



RUTILA
RESOURCES

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30 May 2014

Australian Securities Exchange
Exchange Centre
20 Bridge Street
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JOINT FUNDING AND PARTICIPATION AGREEMENT

Attached to this announcement is a copy of the Joint Funding and Participation Agreement entered into between Rutila Resources Limited (ASX: RTA: "Rutila"), Forge Resources Crown Pty Ltd (a wholly owned subsidiary of Rutila) and Todd Minerals and Coal Pty Ltd (a wholly owned subsidiary of The Todd Corporation Limited) outlining the terms of the proposed transaction as announced to ASX on 23 August 2013 and detailed in a Notice of Meeting released on 23 May 2014. The completion of the proposed transactions are subject to Rutila Shareholder approval and the satisfaction or waiver of certain other conditions, as described in the Notice of General Meeting.

For further information please contact Mr Nicholas Curtis, Chairman, on +61 2 9259 4400.

Joint Funding and Participation Agreement

Forge Resources Crown Pty Ltd
Rutila Resources Limited
Todd Minerals and Coal Pty Ltd

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Date:

Parties

- 1 **Forge Resources Crown Pty Ltd ACN 149 793 031** of Suite 24.01, Level 24, 56 Pitt Street, Sydney NSW 2000 (**Forge Crown**)
 - 2 **Rutila Resources Limited ACN 139 886 187** of Suite 24.01, Level 24, 56 Pitt Street, Sydney NSW 2000 (**Rutila Resources**)
 - 3 **Todd Minerals and Coal Pty Ltd ACN 162 522 572** of Level 30, 357-363 George Street, Sydney NSW 2000 (**Todd**)
-

Background

- A Forge Crown, Rutila Resources and the Farmor are parties to a Farmin Agreement.
- B Rutila Resources, Forge Crown and Todd have agreed to enter into this deed to record the manner in which:
 - Forge Crown will exercise its rights and make decisions and elections under the Farmin Agreement;
 - Forge Crown and/or Todd will make payments (including those required to be made by the issue of shares) under the Farmin Agreement; and
 - Todd will acquire its interest in the Tenements at the appropriate point in time.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this deed.

2 Condition precedent

2.1 Condition Precedent

Clauses 5 to 19 (inclusive), clause 21 and clause 24 do not become binding on the parties unless and until Rutila Resources' shareholders have approved, by the requisite majorities, for the purposes of ASX Listing Rules 10.1, 11.1.2 and 11.2 and for all other purposes, each of the following:

- (a) the disposal under clauses 5, 6 and 7 of this deed by Forge Crown to Todd of the Initial Todd Farmin Interest and half of Forge Crown's rights to earn or acquire up to all of the remaining 49.9% interest in the Tenements;
- (b) the potential disposal by Forge Crown to Todd of Forge Crown's interest in the Tenements under clauses 8(c), 8(d) and 13(d)(ii);
- (c) the potential acquisition by Forge Crown of Todd's interest in the Tenements under clause 8(c) and 13(d)(ii);
- (d) the potential disposal by Forge Crown to Todd of Forge Crown's interest in the Tenements under clauses 17(a) and 17(b);
- (e) the potential acquisition by Forge Crown of Todd's interest in the Tenements under clauses 17(a) and 17(b); and
- (f) the potential acquisition by Todd of shares held by Rutila Resources in Forge Crown under clauses 16.6 and 17(c),

(the **Condition Precedent**).

2.2 Reasonable endeavours and co-operation

- (a) Rutila Resources must use its best endeavours to put the resolutions the subject of the Condition Precedent (the **Shareholder Resolutions**) to Rutila Resources' shareholders as soon as reasonably practicable after the date of this deed and in any event on or before the End Date.
- (b) Rutila Resources must, in a timely manner, consult with Todd as to the form and content of the relevant notice of general meeting insofar as it relates to the Shareholder Resolutions.
- (c) Todd must provide Rutila Resources with all assistance and information reasonably requested by Rutila Resources in relation to the relevant notice of general meeting insofar as it relates to the Shareholder Resolutions.
- (d) Subject to clause 2.2(e), Rutila Resources undertakes that:
 - (i) it will ensure that the Shareholder Resolutions are put to Rutila Resources' shareholders in a manner that complies with the ASX confirmations provided by ASX by letter dated 12 September 2013;
 - (ii) its Recommending Directors will unanimously recommend (including in the relevant notice of general meeting) that, subject to Rutila Resources' independent expert concluding that the proposed transactions the subject of the Shareholder Resolutions are fair and reasonable or not fair but

reasonable, Rutila Resources shareholders vote in favour of all of the Shareholder Resolutions at the relevant general meeting; and

- (iii) the relevant notice of general meeting will include a statement by the Recommending Directors to the effect specified in clause 2.2(d)(ii) and to the effect that, subject to Rutila Resources' independent expert concluding that the proposed transactions the subject of the Shareholder Resolutions are fair and reasonable or not fair but reasonable, each Recommending Director intends to vote (or procure the voting of) all Rutila Resources' shares held or controlled by him in favour of the Shareholder Resolutions at the relevant general meeting.
- (e) Rutila Resources must use its best endeavours to procure that, in respect of any Shareholder Resolution, no Recommending Director changes, withdraws or modifies his recommendation under clause 2.2(d)(ii) or statement under clause 2.2(d)(iii) or makes a recommendation or statement that is inconsistent with such recommendation or statement, unless:
 - (i) the Recommending Directors, acting in good faith and having obtained written legal advice from Rutila Resources' legal advisers, determine that they are, by virtue of their fiduciary or statutory duties, required to change, withdraw or modify such recommendation or statement or make a recommendation or statement that is inconsistent with it; or
 - (ii) Rutila Resources' independent expert concludes in the independent expert's report (whether initially or in any updated report) that the proposed transaction the subject of the relevant Shareholder Resolution is not, or are not, fair and not reasonable.
- (f) Notwithstanding anything else in this deed, where a Shareholder Resolution is put to Rutila Resources' shareholders but is not approved by the requisite majorities, Rutila Resources has no obligation to again put that Shareholder Resolution to a vote of Rutila Resources' shareholders.

2.3 Notice

Each party must promptly notify the others in writing if it becomes aware that the Condition Precedent has been satisfied or has become incapable of being satisfied.

2.4 Waiver

The Condition Precedent is for the benefit of all parties and can only be waived by written agreement between all the parties.

2.5 Termination

This deed will automatically terminate if the Condition Precedent has not been satisfied or waived by 5.00pm on the End Date.

3 Objectives and structure

- (a) This deed regulates the relationship between the Funding Parties and sets out the arrangements between the Funding Parties relating to:
 - (i) the sharing of Expenditure to be incurred under the Farmin Agreement and the nature, timing and amount of such Expenditure;

- (ii) the making of decisions and elections under the Farmin Agreement; and
 - (iii) the manner in, and the conditions upon, which the Funding Parties will take an assignment of a legal and beneficial interest in the Tenements once certain Expenditure requirements have been satisfied.
- (b) The parties agree that:
- (i) within 1 month of the date of this deed, Rutila Resources must transfer the legal interest it holds in the Initial Farmin Interest to Forge Crown; and
 - (ii) until Rutila Resources has transferred the legal interest in the Initial Farmin Interest to Forge Crown:
 - (A) the obligations of Forge Crown under this deed will be obligations on, and to be performed by, Rutila Resources; and
 - (B) the obligations of Todd to Forge Crown will be obligations of Todd to Rutila Resources.

4 Stage One Farmin Obligation and Stage Two Optional Expenditure

The parties agree and acknowledge that, prior to the date of this deed, pursuant to the Letter Agreement:

- (a) Rutila Resources issued 550,000 ordinary shares in Rutila Resources to each of Westover and Wild Side;
- (b) Rutila Resources incurred Expenditure of \$1,000,000 in part satisfaction of the Stage One Farmin Obligation;
- (c) Rutila Resources satisfied the Stage Two Optional Expenditure; and
- (d) Rutila Resources:
 - (i) provided to the Farmor a detailed report of the work and expenditures respectively undertaken and incurred in respect of Tenements in satisfying the Stage Two Optional Expenditure; and
 - (ii) informed the Farmor that it elects to continue to explore and/or develop the Tenements and proceed to earn the Further Farmin Interest by completing the Stage Three Farmin Obligations.

5 Initial Todd Farmin Interest

- (a) Within 5 Business Days after the Effective Date, Todd must, pay the Reimbursement Payment to Rutila Resources in Immediately Available Funds.
- (b) Upon payment being made pursuant to clause 5(a), Todd will be regarded as having earned a beneficial interest in the Tenements equivalent to its Funding Share of the Initial Farmin Interest (**Initial Todd Farmin Interest**).
- (c) At any time after payment has been made pursuant to clause 5(a), Todd may, by notice in writing to Rutila Resources or Forge Crown (as applicable), request that

Rutila Resources or Forge Crown transfer, or cause to be transferred, the Initial Todd Farmin Interest to Todd subject to and in accordance with clause 16.

- (d) Until the Initial Todd Farmin Interest has been transferred to Todd, Rutila Resources or Forge Crown (as applicable) must:
- (i) hold the legal and beneficial interest in the Initial Todd Farmin Interest on trust for Todd; and
 - (ii) not:
 - (A) suffer, create or permit the creation of any Encumbrance over the Initial Todd Farmin Interest; or
 - (B) sell, assign, transfer, create a trust or option over, or otherwise dispose of all or part of its legal or beneficial interest in the Initial Todd Farmin Interest,

without Todd's prior written consent (not to be unreasonably withheld, and to be deemed as given where any Encumbrance is in favour of Todd or a Related Body Corporate of Todd or in favour of the Farmor in accordance with a requirement in the Farmin Agreement).

6 Stage Three Farmin Obligations

6.1 Stage Three Farmin Obligations

- (a) Forge Crown must, subject to clause 6.1(d), complete the Stage Three Farmin Obligation:
 - (i) on or before 28 September 2016 (or such later date as permitted under the Farmin Agreement); and
 - (ii) in accordance with the provisions of this deed and the Farmin Agreement.
- (b) If Forge Crown determines that it will not be able to satisfy the Stage Three Farmin Obligations by 28 September 2016, it must immediately notify Todd and co-operate fully with, and at the direction of, Todd in order to negotiate with the Farmor to agree an extension to the time period set out in the Farmin Agreement or such other amendments or arrangements as are necessary to preserve Forge Crown's rights to explore and/or develop the Tenements and to acquire interests therein.
- (c) Forge Crown must notify Todd as soon as it determines that it has completed, or is about to complete, 50% of the Stage Three Farmin Obligation (**Partial Completion Notice**).
- (d) Within 10 Business Days of delivery of the Partial Completion Notice from Forge Crown to Todd, a meeting of the Joint Funding Committee must be convened to determine whether Forge Crown should proceed with completion of the Stage Three Farmin Obligation.
- (e) If, at the meeting referred to in clause 6.1(d), the Joint Funding Committee determines that Forge Crown will proceed with completion of the Stage Three Farmin Obligation (**Election to Continue**), then the provisions of this clause 6 will continue to apply.

- (f) If, at the meeting referred to in clause 6.1(d), the Joint Funding Committee cannot agree on whether Forge Crown will proceed with completion of the Stage Three Farmin Obligation and a deadlock is reached, then:
- (i) the Funding Party that voted in favour of an Election to Continue (**Continuing Party**) may, within a further 5 Business Days of the meeting referred to in clause 6.1(d), direct Forge Crown to proceed with completion of the Stage Three Farmin Obligation (**Sole Funding Election**); and
 - (ii) the Continuing Party will be responsible for 100% of the remainder of the Stage Three Farmin Obligations (**Remaining Stage Three Farmin Obligations**) and will have sole determination of the manner and timing in which the Remaining Stage Three Farmin Obligations are satisfied, provided that if the Continuing Party is Todd, Todd will fund Forge Crown for 100% of the Expenditure associated with the Remaining Stage Three Farmin Obligations within 5 Business Days following written request by Forge Crown (such request not to be made more frequently than once in each calendar month and must include reasonable evidence of the relevant Expenditure which is expected to be incurred); and
 - (iii) the Funding Share of the Funding Party that did not vote in favour of an Election to Continue (**Non-Continuing Party**) will be diluted, and the Funding Share of the Continuing Party recalculated, in accordance with a request by the Continuing Party under clause 8.

6.2 Completion of Stage Three Farmin Obligations

Within 10 Business Days of completion of the Stage Three Farmin Obligation:

- (a) a meeting of the Joint Funding Committee must be convened to determine what election Forge Crown should take under clause 6.1(e)(ii) of the Farmin Agreement; and
- (b) Forge Crown must provide the Stage Three Completion Report to the Farmor, with a copy to Todd.

6.3 Further Farmin Interest

- (a) Within 5 Business Days of receipt of the Stage Three Completion Report, Todd will pay Forge Crown (to the extent not already paid by Todd under clause 6.1(f)(ii) or via meeting Cash Calls under clause 13), in Immediately Available Funds, for its Funding Share of the Expenditure incurred by Forge Crown under the Farmin Agreement in satisfaction of the Stage Three Farmin Obligation.
- (b) Upon payment being made pursuant to clause 6.3(a) and provided that Forge Crown holds a beneficial interest in the Further Farmin Interest, Todd will be regarded as having earned a beneficial interest in the Tenements equivalent to its Funding Share of the Further Farmin Interest (**Further Todd Farmin Interest**).
- (c) At any time after payment has been made pursuant to clause 6.3(a) and provided that Forge Crown holds a legal interest in the Further Farmin Interest, Todd may, by notice in writing to Forge Crown, request that Forge Crown transfer, or cause to be transferred, the Further Todd Farmin Interest to Todd subject to and in accordance with clause 16.
- (d) Until the Further Todd Farmin Interest has been transferred to Todd, Forge Crown must:

- (i) hold the beneficial interest (and, if Forge Crown also holds the legal interest at the time, also the legal interest) in the Further Todd Farmin Interest on trust for Todd; and
- (ii) not:
 - (A) suffer, create or permit the creation of any Encumbrance over the Further Todd Farmin Interest; or
 - (B) sell, assign, transfer, create a trust or option over, or otherwise dispose of all or part of its legal or beneficial interest in the Further Todd Farmin Interest,

without Todd's prior written consent (not to be unreasonably withheld, and to be deemed as given where any Encumbrance is in favour of Todd or a Related Body Corporate of Todd or in favour of the Farmor in accordance with a requirement in the Farmin Agreement).

7 Elections at completion of Stage Three Farmin Obligations

7.1 Joint Funding Committee to meet and determine

- (a) If, at a meeting referred to in clause 6.2(a), the Joint Funding Committee determines that Forge Crown will continue to explore and develop the Tenements, then subsequent meetings of the Joint Funding Committee must be convened so that the first meeting is held not later than 10 Business Days before the earliest date on which Forge Crown is required to make an election under clause 6.3 of the Farmin Agreement, to determine what election Forge Crown should take under that clause 6.3.
- (b) If, at a meeting referred to in clause 7.1(a), the Joint Funding Committee determines that Forge Crown should make an election under either clauses 6.3(a), 6.3(b) or 6.3(c) of the Farmin Agreement to acquire the Final Interest, then:
 - (i) Forge Crown must provide notice to the Farmor of such election; and
 - (ii) the provisions of clause 10 will apply.

7.2 Failure of Joint Funding Committee to agree

If, at a meeting referred to in clause 7.1(a), the Joint Funding Committee cannot agree on the action to be taken under 6.3 of the Farmin Agreement and a deadlock is reached, then the Funding Party that voted to acquire the Final Interests under either clauses 6.3(a), 6.3(b) or 6.3(c) of the Farmin Agreement (**Acquiring Party**) may, within a further 5 Business Days of such meeting, direct Forge Crown in writing to inform the Farmor that an election to acquire the Final Interests under either clauses 6.3(a), 6.3(b) or 6.3(c) of the Farmin Agreement (as applicable) has been made (the **Direction to Acquire**), provided that:

- (a) the Acquiring Party will be responsible for 100% of the consideration payable for the acquisition of the Final Interest;
- (b) if the Acquiring Party is Forge Crown, it will be regarded as having acquired (or as being entitled to acquire) 100% of the Final Interest; and
- (c) if the Acquiring Party is Todd:

- (i) Todd will pay to Forge Crown, in Immediately Available Funds, the cash amount specified in clause 7.1(a) or 7.1(b) (as applicable) of the Farmin Agreement (being, as at the date of this deed, \$5,000,000);
- (ii) once the payment has been made pursuant to sub-paragraph (i) above, Forge Crown must comply with clause 7.1(a) or 7.1(b) (as applicable) of the Farmin Agreement;
- (iii) once the payment has been made pursuant to sub-paragraph (i) above and provided that Forge Crown holds a beneficial interest in 100% of the Final Interests:
 - (A) Todd will be regarded as having earned a beneficial interest in 100% of the Final Interest;
 - (B) Todd may, by notice in writing to Forge Crown, request that Forge Crown transfer, or cause to be transferred, a legal interest in the Tenements equivalent to 100% of the Final Interest in accordance with clause 16 (the **Todd Final Interest**); and
 - (C) until the Todd Final Interest has been transferred to Todd, Forge Crown must:
 - (1) hold the beneficial interest (and, if Forge Crown also holds the legal interest at the time, also the legal interest) in the Todd Final Interest on trust for Todd;
 - (2) not:
 - (a) suffer, create or permit the creation of any Encumbrance over the Todd Final Interest without Todd's prior written consent; and
 - (b) not sell, assign, transfer, create a trust or option over, or otherwise dispose of all or part of the Todd Final Interest, without Todd's prior written consent (not to be unreasonably withheld, and to be deemed as given where any Encumbrance is in favour of Todd or a Related Body Corporate of Todd or in favour of the Farmor in accordance with a requirement in the Farmin Agreement).

8 Dilution

- (a) At any stage during the term of this deed, a Funding Party can make a request that the Funding Share of each Funding Party be re-determined on the basis that the contributions that each party has made either:
 - (i) to Expenditure; or
 - (ii) to the consideration payable to the Farmor for the acquisition of the Final Interest (**Acquisition Consideration**),

do not reflect the then current Funding Shares of each Funding Party, provided that:

- (iii) a request under this clause 8(a) cannot be made more frequently than once in each calendar month and must include reasonable evidence of the basis for the re-determination; and
 - (iv) where a Funding Party has made a Sole Funding Election or an Election to Continue (as applicable), the re-determination of each Funding Party's Funding Share shall be made upon completion of the Stage Three Farmin Obligations.
- (b) Where a re-determination is to be made, the Funding Share of each Funding Party will be recalculated, in accordance with the following formula;

$$\text{New Funding Share} = \frac{A}{B} \times \frac{100}{1}$$

where

- A is the total amount of Expenditure contributed, and any Acquisition Consideration that has been paid, by the Non-Contributing Party or Non-Continuing Party (as applicable) at the date of calculation, plus the deemed contribution of the Non-Contributing Party or Non-Continuing Party (as applicable); and
- B is the total amount of Expenditure contributed, and any Acquisition Consideration that has been paid, by all Funding Parties at the date of calculation, plus the deemed contributions of all Funding Parties.

For the purposes of the formula, the deemed contribution of each Funding Party is \$1,500,000.

- (c) Where a re-determination is made under clause 8(b) that results in the Funding Share of a Funding Party being reduced to below 33% (**Minority Party**), then the Funding Party with the majority interest (**Majority Party**) may, at any time following a decision to acquire the Final Interest of the Farmor, also elect to acquire the Funding Share of the Minority Party (**Buy-Out Interest**) provided that:
- (i) the consideration payable for the acquisition of the Buy-Out Interest shall be equal to the total amount of Expenditure contributed, and any Acquisition Consideration that has been paid, by the Minority Party; and
 - (ii) the transfer of the Buy-Out Interest will occur in accordance with clause 16.
- (d) If the Majority Party is Todd and an election to acquire the Buy-Out Interest is made, then until such time as the legal interest in the Tenements equivalent to the Buy-Out Interest has been transferred to Todd and provided that Forge Crown holds a beneficial interest in the Tenements equivalent to the Buy-Out Interest, Forge Crown must:
- (i) hold that beneficial interest (and, if Forge Crown also holds the legal interest at the time, also the legal interest) on trust for Todd; and
 - (ii) not:
 - (A) suffer, create or permit the creation of any Encumbrance over the Tenements; or

- (B) sell, assign, transfer, create a trust or option over, or otherwise dispose of all or part of its legal or beneficial interest in the Tenements,

without Todd's prior written consent (not to be unreasonably withheld, and to be deemed as given where any Encumbrance is in favour of Todd or a Related Body Corporate of Todd or in favour of the Farmor in accordance with a requirement in the Farmin Agreement).

9 Establishment of Joint Venture

9.1 Joint Venture election

If, by reason of the operation of clauses 6 and 7.2 of the Farmin Agreement, Forge Crown is required to enter into a Development Joint Venture Agreement with the Farmor in the manner set out in the Farmin Agreement, then:

- (a) Forge Crown and Todd (acting reasonably) will attempt to agree a Development Joint Venture Agreement with the Farmor that includes Todd as a party and, in addition to the other agreed provisions:
 - (i) includes a Sole Risk Right and the Required Protections as determined in accordance with Schedule 4; and
 - (ii) prescribes the joint venture interests of the parties to reflect:
 - (A) in the case of Todd, its beneficial interest in the Tenements held pursuant to this deed;
 - (B) in the case of Forge Crown, its beneficial interest in the Tenements held pursuant to this deed; and
 - (C) in the case of the Farmor, their beneficial interests in the Tenements held pursuant to the Farmin Agreement,
- at the relevant time; and
- (b) if Forge Crown and Todd are unable to negotiate a Development Joint Venture Agreement with the Farmor on the terms set out in clause 9.1(a), then:
 - (i) Rutila Resources will transfer, or Forge Crown will issue, to Todd such number of shares in Forge Crown (expressed as a percentage of the total number of shares in Forge Crown on issue) as is equal to:
 - (A) the beneficial interest in the Tenements held by Todd pursuant to this deed as at that date, less;
 - (B) any legal interest in the Tenements then held by Todd pursuant to a transfer made in accordance with this deed;
 - (ii) the transfer or issue of the shares in Forge Crown referred to in clause 9.1(b)(i) will occur in accordance with clause 16.6 provided that all references in clause 16.6 to Transferred Shares will be taken to refer to such number of shares in Forge Crown as is determined under clause 9.1(b)(i) and that, to the extent shares are being issued rather than transferred, those

aspects of clause 16.6 which are applicable only to share transfers will not apply;

- (iii) upon the matters in sub-paragraph (i) and (ii) above having occurred, Todd will cease to have a beneficial interest in the Tenements (except in respect of any corresponding legal interest then held by Todd); and
 - (iv) Forge Crown, Rutila Resources and Todd will attempt to agree (acting reasonably) the terms of a shareholder agreement between them which, in addition to the other agreed provisions, must contain equivalent protections to the Required Protections as determined in accordance with Schedule 4;
- (c) this deed will terminate immediately upon:
- (i) execution of a Development Joint Venture Agreement with the Farmor as contemplated in clause 9.1(a); or
 - (ii) the matters contemplated in clause 9.1(b) having occurred.

9.2 Free carry of Farmor's interest

If clause 6.2(b)(ii) of the Farmin Agreement applies, then:

- (a) Forge Crown and Todd (acting reasonably) will attempt to agree a development joint venture agreement between themselves that, in addition to the other agreed provisions:
 - (i) include a Sole Risk Right and the Required Protections as determined in accordance with Schedule 4; and
 - (ii) provides for the joint venture interest of each party to be equal to their Funding Share;
- (b) once the point of commercial production has been reached, Forge Crown will attempt to negotiate a production joint venture agreement with the Farmor that includes Todd as a party and is on the same, or substantially the same, terms as the Balla Balla JVA and contains the Required Protections referred to in clause 9.2(a); and
- (c) if Forge Crown is unable to negotiate a production joint venture agreement with the Farmor on the terms set out in clause 9.2(b), then:
 - (i) Rutila Resources will transfer, or Forge Crown will issue, to Todd such number of shares in Forge Crown (expressed as a percentage of the total number of shares in Forge Crown on issue) as is equal to:
 - (A) the beneficial interest in the Tenements held by Todd pursuant to this deed as at that date, less;
 - (B) any legal interest in the Tenements then held by Todd pursuant to a transfer made in accordance with this deed;
 - (ii) the transfer or issue of the shares in Forge Crown referred to in clause 9.2(c)(i) will occur in accordance with clause 16.6 provided that all references in clause 16.6 to Transferred Shares will be taken to refer to such number of shares in Forge Crown as is determined under clause 9.2(c)(i) and that, to the extent shares are being issued rather than transferred, those

aspects of clause 16.6 which are applicable only to share transfers will not apply; and

- (iii) upon the matters in sub-paragraph (i) and (ii) above having occurred, Todd will cease to have a beneficial interest in the Tenements (except in respect of any corresponding legal interest then held by Todd); and
- (iv) Forge Crown and Todd will agree the terms of a shareholder agreement between them which, in addition to the other agreed provisions, must contain equivalent protections to the Required Protections,

subject to Rutila Resources having first received the requisite ASX waivers and/or confirmations and all required Rutila Resources shareholder approvals having been obtained;

- (d) this deed will terminate immediately upon:
 - (i) execution of a production joint venture agreement with the Farmor as contemplated in clause 9.2(b); or
 - (ii) the matters contemplated in clause 9.2(c) having occurred.

10 Acquisition of Final Interest

- (a) If, in accordance with this deed, the Joint Funding Committee has determined that Forge Crown will acquire the Final Interest (**Acquired Interest**) in the manner set out in the Farming Agreement, then, except as otherwise provided in this deed, each Funding Party will be responsible for its Funding Share of the consideration payable for the acquisition of the Acquired Interest provided that:
 - (i) to the extent that the consideration is payable in ordinary shares in a Listed Company, Todd will pay Forge Crown at least 2 Business Days before the Listed Company provides the consideration to the Farmor for the Acquired Interest, in Immediately Available Funds, its Funding Share of the cash equivalent amount of the shares issued by the Listed Company as consideration for the acquisition of the Acquired Interest; and
 - (ii) to the extent that the consideration is payable in cash, Todd will pay Forge Crown at least 2 Business Days before Forge Crown provides the consideration to the Farmor for the Acquired Interest, in Immediately Available Funds, its Funding Share of the cash payment payable for the acquisition of the Acquired Interest.
- (b) Upon payment being made pursuant to clause 10(a) and provided that Forge Crown holds a beneficial interest in the Acquired Interest, Todd will be regarded as having earned a beneficial interest in the Tenements equivalent to its Funding Share of the Acquired Interest.
- (c) At any time after payment has been made pursuant to clause 10(a) and provided that Forge Crown holds a beneficial interest in the Acquired Interest, Todd may, by notice in writing to Forge Crown, request that Forge Crown transfer, or cause to be transferred, a legal interest in the Tenements equivalent to its Funding Share of the Acquired Interest in accordance with clause 16 (the **Todd Tenement Interests**).
- (d) Until the legal interest in the Todd Tenement Interests has been transferred to Todd, Forge Crown must:

- (i) hold the beneficial interest (and, if Forge Crown also holds the legal interest at the time, also the legal interest) in the Todd Tenement Interests on trust for Todd; and
 - (ii) not:
 - (A) suffer, create or permit the creation of any Encumbrance over the Todd Tenement Interests; or
 - (B) sell, assign, transfer, create a trust or option over, or otherwise dispose of all or part of its legal or beneficial interest in the Todd Tenement Interests,
- without Todd's prior written consent.

11 Obligations of Forge Crown

11.1 Care and responsibility

Subject to the control and direction of the Joint Funding Committee, Forge Crown must manage and conduct all Farmin Activities with the skill, diligence and care normally exercised by qualified persons in the performance of comparable work and in accordance with accepted mining industry methods and practices.

11.2 Reporting

Forge Crown must:

- (a) keep Todd advised of its Farmin Activities by submitting in writing to Todd quarterly progress reports which include statements of expenditure, comparisons of those statements to each approved programme and budget, geological information and general operating information;
- (b) promptly deliver to Todd any notice or communication which Forge Crown receives from the Farmor or from any Government Agency in any way affecting the Tenements;
- (c) keep and maintain appropriate accounting and financial records in accordance in connection with all of its Farmin Activities;
- (d) prepare and deliver to Todd a set of accounts in respect of its Farmin Activities for each financial year ended 30 June; and
- (e) at the request of Todd, permit Todd's auditor, at reasonable intervals and on reasonable prior notice (and at Todd's expense), to audit the accounts and financial reports provided to Todd.

11.3 Inspection

- (a) Subject to the requirements of clause 25, Todd may, during normal working hours and on reasonable notice to Forge Crown and at its own expense, have access to and inspect all information under the control of Forge Crown relating to the Farmin Activities or the Farmin Agreement, including all drill cores and samples.
- (b) Subject to any of the requirements of the Farmin Agreement, Todd may, after giving reasonable prior written notice to Forge Crown, enter the Tenements during

the term of this deed for the purpose of viewing Forge Crown's exploration and other activities on the Tenements.

12 Quarterly Budgets

12.1 Preparation and submission

- (a) Each Quarterly Budget must be determined and approved by the Joint Funding Committee.
- (b) Forge Crown must prepare and submit to the Funding Parties a proposed Quarterly Budget for the next Quarter at least 20 Business Days prior to the start of the relevant Quarter.
- (c) Each Quarterly Budget, when taken together with each other current approved Quarterly Budget, must be at least sufficient to comply with any minimum work and expenditure obligations in respect of the Tenements during the period for which they are prepared.
- (d) Each Quarterly Budget must be divided and set out in sufficient detail for the Funding Parties to be able to distinguish discrete work proposals and, without limitation, must be divided according to specific exploration areas.
- (e) In preparing a Quarterly Budget, Forge Crown must have regard to any directions from the Joint Funding Committee concerning the content, direction and ambit of that Quarterly Budget.

12.2 Consideration of Quarterly Budgets

- (a) The Joint Funding Committee must meet to consider and approve each Quarterly Budget prepared by Forge Crown at least 10 Business Days before the start of the relevant Quarter.
- (b) If any member of the Joint Funding Committee disapproves of a Quarterly Budget, the members of the Joint Funding Committee should discuss any differences before voting on the proposed Quarterly Budget.

12.3 Minimum requirements

If the Joint Funding Committee has not approved a Quarterly Budget before the start of the relevant Quarter, a Quarterly Budget for the amount required to meet minimum work and expenditure obligations relating to the Tenements is deemed to have been approved and Forge Crown has the authority to implement that Quarterly Budget.

12.4 Authority

- (a) An approved Quarterly Budget is binding on the Funding Parties.
- (b) Except as otherwise provided in this deed, all Farmin Activities are to be conducted, expenses incurred, and property and materials acquired only in accordance with an approved Quarterly Budget.
- (c) Forge Crown has full authority to undertake Farmin Activities and incur Expenditure, in accordance with an approved Quarterly Budget.

12.5 Overruns

Forge Crown may not exceed an approved Quarterly Budget by more than 10% except:

- (a) with the prior approval of the Joint Funding Committee; or
- (b) in an emergency.

12.6 Revisions

- (a) Forge Crown may (and must if directed to do so by the Joint Funding Committee) prepare and submit to the Funding Parties a revised Quarterly Budget for approval by the Joint Funding Committee.
- (b) The Joint Funding Committee must meet, on a date that is between 5 and 15 Business Days after the date the revised Quarterly Budget was sent to the Funding Parties, to consider and decide whether to approve that revised Quarterly Budget.

13 Joint Funding

- (a) Except as otherwise provided in this deed, each Funding Party must contribute to the costs of all Expenditure incurred under the Farmin Agreement in proportion to its Funding Share on each date on which a contribution is due to be made under this clause 13.
- (b) Forge Crown is responsible for, and authorised to incur, all Expenditure under the Farmin Agreement in accordance with the then current Quarterly Budget or as otherwise approved by the Joint Funding Committee.
- (c) Forge Crown must obtain the written approval of the Joint Funding Committee before incurring any Expenditure under the Farmin Agreement which is not in accordance with the then current Quarterly Budget.
- (d) Unless the parties agree in writing to the contrary:
 - (i) Forge Crown must issue Cash Calls for contributions by each Funding Party (including itself) towards Authorised Expenditure in proportion to each Funding Party's respective Funding Share whenever Forge Crown sees fit provided that a Cash Call will not:
 - (A) be made more frequently than once in each calendar month; or
 - (B) require payment more than 10 Business Days in advance of the calendar month in which Forge Crown anticipates that the Authorised Expenditure will be incurred; and
 - (ii) if a Funding Party fails to pay a Cash Call within the period set out in clause 13(d)(i)(B) (**Non-Contributing Party**) then the Funding Party that has paid its Cash Call (**Contributing Party**) may, within an additional 5 Business Days of the due date for payment elect, by notice to Forge Crown, to pay the Non-Contributing Party's Cash Call provided that:
 - (A) if the Contributing Party elects to pay the Cash Call of the Non-Contributing Party, such payment must be made within an additional 5 Business Days of the election being made;

- (B) at any time following payment by the Contributing Party of the Non-Contributing Party's Cash Call, the Funding Share of the Non-Contributing Party will be diluted, and the Funding Share of the Contributing Party recalculated, in accordance with a request by the Contributing Party under clause 8; and
- (C) if the Contributing Party does not elect to pay the Cash Call of the Non-Contributing Party, then the Non-Contributing Party will have committed an Event of Default under paragraph (b) of the definition "Event of Default" and the provisions of clause 17 will apply.

14 Joint Funding Committee

14.1 Establishment

The Funding Parties will, within 10 Business Days of the Effective Date, establish a Joint Funding Committee.

14.2 General responsibilities

Subject to this deed, the Joint Funding Committee will have overall management and control of:

- (a) the decisions and elections to be made by Forge Crown under the Farmin Agreement; and
- (b) the preparation and approval of Quarterly Budgets and the carrying out of all Farmin Activities pursuant to those Quarterly Budgets.

14.3 Membership of Joint Funding Committee

- (a) The Joint Funding Committee will consist of two members appointed by each Funding Party.
- (b) Each member may appoint an alternate. An alternate may represent the member and exercise all the powers of the member when the member is absent from the meeting.
- (c) Each Funding Party may remove any member (or alternate) appointed by it and appoint another by giving notice to the other Funding Party.
- (d) The Funding Party with the highest Funding Share will be entitled to appoint a member of the Joint Funding Committee to act as the chairperson of the Joint Funding Committee (**Chairperson**).

14.4 Meetings

- (a) The Chairperson must convene a meeting of the Joint Funding Committee at the request of any Funding Party and may convene a meeting on its own motion.
- (b) The Chairperson must give at least 5 Business Days' notice of the meeting to the Funding Parties, unless the Funding Parties agree to a shorter notice period.
- (c) Prior to each meeting, the Chairperson will provide to the Funding Parties an agenda of the matters to be discussed at the meeting. Items may be added to the agenda by any Funding Party at any time prior to the meeting.

- (d) Meetings of the Joint Funding Committee must, unless otherwise agreed by the Funding Parties, be held at a place and time determined by the Chairperson.

14.5 Quorum

- (a) The quorum for a meeting of the Joint Funding Committee is one member representing each Funding Party.
- (b) If a quorum is not present within 30 minutes of the time appointed for the holding of a meeting, the meeting will be adjourned to the same time and place 5 Business Days afterwards and the Chairperson will notify the Funding Parties of the adjournment.
- (c) If a quorum is not present within 30 minutes of the time appointed for the adjourned meeting, the members present may discharge the business of the adjourned meeting.
- (d) Each member of the Joint Funding Committee may be accompanied at meetings of the Joint Funding Committee by a reasonable number of observers and advisers if the other members consent to their presence.

14.6 Voting

- (a) The aggregate voting power of the members appointed by each Funding Party is equal to the Funding Party's Funding Share from time to time.
- (b) All decisions at meetings of the Joint Funding Committee must be decided by a simple majority of the Funding Shares except:
 - (i) a decision to terminate or withdraw from the Farmin Agreement; and
 - (ii) as this deed expressly provides otherwise,which will require a unanimous vote.
- (c) All decisions of the Joint Funding Committee which are within the power, authority or discretion of the Joint Funding Committee are binding on the Funding Parties.

14.7 Minutes

The Chairperson must keep minutes of each meeting of the Joint Funding Committee and must circulate the draft minutes to each of the Funding Parties within 10 Business Days after the meeting is held. The minutes, as approved at the next meeting of the Joint Funding Committee, are a correct record of the meeting to which they relate.

14.8 Costs

A Funding Party must pay all costs incurred by that Funding Party, its member of the Joint Funding Committee, or by that member's alternates, observers and advisers in connection with the Joint Funding Committee.

14.9 Resolutions in writing

- (a) A resolution in writing signed by all members of the Joint Funding Committee is as valid and effectual as if it had been passed at a meeting of the Joint Funding Committee duly convened and held.

- (b) Any resolution may consist of several documents, including facsimile copies, of signed originals, in like form, each signed by one or more members of the Joint Funding Committee.

14.10 Meetings by telephone or video conference

Meetings may be held by telephone or video conference. A Funding Party which has given prior notice of its intention to participate in a forthcoming telephone or video conference and who participates in the meeting by telephone or video conference is deemed to be present at a Joint Funding Committee meeting.

15 Assignment

- (a) Subject to clause 15(b), a party must not assign all or any of its rights under this deed or create any Encumbrance, or allow any Encumbrance to subsist, over this deed without:
 - (i) the prior written approval of the other parties, not to be unreasonably withheld; and
 - (ii) the assignor first procuring a covenant from the assignee or the grantee of any Encumbrance (as applicable) in favour of the remaining parties that the assignee or grantee (as applicable) will be bound by the terms of this deed.
- (b) A party may, at any time without the consent of the other parties, assign or transfer the whole or part of this deed or any of its rights and obligations under this deed to:
 - (i) in the case of Todd or any permitted transferee of Todd, any company which is a wholly-owned Subsidiary of The Todd Corporation Limited; and
 - (ii) in the case of Rutila Resources or Forge Crown or any permitted transferee of either of them, any company which is a wholly-owned Subsidiary of Rutila Resources,provided that:
 - (iii) notice of the proposed assignment is given to the remaining parties;
 - (iv) the assignor, acting on reasonable grounds, confirms that it is satisfied that the proposed assignee is financially and technically capable of meeting its obligations under this deed;
 - (v) in the case of an assignment by Rutila Resources or Forge Crown, the proposed assignee is, or will become, a party to the Farmin Agreement;
 - (vi) the assignor first procures a covenant from the assignee in favour of the remaining parties that the assignee will be bound by the terms of this deed; and
 - (vii) if the assignee ceases to be a wholly-owned Subsidiary of The Todd Corporation Limited or of Rutila Resources (as applicable), the assignee must immediately re-assign the relevant rights and obligations to a wholly-owned Subsidiary of The Todd Corporation Limited or of Rutila Resources (as applicable) and sub-paragraphs (iii) to (vi) must also be complied with.
- (c) Rutila Resources and Forge Crown must not, during the term of this deed:

- (i) in the case of Rutila Resources, transfer all or any of the shares it holds in Forge Crown; or
- (ii) in the case of Forge Crown, agree to the issue of any additional shares in Forge Crown,

without the prior written approval of Todd.

- (d) If there is a change in the Control of either Funding Party (other than as a result of a change in the Control of the Ultimate Holding Company of the Funding Party where the Ultimate Holding Company is listed on the ASX or another established securities exchange) without the other Funding Party's prior written consent, an Event of Default is deemed to occur and continue until the consent of the other Funding Party is obtained or this deed is terminated, whichever is the sooner.

16 Transfers

16.1 Transfers of a legal interest in the Tenements

- (a) The parties agree that the transfer of a legal interest in the Tenements between the Funding Parties, or (if applicable) between Rutila Resources and Todd, pursuant to the terms of this deed will be subject to the terms and conditions set out in this clause 16.
- (b) This clause 16 shall survive termination of this deed.

16.2 Assignor's obligations in respect of transfers of legal interests in the Tenements

Within 10 Business Days of the requirement to transfer a legal interest in the Tenements arising under this deed (**Completion Date**), the assignor of the interest (**Assignor**) must deliver to the assignee of the interest (**Assignee**):

- (a) unstamped but otherwise registrable instruments of transfer duly executed by the Assignor in favour of the Assignee of the relevant number shares held by the Assignor in each of the Tenements (**Assigned Interest**), which will be in registrable form when executed by the Assignee and stamped;
- (b) any Mining Information in respect of the Tenements (to the extent not already held by the Assignee);
- (c) a tax invoice in respect of any consideration paid for the transfer of the Assigned Interest (**Consideration**) in accordance with clause 29; and
- (d) an original counterpart of the deed of assumption (duly executed by the Assignor) pursuant to which the Assignee agrees that it is responsible for all of its liabilities, undertakings and obligations under this deed to the extent of the Assigned Interest (**DOA**).

16.3 Assignee's obligations in respect of transfers of legal interests in the Tenements

On the Completion Date, the Assignee must:

- (a) pay the Consideration to the Assignor in Immediately Available Funds; and
- (b) provide an original counterpart of the DOA (duly executed by the Assignee).

16.4 Completion Conditions

- (a) Clause 16.5 does not become binding on the parties unless and until:
 - (i) **Consents:** all necessary government and third party consents to the transfer of an interest in the Tenements have been obtained including (if applicable), the consent of the Farmor;
 - (ii) **FIRB:** if required (and to the extent not already satisfied):
 - (A) the Assignee has received a written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), to the effect that the Commonwealth Government does not object under Australia's foreign investment policy to the proposed acquisition by the Assignee of the Assigned Interest either unconditionally or on terms that do not impose unduly onerous obligations on the Assignee; or
 - (B) the Treasurer of the Commonwealth of Australia becomes precluded from making an order in relation to the subject matter of this deed and the transactions contemplated by it under the *Foreign Acquisitions and Takeovers Act 1975* (Cth); or
 - (C) if an interim order is made under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in respect of the transactions contemplated by this deed, the subsequent period for making a final order prohibiting the transactions contemplated by this deed elapses without a final order being made,

(Completion Conditions).

- (b) Each party must promptly notify the others in writing if it becomes aware that a Completion Condition has been satisfied or has become incapable of being satisfied.
- (c) The Completion Conditions are for the benefit of all parties and can only be waived by the written agreement of all parties.

16.5 Completion

- (a) Completion of the sale and purchase of the Assigned Interest (**Completion**) is conditional on:
 - (i) both the Assignee and the Assignor complying with all of their obligations under this clause 16;
 - (ii) if either the Assignor or the Assignee fails to fully comply with its obligations under this clause 16 and Completion does not occur within 10 Business Days of the Assignor's or Assignee's (as applicable) non-compliance under clause 16, then an Event of Default is deemed to occur and continue until the Assignor or the Assignee (as applicable) complies with its obligations under this clause 16 or this deed is terminated, whichever is the sooner.
- (b) The Assignee must:
 - (i) make arrangements satisfactory to the Assignor to ensure that the liability of the Assignor under, or in connection with, the Mining Securities, will be equal

to the adjusted interest of each of the Assignor and the Assignee in the Tenements following Completion;

- (ii) use its best endeavours (including lodging the transfers of the Tenements for assessment of stamp duty within the statutory period) to procure registration of the transfers of the Assigned Interest in the name of the Assignee as soon as possible after Completion;
- (iii) notify the Assignor in writing immediately on the registration of the transfers of the Assigned Interest in the name of the Assignee; and
- (iv) comply with all requirements relating to appointments required to be made under the Mining Act with respect to the Assigned Interest.

16.6 Transfer or issue of shares in Forge Crown

- (a) If, where Todd is the assignee of interests in the Tenements under clauses 5, 6.3, 7.2, 8, 10 or 17, a legal interest in the Tenements has not been transferred to Todd within 120 days after the later of the transfer requirement arising and the Completion Conditions having been satisfied or waived, then Todd may elect, by further written notice to Forge Crown and Rutila Resources, to require Rutila Resources to immediately transfer, or Forge Crown to issue, to Todd such number of shares in Forge Crown (expressed as a percentage of the total number of shares in Forge Crown on issue) as is equal to:
 - (i) the beneficial interest in the Tenements held by Todd pursuant to this deed immediately prior to that date, less;
 - (ii) any legal interest in the Tenements then held by Todd pursuant to a transfer made in accordance with this deed,

(Transferred Shares).

- (b) The transfer or issue of the Transferred Shares will occur in accordance with the terms of this clause 16.6.
- (c) At completion of the sale and purchase of the Transferred Shares (**Share Completion**), Rutila Resources must give Todd the following documents:
 - (i) (**share certificates**) share certificates for the Transferred Shares and any other documents necessary to establish Todd's title to the Transferred Shares and that may be required for registration of the transfer of the Transferred Shares to Todd;
 - (ii) (**share transfers**) completed share transfers of the Transferred Shares to Todd, executed by or on behalf of Rutila Resources;
 - (iii) (**officer appointments**) signed consent to act forms for each director of Forge Crown to be appointed to the board of Forge Crown, on the basis that the parties agree the total board representation of Rutila Resources and Todd shall be equal to the relative proportions of their shareholding in Forge Crown; and
 - (iv) (**minutes – Forge Crown**) minutes of a meeting of the directors of Forge Crown approving (subject to Share Completion occurring):

- (A) if required, the resignations of existing directors, secretaries and public officers of Forge Crown;
 - (B) the appointment of each person notified by Todd to Rutila Resources as a director of Forge Crown (provided that a consent to act and notification of interest signed by that person has been delivered to Rutila Resources);
 - (C) the registration of Todd as the holder of the Transferred Shares in its register of shareholders; and
 - (D) the issue of new share certificates for the Transferred Shares in the name of Todd;
- (v) **(minutes – Rutila Resources)** minutes of a meeting of the directors of Rutila Resources approving, subject only to receipt of the executed share transfers referred to in clause 16.6(c)(ii) and to payment of any stamp duty on the transfer of Transferred Shares:
- (A) the sale or issue of the Transferred Shares from Rutila Resources to Todd; and
 - (B) the execution of any transfer of the Transferred Shares from Rutila Resources to Todd.
- (d) At Share Completion, Todd must pay the Consideration to Forge Crown in Immediately Available Funds.
- (e) As soon as practicable following Share Completion, Todd and Rutila Resources must procure that all relevant ASIC forms are lodged to reflect the actions taken under clause 16.6(c).
- (f) Share Completion is conditional on:
- (i) each party complying with all of its obligations under this clause 16.6; and
 - (ii) if either party fails to fully comply with its obligations under this clause 16.6 and Share Completion does not occur within 10 Business Days of the party's non-compliance, then an Event of Default is deemed to occur and continue until the non-complying party complies with its obligations under this clause 16.6 or this deed is terminated, whichever is the sooner.
- (g) Upon Share Completion, Todd will cease to hold the beneficial interest in Tenements that it held immediately prior to Share Completion and Rutila Resources and Todd will agree the terms of a shareholders agreement which, in addition to the other agreed provisions, must contain equivalent protections to the Required Protections provided that if, following Share Completion, Todd holds a direct legal and beneficial interest in the Tenements and shares in Forge Crown, Todd's Funding Share will be determined by aggregating its direct legal interest in the Tenements with its indirect interest in the Tenements (through its shareholding in Forge Crown) and any shareholders agreement to be entered into between Todd and Rutila Resources will contain provisions that give Todd equal rights to Rutila Resources, including as to voting.

16.7 Re-transfer of legal interest

If, under any of clauses 9.1(b)(i), 9.2(c)(i) or 16.6(a) of this deed, Todd is entitled to acquire shares in Forge Crown in circumstances where Todd already holds a direct legal interest in the Tenements, Todd may elect by written notice to Forge Crown and Rutila Resources at any time prior to Share Completion occurring, to re-transfer the legal interest it holds in the Tenements (**Re-Transfer Interest**) to Forge Crown in exchange for Rutila Resources transferring, or Forge Crown issuing, to Todd such further number of shares in Forge Crown (expressed as a percentage of the total number of shares in Forge Crown on issue) as is equal to the legal interest in the Tenement being re-transferred to Forge Crown (**Re-Transfer Shares**) provided that:

- (a) the transfer of the Re-Transfer Interest is conditional upon the transfer or issue of the Re-Transfer Shares;
- (b) the transfer or issue of the Re-Transfer Shares will occur in accordance with clause 16.6 of this deed; and
- (c) Todd pay all stamp duty arising in respect of any re-transfer.

17 Default

- (a) If an Event of Default occurs, then without prejudice to any other rights or remedies that the non-defaulting party may have, the non-defaulting party may elect, by written notice to the defaulting party, to acquire the defaulting party's Funding Share of the Tenements in which the defaulting party has a beneficial interest (**Defaulting Interest**) provided that:
 - (i) the consideration payable for the acquisition of the Defaulting Interest shall be equal to the total amount of Expenditure contributed, and any Acquisition Consideration that has been paid, by the defaulting party; and
 - (ii) the transfer of the Defaulting Interest will occur in accordance with clause 16 of this deed.
- (b) Subject to clause 17(c), if the non-defaulting party is Todd and an election to acquire the Defaulting Interest is made, then until such time as Forge Crown has assigned to Todd a legal and beneficial interest in the Tenements equivalent to the Defaulting Interest, Forge Crown must:
 - (i) hold that legal and beneficial interest on trust for Todd; and
 - (ii) not:
 - (A) suffer, create or permit the creation of any Encumbrance over the Tenements; or
 - (B) sell, assign, transfer, create a trust or option over, or otherwise dispose of all or part of its legal or beneficial interest in the Tenements,without Todd's prior written consent.
- (c) If, within 60 days after Todd has made an election to acquire the Defaulting Interest, a legal and beneficial interest in the Tenements equivalent to the Defaulting Interest has not been transferred to Todd, Todd may elect, by further

written notice to Forge Crown and Rutila Resources, to require Rutila Resources to assign all of the shares it holds in Forge Crown (**Defaulting Shares**) provided that:

- (i) the consideration payable for the acquisition of the Defaulting Shares shall be equal to the total amount of Expenditure contributed, and any Acquisition Consideration that has been paid, by Forge Crown; and
 - (ii) the transfer of the Defaulting Shares will occur in accordance with clause 16.6 of this deed.
- (d) This deed will terminate immediately upon the transfer of the Defaulting Interest or Defaulting Shares (as applicable) to the non-defaulting party.

18 Royalties

- (a) Where Forge Crown has an obligation to pay a royalty to the Farmor under the Farmor Agreement (the **Farmor Royalty**), then:
 - (i) Todd must, as soon as reasonably practicable and in any event within 20 Business Days after the Farmor Royalty obligation first arises, pay to the Forge Crown that proportion of the Farmor Royalty which is equal to Todd's Funding Share at the time that the payments are to be made; and
 - (ii) if and when Todd's Funding Share changes, the amount of the Farmor Royalty for which Todd is liable will be adjusted to reflect the new Funding Share; and
 - (iii) Forge Crown must, as soon as reasonably practicable and in any event within 20 Business Days after the Farmor Royalty obligation first arises, enter into a royalty agreement with the Farmor under which:
 - (A) Forge Crown will pay to the Farmor the entire value of the royalty payable under the Farmor Royalty;
 - (B) as between Forge Crown and Todd, Forge Crown will contribute that proportion of the Farmor Royalty which is equal to Forge Crown's Funding Share at the time that the payments are to be made; and
 - (C) if and when Forge Crown's Funding Share changes, the amount of the royalty for which Forge Crown is liable will be adjusted to reflect the new Funding Share.
- (b) If the Funding Parties acquire the Final Interest or the Farmor Royalty obligation otherwise arises, then Todd and Forge Crown will enter into a royalty agreement with the Farmor (**Royalty Agreement**) which contains typical provisions for royalty agreements of this nature in the mining sector in Australia and under which:
 - (i) each of the Funding Parties will pay to the Farmor that proportion of the Farmor Royalty which is equal to that Funding Party's Funding Share at the time of entering into the Royalty Agreement; and
 - (ii) it is a condition that, if and when each Funding Party's Funding Share changes, the Funding Party must provide notice of that to the Farmor and, with effect from the date specified in the notice (which must be the date on which the Funding Shares changed), the royalty payable by each Funding Party to the Farmor is adjusted to reflect the new Funding Share,

provided that until such time as the Royalty Agreement has been signed, the terms on which the Farmor Royalty is payable will be governed by the Farmin Agreement.

- (c) If one Funding Party alone acquires the Final Interest, then that Funding Party will be solely responsible for the payment of the Royalty to the Farmor.
- (d) Todd must, within 5 Business Days following written request from Forge Crown, reimburse Forge Crown for the royalty payments which they have made to the Farmor in excess of Forge Crown's Funding Share.

19 Indemnity

Todd indemnifies Forge Crown against, and must pay Forge Crown an amount equal to, any Loss suffered or incurred by Forge Crown as a result of Todd not complying with its payment obligations in any of clauses 6.3(a), 7.2(c), 10(a) and 18.

20 Term and termination

20.1 Duration

This deed will commence on the date of this deed and continues until expiry or termination in accordance with its terms.

20.2 Rights and obligations on termination

On termination of this deed, whether by effluxion of time or otherwise, all rights and obligations of the parties cease except:

- (a) the settlement of any outstanding payments required to be made by one Funding Party to another and settlement of any other liability or obligation incurred before termination or arising out of termination;
- (b) the confidentiality provisions; and
- (c) the rights and obligations of each party to assign an interest in the Tenements to another party.

21 Amendments to and Todd becoming party to Farmin Agreement

- (a) Forge Crown agrees that it will not amend, or agree to amend, the Farmin Agreement without the prior written consent of Todd, such consent not to be unreasonably withheld where the proposed amendment does not materially affect the rights and obligations of Todd under this deed or in respect of the Farmin Interest.
- (b) Todd acknowledges and agrees that it will not become a party to the Farmin Agreement except pursuant to a deed of accession or amended Farmin Agreement that is agreed between the Farmor, Rutila Resources, Forge Crown and Todd.

22 Relationship of parties

Nothing in this deed is to be interpreted as constituting:

- (a) the relationship between the parties as a one of partnership, trust or any other relationship in which one or more of the parties may be liable generally for the acts or omissions of any other party; or
- (b) any party as the general agent, representative or fiduciary of any other party.

23 Notices

23.1 Form of Notice

A notice or other communication to a party under this deed (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party in accordance with the details nominated in Schedule 2 (or any alternative details nominated to the sending party by Notice).

23.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.
- (c) However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By fax to the nominated fax number	At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety. However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

23.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 23.2).

24 Caveats

Each party may lodge caveats under the Mining Act as it thinks fit to protect its interest under this deed. If this deed is terminated or ceases to be of any further force or effect then the Parties will as soon as practicable do all things necessary to remove those caveats.

25 Confidentiality and publicity

25.1 Confidentiality

Each party must keep secret and confidential, and must not divulge or disclose:

- (a) any Mining Information;
- (b) any information relating to another party or its business (which is disclosed to the recipient in the course of transactions contemplated by this deed), including the Farmor; or
- (c) this deed,

other than to the extent that:

- (d) the information is disclosed to a Related Body Corporate of the recipient, provided that the recipient must ensure that its Related Bodies Corporate comply in all respects with the recipient's obligations under this clause;
- (e) the information is in the public domain as at the date of this deed (or subsequently becomes in the public domain other than by breach of any obligation of confidentiality binding on the recipient);
- (f) the recipient is required to disclose the information by applicable law or the rules of any recognised stock exchange on which its shares or the shares of any of its Related Bodies Corporate are listed, provided that the recipient has, to the extent possible having regard to the required timing of the disclosure, consulted with the provider of the information as to the form and content of the disclosure;
- (g) the disclosure is made by the recipient to its financiers or lawyers, accountants, investment bankers, consultants or other professional advisers to the extent necessary to enable the recipient to properly perform its obligations under this deed or to conduct its business generally, in which case the recipient must ensure that those persons keep the information secret and confidential and do not divulge or disclose the information to any other person;
- (h) the disclosure is necessary to seek the approval of any transaction contemplated by this deed by a Government Agency, provided that the relevant Government Agency is made aware of the confidential nature of the information and is instructed to keep the information secret and confidential and not to divulge or disclose the information to any other person;

- (i) the disclosure is required for use in legal proceedings regarding this deed; or
- (j) each other party has consented in writing before the disclosure.

25.2 Public Announcements

A party may not make any other public announcement relating to this deed (including the fact that the parties have executed this deed) unless each other party has consented to the announcement, including the timing, form and content of that disclosure, or unless the announcement would be permitted under an exemption in clause 25.1(d) or 25.1(f).

26 Warranties and indemnities

26.1 Warranties by Forge Entities

The Forge Entities give the Forge Warranties in favour of Todd on the date of this deed and on each day immediately before or at Completion, except where Schedule 3 specifies that a Forge Warranty is given as at a particular time.

26.2 Independent Warranties

Each of the Forge Warranties is to be construed independently of the others and is not limited by reference to any other Forge Warranty.

26.3 Reliance

The Forge Entities acknowledge that Todd has entered into this deed in reliance on the Forge Warranties.

26.4 Indemnity for breach of Warranty

- (a) Each Forge Entity indemnifies Todd against, and must pay Todd an amount equal to, any Loss suffered or incurred by Todd in connection with a breach of a Forge Warranty.
- (b) For the avoidance of doubt, in respect of any breach of Forge Warranty, Loss includes an amount that would be necessary to put Todd in the same position as if the Forge Warranty had been true.

26.5 Notification of Warranty breaches

The Forge Entities must promptly notify Todd if at any time after the date of this deed it becomes aware that:

- (a) a Forge Warranty has ceased to be true; or
- (b) an act or event has occurred that would or might reasonably be expected to result in a Forge Warranty ceasing to be true if it were repeated immediately before or at Completion,

and must also provide Todd with details of that fact.

27 Todd Warranties

27.1 Todd Warranties

Todd gives the Todd Warranties in favour of Forge Crown on the date of this deed and the Todd Warranties will be deemed to be repeated immediately before Completion.

27.2 Independent Warranties

Each of the Todd Warranties is to be construed independently of the others and is not limited by reference to any other Todd Warranty.

27.3 Reliance

Todd acknowledges that Forge Crown has entered into this deed in reliance on the Todd Warranties.

27.4 Indemnity for breach of Warranty

- (a) Todd indemnifies Rutila Resources and Forge Crown against, and must pay Forge Crown an amount equal to, any Loss suffered or incurred by Rutila Resources or Forge Crown in connection with a breach of a Todd Warranty.
- (b) For the avoidance of doubt, in respect of any breach of Todd Warranty, Loss includes an amount that would be necessary to put Rutila Resources or Forge Crown in the same position as if the Todd Warranty had been true.

27.5 Notification of Warranty breaches

Todd must promptly notify Rutila Resources and Forge Crown if at any time after the date of this deed it becomes aware that:

- (a) a Todd Warranty has ceased to be true; or
- (b) an act or event has occurred that would or might reasonably be expected to result in a Todd Warranty ceasing to be true if it were repeated immediately before or at Completion,

and must also provide Rutila Resources and Forge Crown with details of that fact.

28 Duties, costs and expenses

28.1 Stamp duty and registration fees

Todd must pay all stamp duty and registration fees in respect of the execution, delivery and performance of this deed and any agreement or document entered into or signed under this deed.

28.2 Costs and expenses

Each party must pay its own costs and expenses in respect of the negotiation, preparation, execution and delivery of this deed and any other agreement or document entered into or signed under this deed.

29 GST

29.1 Definitions

Any reference in this clause to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) (**GST Law**) is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.

29.2 GST

- (a) Unless expressly included, the consideration for any supply made under or in connection with this deed does not include an amount on account of GST in respect of the supply (**GST Exclusive Consideration**) except as provided under this clause.
- (b) Any amount referred to in this deed (other than an amount referred to in clause 29.2(g)) which is relevant in determining a payment to be made by one of the parties to the other is, unless indicated otherwise, a reference to that amount expressed on a GST exclusive basis.
- (c) To the extent that GST is payable in respect of any supply made by a party (**Supplier**) under or in connection with this deed, the consideration to be provided under this deed for that supply (unless it is expressly stated to include GST) is increased by an amount equal to the GST Exclusive Consideration (or its GST exclusive market value if applicable) multiplied by the rate at which GST is imposed in respect of the supply.
- (d) The recipient must pay the additional amount payable under clause 29.2(c) to the Supplier at the same time as the GST Exclusive Consideration is otherwise required to be provided.
- (e) The Supplier must issue a tax invoice to the recipient of the taxable supply at or before the time of payment of the consideration for the supply as increased on account of GST under clause 29.2(c) or at such other time as the parties agree.
- (f) Whenever an adjustment event occurs in relation to any taxable supply made under or in connection with this deed the Supplier must determine the net GST in relation to the supply (taking into account any adjustment) and if the net GST differs from the amount previously paid under clause 29.2(d), the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.
- (g) If one of the parties to this deed is entitled to be reimbursed or indemnified for a loss, cost, expense or outgoing incurred in connection with this deed, then the amount of the reimbursement or indemnity payment must first be reduced by an amount equal to any input tax credit to which the party being reimbursed or indemnified (or its representative member) is entitled in relation to that loss, cost, expense or outgoing and then, if the amount of the payment is consideration or part consideration for a taxable supply, it must be increased on account of GST in accordance with clause 29.2(c).

30 General

30.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

30.2 Invalidity and enforceability

- (a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 30.2(a) does not apply where enforcement of the provision of this deed in accordance with clause 30.2(a) would materially affect the nature or effect of the parties' obligations under this deed.

30.3 Waiver

No party to this deed may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 30.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

30.4 Variation

A variation of any term of this deed must be in writing and signed by the parties.

30.5 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

30.6 Entire agreement

This deed states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter.

30.7 No reliance

No party has relied on any statement by any other party not expressly included in this deed.

30.8 Counterparts

- (a) This deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

30.9 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

30.10 Exercise of rights

- (a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.

Schedule 1 Dictionary

1 Dictionary

1.1 Definitions

In this deed:

Acquired Interest has the meaning given to that term in clause 10(a).

Acquiring Party has the meaning given to that term in clause 7.2 (as applicable).

Acquisition Consideration has the meaning given to that term in clause 8(a).

Assigned Interest has the meaning given to that term in clause 16.2(a).

Assignee has the meaning given to that term in clause 16.2.

Assignor has the meaning given to that term in clause 16.2.

ASX means the Australian Securities Exchange.

ASX Listing Rules means the listing rules of ASX, subject to any waivers or confirmations granted to a relevant party from time to time.

Authorised Expenditure means Expenditure incurred pursuant to a Quarterly Budget that has been approved by the Joint Funding Committee in accordance with the procedure set out in clause 12.

Balla Balla JVA means the agreement entitled 'Mining Joint Venture Agreement Balla Balla Project Joint Venture' dated on or about 29 May 2012 between Forge Swan and Todd Balla (as amended from time to time).

Business Day means a day that is not a Saturday, Sunday or public holiday in Sydney or Perth.

Buy-Out Interest has the meaning given to that term in clause 8(c).

Cash Call means a call by Forge Crown for each Funding Party to contribute its Funding Share of Authorised Expenditure in accordance with clause 13.

Chairperson has the meaning given to that term in clause 14.3(d).

Completion has the meaning given to that term in clause 16.5(a).

Completion Conditions has the meaning given to that term in clause 16.4(a).

Completion Date has the meaning given to that term in clause 16.2.

Condition Precedent has the meaning given to that term in clause 2.1

Consideration has the meaning given to that term in clause 16.2(c).

Continuing Party has the meaning given to that term in clause 6.1(f)(i).

Contributing Party has the meaning given to that term in clause 13(d)(ii).

Control in relation to an entity, has the meaning given to that term in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth), or any law passed in replacement or substitution.

Defaulting Interest has the meaning given to that term in clause 17(a).

Defaulting Shares has the meaning given to that term in clause 17(c).

Department means the Western Australian Department of Mines and Petroleum, and includes any other Western Australian government department from time to time responsible for the administration of the Mining Act.

Development Joint Venture Agreement has the meaning given to that term in the Farmin Agreement.

Direction to Acquire has the meaning given to that term in clause 7.2.

DOA has the meaning given to that term in clause 16.2(d).

Effective Date means the date on which the Condition Precedent has been satisfied or waived.

Election to Continue has the meaning given to that term in clause 6.1(e).

Encumbrance means any mortgage, charge, lien, writ, caveat, royalty (other than royalties to a Government Agency), net profit interest or other encumbrance or third party interest.

End Date means 30 June 2014 or such other date as may be agreed between Forge Crown and Todd.

Environment means the physical factors of the surrounds of human beings including the land, waters, atmosphere, climate, sound, odours, tastes, the biological factors of animals and plants, and the social factor of aesthetics, and includes ecosystems.

Environmental Law means any statute or common law relating to the Environment including any law relating to land use, planning, heritage, coastal protection, water catchments, pollution of air or waters, soil or groundwater contamination, chemicals, waste, use of hazardous or dangerous goods or substances, building regulations, public and occupational health and safety, noxious trades, or any other aspect of protection of the Environment or person or property.

Event of Default in respect of a party, means any of the following:

- (a) the party becomes Insolvent;
- (b) the party commits a material breach of its obligations under this deed which is capable of being remedied and does not remedy the breach within 14 days from the party receiving notice in writing from the other party specifying the breach and requiring the breach to be remedied; or
- (c) the party commits a material breach of its obligations under this deed which is not capable of being remedied.

Expenditure means expenditure incurred under the Letter Agreement or Farmin Agreement in satisfaction of:

- (a) the Stage One Farmin Obligation;
- (b) the Stage Two Optional Expenditure; and/or
- (c) the Stage Three Farmin Obligation.

Farmin Activities means all activities undertaken by Forge Crown under, or in connection with, the Farmin Agreement.

Farmin Agreement means the Farmin Agreement dated 5 November 2013 between Forge Crown, Rutila Resources and the Farmor pursuant to which Forge Crown can, upon incurring certain expenditure, earn a legal and beneficial interest in the Tenements.

Farmin Interest means the Initial Todd Farmin Interest and the Further Todd Farmin Interest, as applicable.

Farmor means each of Wild Side and Westover or both of them, as the context requires.

Farmor Royalty has the meaning given to that term in clause 18(a).

Final Interest means has the same meaning as is given to it in the Farmin Agreement.

Forge Entities means Forge Crown and Rutila Resources.

Forge Swan means Forge Resources Swan Pty Ltd ACN 149 783 068.

Forge Warranties the warranties given by the Forge Entities, as set out in item 1 of Schedule 3 of this deed.

Funding Parties as at the date of this deed, Forge Crown and Todd.

Funding Share as at the date of this deed:

Forge Crown – 50%; and

Todd – 50%,

and following the date of this deed, such percentage interests as may be the case following an adjustment as contemplated by the terms of this deed.

Further Farmin Interest has the meaning given to that term in the Farmin Agreement.

Further Todd Farmin Interest has the meaning given to that term in clause 6.3(b).

Government Agency means any government or governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world, including the Minister, the Department and the ASX.

GST Exclusive Consideration has the meaning given to that term in clause 29.2(a).

GST Law has the meaning given to that term in clause 29.1

Immediately Available Funds cash or bank cheque.

Initial Farmin Interest has the meaning given to that term in the Farmin Agreement.

Initial Todd Farmin Interest has the meaning given to that term in clause 5(b).

Insolvent in respect of a party, that it:

- (a) is (or states that it is) insolvent (as defined in the Corporations Act);
- (b) has a Controller (as defined in the Corporations Act) appointed to any part of its property;
- (c) is in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration or wound up or has had a receiver or a receiver and manager appointed to any part of its property;
- (d) is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other party to this deed);
- (e) is taken (under section 459(F)(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) is the subject of an event described in section 459(C)(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this deed reasonably deduces it is so subject); or
- (g) is otherwise unable to pay its debts when they fall due.

Joint Funding Committee means the committee established by the Funding Parties under clause 14.1.

Letter Agreement means the agreement dated 28 September 2011 between Rutila Resources and the Farmor pursuant to which Rutila Resources can, upon incurring certain expenditure, earn a legal and beneficial interest in the Tenements.

Listed Company has the meaning given to that term in the Farmin Agreement.

Loss means all damage, loss, cost and expense (including legal costs and expenses of whatsoever nature or description) but excluding any liability for consequential or indirect losses, economic losses or loss of profits.

Majority Party has the meaning given to that term in clause 8(c).

Mining Act means the *Mining Act 1978 (WA)*.

Mining Information means all information and files in physical and electronic form arising from or as a result of studies, investigations, analysis and exploration work conducted in connection with the Tenements, whether by Forge Crown or any predecessor including that contained in all relevant maps, reports, drill logs, digital data, sample records and drill core and all information relating to site clearances, native title and aboriginal heritage issues.

Mining Securities means the bonds, whether in cash or other form of security, acceptable to and lodged with the Minister or the Department as security for the performance by the registered holder of any Tenement of its obligations under the Mining Act in relation to that Tenement.

Minister means the Minister from time to time responsible for the administration of the Mining Act.

Minority Party has the meaning given to that term in clause 8(c).

Non-Continuing Party has the meaning given to that term in clause 6.1(f)(iii).

Non-Contributing Party has the meaning given to that term in clause 13(d)(ii).

Notice has the meaning given to that term in clause 23.1.

Partial Completion Notice has the meaning given to that term in clause 6.1(c).

Quarter has the meaning given to that term in the Farmin Agreement.

Quarterly Budget has the meaning given to that term in the Farmin Agreement.

Recommending Directors means all of the Rutila Resources directors, other than the director of Rutila Resources nominated by Todd which, as at the date of this deed, is Mr Michael Wolley.

Reimbursement Payment \$1,500,000.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Remaining Stage Three Farmin Obligations has the meaning given to that term in clause 6.1(f)(ii).

Required Protections means the provisions, in substantially the same form, as set out in Schedule 4.

Royalty Agreement has the meaning given to that term in clause 18(b).

Rutila Resources Group means Rutila Resources and its Subsidiaries

Share Completion has the meaning given to that term in clause 16.6(c).

Shareholder Resolutions has the meaning given in clause 2.2(a).

Sole Funding Election has the meaning given to that term in clause 6.1(f)(i).

Sole Risk Right means the right of one or more parties to a joint venture agreement to conduct sole risk operations in circumstances where the requisite voting thresholds to conduct joint operations have not been met.

Stage One Farmin Obligation has the meaning given to that term in the Farmin Agreement.

Stage Three Farmin Obligation has the meaning given to that term in the Farmin Agreement.

Stage Two Optional Expenditure has the meaning given to that term in the Farmin Agreement.

Subsidiary has the meaning given to that term in the Corporations Act.

Supplier has the meaning given to that term in clause 29.2(c).

Tenements has the meaning given to that term in the Farmin Agreement.

Todd Balla means Balla Two (Mining) Pty Ltd (ACN 157 889 346).

Todd Final Interest has the meaning given to that term in clause 7.2(c)(iii)(B).

Todd Tenement Interests has the meaning given to that term in clause 10(c).

Todd Warranties means the warranties given by Todd, as set out in item 2 of Schedule 3 of this deed.

Transferred Shares has the meaning given in clause 16.6(a).

Ultimate Holding Company has the meaning given to that term in the Corporations Act.

Westover means Westover Holdings Pty Ltd (ACN 053 989 852).

Wild Side means Wild Side (WA) Pty Ltd (ACN 059 584 039).

1.2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this deed.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning.
- (e) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency as well as an individual.
- (f) A reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation.
- (g) A reference to a clause, party, schedule, annexure or exhibit is a reference to a clause of, and a party, schedule, annexure or exhibit to, this deed.
- (h) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (i) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (j) A reference to a party to a document includes that party's successors and permitted assignees.
- (k) A promise on the part of 2 or more persons binds them jointly and severally.

- (l) A reference to an agreement other than this deed includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (m) A reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind.
- (n) No provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision.
- (o) Where this deed confers any power or authority on a person that power or authority may be exercised by that person acting personally or through an agent or attorney.

1.3 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

Schedule 2 Notice details

Notice details

Forge Crown	
Address	Level 24, 56 Pitt Street, Sydney, NSW, 2000
Attention	Shane Hartwig, Company Secretary
Phone	+61 2 8651 7804
Fax	+61 2 9241 6199
Email	shartwig@rutila.com.au

Todd	
Address	Level 15, 95 Customhouse Quay, Wellington, New Zealand, 6011
Attention	Group General Counsel – Chris Hall
Phone	+64 4 918 3588
Fax	+64 4 917 8223
Email	chall@toddcorporation.co.nz

Rutila Resources	
Address	Level 24, 56 Pitt Street, Sydney, NSW, 2000
Attention	Nicholas Curtis
Phone	+61 2 9259 4400
Fax	+61 2 9259 4499
Email	ncurtis@rutila.com.au

Schedule 3 Warranties

1 Forge Entities' warranties

Each of Forge Crown and Rutila Resources separately warrant that:

Solvency

- (a) It is not insolvent and no receiver has been appointed over any part of its assets and no such appointment has been threatened.
- (b) It is not in liquidation or official management and no proceedings have been brought or threatened for the purpose of winding it up or placing it under official management.
- (c) To the best of its knowledge, there are no facts, matters or circumstances which give any person the right to apply to liquidate or wind it up or place it under official management.

Due authorisation

- (d) The execution and delivery of this deed has been properly authorised by all corporate action required of it.
- (e) Subject to the satisfaction of the Condition Precedent and Completion Conditions, it has full corporate power and lawful authority to execute and deliver this deed and to consummate and perform or cause to be performed its obligations under this deed and each transaction contemplated by this deed to be performed by it.
- (f) This deed constitutes a legal, valid and binding obligation on it enforceable in accordance with its terms by appropriate legal remedy.
- (g) The execution, delivery and performance by it of this deed and each transaction contemplated by this deed does not or will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under:
 - (i) any provision of its constitution;
 - (ii) any material term or provision of any security arrangement, undertaking, agreement or deed; or
 - (iii) any writ, order or injunction, judgement, law, rule or regulation to which it is a party or is subject or by which it is bound.

Administration

- (h) No administrator has been appointed to it nor has any deed of company arrangement been executed or proposed in respect of it.

Title

- (i) Save as provided for in this deed and other than pursuant to the Farmin Agreement, it has not granted any option or right of pre-emption in respect of its rights under this deed or over the Tenements to any third party and, subject to the satisfaction of Completion Conditions, it will be able to assign the Farmin Interests to Todd as required under this deed without first obtaining the consent of any third party.

Environment

- (j) It has not received written notice of any civil, criminal or administrative action, or other proceeding or suit under any Environmental Law applicable to the Tenements or the Farmin Interest.
- (k) To the best of its knowledge and belief, there has not occurred in connection with the Tenements or the Farmin Interest any act, omission, event or circumstance likely to give rise in the future to any material civil, criminal or administrative action, order, review, investigation, proceeding or suit, under any Environmental Law applicable to the Tenements or the Farmin Interest, other than reviews or investigations in the nature of routine or periodic exercises which relate to events of a non-material nature.

Litigation

- (l) It is not aware of any material litigation, prosecution, mediation, arbitration or other proceeding in respect of the Tenements or the Farmin Interest.
- (m) It has not received any written notice or claim threatening the commencement of any material litigation, prosecution, mediation, arbitration or other proceeding in respect of the Tenements or the Farmin Interest.

Other warranties

- (n) As at the date of this deed, it has made available to Todd true copies of all information that is, or was, in its possession which is relevant to this deed and the actions contemplated in this deed and, to the best of its knowledge, information and belief, that information is true and correct and not misleading.
- (o) It has complied in all respects with the requirements imposed by applicable mining, environmental, health and safety laws non-compliance with which may materially adversely affect the good standing of the Tenements or on the ability of the owner or operator of the Tenements from time to time to operate the Tenements and has incurred no liabilities which are outstanding as a result of the requirements of any applicable mining, environmental, health or safety laws.
- (p) There are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable.
- (q) It is not in breach of any law or obligation which may have a material adverse effect on it or any of its assets.

2 Todd's warranties

Solvency

- (a) Todd is not insolvent and no receiver has been appointed over any part of its assets and no such appointment has been threatened.
- (b) Todd is not in liquidation or official management and no proceedings have been brought or threatened for the purpose of winding up Todd or placing it under official management.
- (c) To the best of Todd's knowledge, there are no facts, matters or circumstances which give any person the right to apply to liquidate or wind up Todd or place Todd under official management.

Due authorisation

- (d) The execution and delivery of this deed has been properly authorised by all corporate action of Todd.
- (e) Todd has full corporate power and lawful authority to execute and deliver this deed and to consummate and perform or cause to be performed its obligations under this deed and each transaction contemplated by this deed to be performed by Todd.
- (f) This deed constitutes a legal, valid and binding obligation of Todd enforceable in accordance with its terms by appropriate legal remedy.
- (g) The execution, delivery and performance by Todd of this deed and each transaction contemplated by this deed does not or will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under:
 - (i) any provision of the constitution of Todd;
 - (ii) any material term or provision of any security arrangement, undertaking, agreement or deed; or
 - (iii) any writ, order or injunction, judgement, law, rule or regulation to which it is a party or is subject or by which it is bound.

Administration

- (h) No administrator has been appointed to Todd nor has any deed of company arrangement been executed or proposed in respect of Todd.

Schedule 4 Required Protections

Unless the contrary intention appears, capitalised terms used in this Schedule 4 have the meanings given in the Balla Balla JVA.

In attempting to agree the terms of any joint venture or shareholders' agreement in a manner prescribed by this deed, the parties acknowledge and agree that:

- (a) where the agreement being negotiated includes the Farmor as a party (**Farmor JV**), they will negotiate to include in the agreement (amended to reflect the circumstances) the option identified in paragraph (a) of each of items 1 to 4 below and such other similar terms and conditions as may be agreed;
- (b) if the Farmor does not agree to include in the Farmor JV the option identified in paragraph (a) of each of items 1 to 4 below or, in respect of the Forge Entities, the necessary ASX waivers, confirmations and shareholder approvals are not obtained, then unless the parties and the Farmor agree otherwise, the parties will negotiate to include in the Farmor JV the option identified in paragraph (b) of each of items 1 to 4 below; and
- (c) in all other cases, where the agreement does not include the Farmor as a party (**Non-Farmor JV**), the parties will include in the agreement the option identified in paragraph (a) of each of items 1 to 4 below and such other similar terms and conditions as may be agreed unless the Forge Entities are unable to obtain any requisite ASX waivers, confirmations and shareholder approvals, in which case the option identified in paragraph (b) will apply.

1 Pre-emption rights

Options:

- (a) Clauses 11.3 and 11.4 of the Balla Balla JVA (amended as necessary); or
- (b) If Forge Crown is the Selling Joint Venturer and Todd accepts the Offer to acquire Forge Crown's Joint Venture Interest, to the extent that Todd's pre-emption rights are subject to Rutila Resources having received the requisite ASX waivers, confirmations and shareholder approvals provided that if the requisite ASX waivers, confirmations and shareholder approvals are not obtained and Todd cannot exercise its pre-emption rights, Forge Crown cannot proceed to sell or farm-out its Joint Venture Interest to the third party that originally made the offer to acquire or farm-in or to any other party without again complying with the pre-emption process.

2 Assignment on Change of Control or less than Minimum Interest

Options:

- (a) Clause 11.6 of the Balla Balla JVA (amended as necessary); or
- (b) If a Change of Control occurs in respect of a joint venturer/shareholder or the percentage share/shareholding of a joint venturer/shareholder falls below an agreed minimum interest then the parties will include clauses (not by reference to the Balla Balla JVA terms) to the effect that such joint venturer/shareholder will be deemed to be a defaulting joint venturer/shareholder and the provisions dealing

with a default event will apply, provided that they include a suspension of such defaulting joint venturer's/shareholder's voting rights.

3 Buy-Out Election following Default Event

Options:

- (a) Clauses 12.5 and 13 of the Balla Balla JVA (amended as necessary); or
 - (b) A buy-out right will not be included and the parties will include customary clauses (not by reference to the Balla Balla JVA terms) dealing with a 'default event', provided that they include a suspension of such defaulting joint venturer's/shareholder's voting rights and provide for the dilution of the percentage share/shareholding of such defaulting joint venturer/shareholder.
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4 Sole-Risk Operations Re-Buy

Options:

- (a) Clauses 13A.4 and 13A.5 of the Balla Balla JVA (amended as necessary); or
- (b) Each party's rights to acquire the Re-Buy Interest is subject to Rutila Resources having received the requisite ASX waivers, confirmations and shareholder approvals provided that:
 - (i) if Todd is the Re-Buy Joint Venturer and the requisite ASX waivers, confirmations and shareholder approvals are not obtained, Forge Crown must immediately cease such Sole Risk Operation; or
 - (ii) if Forge Crown is the Re-Buy Joint Venturer and the requisite ASX waivers, confirmations and shareholder approvals are not obtained, Todd can, in its sole discretion, elect to continue such Sole Risk Operation.

Execution page

Executed as an agreement.

Signed sealed and delivered for **Forge Resources Crown Pty Ltd** by:



Signature of director

NICHOLAS CURTIS

Name of director (print)



Signature of director/secretary

Shane Hartwig

Name of director/secretary (print)

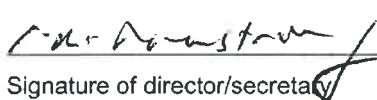
Signed sealed and delivered for **Todd Minerals and Coal Pty Ltd** by:



Signature of director

Christopher Z Hay

Name of director (print)



Signature of director/secretary

Stephen Robert Armstrong

Name of director/secretary (print)

Signed sealed and delivered for **Rutila Resources Limited** by:



Signature of director

NICHOLAS CURTIS

Name of director (print)



Signature of director/secretary

Shane Hartwig

Name of director/secretary (print)