;
- (j) a word of any gender includes the corresponding words of any other gender;
- (k) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (l) general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words;
- (m) nothing is to be construed adversely to a party just because that party put forward this agreement or the relevant part of this agreement; and
- (n) the headings do not affect interpretation.

2. CONDITIONS PRECEDENT

2.1 Conditions precedent

The obligations of the parties under clauses 3.1 and 5 are conditional on, and do not become binding unless and until each of the following conditions has been satisfied or waived in accordance with clause 2.5:

- (a) the ASX has not indicated to the Company it will refuse to grant quotation of the Subscription Shares or otherwise make quotation conditional;
- (b) Shareholders in general meeting have approved by the requisite majority the issue of the Subscription Securities to the Subscriber for all purposes, including (without limitation) for the purposes of ASX Listing Rule 7.1 and ASX Listing Rule 7.9.

2.2 Best endeavours to satisfy conditions precedent

- (a) The Company must use best endeavours to ensure that the conditions in clause 2.1 are satisfied as expeditiously as possible and in any event on or before the Cut Off Date.
- (b) The Subscriber must provide:
 - (i) reasonable assistance to the Company as is necessary to satisfy the conditions in clause 2.1; and
 - (ii) all information as may be reasonably requested by the other party in connection with any notices or applications for approvals.

2.3 Shareholder approval

Without limiting clause 2.2, in connection with satisfying the condition in clause 2.1(b), the Company must:

- (a) promptly prepare a notice of meeting to seek the approval of Shareholders, which must include:
 - (i) a unanimous recommendation by the Board that Shareholders vote in favour of the required resolutions in the absence of a Superior Proposal; and
 - (ii) a statement that each Director intends to vote or procure the voting of, their Shares in favour of the resolutions in the absence of a Superior Proposal;
- (b) consult in good faith with the Subscriber in relation to the form and content of the notice of meeting including providing the Subscriber with a draft of the notice of meeting and taking into account each Subscriber's comments prior to providing the draft notice of meeting to ASX for its review; and
- (c) as soon as reasonably practicable and, in any case, no later than 10 Business Days after the date of this agreement, convene a general meeting of Shareholders and despatch the notice of meeting to Shareholders.

2.4 Notice

Each party must promptly notify the others in writing if it becomes aware that any condition in clause 2.1 has been satisfied or has become incapable of being satisfied.

2.5 Waiver

The conditions in clause 2.1 are for the benefit of both parties and may only be waived by both parties in writing.

2.6 Cut Off Date

A party may, by not less than 2 Business Days' notice to the other party, terminate this agreement at any time if the conditions in clause 2.1:

- (a) are not satisfied, or waived in accordance with clause 2.5; or
- (b) become incapable of satisfaction or the parties agree that any of the conditions in clause 2.1 cannot be satisfied,

at any point prior to the Cut-Off Date, provided that, the Company may only terminate this agreement if it has first paid the Break Fee to the Subscriber in accordance with clause 12.2(b) if the Break Fee is payable in the circumstances.

3. SUBSCRIPTION

3.1 Subscription for Shares

Subject to the terms and conditions of this agreement, the Company must allot and issue or grant (as applicable), and the Subscriber must subscribe for or acquire (as applicable), the Subscription Securities, for the Subscription Amount on the Completion Date.

3.2 Deposit

- (a) Within 5 Business Days of the date of this agreement, the Subscriber will pay the Deposit to the Company.

- (b) No interest will accrue on the Deposit.

3.3 Ranking and rights

The Subscription Securities will be free from any Security Interest and rank equally in all respects with all other Shares.

3.4 Nominee subscription

If the Subscriber is a Subsidiary of Alkane:

- (a) Alkane will take all necessary steps to ensure the Subscriber assumes all the rights and performs all the obligations of the Subscriber under this agreement; but
- (b) Alkane is and will remain liable to perform the obligations of the Subscriber under this agreement to the extent the Subscriber fails to do so.

3.5 Consent to become a member and Constitution

Upon issuance or grant (as applicable) of the Subscription Securities, the Subscriber agrees to:

- (a) become a member of the Company; and
- (b) be bound by the constitution of the Company.

4. PRE-COMPLETION PERIOD

4.1 Prohibited conduct

Except to the extent contemplated by this agreement, the Company will not, prior to Completion, without the Subscriber's prior written consent:

- (a) dispose of or agree to dispose of any of its right, title or interest in and to any material asset that it may own or to which it may become entitled;
- (b) charge or agree to grant a Security Interest over the whole or any part of its right, title and interest in and to any material asset that it may own or to which it may become entitled;
- (c) issue or grant, or agree to issue or grant, any Equity Securities, except for:
 - (i) the issue of Shares pursuant to the terms of any Equity Securities on issue at the date of this document; and
 - (ii) the grant of 400,000 performance rights;
- (d) grant any special voting or other rights that attach to Shares; or
- (e) carry on any business except a business of a type that is currently being carried on by the Company.

4.2 Termination

The Subscriber may terminate this agreement by giving written notice in writing to the Company if:

- (a) Ramelius acquires a Relevant Interest in 30% or more of the Shares prior to the Completion Date;
- (b) any member of the Board fails to make the recommendation referred to in clause 2.3(a)(i) or to give the undertaking referred to in clause 2.3(a)(ii) or changes, qualifies or withdraws that recommendation or undertaking once made or makes any statement inconsistent with that recommendation or undertaking;
- (c) a majority of the Board recommends that Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Shares held by the Directors), a Competing Proposal;
- (d) the Company accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding to give effect to or implement a Competing Proposal; or
- (e) subject to applicable law, an Insolvency Event occurs in respect of the Company or any of its Related Entities.

5. COMPLETION

5.1 Time and place for Completion

Completion shall take place at 12.00pm (Perth time) on the Completion Date at the office with the address of Level 2, 88 Colin Street, West Perth, Western Australia of the Company or any other time and place agreed in writing between the Company and the Subscriber.

5.2 Subscriber's obligations

The Subscriber must:

- (a) subject to the Company having complied with its obligations under clause 5.3(a), on or before the Business Day immediately preceding the Completion Date, irrevocably instruct its bank to transfer the Completion Amount to the Company in Immediately Available Funds and provide SWIFT confirmation to the Company; and
- (b) give to the Company a completed and signed Subscription Application.

5.3 Company's obligations at or before Completion

- (a) The Company must procure that before the Business Day immediately preceding the Completion Date:
 - (i) the Board of the Company passes an irrevocable resolution approving the allocation, issuance and/or grant of the Subscription Securities to the Subscriber in consideration of the Subscription Amount; and
 - (ii) if requested by the Subscriber, give to the Subscriber a certified copy of the resolution referred to in clause 5.3(a)(i).
- (b) At Completion subject to receipt of the Completion Amount and Subscription Application, the Company must:
 - (i) **Subscription Shares:**

- (A) issue and allot the Subscription Shares to the Subscriber free from any Security Interest;
 - (B) register the Subscription Shares in the Company's register of members, or ensure that the Company's share registry does so, in the name of the Subscriber, free from any Security Interest; and
 - (C) give the Subscriber the issuer sponsored holding statement for the Subscription Shares or such other reasonable evidence of issue of the Subscription Shares to the Subscriber.
- (ii) **Subscription Options:**
- (A) grant the Subscription Options to the Subscriber free from any Security Interest;
 - (B) register the Subscription Options in the Company's register of optionholders, or ensure that the Company's share registry does so, in the name of the Subscriber, free from any Security Interest; and
 - (C) give the Subscriber the certificate in respect of the Subscription Options.

5.4 Performance of completion obligations

No party is obliged to complete any of its obligations under this clause 5 and Completion will not occur unless all of the obligations of the other parties which are to be performed on Completion are performed on the same date and in accordance with the terms of this agreement. If for any reason any of those obligations is not performed and Completion does not occur then, without prejudice to any other rights of the parties, if a party has performed any of the obligations which it is to perform on Completion, the other parties must take all action necessary to restore that party to the position it was in before that obligation was performed.

5.5 Notice to complete

If, for any reason, Completion does not occur because of the failure of any party (**Defaulting Party**) to simultaneously satisfy any of its obligations under this agreement as contemplated by this clause 5 then any party other than the Defaulting Party (each a **Non-Defaulting Party**) may give the Defaulting Party notice requiring the Defaulting Party to satisfy those obligations within a period of 3 Business Days after the date of the notice and specifying that time is of the essence in relation to that notice.

5.6 Remedies for failure to comply with notice to complete

If the Defaulting Party fails to comply with a notice given under clause 5.5, any Non-Defaulting Party may, without prejudice to any other rights or remedies available to it under this agreement or at law, in its absolute discretion terminate this agreement or seek specific performance of this agreement and, in either case, may seek damages for any Loss incurred or suffered as a result of the relevant breach.

6. POST-COMPLETION OBLIGATIONS

As soon as possible following Completion (and in any event no later than the second Business Day following Completion), the Company must:

- (a) apply for official quotation of the Subscription Shares by ASX; and
- (b) either:
 - (i) lodge with ASX a notice in accordance with section 708A(5)(e) of the Corporations Act that complies with section 708A(6) of the Corporations Act in respect of the Subscription Shares; or
 - (ii) if the Company is unable to issue a notice that complies with section 708A(6) of the Corporations Act, the Company must, as soon as practicable, and in any event, by no later than 20 Business Days after Completion, issue a disclosure document that complies with Part 6D.2 of the Corporations Act in respect of the Subscription Securities.

7. SECURITIES DEALINGS

7.1 No dealing during Restriction Period

- (a) Subject to clause 7.3, during the Restriction Period the Subscriber must not Dispose of the Subscription Shares without the prior written consent of the Company.
- (b) The Subscriber acknowledges and agrees that:
 - (i) on the issue of the Subscription Shares to the Subscriber, those Shares will be registered and held for the Subscriber on the Issuer Sponsored Subregister; and
 - (ii) the Company will apply a Holding Lock to the Subscription Shares as soon as practicable after registration of the Subscription Shares on the Issuer Sponsored Subregister.
- (c) The Company must do all things necessary to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit Disposals of Subscription Shares permitted by this agreement; and
 - (ii) at the expiry of the Restriction Period,

including notifying ASX that the Subscription Shares will be released from the Holding Lock in accordance with the timing requirements set out in ASX Listing Rule 3.10A.

7.2 Standstill

- (a) During the Standstill Period, the Subscriber must not, and must procure that each of its Related Entities (alone or with others) do not, in any manner, acquire or purchase, or agree or offer, or announce an intention to offer (including for the avoidance of doubt an offer conditional on waiver of any part of this clause 7.2), to acquire or purchase, any Relevant Interest in any Equity Securities or direct or indirect rights, warrants or options to acquire any Equity Securities, other than:
 - (i) with the prior written consent of the Company;
 - (ii) in relation to taking up an entitlement in a pro rata entitlement offer of Shares or any other Securities or participating in a dividend reinvestment plan;

- (iii) via an on-market acquisition of up to 53,406,594 Shares for less than \$0.13 per Share, without relying on section 611, item 9 of the Corporations Act; or
 - (iv) under or in accordance with this agreement;
- (b) For each Share acquired by the Subscriber during the Standstill Period in reliance on the exception in clause 7.2(a)(iii), the Subscriber agrees to forfeit one Option and the Company may cancel the Option without any further action required from the Subscriber, commencing with options with a \$0.13 per Share exercise price.

7.3 Transfers to a Related Entity

Notwithstanding any condition to the contrary in this agreement, during the Restriction Period, the Subscriber may transfer all of the Subscription Shares to a Related Entity of the Subscriber, provided that such Related Entity is a Subsidiary of Alkane and enters into a deed poll in favour of the Company agreeing to be bound by the terms and conditions of this clause 7 as if it was the Subscriber.

8. STRATEGIC RELATIONSHIP

8.1 Nature of relationship

The parties acknowledge that the introduction of the Subscriber as a new investor in the Company creates an important strategic relationship between the Company and the Subscriber that will allow the Company to benefit from the Subscriber's technical and strategic expertise and financial capacity. In particular:

- (a) the current skills and expertise of the Board and management team of the Company will be supplemented by the technical, strategic and financing experience of the Subscriber and its related bodies corporate;
- (b) it will broaden the Company's exposure to a wider range of investors, financiers and other commercial partners through the network of the Subscriber and its related bodies corporate; and
- (c) it is anticipated that the above will assist the Company to fast-track the feasibility and development of the Company's projects.

8.2 Technical steering committee

- (a) Subject to clause 8.2(b), the Company agrees that on and from Completion,
 - (i) it will establish and maintain a technical steering committee, whose members will include appropriately qualified persons nominated by the Company and the Subscriber, to review and assess the Company's exploration and feasibility programs and monthly reports to the Board, and provide non-binding advice and recommendations to the Board;
 - (ii) the Subscriber will be entitled to, upon reasonable notice to the Company, inspect and make copies of information from the Company including, but not limited to, all books, records, accounts, working papers, budgets and cash flows, financial information, technical studies and documents to which a director of the Company would otherwise have access in the possession, custody or control of the Company or its Subsidiaries; and

- (iii) the Company must ensure that the Subscriber has reasonable access to senior management for the purpose of regular consultation regarding the business affairs and activities of the Company and its Related Bodies Corporate.
- (b) If at any time after the date which is 12 months from the date of Completion, the Subscriber's Percentage Holding falls below 12% for more than 10 consecutive days on which the ASX is open for trading, the obligation under clause 8.2 will cease to apply.
- (c) The Subscriber bears its costs of attending and participating in the technical steering committee. The committee can meet in any way that the directors of the Company can meet including by telephone.

8.3 Advisory support services

On request of the Company, the Subscriber may (in its absolute discretion) provide further advisory support services to the Company through the use of the Subscriber's technical engineering and project development, capital markets and strategic expertise in the mining sector for fees as agreed between the parties in advance.

9. BOARD OF DIRECTORS

9.1 Changes to the Board

From the date of this agreement until the Business Day immediately after the Company's 2019 annual general meeting, the Company undertakes for the benefit of the Subscriber not to increase the size of the Board or remove or replace any member of the Board other than in accordance with the terms of this agreement or the Corporations Act.

9.2 Appointment of director

- (a) Subject to:
 - (i) compliance with all relevant regulations and laws;
 - (ii) receipt by the Company of a consent to act as a director for the purposes of sections 205B and 205C of the Corporations Act from the Nominated Director,on and from the date the Subscriber's Percentage Holding equals or exceeds 12%, the Subscriber shall be entitled to appoint one Nominated Director to the Board, and the Company shall procure that the Board appoints the Nominated Director to the Board.
- (b) The Company must ensure that a Nominated Director is proposed for election at the next annual general meeting of the Company after their appointment and recommend the election of the Nominated Director at that annual general meeting and do all things as may reasonably be necessary or expedient on its part to ensure that such election is approved by the requisite majority.
- (c) If a Nominated Director is not re-elected at an annual general meeting of the Company:
 - (i) the Subscriber may nominate another Nominated Director in place of that director in accordance with clause 9.2(a); and
 - (ii) the Board must not appoint a person as director who is not a Nominee Director in respect of that vacancy.

- (d) For the avoidance of doubt, the Nominated Director will be subject to the obligations applicable to all Directors under applicable law including in respect of re-election by Shareholders pursuant to the ASX Listing Rules and the Constitution.

9.3 Information access and sharing rights

The Nominated Director may provide the Subscriber with any information acquired by the Nominated Director (in his or her capacity as a director of the Company) provided that such information is provided to the Subscriber in a manner that does not conflict with any information protocols that may be agreed between the Subscriber and the Company and such information is to be maintained by the Subscriber in accordance with the confidentiality obligations in clause 14.

9.4 Cessation of rights

If at any time after the appointment of a Nominated Director, the Subscriber's Percentage Holding falls below 12% for more than 10 consecutive days on which the ASX is open for trading:

- (a) the Subscriber must procure that the Nominated Director tenders his or her resignation to the Board for consideration; and
- (b) the Subscriber's rights under this clause 9 will cease to apply.

10. ALTERNATIVE CAPITAL RAISINGS

- (a) On and from the date the Subscriber's Percentage Holding equals or exceeds 12%, prior to the Company undertaking any proposed mezzanine debt, royalty or metal streaming of an amount in excess of \$1,000,000 (**Prescribed Alternative Raising**) the Company must:
 - (i) provide a written notice to the Subscriber specifying the material terms of the Prescribed Alternative Raising and a statement to the effect that the Subscriber has an option to participate in the Prescribed Alternative Raising on the material terms set out in the notice; and
 - (ii) must not undertake the Prescribed Alternative Raising prior to fully complying with this clause 10.
- (b) The Subscriber may exercise the option stated in the notice given under clause 10(a)(i) by giving notice to that effect to the Company within 10 Business Days after the date of the Subscriber's receipt of the notice given under clause 10(a)(i).
- (c) If the Subscriber's Percentage Holding falls below 12% for more than 10 consecutive days on which the ASX is open for trading, the rights under clause 10(a) will cease to apply.

11. ANTI-DILUTION RIGHT

11.1 Grant of Anti-Dilution Right

- (a) On Completion until the date that is 12 months after the date of this agreement, and subject to the following provisions of this clause 11, the Subscriber will have the right to participate in any Equity Offer by the Company up to the number of Equity Securities required to ensure that the Subscriber's Percentage Holding immediately before completion of the Equity Offer remains the same immediately following the Equity Offer, provided that such participation is for cash consideration that is:

- (i) no more favourable than cash consideration paid by third parties (in the case of issues of Equity Securities to third parties for cash consideration); or
- (ii) equivalent in value to non-cash consideration offered by third parties (in the case of issues of Equity Securities to third parties for non-cash consideration)

(Anti-Dilution Right).

- (b) Any calculation of the value of non-cash consideration for the purposes of clause 11.1(a)(ii) is to be agreed between the parties (both acting reasonably) or in the absence of such agreement by an independent valuer (with the costs borne by the Company and the decision of the independent valuer being final and binding on the parties in the absence of manifest error) .

11.2 ASX waiver

- (a) The Anti-Dilution Right is subject to and conditional on the Company obtaining from ASX a waiver of ASX Listing Rule 6.18 to the extent necessary to permit the Anti-Dilution Right.
- (b) As soon as practicable following the execution of this Agreement, and in any event within 15 Business Days of Completion, the Company must use its best endeavours to seek and obtain from the ASX a waiver of ASX Listing Rule 6.18 in relation to the Anti-Dilution Right.
- (c) If ASX declines to grant a waiver of ASX Listing Rule 6.18 in relation to the Anti-Dilution Right, then:
 - (i) the parties will use all reasonable endeavours in good faith to agree an alternative anti-dilution regime of reduced scope which provides the Subscriber with as much as possible of the protections afforded by the Anti-Dilution Right whilst at the same time being acceptable to ASX, including discussing potential alternatives with ASX and seeking appropriate waivers and/or confirmations from ASX; and
 - (ii) the Company will be obliged to accept and implement any such alternative anti-dilution regime, provided that it is no more onerous to the Company than the Anti-Dilution Right.

11.3 Equity Offers prior to grant of waiver

Without the prior consent of the Subscriber, during the period from the date of execution of this Agreement to the date that the Company has received a final decision from the ASX in respect of the waiver from ASX Listing Rule 6.18 under clause 11.2, the Company undertakes for the benefit of the Subscriber not to undertake or agree to undertake an Equity Offer, other than an Equity Offer of the type described in clause 11.5.

11.4 Shareholder approval

Where shareholder approval is required by law or the ASX Listing Rules before Equity Securities can be issued to the Subscriber under clause 11.1, the Company must take all reasonable steps to ensure that shareholder approval is obtained in respect of the issue of such Equity Securities to the Subscriber as soon as practicable after the Subscriber exercises its option under clause 11.1, including taking all reasonable steps to procure the Company's non-interested directors unanimously vote to recommend that shareholders vote in favour of the resolution approving the issue of the Equity Securities to the Subscriber, subject at all times to the directors' fiduciary duties.

11.5 Exceptions

The Anti-Dilution Right will not apply in relation to an Equity Offer which is under any employee incentive scheme pursuant to ASIC Class Order 14/1000.

11.6 Termination of Anti-Dilution Right

The Anti-Dilution Right will continue until the date that is 12 months after the date of this agreement.

12. BREAK FEE

12.1 Acknowledgement and agreement by the Company

The Company acknowledges and agrees that:

- (a) The Subscriber and its Related Entities have incurred and will continue to incur significant costs, expenses and losses in pursuing the Transaction including:
 - (i) legal, financial and other professional advisory costs;
 - (ii) costs of management and directors' time;
 - (iii) out of pocket expenses; and
 - (iv) opportunity costs of pursuing the Transaction or in not pursuing alternative transactions or business opportunities;
- (b) the costs and expenses actually incurred by the Subscriber and its Related Entities are of such nature that they cannot accurately be ascertained;
- (c) the Break Fee is a genuine and reasonable estimate of the costs and expenses that have been or will be actually incurred by the Subscriber and its Related Entities in pursuing the Transaction;
- (d) the Subscriber has negotiated the inclusion of clause 12.2 in this agreement and would not have entered into this agreement without it; and
- (e) the Board has concluded that it is reasonable and appropriate for the Company to agree to payment of the Break Fee in the circumstances described in clause 12.2 in order to secure the Subscriber's entry into this agreement.

12.2 Circumstances where Break Fee payable

Subject to clause 12.4, the Company must pay the Break Fee to the Subscriber if prior to the Completion Date any of the following has occurred:

- (a) **failure or change to recommendation:** any member of the Board fails to make the recommendation referred to in clause 2.3(a)(i) or to give the undertaking referred to in clause 2.3(a)(ii) or changes, qualifies or withdraws that recommendation or undertaking once made or makes any statement inconsistent with that recommendation or undertaking;
- (b) **breach of shareholder approval obligations:** the condition in clause 2.1(b) is not satisfied by the Cut-Off Date due to a breach of the Company's obligations under clause 2.3;

- (c) **entry into agreement to give effect to Competing Proposal:** the Company accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding to give effect to or implement a Competing Proposal;
- (d) **recommend Competing Proposal:** a majority of the Board recommends that Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Shares held by the Directors), a Competing Proposal of any kind (whether or not such proposal is stated to be subject to any pre-conditions)..

12.3 Payment of Break Fee

- (a) If the Break Fee becomes payable under this agreement, the Company must pay it without withholding or set-off within 5 Business Days after receipt of a written demand for payment from the Subscriber.
- (b) The Break Fee is payable by the Company to the Subscriber only once and, if actually paid to the Subscriber, the Subscriber cannot make any Claim against the Company for any further payment of the Break Fee.

12.4 Amendments to Break Fee Arrangements

- (a) If any of the following occurs:
 - (i) ASIC indicates to either party in writing that in the absence of modification to the amount of the Break Fee or this clause 12 (**Break Fee Arrangements**) it will apply to the Takeovers Panel for a declaration of unacceptable circumstances; or
 - (ii) as a result of an application to the Takeovers Panel by a party other than the Company or its Representatives, the Takeovers Panel indicates to either party in writing that, in the absence of a written undertaking pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) to modify the Break Fee Arrangements, it will make a declaration of unacceptable circumstances,then:
 - (A) the parties must amend this clause 12 to the extent required to give effect to the requirements of ASIC or the Takeovers Panel, as the case may be, and in the circumstances referred to in clause 12.4(a)(ii) must give the required undertakings; and
 - (B) if the Subscriber has received all or part of the Break Fee, the Subscriber must repay the relevant portion of the received amount to the Company to give effect to the requirements of ASIC or the Takeovers Panel.
- (b) The parties must not request ASIC to review, or make or cause or permit to be made, any application to the Takeovers Panel in respect of, the Break Fee Arrangements.

12.5 No limit on other Claims

This clause 12 does not limit the rights of the Subscriber in respect of any other Claim that may arise under this agreement in connection with any event or occurrence referred to in clause 12.2 provided that the amount of any loss or damage in such Claim will be reduced by the amount paid to the Subscriber under this clause 12.

13. WARRANTIES

13.1 Company Warranties

- (a) The Company represents and warrants to the Subscriber that each of the Company Warranties is true and accurate in all material respects.
- (b) The Company acknowledges that the Subscriber has entered into this agreement in reliance on the Company Warranties.

13.2 Subscriber Warranties

- (a) The Subscriber represents and warrants to the Company that each of the Subscriber Warranties is true and accurate in all material respects.
- (b) The Subscriber acknowledges that the Company has entered into this agreement in reliance on the Subscriber Warranties.

13.3 Nature of Warranties

Each Warranty:

- (a) in respect of a Warranty that is expressed to be given on a particular date, is given on that date; and
- (b) in respect of each other Warranty, is given on the date of this agreement and immediately before the issue or grant of the Subscription Securities;
- (c) must be construed independently and is not limited by reference to another Warranty; and
- (d) survives the execution and completion of this agreement.

13.4 Notice

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations and warranties given by it under this clause 13.

13.5 Limitation of liability

- (a) The maximum aggregate amount which any party is required to pay in respect of all Claims under this agreement whenever made is limited to an amount equal to the Subscription Amount.
- (b) No party will be liable for a Claim unless the party making the Claim notifies the party who the Claim is against of the Claim (in writing and in reasonable detail) within 24 months after Completion.

13.6 Certain payments taken to be a reduction in the Subscription Amount

Any payment made by the Company in respect of a Claim for breach of Company Warranty must, to the extent possible, be taken to be a reduction in the Subscription Amount.

13.7 No other warranties or representations

To the maximum extent permitted by law, except for the Warranties given by a party, all warranties and representations on the part of the party, its directors, officers, employees, agents, representatives or advisers, whether express or implied, whether statutory or otherwise, are expressly excluded.

14. CONFIDENTIALITY

14.1 Announcements

A party must not make any public announcement relating to this agreement or the transactions contemplated by it, unless the other party has consented to the announcement, including the timing, form and content, unless the announcement would be permitted under an exception in clause 14.3.

14.2 Confidentiality agreement

Each party acknowledges and agrees that it continues to be bound by the non-disclosure agreement dated 20 September 2018 between the parties.

14.3 Confidentiality obligation and exceptions

A party may not disclose the provisions of this agreement, except:

- (a) after getting the written consent of the other party;
- (b) to a Related Entity or a Representative who needs to know such information in the conduct of his duties; or
- (c) as required by an applicable law, legal process, any order or rule of any Government Agency or the rules of a recognised stock exchange, after first consulting with the other parties, about the form and content of the disclosure,

and must use its best endeavours to ensure all permitted disclosures are kept confidential.

15. GST

15.1 Interpretation

Words and expressions that are defined in the GST Law have the same meaning when used in this clause 15. For the purposes of this clause 15, references to GST payable and input Tax credit entitlements of any entity include GST payable by, and the input Tax credit entitlements of, the representative member of the GST group of which the entity is a member.

15.2 Consideration exclusive of GST

Except as otherwise expressly provided in this agreement, all amounts payable or consideration to be provided under or in connection with this agreement are exclusive of GST (**GST Exclusive Consideration**).

15.3 Payment of GST

If GST is payable on any supply made under or in connection with this agreement the recipient must pay to the party that has made or will make the supply (**Supplier**), in addition to the GST Exclusive Consideration, an additional amount equal to the GST payable on that supply (**Additional Amount**).

The recipient must pay the Additional Amount without set-off, demand or deduction, at the same time and in the same manner as any GST Exclusive Consideration for that supply is required to be paid, except that the recipient is not required to pay the Additional Amount unless and until the Supplier has issued a Tax invoice under clause 15.4.

15.4 Tax invoice

For any supply to which clause 15.3 applies, the Supplier must issue a Tax invoice which complies with the GST Law.

15.5 Adjustments

If any adjustment event occurs in respect of a supply to which clause 15.3 applies:

- (a) the Additional Amount paid or payable by the recipient must be recalculated, taking into account any previous adjustments under this clause 15.5, to reflect the occurrence of that adjustment event and the Supplier or the recipient, as the case requires, must pay to the other the amount required to reflect the recalculation of the Additional Amount; and
- (b) the Supplier must provide an adjustment note to the recipient as soon as practicable after the Supplier becomes aware of the occurrence of that adjustment event.

15.6 Input tax credits

Notwithstanding any other provision of this agreement, if an amount payable under or in connection with this agreement is calculated by reference to any loss, damage, cost, expense, charges or other liability incurred or suffered by a party, then the amount payable must be reduced by the amount of any input Tax credit to which that entity is entitled in respect of the acquisition of any supply to which the loss, damage, cost, expense, charge or other liability relates.

16. NOTICES

16.1 Manner of giving notice

Unless expressly stated otherwise in this agreement, a notice or other communication given under this agreement including, but not limited to, a request, demand, consent, waiver or approval, to or by a party to this agreement (**Notice**):

- (a) must be in legible writing and in English;
- (b) must be signed by the sender (if an individual) or an Officer of the sender;
- (c) must be addressed to the addressee at the address or email address set out below or to any other address or email address a party notifies to the other under clause 16.2; and
- (d) is deemed to be received by the addressee in accordance with clause 16.3.

16.2 Parties' details

A Notice may delivered or served to each party as follows:

- (a) if to the Company:

Explaurum Limited

Address: 1 Eagle Street, Brisbane, Queensland 4000
Email: John.Lawton@explaurum.com
Attention: The Managing Director

With a copy to

Thomson Geer

Address: Level 16 1 Eagle Street, Brisbane, Queensland 4000
Email: e.fung@tglaw.com.au
Attention: Eugene Fung

(b) if to the Subscriber:

Alkane Resources Limited

Address: 89 Burswood Road, Burswood, Western Australia 6100
Email: nearer@alkane.com.au
Attention: Nic Earner

16.3 When notice given

- (a) Without limiting any other means by which a party may be able to prove that a Notice has been received by another party, a Notice is deemed to be received:
- (i) if sent by hand, when delivered to the addressee;
 - (ii) if by post, seven Business Days from and including the date of postage/on delivery to the addressee or ten Business Days from and including the date of postage/on delivery to the addressee if being sent to an overseas address; or
 - (iii) if by email, the earlier of:
 - (A) at the time of transmission unless the sender receives an automatic notification that the email has not been received (other than an out of office greeting for the named addressee) and it receives the notification before two hours after the time of transmission;
 - (B) the sender receiving a message from the intended recipient's information system confirming delivery of the email; and
 - (C) when the email (including any attachment) becomes available to be read at the email address specified by the recipient in accordance with this agreement,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (addressee's time) it is deemed to be received at 9.00am on the following Business Day.

- (b) In this clause, a reference to an addressee includes a reference to an addressee's Officers, agents or employees.

16.4 Documents relating to legal proceedings

This clause 16 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this agreement.

17. GENERAL

17.1 Termination of this agreement

- (a) If this agreement is terminated under clause 2.6 or 4.2 then:
 - (i) the Company must repay the Deposit to the Subscriber in full within 30 Business Days;
 - (ii) except as provided in clause 17.1(a)(iv) all the provisions of this agreement cease to have effect and each party is released from its obligations to further perform this agreement;
 - (iii) each party retains all rights that it has against each other party in respect of any breach of this agreement occurring before termination; and
 - (iv) the provisions of, and the rights and obligations of each party under, this clause 17.1 and each of the Surviving Clauses survive termination of this agreement.
- (b) Except for the express rights of termination contained in clauses 2.6 or 4.2 no party has any right to terminate this agreement and the parties waive their rights (if any) to annul, rescind, dissolve, withdraw from, cancel or terminate this agreement in any circumstances.

17.2 Manner of payments

Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), each payment to be made under this agreement must be made in \$AUD by transfer of the relevant amount into the relevant account on or before the date on which the payment is due and in Immediately Available Funds. The relevant account for a given payment is the account that the party due to receive the payment specifies, not less than 3 Business Days before the date on which payment is due, by giving notice to the party due to make the payment.

17.3 Exclusion of consequential liability

Neither party will be liable to the other party for any indirect and consequential loss or damage (including for loss of profit (whether direct, indirect, anticipated or otherwise), loss of expected savings, opportunity costs, loss of business (including loss or reduction of goodwill), damage to reputation and loss or corruption of data regardless of whether any or all of these things are considered to be indirect or consequential or damage) in contract, tort (including negligence), under any statute or otherwise arising from or related in any way to this agreement or its subject matter.

17.4 Costs and Duty

- (a) Each party must pay its own costs and expenses of negotiating, preparing, signing, delivering and registering this agreement and any other agreement or document entered into or signed under this agreement.

- (b) A party must bear the costs and expenses of performing its obligations under this agreement, unless otherwise provided in this agreement.
- (c) The Subscriber must pay all Duty in respect of signing, delivering and performing this agreement and any other agreement or document entered into or signed under this agreement.

17.5 Invalidity

- (a) If a provision of this agreement or a right or remedy of a party under this agreement is invalid or unenforceable in a particular jurisdiction:
 - (i) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability; and
 - (ii) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (b) This clause is not limited by any other provision of this agreement in relation to severability, prohibition or enforceability.

17.6 Assignment, novation and other dealings

A party must not assign or novate this agreement or the benefit of it or a right under it, or purport to do so, without the prior written consent of each other party which consent may be withheld at the discretion of the party from whom consent is sought.

17.7 Variation

No variation of this agreement is effective unless made in writing and signed by each party.

17.8 Waiver

- (a) No waiver of a right or remedy under this agreement is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.
- (b) A single or partial exercise of a right or remedy under this agreement does not prevent a further exercise of that or of any other right or remedy.
- (c) Failure to exercise or delay in exercising a right or remedy under this agreement does not operate as a waiver or prevent further exercise of that or of any other right or remedy.

17.9 Cumulative rights

Except as expressly provided in this agreement, the rights of a party under this agreement are in addition to and do not exclude or limit any other rights or remedies provided by law.

17.10 Severability

Any term of this agreement which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this agreement is not affected.

17.11 Further assurances

Except as expressly provided in this agreement, each party must, at its own expense, do all things reasonably necessary to give full effect to this agreement and the matters contemplated by it.

17.12 No-merger

No term of this agreement merges on completion of any transaction contemplated by this agreement.

17.13 Entire agreement

- (a) This agreement is the entire agreement between the Company and the Subscriber about its subject matter and replaces all previous agreements, understandings, representations and warranties about that subject matter.
- (b) Each party represents and warrants that it has not relied on any representations or warranties about the subject matter of this agreement except as expressly provided in this agreement.

17.14 Counterparts

This agreement may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

17.15 Relationship of the parties

Except as expressly provided in this agreement:

- (a) nothing in this agreement is intended to constitute a fiduciary relationship or an agency, partnership or trust; and
- (b) no party has authority to bind any other party.

17.16 Third party rights

Except as expressly provided in this agreement:

- (a) each person who executes this agreement does so solely in its own legal capacity and not as agent or trustee for or a partner of any other person; and
- (b) only those persons who execute this agreement have a right or benefit under it.

17.17 Language

This agreement is written and executed in the English language. Any versions of this agreement in any other language shall be for translation purposes only and shall accordingly have no legal effect.

18. GOVERNING LAW AND JURISDICTION

18.1 Governing law

This agreement and any non-contractual obligations arising out of or in connection with it are governed by the law applying in Western Australia.

18.2 Jurisdiction

Except where the parties have agreed a particular method of resolving disputes under particular provisions of this agreement, the courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this agreement) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

THIS AGREEMENT has been executed by the parties or their duly authorised representatives on the date stated at the beginning of this agreement.

SCHEDULE 1

APPLICATION TO SUBSCRIBE FOR SECURITIES

To: the Directors of Explaurum Limited (**Company**)

We refer to the subscription agreement between the Company and Alkane Resources Limited (**Subscriber**) dated 29 October 2018 (**Subscription Agreement**).

In accordance with the Subscription Agreement, the Subscriber applies for, and requests you to allot and issue or grant to it the Subscription Securities (as defined in the Subscription Agreement) being 66,666,675 ordinary shares in the capital of the Company (**Shares**) and 53,406,594 options to subscribe for Shares on the terms set out in Schedule 4 of the Subscription Agreement (**Options**) for the aggregate subscription price of A\$• (**Subscription Amount**).

We have arranged an electronic funds transfer for the Completion Amount.

The Subscriber agrees:

- (a) that the allotment of the Shares and grant of Options to it constitutes acceptance of this application;
- (b) to become a member of the Company; and
- (c) to be bound by, and hold the Shares subject to the terms of, the constitution of the Company.

EXECUTED by **ALKANE RESOURCES**)
LIMITED in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary

Name of director

Name of director/company secretary

SCHEDULE 2
COMPANY WARRANTIES

1. **Registration:** it is a corporation registered (or taken to be registered) and validly existing under the Corporations Act.
2. **Corporate existence:** it is a body corporate validly existing under the laws of its place of incorporation.
3. **Power and capacity:** it has the power and capacity to enter into and perform its obligations under this agreement and to own its assets and to carry on its business as it is now being conducted.
4. **Authority:** it and its directors have taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms.
5. **Validity of obligations:** this agreement constitutes valid and binding obligations upon it enforceable in accordance with its terms.
6. **No breach:** the signing and delivery of this agreement and the performance by the Company of its obligations under it complies with:
 - (a) each applicable law and Authorisation;
 - (b) the Constitution;
 - (c) each replaceable rule in the Corporations Act that applies to the Company;
 - (d) the ASX Listing Rules; and
 - (e) each agreement, arrangement, or any other document binding on the Company;
7. **No Insolvency Event:** no Insolvency Event has occurred in relation to the Company or any of its subsidiaries.
8. **Subscription Securities:** the Subscriber will acquire at Completion:
 - (a) full legal and beneficial ownership of the Subscription Securities free and clear of all Security Interests, subject to the registration of the Subscriber in the Company's register of members and optionholders;
 - (b) the Subscription Securities free of competing rights, including pre-emptive rights or right of first refusal; and
 - (c) Subscription Shares that are fully paid and have no money owing in respect of them.
9. **Issued capital:** at the date of this agreement, the Company has the following securities on issue:
 - (a) 481,412,320 Shares;

- (b) the following unlisted options to subscribe for Shares:

Number	Exercise price	Expiry date
8,000,000	\$0.098	22 September 2019
14,216,421	\$0.07	10 November 2020
258,695	\$0.096	17 May 2021

- (c) the following performance rights convertible into Shares:

Number	Vesting condition	Expiry date
3,800,000	10 VWAP is at least \$0.25	10 November 2020
3,800,000	10 VWAP is at least \$0.35	10 November 2020
3,800,000	10 VWAP is at least \$0.45	10 November 2020
2,533,333	10 VWAP is at least \$0.25	16 March 2021
2,533,333	10 VWAP is at least \$0.35	16 March 2021
2,533,333	10 VWAP is at least \$0.45	16 March 2021

10. **Quotation:** the Company:

- (a) has been admitted to and is listed on the official list of the ASX;
- (b) has not been removed from, nor has it been threatened with removal from, the official list of the ASX; and
- (c) the Shares are quoted on the ASX and no suspension has been threatened by the ASX.

11. **Litigation and compliance:**

- (a) At the date of this Agreement, except as disclosed, neither the Company nor any of its Related Entities is, as at the date of this agreement, a party to any material investigation, prosecution, litigation, legal proceedings, arbitration, mediation or any other form of litigation or dispute resolution process or administrative or governmental proceedings (**Material Proceedings**).
- (b) At the date of this Agreement, except as disclosed, so far as the Company is aware, as at the date of this agreement, no Material Proceedings against the Company or any of its Related Entities are pending or threatened and the Company is not aware of any disputes that will, or would reasonably be likely to, give rise to any Material Proceedings.

12. **Disclosure:**

- (a) So far as the Company is aware, the information prepared by or on behalf of the Company and provided to the Subscriber in connection with the offer, subscription and issue of the Subscription Securities or this agreement is accurate in all material respects.

- (b) The Company has not provided any information to the Subscriber that it is aware is misleading in any material respect and, so far as the Company is aware, no information has been omitted that would render such information misleading in any material respect.
- (c) So far as the Company is aware, it is in compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and it has not withheld any information in reliance on the exemption in ASX Listing Rule 3.1A, other than in respect of the transactions contemplated by this agreement.
- (d) The Company is able to issue a notice that would comply with section 708A(6) of the Corporations Act and, upon the issue of that notice, section 708A(1) and (5) would apply in respect of an offer of any Subscription Shares for sale.
- (e) The Company has not withheld from the Subscriber any information which a reasonable person in the Subscriber's position would consider material to the decision of the Subscriber to enter into this agreement.

SCHEDULE 3

SUBSCRIBER WARRANTIES

1. **Registration:** it is a corporation registered (or taken to be registered) and validly existing under the Corporations Act.
2. **Corporate existence:** it is a body corporate validly existing under the laws of its place of incorporation.
3. **Power and capacity:** it has the power and capacity to enter into and perform its obligations under this agreement and to own its assets and to carry on its business as it is now being conducted.
4. **Authority:** it and its directors have taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms.
5. **Validity of obligations:** this agreement constitutes valid and binding obligations upon it enforceable in accordance with its terms.
6. **No breach:** the signing and delivery of this agreement and the performance of its obligations under it complies with:
 - (a) each applicable law and Authorisation;
 - (b) its constitution; and
 - (c) each agreement, arrangement, or any other document by which it is bound.
7. **No Insolvency Event:** no Insolvency Event has occurred in relation to it.

SCHEDULE 4

TERMS AND CONDITIONS OF OPTIONS

1. **Entitlement:** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **Issue Price:** No cash consideration is payable for the issue of the Options.
3. **Exercise Price:** The Options have an exercise price per Option as set out in the table below (**Exercise Price**):
 - (a) in respect of the exercise of the first 18,692,308 Options by the Option holder, \$0.13 per Option; and
 - (b) in respect of the exercise of the subsequent 34,714,286 Options by the Option holder, \$0.14 per Option.
4. **Expiry Date:** The Options expire at 5:00 pm (Perth time) on 1 November 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **Exercise Period:** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **Quotation of the Options:** The Company will not apply for quotation of the Options on ASX.
7. **Transferability of the Options:** The Options are not transferable, except with the prior written approval of the Company.
8. **Notice of Exercise:** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**). Options must be exercised in minimum parcels of 5,000,000 options unless fewer than 5,000,000 Options remain in which case that number is the minimum number which may be exercised.
9. **Timing of issue of Shares on exercise:** Within 5 Business Days after the Exercise Date, the Company will:
 - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is required but is unable to deliver a notice under paragraph 9(b) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC within 20 Business Days after the Exercise Date a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to ensure that an offer for sale of the Shares does not require disclosure to investors.

10. **Shares issued on exercise:** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
11. **Reconstruction of capital:** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
12. **Participation in new issues:** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
13. **Adjustment for bonus issues of Shares:** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
14. **Forfeiture:** If the Subscriber acquires Shares during the Standstill Period in reliance on the exception in clause 7.2(a)(iii) of the Share Subscription Agreement (a **Relevant Share**), the Subscriber agrees to forfeit one Option for each Relevant Share acquired and the Company may cancel the Option without any further action required from the Subscriber, commencing with options with a \$0.13 per Share exercise price.

SCHEDULE 5

EXECUTION PAGE

EXECUTED by **EXPLAURUM LIMITED** in)
accordance with section 127 of the *Corporations*)
Act 2001 (Cth):)



Signature of director

John Lawton

Name of director



Signature of director/company secretary

Paul Frederiks

Name of director/company secretary

EXECUTED by **ALKANE RESOURCES**)
LIMITED in accordance with section 127 of the)
Corporations Act 2001 (Cth):)



Signature of director

NICHOLAS EARNE

Name of director



Signature of company secretary

Dennis Wilkins

Name of director/company secretary