

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To: Company Name/Scheme Heron Resources Limited
ACN/ARSN ACN 068 263 098

1. Details of substantial holder (1)

Name Greenstone Management (Delaware) LLC (Greenstone Delaware) in its capacity as general partner of Greenstone HRR Holdings L.P (Greenstone Fund), Greenstone Management Limited (Greenstone Management) and each of the entities listed in Annexure A
ACN/ARSN (if applicable) N/A

There was a change in the interests of the
substantial holder on 04/07/2017
The previous notice was given to the company on 19/08/2015
The previous notice was dated 17/08/2015

2. Previous and present voting power

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

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares (Shares)	54,131,658	13.04%	54,131,658	11.75%

3. Changes in relevant interests

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

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
04/07/2017	Greenstone Delaware in its capacity as general partner of the Greenstone Fund	Relevant interest diluted as a result of a placement made by the Company referred to in the Company's ASX announcement on 4 July 2017.	NA	54,131,658 Shares	54,131,658
04/07/2017	Greenstone Management	By reason of being the sole shareholder of and thus controlling Greenstone Delaware (section 608(3)(b) of the Corporations Act 2001 (Cth) (the Act)).	NA	54,131,658 Shares	54,131,658

4. Present relevant interests

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

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Greenstone Delaware in its capacity as general partner of the Greenstone Fund	Greenstone Delaware in its capacity as general partner of the Greenstone Fund	Greenstone Delaware in its capacity as general partner of the Greenstone Fund	As the registered holder of the Shares under section 608(1) of the Act.	54,131,658 Shares	54,131,658
Greenstone Management	Greenstone Delaware in its capacity as general partner of the Greenstone Fund	Greenstone Delaware in its capacity as general partner of the Greenstone Fund	By reason of being the sole shareholder of and thus controlling Greenstone Delaware	54,131,658 Shares	54,131,658

			(section 608(3)(b) of the Act).		
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5. Changes in association

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

Name and ACN/ARSN (if applicable)	Nature of association
Each entity listed in Annexure A	See Annexure A.

6. Addresses

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

Name	Address
Greenstone Delaware in its capacity as general partner of the Greenstone Fund	c/o Elysium Fund Management, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX
Greenstone Management	c/o Elysium Fund Management, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX
Refer to Annexure A	Refer to Annexure A

Signature

print name

capacity Director of Greenstone Management and authorised representative of the entities in Annexure A

sign here

SADIE MORRISON

date 18/07/2017

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A of Form 604

This is Annexure A of 1 page referred to in the Form 604 (Notice of change of interest of substantial holder), signed by me and dated 18 July 2017.

For and on behalf of Greenstone Management

Substantial holders other than Greenstone Delaware in its capacity as general partner of Greenstone Fund and Greenstone Management and details of their association

Name	Address	Association
Greenstone Delaware in its capacity as general partner of Greenstone HRR Holdings II L.P (Greenstone Fund II)	c/o Elysium Fund Management, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX	Greenstone Fund II was established for the purpose of acquiring shares in the Company (including those current held by the Greenstone Fund) and has entered into a subscription agreement with the Company (a copy of which is attached in Annexure B) for that purpose. Greenstone Fund II has the same general partner, Greenstone Delaware, as Greenstone Fund I and will acquire the 54,131,658 Shares currently held by Greenstone Fund I.
G LTP LLC	280 S. Mangum Street, Suite 210, Durham, NC 27701, USA	Potential association with Greenstone Delaware in its capacity as general partner of Greenstone Fund and Greenstone Fund II, and with Greenstone Management, arising from the entry into and performance of the subscription agreements entered into with the Company (copies of which are attached in Annexure B) and, as a result, them being considered to be acting in concert under section 12(2)(c) of the Corporations Act. The potential association relates to the Greenstone Funds involved in document preparation, monitoring and determining the satisfaction of conditions precedent and exercise of termination rights and managing the completion process on behalf of these entities.
G HSP LLC	280 S. Mangum Street, Suite 210, Durham, NC 27701, USA	
G JBD LLC	280 S. Mangum Street, Suite 210, Durham, NC 27701, USA	
G ERP LLC	280 S. Mangum Street, Suite 210, Durham, NC 27701, USA	
J Paul Getty Trust	1200 Getty Center Drive, Los Angeles, California, CA 90049, USA	
GEF-PUE LP	Suite 3500, 550 South Tyron Street, Charlotte, NC 28202, USA	

Annexure B of Form 604**Subscription agreements**

This is Annexure B of **114** pages referred to in the Form 604 (Notice of change of interest of substantial holder), signed by me and dated **18** July 2017.



For and on behalf of Greenstone Management

Attached are copies of the subscription agreements entered into between the Company and certain substantial holders.

Greenstone HRR Holdings II L.P

Heron Resources Limited

Subscription Agreement

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Date

Parties

Greenstone Management (Delaware) LLC in its capacity as general partner of Greenstone HRR Holdings II L.P of c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA (**Subscriber**)

Heron Resources Limited ABN 30 068 263 098 of Suite 702, 191 Clarence Street, Sydney, New South Wales (**Company**)

Background

- A The Company has agreed to issue the Subscription Shares in the capital of the Company to the Subscriber on the terms of this agreement.
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Agreed terms

1 Definitions and interpretation

1.1 Agreement components

This agreement includes any schedule.

1.2 Definitions

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

ASIC Australian Securities and Investments Commission.

ASX ASX Limited (ACN 008 624 691).

ASX Condition The condition precedent in **clause 2.1(j)**.

Business Day A day on which banks are open for business in Perth, Western Australia and Sydney, New South Wales, excluding a Saturday, Sunday or public holiday.

Castlelake Castlelake III, L.P. and Castlelake IV, L.P.

Castlelake Subscription Agreement The agreement documenting the equity subscription by Castlelake as contemplated in this agreement.

Company Warranties The representations and warranties set out in **schedule 3**.

Completion	The settlement of the issue of the Subscription Shares under this agreement.
Completion Date	<p>The date to be agreed by the parties as soon as practicable after completion of the bookbuild in relation to the Equity Raising, provided such date is no less than 13 Business Days and no more than 18 Business Days after the last to occur of:</p> <ul style="list-style-type: none"> (a) the satisfaction or waiver of the conditions in clauses 2.1(a) to 2.1(i) (inclusive); (b) Orion's obligation to advance the funds for the Second Orion Subscription, as contemplated under the condition in clause 2.1(c), becoming unconditional (other than with respect to satisfaction of any condition precedent equivalent to the ASX Condition, concurrent completion under this agreement, the Greenstone LP Subscription Agreements and the Castllake Subscription Agreement and the completion of the Equity Raising); (c) Castllake's obligation to advance the funds for the Second Castllake Subscription, as contemplated under the condition in clause 2.1(d), becoming unconditional (other than with respect to satisfaction of any condition precedent equivalent to the ASX Condition, the material adverse change condition in section 2.2(l) of the Castllake Subscription Agreement, concurrent completion under this agreement, the Greenstone LP Subscription Agreements and the Orion Subscription Agreement and the completion of the Equity Raising). <p>or if no date is agreed then the date 18 Business Days after the last to occur of the events in paragraphs (a) to (c) above.</p>
Constitution	The constitution of the Company as amended or varied from time to time.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Cut-Off Date	30 September 2017.
Director Shares	Any Shares a director of the Company, or their associates, directly or indirectly own or control.
Duty	Any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other

	amount imposed in respect of any of them, but excludes any Tax.
Encumbrance	<p>Any interest or power:</p> <ul style="list-style-type: none"> (a) reserved in or over any interest in any asset including, but not limited to, any retention of title; or (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, (c) by way of, or having similar commercial effect to, security for payment of a debt, any other monetary obligation or the performance of any other obligation, or any trust or any retention of title and includes, but is not limited to: (d) any agreement to grant or create any of the above; and <p>a security interest within the meaning of section 12(1) of the <i>Personal Property Securities Act 2009</i> (Cth).</p>
Equity Raising	The offer of new Shares to institutional and retail investors via an institutional placement to raise between the Minimum Equity Raising Amount and the Maximum Equity Raising Amount.
Equity Shortfall	Where the amount raised under the Equity Raising is less than the Maximum Equity Raising Amount.
Escrow Agent	FTI Consulting (Australia) Pty Limited
Escrow Account	Has the meaning given to that term in the Escrow Deed.
Escrow Amount	Has the meaning given to that term in the Escrow Deed (and for the avoidance of doubt is inclusive of any accrued interest on the Escrow Amount).
Escrow Deed	The Escrow Deed dated the date of this agreement between the Company, the Subscriber, Orion, Castllake, and the Escrow Agent governing the holding of monies advanced by those parties into separate escrow accounts maintained by the Escrow Agent.
Exchange Rate	On any day, the mid-rate which appears on the Bloomberg Screen "AUDUSD" at or about 11:00am Sydney time on that day.
Facility Agreement	The loan facility agreement between Orion, Tarago Operations Pty Ltd (as borrower) and others dated on

	or about the date of this agreement.
Government Agency	Any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
Greenstone LPs	each of GEF-PUE, LP, The J Paul Getty Trust, G JBD LLC, G LTP LLC, G ERP LLC and G HSP LLC.
Greenstone LP Subscription	The subscription by each of the Greenstone LPs for in aggregate US\$10,800,000 worth of Shares plus the Shares allocated to them by the Company from the Shortfall Amount.
Greenstone LP Subscription Agreements	The agreements documenting the Greenstone LP Subscription by each of the Greenstone LPs as contemplated by this agreement.
GST	Goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	The <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
GST Law	Has the same meaning as in the GST Act.
Immediately Available Funds	Payment by electronic means of transfer in cleared funds into an account nominated by the Escrow Agent.
Initial Castllake Subscription	The subscription by Castllake of 45,856,116 Shares.
Initial Completion Date	Has the meaning given in clause 2.5(c)(ii) .
Initial Orion Subscription	The subscription by Orion for US\$1,480,038 worth of Shares.
Initial Subscription Amount	US\$1,600,041.
Initial Subscription Amount Payment Date	The date that is 13 Business Days after the date of this agreement.
Initial Subscription Shares	The number of fully paid ordinary shares in the capital of the Company equal to the Initial Subscription Amount divided by the Subscription Price rounded up to the nearest whole share.
Joint Release Notice	Has the meaning given to that term in the Escrow Deed.

Key Facility CPs	<p>Each of the conditions precedent set out in the following clauses of the Facility Agreement:</p> <ul style="list-style-type: none"> (a) clause 2.1(a) (except that the 'Officers certificate' must be delivered no more than 2 Business Days before the last condition under clause 2 is satisfied or waived), 2.1(d), 2.1(w), 2.1(l), 2.1(m), 2.1(n) and 2.1(v); (b) clause 2.1(b), other than in respect of the direct deeds for the 'Port Contract', 'Mining Contract', 'Power Supply Contract' and 'Haulage Contract' (as those terms are defined in the Facility Agreement); and (c) clause 2.1(c), other than in respect of paragraphs 6 and 8 to 13 (inclusive) of the definition of 'Material Documents' (as that term is defined in the Facility Agreement).
Key Stream CPs	<p>Each of the conditions precedent set out in clauses 2.9(a) (except that the 'Officers certificate' must be delivered no more than 2 Business Days before the last condition under clause 2 is satisfied or waived), 2.9(b) (other than in respect of the direct deeds for the 'Port Contract', 'Mining Contract', 'Power Supply Contract' and 'Haulage Contract' (as those terms are defined in the Stream Agreement) and 2.9(d), of the Stream Agreement.</p>
Loss	<p>Losses, liabilities, damages, costs, charges and expenses and includes Taxes and Duties.</p>
Marketing Agreement	<p>The agreement dated on or around the date of this agreement between, among others, Orion Merchant Services LLC and Tarago Operations Pty Ltd for the marketing of the lead contained within the lead concentrate produced from the Project.</p>
Material Adverse Change	<p>An event occurring that has had or is reasonably likely to have a material adverse change in the financial position or performance, assets, liabilities, profits, losses or prospects, or a dilutive impact on the capital structure, of the Company.</p>
Maximum Equity Raising Amount	<p>\$135,115,656 minus the Initial Subscription Amount, the Second Subscription Amount, the Initial Orion Subscription, the Second Orion Subscription (assuming no Shortfall Amount), the Greenstone LP Subscription (assuming no Shortfall Amount) and all funds received from the issue of Shares under the Initial Castlelake Subscription and the Second</p>

	Castlelake Subscription, calculated as at the date the bookbuild in respect of the Equity Raising closes.
Minimum Equity Raising Amount	The Maximum Equity Raising Amount less US\$10,000,000.
Nominee	Any party nominated by the Subscriber as the purchaser of the Subscription Shares under clause 7.6 .
Orion	Orion Mine Finance Fund II LP an exempt limited partnership formed under the laws of Bermuda of Canon's Court, 22 Victoria Street, Hamilton HM 12 Bermuda.
Orion Shortfall Subscription Shares	The number of Shares that the Company allocates to Orion from the Shortfall Amount.
Orion Subscription Agreement	The agreement documenting the equity subscription by Orion as contemplated by this agreement.
Orion Waiver	Has the meaning given to that term in clause 2.5(d)
Other Shortfall Subscription Applications	The total number of Shares that Orion and the Greenstone LPs have elected to subscribe for under shortfall application notices given to the Company in respect of the Shortfall Amount.
Project	Has the meaning given to that term under the Facility Agreement.
Related Corporation of an entity	Each company: <ul style="list-style-type: none"> (a) that is a subsidiary of that entity; (b) of which the entity is a subsidiary; or that is a subsidiary of a company of which the entity is also a subsidiary.
Related Persons	In respect of a party or its Related Corporations, each director, officer, employee, advisor, agent, external consultant or representative of that party or Related Corporations.
Relevant Initial Subscription Shares	Has the meaning given to that term in clause 2.5(c) , as adjusted under clauses 2.5(f) to 2.5(h) .
relevant interest	Has the meaning given in section 9 of the Corporations Act.
Second Castlelake Subscription	The subscription by Castlelake for the number of Shares equal to the lesser of:

	<p>(a) 420,845,260; and</p> <p>(b) the maximum number of ordinary shares that if issued, would result in Castlelake having Voting Power in the Company of no more than 19.90% (after the Company has issued the Shares under the Equity Raising, the Shares under the Greenstone LP Subscription Agreements, the Initial Castlelake Subscription, the Shares under the Initial Orion Subscription and Second Orion Subscription and the Subscription Shares).</p>
Second Orion Subscription	<p>The subscription by Orion of the lesser of:</p> <p>(a) if there is no Shortfall Amount, US\$20,219,962 worth of Shares; and</p> <p>(b) if there is a Shortfall Amount, the number of the Shares equal to US\$20,219,962 divided by the Subscription Price plus the Orion Shortfall Subscription Shares,</p> <p>unless that number of Shares would exceed the maximum number of ordinary shares that if issued, would result in Orion having a Voting Power in the Company of no more than 19.90% (after the Company has issued the Shares under the Equity Raising, the Greenstone LP Subscription, the Initial Castlelake Subscription, the Second Castlelake Subscription, the Initial Subscription Shares and Second Subscription Shares and the Initial Orion Subscription Shares) in which case the Second Orion Subscription is the subscription of that maximum number.</p>
Second Subscription Shares	The number of fully paid ordinary shares in the capital of the Company equal to the Second Subscription Amount divided by the Subscription Price rounded up to the nearest whole share.
Second Subscription Amount	US\$19,599,959.
Shares	Fully paid ordinary shares in the capital of the Company.
Shortfall Amount	The amount equal to the Maximum Equity Raising Amount minus the actual gross amount raised under the Equity Raising.
Shortfall	Has the meaning given to that term in clause 4 .

Application Notice

Shortfall Notice	Has the meaning given to that term in clause 4 .
Shortfall Subscription Amount	The amount equal to the Subscription Price multiplied by the Shortfall Subscription Shares.
Shortfall Subscription Shares	Has the meaning given to that term in clause 4(c) .
Sole Release Notice	Has the meaning given to that term in the Escrow Deed.
Stream Agreement	The purchase and sale agreement (silver) dated on or about the date of this agreement between Tarago Operations Pty Ltd, each party listed in Schedule A to that agreement and OMF Fund II (SO) Ltd.
Subscriber Waiver	Has the meaning given to that term in clause 2.5(c) .
Subscriber Warranties	The representations and warranties set out in schedule 4 .
Subscription Price	The lower of: (a) \$0.104 per Share; and (b) the lowest price at which Shares are (or will be) issued under the Equity Raising.
Subscription Shares	The Initial Subscription Shares plus the Total Second Subscription Shares.
Tax	Any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above, but excludes Duty.
Tax Law	A law with respect to or imposing any Tax or Duty.
Total Second Subscription Shares	The number of fully paid ordinary shares in the Company equal to the Second Subscription Shares plus any Shortfall Subscription Shares.
Total Second Subscription Amount	An amount equal to the Second Subscription Amount plus the Shortfall Subscription Amount.
TSX	The Toronto Stock Exchange.
TSX Company	The TSX Company Manual, as amended from time to

Manual	time.
Veolia Cooperation Deed	The co-operation deed dated 28 March 2017 between the Company, Woodlawn Mine Holdings Pty Ltd, Tarago Operations Pty Ltd, TriAusMin Pty Ltd and Veolia Environmental Services (Australia) Pty Ltd.
Voting Power	Has the meaning given in section 9 of the Corporations Act.
Warranties	The Company Warranties and the Subscriber Warranties.

1.3 Interpretation

In this agreement:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (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 agreement 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 a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (k) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors,

insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;

- (l) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (m) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
 - (i) that ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (n) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this **clause 1.3(n)** implies that performance of part of an obligation constitutes performance of the obligation;
- (o) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) a reference to \$ is to Australian currency unless denominated otherwise;
- (s) a reference to US\$ is to the lawful currency of the United States of America;
- (t) where an amount is expressed in US\$ it is to be converted into Australian currency at the Exchange Rate for the purpose of any calculations under this agreement as at the date the bookbuild in respect of the Equity Raising closes; and
- (u) a reference to time is a reference to Sydney time.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

1.5 Inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

2 Conditions precedent to Completion

2.1 Conditions precedent

The obligations of the parties under **clauses** 5 and 7 are conditional on, and do not become binding unless and until:

- (a) the members of the Company in general meeting have approved by the appropriate majority the issue of the Subscription Shares to the Subscriber and the issue of Shares under the Equity Raising, the Greenstone LP Subscription Agreements, the Orion Subscription Agreement and the Castllake Subscription Agreement for all purposes, including (without limitation) for the purposes of ASX Listing Rule 7.1 and in the case of the Shares to be issued to the Subscriber and the Greenstone LPs, item 7 of section 611 of the Corporations Act;
- (b) the Company has issued Shares to Castllake under the Initial Castllake Subscription or Castllake's obligation to subscribe for and the Company's obligation to issue the Shares for the Initial Castllake Subscription becomes unconditional and is to occur on the Completion Date;
- (c) Orion's obligation to subscribe for and the Company's obligation to issue the Shares for the Initial Orion Subscription and the Second Orion Subscription becomes unconditional (other than with respect to satisfaction of any condition precedent equivalent to the ASX Condition, concurrent completion under this agreement, the Greenstone LP Subscription Agreements and the Castllake Subscription Agreement and completion of the Equity Raising) and is to occur on the Completion Date;
- (d) Castllake's obligation to subscribe for and the Company's obligation to issue the Shares for the Second Castllake Subscription becomes unconditional (other than with respect to satisfaction of any condition precedent equivalent to the ASX Condition, the material adverse change condition in section 2.2(l) of the Castllake Subscription Agreement, concurrent completion under this agreement, the Greenstone LP Subscription Agreements and the Orion Subscription Agreement and completion of the Equity Raising) and is to occur on the Completion Date;
- (e) Greenstone LPs obligations to subscribe for and the Company's obligation to issue the Shares for the Greenstone LP Subscription to each of the Greenstone LPs becomes unconditional (other than with respect to concurrent completion under this agreement) and is to occur on the Completion Date;
- (f) the Company has received legally binding commitments from investors in a form acceptable to the Subscriber, acting reasonably, to subscribe for such number of new Shares to raise the Minimum Equity Raising Amount under the Equity Raising and all of those commitments are or become unconditional (other than with respect to satisfaction of any

- condition precedent equivalent to the ASX Condition and the funds for completion under this agreement, the Greenstone LP Subscription Agreements, the Orion Subscription Agreement and the Castllake Subscription Agreement (other than in respect of the Initial Castllake Subscription) being deposited into the Escrow Account) with the effect that the issue and payment for those new Shares will occur before Completion;
- (g) in the event of a Shortfall Amount, the Company has received commitments for all of the Shortfall Amount;
 - (h) each of the Key Facility CPs is either:
 - (i) satisfied in accordance with the terms of the Facility Agreement as those terms appeared at the date of this agreement; or
 - (ii) if those Key Facility CPs have not been or remain to be so satisfied or have been waived by Orion, the Subscriber in its discretion waiving the requirement for each such Key Facility CP to be satisfied;
 - (i) each Key Stream CPs is either:
 - (i) satisfied in accordance with the terms of the Stream Agreement as those terms appeared at the date of this agreement; or
 - (ii) if those Key Stream CPs have not been or remain to be so satisfied or have been waived by Orion, the Subscriber in its discretion waiving the requirement for each such Key Stream CPs to be satisfied;
 - (j) the ASX not indicating to the Company that it will refuse to grant quotation of the Subscription Shares or otherwise make quotation conditional; and
 - (k) no Material Adverse Change has occurred between the date of this document and immediately prior to Completion occurring.

2.2 Best endeavours to satisfy conditions precedent

- (a) The Company must use best endeavours to ensure that the conditions precedent in **clause 2.1** are satisfied as expeditiously as possible and in any event on or before the Cut-Off Date.
- (b) Each party must provide reasonable assistance to the other as is necessary to satisfy the conditions. To avoid doubt, this clause 2.2(b) does not require the Subscriber to provide any financial assistance.
- (c) Each party must provide all information as may be reasonably requested by the other party in connection with any notices or applications for approvals.
- (d) The Company must provide the Subscriber one Business Day prior to Completion a certificate signed by two Directors of the Company

confirming either that to the best of their knowledge and belief having caused the Company to make reasonable enquiries:

- (i) there has not prior to the relevant time been a Material Adverse Change; or
 - (ii) there has prior to the relevant time been a Material Adverse Change or Changes and provide all reasonable details regarding the nature and implications of that Material Adverse Change to enable the Subscriber to decide whether to waive the operation of the condition precedent in **clause 2.1(k)** or otherwise terminate this document.
- (e) The Company must provide the Subscriber with regular updates on the progress of satisfying the conditions in clauses 2.1(h) and 2.1(i).
- (f) If requested by the Subscriber at any time before Completion, or if the Company is of the opinion that the conditions precedent in clauses 2.1(h) and 2.1(i) are satisfied, the Company must provide (and must use its best endeavours to cause Orion to provide) to the Subscriber within 5 Business Days of receiving that request or forming that opinion (as applicable) a certificate signed on behalf of a duly authorised officer of those entities confirming:
- (i) which Key Facility CPs and Key Stream CPs have been satisfied;
 - (ii) which Key Facility CPs and Key Stream CPs have been waived by Orion and the circumstances giving rise to the breach of those conditions or reasons for waiver (if known);
 - (iii) which Key Facility CPs and Key Stream CPs remain to be satisfied and a reasonable estimate of the expected date of satisfaction of those conditions; and
 - (iv) whether the directors of the entity providing the certificate have formed the view having made reasonable enquiries that it is reasonable to expect those remaining Key Facility CPs and Key Stream CPs to be satisfied in the ordinary course of the business of the Company.

2.3 Shareholder approval

Without limiting **clause 2.2**, in connection with satisfying the condition in **clause 2.1(a)**, the Company will:

- (a) promptly prepare a notice of meeting to seek the approval of the members of the Company for the purposes of the condition in **clause 2.1(a)**, and:
 - (i) the Company will consult in good faith with the Subscriber in relation to the form and content of the notice including providing the Subscriber with a draft of the notice and taking into account the Subscriber's comments prior to providing the draft notice to ASX for its review; and

- (ii) the notice must include:
 - (A) a unanimous recommendation by the board of the Company that members vote in favour of the required resolutions in the absence of a superior proposal; and
 - (B) a statement that each member of the board of the Company intends to vote, or procure the voting of, their Director Shares in favour of the resolutions in the absence of a superior proposal;
- (b) promptly provide the Subscriber with successive drafts of the independent expert's report to be prepared for the purposes of the condition in **clause 2.1(a)** and consult in good faith with the Subscriber in relation to the form and content of that document taking into account the Subscriber's comments prior to providing comments to the expert; and
- (c) as soon as reasonably practicable after the date of this agreement (and no later than 3 weeks following the date of this agreement), convene a general meeting and dispatch the notice of meeting to its members, so that the meeting can be held by 31 August 2017.

2.4 Notice

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

2.5 Waiver

- (a) Subject to **clause 2.5(c)**, the conditions in **clauses 2.1(a), 2.1(b), 2.1(c), 2.1(d), 2.1(e), 2.1(f) and 2.1(g)** are for the benefit of both parties and may only be waived by both parties in writing.
- (b) The conditions in **clauses 2.1(h), 2.1(i), 2.1(j) and 2.1(k)** are for the benefit of the Subscriber only and may only be waived by the Subscriber in writing (in its sole and absolute discretion). To avoid doubt, the Company cannot waive any conditions expressed to be for the benefit of the Subscriber only, and the Company's consent is not required to waive those conditions.
- (c) Without limiting **clause 2.5(b)**, but subject to **clauses 2.5(f) to 2.5(h)**, if the Initial Subscription Amount has been deposited into escrow as contemplated under **clause 3.1**, the Subscriber may at any time prior to satisfaction of the conditions in **clause 2.1** elect to waive all of the unsatisfied conditions in **clause 2.1** in respect of all or some of the Initial Subscription Shares (to the extent that the Subscriber's Voting Power in the Company does not exceed 19.9% as a result of the issue of those Initial Subscription Shares and the Company is able to issue each of those Initial Subscription Shares without shareholder approval save that these conditions do not alter the Company's obligation to issue such number of Initial Subscription Shares that it can without contravening those conditions (those Initial Subscription Shares to be referred to in

this clause as the **Relevant Initial Subscription Shares**) (**Subscriber Waiver**), in which case:

- (i) **clauses 5 and 7** will become binding in respect of the Relevant Initial Subscription Shares only;
 - (ii) Completion of the issue of the Relevant Initial Subscription Shares under **clause 7** must occur on the date that is 5 Business Days after the later of the Subscriber Waiver or any Orion Waiver (**Initial Completion Date**) and references in **clauses 5 and 7** to "Subscription Shares", the "Completion Date", "Completion", "Sole Release Notice" and "Escrow Amount" will be taken to be a reference to the "Relevant Initial Subscription Shares", "Initial Completion Date" and "settlement of the issue of the Relevant Initial Subscription Shares under **clause 7**", "Joint Release Notice" and "so much of the Escrow Amount equal to the Relevant Initial Subscription Shares multiplied by the Subscription Price" respectively;
 - (iii) the Company must undertake the actions required under **clause 6.2** in respect of the Relevant Initial Subscription Shares and references in that clause to "Subscription Shares" and "Completion" will be taken to be a reference to the "Relevant Initial Subscription Shares" and "settlement of the issue of the Relevant Initial Subscription Shares" respectively;
 - (iv) the requirement in **clause 7.3** that funds be deposited into the Escrow Account, the completion of the Initial Orion Subscription, the Second Orion Subscription, the Initial Castllake Subscription, Second Castllake Subscription and the Greenstone LP Subscription occur concurrently, and completion of the Equity Raising occur before Completion, or have already occurred, will not apply;
 - (v) **clause 7.3(h)(i)** will not apply to the settlement of the issue of the Relevant Initial Subscription Shares under **clause 7**;
 - (vi) the Company will also give the Company Warranties on the Initial Completion Date, other than those Company Warranties expressed to be given on a particular date; and
 - (vii) if and when Completion of the issue of the remaining Subscription Shares occurs for the purpose of **clauses 5, 6.2 and 7** the definition of "Subscription Shares" will exclude the "Relevant Initial Subscription Shares".
- (d) If the Company receives a notice from Orion under clause 2.5(c) of the Orion Subscription Agreement waiving all of the unsatisfied conditions in clause 2.1 of the Orion Subscription Agreement with respect to the Initial Subscription Shares (as defined in the Orion Subscription Agreement) (**Orion Waiver**), the Company will immediately provide a copy of the Orion Waiver to the Subscriber. Upon receipt of the Orion Waiver, the

Subscriber may within 72 hours of receipt, elect to provide a Subscriber Waiver under **clause 2.5(c)**. If the Subscriber does not provide a Subscriber Waiver within the time period set out in this clause, the Subscriber is not permitted to subsequently provide a Subscriber Waiver.

- (e) If the Company receives a Subscriber Waiver before it receives an Orion Waiver, the Company will immediately provide a copy of the Subscriber Waiver to Orion. If Orion does not provide an Orion Waiver within 72 hours of being given the Subscriber Waiver by the Company, Orion is not permitted to subsequently provide an Orion Waiver and the Company must not issue Orion any Shares before completion of the Second Orion Subscription.

- (f) Subject to **clause 2.5(h)**, if:

- (i) the Subscriber has provided a Subscriber Waiver; and
 - (ii) the Company has not received a Orion Waiver,

the number of Initial Subscription Shares to be issued to the Subscriber will be limited to the lower of the number of Initial Subscription Shares in respect of which the Subscriber has given the Subscriber Waiver and the maximum number that the Company is permitted to issue without shareholder approval as at the Initial Completion Date.

- (g) Subject to **clause 2.5(h)**, if:

- (i) the Subscriber has provided a Subscriber Waiver; and
 - (ii) the Company has also received a Orion Waiver (regardless of whether the Orion Waiver was provided before or after the waiver from the Subscriber),

the number of Initial Subscription Shares to be issued to the Subscriber will be limited to the lower of:

- (iii) the number of Initial Subscription Shares in respect of which the Subscriber has given the Subscriber Waiver; and

- (iv) the higher of:

- (A) maximum number that the Company is permitted to issue without shareholder approval as at the Initial Completion Date, multiplied by 0.5195; and

- (B) the maximum number that the Company is permitted to issue without shareholder approval as at the Initial Completion Date less the number of Shares in respect of which the Orion Waiver has been given.

- (h) For the purposes of calculating the maximum number of Shares the Company is permitted to issue without shareholder approval under **clauses 2.5(f) and 2.5(g)**, if the Shares under the Initial Castlelake Subscription have not already been issued, the maximum number of Shares is to be calculated assuming that the Shares under the Initial

Castlelake Subscription have been issued using the Company's placement capacity under ASX Listing Rule 7.1.

- (i) The Company must use the Company's placement capacity under ASX Listing Rule 7.1A for the issue of any new Shares under the Initial Castlelake Subscription, under the Initial Orion Subscription or for the Initial Subscription Shares, unless the Company is unable to issue Shares under that Listing Rule in which case the Company must use the Company's placement capacity under ASX Listing Rule 7.1.
- (j) A waiver of a condition:
 - (i) will not be effective unless it is given in writing in relation to a particular condition;
 - (ii) may be given unconditionally or on the conditions the party who is entitled to waive the condition considers fit;
 - (iii) will only apply to the obligations in relation to which it is expressed to be given unless the party who is entitled to waive the condition states otherwise in writing; and
 - (iv) will not preclude the party entitled to waive the condition from refusing to waive a particular condition on another occasion or from requiring the party who is required to satisfy a condition to satisfy conditions that differ from the conditions applying on a prior occasion.

2.6 Cut-Off Date

- (a) A party may, by not less than 2 Business Days' notice to the other party, terminate this agreement at any time before Completion if:
 - (i) the conditions in **clause 2.1** are not satisfied, or waived in accordance with **clause 2.5** by the Cut-Off Date; or
 - (ii) the conditions in **clause 2.1** become incapable of satisfaction or the parties agree that any of the conditions in **clause 2.1** cannot be satisfied.

2.7 No binding agreement for issue

For the avoidance of doubt, nothing in this agreement will cause a binding agreement for the issue of the Subscription Shares unless and until the conditions in **clause 2.1** have been satisfied or waived in accordance with **clause 2.5** and no person will obtain rights in relation to those shares as a result of this agreement unless and until those conditions have been satisfied.

3 Escrow of Initial Subscription Amount

3.1 Deposit into escrow

- (a) Concurrently with the execution of this agreement, the parties must enter into the Escrow Deed.

- (b) Subject to all parties to the Escrow Deed having executed that deed, the Subscriber must, on the Initial Subscription Amount Payment Date, deposit into escrow with the Escrow Agent the Initial Subscription Amount to be held in trust for the benefit of the parties and dealt with in accordance with this agreement and the Escrow Deed.
- (c) On the Initial Subscription Amount Payment Date the Company must provide a certificate signed by two directors of the Company certifying that there has been no breach of the Company Warranties and that no right of termination of this agreement has occurred.

3.2 Return of Escrow Amount on termination

- (a) If this agreement is terminated for any reason the Subscriber will be entitled to the Escrow Amount and the Company must promptly execute and return any Joint Release Notice provided to it by the Subscriber for the return of the Escrow Amount to the Subscriber or its nominee.
- (b) The Company irrevocably appoints the Subscriber as its true and lawful attorney to execute any Joint Release Notice on its behalf for the purpose of **clause 3.2(a)**.

4 Application for Equity Shortfall

- (a) In the event of a Shortfall Amount, then as soon as practicable on or after the date of this agreement, the Company must give the Subscriber a written notice specifying the Shortfall Amount (**Shortfall Notice**).
- (b) The Subscriber may by notice in writing to the Company (**Shortfall Application Notice**) within 2 Business Days after the date of this agreement and regardless of whether a Shortfall Notice has been received, elect to subscribe for any number of new Shares under the Equity Shortfall at the Subscription Price up to a maximum value (based on the Subscription Price of each Share) of US\$10,000,000.
- (c) The Company has the right to scale back the number of Shares set out in the Shortfall Application Notice (calculated using the Subscription Price) to the higher of:
 - (i) the available Shortfall Amount (capped at US\$10,000,000) minus the Other Shortfall Subscription Applications; and
 - (ii) 37.50% of the available Shortfall Amount,
 (the number of Shares that the Company allocates to the Subscriber from the Shortfall Amount based on its Shortfall Application Notice being the **Shortfall Subscription Shares**).
- (d) The Subscriber agrees to subscribe for the Shortfall Subscription Shares, notwithstanding that the number of Shortfall Subscription Shares may be less than the number of Shares stated in the Shortfall Application Notice.

5 Subscription and issue

5.1 Subscription Shares

On the Completion Date, the Company must issue, and the Subscriber must, subject to **clause 7.3**, subscribe for, the Subscription Shares, for the Subscription Price.

5.2 Constitution

On issue of the Subscription Shares, the Subscriber agrees to be bound by the Constitution.

5.3 Rights and ranking

All Subscription Shares issued to the Subscriber will:

- (a) be issued as fully paid;
- (b) be free of Encumbrances; and
- (c) rank equally in all respects with the other ordinary shares on issue in the capital of the Company as at the Completion Date.

6 Company's undertakings

6.1 Restrictions on the Company

Except to the extent contemplated by this agreement, the Greenstone LP Subscription Agreements, the Orion Subscription Agreement, the Castllake Subscription Agreement, the Facility Agreement or the Stream Agreement, the Company will not, prior to Completion, without the Subscriber's prior written consent:

- (a) dispose of or agree to dispose of any of its right, title or interest in and to any material asset that it may own or to which it may become entitled;
- (b) charge or agree to Encumber the whole or any part of its right, title and interest in and to any material asset that it may own or to which it may become entitled;
- (c) issue, or agree to issue, any marketable securities in its capital or grant any options or rights to take up by way of subscription, conversion or substitution further shares in its capital, whether the shares rank in preference to, equally with or after the Subscription Shares in respect of any right or interest, other than under the Equity Raising, Greenstone LP Subscription, Initial Orion Subscription, Second Orion Subscription, the Initial Castllake Subscription or the Second Castllake Subscription or on exercise of any of the options listed in **schedule 5**
- (d) grant any special voting or other rights that attach to the ordinary issued shares in its capital; or
- (e) carry on any business except a business of a type that is currently being carried on by the Company.

6.2 Quotation on ASX and TSX

- (a) The Company will apply to ASX for official quotation of the Subscription Shares as soon as practicable, and in any event within 2 Business Days after Completion.
- (b) The Company will give to the ASX a notice under section 708A(6) of the Corporations Act by the next trading day on ASX following Completion and such notice must confirm that the Company has not withheld any excluded information for the purposes of section 708A(6)(e), or, if the Company is unable to satisfy the Corporations Act requirements to give such a notice, lodge a prospectus with ASIC on the next Business Day following Completion that qualifies the Subscription Shares for resale under section 708A(11) of the Corporations Act.
- (c) The Company will provide notice to the TSX in accordance with section 602(a) of the TSX Company Manual promptly after entering into this agreement and will use reasonable efforts to obtain conditional listing approval from the TSX prior to Completion.
- (d) The Company will use reasonable efforts to provide all outstanding documents and address any other items raised by the TSX in their letter granting conditional listing approval prior to the time period set forth in such letter.

7 Completion

7.1 Time and place for Completion

Completion of the issue of the Subscription Shares under this agreement must take place on the Completion Date at 10am Perth time at the offices of Herbert Smith Freehills, L36, QV1 Building, 250 St Georges Terrace, Perth, Western Australia or at any other time and place the parties agree.

7.2 Obligations of Company

On or before Completion, the Company:

- (a) will, on request in writing, provide information to the Subscriber concerning:
 - (i) the Greenstone LPs concurrently subscribing for, or already having subscribed for the new Shares for the Greenstone LP Subscription;
 - (ii) Orion concurrently subscribing for, or already having subscribed for, the new Shares for the Initial Orion Subscription and Second Orion Subscription;
 - (iii) Castlake:
 - (A) subscribing for before the Completion Date, or already having subscribed for the new Shares for the Initial Castlake Subscription; and

- (B) concurrently subscribing for, or already having subscribed for, the new Shares for the Second Castl lake Subscription; and
- (iv) the Company having completed the Equity Raising (which includes completing the issue of the new Shares applied for under the Equity Raising),

to satisfy the Subscriber, acting reasonably, that concurrent with Completion (and in the case of the Equity Raising before Completion), completion will occur under the Greenstone LP Subscription Agreements, the Orion Subscription Agreement, the Castl lake Subscription Agreement and under the Equity Raising; and

- (b) must procure that a meeting of directors of the Company is convened and approves subject to Completion the issue of the Subscription Shares to the Subscriber or its Nominee.

7.3 Subscription at Completion

Subject to:

- (a) each of the Greenstone LPs, Orion and Castl lake at least 1 Business Day prior to the Completion Date depositing into the Escrow Account their respective subscription amounts (other than in respect the Initial Castl lake Subscription), so that the total amount deposited in the Escrow Account by the Greenstone LPs, Orion and Castl lake is equal to the aggregate of the Greenstone LP Subscription, the Initial Orion Subscription, the Second Orion Subscription plus the Second Castl lake Subscription multiplied by the Subscription Price;
- (b) Greenstone LPs concurrently subscribing for, or already having subscribed for, and the Company issuing, or already having issued, the new Shares for the Greenstone LP Subscription, and the Company providing evidence of this (in a form satisfactory to the Subscriber, acting reasonably);
- (c) Orion concurrently subscribing for, or already having subscribed for, and the Company issuing, or already having issued, the new Shares for the Initial Orion Subscription and Second Orion Subscription, and the Company providing evidence of this (in a form satisfactory to the Subscriber, acting reasonably);
- (d) Castl lake:
 - (i) having subscribed for, and the Company having issued and received cleared funds for, the new Shares for the Initial Castl lake Subscription and the Company providing evidence of this (in a form satisfactory to the Subscriber acting reasonably); and
 - (ii) concurrently subscribing for, or already having subscribed for, and the Company issuing, the new Shares for Second Castl lake Subscription, and the Company providing evidence of this (in a form satisfactory to the Subscriber acting reasonably);

- (e) the Company having completed the Equity Raising (and which includes completing the issue of the new Shares applied for under the Equity Raising) receiving at least the Minimum Equity Raising Amount under the Equity Raising and the Company providing evidence of this (in a form satisfactory to the Subscriber acting reasonably); and
- (f) satisfaction or waiver of the conditions precedent in **clause s 2.1(j)** and **2.1(k)**,

the Subscriber must:

- (g) **(subscription)** at Completion, subscribe for and accept the issue of, or procure that its Nominee subscribes for and accepts the issue of, the Subscription Shares, by means of an application substantially in the form in **schedule 2**; and
- (h) **(subscription price)**
 - (i) at least 1 Business Day prior to the Completion Date, pay or procure that its Nominee pays, to the Escrow Agent the Total Second Subscription Amount in Immediately Available Funds to be held in trust in a separate account to the funds received by the Escrow Agent from Orion and Castlelake (but in the same account as the Greenstone LPs) for the benefit of the parties and dealt with in accordance with this agreement and the Escrow Deed; and
 - (ii) at Completion, in full and final satisfaction of its obligations to pay the Subscription Price for the Subscription Shares, deliver to the Escrow Agent a duly signed Sole Release Notice for the Escrow Amount (excluding any accrued interest on the Escrow Amount) and provide a copy of that Sole Release Notice to the Company.

7.4 Issue at Completion

At Completion, and subject to the Escrow Agent confirming that all Sole Release Notices under the Escrow Deed have been received, the Company must:

- (a) **(Subscription Share issue)** issue the Subscription Shares to the Subscriber or its Nominee free from any Encumbrance or other third party rights; and
- (b) **(documentation)** provide the documentation required by **clause 7.5(a)**.

7.5 Documents to be delivered by the Company

- (a) At Completion the Company must give:
 - (i) evidence satisfactory to the Subscriber of the due allotment and issue of the Subscription Shares;
 - (ii) a draft of the notice referred to in **clause 6.2(b)**; and
 - (iii) a certificate signed by two directors of the Company certifying satisfaction of the conditions precedent in **clause 2.1**, there has

been no breach of the Company Warranties and no right of termination has occurred.

- (b) Within 5 Business Days after Completion, the Company must give the Subscriber, at the election of the Subscriber, a CHESS holding statement or issuer-sponsored holding statement in respect of the Subscription Shares.

7.6 Subscriber Nominee

The Subscriber may nominate a subsidiary of the Subscriber or another limited partnership in which Greenstone Management Limited or its subsidiary Greenstone Management (Delaware) LLC is the general partner to subscribe for the Subscription Shares by notifying the Company in writing at least 2 Business Days before the Completion Date, in which case references to the Subscriber in this agreement will be deemed to also include a reference to the Nominee and the Subscriber will no longer have any obligation under this agreement. If required by the Subscriber, the Company will enter into a deed of accession in the form previously agreed to between the Company and the Subscriber.

7.7 Completion simultaneous

The actions to take place as contemplated by this **clause 7**, by respective clauses 6 under the Greenstone LP Subscription Agreements and Castlelake Subscription Agreement and clause 7 under the Orion Subscription Agreement and to complete the issue of Shares under the Equity Raising are interdependent and must take place, as nearly as possible, simultaneously (except in the case of the Equity Raising, which is to occur before Completion). If any one of those actions does not take place, then without prejudice to any rights available to any party as a consequence:

- (a) there is no obligation on any party to undertake or perform any of the other actions;
- (b) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
- (c) the Subscriber must return to the Company all documents delivered to it under **clause 7.5** and the Company must repay or procure the Escrow Agent to repay (as applicable) to the Subscriber all payments received by it or the Escrow Agent under **clause 7.3**, without prejudice to any other rights any party may have in respect of that failure.

8 Exclusivity

- (a) From the date of this agreement until the earlier of the Completion Date and the Cut-Off Date, the Company must ensure that neither it nor any of its Related Corporations or Related Persons:
 - (i) directly or indirectly solicits, facilitates, encourages, invites or initiates steps with the objective of receiving any offer, proposal or

enquiry (or submission or initiation of the foregoing) pursuant to which a person other than the Subscriber, its affiliates or Orion under the Initial Orion Subscription and Second Orion Subscription or Castlelake under the Initial Castlelake Subscription and Second Castlelake Subscription would, if the proposal was successfully completed:

- (A) be issued any equity in the Company (including without limitation, Shares or options over Shares) or any of its Related Corporations or the Company or any of its Related Corporations would raise any debt finance;
- (B) acquire a material interest in the Company or the Project (including by way of a joint venture, reverse acquisition, takeover or other share or asset acquisition); or
- (C) frustrate the implementation of the transactions contemplated by this agreement,

(each **Alternate Proposal**); or

- (ii) directly or indirectly participates in any negotiations or discussions or provides any information to any person with respect to any inquiry, expression of interest, offer or proposal by any person to make an Alternate Proposal, unless the Alternate Proposal is in respect of a takeover bid, scheme of arrangement or similar arrangement for the acquisition of 100% of the securities in the Company (**Takeover Proposal**) and was not solicited, invited or encouraged in breach of this **clause 8** and the directors of the Company acting reasonably and in good faith determine that:

- (A) the Takeover Proposal is a bona fide third party proposal;
- (B) the Takeover Proposal is or could reasonably be expected to lead to a proposal capable of acceptance by the Company or its shareholders that is materially superior to the transactions involving the Subscriber, Castlelake and Orion as expressly contemplated by this agreement (having regard to all prevailing circumstances including the value of the proposal, certainty of terms, conditionality, time to execution, identity of the counterparty and time to close of the transaction); and
- (C) having had regard to written advice from their external legal and financial advisers, not undertaking that act would be likely to constitute a breach of the fiduciary or statutory duties owed by any director, or would otherwise be likely to constitute a breach of any applicable law.

- (b) From the date of this agreement until the earlier of the Completion Date and the Cut-Off Date, the Company must, and must cause its Related Corporations and Related Persons to, immediately notify the Subscriber if:

- (i) any approach, enquiry, expression of interest, offer or proposal is made, directly or indirectly to the Company or any of its Related Corporations or Related Persons with respect to an Alternate Proposal, which was solicited or otherwise; or
- (ii) any request is made to the Company or any of its Related Corporations or Related Persons for any information relating to the Company or any of its Related Corporations or their businesses or operations in connection with a current or future Alternate Proposal.

9 Warranties and indemnities

9.1 Company Warranties

The Company gives the Company Warranties to and for the benefit of the Subscriber.

9.2 Subscriber Warranties

The Subscriber gives the Subscriber Warranties to and for the benefit of the Company.

9.3 Repetition warranties

The Warranties given by the Company and the Subscriber are given:

- (a) in respect of each Warranty which is expressed to be given on a particular date, on that date; and
- (b) in respect of each other Warranty, on the date of this agreement, on the Initial Subscription Payment Date and immediately before Completion.

9.4 Survival

The Warranties survive the execution and Completion of this agreement.

9.5 Reliance

- (a) The Company acknowledges that the Subscriber enters into this agreement in reliance on each Company Warranty.
- (b) The Subscriber acknowledges that the Company enters into this agreement in reliance on each Subscriber Warranty.

9.6 Independent Warranties

Each Warranty is separate and independent and not limited by reference to any other Warranty or any notice or waiver given by any party in connection with anything in this agreement.

9.7 Investigation

All powers of the Subscriber in connection with the Warranties may be enforced or made whether or not, before entry into this agreement, the Subscriber knew or could have discovered (whether by any investigation made by or on behalf of the Subscriber into the affairs of the Company or otherwise)

that any Warranty has not been complied with or is otherwise untrue, incorrect or misleading.

9.8 Future events

The Company must immediately give notice to the Subscriber if anything occurs or arises that results or may result in any of the Warranties being unfulfilled, untrue, incorrect or misleading.

9.9 Indemnity

The Company indemnifies the Subscriber against any Loss suffered or incurred by the Subscriber as a result of a breach of a Company Warranty by the Company.

9.10 Tax

If an amount received by the Subscriber under **clause 9.9** or otherwise in respect of any action in respect of any breach of this agreement is treated as assessable or taxable income or an assessable or taxable gain of the Subscriber under any Tax Law, the indemnifying party must pay the Subscriber an additional amount so that, after deducting from the aggregate amount received by the Subscriber under this **clause 9** and otherwise in respect of that action, the amount of Tax paid or payable in respect of the amount received, the balance remaining is equal to the amount received by the Subscriber under **clauses 9.9** or otherwise in respect of that action.

10 Termination

10.1 Termination by the Subscriber

The Subscriber may terminate this agreement at any time before Completion by notice in writing to the Company if:

- (a) any of the Greenstone LP Subscription Agreements, the Orion Subscription Agreement, the Castllake Subscription Agreement, Facility Agreement, Stream Agreement or Marketing Agreement is terminated;
- (b) the Veolia Cooperation Deed is materially amended, terminated or otherwise ceases to have full force and effect;
- (c) any of the representations and warranties of the Company under **clause 9.1** are not, or cease to be, true and correct;
- (d) there is an Event of Default or Potential Event of Default (as those terms are defined under the Facility Agreement) or there would be an Event of Default or Potential Event of Default, but for any remedy periods;
- (e) an order is made or an effective resolution is passed for the winding up or dissolution without winding up (otherwise than for the purposes of reconstruction or amalgamation) of the Company;
- (f) a receiver, receiver and manager, judicial manager, liquidator, administrator or like official is appointed over the whole or a substantial part of the undertaking or property of the Company;

- (g) a holder of an Encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Company; or
- (h) the Company materially breaches this agreement, including breach of any of the undertakings in **clause 6**, breach of a Company Warranty occurring before Completion or does not materially fulfil its obligations under this agreement.

10.2 Termination by the Company

The Company may terminate this agreement at any time before Completion by notice in writing to the Subscriber if:

- (a) an order is made or an effective resolution is passed for the winding up or dissolution without winding up (otherwise than for the purposes of reconstruction or amalgamation) of the Subscriber;
- (b) a receiver, receiver and manager, judicial manager, liquidator, administrator or like official is appointed over the whole or a substantial part of the undertaking or property of the Subscriber; or
- (c) a holder of an Encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Subscriber.

10.3 Effect of Termination

If this agreement is terminated under **clause 2.6** or this **clause 10**:

- (a) each party retains the rights it has against the other in respect of any breach of this agreement occurring before termination; and
- (b) the rights and obligations of each party under each of the following clauses and schedules will continue independently from the other obligations of the parties and survive termination of this agreement:
 - (i) **clause 1.2** (Definitions and interpretation);
 - (ii) **clause 3.2** (Return of Escrow Amount on termination);
 - (iii) **clause 7.7** (Completion simultaneously);
 - (iv) **clause 9.9** (Indemnity);
 - (v) **clause 10** (Termination);
 - (vi) **clause 11** (Waiver of Anti-Dilution Right);
 - (vii) **clause 12** (Confidentiality and announcements);
 - (viii) **clause 13** (Duties, costs and expenses);
 - (ix) **clause 14** (GST); and
 - (x) **clauses 15 and 16** (Notices and General).

10.4 No other right to terminate or rescind

No party may terminate or rescind this agreement except as permitted under **clause 2.6** or this **clause 10**.

10.5 Obligation to inform

Each party must immediately notify the other of the occurrence of an event that could reasonably be expected to result in a right to terminate this agreement under either **clauses 10.1 or 10.2** arising.

11 Waiver of Anti-Dilution Right

- (a) The Subscriber acknowledges that:
 - (i) under the Orion Subscription Agreement, Orion has the right to subscribe for:
 - (A) the Initial Orion Subscription Shares in the same manner as contemplated under **clause 2.5(c)** in respect of the Initial Subscription Shares; and
 - (B) more than 40% of the available Shortfall Amount under the Orion Shortfall Subscription Application, if the Subscriber elects to apply for less than 60% of the available Shortfall Amount under **clause 4(b)**,
(together, the **Orion Subscription Rights**); and
 - (ii) under the Castllake Subscription Agreement, Castllake has the right to subscribe for Shares under the Initial Castllake Subscription before the Completion Date.
- (b) Subject to Completion occurring in accordance with the terms set out in this document (without amendment or such amendment as is agreed to in writing by the Subscriber), the Subscriber hereby agrees to waive its anti-dilution rights under **clause 7** of the agreement between the Company and the Subscriber dated 24 July 2015 (**Anti-Dilution Right**) to the extent necessary to allow:
 - (i) Orion to exercise the Orion Subscription Rights independently from the Subscriber's equivalent rights under **clauses 2.5(c) and 4(b)** of this agreement; and
 - (ii) Castllake to subscribe for Shares under the Initial Castllake Subscription before Completion.
- (c) For the avoidance of doubt, if Completion does not occur in accordance with the terms set out in this document or the transactions contemplated herein are without the Subscriber's consent amended, then:
 - (i) the Subscriber will not be taken to have waived the Anti-dilution Right under **clause 11(b)**;
 - (ii) if any Shares under the Initial Castllake Subscription or the Initial Orion Subscription have been issued which has resulted in a decrease to the Subscriber's relevant interest, the Subscriber will be entitled to exercise its Anti-Dilution Right to the extent

necessary to maintain its relevant interest as at the date immediately before the execution of this agreement; and

- (iii) the Company must comply with its obligations in clauses 7.2(e) and (g) of the agreement between the Company and the Subscriber dated 24 July 2015.
- (d) The parties acknowledge and agree that if, as a result of Shares being issued under any of the Initial Castllake Subscription, the Initial Orion Subscription and the Equity Raising before the Subscriber is issued the Subscription Shares at Completion, the Subscriber's relevant interest decreases to less than 10%, the Subscriber will not lose the Anti-Dilution Right unless it holds a relevant interest of less than 10% after Completion has occurred.

12 Confidentiality and announcements

12.1 Announcements

A party must not make any public announcement relating to this agreement or the transactions contemplated by it, unless the other party has consented to the announcement, including the timing, form and content, unless the announcement would be permitted under an exemption in **clause 12.2**.

12.2 Confidentiality

- (a) Immediately following the execution of this agreement, the parties must make a joint public announcement regarding entry into this agreement in a form agreed by both parties (each acting reasonably) (**Initial Announcement**).
- (b) The Initial Announcement must include:
 - (i) a unanimous recommendation by the board of the Company that members vote in favour of the required resolutions in the absence of a superior proposal; and
 - (ii) a statement that each member of the board of the Company intends to vote, or procure the voting of, their Director Shares in favour of the resolutions in the absence of a superior proposal.

13 Duty and costs

13.1 Duties

The Company must pay all Duty in respect of the execution, delivery and performance of this agreement and any agreement, transaction or document entered into or signed under this agreement.

13.2 Costs

The Company must pay all reasonable costs and expenses of the Subscriber (including any legal costs and expenses on a full indemnity basis) in

connection with the negotiation, preparation, execution and completion of this agreement including obtaining any tax advice it requires, obtaining Foreign Investment Review Board approval and due diligence, and must reimburse the Subscriber for those costs and expenses within 5 Business days after receipt of a tax invoice.

14 GST

14.1 Definitions

Words used in this **clause 14** that have a defined meaning in the GST Law, have the same meaning as in the GST Law unless the context indicates otherwise.

14.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (c) Whenever an adjustment event occurs in relation to any taxable supply to which **clauses 14.2(a)** and **14.2(b)** applies:
 - (i) the supplier must determine the amount of the GST component of the consideration payable; and
 - (ii) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.

14.3 Tax invoices

The supplier must issue a Tax Invoice to the recipient of a supply to which **clause 14.2** applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

14.4 Reimbursements

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the party being reimbursed or indemnified, or by its representative member.

15 Notices

15.1 Form of Notice

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

- (a) in writing and in English; and
- (b) addressed to that party in accordance with the details nominated in **schedule 1** (or any alternative details nominated to the sending party by Notice).

15.2 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.

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	<p>At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety.</p> <p>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.</p>
By email to the nominated	When the email (including any attachment) comes to the attention of the recipient party

email address

or a person acting on its behalf.

15.3 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 15.2**).

16 General

16.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. 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.

16.2 Invalidity and enforceability

- (a) If any provision of this agreement 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 16.2(a)** does not apply where enforcement of the provision of this agreement in accordance with **clause 16.2(a)** would materially affect the nature or effect of the parties' obligations under this agreement.

16.3 Waiver

No party to this agreement 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 16.3** 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 agreement and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct that might otherwise give rise to an estoppel.

16.4 Variation

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

16.5 Assignment of rights

- (a) Unless otherwise expressly permitted by this document, rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of **clause 16.5(a)** by a party entitles the other party to terminate this agreement.
- (c) **Clause 16.5(b)** does not affect the construction of any other part of this agreement.
- (d) The Subscriber may assign or novate its rights and obligations under this agreement, in whole or in part, to any Nominee in accordance with **clause 7.6**.

16.6 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 agreement and the transactions contemplated by it.

16.7 Entire agreement

This agreement states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings, arrangements and agreements (other than rights that continue to exist under contractual arrangements previously agreed between the Company and the Subscriber), express or implied in respect of its subject matter.

16.8 No merger

The Warranties, undertakings and indemnities in this agreement will not merge on Completion.

16.9 No reliance

Neither party has relied on any statement by the other party not expressly included in this agreement.

16.10 Counterparts

This agreement may be executed in any number of counterparts.

- (a) All counterparts, taken together, constitute one instrument.
- (b) A party may execute this agreement by signing any counterpart.

16.11 Relationship of the parties

- (a) Nothing in this agreement gives a party authority to bind any other party in any way.

- (b) Nothing in this agreement imposes any fiduciary duties on a party in relation to any other party.

16.12 Exercise of discretions

- (a) Unless expressly required by the terms of this agreement, 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 agreement.
- (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 agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.

Schedule 1

Notice Details

Subscriber	Greenstone Management (Delaware) LLC in its capacity as general partner of Greenstone HRR Holdings II L.P
Address	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA
Attention	
Email	

Company	Heron Resources Limited
Address	Suite 702, 191 Clarence Street, Sydney, NSW 2000 Australia
Attention	
Email	

Schedule 2

Application for Subscription Shares

To: The Directors
 Heron Resources Limited (**Company**)

[Insert name of applicant], in accordance with and subject to the terms of the Subscription Agreement dated **[insert date]** and made between the Company and Greenstone HRR Holdings LP (**Subscriber**) (**Agreement**):

- 1 applies to have issued to it **[insert number]** fully paid ordinary shares in the capital of the Company;
- 2 has or will deposit with the Escrow Agent (as that term is defined in the Agreement) the sum of US\$**[insert amount]** representing the subscription money payable in respect of the shares in accordance with the Agreement; and
- 3 agrees to hold all shares issued to it on and subject to the provisions of the constitution of the Company from time to time and to be bound by and observe such provisions.

Signed sealed and delivered
by in the presence of:

)
)
)

.....
Witness

.....
Name of Witness (print)

Schedule 3

Company Warranties

1.1 Definitions

Account Control Deed	(a) the Operating Account Deed; and (b) each account control deed entered into between one or more Transaction Parties, the Lender, the Purchaser and an ADI in accordance with the Facility Agreement.
Accounting Standards	Generally accepted accounting principles in Australia.
ADI	a retail bank located in Australia which is an authorised deposit taking institution within the meaning of the <i>Banking Act 1959</i> (Cth).
AML Legislation	all applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, whether within Australia or, to the extent applicable to the Transaction Parties, elsewhere, including any regulations, guidelines or orders made under or in respect of those laws.
Anti-Corruption Laws	all laws, rules and regulations of any jurisdiction applicable to any Transaction Party from time to time concerning or relating to bribery or corruption.
ASX Listing Rules	The official listing rules of the ASX as amended from time to time.
Authorisation	(a) any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption; or (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.
Borrower	the ‘Borrower’ under the Facility Agreement, which as at the date of this agreement is Tarago Operations Pty Ltd (ACN 127 810 413).

Completion Longstop Date	30 September 2020.
Consolidated Group	the consolidated group (as defined in the Tax Act) of which the Transaction Parties are or become members and the Company is the head company (as defined in the Tax Act).
Construction Earthworks Contract	the contract to be entered into by the Borrower for the earthworks required in connection with the construction of the Project.
Contamination	<p>in respect of any property, the presence of pollution (including noise pollution or water turbidity) or toxic or hazardous substances, including the accumulation of tailings and waste rock:</p> <ul style="list-style-type: none"> (a) in, on or under the property; or (b) in the ambient air and emanating from the property.
Controller	a controller as defined in section 9 of the Corporations Act.
Contested Taxes	a Tax payable by a Transaction Party where the Transaction Party is contesting its liability to pay that Tax in good faith, and has reasonable grounds to do so.
Direct Deed	<ul style="list-style-type: none"> (a) the direct deed to be entered into between the Parent, Holdco, the Borrower, Veolia, the Purchaser and the Lender in relation to the Veolia Cooperation Deed; (b) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and Sedgman Pty Limited in relation to the EPC Contract; (c) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Construction Earthworks Contract in relation to that Material Document; (d) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Haulage Contract in relation to that Material Document; (e) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and Louis Dreyfus Company Metals Suisse SA in relation to the Offtake Agreements;

- (f) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Mining Contract in relation to that Material Document;
- (g) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Power Supply Contract in relation to that Material Document;
- (h) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Port Contract in relation to that Material Document; and
- (i) each side agreement made or to be made between one or more Transaction Parties, the Purchaser, the Lender and the counterparty to a Material Document in relation to that Material Document in accordance with the Facility Agreement.

Environmental Approvals

all Authorisations, consents, approvals, licences, permissions or other authorisations of any kind required by Environmental Law.

Environmental Law

any applicable law of Australia that relates to the protection of the environment or health and safety, including laws concerning land use or the rehabilitation of any land, development, pollution (including water turbidity or noise pollution), waste disposal, toxic and hazardous substances, conservation of natural or cultural resources and resource allocation (including any law of Australia relating to the exploration for, and development or exploitation of, any natural resource).

Environmental Liability

any actual or potential Loss incurred or which may be incurred in connection with:

- (a) the investigation or remediation;
- (b) a claim by any third party;
- (c) any action, order, declaration or notice by a Government Agency under an Environmental Law; or
- (d) any agreement between a Transaction Party and any:
 - owner or occupier of land; or
 - Government Agency;

	of or in respect of Contamination.
Finance Documents	<ul style="list-style-type: none"> (a) the Facility Agreement; (b) the Intercreditor Agreement; (c) each Security Document; (d) each Direct Deed; (e) each Account Control Deed; (f) each guarantee assumption agreement; (g) each document or agreement entered into or given under any of the above; and (h) each other document that the Lender and the Borrower agree in writing to be a Finance Document.
Financial Model	means a draft of the 'Financial Model' that is to be provided by the 'Borrower' to the 'Lender' under the Facility Agreement and that has been approved by the Subscriber for the purposes of this agreement from time to time.
Financial Report	<p>in relation to an entity, the following financial statements and information in relation to the entity, prepared for its financial half year or financial year:</p> <ul style="list-style-type: none"> (a) a statement of financial performance; (b) a statement of financial position; and (c) a statement of cashflows, <p>together with any notes to those documents and any accompanying reports, statements, declarations and other documents or information.</p>
Good Mining Practice	the exercise of that degree of skill, care, prudence, operational and financial foresight and operating practice which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking in Australia as the Transaction Parties under the same or similar circumstances.
Group Structure Diagram	the group structure diagram in Schedule 6.
Guarantor	<p>Each of:</p> <ul style="list-style-type: none"> (a) Hampton Nickel Pty Limited (ACN 100 180 498); (b) Heron Resources Limited (ACN 068 263 098);

- (c) Ochre Resources Pty Limited (ACN 112 833 351);
- (d) Tarago Exploration Pty Ltd (ACN 115 529 112); and
- (e) Woodlawn Mine Holdings Pty Ltd (ACN 612 657 164).

Haulage Contract means a haulage contract to be entered into by the Borrower no later than 30 September 2018 in a form and of substance satisfactory to the Lender with a creditworthy company that has appropriate expertise in the haulage of mineral concentrates, under which that company is to haul Product from the Project to the port for a cost that is substantially as contemplated in the Financial Model.

Hedging Agreement each interest rate, foreign exchange transaction, equity or equity index option, bond option, commodity swap, commodity option, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative agreement entered into by a Transaction Party, including any master agreement and any transaction or confirmation under it.

Holdco Woodlawn Mine Holdings Pty Ltd (ACN 612 657 164).

Insolvency Event in relation to any person:

- (a) an order being made, or that person passing a resolution, for the winding up of that person (unless that order is made, or resolution is passed, for the winding up of a Non-Key Guarantor that has been dormant for at least the immediately preceding 6 months and in respect of which the total value of its assets (in aggregate) is less than US\$250,000);
- (b) an application being made to a court for an order for the winding up of that person, unless the application is:
 - i. involuntary and is withdrawn or dismissed within 30 days; or
 - ii. made in respect of a Non-Key Guarantor that has been dormant for at least the immediately preceding 6 months and in respect of which the total value of its assets (in aggregate) is less

than US\$250,000;

- (c) an administrator being appointed to that person;
- (d) that person resolving to appoint a Controller or analogous person to that person or any of its property;
- (e) an application being made to a court for an order to appoint a Controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to that person or any of its property, unless the application is involuntary and is stayed, withdrawn or dismissed within 30 days;
- (f) an appointment of the kind referred to in paragraph (e) above being made (whether or not following a resolution or application);
- (g) the holder of any Encumbrance over its property taking possession of a material part of its property;
- (h) that person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (i) that person:
 - i. suspending payment of its debts, stating that it is unable to pay its debts or being or becoming otherwise insolvent;
 - ii. being taken by applicable law to be (or if a court would be entitled or required to presume that it is) unable to pay its debts or otherwise insolvent; or
 - iii. enters into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors (unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved in writing by the Lender); or
- (j) anything analogous to or having a substantially similar effect to any of the above happens in relation to that person under the laws of any jurisdiction.

Intellectual Property Rights	all patents, trade marks, service marks, designs, copyright, business names, trade secrets, know how and other intellectual property rights and interests (in each case whether registered under any statute or not).
Intercreditor Agreement	the intercreditor agreement dated on or about the date of this agreement between the Lender, the Purchaser and each Transaction Party.
Key Guarantor	<p>(a) the Company; or</p> <p>(b) Holdco,</p> <p>and Key Guarantors means both of them.</p>
Lender	the 'Lender' under the Facility Agreement, which as at the date of this agreement is OMF Fund II (H) Ltd.
Material Adverse Effect	<p>a material adverse effect on:</p> <p>(a) the ability of the Transaction Parties (taken as a whole) to perform any payment or other material obligation under any Finance Document or Stream Document;</p> <p>(b) the total value of the Secured Property (disregarding any reduction or depletion of Reserves in the ordinary course of mining as contemplated in the Financial Model);</p> <p>(c) the enforceability or priority of a Finance Document or Stream Document or any Encumbrance provided for by a Finance Document or Stream Document;</p> <p>(d) the rights of the Lender under a Finance Document or Stream Document; or</p> <p>(e) the assets, business, operations, financial condition or prospects of the Transaction Parties (taken as a whole).</p>
Material Documents	<p>(a) each Stream Document;</p> <p>(b) the Marketing Agreement;</p> <p>(c) the Veolia Cooperation Deed;</p> <p>(d) the EPC Contract;</p> <p>(e) the Construction Earthworks Contract;</p> <p>(f) the Haulage Contract;</p> <p>(g) each Offtake Agreement;</p>

	<ul style="list-style-type: none"> (h) the Mining Contract; (i) the Port Contract; (j) the Power Supply Contract; (k) each Sales Contract other than a Spot Sales Contract or a Hedging Agreement; (l) any agreement entered into by a Transaction Party after the date of this agreement where the aggregate amount of payments to be made, or expenditure to be incurred, by the Transaction Party under that agreement is anticipated to exceed US\$1,500,000 other than: <ul style="list-style-type: none"> i. any agreement entered into by a Transaction Party with any of its personnel detailing the terms of their employment; or ii. any agreement that the Lender has notified the Borrower in writing is not required to be a Material Document for the purposes of this paragraph (l); and (m) any agreement entered into by a Transaction Party after the date of this agreement that in the opinion of the Lender (acting reasonably) is material to the development, construction, ramp-up or operation of the Project and which the Lender has notified the Transaction Party in writing to be a Material Document for the purposes of this agreement.
Mineral Rights	<ul style="list-style-type: none"> (a) the Project Tenements; and (b) each present or future interest from time to time held by or on behalf of the Borrower in any present or future right, lease, licence, claim, permit or other authority which confers or may confer a right to prospect or explore for or mine any metals or minerals in connection with the Project as contemplated in the Financial Model.
Mining Contract	the contract to be entered into by the Borrower for the mining operations at the Project.
Non-Key Guarantor	a Guarantor other than a Key Guarantor.
Official List	The official list of the ASX as defined in the ASX Listing Rules as amended from time to time.
Offtake	<ul style="list-style-type: none"> (a) the copper concentrate off-take contract to be

Agreements	<p>entered into between the Borrower (as Seller) and Louis Dreyfus Company Metals Suisse SA (as Buyer);</p> <p>(b) the lead concentrate off-take contract to be entered into between the Borrower (as Seller) and Louis Dreyfus Company Metals Suisse SA (as Buyer); and</p> <p>(c) the zinc concentrate off-take contract to be entered into between the Borrower (as Seller) and Louis Dreyfus Company Metals Suisse SA (as Buyer).</p>
Operating Account Deed	An account control deed entered into between the Lender, the Purchaser and the Borrower in relation to the cash operating account established and maintained by the Borrower under the Facility Agreement.
Payable Silver	the payable silver contained in the Product as determined in accordance with the Stream Agreement.
Permitted JV Documents	<p>(a) the document entitled 'Tenement Option and Sale Agreement' dated 15 August 2013 between the Company, PLD Corporation Limited (ACN 086 839 992) and Stuart Town Gold Pty Ltd (ACN 152 053 499);</p> <p>(b) the document entitled 'Heads of Agreement for Farm-in Joint Venture Agreement' dated 29 March 2011 between Southern Gold Limited (ACN 107 424 519) and the Company;</p> <p>(c) the document entitled 'Farm-in and Joint Venture Agreement – Overflow, Girilambone & Eurow' dated 30 May 2016 between the Company, TriAusMin Pty Ltd (ACN 062 002 475), Ochre Resources Pty Ltd (ACN 112 833 351) and Alchemy Resources (NSW) Pty Ltd (ACN 612 498 263); and</p> <p>(d) any other agreement entered into by a Transaction Party (other than the Borrower) after the date of this agreement with the prior written consent of the Lender and which the Lender and the relevant Transaction Party agree in writing to be a Permitted JV Document.</p>
Port Contract	the contract to be entered into by the Borrower for the provision of port services in connection with the

Project.

**Power Supply
Contract**

a power supply contract entered into by the Borrower no later than 30 June 2018 in a form and of substance satisfactory to the Lender with a creditworthy and substantial company that has appropriate expertise in the supply of power, under which that company is to supply power to the Project in sufficient quantities and for a cost of supply which enables the Project to be developed and operated in accordance with the Financial Model.

Product

the present and future right, title and interest of the Borrower in and to all copper (including copper bearing material and concentrates), zinc (including zinc bearing material and concentrates), lead (including lead bearing material and concentrates), silver (including silver bearing material and concentrates) and other metals and minerals mined, extracted or derived from the Project Area and the Project.

Project

the zinc-copper project known as the Woodlawn Project located approximately 30 kilometres south of Goulburn in New South Wales, Australia comprising the exploration, development, construction and operation of the mine in the Project Area and its associated infrastructure.

Project Area

the area the subject of the Mineral Rights.

Project Assets

all the right, title and interest both present and future of the Borrower which is attributable to the Project and includes all the right, title and interest both present and future of the Borrower in, to, under or derived from:

- (a) the Mineral Rights and all instruments and indicia of title to the Mineral Rights and all other documentation and agreements under which the Borrower derives the right to access the Project Area and conduct mining or exploration for Product;
- (b) the Product;
- (c) the Project Area, including any title to or interest in land in the Project Area now or at a later time held by the Borrower (including the call option land and any access rights in favour of the Borrower under the Veolia Cooperation Deed);

- (d) the Sales Contracts;
- (e) every contract for the use by any third party of any of the assets and property included in the Project;
- (f) Authorisations in relation to the Project;
- (g) the Material Documents and any other contract, agreement, permit, lease, licence, consent, easement, right of way and other rights or interests in land, which in each case relate to the development, operation or maintenance of the Project, or to the mining production, transportation, storage, treatment, processing or marketing of Product;
- (h) all exploration and mining information, documents, maps, reports, records, studies and other written data, including all data stored on magnetic tapes, disks or diskettes or any other computer storage media, relating to geological, geochemical and geophysical work, feasibility studies and other operations conducted with respect to the Project Area or otherwise relating to the Project; and
- (i) all buildings, improvements, structures, systems, fixtures, plant, machinery, tools and other personal property at any time used or intended for use in connection with or incidental to the exploration, mining, storage, transporting and processing of Product, and all facilities and infrastructure (including any treatment or processing plant) associated with the Project.

Project Tenements

- (a) the Special Mining Lease;
- (b) each other tenement held by the Borrower which is required for the construction, development or operation of the Project in accordance with the Financial Model;
- (c) each present or future renewal, extension, modification, substitution, amalgamation or variation of any of the mineral rights described above (whether extending over the same or a greater or lesser area); and
- (d) each present or future application for or an interest in any of the above which confers or which, when granted, will confer the same or

similar rights in relation to the Project.

Purchaser	The 'Purchaser' under the Stream Agreement, which as at the date of this agreement is OMF Fund II (Li) L.P.
Sales Contract	any contract, agreement or arrangement for the sale, transfer or other disposal of Product, or any contract, agreement or arrangement for any agency for sale, exchange, transfer or other disposal, of Product (and includes, for the avoidance of doubt, each Offtake Agreement, the Stream Agreement and each Hedging Agreement under which Product is sold, transferred or otherwise disposed of).
Sanctions	economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Government Agency in Australia, the US or the member States of the European Union.
Secured Property	the property subject to a Security.
Security	any security created or expressed to be created by a Security Document.
Security Document	<ul style="list-style-type: none">(a) the General Security Agreement;(b) the Mining Mortgage;(c) the Property Mortgage;(d) each Collateral Security;(e) each Encumbrance granted by an Additional Guarantor under the Facility Agreement;(f) each Encumbrance granted by an Additional Guarantor under the Stream Agreement;(g) each legal or statutory mortgage granted under the Facility Agreement;(h) each legal or statutory mortgage granted under the Stream Agreement; and(i) each other Finance Document or Stream Document under which an Encumbrance is created or expressed to be created in favour of the Lender.
SEDAR	The System for Electronic Document Analysis and Retrieval developed for the thirteen provincial and territorial securities regulatory authorities in Canada.
Share Purchase Plan	The share purchase plan to be undertaken by the Company whereby shareholders as at the relevant

	record date will be offered the opportunity to subscribe for up to \$15,000 of Shares at the Subscription Price to raise up to a maximum of \$5 million.
Special Mining Lease	the mining lease comprised in <i>Special (Crown and Private Land) Lease No 20</i> (Act 1969).
Spot Sales Contract	a Sales Contract that records the sale, transfer or other disposal of Product at the then current spot price.
Stream Document	<ul style="list-style-type: none"> (a) the Stream Agreement; (b) the Intercreditor Agreement; (c) each Security Document; (d) each Direct Deed; (e) each Account Control Deed; (f) each guarantee assumption agreement; (g) each document or agreement entered into or given under any of the above; and (h) each other document that the Purchaser and the Seller agree in writing to be a Stream Document.
Transaction Documents	<ul style="list-style-type: none"> (a) the Material Documents; and (b) the Finance Documents.
Transaction Party	<ul style="list-style-type: none"> (a) the Borrower (b) each Guarantor; and (c) any other person that the Borrower and the Lender agree is a Transaction Party.
Veolia	Veolia Environmental Services (Australia) Pty Ltd (ACN 051 316 584).
Veolia Disclosure Letter	the letter dated 15 June 2017 from the Managing Director of the Company to Orion Resource Partners (Aus.) Pty Ltd with the subject line 'Results of water testing from the Woodlawn mine underground workings'.

1.2 Warranties

The Company warrants that:

(a) **(Capital Structure):**

- (1) as the date of this agreement, the capital structure of the Company is as set out in Schedule 5; and

- (2) on the Initial Subscription Amount Payment Date and immediately before Completion, excluding the issue of any Initial Subscription Shares, Shares issued pursuant to the Greenstone LP Subscription Agreements, Shares issued pursuant to the Orion Subscription Agreement, Shares issued pursuant to the Castlake Subscription Agreement, Shares issued pursuant to the Equity Raising and Shares issued pursuant to the Share Purchase Plan, the capital structure of the Company is as set out in schedule 5.
- (b) **(Ownership)** the Subscriber will acquire at Completion:
 - (i) the full legal and beneficial ownership of the Subscription Shares free and clear of all Encumbrances, subject to registration of the Subscriber in the register of shareholders;
 - (ii) the Subscription Shares free of competing rights, including pre-emptive rights or rights of first refusal; and
 - (iii) the Subscription Shares that are fully paid and have no money owing in respect of them.
- (c) **(Approvals)**: except for the approvals to be obtained for the purpose of the condition in **clause 2.1(a)**, there is no restriction on the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription Shares does not need approval from the Company's shareholders under the ASX Listing Rules or Corporations Act.
- (d) **(Official list)**:
 - (i) it has been admitted to and is listed on the Official List;
 - (ii) it has not been removed from the Official List and no removal from the Official List has been threatened by the ASX
 - (iii) the Shares are quoted on the ASX and have not been suspended from quotation and no suspension has been threatened by the ASX; and
 - (iv) the Shares are listed and posted for trading on the TSX and no order has been made by any applicable regulatory body to cease trading of the Shares on the TSX.
- (e) **(Disclosure obligations)** it is in compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules, the TSX Company Manual, applicable Canadian securities laws and the Corporations Act and has disclosed to the ASX and the TSX by news release in Canada, and filed on SEDAR as required by applicable Canadian securities laws, all material information concerning the assets and liabilities, financial position and performance and profits and losses of the Company and its business operations of which the Company is aware, or ought reasonably to be aware.
- (f) **(compliance with Tax Law)** it and its Related Corporations have complied with all obligations imposed on them by any Tax Law or as requested by any Government Agency in respect of a Tax Law.

- (g) **(Tax Returns)** it and its Related Corporations have submitted any necessary information, notices, computations and returns to the relevant Government Agency as required by any Tax Law, that disclose all material facts required to be disclosed under Tax Law and are not misleading in any material particular.
- (h) **(Tax Records)** in all material respects, it and its Related Corporations have maintained proper, adequate and accurate records to enable them to comply with their Tax Law obligations and support any position taken under any Tax Law.
- (i) **(No Tax audit or dispute)** the Company is not aware of any current, pending or threatened Tax or Duty audit or dispute with a Government Agency relating to it or its Related Corporations.
- (j) **(registration)** it is a corporation duly incorporated or registered (or taken to be registered) and validly existing under the Corporations Act;
- (k) **(corporate power)** it has the corporate power to own its assets and to carry on its business as it is now being conducted;
- (l) **(authority)** it has power and authority to enter into and perform its obligations under this agreement;
- (m) **(authorisations)** it has taken all necessary action to authorise the execution, delivery and performance of this agreement;
- (n) **(binding obligations)** this agreement constitutes legal, valid and binding obligations against it and is enforceable in accordance with its terms;
- (o) **(transaction permitted)** the execution, delivery and performance by it of the Transaction Documents to which it is expressed to be a party will not breach, or result in a contravention of:
 - (i) any law, regulation or Authorisation applicable to it;
 - (ii) its constitution or other constituent documents; or
 - (iii) any Encumbrance or agreement which is binding on it,
 and will not result in:
 - (iv) the creation or imposition of any Encumbrance on any of its assets other than as permitted under a Finance Document; or
 - (v) the acceleration of the date for payment of any obligation under any agreement which is binding on it;
- (p) **(disclosure)** all information (excluding financial projections) provided to the Subscriber or any of its Related Corporations or affiliates by or on its behalf in relation to it or its Subsidiaries', assets, business or affairs or this agreement was in all material respects correct and not misleading (by omission or otherwise) as at the time it was provided;
- (q) **(financial projections)** the Financial Model and all financial projections provided to the Subscriber or any of its Related Corporations or affiliates by or on its behalf (including under the Financial Model) have been prepared on the basis of recent

information and on the basis of reasonable assumptions, in each case as at the time it was provided;

- (r) **(no withholding)** it has not withheld from the Subscriber any information which a reasonable person in the Subscriber's position would consider material to the decision of the Subscriber to enter into this agreement;
- (s) **(financial information)** its most recent Financial Reports or accounts provided to the Lender under clause 8.1 of the Facility Agreement:
 - (i) give a true and fair view of the financial condition and state of its affairs as at the date they were prepared and of the results of its operations for the period they cover; and
 - (ii) were prepared in accordance with the Accounting Standards;
- (t) **(no change in affairs)** there has been no change in its or its Subsidiaries state of affairs since the end of the accounting period for their most recent Financial Reports or accounts referred to in Company Warranty 1.2(s) which has had, or is likely to have, a Material Adverse Effect;
- (u) **(Authorisations)** subject to the satisfaction of the conditions in clause 2.1 of this agreement, any Authorisations required in connection with the execution and performance by it and the validity and the enforceability against it of this agreement, and its performance of the transactions contemplated by this agreement, have been obtained and are in full force and effect and there has been no material default by it in the performance of any of the material terms and conditions of those Authorisations;
- (v) **(no Seller Event of Default)** no 'Seller Event of Default' (as that term is defined in the Stream Agreement) has occurred and is continuing which has not been notified to the Purchaser in accordance with the Stream Documents;
- (w) **(no Default or Review Event)** no Default or Review Event has occurred and is continuing which has not been notified to the Lender in accordance with the Finance Documents;
- (x) **(no litigation)** no litigation, arbitration, dispute or administrative proceeding has been commenced, is pending or to its knowledge is threatened, which is reasonably likely to be adversely determined and which if adversely determined will have, or be likely to have, a Material Adverse Effect;
- (y) **(no immunity)** it or its Subsidiaries do not, nor do their assets (including the Project Assets), enjoy immunity from suit or execution;
- (z) **(not a trustee)** it does not enter into this agreement as trustee of any trust or settlement;
- (aa) **(solvency)** no Insolvency Event has occurred in relation to it or any of its Subsidiaries;
- (bb) **(representations true)** each of its representations and warranties contained in this agreement is correct and not misleading when made or repeated;

- (cc) **(intellectual property)** it and each of its Subsidiaries own or has licensed to them on arm's length terms or has available to use all Intellectual Property Rights necessary to carry on their business as it is now being conducted;
- (dd) **(commercial benefit)** the entering into and performance by it of its obligations under this agreement is for its commercial benefit and is in its commercial interests;
- (ee) **(Taxes)**
 - (i) it and its Subsidiaries have paid all Taxes due and payable by them (other than Contested Taxes which are not required to be paid while they are being contested and for which it has set aside sufficient funds to cover those Contested Taxes), and no claims are being asserted against it or any of its Subsidiaries in respect of any Taxes (other than Contested Taxes); and
 - (ii) it is a member of the Consolidated Group;
- (ff) **(Group structure)**
 - (i) its only Subsidiaries are listed in the Group Structure Diagram; and
 - (ii) the Group Structure Diagram is true and correct in all respects and does not omit any material information or details;
- (gg) **(Permitted JV Documents)**
 - (i) it has given to the Subscriber complete copies of all the Permitted JV Documents entered into as at the date this representation and warranty is made or repeated; and
 - (ii) other than as disclosed to the Subscriber, no Permitted JV Document has been amended or varied.
- (hh) **(compliance)**
 - (i) it and each of its Subsidiaries are in compliance with AML Legislation, Anti-Corruption Laws and applicable Sanctions and has not been charged under or in respect of any of them; and
 - (ii) to the best of its knowledge, information and belief, having made all due enquiries, each of its and its Subsidiaries' Officers, employees and agents is in compliance with AML Legislation, Anti-Corruption Laws and applicable Sanctions and has not been charged under or in respect of any of them.

Project representations and warranties

- (ii) **(Mineral Rights)**
 - (i) the Mineral Rights are legal, valid and continuing and, together with the applicable Authorisations, confer on Tarago Operations Pty Ltd all material rights required to enable it to develop, construct and operate the Project;
 - (ii) Tarago Operations Pty Ltd is the legal and beneficial holder of the Mineral Rights and no person other than Tarago Operations Pty, has any legal interest in any of the Mineral Rights; and

- (iii) Tarago Operations Pty Ltd is in compliance in all material respects with all obligations in connection with the Mineral Rights;
- (jj) **(Project Authorisations)**
 - (i) the Authorisations necessary or desirable for the construction, development and operation of the Project are in place, except for any which as a matter of law or generally applicable Good Mining Practice cannot or should not reasonably be obtained until shortly before the events to which they relate occur (where those events are not imminent), and it has no reason to believe that those Authorisations which are not presently held will not be obtained at the appropriate time in the future;
 - (ii) all fees due and payable in connection with the Authorisations referred to in clause 1.2(jj)(i) have been paid;
 - (iii) Tarago Operations Pty Ltd is in compliance in all material respects with all Authorisations in respect of itself and the Project;
 - (iv) there has been no material adverse change to the scope or terms of any of the Authorisations referred to in clause 1.2(jj)(i) other than a change which is reflected in the current development or mine plan for the Project which has first been approved by the Purchaser or Lender and all additional or increased costs incurred or to be incurred in connection with that change are reflected in the Financial Model; and
 - (v) no Government Agency has sought to have any of the Authorisations referred to in Company Warranty 1.2(jj)(i) revoked or, have the scope or terms of them materially and adversely changed other than a revocation which has first been approved by the Lender or the Purchaser or a change which is reflected in the current development or mine plan for the Project which has first been approved by the Purchaser or the Lender and all additional or increased costs incurred, or to be incurred, in connection with that change are reflected in the Financial Model;
- (kk) **(Project operation)** there has been no material change to the development, construction or operation of the Project from that contemplated in the Financial Model, other than a material change which has first been approved by the Lender;
- (ll) **(Material Documents)**
 - (i) Tarago Operations Pty Ltd has given to the Purchaser complete copies of all the Material Documents (as defined under the Stream Agreement) and to the Lender complete copies of all Material Documents entered into as at the date this representation and warranty is made or repeated, and those documents and agreements are in full force and effect;
 - (ii) other than as disclosed to the Purchaser or Lender, no Material Document entered into as at the date this representation and warranty is made or repeated has been amended or varied;
 - (iii) no event has occurred or condition exists which would permit the cancellation, termination, forfeiture or suspension of a Material Document

entered into as at the date this representation and warranty is made or repeated by a party other than a Transaction Party, nor is a Transaction Party in breach in a material respect under any such Material Document;

- (iv) the Material Documents contain the entire agreement of the parties to them as to the Project and there are no other material contracts, agreements or arrangements entered into by a Transaction Party in connection with the Project (as at the date this representation and warranty is made or repeated); and
- (v) the entry into and performance by it or its Subsidiaries of, and the transactions contemplated by, each Material Document do not and will not conflict with:
 - 1. any law, regulation or Authorisation applicable to it or its Subsidiaries;
 - 2. its or its Subsidiaries constitution or other constituent documents; or
 - 3. any agreement or instrument binding upon it or its Subsidiaries or any of their assets;

(mm) **(Project Completion Date)** it is not aware of any existing act, matter, thing or circumstance which it can reasonably expect will prevent the Project Completion Date occurring on or before the Completion Longstop Date;

(nn) **(environment)**

- (i) it and Tarago Operations Pty Ltd are in compliance in all material respects with all Environmental Laws and Environmental Approvals, and its HSEC Policy, in respect of themselves and the Project;
- (ii) the construction, development and operation of the Project as contemplated by the Financial Model complies in all material respects with all applicable Environmental Laws and Environmental Approvals;
- (iii) all Environmental Approvals necessary for the construction, development and operation of the Project are in place except for any which as a matter of law or generally applicable Good Mining Practice cannot or should not reasonably be obtained until shortly before the events to which they relate occur (where those events are not imminent), and it has no reason to believe that those Environmental Approvals which are not presently held will not be obtained at the appropriate time in the future;
- (iv) there has been no material adverse change to the scope or terms of any of the Environmental Approvals referred to in Company Warranty 1.2(nn)(iii) other than a change which is reflected in the current development or mine plan for the Project which has first been approved by the Purchaser or Lender and all additional or increased costs incurred, or to be incurred, in connection with that change are reflected in the Financial Model;
- (v) no Government Agency has sought to have any of the Environmental Approvals referred to in Company Warranty 1.2(nn)(iii) revoked or have the

scope or terms of them materially and adversely changed other than a revocation or change which has first been approved by the Purchaser or Lender or a change which is reflected in the current development or mine plan for the Project which has first been approved by the Lender or Purchaser and all additional or increased costs incurred, or to be incurred, in connection with that change are reflected in the Financial Model;

- (vi) there are no Environmental Liabilities affecting the Project or any of its and Tarago Operations Pty Ltd's other assets and, to the best of its knowledge, information and belief, having made all due enquiries, there are no potential Environmental Liabilities affecting the Project or any of its or Tarago Operations Pty Ltd's other assets, other than Environmental Liabilities which exist in accordance with, and do not breach, an Environmental Law or Environmental Approval;
- (vii) other than as disclosed in the Veolia Disclosure Letter, no person has carried on any activities on the Project Area in a way which is reasonably likely to give rise to any Environmental Liability other than an Environmental Liability which exists in accordance with, and does not breach, an Environmental Law or Environmental Approval;
- (viii) other than as disclosed in the Veolia Disclosure Letter, there is no Contamination in, on or under the Project Area, other than that which is safely stored and exists in accordance with an Environmental Law or an Environmental Approval;
- (ix) the construction, development and operation of the Project will not cause any Contamination other than that which is safely stored and exists in accordance with an Environmental Law or an Environmental Approval; and
- (x) other than as disclosed in the Veolia Disclosure Letter, there is no Contamination of the Project Area which would entitle any Government Agency to issue any notice or direction requiring the owner or occupier of that land to undertake any remedial work or to require compensation;
- (oo) **(security)** Tarago Operations Pty Ltd has implemented security practices and procedures at the Project consistent with Good Mining Practice;
- (pp) **(Royalties)** there are no royalties, production-based payments, Taxes or similar levies on mineral production payable with respect to the Product other than royalties payable to a Government Agency;
- (qq) **(streaming)**
 - (i) there are no mineral streaming agreements or other similar production-based arrangements in relation to the Product (as defined under the Stream Agreement) other than the Stream Agreement; and
 - (ii) there are no mineral streaming agreements or other similar production-based arrangements in relation to the Payable Silver (as defined under the Stream Agreement) contained in the Product (as defined under the Stream Agreement) other than the Stream Agreement;

- (rr) **(other business)** Tarago Operations Pty Ltd is not involved in and does not conduct any business other than the Project and activities incidental to the Project; and
- (ss) **(land claims)** other than as disclosed to the Subscriber before the date of this agreement, no caveats (other than those permitted under clause 5.33 of the Stream Agreement or clause 8.33 of the Facility Agreement) material land claims, native title claims, sacred site applications or other claims have been made or lodged in respect of the Project or the Project Assets.

Schedule 4

Subscriber Warranties

The Subscriber warrants in respect of itself and any Nominee that:

- (b) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this agreement.
- (c) **(Corporate Authorisations)** all necessary authorisations for the execution, delivery and performance by the Subscriber and any Nominee of this agreement in accordance with its terms have been obtained or will be obtained prior to Completion.
- (d) **(No legal impediment)** the execution, delivery and performance of this agreement:
 - (i) complies with its constitution or other constituent documents (as applicable); and
 - (ii) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this agreement.
- (e) **(Solvency):**
 - (i) it has not gone, or proposed to go, into liquidation;
 - (ii) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (iii) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as the Subscriber is aware, there are no circumstances justifying a petition or other process;
 - (iv) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of the Subscriber, and, so far as the Subscriber is aware, there are no circumstances justifying such an appointment; or
 - (iii) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (f) **(Sophisticated investor):** it is a person to whom an offer and issue of the Subscription Shares can be made without disclosure as a result of sections 708(8) or 708(11) of the Corporations Act.

Schedule 5

Schedule of Capital

415,009,381 fully paid ordinary shares.

25,229,828 options comprising of:

1,000,000	Options to acquire ordinary shares at A\$0.29 expiring 5 March 2018
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21,459	Options to acquire ordinary shares at A\$0.12 expiring 23 October 2017
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858,369	Options to acquire ordinary shares at A\$0.07 expiring 20 November 2018
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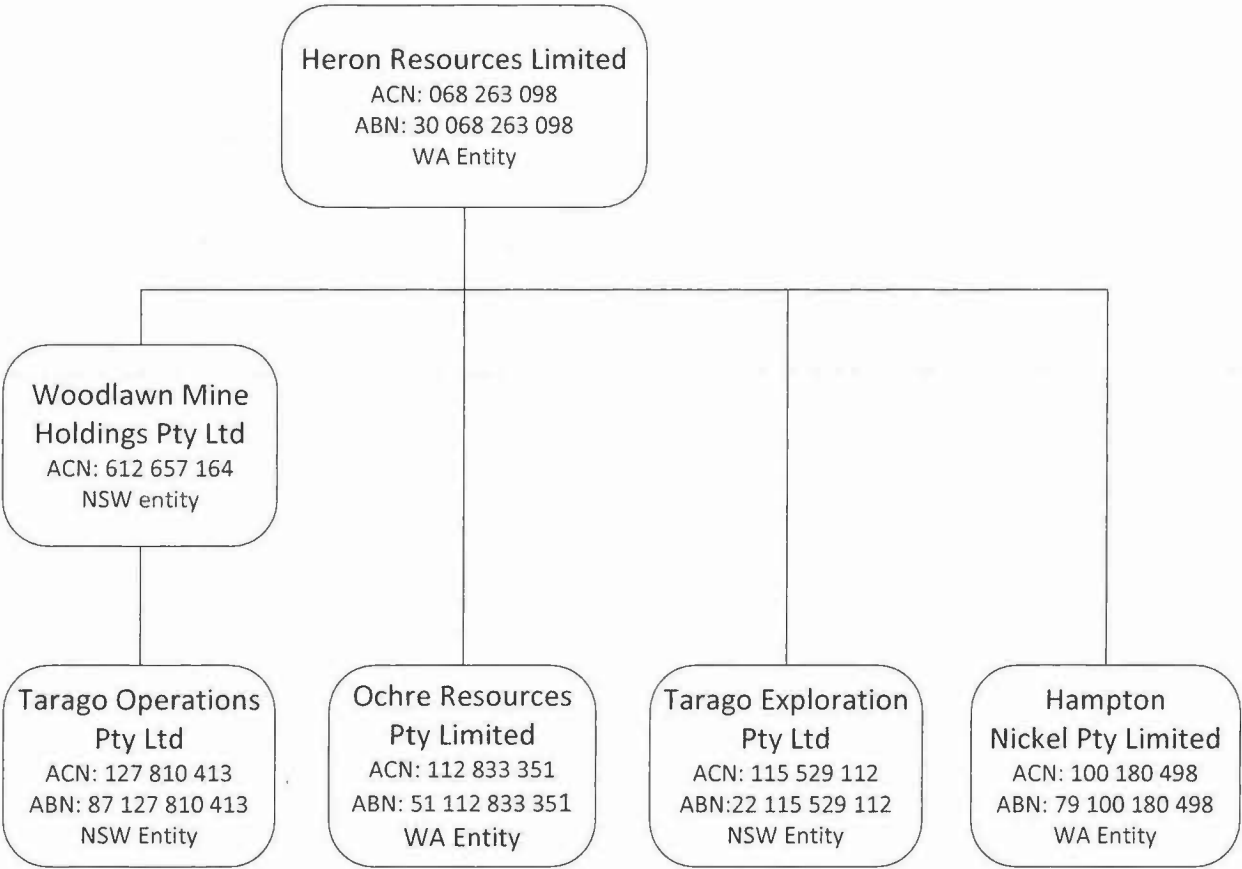
20,300,000	Options to acquire ordinary shares at A\$0.072 expiring 4 December 2020
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400,000	Options to acquire ordinary shares at A\$0.134 expiring 1 September 2021
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2,650,000	Options to acquire ordinary shares at A\$0.11 expiring 1 February 2022
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Schedule 6

Group Structure Diagram



Executed as an Agreement.

**Executed by Greenstone
Management (Delaware) LLC** in its
capacity as general partner of
Greenstone HRR Holdings II L.P., by
its duly authorised representative:

.....
Signature

.....
Name (print)

.....
Position (print)

Executed by Heron Resources)
Limited)

.....
Company Secretary/Director

.....
Director

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

.....
Name of Director (print)

[Subscriber]

Heron Resources Limited

Subscription Agreement

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Date

Parties

[Subscriber] of [insert address] (**Subscriber**)

Heron Resources Limited ABN 30 068 263 098 of Suite 702, 191 Clarence Street,
Sydney, New South Wales (**Company**)

Background

- A The Company has agreed to issue the Subscription Shares in the capital of the Company to the Subscriber on the terms of this agreement.
-

Agreed terms

1 Definitions and interpretation

1.1 Agreement components

This agreement includes any schedule.

1.2 Definitions

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

ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691).
Business Day	A day on which banks are open for business in Perth, Western Australia and Sydney, New South Wales, excluding a Saturday, Sunday or public holiday.
Castlelake	Castlelake III, L.P. and Castlelake IV, L.P.
Company Warranties	The representations and warranties set out in schedule 3 .
Completion	The settlement of the issue of the Subscription Shares under this agreement.
Completion Date	The meaning given to the term in the Greenstone Subscription Agreement.
Constitution	The constitution of the Company as amended or varied from time to time.

Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Cut-Off Date	30 September 2017.
Duty	Any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.
Encumbrance	<p>Any interest or power:</p> <ul style="list-style-type: none"> (a) reserved in or over any interest in any asset including, but not limited to, any retention of title; or (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, (c) by way of, or having similar commercial effect to, security for payment of a debt, any other monetary obligation or the performance of any other obligation, or any trust or any retention of title and includes, but is not limited to: (d) any agreement to grant or create any of the above; and <p>a security interest within the meaning of section 12(1) of the <i>Personal Property Securities Act 2009</i> (Cth).</p>
Equity Raising	The offer of new Shares to institutional and retail investors via an institutional placement to raise between the Minimum Equity Raising Amount and the Maximum Equity Raising Amount.
Equity Shortfall	Where the amount raised under the Equity Raising is less than the Maximum Equity Raising Amount.
Escrow Agent	FTI Consulting (Australia) Pty Limited.
Escrow Deed	The Escrow Deed dated the date of this agreement between the Company, Orion, Castlake, Greenstone and the Escrow Agent governing the holding of monies advanced by those parties into separate escrow accounts maintained by the Escrow Agent.
Exchange Rate	On any day, the mid-rate which appears on the Bloomberg Screen "AUDUSD" at or about 11:00am Sydney time on that day.
Government Agency	Any government or any governmental, semi-governmental, administrative, fiscal or judicial

	body, department, commission, authority, tribunal, agency or entity in any part of the world.
Greenstone	Greenstone Management (Delaware) LLC in its capacity as general partner of Greenstone HRR Holdings II L.P.
Greenstone Subscription Agreement	The agreement documenting the subscription of Shares by Greenstone dated on or around the date of this agreement.
GST	Goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	<i>The A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
GST Law	Has the same meaning as in the GST Act.
Immediately Available Funds	Payment by electronic means of transfer in cleared funds into an account nominated by the Escrow Agent.
Loss	Losses, liabilities, damages, costs, charges and expenses and includes Taxes and Duties.
Maximum Equity Raising Amount	The meaning given to the term in the Greenstone Subscription Agreement.
Minimum Equity Raising Amount	The Maximum Equity Raising Amount less US\$10,000,000.
Orion	Orion Mine Finance Fund II LP an exempt limited partnership formed under the laws of Bermuda of Canon's Court, 22 Victoria Street, Hamilton HM 12 Bermuda.
Other Greenstone LPs	Each of [insert other subscribers].
Other Shortfall Subscription Applications	The total number of Shares that Greenstone, the Other Greenstone LPs and Orion has elected to subscribe for under shortfall application notices given to the Company in respect of the Shortfall Amount.
Primary Subscription Amount	US\$[insert amount].

Primary Subscription Shares	The number of fully paid ordinary shares in the capital of the Company equal to the Primary Subscription Amount divided by the Subscription Price rounded up to the nearest whole share.
Shares	Fully paid ordinary shares in the capital of the Company.
Shortfall Amount	The amount equal to the Maximum Equity Raising Amount minus the actual gross amount raised under the Equity Raising.
Shortfall Application Notice	Has the meaning given to that term in clause 3 .
Shortfall Notice	Has the meaning given to that term in clause 3 .
Shortfall Subscription Amount	The amount equal to the Subscription Price multiplied by the Shortfall Subscription Shares.
Shortfall Subscription Shares	Has the meaning given to that term in clause 3(c) .
Sole Release Notice	Has the meaning given to that term in the Escrow Deed.
Subscriber Warranties	The representations and warranties set out in schedule 4 .
Subscription Amount	An amount equal to the Primary Subscription Amount plus the Shortfall Subscription Amount.
Subscription Price	The lower of: <ul style="list-style-type: none"> (a) \$0.104 per Share; and (b) the lowest price at which Shares are issued under the Equity Raising.
Subscription Shares	The number of fully paid ordinary shares in the Company equal to the Primary Subscription Shares plus any Shortfall Subscription Shares.
Tax	Any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above.
Tax Law	A law with respect to or imposing any Tax.
TSX	The Toronto Stock Exchange.

TSX Company Manual	The TSX Company Manual, as amended from time to time.
Warranties	The Company Warranties and the Subscriber Warranties.

1.3 Interpretation

In this agreement:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (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 agreement 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 a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (k) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (l) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;

- (m) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
 - (i) that ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (n) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this **clause 1.3(n)** implies that performance of part of an obligation constitutes performance of the obligation;
- (o) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) a reference to \$ is to Australian currency unless denominated otherwise;
- (s) a reference to US\$ is to the lawful currency of the United States of America;
- (t) where an amount is expressed in US\$ it is to be converted into Australian currency at the Exchange Rate for the purpose of any calculations under this agreement as at the date the bookbuild in respect of the Equity Raising closes; and
- (u) a reference to time is a reference to Sydney time.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

1.5 Inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

2 Conditions precedent to Completion

2.1 Conditions precedent

The obligations of the parties under **clauses 4** and **6** are conditional on, and do not become binding unless and until Greenstone's obligation to subscribe for and the Company's obligation to issue the Shares to Greenstone under the Greenstone Subscription Agreement becomes unconditional (other than with

respect to the satisfaction of the conditions precedent in clause 2.1(j) and (k) in that agreement).

2.2 Best endeavours to satisfy conditions precedent

The Company must use best endeavours to ensure that the conditions precedent in **clause 2.1** are satisfied as expeditiously as possible and in any event on or before the Cut-Off Date.

2.3 Notice

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

2.4 Waiver

- (a) The condition in **clause 2.1** is for the benefit of both parties and may only be waived by both parties in writing.
- (b) A waiver of a condition:
 - (i) will not be effective unless it is given in writing in relation to a particular condition;
 - (ii) may be given unconditionally or on the conditions the party who is entitled to waive the condition considers fit;
 - (iii) will only apply to the obligations in relation to which it is expressed to be given unless the party who is entitled to waive the condition states otherwise in writing; and
 - (iv) will not preclude the party entitled to waive the condition from refusing to waive a particular condition on another occasion or from requiring the party who is required to satisfy a condition to satisfy conditions that differ from the conditions applying on a prior occasion.

2.5 Cut-Off Date

- (a) A party may, by not less than 2 Business Days' notice to the other party, terminate this agreement at any time before Completion if:
 - (i) the condition in **clause 2.1** is not satisfied, or waived in accordance with **clause 2.4** by the Cut-Off Date; or
 - (ii) the condition in **clause 2.1** becomes incapable of satisfaction or the parties agree that the condition in **clause 2.1** cannot be satisfied.

2.6 No binding agreement for issue

For the avoidance of doubt, nothing in this agreement will cause a binding agreement for the issue of the Subscription Shares unless and until the condition in **clause 2.1** has been satisfied or waived in accordance with **clause 2.4** and no person will obtain rights in relation to those shares as a result of this agreement unless and until that condition has been satisfied.

3 Application for Equity Shortfall

- (a) In the event of a Shortfall Amount, then as soon as practicable on or after the date of this agreement, the Company must give to Greenstone (on behalf of the Subscriber) a written notice specifying the Shortfall Amount (**Shortfall Notice**).
- (b) The Subscriber may by notice in writing to the Company (**Shortfall Application Notice**) within 2 Business Day after the date of this agreement and regardless of whether a Shortfall Notice has been received, elect to subscribe for any number of new Shares under the Equity Shortfall at the Subscription Price up to a maximum value (based on the Subscription Price of each Share) of US\$10,000,000.
- (c) The Company has the right to scale back the number of Shares set out in the Shortfall Application Notice (calculated using the Subscription Price) to the higher of:
 - (i) the available Shortfall Amount (capped at US\$10,000,000) minus the Other Shortfall Subscription Applications; and
 - (ii) [insert]% of the available Shortfall Amount,
(the number of Shares that the Company allocates to the Subscriber from the Shortfall Amount based on its Shortfall Application Notice being the **Shortfall Subscription Shares**).
- (d) The Subscriber agrees to subscribe for the Shortfall Subscription Shares, notwithstanding that the number of Shortfall Subscription Shares may be less than the number of Shares stated in the Shortfall Application Notice.

4 Subscription and issue

4.1 Subscription Shares

On the Completion Date, the Company must issue, and the Subscriber must, subject to **clause 6.3**, subscribe for, the Subscription Shares, for the Subscription Price.

4.2 Constitution

On issue of the Subscription Shares, the Subscriber agrees to be bound by the Constitution.

4.3 Rights and ranking

All Subscription Shares issued to the Subscriber will:

- (a) be issued as fully paid;
- (b) be free of Encumbrances; and
- (c) rank equally in all respects with the other ordinary shares on issue in the capital of the Company as at the Completion Date.

5 Quotation on ASX and TSX

- (a) The Company will apply to ASX for official quotation of the Subscription Shares as soon as practicable, and in any event within 2 Business Days after Completion.
- (b) The Company will give to the ASX a notice under section 708A(6) of the Corporations Act by the next trading day on ASX following Completion and such notice must confirm that the Company has not withheld any excluded information for the purposes of section 708A(6)(e), or, if the Company is unable to satisfy the Corporations Act requirements to give such a notice, lodge a prospectus with ASIC on the next Business Day following Completion that qualifies the Subscription Shares for resale under section 708A(11) of the Corporations Act.
- (c) The Company will provide notice to the TSX in accordance with section 602(a) of the TSX Company Manual promptly after entering into this agreement and will use reasonable efforts to obtain conditional listing approval from the TSX prior to Completion.
- (d) The Company will use reasonable efforts to provide all outstanding documents and address any other items raised by the TSX in their letter granting conditional listing approval prior to the time period set forth in such letter.

6 Completion

6.1 Time and place for Completion

Completion of the issue of the Subscription Shares under this agreement must take place on the Completion Date at 10am Perth time at the offices of Herbert Smith Freehills, L36, QV1 Building, 250 St Georges Terrace, Perth, Western Australia or at any other time and place the parties agree.

6.2 Obligations of Company

On or before Completion, the Company:

- (a) will, on request in writing, provide information to the Subscriber concerning Greenstone concurrently subscribing for, or already having subscribed for, the "Subscription Shares" as defined in the Greenstone Subscription Agreement to satisfy the Subscriber, acting reasonably, that concurrent with completion under this agreement, completion will occur under the Greenstone Subscription Agreement; and
- (b) must procure that a meeting of directors of the Company is convened and approves subject to Completion the issue of the Subscription Shares to the Subscriber.

6.3 Subscription at Completion

Subject to Greenstone concurrently subscribing for, or already having subscribed for, and the Company issuing, or already having issued, the "Subscription Shares" as defined under the Greenstone Subscription

Agreement, and the Company providing evidence of this (in a form satisfactory to the Subscriber, acting reasonably), the Subscriber must:

- (a) **(subscription)** at Completion subscribe for and accept the issue of, the Subscription Shares, by means of an application substantially in the form in **schedule 2**; and
- (b) **(subscription price)** at least 1 Business Day prior to the Completion Date, pay to the Escrow Agent the Subscription Amount in Immediately Available Funds to be held in trust in the same account as the funds received by the Escrow Agent from Greenstone to be dealt with in accordance with this agreement and the Escrow Deed.

6.4 Issue at Completion

At Completion, and subject to the Escrow Agent confirming that all Sole Release Notices under the Escrow Deed have been received, the Company must:

- (a) **(Subscription Share issue)** issue the Subscription Shares to the Subscriber free from any Encumbrance or other third party rights; and
- (b) **(documentation)** provide the documentation required by **clause 6.5(a)**.

6.5 Documents to be delivered by the Company

- (a) At Completion the Company must give:
 - (i) evidence satisfactory to the Subscriber of the due allotment and issue of the Subscription Shares; and
 - (ii) a draft of the notice referred to in **clause 5(b)**.
- (b) Within 5 Business Days after Completion, the Company must give the Subscriber, at the election of the Subscriber, a CHES holding statement or issuer-sponsored holding statement in respect of the Subscription Shares.

6.6 Completion simultaneous

The actions to take place as contemplated by this **clause 6** and clause 7 under the Greenstone Subscription Agreement are interdependent and must take place, as nearly as possible, simultaneously. If any one of those actions does not take place, then without prejudice to any rights available to any party as a consequence:

- (a) there is no obligation on any party to undertake or perform any of the other actions;
- (b) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
- (c) the Subscriber must return to the Company all documents delivered to it under **clause 6.5** and the Company must repay or procure the Escrow Agent to repay (as applicable) to the Subscriber all payments received by it or the Escrow Agent under **clause 6.3**, without prejudice to any other rights any party may have in respect of that failure.

7 Warranties and indemnities

7.1 Company Warranties

The Company gives the Company Warranties to and for the benefit of the Subscriber.

7.2 Subscriber Warranties

The Subscriber gives the Subscriber Warranties to and for the benefit of the Company.

7.3 Repetition warranties

The Warranties given by the Company and the Subscriber are given:

- (a) in respect of each Warranty which is expressed to be given on a particular date, on that date; and
- (b) in respect of each other Warranty, on the date of this agreement and immediately before Completion.

7.4 Survival

The Warranties survive the execution and Completion of this agreement.

7.5 Reliance

- (a) The Company acknowledges that the Subscriber enters into this agreement in reliance on each Company Warranty.
- (b) The Subscriber acknowledges that the Company enters into this agreement in reliance on each Subscriber Warranty.

7.6 Independent Warranties

Each Warranty is separate and independent and not limited by reference to any other Warranty or any notice or waiver given by any party in connection with anything in this agreement.

7.7 Investigation

All powers of the Subscriber in connection with the Warranties may be enforced or made whether or not, before entry into this agreement, the Subscriber knew or could have discovered (whether by any investigation made by or on behalf of the Subscriber into the affairs of the Company or otherwise) that any Warranty has not been complied with or is otherwise untrue, incorrect or misleading.

7.8 Future events

The Company must immediately give notice to the Subscriber if anything occurs or arises that results or may result in any of the Warranties being unfulfilled, untrue, incorrect or misleading.

7.9 Indemnity

The Company indemnifies the Subscriber against any Loss suffered or incurred by the Subscriber as a result of a breach of a Company Warranty by the Company.

7.10 Tax

If an amount received by the Subscriber under **clause 7.9** or otherwise in respect of any action in respect of any breach of this agreement is treated as assessable or taxable income or an assessable or taxable gain of the Subscriber under any Tax Law, the indemnifying party must pay the Subscriber an additional amount so that, after deducting from the aggregate amount received by the Subscriber under this **clause 7** and otherwise in respect of that action, the amount of Tax paid or payable in respect of the amount received, the balance remaining is equal to the amount received by the Subscriber under **clauses 7.9** or otherwise in respect of that action.

8 Termination

8.1 Termination by the Subscriber

The Subscriber may terminate this agreement at any time before Completion by notice in writing to the Company if the Greenstone Subscription Agreement is validly terminated.

8.2 Termination by the Company

The Company may terminate this agreement at any time before Completion by notice in writing to the Subscriber if:

- (a) an order is made or an effective resolution is passed for the winding up or dissolution without winding up (otherwise than for the purposes of reconstruction or amalgamation) of the Subscriber;
- (b) a receiver, receiver and manager, judicial manager, liquidator, administrator or like official is appointed over the whole or a substantial part of the undertaking or property of the Subscriber; or
- (c) a holder of an Encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Subscriber.

8.3 Effect of Termination

If this agreement is terminated under **clause 2.5** or this **clause 8**:

- (a) each party retains the rights it has against the other in respect of any breach of this agreement occurring before termination; and
- (b) the rights and obligations of each party under each of the following clauses and schedules will continue independently from the other obligations of the parties and survive termination of this agreement:
 - (i) **clause 1.2** (Definitions and interpretation);
 - (ii) **clause 7.9** (Indemnity);
 - (iii) **clause 8** (Termination);
 - (iv) **clause 9** (Confidentiality and announcements);
 - (v) **clause 10** (Duties, costs and expenses);

- (vi) **clause 11** (GST); and
- (vii) **clauses 12** and **13** (Notices and General).

8.4 No other right to terminate or rescind

No party may terminate or rescind this agreement except as permitted under **clause 2.5** or this **clause 8**.

8.5 Obligation to inform

Each party must immediately notify the other of the occurrence of an event that could reasonably be expected to result in a right to terminate this agreement under either **clauses 8.1** or **8.2** arising.

9 Confidentiality and announcements

9.1 Announcements

A party must not make any public announcement relating to this agreement or the transactions contemplated by it, unless the other party has consented to the announcement, including the timing, form and content, unless the announcement would be permitted under an exemption in **clause 9.2**.

9.2 Confidentiality

Immediately following the execution of this agreement, the Company must make a public announcement regarding entry into this agreement in a form agreed by the Company and Greenstone .

10 Duty

10.1 Duties

The Company must pay all Duty in respect of the execution, delivery and performance of this agreement and any agreement, transaction or document entered into or signed under this agreement.

11 GST

11.1 Definitions

Words used in this **clause 11** that have a defined meaning in the GST Law, have the same meaning as in the GST Law unless the context indicates otherwise.

11.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST),

the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.

- (c) Whenever an adjustment event occurs in relation to any taxable supply to which **clauses 11.2(a)** and **11.2(b)** applies:
 - (i) the supplier must determine the amount of the GST component of the consideration payable; and
 - (ii) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.

11.3 Tax invoices

The supplier must issue a Tax Invoice to the recipient of a supply to which **clause 11.2** applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

11.4 Reimbursements

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the party being reimbursed or indemnified, or by its representative member.

12 Notices

12.1 Form of Notice

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

- (a) in writing and in English; and
- (b) addressed to that party in accordance with the details nominated in **schedule 1** (or any alternative details nominated to the sending party by Notice).

12.2 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.

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	<p>At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety.</p> <p>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.</p>
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.

12.3 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 12.2**).

12.4 Greenstone authorised to give and receive certain notices

The Subscriber:

- (a) acknowledges that the Company will provide a Shortfall Notice to Greenstone on behalf of the Subscriber under **clause 3(a)**;
- (b) authorises Greenstone to complete, sign and give on behalf of the Subscriber:

- (i) to the Company the Shortfall Application Notice under **clause 3(b)**; and
- (ii) to the Escrow Agent a Sole Release Notice in accordance with the Escrow Deed;
- (c) will be bound by those notices being completed, signed and given by Greenstone in accordance with the respective clauses above; and
- (d) acknowledges that the Company will be entitled to rely upon a Shortfall Application Notice or Sole Release Notice completed, signed and given by Greenstone on behalf of the Subscriber as being binding on the Subscriber.

13 General

13.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. 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.

13.2 Invalidity and enforceability

- (a) If any provision of this agreement 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 13.2(a)** does not apply where enforcement of the provision of this agreement in accordance with **clause 13.2(a)** would materially affect the nature or effect of the parties' obligations under this agreement.

13.3 Waiver

No party to this agreement 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 13.3** 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 agreement and includes the right to rely on this clause.

Term	Meaning
waiver	includes an election between rights and remedies, and conduct that might otherwise give rise to an estoppel.

13.4 Variation

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

13.5 Assignment of rights

- (a) Unless otherwise expressly permitted by this document, rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of **clause 13.5(a)** by a party entitles the other party to terminate this agreement.
- (c) **Clause 13.5(b)** does not affect the construction of any other part of this agreement.

13.6 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 agreement and the transactions contemplated by it.

13.7 Entire agreement

This agreement states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings, arrangements and agreements (other than rights that continue to exist under contractual arrangements previously agreed between the Company and the Subscriber), express or implied in respect of its subject matter.

13.8 No merger

The Warranties, undertakings and indemnities in this agreement will not merge on Completion.

13.9 No reliance

Neither party has relied on any statement by the other party not expressly included in this agreement.

13.10 Counterparts

This agreement may be executed in any number of counterparts.

- (a) All counterparts, taken together, constitute one instrument.
- (b) A party may execute this agreement by signing any counterpart.

13.11 Relationship of the parties

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

13.12 Exercise of discretions

- (a) Unless expressly required by the terms of this agreement, 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 agreement.
- (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 agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.

Schedule 1

Notice Details

Subscriber	[Insert]
Address	[Insert]
Attention	[Insert]
Email	[Insert]

Company	Heron Resources Limited
Address	Suite 702, 191 Clarence Street, Sydney, NSW 2000 Australia
Attention	[Insert]
Email	[Insert]

Schedule 2

Application for Subscription Shares

To: The Directors
Heron Resources Limited (**Company**)

[Insert name of applicant] in accordance with and subject to the terms of the Subscription Agreement dated **[insert date]** and made between the Company and **[Insert name of applicant]** (Subscriber) (Agreement):

- 1 applies to have issued to it **[insert number]** fully paid ordinary shares in the capital of the Company;
- 2 has or will deposit with the Escrow Agent (as that term is defined in the Agreement) the sum of US\$**[insert amount]** representing the subscription money payable in respect of the shares in accordance with the Agreement; and
- 3 agrees to hold all shares issued to it on and subject to the provisions of the constitution of the Company from time to time and to be bound by and observe such provisions.

Signed sealed and delivered)
by in the presence of:)
)

Witness

Name of Witness (print)

Schedule 3

Company Warranties

1.1 Definitions

Account Control Deed	(a) the Operating Account Deed; and (b) each account control deed entered into between one or more Transaction Parties, the Lender, the Purchaser and an ADI in accordance with the Facility Agreement.
Accounting Standards	Generally accepted accounting principles in Australia.
ADI	a retail bank located in Australia which is an authorised deposit taking institution within the meaning of the <i>Banking Act 1959</i> (Cth).
AML Legislation	all applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, whether within Australia or, to the extent applicable to the Transaction Parties, elsewhere, including any regulations, guidelines or orders made under or in respect of those laws.
Anti-Corruption Laws	all laws, rules and regulations of any jurisdiction applicable to any Transaction Party from time to time concerning or relating to bribery or corruption.
ASX Listing Rules	The official listing rules of the ASX as amended from time to time.
Authorisation	(a) any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption; or (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.
Borrower	the 'Borrower' under the Facility Agreement, which as at the date of this agreement is Tarago Operations Pty Ltd (ACN 127 810 413).

Castlelake Subscription Agreement	The agreement documenting the subscription of Shares by Castlelake dated on or around the date of this agreement.
Completion Longstop Date	30 September 2020.
Consolidated Group	the consolidated group (as defined in the Tax Act) of which the Transaction Parties are or become members and the Company is the head company (as defined in the Tax Act).
Construction Earthworks Contract	the contract to be entered into by the Borrower for the earthworks required in connection with the construction of the Project.
Contamination	<p>in respect of any property, the presence of pollution (including noise pollution or water turbidity) or toxic or hazardous substances, including the accumulation of tailings and waste rock:</p> <ul style="list-style-type: none"> (a) in, on or under the property; or (b) in the ambient air and emanating from the property.
Controller	a controller as defined in section 9 of the Corporations Act.
Contested Taxes	a Tax payable by a Transaction Party where the Transaction Party is contesting its liability to pay that Tax in good faith, and has reasonable grounds to do so.
Direct Deed	<ul style="list-style-type: none"> (a) the direct deed to be entered into between the Parent, Holdco, the Borrower, Veolia, the Purchaser and the Lender in relation to the Veolia Cooperation Deed; (b) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and Sedgman Pty Limited in relation to the EPC Contract; (c) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Construction Earthworks Contract in relation to that Material Document; (d) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Haulage Contract in relation to that Material Document;

- (e) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and Louis Dreyfus Company Metals Suisse SA in relation to the Offtake Agreements;
- (f) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Mining Contract in relation to that Material Document;
- (g) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Power Supply Contract in relation to that Material Document;
- (h) the direct deed to be entered into between the Borrower, the Lender, the Purchaser and the counterparty to the Port Contract in relation to that Material Document; and
- (i) each side agreement made or to be made between one or more Transaction Parties, the Purchaser, the Lender and the counterparty to a Material Document in relation to that Material Document in accordance with the Facility Agreement.

Environmental Approvals

all Authorisations, consents, approvals, licences, permissions or other authorisations of any kind required by Environmental Law.

Environmental Law

any applicable law of Australia that relates to the protection of the environment or health and safety, including laws concerning land use or the rehabilitation of any land, development, pollution (including water turbidity or noise pollution), waste disposal, toxic and hazardous substances, conservation of natural or cultural resources and resource allocation (including any law of Australia relating to the exploration for, and development or exploitation of, any natural resource).

Environmental Liability

any actual or potential Loss incurred or which may be incurred in connection with:

- (a) the investigation or remediation;
- (b) a claim by any third party;
- (c) any action, order, declaration or notice by a Government Agency under an Environmental Law; or

- (d) any agreement between a Transaction Party and any:

- owner or occupier of land; or
- Government Agency;

of or in respect of Contamination.

Facility Agreement The loan facility agreement between Orion, Tarago Operations Pty Ltd (as borrower) and others dated on or about the date of this agreement.

Finance Documents

- (a) the Facility Agreement;
- (b) the Intercreditor Agreement;
- (c) each Security Document;
- (d) each Direct Deed;
- (e) each Account Control Deed;
- (f) each guarantee assumption agreement;
- (g) each document or agreement entered into or given under any of the above; and
- (h) each other document that the Lender and the Borrower agree in writing to be a Finance Document.

Financial Model means a draft of the 'Financial Model' that is to be provided by the 'Borrower' to the 'Lender' under the Facility Agreement and that has been approved by Greenstone for the purposes of this agreement from time to time.

Financial Report in relation to an entity, the following financial statements and information in relation to the entity, prepared for its financial half year or financial year:

- (a) a statement of financial performance;
- (b) a statement of financial position; and
- (c) a statement of cashflows,

together with any notes to those documents and any accompanying reports, statements, declarations and other documents or information.

Good Mining Practice

the exercise of that degree of skill, care, prudence, operational and financial foresight and operating practice which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking in Australia

	as the Transaction Parties under the same or similar circumstances.
Group Structure Diagram	the group structure diagram in Schedule 6.
Guarantor	Each of: <ul style="list-style-type: none"> (a) Hampton Nickel Pty Limited (ACN 100 180 498); (b) Heron Resources Limited (ACN 068 263 098); (c) Ochre Resources Pty Limited (ACN 112 833 351); (d) Tarago Exploration Pty Ltd (ACN 115 529 112); and (e) Woodlawn Mine Holdings Pty Ltd (ACN 612 657 164).
Haulage Contract	means a haulage contract to be entered into by the Borrower no later than 30 September 2018 in a form and of substance satisfactory to the Lender with a creditworthy company that has appropriate expertise in the haulage of mineral concentrates, under which that company is to haul Product from the Project to the port for a cost that is substantially as contemplated in the Financial Model.
Hedging Agreement	each interest rate, foreign exchange transaction, equity or equity index option, bond option, commodity swap, commodity option, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative agreement entered into by a Transaction Party, including any master agreement and any transaction or confirmation under it.
Holdco	Woodlawn Mine Holdings Pty Ltd (ACN 612 657 164).
Insolvency Event	in relation to any person: <ul style="list-style-type: none"> (a) an order being made, or that person passing a resolution, for the winding up of that person (unless that order is made, or resolution is passed, for the winding up of a Non-Key Guarantor that has been dormant for at least the immediately preceding 6 months and in respect of which the total value of its assets (in aggregate) is less than US\$250,000);

- (b) an application being made to a court for an order for the winding up of that person, unless the application is:
 - i. involuntary and is withdrawn or dismissed within 30 days; or
 - ii. made in respect of a Non-Key Guarantor that has been dormant for at least the immediately preceding 6 months and in respect of which the total value of its assets (in aggregate) is less than US\$250,000;
- (c) an administrator being appointed to that person;
- (d) that person resolving to appoint a Controller or analogous person to that person or any of its property;
- (e) an application being made to a court for an order to appoint a Controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to that person or any of its property, unless the application is involuntary and is stayed, withdrawn or dismissed within 30 days;
- (f) an appointment of the kind referred to in paragraph (e) above being made (whether or not following a resolution or application);
- (g) the holder of any Encumbrance over its property taking possession of a material part of its property;
- (h) that person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (i) that person:
 - i. suspending payment of its debts, stating that it is unable to pay its debts or being or becoming otherwise insolvent;
 - ii. being taken by applicable law to be (or if a court would be entitled or required to presume that it is) unable to pay its debts or otherwise insolvent; or
 - iii. enters into a compromise or arrangement with, or assignment for the benefit of, any of its members or

	creditors (unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved in writing by the Lender); or
	(j) anything analogous to or having a substantially similar effect to any of the above happens in relation to that person under the laws of any jurisdiction.
Intellectual Property Rights	all patents, trade marks, service marks, designs, copyright, business names, trade secrets, know how and other intellectual property rights and interests (in each case whether registered under any statute or not).
Intercreditor Agreement	the intercreditor agreement dated on or about the date of this agreement between the Lender, the Purchaser and each Transaction Party.
Key Guarantor	<p>(a) the Company; or</p> <p>(b) Holdco,</p> <p>and Key Guarantors means both of them.</p>
Lender	the 'Lender' under the Facility Agreement, which as at the date of this agreement is OMF Fund II (H) Ltd.
Marketing Agreement	The agreement dated on or around the date of this agreement between, among others, Orion Merchant Services LLC and Tarago Operations Pty Ltd for the marketing of the lead contained within the lead concentrate produced from the Project.
Material Adverse Effect	<p>a material adverse effect on:</p> <p>(a) the ability of the Transaction Parties (taken as a whole) to perform any payment or other material obligation under any Finance Document or Stream Document;</p> <p>(b) the total value of the Secured Property (disregarding any reduction or depletion of Reserves in the ordinary course of mining as contemplated in the Financial Model);</p> <p>(c) the enforceability or priority of a Finance Document or Stream Document or any Encumbrance provided for by a Finance Document or Stream Document;</p>

Material Documents

- (d) the rights of the Lender under a Finance Document or Stream Document; or
 - (e) the assets, business, operations, financial condition or prospects of the Transaction Parties (taken as a whole).
- (a) each Stream Document;
 - (b) the Marketing Agreement;
 - (c) the Veolia Cooperation Deed;
 - (d) the EPC Contract;
 - (e) the Construction Earthworks Contract;
 - (f) the Haulage Contract;
 - (g) each Offtake Agreement;
 - (h) the Mining Contract;
 - (i) the Port Contract;
 - (j) the Power Supply Contract;
 - (k) each Sales Contract other than a Spot Sales Contract or a Hedging Agreement;
 - (l) any agreement entered into by a Transaction Party after the date of this agreement where the aggregate amount of payments to be made, or expenditure to be incurred, by the Transaction Party under that agreement is anticipated to exceed US\$1,500,000 other than:
 - i. any agreement entered into by a Transaction Party with any of its personnel detailing the terms of their employment; or
 - ii. any agreement that the Lender has notified the Borrower in writing is not required to be a Material Document for the purposes of this paragraph (l); and
 - (m) any agreement entered into by a Transaction Party after the date of this agreement that in the opinion of the Lender (acting reasonably) is material to the development, construction, ramp-up or operation of the Project and which the Lender has notified the Transaction Party in writing to be a Material Document for the purposes of this agreement.

Mineral Rights	<ul style="list-style-type: none"> (a) the Project Tenements; and (b) each present or future interest from time to time held by or on behalf of the Borrower in any present or future right, lease, licence, claim, permit or other authority which confers or may confer a right to prospect or explore for or mine any metals or minerals in connection with the Project as contemplated in the Financial Model.
Mining Contract	the contract to be entered into by the Borrower for the mining operations at the Project.
Non-Key Guarantor	a Guarantor other than a Key Guarantor.
Official List	The official list of the ASX as defined in the ASX Listing Rules as amended from time to time.
Offtake Agreements	<ul style="list-style-type: none"> (a) the copper concentrate off-take contract to be entered into between the Borrower (as Seller) and Louis Dreyfus Company Metals Suisse SA (as Buyer); (b) the lead concentrate off-take contract to be entered into between the Borrower (as Seller) and Louis Dreyfus Company Metals Suisse SA (as Buyer); and (c) the zinc concentrate off-take contract to be entered into between the Borrower (as Seller) and Louis Dreyfus Company Metals Suisse SA (as Buyer).
Operating Account Deed	An account control deed entered into between the Lender, the Purchaser and the Borrower in relation to the cash operating account established and maintained by the Borrower under the Facility Agreement.
Orion Subscription Agreement	The agreement documenting the subscription of Shares by Orion dated on or around the date of this agreement.
Other Greenstone LP Subscription Agreements	The agreements documenting the subscription of Shares by Other Greenstone LPs dated on or around the date of this agreement.
Payable Silver	the payable silver contained in the Product as determined in accordance with the Stream Agreement.
Permitted JV Documents	<ul style="list-style-type: none"> (a) the document entitled 'Tenement Option and Sale Agreement' dated 15 August 2013 between the Company, PLD Corporation

Limited (ACN 086 839 992) and Stuart Town Gold Pty Ltd (ACN 152 053 499);

- (b) the document entitled 'Heads of Agreement for Farm-in Joint Venture Agreement' dated 29 March 2011 between Southern Gold Limited (ACN 107 424 519) and the Company;
- (c) the document entitled 'Farm-in and Joint Venture Agreement – Overflow, Girilambone & Eurow' dated 30 May 2016 between the Company, TriAusMin Pty Ltd (ACN 062 002 475), Ochre Resources Pty Ltd (ACN 112 833 351) and Alchemy Resources (NSW) Pty Ltd (ACN 612 498 263); and
- (d) any other agreement entered into by a Transaction Party (other than the Borrower) after the date of this agreement with the prior written consent of the Lender and which the Lender and the relevant Transaction Party agree in writing to be a Permitted JV Document.

Port Contract

the contract to be entered into by the Borrower for the provision of port services in connection with the Project.

Power Supply Contract

a power supply contract entered into by the Borrower no later than 30 June 2018 in a form and of substance satisfactory to the Lender with a creditworthy and substantial company that has appropriate expertise in the supply of power, under which that company is to supply power to the Project in sufficient quantities and for a cost of supply which enables the Project to be developed and operated in accordance with the Financial Model.

Product

the present and future right, title and interest of the Borrower in and to all copper (including copper bearing material and concentrates), zinc (including zinc bearing material and concentrates), lead (including lead bearing material and concentrates), silver (including silver bearing material and concentrates) and other metals and minerals mined, extracted or derived from the Project Area and the Project.

Project

the zinc-copper project known as the Woodlawn Project located approximately 30 kilometres south of Goulburn in New South Wales, Australia comprising the exploration, development, construction and

operation of the mine in the Project Area and its associated infrastructure.

Project Area

the area the subject of the Mineral Rights.

Project Assets

all the right, title and interest both present and future of the Borrower which is attributable to the Project and includes all the right, title and interest both present and future of the Borrower in, to, under or derived from:

- (a) the Mineral Rights and all instruments and indicia of title to the Mineral Rights and all other documentation and agreements under which the Borrower derives the right to access the Project Area and conduct mining or exploration for Product;
- (b) the Product;
- (c) the Project Area, including any title to or interest in land in the Project Area now or at a later time held by the Borrower (including the call option land and any access rights in favour of the Borrower under the Veolia Cooperation Deed);
- (d) the Sales Contracts;
- (e) every contract for the use by any third party of any of the assets and property included in the Project;
- (f) Authorisations in relation to the Project;
- (g) the Material Documents and any other contract, agreement, permit, lease, licence, consent, easement, right of way and other rights or interests in land, which in each case relate to the development, operation or maintenance of the Project, or to the mining production, transportation, storage, treatment, processing or marketing of Product;
- (h) all exploration and mining information, documents, maps, reports, records, studies and other written data, including all data stored on magnetic tapes, disks or diskettes or any other computer storage media, relating to geological, geochemical and geophysical work, feasibility studies and other operations conducted with respect to the Project Area or otherwise relating to the Project; and

	(i) all buildings, improvements, structures, systems, fixtures, plant, machinery, tools and other personal property at any time used or intended for use in connection with or incidental to the exploration, mining, storage, transporting and processing of Product, and all facilities and infrastructure (including any treatment or processing plant) associated with the Project.
Project Tenements	<p>(a) the Special Mining Lease;</p> <p>(b) each other tenement held by the Borrower which is required for the construction, development or operation of the Project in accordance with the Financial Model;</p> <p>(c) each present or future renewal, extension, modification, substitution, amalgamation or variation of any of the mineral rights described above (whether extending over the same or a greater or lesser area); and</p> <p>(d) each present or future application for or an interest in any of the above which confers or which, when granted, will confer the same or similar rights in relation to the Project.</p>
Purchaser	The 'Purchaser' under the Stream Agreement, which as at the date of this agreement is OMF Fund II (Li) L.P.
Sales Contract	any contract, agreement or arrangement for the sale, transfer or other disposal of Product, or any contract, agreement or arrangement for any agency for sale, exchange, transfer or other disposal, of Product (and includes, for the avoidance of doubt, each Offtake Agreement, the Stream Agreement and each Hedging Agreement under which Product is sold, transferred or otherwise disposed of).
Sanctions	economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Government Agency in Australia, the US or the member States of the European Union.
Secured Property	the property subject to a Security.
Security	any security created or expressed to be created by a Security Document.
Security Document	<p>(a) the General Security Agreement;</p> <p>(b) the Mining Mortgage;</p>

- (c) the Property Mortgage;
- (d) each Collateral Security;
- (e) each Encumbrance granted by an Additional Guarantor under the Facility Agreement;
- (f) each Encumbrance granted by an Additional Guarantor under the Stream Agreement;
- (g) each legal or statutory mortgage granted under the Facility Agreement;
- (h) each legal or statutory mortgage granted under the Stream Agreement; and
- (i) each other Finance Document or Stream Document under which an Encumbrance is created or expressed to be created in favour of the Lender.

SEDAR	The System for Electronic Document Analysis and Retrieval developed for the thirteen provincial and territorial securities regulatory authorities in Canada.
Share Purchase Plan	The share purchase plan to be undertaken by the Company whereby shareholders as at the relevant record date will be offered the opportunity to subscribe for up to \$15,000 of Shares at the Subscription Price to raise up to a maximum of \$5 million.
Special Mining Lease	the mining lease comprised in <i>Special (Crown and Private Land) Lease No 20</i> (Act 1969).
Spot Sales Contract	a Sales Contract that records the sale, transfer or other disposal of Product at the then current spot price.
Stream Agreement	The purchase and sale agreement (silver) dated on or about the date of this agreement between Tarago Operations Pty Ltd, each party listed in Schedule A to that agreement and OMF Fund II (SO) Ltd.

Stream Document	<ul style="list-style-type: none"> (a) the Stream Agreement; (b) the Intercreditor Agreement; (c) each Security Document; (d) each Direct Deed; (e) each Account Control Deed; (f) each guarantee assumption agreement; (g) each document or agreement entered into or given under any of the above; and (h) each other document that the Purchaser and the Seller agree in writing to be a Stream Document.
Transaction Documents	<ul style="list-style-type: none"> (a) the Material Documents; and (b) the Finance Documents.
Transaction Party	<ul style="list-style-type: none"> (a) the Borrower (b) each Guarantor; and (c) any other person that the Borrower and the Lender agree is a Transaction Party.
Veolia	Veolia Environmental Services (Australia) Pty Ltd (ACN 051 316 584).
Veolia Cooperation Deed	The co-operation deed dated 28 March 2017 between the Company, Woodlawn Mine Holdings Pty Ltd, Tarago Operations Pty Ltd, TriAusMin Pty Ltd and Veolia Environmental Services (Australia) Pty Ltd.
Veolia Disclosure Letter	the letter dated on or about the date of this agreement from the Managing Director of the Company to Orion Resource Partners (Aus.) Pty Ltd with the subject line 'Results of water testing from the Woodlawn mine underground workings'.

1.2 Warranties

The Company warrants that:

- (a) **(Capital Structure):**
 - (1) as the date of this agreement, the capital structure of the Company is as set out in Schedule 5; and
 - (2) immediately before Completion, excluding the issue of any Shares issued pursuant to the Greenstone Subscription Agreement, Shares issued pursuant to the Other Greenstone LP Subscription Agreements, Shares issued pursuant to the Orion Subscription Agreement, Shares issued pursuant to the Castlelake Subscription Agreement, Shares issued pursuant to the Equity Raising and Shares issued pursuant to the

Share Purchase Plan, the capital structure of the Company is as set out in schedule 5.

- (b) **(Ownership)** the Subscriber will acquire at Completion:
 - (i) the full legal and beneficial ownership of the Subscription Shares free and clear of all Encumbrances, subject to registration of the Subscriber in the register of shareholders;
 - (ii) the Subscription Shares free of competing rights, including pre-emptive rights or rights of first refusal; and
 - (iii) the Subscription Shares that are fully paid and have no money owing in respect of them.
- (c) **(Approvals)**: except for the approvals to be obtained for the purpose of the condition in clause 2.1(a) of the Greenstone Subscription Agreement, there is no restriction on the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription Shares does not need approval from the Company's shareholders under the ASX Listing Rules or Corporations Act.
- (d) **(Official list)**:
 - (i) it has been admitted to and is listed on the Official List;
 - (ii) it has not been removed from the Official List and no removal from the Official List has been threatened by the ASX
 - (iii) the Shares are quoted on the ASX and have not been suspended from quotation and no suspension has been threatened by the ASX; and
 - (iv) the Shares are listed and posted for trading on the TSX and no order has been made by any applicable regulatory body to cease trading of the Shares on the TSX.
- (e) **(Disclosure obligations)** it is in compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules, the TSX Company Manual, applicable Canadian securities laws and the Corporations Act and has disclosed to the ASX and the TSX by news release in Canada, and filed on SEDAR as required by applicable Canadian securities laws, all material information concerning the assets and liabilities, financial position and performance and profits and losses of the Company and its business operations of which the Company is aware, or ought reasonably to be aware.
- (f) **(compliance with Tax Law)** it and its Related Corporations have complied with all obligations imposed on them by any Tax Law or as requested by any Government Agency in respect of a Tax Law.
- (g) **(Tax Returns)** it and its Related Corporations have submitted any necessary information, notices, computations and returns to the relevant Government Agency as required by any Tax Law, that disclose all material facts required to be disclosed under Tax Law and are not misleading in any material particular.

- (h) **(Tax Records)** in all material respects, it and its Related Corporations have maintained proper, adequate and accurate records to enable them to comply with their Tax Law obligations and support any position taken under any Tax Law.
- (i) **(No Tax audit or dispute)** the Company is not aware of any current, pending or threatened Tax or Duty audit or dispute with a Government Agency relating to it or its Related Corporations.
- (j) **(registration)** it is a corporation duly incorporated or registered (or taken to be registered) and validly existing under the Corporations Act;
- (k) **(corporate power)** it has the corporate power to own its assets and to carry on its business as it is now being conducted;
- (l) **(authority)** it has power and authority to enter into and perform its obligations under this agreement;
- (m) **(authorisations)** it has taken all necessary action to authorise the execution, delivery and performance of this agreement;
- (n) **(binding obligations)** this agreement constitutes legal, valid and binding obligations against it and is enforceable in accordance with its terms;
- (o) **(transaction permitted)** the execution, delivery and performance by it of the Transaction Documents to which it is expressed to be a party will not breach, or result in a contravention of:
 - (i) any law, regulation or Authorisation applicable to it;
 - (ii) its constitution or other constituent documents; or
 - (iii) any Encumbrance or agreement which is binding on it,
 and will not result in:
 - (iv) the creation or imposition of any Encumbrance on any of its assets other than as permitted under a Finance Document; or
 - (v) the acceleration of the date for payment of any obligation under any agreement which is binding on it;
- (p) **(disclosure)** all information (excluding financial projections) provided to the Subscriber or any of its Related Corporations or affiliates by or on its behalf in relation to it or its Subsidiaries', assets, business or affairs or this agreement was in all material respects correct and not misleading (by omission or otherwise) as at the time it was provided;
- (q) **(financial projections)** the Financial Model and all financial projections provided to Greenstone or any of its Related Corporations or affiliates by or on its behalf (including under the Financial Model) have been prepared on the basis of recent information and on the basis of reasonable assumptions, in each case as at the time it was provided;
- (r) **(no withholding)** it has not withheld from Greenstone any information which a reasonable person in the Subscriber's position would consider material to the decision of the Subscriber to enter into this agreement;

- (s) **(financial information)** its most recent Financial Reports or accounts provided to the Lender under clause 8.1 of the Facility Agreement:
 - (i) give a true and fair view of the financial condition and state of its affairs as at the date they were prepared and of the results of its operations for the period they cover; and
 - (ii) were prepared in accordance with the Accounting Standards;
- (t) **(no change in affairs)** there has been no change in its or its Subsidiaries state of affairs since the end of the accounting period for their most recent Financial Reports or accounts referred to in Company Warranty 1.2(s) which has had, or is likely to have, a Material Adverse Effect;
- (u) **(Authorisations)** subject to the satisfaction of the conditions in clause 2.1 of this agreement, any Authorisations required in connection with the execution and performance by it and the validity and the enforceability against it of this agreement, and its performance of the transactions contemplated by this agreement, have been obtained and are in full force and effect and there has been no material default by it in the performance of any of the material terms and conditions of those Authorisations;
- (v) **(no Seller Event of Default)** no 'Seller Event of Default' (as that term is defined in the Stream Agreement) has occurred and is continuing which has not been notified to the Purchaser in accordance with the Stream Documents;
- (w) **(no Default or Review Event)** no Default or Review Event has occurred and is continuing which has not been notified to the Lender in accordance with the Finance Documents;
- (x) **(no litigation)** no litigation, arbitration, dispute or administrative proceeding has been commenced, is pending or to its knowledge is threatened, which is reasonably likely to be adversely determined and which if adversely determined will have, or be likely to have, a Material Adverse Effect;
- (y) **(no immunity)** it or its Subsidiaries do not, nor do their assets (including the Project Assets), enjoy immunity from suit or execution;
- (z) **(not a trustee)** it does not enter into this agreement as trustee of any trust or settlement;
- (aa) **(solvency)** no Insolvency Event has occurred in relation to it or any of its Subsidiaries;
- (bb) **(representations true)** each of its representations and warranties contained in this agreement is correct and not misleading when made or repeated;
- (cc) **(intellectual property)** it and each of its Subsidiaries own or has licensed to them on arm's length terms or has available to use all Intellectual Property Rights necessary to carry on their business as it is now being conducted;
- (dd) **(commercial benefit)** the entering into and performance by it of its obligations under this agreement is for its commercial benefit and is in its commercial interests;

(ee) (Taxes)

- (i) it and its Subsidiaries have paid all Taxes due and payable by them (other than Contested Taxes which are not required to be paid while they are being contested and for which it has set aside sufficient funds to cover those Contested Taxes), and no claims are being asserted against it or any of its Subsidiaries in respect of any Taxes (other than Contested Taxes); and
- (ii) it is a member of the Consolidated Group;

(ff) (Group structure)

- (i) its only Subsidiaries are listed in the Group Structure Diagram; and
- (ii) the Group Structure Diagram is true and correct in all respects and does not omit any material information or details;

(gg) (Permitted JV Documents)

- (i) it has given to Greenstone complete copies of all the Permitted JV Documents entered into as at the date this representation and warranty is made or repeated; and
- (ii) other than as disclosed to Greenstone, no Permitted JV Document has been amended or varied.

(hh) (compliance)

- (i) it and each of its Subsidiaries are in compliance with AML Legislation, Anti-Corruption Laws and applicable Sanctions and has not been charged under or in respect of any of them; and
- (ii) to the best of its knowledge, information and belief, having made all due enquiries, each of its and its Subsidiaries' Officers, employees and agents is in compliance with AML Legislation, Anti-Corruption Laws and applicable Sanctions and has not been charged under or in respect of any of them.

Project representations and warranties

(ii) (Mineral Rights)

- (i) the Mineral Rights are legal, valid and continuing and, together with the applicable Authorisations, confer on Tarago Operations Pty Ltd all material rights required to enable it to develop, construct and operate the Project;
- (ii) Tarago Operations Pty Ltd is the legal and beneficial holder of the Mineral Rights and no person other than Tarago Operations Pty, has any legal interest in any of the Mineral Rights; and
- (iii) Tarago Operations Pty Ltd is in compliance in all material respects with all obligations in connection with the Mineral Rights;

(ij) (Project Authorisations)

- (i) the Authorisations necessary or desirable for the construction, development and operation of the Project are in place, except for any which as a matter of law or generally applicable Good Mining Practice cannot or should not

reasonably be obtained until shortly before the events to which they relate occur (where those events are not imminent), and it has no reason to believe that those Authorisations which are not presently held will not be obtained at the appropriate time in the future;

- (ii) all fees due and payable in connection with the Authorisations referred to in clause 1.2(jj)(i) have been paid;
 - (iii) Tarago Operations Pty Ltd is in compliance in all material respects with all Authorisations in respect of itself and the Project;
 - (iv) there has been no material adverse change to the scope or terms of any of the Authorisations referred to in clause 1.2(jj)(i) other than a change which is reflected in the current development or mine plan for the Project which has first been approved by the Purchaser or Lender and all additional or increased costs incurred or to be incurred in connection with that change are reflected in the Financial Model; and
 - (v) no Government Agency has sought to have any of the Authorisations referred to in Company Warranty 1.2(jj)(i) revoked or, have the scope or terms of them materially and adversely changed other than a revocation which has first been approved by the Lender or the Purchaser or a change which is reflected in the current development or mine plan for the Project which has first been approved by the Purchaser or the Lender and all additional or increased costs incurred, or to be incurred, in connection with that change are reflected in the Financial Model;
- (kk) **(Project operation)** there has been no material change to the development, construction or operation of the Project from that contemplated in the Financial Model, other than a material change which has first been approved by the Lender;

(ll) **(Material Documents)**

- (i) Tarago Operations Pty Ltd has given to the Purchaser complete copies of all the Material Documents (as defined under the Stream Agreement) and to the Lender complete copies of all Material Documents entered into as at the date this representation and warranty is made or repeated, and those documents and agreements are in full force and effect;
- (ii) other than as disclosed to the Purchaser or Lender, no Material Document entered into as at the date this representation and warranty is made or repeated has been amended or varied;
- (iii) no event has occurred or condition exists which would permit the cancellation, termination, forfeiture or suspension of a Material Document entered into as at the date this representation and warranty is made or repeated by a party other than a Transaction Party, nor is a Transaction Party in breach in a material respect under any such Material Document;
- (iv) the Material Documents contain the entire agreement of the parties to them as to the Project and there are no other material contracts, agreements or arrangements entered into by a Transaction Party in connection with the

Project (as at the date this representation and warranty is made or repeated); and

(v) the entry into and performance by it or its Subsidiaries of, and the transactions contemplated by, each Material Document do not and will not conflict with:

1. any law, regulation or Authorisation applicable to it or its Subsidiaries;
2. its or its Subsidiaries constitution or other constituent documents; or
3. any agreement or instrument binding upon it or its Subsidiaries or any of their assets;

(mm) **(Project Completion Date)** it is not aware of any existing act, matter, thing or circumstance which it can reasonably expect will prevent the Project Completion Date occurring on or before the Completion Longstop Date;

(nn) **(environment)**

- (i) it and Tarago Operations Pty Ltd are in compliance in all material respects with all Environmental Laws and Environmental Approvals, and its HSEC Policy, in respect of themselves and the Project;
- (ii) the construction, development and operation of the Project as contemplated by the Financial Model complies in all material respects with all applicable Environmental Laws and Environmental Approvals;
- (iii) all Environmental Approvals necessary for the construction, development and operation of the Project are in place except for any which as a matter of law or generally applicable Good Mining Practice cannot or should not reasonably be obtained until shortly before the events to which they relate occur (where those events are not imminent), and it has no reason to believe that those Environmental Approvals which are not presently held will not be obtained at the appropriate time in the future;
- (iv) there has been no material adverse change to the scope or terms of any of the Environmental Approvals referred to in Company Warranty 1.2(nn)(iii) other than a change which is reflected in the current development or mine plan for the Project which has first been approved by the Purchaser or Lender and all additional or increased costs incurred, or to be incurred, in connection with that change are reflected in the Financial Model;
- (v) no Government Agency has sought to have any of the Environmental Approvals referred to in Company Warranty 1.2(nn)(iii) revoked or have the scope or terms of them materially and adversely changed other than a revocation or change which has first been approved by the Purchaser or Lender or a change which is reflected in the current development or mine plan for the Project which has first been approved by the Lender or Purchaser and all additional or increased costs incurred, or to be incurred, in connection with that change are reflected in the Financial Model;

- (vi) there are no Environmental Liabilities affecting the Project or any of its and Tarago Operations Pty Ltd's other assets and, to the best of its knowledge, information and belief, having made all due enquiries, there are no potential Environmental Liabilities affecting the Project or any of its or Tarago Operations Pty Ltd's other assets, other than Environmental Liabilities which exist in accordance with, and do not breach, an Environmental Law or Environmental Approval;
- (vii) other than as disclosed in the Veolia Disclosure Letter, no person has carried on any activities on the Project Area in a way which is reasonably likely to give rise to any Environmental Liability other than an Environmental Liability which exists in accordance with, and does not breach, an Environmental Law or Environmental Approval;
- (viii) other than as disclosed in the Veolia Disclosure Letter, there is no Contamination in, on or under the Project Area, other than that which is safely stored and exists in accordance with an Environmental Law or an Environmental Approval;
- (ix) the construction, development and operation of the Project will not cause any Contamination other than that which is safely stored and exists in accordance with an Environmental Law or an Environmental Approval; and
- (x) other than as disclosed in the Veolia Disclosure Letter, there is no Contamination of the Project Area which would entitle any Government Agency to issue any notice or direction requiring the owner or occupier of that land to undertake any remedial work or to require compensation;
- (oo) **(security)** Tarago Operations Pty Ltd has implemented security practices and procedures at the Project consistent with Good Mining Practice;
- (pp) **(Royalties)** there are no royalties, production-based payments, Taxes or similar levies on mineral production payable with respect to the Product other than royalties payable to a Government Agency;
- (qq) **(streaming)**
 - (i) there are no mineral streaming agreements or other similar production-based arrangements in relation to the Product (as defined under the Stream Agreement) other than the Stream Agreement; and
 - (ii) there are no mineral streaming agreements or other similar production-based arrangements in relation to the Payable Silver (as defined under the Stream Agreement) contained in the Product (as defined under the Stream Agreement) other than the Stream Agreement;
- (rr) **(other business)** Tarago Operations Pty Ltd is not involved in and does not conduct any business other than the Project and activities incidental to the Project; and
- (ss) **(land claims)** other than as disclosed to Greenstone before the date of this agreement, no caveats (other than those permitted under clause 5.33 of the Stream Agreement or clause 8.33 of the Facility Agreement) material land claims,

native title claims, sacred site applications or other claims have been made or lodged in respect of the Project or the Project Assets.

Schedule 4

Subscriber Warranties

The Subscriber warrants that:

- (b) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this agreement.
- (c) **(Corporate Authorisations)** all necessary authorisations for the execution, delivery and performance by the Subscriber of this agreement in accordance with its terms have been obtained or will be obtained prior to Completion.
- (d) **(No legal impediment)** the execution, delivery and performance of this agreement:
 - (i) complies with its constitution or other constituent documents (as applicable); and
 - (ii) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this agreement.
- (e) **(Solvency):**
 - (i) it has not gone, or proposed to go, into liquidation;
 - (ii) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (iii) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as the Subscriber is aware, there are no circumstances justifying a petition or other process;
 - (iv) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of the Subscriber, and, so far as the Subscriber is aware, there are no circumstances justifying such an appointment; or
 - (iii) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (f) **(Sophisticated investor):** it is a person to whom an offer and issue of the Subscription Shares can be made without disclosure as a result of sections 708(8) or 708(11) of the Corporations Act.

Schedule 5

Schedule of Capital

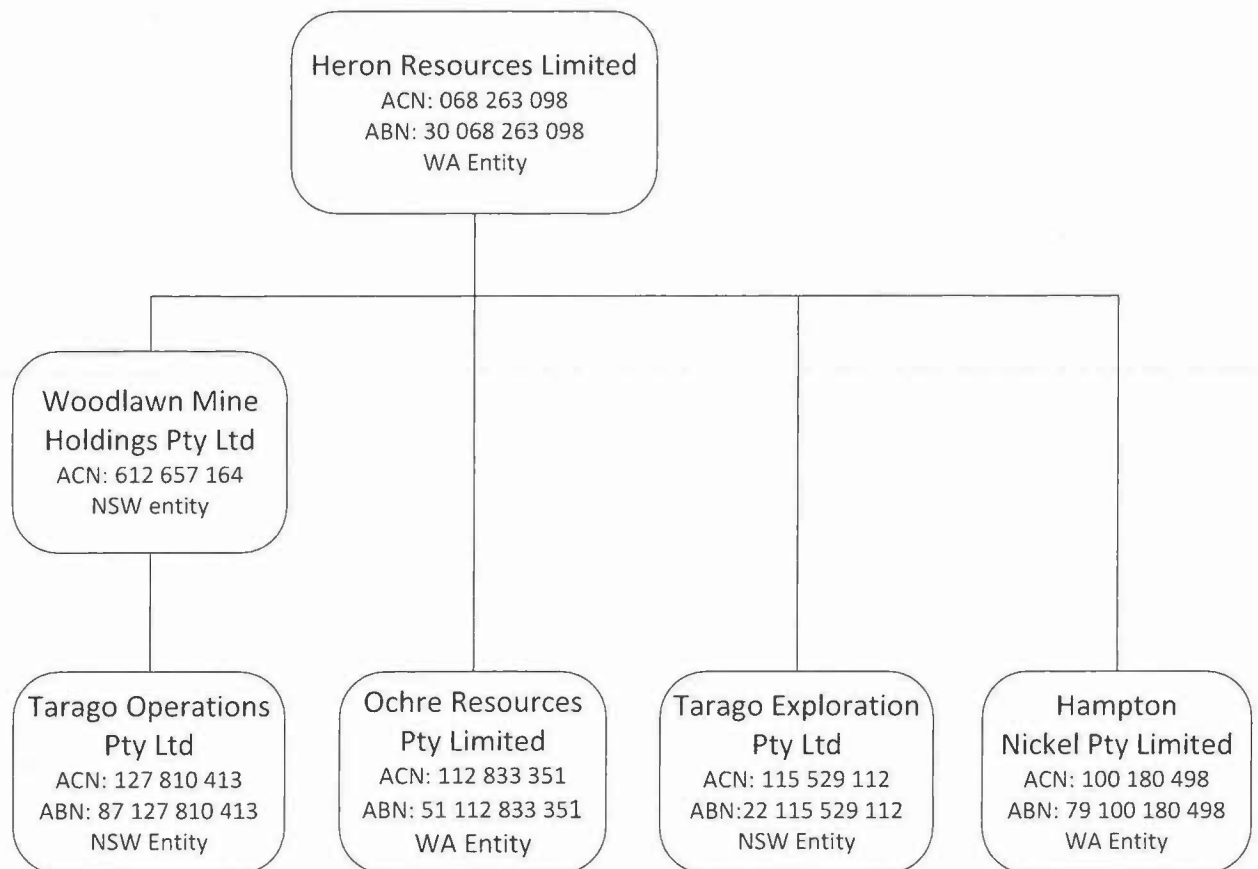
415,009,381 fully paid ordinary shares.

25,229,828 options comprising of:

1,000,000	Options to acquire ordinary shares at A\$0.29 expiring 5 March 2018
21,459	Options to acquire ordinary shares at A\$0.12 expiring 23 October 2017
858,369	Options to acquire ordinary shares at A\$0.07 expiring 20 November 2018
20,300,000	Options to acquire ordinary shares at A\$0.072 expiring 4 December 2020
400,000	Options to acquire ordinary shares at A\$0.134 expiring 1 September 2021
2,650,000	Options to acquire ordinary shares at A\$0.11 expiring 1 February 2022

Schedule 6

Group Structure Diagram



Executed as an Agreement.

[Insert execution clause for Subscriber]

Executed by Heron Resources)
Limited)

.....
Company Secretary/Director

.....
Director

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

.....
Name of Director (print)