



24 December 2014

Manager Companies  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**MERGER IMPLEMENTATION AGREEMENT – IRONCLAD MINING LTD & TRAFFORD RESOURCES LTD**

As announced today, please find attached the Merger Implementation Agreement which was executed today by IronClad Mining Ltd and Trafford Resources Ltd.

Yours sincerely

Ian Finch  
Executive Chairman

## **Merger Implementation Agreement**

**IronClad Mining Limited ACN 124 990 405**

IronClad

**Trafford Resources Limited ACN 112 257 299**

Trafford

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This Agreement is made this                      day of

2014

**Parties**                      **IronClad Mining Limited ACN 124 990 405** of Level 2, 679 Murray Street,  
West Perth, Western Australia (**IronClad**)

and

**Trafford Resources Limited ACN 112 257 299** of Level 2, 679 Murray  
Street, West Perth, Western Australia (**Trafford**)

## Recitals

- A.        Trafford and IronClad have agreed to effect a transaction by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Trafford and Trafford Shareholders, other than IronClad, pursuant to which IronClad will acquire all of the Scheme Shares and Trafford will become a wholly-owned subsidiary of IronClad, in accordance with this Agreement.
- B.        Trafford intends to propose the Share Scheme to Trafford Shareholders and the Option Scheme to the Scheme Optionholders and issue the Scheme Booklet.
- C.        Trafford and IronClad have agreed in good faith to implement the Scheme on the terms and conditions of this Agreement.

## This Agreement provides

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# 1. Definitions and interpretation

## 1.1 Definitions

In this Agreement, unless the context otherwise requires:

**Agreement** means this Merger Implementation Agreement.

**Alternative Proposal** means a takeover bid, scheme of arrangement, reverse takeover, capital reduction, sale of assets, sale of securities, strategic alliance, joint venture, partnership, dual listed companies structure, economic or synthetic merger or combination or other transaction or arrangement which, if completed, would result in a Third Party:

- (a)        directly or indirectly acquiring or being entitled to acquire a relevant interest or any other direct or indirect interest in more than 20% of the shares of Trafford or more than 20% of the shares in any other member of the Trafford Group that contributes 20% or more of the consolidated net profit after tax of the Trafford Group or whose assets represent 20% or more of the total consolidated assets of the Trafford Group; or
- (b)        directly or indirectly acquiring or being entitled to acquire the whole of the business or assets of the Trafford Group or any part of the business or assets of the Trafford Group that contributes 20% or more of the consolidated net profit after tax of the Trafford Group or that represents 20% or more of the total consolidated assets of the Trafford Group; or
- (c)        acquiring Control of Trafford or merging or amalgamating with Trafford or any other member of the Trafford Group that contributes 20% or more of the

consolidated net profit after tax of the Trafford Group or whose assets represent 20% or more of the total consolidated assets of the Trafford Group,

or which would otherwise require Trafford to abandon, or otherwise fail to proceed with, the Transaction.

**Announcement** means a press release, announcement or other public statement other than an explanatory statement or supplementary explanatory statement required by the Corporations Act.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 or the stock market operated by it, as the context requires.

**Authorisation** means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it, from or by a Government Agency; and
- (a) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

**Business** means:

- (a) in relation to Trafford and its Subsidiaries, the business presently carried on by Trafford and its Subsidiaries; and
- (b) in relation to IronClad and its Subsidiaries, the business presently carried on by IronClad and its Subsidiaries.

**Claim** means a demand, claim, action or proceeding made or brought by or against a party, however arising and whether present, unascertained, immediate, future or contingent.

**Common Directors** means Neil McKay and Ian Finch.

**Condition** means:

- (a) in relation to the Share Scheme, a condition precedent to completion of the Share Scheme in clause 2.2; and
- (b) in relation to the Option Scheme, a condition precedent to completion of the Option Scheme in clause 2.4.

**Control** has the meaning given in section 50AA of the Corporations Act.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Court** means the Supreme Court of Western Australia or the Federal Court of Australia or such other court of competent jurisdiction as agreed by IronClad and Trafford in writing.

**Effective** means:

- (a) when used in relation to the Share Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) in relation to the Share Scheme; or
- (b) when used in relation to the Option Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) in relation to the Option Scheme.

**Effective Date** means the date on which the Share Scheme becomes Effective.

**Excluded Shares** means any Trafford Shares held by, on behalf of or for the benefit of, IronClad or its Subsidiaries.

**Exclusivity Period** means the period between the date of this Agreement and the earlier of:

- (a) the Effective Date;
- (b) the termination of this Agreement in accordance with its terms; and
- (c) the Sunset Date.

**First Court Date** means the first day of the hearing by the Court of an application for an order under section 411(1) of the Corporations Act convening the Scheme Meetings or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Government Agency** means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including the Foreign Investment Review Board, ASIC, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

**GST** means the same as in the GST Law.

**GST Law** means the same as "GST law" means in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Implementation** means, in relation to the Share Scheme, the implementation of the Share Scheme, following the Share Scheme becoming Effective.

**Implementation Date** means the fifth Business Day immediately following the Record Date.

**Independent Expert** means BDO Corporate Finance (WA) Pty Ltd.

**Independent Expert's Report** means the report prepared by the Independent Expert stating whether or not, in its opinion:

- (a) the Share Scheme is in the best interests of the Trafford Shareholders, and setting out the reasons for that opinion; and
- (b) the Option Scheme is in the best interests of the Scheme Optionholders, and setting out the reasons for that opinion.

**Independent Trafford Directors** means the directors of Trafford other than the Common Directors.

**Ineligible Foreign Holder** means a Scheme Shareholder or Scheme Optionholder whose address in the register of Trafford Shareholders or the register of Scheme Optionholders is in a jurisdiction outside Australia and its external territories, New Zealand and Singapore, but excluding any Scheme Shareholder or Scheme Optionholder whose address in the register of Trafford Shareholders or Scheme Optionholders is in a jurisdiction where IronClad and Trafford are reasonably satisfied that the issue of New IronClad Shares or New IronClad Options in that jurisdiction under the Share Scheme or Option Scheme (as the case may be) would be neither prohibited by law nor unduly onerous.

**Insolvency Event** means, in relation to an entity:

- (a) the entity resolving to be wound up or liquidated;
- (b) the appointment of a liquidator, provisional liquidator or administrator of the entity;
- (c) the making of an order by a court for the winding up of the entity;
- (d) the entity executing a deed of company arrangement; or
- (e) the appointment of a receiver or a receiver and manager, in relation to the whole, or a substantial part, of the property of the entity.

**IronClad Board** means the board of directors of IronClad.

**IronClad Group** means IronClad and its related bodies corporate.

**IronClad Material** means the information provided by IronClad to Trafford in accordance with clause 7(b) for inclusion in the Scheme Booklet, other than information relating to the financial or trading position of IronClad following Implementation to the extent that such information has been prepared by IronClad in reliance on information provided by Trafford.

**IronClad Option** means an option to subscribe for an IronClad Share.

**IronClad Prescribed Event** means, except as required by this Agreement or by the Share Scheme or the Option Scheme (or with the prior written consent of Trafford), the occurrence of any of the following:

- (a) **(convert shares)** IronClad or a Subsidiary of IronClad converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduce share capital)** IronClad or a Subsidiary of IronClad resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) **(buy-back)** IronClad or a Subsidiary of IronClad:

- (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(issue shares or options)** IronClad or a Subsidiary of IronClad issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option or right to a share, excluding:
- (i) any issue or grant contemplated by the Share Scheme or Option Scheme or this Agreement; and
  - (ii) any IronClad Shares issued by IronClad as a result of the exercise of existing IronClad Options;
- (e) **(change to terms of options)** IronClad (or the board of directors of IronClad) makes any amendment to the terms of issue of any IronClad Options, where, as a consequence, any one or more of the following occurs:
- (i) the period for exercise of any IronClad Option is extended;
  - (ii) the number of IronClad Options that are exercisable at any time is increased;
  - (iii) the earliest date for exercise of any IronClad Option is brought forward;
  - (iv) the exercise price of any IronClad Option is reduced; or
  - (v) the number of IronClad Shares to be issued on exercise of any IronClad Option is increased;
- (f) **(issue convertible securities)** IronClad or a Subsidiary of IronClad issues, or agrees to issue, securities or other instruments convertible into shares or debt securities;
- (g) **(declare dividend)** other than any dividend paid, declared or announced by IronClad on or before the date of this Agreement in accordance with its ordinary dividend policy, IronClad declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets;
- (h) **(Insolvency Event)** an Insolvency Event occurring in relation to IronClad;
- (i) **(change to constitution)** IronClad makes any material change or amendment to its constitution;
- (j) **(change to accounting practice or policies)** IronClad making any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or electing to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997* (Cth);
- (k) **(debentures)** IronClad or a Subsidiary of IronClad issues, agrees to issue or grants an option to subscribe for debentures (as defined in section 9 of the Corporations Act);

- (l) **(disposal)** IronClad or a Subsidiary of IronClad disposes, or agrees to dispose, of the whole, or a substantial part, of its Business or property;
- (m) **(security)** IronClad or a Subsidiary of IronClad charges, or agrees to charge, the whole or a substantial part, of its Business or property, or creates or alters, or agrees to create or alter, any mortgage, charge, lien, security interest or other encumbrance over the whole or a substantial part of its Business or property;
- (n) **(share disposal)** IronClad or a Subsidiary of IronClad disposes, or agrees to dispose, of shares in a Subsidiary of that party;
- (o) **(litigation)** IronClad or a Subsidiary of IronClad becomes a party to any material litigation;
- (p) **(financial indebtedness)** except in the ordinary course of Business, IronClad or a Subsidiary of IronClad incurs any financial indebtedness or issues any debt securities of in aggregate more than \$100,000 other than:
  - (i) advances under credit facilities in existence as at the date of this Agreement and fully and fairly disclosed in the IronClad Material or are known by the Common Directors; or
  - (ii) any loans by IronClad to Trafford to fund the operations of Trafford;
- (q) **(Employees)** IronClad or a Subsidiary of IronClad employs or agrees to employ a person in an executive role, or makes any material change to the terms of employment of an existing person in an executive role;
- (r) **(Material Contracts)** IronClad or a Subsidiary of IronClad:
  - (i) changes the terms of any of its Material Contracts to the material detriment of IronClad or a Subsidiary of IronClad;
  - (ii) terminates any of its Material Contracts;
  - (iii) pays, discharges or satisfies any claims, liabilities or obligations under any of its Material Contracts other than in accordance with past practice and consistent with the contract terms; or
  - (iv) waives any material claims or rights under or waives the benefit of any provisions of any of its Material Contracts;
- (s) **(commitments)** IronClad or a Subsidiary of IronClad enters into:
  - (i) any onerous contract or commitment; or
  - (ii) any long term contract or commitment (including any joint venture or partnership agreement) except in the ordinary course of Business; or
- (t) **(renewing or extending agreements)** except in the ordinary course of its Business, IronClad or a Subsidiary of IronClad exercises any material contractual right or other option to renew or extend an existing agreement (including under any lease),

provided that (if otherwise caught by the terms of this definition) an acquisition or disposal of any business, assets (or interest in such assets), entity or undertaking by

IronClad or a Subsidiary of IronClad, or a contract or commitment of the kind referred to above, will not be an IronClad Prescribed Event if the terms of that acquisition, disposal or potential contract or commitment, as the case may be, have been fully and fairly disclosed either to the market generally or to Trafford in writing prior to the execution of this Agreement, or are known by the Common Directors, immediately prior to the execution of this Agreement and the acquisition, disposal, contract or commitment as the case may be, proceeds substantially in accordance with those terms.

**IronClad Share** means a fully paid ordinary share in the capital of IronClad.

**Listing Rule** means a listing rule of ASX.

**Material Contract** means any contract which is or may reasonably be expected to be material to the assets, liabilities, financial position, profits, losses or operation of the entity which is party to it.

**Meeting Date** means 5.00pm on the date on which Trafford Shareholders vote on a resolution to approve the Share Scheme under section 411(4)(a) of the Corporations Act.

**New IronClad Options** means those IronClad Options each exercisable at \$0.20 on or before 20 May 2015 and otherwise on the terms and conditions in Schedule 4 to be issued to Scheme Optionholders in consideration for their Scheme Options pursuant to the Option Scheme. **New IronClad Shares** means those IronClad Shares to be issued to Scheme Shareholders in consideration for their Scheme Shares pursuant to the Share Scheme.

**Option Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Trafford and the Scheme Optionholders, the form of which is attached as Schedule 7, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by IronClad and Trafford.

**Option Scheme Consideration** means the consideration to be provided by IronClad to each Scheme Optionholder for the cancellation of each Scheme Option, as determined in accordance with clause 3.6.

**Option Scheme Deed Poll** means a deed poll to be executed by IronClad in the form of Schedule 8 (or such other form as is agreed between IronClad and Trafford, including any alterations made with approval or at the discretion of the Court which are agreed by IronClad and Trafford (each acting reasonably)) under which IronClad covenants in favour of the Scheme Optionholders to perform its obligations under the Option Scheme.

**Option Scheme Meeting** means the meeting of Scheme Optionholders, to be convened by the Court, to consider the Option Scheme.

**Potential Alternative Proposal** means any offer, proposal or expression of interest which is not, but which could reasonably be expected to become, an Alternative Proposal.

**Record Date** means the day which is 5 Business Days after the Effective Date, or any other date agreed by the parties in writing.

**Register** means:

- (a) in respect of the Trafford Shareholders, the register of members of Trafford; and
- (b) in respect of the Scheme Optionholders, the register of optionholders of Trafford.

**Regulator's Draft** means the draft of the Scheme Booklet in a form which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

**Regulatory Approvals** means the consents, approvals, clearances, decisions, determinations or other acts by a Government Agency necessary to effect Implementation (if any).

**Reimbursement Fee** means \$120,000 (exclusive of any applicable GST).

**Relevant Date** means, in relation to a Condition, the date or time specified in this Agreement for its fulfilment or, if no date or time is specified, 8.00am on the Second Court Date, subject, in either case, to extension under clause 2.8.

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

**Sale Agent** has the meaning in clause 3.4.

**Scheme or Share Scheme** means the scheme of arrangement under part 5.1 of the Corporations Act between Trafford and the Scheme Shareholders, the form of which is attached as Schedule 5, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by IronClad and Trafford.

**Scheme Booklet** means the information memorandum in respect of the Share and Option Scheme to be approved by the Court and despatched to Trafford Shareholders and Scheme Optionholders, and includes the Scheme, Option Scheme, Share Scheme Deed Poll, Option Scheme Deed Poll, an explanatory statement complying with the requirements of the Corporations Act and the Corporations Regulations, the Independent Expert's Report and the notice of meeting and proxy form.

**Scheme Meetings** means the Share Scheme Meeting and the Option Scheme Meeting.

**Scheme Optionholders** means each person entered in the Register as a holder of Scheme Options as at 5.00pm on the Record Date.

**Scheme Options** means those Trafford Options identified as "Tranche 1" in Schedule 1, being the quoted Trafford Options on issue in Trafford at 5.00pm on the Record Date.

**Scheme Share** means a Trafford Share on issue at 5.00pm on the Record Date, other than Excluded Shares.

**Scheme Shareholders** means each Trafford Shareholder, other than IronClad as at 5.00pm on the Record Date (taking into account registration of all registrable transfers and transmission applications received at Trafford's share registry by the Record Date).

**Second Court Date** means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Share Scheme

and Option Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

**Share Scheme Consideration** means the consideration to be provided by IronClad to each Scheme Shareholder for the transfer to IronClad of each Scheme Share, as determined in accordance with clause 3.2.

**Share Scheme Deed Poll** means a deed poll to be executed by IronClad in the form of Schedule 6 (or such other form as is agreed between IronClad and Trafford, including any alterations made with approval or at the discretion of the Court which are agreed by IronClad and Trafford (each acting reasonably)) under which IronClad covenants in favour of the Scheme Shareholders to perform its obligations under the Share Scheme.

**Share Scheme Meeting** means the meeting of Trafford Shareholders, to be convened by the Court, to consider the Share Scheme.

**Subsidiary** of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2, Division 6 of the Corporations Act, or is a subsidiary or otherwise controlled by the first within the meaning of any approved accounting standard.

**Sunset Date** means, subject to any extension under clause 2.8, 31 July 2015.

**Superior Proposal** means a written bona fide Alternative Proposal received after the date of this Agreement that:

- (a) does not result from a breach by Trafford of any of its obligations under clause 8 or from any act by a Trafford Group member which, if done by Trafford, would constitute a breach of clause 8 by Trafford; and
- (b) the Trafford Board determines, acting in good faith and after having taken advice from its external legal and financial advisers:
  - (i) is reasonably capable of being valued and implemented, taking into account all aspects of the Alternative Proposal, including any timing considerations, any conditions precedent and the identity of the proponent; and
  - (ii) would, if completed substantially in accordance with its terms, be more favourable to Trafford Shareholders (as a whole) than the Transaction (as the Transaction may be amended or varied following in accordance with clause 8.7), taking into account all the terms and conditions of the Alternative Proposal and the Transaction.

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

**Third Party** means a person other than IronClad or its related bodies corporate.

**Trafford Board** means the board of directors of Trafford.

**Trafford Group** means Trafford and its related bodies corporate.

**Trafford Option** means an option to subscribe for a Trafford Share.

**Trafford Prescribed Event** means, except as required by this Agreement or the Share Scheme or the Option Scheme (or with the prior written consent of IronClad), the occurrence of any of the following:

- (a) **(convert shares)** Trafford or a Subsidiary of Trafford converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduce share capital)** Trafford or a Subsidiary of Trafford resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) **(buy-back)** Trafford or a Subsidiary of Trafford:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(issue shares or options)** Trafford or a Subsidiary of Trafford issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option or right to a share, excluding any Trafford Shares issued by Trafford as a result of the exercise of existing Trafford Options;
- (e) **(change to terms of Trafford Options)** Trafford (or the Trafford Board) makes any amendment to the terms of issue of any Trafford Option, where, as a consequence, any one or more of the following occurs:
  - (i) the period for exercise of any Trafford Option is extended;
  - (ii) the number of Trafford Options that are exercisable at any time is increased;
  - (iii) the earliest date for exercise of any Trafford Option is brought forward;
  - (iv) the exercise price of any Trafford Option is reduced; or
  - (v) the number of Trafford Shares to be issued on exercise of any Trafford Option is increased;
- (f) **(issue convertible securities)** Trafford or a Subsidiary of Trafford issues, or agrees to issue, securities or other instruments convertible into shares or debt securities;
- (g) **(declare dividend)** other than any dividend paid, declared or announced by Trafford on or before the date of this Agreement in accordance with its ordinary dividend policy, Trafford declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets;
- (h) **(Insolvency Event)** an Insolvency Event occurring in relation to Trafford;
- (i) **(change to constitution)** Trafford makes any change or amendment to its constitution;
- (j) **(change to accounting practice or policies)** Trafford making any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted

international accounting standards or electing to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997* (Cth);

- (k) **(debentures)** Trafford or a Subsidiary of Trafford issues, agrees to issue or grants an option to subscribe for debentures (as defined in section 9 of the Corporations Act);
- (l) **(disposal)** Trafford or a Subsidiary of Trafford disposes, or agrees to dispose, of the whole, or a substantial part, of its Business or property;
- (m) **(security)** Trafford or a Subsidiary of Trafford charges, or agrees to charge, the whole or a substantial part, of its Business or property, or creates or alters, or agrees to create or alter, any mortgage, charge lien, security interest or other encumbrance over the whole or a substantial part of its Business or property;
- (n) **(share disposal)** Trafford or a Subsidiary of Trafford disposes, or agrees to dispose, of shares in a Subsidiary of that party;
- (o) **(litigation)** Trafford or a Subsidiary of Trafford becomes a party to any material litigation;
- (p) **(financial indebtedness)** except in the ordinary course of business, Trafford or a Subsidiary of Trafford incurs any financial indebtedness or issues any debt securities of in aggregate more than \$100,000 other than:
  - (i) advances under credit facilities in existence as at the date of this Agreement; or
  - (ii) any loans by Trafford to IronClad to fund the operations of IronClad;
- (q) **(Employees)** Trafford or a Subsidiary of Trafford employs or agrees to employ a person in an executive role, or makes any material change to the terms of employment of an existing person in an executive role;
- (r) **(Material Contracts)** Trafford or a Subsidiary of Trafford:
  - (i) changes the terms of any of its Material Contracts to the material detriment of Trafford or a Subsidiary of Trafford;
  - (ii) terminates any of its Material Contracts;
  - (iii) pays, discharges or satisfies any claims, liabilities or obligations under any of its Material Contracts other than in accordance with past practice and consistent with the contract terms; or
  - (iv) waives any material claims or rights under or waives the benefit of any provisions of any of its Material Contracts;
- (s) **(commitments)** Trafford or a Subsidiary of Trafford enters into:
  - (i) any onerous contract or commitment; or
  - (ii) any long term contract or commitment (including any joint venture or partnership agreement) except in the ordinary course of Business; or

- (t) **(renewing or extending agreements)** except in the ordinary course of its Business, Trafford or a Subsidiary of Trafford exercises any material contractual right or other option to renew or extend an existing agreement (including under any lease),

provided that (if otherwise caught by the terms of this definition) an acquisition or disposal of any business, assets (or interest in such assets), entity or undertaking by Trafford or a Subsidiary of Trafford, or a contract or commitment of the kind referred to above, will not be a Trafford Prescribed Event if the terms of that acquisition, disposal, or potential contract or commitment, as the case may be, have been fully and fairly disclosed either to the market generally or to IronClad in writing prior to the date of this Agreement, or are known by the Common Directors immediately prior to the execution of this Agreement and the acquisition, disposal, contract or commitment as the case may be, proceeds substantially in accordance with those terms.

**Trafford Share** means a fully paid ordinary share in Trafford.

**Trafford Shareholder** means each person entered in the Register as a holder of Trafford Shares, other than any Excluded Shares.

**Trafford Shareholder Approval** means a resolution in favour of the Share Scheme passed by the required majorities of Trafford Shareholders under section 411(4)(a)(ii) of the Corporations Act.

**Transaction** means:

- (a) the proposed acquisition of all the issued Trafford Shares by IronClad (other than those Trafford Shares already held by IronClad); and
- (b) the proposed cancellation or acquisition of all the Scheme Options,
- on the terms set out in this Agreement.

## 1.2 Interpretation

In this Agreement:

- (a) headings are for convenience only and do not affect interpretation; and
- unless the context indicates otherwise:
- (b) a word or phrase in the singular number includes the plural, a word or phrase in the plural number includes the singular, and a word indicating a gender includes every other gender;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to:
- (i) a clause or schedule is a reference to a clause or schedule of this Agreement;
- (ii) a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation;

- (iii) a document in writing includes a document produced by means of typewriting, printing, lithography, photography and other modes of representing or reproducing words in a visible form, recorded by any electronic, magnetic, photographic or other medium by which information may be stored or reproduced;
  - (iv) a document (including this Agreement) includes a reference to all schedules, exhibits, attachments and annexures to it, and is to that document as varied, novated, ratified or replaced from time to time;
  - (v) legislation or to a provision of legislation includes any consolidation, amendment, re-enactment, substitute or replacement of or for it, and refers also to any regulation or statutory instrument issued or delegated legislation made under it; and
  - (vi) a person includes an individual, the estate of an individual, a corporation, an authority, an unincorporated body, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (e) a reference to a day is to a period of time commencing at midnight and ending twenty four (24) hours later;
  - (f) a reference to a Chapter, Part, Division or section is a reference to a Chapter, Part, Division or section of the Corporations Act;
  - (g) the word "includes" in any form is not a word of limitation;
  - (h) the word "applicable" when used of a law is used to refer to any relevant law (including any subordinate or delegated legislation or statutory instrument of any kind) of a jurisdiction in or out of Australia, and also to any relevant judgment, order, policy, guideline, official directive or request (even if it does not have the force of law) of any Government Agency within or outside Australia;
  - (i) a reference to "information" is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programmes, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets;
  - (j) the words "associate", "controller", "entity", "officer", "related body corporate", "relevant interest" and "subsidiary" have the same meaning as in section 9 of the Corporations Act, and "control" has the same meaning as in section 50AA of the Corporations Act;
  - (k) time is a reference to time in Perth, Western Australia;
  - (l) a reference to "\$" or "dollar" is to Australian currency;
  - (m) a contravention of or a breach of any of the representations and warranties includes any of the representations and warranties not being complete, true and correct;
  - (n) each representation and warranty is a separate representation and warranty, and its meaning is not affected by any other representation or warranty;

- (o) a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (p) when a day on or by which anything to be done is not a Business Day, that thing may be done on or by the next Business Day.

## 2. Conditions

### 2.1 Obligations to complete Share Scheme not binding until Conditions satisfied

Subject to this clause 2, the Share Scheme will not become Effective unless each of the Conditions in clause 2.2 are satisfied or waived to the extent and in the manner set out in this clause 2.

### 2.2 Conditions to the Share Scheme

The Conditions to the Share Scheme are:

	Condition	Party entitled to benefit
(a)	<b>(Board recommendation)</b> between the date of this Agreement and the date on which the Share Scheme is approved by Trafford Shareholders, the Independent Trafford Directors do not change or withdraw their recommendation to Trafford Shareholders to vote in favour of the Share Scheme and all resolutions (if any) incidental to the Share Scheme;	IronClad
(b)	<b>(orders convening the Share Scheme Meeting)</b> the Court orders the convening of the Share Scheme Meeting;	Both
(c)	<b>(Independent Expert's Report)</b> the Independent Expert's Report concludes that the Share Scheme is in the best interests of Trafford Shareholders and, upon consideration of all available relevant information from time to time, the Independent Expert does not change that conclusion or withdraw its report prior to 8.00am on the Second Court Date;	Both
(d)	<b>(Trafford Shareholder approval)</b> a resolution in favour of the Share Scheme passed by the required majorities of Trafford Shareholders under section 411(4)(a)(ii) of the Corporations Act is obtained;	Both
(e)	<b>(Court approval of the Share Scheme)</b> the Court makes orders under section 411(4)(b) of the Corporations Act approving the Share Scheme and any conditions imposed by the Court under section 411(6) of the Corporations Act are acceptable to the parties acting reasonably;	Both
(f)	<b>(orders lodged with ASIC)</b> an office copy of the Court orders approving the Share Scheme is lodged with ASIC under section 411(10) of the Corporations Act;	Both

<b>Condition</b>		<b>Party entitled to benefit</b>
(g)	<b>(orders and injunctions)</b> no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing Implementation is in effect at 8.00am on the Second Court Date;	Both
(h)	<b>(Regulatory Approvals)</b> the Regulatory Approvals are obtained prior to 8.00am on the Second Court Date;	Both
(i)	<b>(Third Party Approvals)</b> all third party approvals, consents or waivers under joint venture documentation or other significant contracts to which Trafford and IronClad agree are necessary or desirable to implement the Scheme or any transaction contemplated by the Scheme or this Agreement (which do not include the Regulatory Approvals) are obtained prior to 8.00am on the Second Court Date;	Both
(j)	<b>(no Trafford Prescribed Event)</b> from the date of this Agreement until 8.00am on the Second Court Date, no Trafford Prescribed Event occurs;	IronClad
(k)	<b>(no IronClad Prescribed Event)</b> from the date of this Agreement until 8.00am on the Second Court Date, no IronClad Prescribed Event occurs;	Trafford
(l)	<b>(ASX quotation of the shares)</b> the New IronClad Shares to be issued as consideration pursuant to the terms of the Share Scheme are approved for official quotation by ASX (conditional only on the issue of those shares and on IronClad providing ASX with a completed Appendix 3B as required by the Listing Rules) prior to 5.00pm on the day before the Second Court Date;	Trafford
(m)	<b>(no prohibitive action)</b> no Government Agency or judicial entity or authority taking any action or making any order or decree which action, order or decree restrains or prohibits the Implementation of the Share Scheme prior to 5.00pm on the day before the Second Court Date; and	Both
(n)	<b>(Option Scheme)</b> the Court approves the Option Scheme on terms that are reasonably acceptable to the parties.	IronClad

### 2.3 Obligations to complete Option Scheme not binding until Conditions satisfied

Subject to this clause 2, the Option Scheme will not become Effective unless each of the Conditions in clause 2.4 are satisfied or waived to the extent and in the manner set out in this clause 2.

### 2.4 Conditions to the Option Scheme

The Conditions to the Option Scheme are:

	Condition	Party entitled to benefit
(a)	<b>(Board recommendation)</b> between the date of this Agreement and the date on which the Option Scheme is approved by Scheme Optionholders, the Independent Trafford Directors do not change or withdraw their recommendation to Scheme Optionholders to vote in favour of the Option Scheme and all resolutions (if any) incidental to the Option Scheme;	IronClad
(b)	<b>(orders convening the Option Scheme Meeting)</b> the Court orders the convening of the Option Scheme Meeting;	Both
(c)	<b>(Independent Expert's Report)</b> the Independent Expert's Report concludes that the Option Scheme is in the best interests of Scheme Optionholders and, upon consideration of all available relevant information from time to time, the Independent Expert does not change that conclusion or withdraw its report prior to 8.00am on the Second Court Date;	Both
(d)	<b>(Scheme Optionholder approval)</b> a resolution in favour of the Option Scheme passed by the required majorities of Scheme Optionholders under section 411(4)(a)(ii) of the Corporations Act is obtained;	Both
(e)	<b>(Court approval of the Option Scheme)</b> the Court makes orders under section 411(4)(b) of the Corporations Act approving the Option Scheme and any conditions imposed by the Court under section 411(6) of the Corporations Act are acceptable to the parties acting reasonably;	Both
(f)	<b>(orders lodged with ASIC)</b> an office copy of the Court orders approving the Option Scheme is lodged with ASIC under section 411(10) of the Corporations Act;	Both
(g)	<b>(ASX quotation of the options)</b> the New IronClad Options to be issued as consideration pursuant to the terms of the Option Scheme are approved for official quotation by ASX (conditional only on the issue of those options and on IronClad providing ASX with a completed Appendix 3B as required by the Listing Rules) prior to 5.00pm on the day before the Second Court Date;	Trafford
(h)	<b>(orders and injunctions)</b> no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing implementation of the Option Scheme is in effect at 8.00am on the Second Court Date;	Both

Condition		Party entitled to benefit
(i)	<b>(no prohibitive action)</b> no Government Agency or judicial entity or authority taking any action or making any order or decree which action, order or decree restrains or prohibits the implementation of the Option Scheme prior to 5.00pm on the day before the Second Court Date;	Both
(j)	<b>(Listing Rule waiver)</b> ASX granting a waiver from Listing Rule 6.23.2 in relation to the Option Scheme or Trafford Shareholders give any necessary approvals under Listing Rule 6.23.2 in relation to the Option Scheme; and	Both
(k)	<b>(Share Scheme)</b> the Court approves the Share Scheme on terms that are reasonably acceptable to the parties.	Both

## 2.5 Waiver of a Condition

- (a) **(if only one party benefiting, that party only may waive)** If a Condition has been included for the benefit of one party only (as specified in relation to a Condition in the third column of the tables in clauses 2.2 and 2.4), only that party may, in its sole and absolute discretion, waive the breach or non-fulfilment of the Condition.
- (b) **(if both parties benefiting, both must waive)** If a Condition has been included for the benefit of both parties (as specified in relation to a Condition in the third column of the tables in clauses 2.2 and 2.4), the breach or non-fulfilment of the Condition may be waived only by the consent of both parties.
- (c) **(conditional waiver)** If a waiver by a party of a Condition is itself made subject to a condition and the other party accepts that condition, the terms of that condition apply accordingly. If the other party does not accept a conditional waiver of a Condition, that Condition has not been waived.
- (d) **(waiver precludes litigation)** If a party waives the breach or non-fulfilment of a Condition, that waiver precludes the party from suing another party for any breach of this Agreement that resulted in the breach or non-fulfilment of the Condition.
- (e) **(waiver restricted)** Unless specified in the waiver, a waiver of the breach or non-fulfilment of any Condition will not constitute:
- (i) a waiver of breach or non-fulfilment of any other Condition resulting from events or circumstances giving rise to the breach or non-fulfilment of the first Condition; or
  - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event or circumstance.
- (f) **(waiver in writing)** Any waiver must be in writing.

## 2.6 Fulfilment of each Condition

Each party must:

- (a) **(procure satisfaction of Condition)** use its reasonable endeavours to procure that each Condition is satisfied as soon as practicable after the date of this Agreement, including providing all reasonable assistance to the other party as is necessary to satisfy each Condition;
- (b) **(not prevent satisfaction of Condition)** not take any action (except as required by law including, for the avoidance of doubt, an action taken to avoid a potential breach of directors' fiduciary duties or statutory obligations) which is designed or is likely to prevent the Conditions being satisfied, without the prior consent of the other party; and
- (c) **(promptly notify)** promptly notify the other party of the fulfilment or waiver of a Condition and must keep the other party informed of any material developments of which it becomes aware in relation to a Condition.

## **2.7 When a Condition is fulfilled**

Each Condition is deemed to be fulfilled on the Relevant Date unless the party for whose benefit the Condition has been included (or, in the case of a Condition included for the benefit of all those parties, either party) gives notice to the other party on or before the Relevant Date of the non-fulfilment of the Condition.

## **2.8 If a Condition is not fulfilled or waived**

If a Condition to the Share Scheme has not been fulfilled or waived by the Relevant Date, or the Effective Date has not occurred or is incapable of occurring by the Sunset Date, the parties:

- (a) will consult in good faith to determine whether the Share Scheme or Option Scheme (as applicable) may proceed by way of alternative means or methods; and
- (b) may agree to extend the Relevant Date or the Sunset Date, or both.

## **2.9 Certificate**

Trafford and IronClad must provide the Court at the hearing on the Second Court Date with a certificate confirming that all of the Conditions (other than clauses 2.2(e) and (f)) and 2.4(e) and (f) have been satisfied or waived in accordance with the terms of this Agreement.

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# **3. Schemes**

## **3.1 Share Scheme**

Trafford agrees to propose the Share Scheme upon and subject to the terms of this Agreement, under which, subject to the Share Scheme becoming Effective:

- (a) all of the Scheme Shares held by the Scheme Shareholders will be transferred to IronClad; and
- (b) Scheme Shareholders will be entitled to receive the Share Scheme Consideration for each Scheme Share held on the Record Date.

### **3.2 Share Scheme Consideration**

- (a) Subject to clause 3.2(d), the parties will procure that each Scheme Shareholder receives 1 New IronClad Share for every 1 Scheme Share held as at 5.00pm on the Record Date in accordance with the terms of this Agreement.
- (b) Subject to clause 3.4, IronClad undertakes and warrants to Trafford that in consideration for the transfer to IronClad of each Scheme Share held by a Scheme Shareholder under the terms of the Share Scheme, on the Implementation Date, IronClad will provide to each Scheme Shareholder the Share Scheme Consideration in accordance with the terms of this Agreement and the Share Scheme.
- (c) IronClad will ensure that the New IronClad Shares to be issued as Share Scheme Consideration will be validly issued, fully paid, and rank equally with IronClad's other issued fully paid ordinary shares from their date of issue and that application will be made to ASX for quotation of the New IronClad Shares.
- (d) Any fractional entitlement of a Scheme Shareholder to New IronClad Shares will be rounded up or down to the nearest whole number with fractions of 0.5 rounded up to the nearest whole number of New IronClad Shares provided that if a Scheme Shareholder holds less than 0.5 Trafford Shares on the Record Date, IronClad will issue that Scheme Shareholder 1 New IronClad Share.

### **3.3 No amendments to Share Scheme without consent**

Trafford must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Share Scheme without the prior consent of IronClad, such consent not to be unreasonably withheld.

### **3.4 Ineligible Foreign Holders**

Where a Scheme Shareholder is an Ineligible Foreign Holder, the number of New IronClad Shares or New IronClad Options to which the Scheme Shareholder or Scheme Optionholder would otherwise be entitled, will be allotted to a nominee approved by IronClad, Trafford and (if necessary) ASIC (**Sale Agent**) who will sell those New IronClad Shares or New IronClad Options as soon as practicable (at the risk of that Ineligible Foreign Holder) and pay the proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, and selling costs, to that Ineligible Foreign Holder in full satisfaction of that Ineligible Foreign Holder's rights under this Agreement to Share Scheme Consideration or Option Scheme Consideration.

### **3.5 Option Scheme**

- (a) Trafford must propose an option scheme of arrangement, to be conducted concurrently with the Share Scheme, between itself and each Scheme Optionholder under which all outstanding Scheme Options will be cancelled and each Scheme Optionholder will be entitled to receive the Option Scheme Consideration.
- (b) Trafford and IronClad agree that their obligations in clauses 5 and 6 (for Trafford) and clauses 5 and 7 (for IronClad) will apply mutatis mutandis to the creditors' scheme of arrangement (proposed in clause 3.5(a) above) as if

the reference to the Scheme is to be construed as a reference to the Option Scheme.

- (c) IronClad will execute the Option Scheme Deed Poll in which it undertakes in favour of each Scheme Optionholder that it will, subject to the Scheme and the Option Scheme becoming Effective, pay the Option Scheme Consideration to each Scheme Optionholder.

### **3.6 Option Scheme Consideration**

- (a) Subject to clause 3.6(d), the Option Scheme Consideration is one IronClad Option for every one Scheme Option on the terms and conditions set out in Schedule 4.
- (b) IronClad undertakes and warrants to Trafford that in consideration of the cancellation of each Scheme Option held by a Scheme Optionholder under the terms of the Option Scheme, on the Implementation Date, IronClad will grant to each Scheme Optionholder the Option Scheme Consideration in accordance with the terms of this Agreement and the Option Scheme.
- (c) IronClad will ensure that application will be made to ASX for quotation of the New IronClad Options.
- (d) Any fractional entitlement of a Scheme Optionholder to New IronClad Options will be rounded up or down to the nearest whole number with fractions of 0.5 rounded up to the nearest whole number of New IronClad Options provided that if a Scheme Optionholder holds less than 0.5 Scheme Options on the Record Date, IronClad will issue that Scheme Optionholder 1 New IronClad Option.

### **3.7 No amendment to the Option Scheme without consent**

Trafford must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Option Scheme without the prior written consent of IronClad, such consent not to be unreasonably withheld.

### **3.8 ASX Waiver**

- (a) As soon as reasonably practicable after the date of this Agreement, Trafford must use its reasonable endeavours to procure that ASX grants a waiver from Listing Rule 6.23.2 in respect of the Option Scheme.
- (b) If the waiver referred to in clause 3.8(a):
  - (i) is obtained on or before the date the Regulator's Draft is provided to ASIC, but is subject to one or more conditions that are not reasonably satisfactory to IronClad; or
  - (ii) is not obtained on or before the date the Regulator's Draft is provided to ASIC,

Trafford agrees to seek any approvals that are required from the Trafford Shareholders under Listing Rule 6.23.2 in relation to the Option Scheme on the same date on which the meeting of Scheme Optionholders is held.

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## **4. Conduct of Business**

### **4.1 Conduct of Trafford's Business**

From the date of this Agreement up to and including the Implementation Date, Trafford must, and Trafford must ensure that each of its Subsidiaries, conduct the Business in the ordinary course, in substantially the same manner and at the same locations as previously conducted and, to the extent consistent, use reasonable efforts to:

- (a) preserve intact its current business organisation;
- (b) keep available the services of its current officers and employees;
- (c) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it; and
- (d) maintain the Business and its assets and keep its assets in good working order, including maintaining at least its current level of insurance.

### **4.2 Conduct of IronClad's Business**

From the date of this Agreement up to and including the Implementation Date, IronClad must, and IronClad must ensure that each of its Subsidiaries, conduct the Business in the ordinary course, in substantially the same manner and at the same locations as previously conducted and, to the extent consistent, use reasonable efforts to:

- (a) preserve intact its current business organisation;
- (b) keep available the services of its current officers and employees;
- (c) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it; and
- (d) maintain the Business and its assets and keep its assets in good working order, including maintaining at least its current level of insurance.

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## **5. Obligations of both parties in relation to the Share Scheme and the Option Scheme**

- (a) Each party must use its reasonable endeavours to give effect to the Share Scheme and the Option Scheme, subject to this Agreement and compliance with their respective obligations, powers and duties under this Agreement, their constituent documents and all applicable law and the proper performance by the directors of Trafford and IronClad of their fiduciary duties and statutory obligations.
- (b) Each party agrees to use its best endeavours to complete its obligations in this Agreement.

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## **6. Trafford obligations**

Trafford must:

- (a) **(commission Independent Expert's Report)** appoint the Independent Expert and commission the preparation of the Independent Expert's Report and provide all assistance and information reasonably requested by the Independent Expert to enable the preparation or updating of the Independent Expert's Report;
- (b) **(prepare Scheme Booklet)** prepare a Scheme Booklet in accordance with all applicable law (including the Corporations Act and Corporations Regulations, the Listing Rules and applicable ASIC regulatory guides);
- (c) **(Scheme Booklet to contain statement)** ensure the Scheme Booklet includes a statement (on the basis of statements made to it by each of the Independent Trafford Directors in respect of clauses 6(c)(i)(A) and 6(c)(ii)(A) and the Independent Trafford Directors and Common Directors in respect of clauses 6(c)(i)(B) and 6(c)(ii)(B)) that:
  - (i) subject to the Independent Expert concluding that the Scheme is in the best interests of Trafford Shareholders:
    - (A) the Independent Trafford Directors recommend the approval of the Share Scheme; and
    - (B) the Independent Trafford Directors and the Common Directors intend to vote or cause the voting of any Trafford Shares in which they have a relevant interest in favour of the Share Scheme,

in each case in the absence of a Superior Proposal; and
  - (ii) subject to the Independent Expert concluding that the Option Scheme is in the best interests of Scheme Optionholders:
    - (A) the Independent Trafford Directors recommend the approval of the Option Scheme; and
    - (B) the Independent Trafford Directors and the Common Directors intend to vote or cause the voting of any Scheme Options in which they have a relevant interest in favour of the Option Scheme,

in each case in the absence of a Superior Proposal;
- (d) **(access to information)** from the date of execution of this Agreement to the Implementation Date, Trafford must afford IronClad reasonable access to records and reasonable cooperation to allow IronClad to stay informed of all material developments in the business of Trafford on the basis that all such information provided is to be considered confidential by IronClad and shall not be disclosed without the prior written consent of Trafford;
- (e) **(apply for ASX and ASIC relief)** use its reasonable endeavours to obtain all waivers, exemptions and modifications from ASX and ASIC as may be required to facilitate implementation of the Share Scheme and Option Scheme, including (if applicable) applying to ASX for a waiver of Listing Rule 6.23.2 to obtain the approval of Trafford Shareholders for the cancellation of Trafford Options pursuant to clause 3.8;

- (f) **(Trafford information)** prepare and provide to IronClad such information as IronClad reasonably requires to prepare the IronClad Material for inclusion in the Scheme Booklet;
- (g) **(consult with IronClad on form of Scheme Booklet)** consult with IronClad in good faith in relation to the form and content of the Scheme Booklet, including taking into account its reasonable comments and incorporating the IronClad Material;
- (h) **(lodge Regulator's Draft)** as soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, lodging a Regulator's Draft with ASIC in accordance with section 411(2) of the Corporations Act;
- (i) **(prepare Court documents)** prepare all documents necessary for the Court proceedings relating to the Share Scheme and the Option Scheme:
  - (i) in accordance with all applicable law; and
  - (ii) in consultation with IronClad as to the form and content of the Court documents;
- (j) **(seek Court order to convene Scheme Meetings)** apply to the Court under section 411(1) of the Corporations Act for an order directing Trafford to convene the Scheme Meetings;
- (k) **(appeal)** appeal the decision of the Court in the event it does not make an order convening the Scheme Meetings, except where senior counsel indicates the appeal has less than 50% chance of success, there is a Superior Proposal or IronClad and Trafford agree otherwise;
- (l) **(convene Scheme Meetings)** convene the Scheme Meetings, in accordance with the orders made by the Court under section 411(1) of the Corporations Act;
- (m) **(register explanatory statement)** take all reasonable measures necessary to cause ASIC to register the explanatory statement relating to the Share Scheme and the Option Scheme in accordance with section 412(6) of the Corporations Act;
- (n) **(ASIC review)** keep IronClad informed at all times of any matters raised by ASIC in relation to the Scheme Booklet, and use all reasonable endeavours, in co-operation with IronClad, to resolve any such matters;
- (o) **(despatch Scheme Booklet)** despatch a copy of the Scheme Booklet to each Trafford Shareholder and Scheme Optionholder and to all other persons entitled to receive notice of the Scheme Meetings in accordance with the orders made by the Court under section 411(1) of the Corporations Act;
- (p) **(inform shareholders of relevant post-Scheme Booklet information)** if it becomes aware of any further or new information after the date of despatch of the Scheme Booklet which is material for disclosure to Trafford Shareholders or Scheme Optionholders in deciding whether to approve the Share Scheme or the Option Scheme, inform shareholders and optionholders of the information in an appropriate and timely manner, provided that Trafford must consult with IronClad and reasonably consider IronClad's views on the form and content of any correspondence with Trafford Shareholders and Scheme Optionholders in relation to such matters;

- (q) **(section 411(17)(b) statement)** if:
  - (i) a resolution in favour of the Share Scheme passed by the required majority of Trafford Shareholders under section 411(4)(a)(ii) of the Corporations Act is obtained, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Share Scheme; and
  - (ii) a resolution in favour of the Option Scheme passed by the required majority of Scheme Optionholders under section 411(4)(a)(ii) of the Corporations Act is obtained, and subject to the condition in clause 2.4(k) being satisfied, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Option Scheme;
- (r) **(apply for Court approval of Share Scheme)** subject to satisfaction or waiver of all Conditions in clause 2.2, apply to the Court for orders approving the Share Scheme under section 411(4) of the Corporations Act;
- (s) **(apply for Court approval of Option Scheme)** subject to satisfaction or waiver of all Conditions in clause 2.4, apply to the Court for orders approving the Option Scheme under section 411(4) of the Corporations Act;
- (t) **(implementation of Share Scheme)** if the Court approves the Share Scheme:
  - (i) immediately notify ASX of the Court order approving the Share Scheme;
  - (ii) promptly lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act;
  - (iii) determine who are the Scheme Shareholders and their entitlements to the Scheme Consideration as at 5.00pm on the Record Date in accordance with the Share Scheme;
  - (iv) in accordance with section 672A of the Corporations Act, direct those of the Trafford Shareholders notified to Trafford by IronClad (acting reasonably) in writing to make the disclosures required by section 672B of the Corporations Act and provide the resulting information to IronClad within 5 days of its receipt; and
  - (v) register all transfers of Trafford Shares to IronClad (once duly executed) on the Implementation Date;
- (u) **(implementation of Option Scheme)** if the Court approves the Option Scheme:
  - (i) immediately notify ASX of the Court order approving the Option Scheme;
  - (ii) promptly lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act;
  - (iii) determine who are the Scheme Optionholders and their entitlements to the Option Scheme Consideration as at 5.00pm on the Record Date in accordance with the Option Scheme;

- (iv) register all transfers of Trafford Scheme Options to IronClad (once duly executed) on the Implementation Date;
- (v) **(register information)** give to IronClad (or as it directs) details of the names, registered addresses and holdings of:
  - (i) Trafford Shares of every Trafford Shareholder as shown in the Register as at 5.00pm on the Record Date and as at any other time reasonably requested by IronClad in such form as IronClad may reasonably require; and
  - (ii) Trafford Options of every Scheme Optionholder as shown in the Register as at 5.00pm on the Record Date and as at any other time reasonably requested by IronClad;
- (w) **(communications with Trafford Shareholders and Scheme Optionholders):** participate in, and ensure the Trafford Board participates in, all communications, presentations and other measures reasonably requested by IronClad to promote the merits of the Transaction; and
- (x) **(post Implementation board):** on the Effective Date, Trafford will use its best endeavours to ensure that all directors of Trafford resign save only for (unless otherwise determined by IronClad) Neil McKay and Ian Finch.

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## 7. IronClad obligations

IronClad must:

- (a) **(assist preparation of Independent Expert's Report)** as expeditiously as practicable, provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation or updating of the Independent Expert's Report;
- (b) **(supply information for Scheme Booklet)** as expeditiously as practicable, supply to Trafford for inclusion in the Scheme Booklet such information regarding IronClad which is reasonably required under all applicable law, including all relevant ASIC regulatory guides, to be included in the Scheme Booklet in reasonable time to allow Trafford to prepare the Scheme Booklet in accordance with this document;
- (c) **(verify IronClad Material)** verify the accuracy of the IronClad Material in the Scheme Booklet and:
  - (i) consent in writing to the inclusion of that information in the form and context in which it appears; and
  - (ii) confirm in writing to Trafford before 8.00am on the First Court Date that:
    - (A) the IronClad Material is not misleading or deceptive in any material respect (including because of any material omission) and otherwise complies with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules; and
    - (B) the Scheme Booklet includes all information regarding IronClad as is required under all applicable laws, relevant

ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules;

- (d) **(supply any further information required)** as expeditiously as practicable, supply to Trafford any further information reasonably required by Trafford before the Meeting Date to ensure that the IronClad Material is not misleading or deceptive and contains no material omissions and to enable Trafford to inform Trafford Shareholders and Scheme Optionholders of any further or new information after the date of despatch of the Scheme Booklet, which is material for disclosure to Trafford Shareholders or Scheme Optionholders in deciding whether to approve the Share Scheme or the Option Scheme;
- (e) **(review drafts)** review the drafts of the Scheme Booklet provided to it by Trafford and provide comments where necessary;
- (f) **(access to information)** from the date of execution of this Agreement to the Implementation Date, IronClad must afford Trafford reasonable access to records and reasonable cooperation to allow Trafford to stay informed of all material developments in the business of IronClad on the basis that all such information provided is to be considered confidential by Trafford and shall not be disclosed without the prior written consent of IronClad;
- (g) **(apply for ASX and ASIC relief)** use its reasonable endeavours to obtain all waivers, exemptions and modifications from ASX or ASIC as may be required to facilitate Implementation of the Share Scheme and Option Scheme;
- (h) **(Deed polls)** before the First Court Date, enter into the Share Scheme Deed Poll and the Option Scheme Deed Poll;
- (i) **(representation)** ensure that, if requested by Trafford, IronClad is represented at Court hearings convened for the purpose of section 411(4)(b) of the Corporations Act, and, through counsel, undertakes, if requested by the Court, to do all things and take all steps within its power necessary to fulfil its obligations under this Agreement, and the Share Scheme and Option Scheme;
- (j) **(not act inconsistently)** not act in a manner inconsistent with obtaining Court approval for the Share Scheme or the Option Scheme;
- (k) **(IronClad Board approval)** convene a meeting of the IronClad Board and take all other actions necessary and in accordance with the IronClad constitution to complete the matters and transactions as required under this Agreement;
- (l) **(maintain ASX listing)** take all reasonable and appropriate steps to maintain IronClad's listing on ASX, notwithstanding any suspension of the quotation of IronClad Shares, up to and including the Effective Date; and
- (m) **(communications with Trafford Shareholders and Scheme Optionholders)** participate in, and ensure the appropriate members of IronClad senior management participate in, all communications, presentations and other measures reasonably requested by Trafford to promote the merits of the Transaction.

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## **8. Exclusivity**

### **8.1 No shop restriction**

During the Exclusivity Period, Trafford must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) solicit, invite, encourage or initiate any Alternative Proposal or any Potential Alternative Proposal with any Third Party; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 8.1(a) on its behalf.

### **8.2 No talk restriction**

Subject to clause 8.3, during the Exclusivity Period Trafford must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) enter into or continue negotiations or discussions with any Third Party in relation to an Alternative Proposal or Potential Alternative Proposal, or that may reasonably be expected to encourage or lead to an Alternative Proposal or Potential Alternative Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an Alternative Proposal or Potential Alternative Proposal;
- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 8.2; or
- (d) assist, encourage, procure or induce any person to do any of the things referred to in the preceding paragraphs of this clause 8.2 on its behalf,

even if the Alternative Proposal or Potential Alternative Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Trafford or any of its Representatives or has been publicly announced.

### **8.3 No talk exception**

The restriction in clause 8.2 does not apply to the extent that it restricts Trafford or the Trafford Board from taking or refusing to take any action with respect to a bona fide Alternative Proposal or Potential Alternative Proposal if:

- (a) the Trafford Board has determined that the Alternative Proposal is, or is reasonably likely to constitute, a Superior Proposal or the Potential Alternative Proposal would be reasonably likely to constitute a Superior Proposal if it were to be proposed; and
- (b) acting in good faith and after having taken written advice from its external legal and financial advisers, the Trafford Board has determined that failing to respond to such Alternative Proposal or Potential Alternative Proposal would, or would reasonably be likely to, constitute a breach of the fiduciary duties or statutory obligations of any member of the Trafford Board, provided that the Alternative Proposal or Potential Alternative Proposal was not, directly or indirectly, brought about, or facilitated by a breach of clause 8.2.

#### **8.4 No due diligence restriction**

Subject to clause 8.5 but without limiting clause 8.2, during the Exclusivity Period, Trafford must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) make available to any Third Party, or cause or permit any Third Party (other than a Government Agency) to receive, any non-public information relating to Trafford or any of its Related Entities that may reasonably be expected to assist such Third Party in formulating, developing or finalising an Alternative Proposal or a Potential Alternative Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 8.4(a) on its behalf.

#### **8.5 No due diligence exception**

The restriction in clause 8.4 does not apply in respect of a bona fide Alternative Proposal or a Potential Alternative Proposal if all of the following requirements are satisfied:

- (a) the Trafford Board has determined that the Alternative Proposal is, or is reasonably likely to constitute, a Superior Proposal or the Potential Alternative Proposal would be reasonably likely to constitute a Superior Proposal if it were to be proposed;
- (b) acting in good faith and after having obtained written advice from its external legal and financial advisers, the Trafford Board has determined that failing to respond to such Alternative Proposal or Potential Alternative Proposal would be likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Trafford Board;
- (c) the Third Party has first entered into a written agreement in favour of Trafford restricting the use and disclosure by the Third Party and its affiliates and advisers of the information made available to the Third Party; and
- (d) to the extent that any information made available to the Third Party has not previously been provided to IronClad, Trafford provides that information to IronClad at the same time as it is provided to the Third Party.

#### **8.6 Notification obligations**

During the Exclusivity Period, Trafford must immediately (and, in any event, within 24 hours) notify IronClad if:

- (a) Trafford or any of its Representatives receives any Alternative Proposal or Potential Alternative Proposal or any offer or request to do any of the things referred to in clause 8.2(a) or clause 8.4(a); or
- (b) Trafford proposes to take any action in reliance on the exceptions in clause 8.3 or clause 8.5.

#### **8.7 Matching rights**

During the Exclusivity Period, if Trafford or any of its Representatives are contacted in relation to, or receive an Alternative Proposal or Potential Alternative Proposal then:

- (a) Trafford must as soon as reasonably practicable:
  - (i) give IronClad a notice setting out all material terms of the Alternative Proposal or Potential Alternative Proposal including the amount and form of consideration to be offered, the source of any cash component of the consideration, the conditions to which it is subject, the proposed timetable and any break fee arrangements;
  - (ii) use reasonable endeavours to obtain the consent of the person who has made the Alternative Proposal or Potential Alternative Proposal to disclose to IronClad on a confidential basis that person's name and other details which identify that person (**Identifying Details**); and
  - (iii) disclose the Identifying Details to IronClad on a confidential basis except that if the consent referred to in clause 8.7(a)(ii) has not been obtained then Trafford may withhold any part of the Identifying Details from disclosure if the Trafford Board, acting in good faith and on the basis of written advice from its external legal and financial advisers determines that giving those details to IronClad would be likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Trafford Board;
- (b) from the time that Trafford receives the Alternative Proposal or Potential Alternative Proposal until the day that is 3 Business Days after Trafford gives notice to IronClad under clause 8.7(a) in respect of it (**Matching Period**):
  - (i) Trafford must not enter into, or agree to enter into, any binding documentation to give effect to or implement the Alternative Proposal or Potential Alternative Proposal;
  - (ii) Trafford must use best endeavours to ensure that no Trafford Director makes any public statement recommending the Alternative Proposal or Potential Alternative Proposal to Shareholders; and
  - (iii) IronClad may offer to amend the terms of the Transaction or make an alternative proposal to Trafford or Shareholders with a view to providing an equivalent or a superior outcome for Shareholders than those offered under the relevant Alternative Proposal or Potential Alternative Proposal (a **Counter Proposal**).

## 8.8 Trafford's response to the Counter Proposal

If during the Matching Period, IronClad makes a Counter Proposal:

- (a) Trafford must use its best endeavours to procure that the Trafford Board considers the Counter Proposal in good faith; and
- (b) if the Trafford Board acting in good faith determines that the terms and conditions of the Counter Proposal taken as a whole are no less favourable to Shareholders than those in the relevant Alternative Proposal or Potential Alternative Proposal then:
  - (i) the parties must use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Counter Proposal as soon as reasonably practicable; and

- (ii) Trafford must use its best endeavours to procure that each Trafford Director makes a public statement recommending the Counter Proposal to Shareholders.

## **8.9 Changes to proposals**

Any material change to an Alternative Proposal or Potential Alternative Proposal including:

- (a) any material change to the terms referred to in clause 8.7(a)(i); or
- (b) any incomplete or non-binding proposal or expression of interest becoming complete, capable of acceptance or binding,

will be taken to constitute a new Alternative Proposal or Potential Alternative Proposal in respect of which Trafford must separately comply with its obligations under clause 8.6 to clause 8.8.

## **8.10 Standstill arrangements with other parties**

Except with the prior written consent of IronClad, Trafford must not amend or waive the terms of any standstill agreement or arrangement between Trafford and any person other than an IronClad Group member.

## **8.11 Return of Confidential Information**

If Trafford has at any time in the 12 months before the date of this Agreement provided any confidential information to a person other than an IronClad Group member in connection with an Alternative Proposal or Potential Alternative Proposal, Trafford must promptly request in writing the immediate return or destruction by that person of such confidential information, and must promptly exercise all rights available to it to ensure compliance with that request.

## **8.12 Compliance with law**

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this clause 8 or any part of it:
  - (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Trafford Board;
  - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
  - (iii) was, or is, or would be, unlawful for any other reason,then, to that extent (and only to that extent) Trafford will not be obliged to comply with that provision of clause 8.
- (b) The parties must not make or cause to be made any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 8.12.

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## **9. Reimbursement of costs**

### **9.1 Background**

This clause 9 has been agreed in circumstances where:

- (a) IronClad and Trafford believe that the Transaction will provide significant benefits to IronClad, Trafford and their respective shareholders, and IronClad and Trafford acknowledge that, if they enter into this Agreement and the Transaction is subsequently not implemented, each of IronClad and Trafford will incur significant costs, including those set out in clause 9.7;
- (b) IronClad requested that provision be made for the payments outlined in clause 9.2, without which IronClad would not have entered into this Agreement or otherwise agreed to implement the Transaction;
- (c) Trafford requested that provision be made for the payments outlined in clause 9.3, without which Trafford would not have entered into this Agreement or otherwise agreed to implement the Transaction; and
- (d) both the Trafford Board and IronClad Board:
  - (i) have received legal advice in relation to this Agreement and the operation of this clause 9; and
  - (ii) believes that it is appropriate for both parties to agree to the payments referred to in this clause 9 to secure IronClad's and Trafford's participation in the Transaction.

### **9.2 Payment by Trafford to IronClad of Reimbursement Fee**

Trafford agrees to pay to IronClad the Reimbursement Fee if, during the Exclusivity Period:

- (a) any Independent Trafford Director fails to recommend that Trafford Shareholders vote in favour of the Transaction (or any part of it) in the absence of a Superior Proposal or, having made such a recommendation, makes a public statement which withdraws, revises, revokes or qualifies that recommendation;
- (b) any Trafford Director recommends an Alternative Proposal;
- (c) an Alternative Proposal is publicly announced or made during the Exclusivity Period and that Alternative Proposal (or any related Alternative Proposal or Alternative Proposal arising out of that Alternative Proposal) is completed at any time prior to the first anniversary of the date of the public announcement of such Alternative Proposal;
- (d) the Condition in clause 2.2(j) is breached or not satisfied prior to 8am on the Second Court Date;
- (e) IronClad is entitled to terminate this Agreement in accordance with clause 11.1(e)(i) and has given the appropriate notice; or
- (f) the Meeting is not held before the Sunset Date following a deliberate act or omission by Trafford in breach of its obligations under this Agreement.

### **9.3 Payment by IronClad to Trafford of Reimbursement Fee**

IronClad agrees to pay to Trafford the Reimbursement Fee if, during the Exclusivity Period:

- (a) the Condition in clause 2.2(j) is breached or not satisfied prior to 8am on the Second Court Date;
- (b) Trafford is entitled to terminate this Agreement in accordance with clause 11.1(e)(ii) and has given the appropriate notice; or

### **9.4 No amount payable if Share Scheme becomes Effective**

Notwithstanding the occurrence of any event referred to in clauses 9.2 or 9.3, the Reimbursement Fee is not payable by either party if the Share Scheme becomes Effective.

### **9.5 Payment**

- (a) Trafford must pay IronClad the Reimbursement Fee within 5 Business Days of receipt by Trafford of a written demand for payment from IronClad. This demand may only be made after the occurrence of an event referred to in clause 9.2.
- (b) IronClad must pay Trafford the Reimbursement Fee within 5 Business Days of receipt by IronClad of a written demand for payment from Trafford. This demand may only be made after the occurrence of an event referred to in clause 9.3.

### **9.6 Refund of Reimbursement Fee**

If Trafford has actually paid to IronClad the Reimbursement Fee in accordance with this clause 9 and the Share Scheme becomes Effective, then, notwithstanding the occurrence of the relevant event referred to in clause 9.2(a) which resulted in the payment of the Reimbursement Fee by Trafford to IronClad, IronClad must refund the full amount of the Reimbursement Fee into an account nominated by Trafford, without set-off or withholding, within 5 Business Days of receipt by IronClad of a written demand for payment from Trafford.

### **9.7 Nature of payments**

The amount payable by Trafford to IronClad under clause 9.2, or by IronClad to Trafford under clause 9.3 has been calculated to reimburse the payee for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and the IronClad Board or Trafford Board (as applicable) time in planning and implementing the Transaction; and
- (d) out of pocket expenses incurred by the party and the party's employees, advisers and agents in planning and implementing the Transaction,

and the parties agree that:

- (e) the costs actually incurred by the parties will be of such a nature that they cannot all be accurately ascertained; and
- (f) the Reimbursement Fee is a genuine and reasonable pre-estimate of those costs.

## **9.8 Compliance with law**

- (a) This clause 9 does not impose an obligation on any party to pay the Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee:
  - (i) is declared by the Takeovers Panel to constitute unacceptable circumstances; or
  - (ii) is determined to be unenforceable or unlawful by a court,provided that all proper avenues of appeal and review, judicial and otherwise, have been exhausted.
- (b) The parties must not make or cause, or encourage, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 9.8(a).

## **9.9 Survival**

Any accrued obligations under this clause 9 survive termination of this Agreement.

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# **10. Announcement**

## **10.1 Announcement of Scheme**

Immediately after the execution of this Agreement, Trafford and IronClad must issue either a joint or separate public Announcement in agreed terms, including a statement by the Independent Trafford Directors that, subject to the Independent Expert concluding that the Share Scheme is in the best interests of Trafford Shareholders, they intend to recommend that Trafford Shareholders vote in favour of the Share Scheme subject to no Superior Proposal being made.

## **10.2 Restrictions on Announcements**

Neither party may make an Announcement relating to the subject matter of this Agreement or its termination or make public this Agreement (or any of its terms) unless the Announcement or publication:

- (a) is required by clause 10.1 or any other provision of this Agreement;
- (b) has the prior approval of the other party, such approval not to be unreasonably withheld; or
- (c) is required to be made by any applicable law.

### 10.3 Notice of Announcement

If a party is required to make an Announcement under clause 10.2(c), it must, to the extent practicable without that party breaching any applicable law, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the Announcement; and
- (b) a draft of the Announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft Announcement.

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## 11. Termination

### 11.1 When a party may terminate

Without limiting clause 2, this Agreement may be terminated:

- (a) **(before Relevant Date if Condition cannot be satisfied)** by either party, if, before the Relevant Date, a Condition solely or jointly for its benefit cannot be satisfied and is not waived by the time required in this Agreement for it to be satisfied or waived;
- (b) **(after Relevant Date if Condition has not been satisfied)** by either party, if, after the Relevant Date applicable to a Condition solely or jointly for its benefit, that Condition has not been satisfied or waived at that time;
- (c) **(after Sunset Date)** subject to clause 2.8, by either party, if the Effective Date has not occurred by the Sunset Date;
- (d) **(change of Independent Trafford Director recommendation)** by IronClad before the Second Court Date if any Independent Trafford Director publicly changes (including by attaching qualifications to) or withdraws (including by abstaining) their statement that they consider the Share Scheme to be in the best interests of Trafford Shareholders or their recommendation that Trafford Shareholders approve the Share Scheme, or any Independent Trafford Director or Common Director publicly recommends, promotes or otherwise endorses an Alternative Proposal, whether or not in accordance with clause 10.1;
- (e) **(termination for breach)** before the Second Court Date:
  - (i) by IronClad - if Trafford is in breach of this Agreement (including a breach of a representation or warranty under clause 12) and that breach is material and is not remedied by Trafford within 5 Business Days (or such shorter period ending on the Second Court Date) of Trafford receiving notice from IronClad of the details of the breach and its intention to terminate; and
  - (ii) by Trafford - if IronClad is in breach of this Agreement (including a representation or warranty under clause 12) and that breach is material and is not remedied by IronClad within 5 Business Days (or such shorter period ending on the Second Court Date) of IronClad receiving notice from Trafford of the details of the breach and its intention to terminate,

by giving notice in writing to the other party provided that neither party will be entitled to terminate this Agreement for a breach of a representation or warranty under clause 12 to the extent that the facts, matters and circumstances giving rise to the breach:

- (a) are disclosed in this Agreement;
- (b) are within the knowledge of the Common Directors; or
- (c) have been fully and fairly disclosed to the other party in writing prior to the date of this Agreement.

## 11.2 Obligations on termination

If a party terminates this Agreement under clause 11.1:

- (a) all obligations of the parties under this Agreement, other than under this clause 11 (**Termination**), clause 1 (**Definitions and Interpretation**), clause 10 (**Announcement**), clause 13 (**Release**), clause 15 (**Notices**) and 17 (**General**) immediately cease to be of further force or effect;
- (b) termination of this Agreement will be the sole remedy available to either party in respect of each and every breach of this Agreement; and
- (c) neither party will have any liability or obligation to the other party for any damage, loss, cost, fees, reimbursement, liability or expense of any kind under or in connection with this Agreement.

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## 12. Representation and warranties

### 12.1 Mutual representations and warranties

Each party represents and warrants to the other party that:

- (a) (**status**) it is a company limited by shares and is validly existing under relevant law;
- (b) (**power**) it has full legal capacity and power to:
  - (i) own its property and to carry on its Business; and
  - (ii) enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) (**corporate authority**) it has taken all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out the transactions that this Agreement contemplates;
- (d) (**Authorisations**) subject to obtaining those Authorisations contemplated under clauses 2.2(e), 2.2(h), 2.2(l), 2.4(e) and 2.4(g), it holds each Authorisation that is necessary or desirable to:
  - (i) enable it to execute this Agreement properly and to carry out the transactions that this Agreement contemplates;
  - (ii) ensure that this Agreement is legal, valid, binding and admissible in evidence; and

- (iii) enable it to carry on its Business properly,
- and it is complying in all material respects with any conditions to which any Authorisation is subject;
- (e) **(Agreement effective)** this Agreement constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
  - (f) **(no contravention)** neither its execution of this Agreement nor the carrying out by it of the transactions that this Agreement contemplates, does or will contravene:
    - (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
    - (ii) any material Authorisation;
    - (iii) any undertaking or instrument binding on it or any of its property; or
    - (iv) its constitution;
  - (g) **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could have a material adverse effect on it;
  - (h) **(no Insolvency Event)** it is not affected by an Insolvency Event; and
  - (i) **(not representative)** it is not entering into this Agreement in a representative capacity.

## 12.2 Trafford representations and warranties

Trafford represents and warrants to IronClad that:

- (a) **(exchanged information not false or misleading)** so far as the Trafford Board is aware, the information relating to the Business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Trafford, provided by Trafford to IronClad prior to the date of this Agreement in connection with this Transaction, is true and accurate in all material respects as at the date at which it was provided to IronClad, and Trafford has not knowingly or recklessly:
  - (i) omitted to disclose information to IronClad, the disclosure of which might reasonably be expected to have resulted in IronClad not entering into this Agreement, or entering into it on materially different terms;
  - (ii) omitted anything such as to make any part of the information provided to IronClad materially false or misleading;
  - (iii) included anything materially false or misleading; or
  - (iv) denied access to requested information with the intention of misleading IronClad;

- (b) **(Scheme Booklet not false or misleading)** as at the date of despatch of the Scheme Booklet, the Scheme Booklet (other than the IronClad Material) will not contain any material statement which is false or misleading (including because of any material omission);
- (c) **(complied with applicable law)** so far as the Trafford Board is aware, Trafford has complied with all applicable laws, to the extent that any instance of non-compliance, individually or in aggregate, could reasonably be expected to be a material adverse change in relation to Trafford;
- (d) **(Trafford projects)** other than as fully and fairly disclosed either to the market generally or to IronClad in writing prior to the execution of this Agreement, the title to the tenements held by Trafford or a Subsidiary of Trafford are beneficially owned by Trafford or a Subsidiary of Trafford, free from encumbrances and are in good standing;
- (e) **(continuous disclosure)** Trafford has complied in all material respects with the continuous disclosure obligations under the Listing Rules and is not withholding any information pursuant to an exception in Listing Rule 3.1A (save in respect of the Share Scheme and the Option Scheme);
- (f) **(no other approvals necessary)** it is not aware of any consents, approvals or other acts by a Government Agency that are necessary to effect Implementation, other than IronClad providing a statutory notification of the Transaction to the Treasury under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) if required to do so;
- (g) **(no default)** Trafford is not in default under any document or agreement binding on it or its assets and nothing has occurred which is, or would, with the giving of notice or lapse of time or both, constitute, an event of default, prepayment event or similar event under any such document or agreement, which individually or in aggregate could reasonably be expected to be a material adverse change in relation to Trafford;
- (h) **(termination events)** Trafford is not a party to a Material Contract under which any of the other parties may take a step unfavourable to Trafford (such as to terminate or suspend the agreement or arrangement or to require a payment or the adoption of less favourable terms) because of any change in the control of Trafford, any transaction contemplated by this Agreement or compliance with any provision of this Agreement; and
- (i) **(Schedule 1 accurately details Trafford capital)** Schedule 1 accurately records the total number and details of Trafford Shares and Trafford Options and Trafford has not issued (and is not required to issue) any other securities or instruments which are still outstanding (or may become outstanding) and which may convert or be converted into Trafford securities, other than as disclosed or as a result of the exercise of any existing Trafford Options and Trafford (and the Trafford Board) will not, as a result of the Transaction or any other transaction contemplated by this Agreement, permit or allow (to the extent to which they are able) any acceleration or early vesting of any of the securities referred to above.

### 12.3 IronClad representations and warranties

IronClad represents and warrants to Trafford that:

- (a) **(exchanged information not false or misleading)** so far as the IronClad Board is aware, the information relating to the Business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of IronClad, provided by IronClad to Trafford prior to the date of this Agreement in connection with this Transaction, is true and accurate in all material respects as at the date at which it was provided to Trafford, and IronClad has not knowingly or recklessly:
- (i) omitted to disclose information to Trafford, the disclosure of which might reasonably be expected to have resulted in Trafford not entering into this Agreement, or entering into it on materially different terms;
  - (ii) omitted anything such as to make any part of the information provided to Trafford materially false or misleading;
  - (iii) included anything materially false or misleading; or
  - (iv) denied access to requested information with the intention of misleading Trafford;
- (b) **(IronClad Material not false or misleading)** the IronClad Material as at the date of despatch of the Scheme Booklet will not contain any material statement which is false or misleading (including because of any material omission);
- (c) **(complied with applicable law)** so far as the IronClad Board is aware, IronClad has complied with all applicable laws to the extent that any instance of non-compliance individually or in aggregate, could reasonably be expected to be a material adverse change in relation to IronClad;
- (d) **(IronClad projects)** ) other than as fully and fairly disclosed either to the market generally or to Trafford in writing prior to the execution of this Agreement, the title to the tenements held by IronClad or a Subsidiary of IronClad are beneficially owned by IronClad or a Subsidiary of IronClad, free from encumbrances and are in good standing;
- (e) **(continuous disclosure)** IronClad has complied in all material respects with the continuous disclosure obligations under the Listing Rules and is not withholding any information pursuant to an exception in Listing Rule 3.1A (save in respect of the Share Scheme and the Option Scheme);
- (f) **(no other approvals necessary)** it is not aware of any consents, approvals or other acts by a Government Agency that are necessary to effect Implementation, other than IronClad providing a statutory notification of the Transaction to the Treasury under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) if required to do so;
- (g) **(no default)** IronClad is not in default under any document or agreement binding on it or its assets and nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement, which individually or in aggregate could reasonably be expected to be a material adverse change in relation to IronClad;
- (h) **(termination events)** IronClad is not a party to a Material Contract under which any of the other parties may take a step unfavourable to IronClad (such as to terminate or suspend the agreement or arrangement or to

require a payment or the adoption of less favourable terms) because of any change in the control of IronClad, any transaction contemplated by this Agreement or compliance with any provision of this Agreement; and

- (i) **(Schedule 3 accurately details IronClad capital)** Schedule 3 accurately records the total number and details of IronClad Shares and IronClad Options and IronClad has not issued (and is not required to issue) any other securities or instruments which are still outstanding (or may become outstanding) and which may convert or be converted into IronClad securities, other than as disclosed or as a result of the exercise of any existing IronClad Options and IronClad (and the IronClad Board) will not, as a result of the Transaction or any other transaction contemplated by this Agreement, permit or allow (to the extent to which they are able) any acceleration or early vesting of any of the securities referred to above.

#### **12.4 No representations made on economic or future matters**

Neither Trafford nor IronClad makes any representation or warranty in relation to the achievability of:

- (a) any economic, fiscal or other interpretations or evaluations by Trafford or IronClad; or
- (b) future matters, including future or forecast costs, prices, revenues or profits.

#### **12.5 Reliance on representations and warranties**

Each party acknowledges that the other party has executed this Agreement and agreed to take part in the transactions that this Agreement contemplates in reliance on the representations and warranties that are made in clauses 12.1, 12.2 and 12.3.

#### **12.6 When warranties are given**

Each representation and warranty given or made under clauses 12.1, 12.2 and 12.3 is given:

- (a) as at the date of this Agreement; and
- (b) as at 8.00am on the Second Court Date; and
- (c) at any other date at which the representation or warranty is expressed to be given,

as a separate warranty.

---

### **13. Release**

- (a) Trafford releases its rights, and agrees with Ironclad that it will not make a Claim, against any officer or employee of Ironclad in connection with:
  - (i) any breach of any representations or warranties made or given by Ironclad in this document; or
  - (ii) any disclosures to Trafford containing any statement which is false or misleading whether in content or by omission,

except where the officer or employee has not acted in good faith or has engaged in wilful misconduct. For the avoidance of doubt, nothing in this clause limits Trafford's termination rights (if any).

- (b) Ironclad releases its rights, and agrees with Trafford that it will not make a Claim, against any officer or employee of Ironclad in connection with:
  - (i) any breach of any representations or warranties made or given by Trafford in this document; or
  - (ii) any disclosures to Ironclad containing any statement which is false or misleading whether in content or by omission,

except where the officer or employee has not acted in good faith or has engaged in wilful misconduct. For the avoidance of doubt, nothing in this clause limits Ironclad's termination rights (if any).

- (c) Each party receives and holds the benefit of the releases set out in clauses 13(a) and 13(b) to the extent that it relates to its officers and employees and its past officers and employees as agent for them.
- (d) Clauses 13(a) and 13(b) are subject to any Corporations Act restriction and will be read down accordingly.

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## **14. GST**

### **14.1 GST interpretation**

In this Agreement:

- (a) any reference in this clause 14 to a term defined or used in the GST Law is, unless the context indicates otherwise, a reference to that term as defined or used in that Act;
- (b) if a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled; and
- (c) references to GST extend to any notional liability of any person for GST and to any amount which is treated as GST under the GST Law, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.

### **14.2 GST payable in addition to consideration for taxable supplies**

A recipient of a taxable supply made under or in connection with this Agreement must:

- (a) pay to the supplier, in addition to the consideration for the taxable supply, an amount equal to any GST paid or payable by the supplier in respect of the taxable supply, without deduction or set-off of any other amount; and
- (b) make the payment either when the consideration for the taxable supply is payable, or upon demand.

### **14.3 Tax invoice**

The supplier must issue a tax invoice to the recipient for any supply for which the supplier may recover GST from the recipient under or in connection with this Agreement.

### **14.4 Consideration exclusive of GST**

Any consideration or payment obligation in this Agreement is exclusive of GST unless stated otherwise.

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## **15. Notices**

Each communication (including each notice, consent, approval, request and demand) under or in connection with this Agreement:

- (a) must be in writing;
- (b) must be addressed to the address notified by the recipient to the other party from time to time. As at the date of this Agreement, the parties' respective addresses are the addresses as set out at page 1 of this Agreement;
- (c) must be signed by the party making it or (on that party's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that party;
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, of the addressee in accordance with clause 15(b); and
- (e) is taken to be received by the addressee:
  - (i) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
  - (ii) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting;
  - (iii) (in the case of facsimile) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the facsimile machine from which it was sent or other verification from the time of sending; and
  - (iv) (in the case of delivery by hand) on delivery,

but if the communication would, on the application of subclauses (i) to (iv), be taken to be received on a day that is not a Business Day or after 5.00pm on a Business Day, it is taken to be received at 9.00am on the next Business Day.

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## **16. Amendment and assignment**

### **16.1 Amendment**

This Agreement can only be amended, supplemented, replaced or novated by another document signed by the parties.

## **16.2 Assignment**

A party cannot:

- (a) assign, novate or otherwise deal with any of its rights or obligations under this Agreement; or
- (b) dispose of, declare a trust over or otherwise create an interest in its rights under this Agreement,

without the prior written consent of the other party.

---

## **17. General**

### **17.1 Governing law**

This Agreement is governed by and must be construed according to the law applying in Western Australia.

### **17.2 Jurisdiction**

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia, and any courts competent to determine appeals from any of those courts, with respect to any proceedings that may be brought at any time relating to or in connection with this Agreement; and
- (b) waives any objection that it may now or in the future have to the venue of any proceedings, and any claim that it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 17.2(a).

### **17.3 Liability for expenses**

- (a) IronClad must pay for all stamp duty payable on this Agreement or any instrument or transaction contemplated in or necessary to give effect to this Agreement.
- (b) Each party must pay its own expenses incurred in negotiating, preparing, executing and performing this Agreement and the proposed, attempted or actual implementation of this Agreement, the Share Scheme, the Scheme Booklet and this Agreement.

### **17.4 Further acts and documents**

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give full effect to this Agreement and the transactions contemplated by this Agreement.

### **17.5 Continuing obligations**

Any provision of this Agreement remaining to be performed or observed by the parties or having effect after the termination, completion or expiration of this Agreement remains in full force and effect and is binding on the parties and their personal representatives.

## **17.6 Waiver of rights**

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this Agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this Agreement.
- (b) A waiver or consent given by a party under this Agreement is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this Agreement operates as a waiver of another breach of that term or of a breach of any other term of this Agreement.

## **17.7 No partnership or agency**

Nothing in this Agreement is to be treated as creating a partnership and, except as specifically provided in this Agreement, no party may act as agent of or in any way bind another party to any obligation.

## **17.8 Indemnities**

- (a) Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this Agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this Agreement.
- (c) A party must pay on demand any amount it must pay under an indemnity in this Agreement.

## **17.9 Consents**

Where this Agreement contemplates that a party may agree or consent to something (however it is described), the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions,

unless this Agreement expressly contemplates otherwise.

## **17.10 Severance and enforceability**

Any provision, or the application of any provision, of this Agreement that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Agreement in that or any other jurisdiction.

## **17.11 No merger**

The rights and obligations of the parties under this Agreement do not merge on completion of any transaction under this Agreement, and survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction under this Agreement.

### **17.12 Entire agreement**

To the extent permitted by law, in relation to its subject matter this Agreement:

- (a) embodies the entire understanding of the parties, and constitutes the entire terms agreed by the parties; and
- (b) supersedes any prior written or other agreement of the parties.

### **17.13 Counterparts**

This Agreement may be executed in any number of counterparts and by the parties on separate counterparts, including by facsimile. Each counterpart constitutes an original of this Agreement and all together constitute one agreement.

### **17.14 Attorneys**

Each person who executes this Agreement on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

## Schedule 1 - Trafford securities

### 1. Shares

Trafford has 124,866,562 fully paid ordinary shares on issue.

### 2. Options

Trafford has on issue the following options to subscribe for fully paid shares:

Tranche	Quoted/ Unquoted	Expiry Date	Exercise Price	Number
1.	Quoted	20 May 2015	\$0.20	25,700,963
2.	Quoted	16 February 2015	\$0.10	8,687,174
<b>Total</b>	-	-	-	<b>34,888,137</b>

The Tranche 2 options will lapse in accordance with their terms before the Effective Date and will not form part of the Transaction.

### 3. Performance rights

Trafford has 3,786,500 performance rights convertible into fully paid shares.

## Schedule 2 - Indicative Timetable

Event	Date
Both parties sign Agreement Both parties announce Transaction	Tuesday, 23 December 2014
Independent Expert's Report completed	Monday, 9 February 2015
Trafford files and originating process and affidavit in support (annexing scheme documents) seeking order to convene meetings of Trafford Shareholders and Scheme Optionholders and approving the scheme booklet/notice of meetings Trafford gives notice of the application to ASIC	Monday, 16 February 2015
ASIC considers the scheme booklet and decides whether to appear at the hearing to approve the booklet	Monday, 9 February 2015 - Monday, 23 February 2015
Hearing of application for orders to approve the scheme booklet and convene the meetings of Trafford Shareholders and Scheme Optionholders ( <b>First Court Hearing</b> )	Tuesday, 24 February 2015
Despatch scheme booklet/notice of meetings to Trafford Shareholders and Scheme Optionholders	Monday, 2 March 2015
Time and date to determine eligibility to vote at the meetings of Trafford Shareholders and Scheme Optionholders Proxies to be received from Trafford Shareholders and Scheme Optionholders	Tuesday, 31 March 2015
Trafford Shareholders meeting for approval of the Share Scheme Scheme Optionholders meeting for approval of the Option Scheme (together, <b>Scheme Meetings</b> ) Both parties announce the security holders' decision	Thursday, 2 April 2015
Court hearing of application for orders approving the Share Scheme and the Option Scheme ( <b>Second Court Hearing</b> ) Both parties announce the Court approval and Trafford's intention to lodge the Court order with ASIC	Tuesday, 7 April 2015
Lodge office copy of orders with ASIC ( <b>Effective Date</b> ) and announce lodgement with ASX Last day of trading of Trafford Shares and Scheme Options on ASX	Wednesday, 8 April 2015
Trading of IronClad Shares and IronClad Options commences on a deferred settlement basis	Thursday, 9 April 2015
Record Date for determining entitlements under the Share Scheme and the Option Scheme	Wednesday, 15 April 2015
Issue of IronClad Shares and IronClad Options to Trafford Shareholders and Scheme Optionholders pursuant to the Share Scheme and the Option Scheme ( <b>Implementation Date</b> ) Last day of deferred settlement trading in IronClad Shares and IronClad Options	Wednesday, 22 April 2015
IronClad Shares and IronClad Options start trading on a normal settlement basis	Thursday, 23 April 2015

### **Schedule 3 - IronClad securities**

**1. Shares**

IronClad has 108,203,871 fully paid ordinary shares on issue.

**2. Options**

IronClad has no options to subscribe for fully paid shares on issue.

**3. Performance rights**

IronClad has no performance rights convertible into fully paid shares on issue.

## Schedule 4 - Terms and Conditions of New IronClad Options

The following terms and conditions apply to the New IronClad Options (**Options**):

### 1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of IronClad (**Share**) upon exercise of the Option.

### 2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.20 per Option (**Exercise Price**) and an expiry date of 20 May 2016 (**Expiry Date**).

### 3. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 4. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to IronClad in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to IronClad.

### 5. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 6. Quotation

IronClad will apply for quotation of the Options on ASX.

### 7. Quotation of Shares issued on exercise

Application will be made by IronClad to ASX for quotation of the Shares issued upon the exercise of the Options.

### 8. Timing of issue of Shares on exercise

After an Option is validly exercised, IronClad must, within, 15 business days of receipt of the Notice of Exercise and receipt of cleared funds equal to the Exercise Price of the exercised Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 10 business days after issuing the Share.

### 9. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of IronClad.

### 10. Reconstruction of capital

In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of IronClad prior to the expiry date of the Options, all rights of the Option holder will be varied in accordance with the Listing Rules.

#### **11. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

#### **12. Change in exercise price**

There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of IronClad making a pro-rata issue of Shares or other securities to the holders of Shares in IronClad (other than a bonus issue).

#### **13. Adjustment for bonus issues**

If IronClad makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Option exercise price.

#### **14. Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## Schedule 5 - Share Scheme of Arrangement

**Share Scheme of Arrangement**  
pursuant to Section 411 of the Corporations Act

Trafford Resources Limited  
ACN 112 257 299

and

Each Scheme Shareholder

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# Share Scheme of Arrangement

Date

2014

**Parties**      **Trafford Resources Limited ACN 112 257 299** of Level 2, 679 Murray Street,  
West Perth, Western Australia (**Trafford**)

and

**Each Scheme Shareholder**

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## 1. Definitions and interpretation

### 1.1 Definitions

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Operating Rules** means the operating rules of ASX Settlement.

**ASX Settlement** means ASX Settlement Pty Ltd ACN 008 504 532.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

**CHESS** means the Clearing House Electronic Sub-register System, for the electronic transfer of securities, operated by ASX Settlement.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or the Supreme Court of Western Australia or such other court of competent jurisdiction as agreed by IronClad and Trafford in writing.

**Effective Date** means the date on which the Share Scheme becomes Effective.

**Effective** means, when used in relation to the Share Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Share Scheme.

**Implementation Date** means the fifth Business Day after the Record Date, or such other date as Trafford and IronClad may agree in writing, may be ordered by the Court or may be required by ASX.

**Ineligible Foreign Holder** means a Scheme Shareholder whose address in the Share Register is in a jurisdiction outside Australia and its external territories, New Zealand and Singapore, except where IronClad and Trafford are reasonably satisfied that the issue of New IronClad Shares in that jurisdiction under the Share Scheme would be neither prohibited by law nor unduly onerous.

**IronClad** means IronClad Mining Limited ACN 124 990 405.

**IronClad Register** means the register of members of IronClad maintained by Computershare Limited and **IronClad Registry** has a corresponding meaning.

**IronClad Share** means a fully paid ordinary share in the capital of IronClad.

**Listing Rules** means the listing rules of ASX.

**Merger Implementation Agreement** means the merger implementation agreement dated 23 December 2014 between Trafford and IronClad.

**New IronClad Shares** means those IronClad Shares to be issued (as Scheme Consideration) to (or in respect of) Scheme Shareholders as consideration for their Scheme Shares.

**Option Scheme Meeting** means the meeting of Scheme Optionholders, to be convened by the Court pursuant to section 411(1) of the Corporations Act, to consider and vote on the Option Scheme.

**Option Scheme** or **Option Scheme of Arrangement** means the scheme of arrangement under Part 5.1 of the Corporations Act between Trafford and the Scheme Optionholders subject to any modifications or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by IronClad and Trafford.

**Option Scheme Record Date** means the "Record Date" as defined in the Option Scheme.

**Record Date** means 5.00pm on the fifth Business Day after the Effective Date, or any other date agreed by Trafford and IronClad.

**Registered Address** means, in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the Share Register.

**Sale Agent** means the person chosen by Trafford and IronClad and (if necessary) approved by ASIC to sell the New IronClad Shares that are attributable to Ineligible Foreign Holders under the terms of this Share Scheme (or any nominee of such person).

**Scheme Options** means the 25,700,963 Trafford Options on issue and quoted on ASX, with an exercise price of \$0.20 each and expiring on 20 May 2015.

**Scheme Optionholder** means each person recorded in the register of optionholders of Trafford as a holder of Scheme Options as at the Option Scheme Record Date.

**Scheme Shareholder** means each person who is registered in the Share Register as a holder of Scheme Shares as at the Record Date.

**Scheme Shares** means the Trafford Shares on issue as at the Record Date.

**Second Court Date** means the first day of the Second Court Hearing, or if the application at such hearing is adjourned or subject to an appeal for any reason, the first day on which the adjourned or appealed application is heard.

**Second Court Hearing** means the hearing of the Court of the application for an order pursuant to section 411(4)(b) of the Corporations Act approving this Share Scheme.

**Share Register** means the register of Trafford members maintained by Advanced Share Registry Services and Share Registry has a corresponding meaning.

**Share Scheme Consideration** means the consideration to be provided by IronClad to Scheme Shareholders for the transfer of their Scheme Shares under the terms of the Share Scheme, being 1 New IronClad Share for every 1 Scheme Share.

**Share Scheme Deed Poll** means the deed poll executed by IronClad on or about 23 December 2014 in favour of each Scheme Shareholder as set out in Annexure A.

**Share Scheme Meeting** means the meeting of Scheme Shareholders, to be convened by the Court pursuant to section 411(1) of the Corporations Act, to consider and vote on the Share Scheme.

**Share Scheme or Share Scheme of Arrangement** means the scheme of arrangement under Part 5.1 of the Corporations Act recorded in this document subject to any modifications or conditions made or required by the Court under section 411(6) of the Corporations Act.

**Shareholder** means a holder of a Trafford Share.

**Subsidiary** of an entity means another entity which is a subsidiary of the first within the meaning of Division 6 of Part 1.2 of the Corporations Act or is a subsidiary or otherwise controlled by the first within the meaning of any approved accounting standard.

**Sunset Date** means 31 July 2015 or such date as extended by agreement between Trafford and IronClad.

**Trafford** means Trafford Resources Limited ACN 112 257 299.

**Trafford Option** means an option to subscribe for a Trafford Share.

**Trafford Share** means a fully paid ordinary share in Trafford.

## 1.2 Interpretation

In this Share Scheme:

- (a) headings are for convenience only and do not affect interpretation; and
- (b) unless the context indicates otherwise:
  - (i) a word or phrase in the singular number includes the plural, a word or phrase in the plural number includes the singular, and a word indicating a gender includes every other gender;
  - (ii) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
  - (iii) a reference to:
    - (A) a clause or schedule is a reference to a clause or schedule of this Scheme;
    - (B) a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation;

- (C) a document in writing includes a document produced by means of typewriting, printing, lithography, photography and other modes of representing or reproducing words in a visible form, recorded by any electronic, magnetic, photographic or other medium by which information may be stored or reproduced;
  - (D) a document (including this Scheme) includes a reference to all schedules, exhibits, attachments and annexures to it, and is to that document as varied, novated, ratified or replaced from time to time;
  - (E) legislation or to a provision of legislation includes any consolidation, amendment, re-enactment, substitute or replacement of or for it, and refers also to any regulation or statutory instrument issued or delegated legislation made under it;
  - (F) a person includes an individual, the estate of an individual, a corporation, an authority, an unincorporated body, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to a day is to a period of time commencing at midnight and ending twenty four (24) hours later;
  - (d) a reference to a Chapter, Part, Division or section is a reference to a Chapter, Part, Division or section of the Corporations Act;
  - (e) the word "includes" in any form is not a word of limitation;
  - (f) a reference to "information" is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programmes, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets;
  - (g) the words "entity" and "officer" have the same meaning as in section 9 of the Corporations Act, and "control" has the same meaning as in section 50AA of the Corporations Act;
  - (h) time is a reference to time in Perth, Western Australia;
  - (i) a reference to "\$" or "dollar" is to Australian currency;
  - (j) a contravention of or a breach of any of the representations and warranties includes any of the representations and warranties not being complete, true and correct;
  - (k) each representation and warranty is a separate representation and warranty, and its meaning is not affected by any other representation or warranty;
  - (l) a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
  - (m) when a day on or by which anything to be done is not a Business Day, that thing may be done on or by the next Business Day.

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## **2. Preliminary**

### **2.1 Trafford**

- (a) Trafford is a public company limited by shares, incorporated in Australia and registered in Western Australia.
- (b) As at the date of this document:
  - (i) 124,866,562 Trafford Shares were on issue;
  - (ii) 25,700,963 quoted Trafford Options were on issue, exercisable at \$0.25 each on or before 20 May 2015;
  - (iii) 8,687,174 quoted Trafford Options were on issue, exercisable at \$0.10 each on or before 16 February 2015; and
  - (iv) 3,786,500 performance rights convertible into ordinary fully paid shares in Trafford were on issue.
- (c) Trafford has been admitted to the official list of ASX and its shares have been granted official quotation.

### **2.2 IronClad**

- (a) IronClad is a public company limited by shares, incorporated in Australia and registered in Western Australia.
- (b) As at the date of this document, 108,203,871 IronClad Shares were on issue.
- (c) IronClad has been admitted to the official list of ASX and its shares have been granted official quotation.

### **2.3 Share Scheme summary**

If this Share Scheme becomes Effective, then:

- (a) in consideration for the transfer of each Scheme Share to IronClad, IronClad will be obliged to provide the Share Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Holders who will be dealt with in accordance with clause 4.9);
- (b) each Scheme Shareholder will be bound to transfer their Scheme Shares, and all rights and obligations attaching to them as at the Implementation Date, to IronClad and Trafford will enter IronClad's name and registered address in the Share Register as the holder of all Scheme Shares; and
- (c) on the transfer of all Scheme Shares to IronClad, Trafford will become a wholly owned Subsidiary of IronClad.

### **2.4 Implementation**

- (a) IronClad has entered into the Share Scheme Deed Poll pursuant to which it has, among other things, covenanted to carry out its obligations (including its obligation to provide the Share Scheme Consideration, subject to clause 4.9 of this Share Scheme, to Scheme Shareholders) as contemplated by this Share Scheme.

- (b) Trafford and IronClad have also entered into the Merger Implementation Agreement, which sets out the terms on which Trafford and IronClad have agreed to implement the Scheme.

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### 3. Conditions precedent and effectiveness

#### 3.1 Conditions precedent

The conditions precedent to this Share Scheme becoming Effective are:

- (a) **(Share Scheme approval)** this Share Scheme being approved, in accordance with section 411(4)(a) of the Corporations Act, at the Share Scheme Meeting;
- (b) **(Option Scheme approval)** the Option Scheme being approved, in accordance with section 411(4)(a) of the Corporations Act, at the Option Scheme Meeting;
- (c) **(conditions precedent to Merger Implementation Agreement)** all of the conditions set out in clause 2.2 of the Merger Implementation Agreement (other than the conditions set out in clauses 2.2(e) and 2.2(f)) being satisfied or waived in accordance with the terms of the Merger Implementation Agreement by the times indicated in the Merger Implementation Agreement;
- (d) **(no termination)** the Merger Implementation Agreement or Share Scheme Deed Poll not being terminated prior to 8.00am on the Second Court Date;
- (e) **(Court approval)** the approval by the Court of this Share Scheme, pursuant to section 411(4)(b) of the Corporations Act, being given;
- (f) **(ASIC lodgement)** the lodgement with ASIC of an office copy of the Court order approving the Share Scheme under section 411(4)(b) of the Corporations Act;
- (g) **(Court conditions)** such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Share Scheme as are acceptable to IronClad and Trafford being satisfied;
- (h) **(Court approval of Option Scheme)** the approval by the Court of the Option Scheme, pursuant to section 411(4)(b) of the Corporations Act, being given;
- (i) **(ASIC lodgement)** the lodgement with ASIC of an office copy of the Court order approving the Option Scheme under section 411(4)(b) of the Corporations Act; and
- (j) **(Court conditions for Option Scheme)** such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Option Scheme as are acceptable to IronClad and Trafford being satisfied.

The satisfaction of each of paragraphs (a), (c), (d), (e), (f) and (g) of this clause 3.1 is a condition precedent to the operation of this Share Scheme and this Share Scheme will be of no effect unless these conditions precedent are satisfied. The conditions precedent in paragraphs 3.1(b), (h), 3.1(i) and (j) may be waived in IronClad's absolute discretion and this Share Scheme will be of no effect unless these conditions precedent are satisfied or waived.

### **3.2 Certificate**

IronClad and Trafford will provide to the Court at the Second Court Hearing a certificate confirming:

- (a) whether or not all of the conditions in clause 2.2 of the Merger Implementation Agreement (other than those set out in clauses 2.2(e) and (f) of the Merger Implementation Agreement) have been satisfied or waived in accordance with the terms of the Merger Implementation Agreement; and
- (b) the Merger Implementation Agreement and the Share Scheme Deed Poll have not been terminated in accordance with their terms.

Such certificate constitutes conclusive evidence that those conditions are satisfied, waived or taken to be waived.

### **3.3 Merger Implementation Agreement**

If the Merger Implementation Agreement is terminated in accordance with its terms prior to 8.00am on the Second Court Date, IronClad and Trafford are each immediately released from any further obligation to take steps to implement the Share Scheme.

### **3.4 Sunset Date**

This Share Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

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## **4. Implementation of the Share Scheme**

### **4.1 Court order**

This Share Scheme will become binding on Trafford and each Scheme Shareholder if and only if the Court makes an order under section 411(4)(b) of the Corporations Act approving this Share Scheme and that order becomes effective under section 411(10) of the Corporations Act.

### **4.2 Lodgement with ASIC**

Trafford will lodge with ASIC an office copy of the order of the Court made under section 411(4)(b) of the Corporations Act approving this Share Scheme as soon as practicable and, in any event, by 5.00pm on the first Business Day after:

- (a) the Court approves the Share Scheme; or
- (b) the date of satisfaction of the conditions precedent referred to in clause 3.1 of this Share Scheme,

whichever is the later.

### **4.3 Transfer of Scheme Shares**

Subject to clause 4.4, all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to IronClad on the Implementation Date (without the need for any further act by a Scheme Shareholder other than acts performed by Trafford pursuant to the authority in clause 4.10) by

Trafford effecting a valid transfer or transfers under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:

- (a) Trafford executing and delivering to IronClad, pursuant to the authority in clause 4.10, a valid share transfer form or forms (which may be a master transfer) to transfer all of the Scheme Shares to IronClad;
- (b) IronClad executing and delivering that share transfer form or those forms to Trafford; and
- (c) Trafford, immediately upon receipt of the executed share transfer form or forms, entering the name and address of IronClad in the Share Register as the holder of all Scheme Shares.

#### **4.4 Consideration under this Share Scheme**

Subject to and in accordance with the other terms and conditions of this Share Scheme, in consideration for the transfer of each Scheme Share to IronClad, IronClad will on the Implementation Date issue to each Scheme Shareholder the number of New IronClad Shares as are due to that Scheme Shareholder as Share Scheme Consideration.

#### **4.5 Joint holders**

In the case of Scheme Shares held in joint names, any certificates or uncertificated holding statements for New IronClad Shares to be issued to Share Scheme Shareholders will be issued in the names of the joint holders and will be forwarded to the holder whose name appears first in the Share Register on the Record Date.

#### **4.6 Fractional entitlements**

Where the calculation of the total number of New IronClad Shares to be issued to (or in respect of) a particular Share Scheme Shareholder would result in a fractional entitlement to a New IronClad Share, then, any such fractional entitlement:

- (a) if to less than 0.5 of a New IronClad Share, will be rounded down to the nearest whole number of New IronClad Shares; and
- (b) if to 0.5 or more of a New IronClad Share, will be rounded up to the nearest whole number of New IronClad Shares.

#### **4.7 Shareholding splitting or division**

- (a) If IronClad is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 4.6) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, IronClad may give notice to those Scheme Shareholders:
  - (i) setting out their names and Registered Addresses;
  - (ii) stating that opinion; and
  - (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the other provisions of this Share Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of this Share Scheme, be taken to hold no Scheme Shares.

- (b) IronClad, in complying with the other provisions of this Share Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of this Share Scheme.

#### **4.8 Scheme Shareholders bound**

Each Scheme Shareholder who is to receive New IronClad Shares under this Share Scheme agrees (for all purposes including section 231 of the Corporations Act) to:

- (a) become a member of IronClad and to accept the New IronClad Shares issued to them under this Share Scheme subject to, and to be bound by, IronClad's constitution and other constituent documents; and
- (b) have their name and address entered into the IronClad Register.

#### **4.9 Ineligible Foreign Holders**

- (a) IronClad will be under no obligation under this Share Scheme to issue, and will not issue, any New IronClad Shares to Ineligible Foreign Holders, and instead:
  - (i) all the New IronClad Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Share Scheme, if they were eligible to receive them, will be issued to the Sale Agent;
  - (ii) IronClad will procure that, as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date), the Sale Agent sells on ASX all of the New IronClad Shares issued to the Sale Agent pursuant to clause 4.9(a)(i) in such manner, at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to IronClad the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**); and
  - (iii) IronClad will pay to each Ineligible Foreign Holder such fraction of the Proceeds as is equal to the number of New IronClad Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive New IronClad Shares) divided by the total number of New IronClad Shares issued to the Sale Agent under clause 4.9(a)(i), promptly after the last sale of New IronClad Shares by the Sale Agent,

in full satisfaction of IronClad's obligations to those Ineligible Foreign Holders under the Share Scheme in respect of the Share Scheme Consideration.

- (b) IronClad will pay the relevant fraction of the Proceeds to each Ineligible Foreign Holder by either:
  - (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
  - (ii) making a deposit in an account with any ADI (as defined in the Banking Act 1959 (Cth)) in Australia notified by that Ineligible Foreign Holder to Trafford (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date,for the relevant amount, with that amount being denominated in Australian dollars.
- (c) Each Ineligible Foreign Holder appoints Trafford as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Holders under the Corporations Act.

#### **4.10 Authority given to Trafford**

- (a) Each Scheme Shareholder will be deemed (without the need for any further act) to have irrevocably appointed Trafford (and each of its directors and officers, jointly and severally) as agent and attorney to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement and give full effect to this Share Scheme and the transactions contemplated by it, including (without limitation):
  - (i) executing a proper instrument of transfer (including for the purposes of section 1071B of the Corporations Act) of their Scheme Shares in favour of IronClad, which may be a master transfer of some or all Scheme Shares; and
  - (ii) where Scheme Shares are held in a CHESS holding, causing a message to be transmitted to ASX Settlement in accordance with the ASX Operating Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS sub-register to the issuer sponsored sub-register operated by Trafford and subsequently completing a proper instrument of transfer under paragraph (a) above.
- (b) Trafford accepts each such appointment and, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under clause 4.10(a) to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

#### **4.11 Appointment of sole proxy**

Upon the Share Scheme Consideration being issued by IronClad pursuant to this clause 4 and until Trafford registers IronClad as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed IronClad as attorney and agent (and directed IronClad in such capacity) to appoint the chairman of IronClad as its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares

registered in their name and sign any shareholders' resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 4.11(a));

- (b) acknowledges and agrees that in exercising the powers referred to in clause 4.11(a), IronClad or a director of IronClad may act in the best interests of IronClad as the intended registered holder of the Scheme Shares; and
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as IronClad reasonably directs.

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## **5. IronClad's obligations and ancillary matters**

### **5.1 Trafford notice and Scheme Shareholder consent**

- (a) As soon as practicable after the Record Date, and in any event at least 2 Business Days before the Implementation Date, Trafford will give to IronClad (or procure that IronClad be given) details of the names and addresses shown in the Share Register of all Scheme Shareholders and the number of Scheme Shares held by each of them at the Record Date (in such form as may be reasonably requested by IronClad).
- (b) Scheme Shareholders agree that any information referred to in clause 5.1(a) may be disclosed to IronClad, IronClad's advisors, Trafford's advisors and other service providers (including the IronClad Registry) to the extent necessary to effect the Share Scheme.

### **5.2 Provision of Share Scheme Consideration**

Subject to clauses 4.6, 4.7 and 4.9, IronClad will provide to each Scheme Shareholder the Share Scheme Consideration to which that Scheme Shareholder is entitled by:

- (a) on the Implementation Date, issuing to that Scheme Shareholder 1 New IronClad Share for every 1 Scheme Share registered in the name of that Scheme Shareholder in the Share Register at the Record Date, which obligation will be satisfied by causing the name and Registered Address (at the Record Date) of that Scheme Shareholder to be entered into the IronClad Register as the holder of the New IronClad Shares issued to that Scheme Shareholder; and
- (b) within 5 Business Days after the Implementation Date, procuring the dispatch to that Scheme Shareholder of a certificate or uncertificated holding statement in the name of that Scheme Shareholder relating to the number of New IronClad Shares issued to that Scheme Shareholder.

### **5.3 Status of New IronClad Shares**

The New IronClad Shares to be issued in accordance with this Share Scheme will:

- (a) be validly issued;
- (b) be fully paid; and
- (c) rank equally in all respects with all other IronClad Shares then on issue (other than in respect of any dividend already declared and not yet paid by

IronClad, where the record date for entitlement to that dividend occurred prior to the Implementation Date).

#### **5.4 Deferred settlement trading**

IronClad will use its best endeavours to ensure that the New IronClad Shares are quoted on ASX as soon as practicable after the Effective Date, initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

#### **5.5 Appointment of IronClad as attorney and agent**

Each Scheme Shareholder, without need for any further act, irrevocably appoints IronClad and each of its directors and officers, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any form of application required for New IronClad Shares to be issued to that Scheme Shareholder under the Share Scheme.

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## **6. Dealings in Trafford Shares**

### **6.1 No allotment or issue**

No Trafford Shares will be allotted or issued by Trafford after the Effective Date and before the Implementation Date.

### **6.2 No dealings after Record Date**

Where this Share Scheme becomes binding as provided by clause 4.1, for the purposes of determining who are Scheme Shareholders, dealings in Trafford Shares will only be recognised if:

- (a) in the case of dealings of a type to be effected using CHES, the transferee is registered in the Share Register as the holder of the Trafford Shares by the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Share Registry by the Record Date.

Trafford will register registrable transfers or transmission applications of the kind referred to in clause 6.2(b) on or before the Record Date.

### **6.3 No registration of transfers**

Trafford will not accept for registration nor recognise for any purpose any transmission application, transfer or other dealing in respect of Scheme Shares received after the Record Date, other than a transfer to IronClad in accordance with this Share Scheme.

### **6.4 Statements of holding**

All statements of holdings (or certificates) for Scheme Shares will cease to have any effect from the Record Date as documents of title in respect of such Scheme Shares. As from the Record Date, each entry current at that date on the Share Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Share Scheme Consideration.

## **6.5 Maintenance of Share Register**

In order to determine entitlements to the Share Scheme Consideration, Trafford will maintain, or procure the maintenance of, the Share Register in accordance with this clause 6 until the Share Scheme Consideration has been provided to Scheme Shareholders, and the Share Register in this form will solely determine entitlements to the Share Scheme Consideration.

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## **7. Quotation of Trafford Shares**

### **7.1 Suspension of trading**

Trafford will apply to ASX for suspension of trading of Trafford Shares on ASX after the close of trading on ASX on the Effective Date. It is anticipated that suspension of trading in Trafford Shares will occur from the commencement of the Business Day following the day on which Trafford notifies ASX of this Share Scheme becoming Effective.

### **7.2 Termination of quotation**

After the Implementation Date, Trafford will apply for termination of the official quotation of Trafford Shares and to have itself removed from the official list of ASX.

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## **8. General**

### **8.1 Share Scheme binding**

Each Scheme Shareholder will transfer their Scheme Shares to IronClad (together with all rights and entitlements attaching to those Scheme Shares) in accordance with the terms of this Share Scheme and this Share Scheme binds Trafford and all Scheme Shareholders (including those who do not attend the Share Scheme Meeting, do not vote at the Share Scheme Meeting, or vote against this Share Scheme at the Share Scheme Meeting) and, to the extent of any inconsistency, this Share Scheme overrides the constitution of Trafford.

### **8.2 Enforcement of Share Scheme Deed Poll**

- (a) Each Scheme Shareholder appoints Trafford as its agent and attorney to enforce the Share Scheme Deed Poll against IronClad.
- (b) Trafford undertakes in favour of each Scheme Shareholder to enforce the Share Scheme Deed Poll against IronClad on behalf of, and as agent and attorney for, the Scheme Shareholders.

### **8.3 Modifications and amendments**

Trafford may by its counsel or solicitors (but only with the prior consent of IronClad, which consent may not be unreasonably withheld or delayed) consent on behalf of all persons concerned (including the Scheme Shareholders) to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of this Share Scheme.

### **8.4 Accidental omissions and non-receipt of notice**

The accidental omission to give notice of the Share Scheme Meeting to any holder of Trafford Shares or the non-receipt of such a notice by any holder of Trafford Shares

will not, unless so ordered by the Court, invalidate the Share Scheme Meeting or the proceedings at the Share Scheme Meeting.

## **8.5 Status of Scheme Shares**

- (a) Each Scheme Shareholder is deemed to have warranted to Trafford, in its own right and for the benefit of IronClad, that all of their Scheme Shares which are transferred to IronClad under the Share Scheme will, at the date of transfer of them to IronClad, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares to IronClad.
- (b) IronClad will be beneficially entitled to the Scheme Shares transferred to it under this Share Scheme pending registration by Trafford of the name and registered address of IronClad in the Share Register as the holder of the Scheme Shares.

## **8.6 Binding instruction or notification**

Except for a Scheme Shareholder's tax file number, any binding instruction or notification from a Scheme Shareholder to Trafford relating to Scheme Shares at the Record Date (including any instructions relating to the payment of dividends or communications) will, from the Record Date, be deemed (except to the extent inconsistent with the other provisions of this Share Scheme or as determined otherwise by IronClad in its sole discretion) to be a similarly binding instruction or notification to IronClad in respect of the New IronClad Shares issued to the Scheme Shareholder until such time as it is revoked or amended in writing addressed to IronClad at the IronClad Registry.

## **8.7 Notices**

Each communication (including each notice, transfer, transmission application, direction or other communication) under or in connection with this Share Scheme:

- (a) must be in writing;
- (b) must be addressed to:
  - (i) in the case of Trafford - Trafford's registered office or the Share Registry; and
  - (ii) in the case of Scheme Shareholders - the Registered Address of the relevant Scheme Shareholder at the Record Date;
- (c) must be signed by the sender or (on that sender's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that sender;
- (d) must be delivered by hand or posted by prepaid post (or by airmail in the case of Scheme Shareholders with overseas Registered Addresses) to the address of the addressee in accordance with clause (b); and
- (e) is taken to be received by the addressee:
  - (i) where the addressee is Trafford and the communication is sent by prepaid post, on the day it is actually received at Trafford's registered office or the Share Registry; and

- (ii) in all other cases, by the addressee:
  - (A) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
  - (B) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting;
  - (C) (in the case of delivery by hand) on delivery,

but if the communication would, on the application of clauses (A) to (C), be taken to be received on a day that is not a Business Day or after 5.00pm on a Business Day, it is taken to be received at 9.00am on the next Business Day.

## **8.8 Further obligations**

Trafford and IronClad must each execute all deeds and other documents (including transfers) and do all acts and things as may be necessary or expedient on its part to implement and give full effect to this Share Scheme in accordance with its terms.

## **8.9 No liability**

Neither Trafford nor IronClad, nor any of their respective officers, is liable to Scheme Shareholders for anything done or for anything omitted to be done in performance of this Share Scheme in good faith.

## **8.10 Costs and stamp duty**

Trafford will pay the costs of the Share Scheme other than duty. All duty (if any) payable and any related fines, interest and penalties in connection with the transfer of the Scheme Shares to IronClad will be payable by IronClad.

## **8.11 Governing law**

This Share Scheme is governed by and must be construed according to the laws applying in Western Australia.

## **8.12 Jurisdiction**

Trafford, Scheme Shareholders and IronClad each submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waive any right they might have to claim that those courts are an inconvenient forum.

## Annexure A - Share Scheme Deed Poll

## Schedule 6 - Share Scheme Deed Poll

## Share Scheme Deed Poll

IronClad Mining Limited  
ACN 124 990 405

Date

2014

**Parties** IronClad Mining Limited ACN 124 990 405 of Level 2, 679 Murray Street, West Perth, Western Australia (IronClad)

In favour of each holder of fully paid ordinary shares in the capital of Trafford Resources Limited ACN 112 257 299 on issue as at 5.00pm on the Record Date (each a **Scheme Shareholder**)

## Recitals

- A. IronClad and Trafford have entered into the Merger Implementation Agreement.
- B. Trafford has agreed in the Merger Implementation Agreement to propose the Share Scheme.
- C. Under the Share Scheme, all Trafford Shares held by Scheme Shareholders will be transferred to IronClad for the Share Scheme Consideration.
- D. In accordance with the Merger Implementation Agreement, IronClad is entering into this Deed to covenant in favour of the Scheme Shareholders to perform its obligations under the Share Scheme.

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# 1. Definitions and Interpretation

## 1.1 Definitions

In this Deed, unless the context requires otherwise:

**Deed** means this Share Scheme Deed Poll.

**Merger Implementation Agreement** means the merger implementation agreement between Trafford and IronClad dated 23 December 2014.

**Share Scheme** means the scheme of arrangement under section 411 of the Corporations Act between Trafford and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Trafford and IronClad.

Terms that are not defined in this Deed and that are defined in the Merger Implementation Agreement or the Share Scheme have the same meaning in this Deed as given to the term in the Merger Implementation Agreement or Share Scheme, unless the context makes it clear that a definition is not intended to apply.

## 1.2 Interpretation

The rules specified in clause 1.2 of the Merger Implementation Agreement apply in interpreting this Deed, unless the context makes it clear that a rule is not intended to apply.

## 1.3 Nature of Share Scheme Deed Poll

IronClad acknowledges that:

- (a) this Deed may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Share Scheme, each Scheme Shareholder irrevocably appoints Trafford and any of Trafford's directors as its agent and attorney, inter alia, to enforce this Deed against IronClad.

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## **2. Condition Precedent and Termination**

### **2.1 Condition**

IronClad's obligations under clause 3 are subject to the Share Scheme becoming Effective.

### **2.2 Termination**

If the Share Scheme does not become Effective on or before the Sunset Date, or the Merger Implementation Agreement is terminated, IronClad's obligations under this Deed will automatically terminate and the terms of this Deed will be of no further force or effect, unless IronClad and Trafford otherwise agree in writing.

### **2.3 Consequences of Termination**

If this Deed is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) IronClad is released from its obligations to further perform this Deed except those obligations contained in clause 8.3; and
- (b) each Scheme Shareholder retains any rights, power or remedies it has against IronClad in respect of any breach of this Deed by IronClad which occurred before termination of this Deed.

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## **3. Payment of Share Scheme Consideration**

### **3.1 Undertaking to pay Share Scheme Consideration**

Subject to clauses 2 and 3.3, in consideration of the transfer of each Trafford Share to IronClad, IronClad must:

- (a) acquire all Trafford Shares on issue at the Record Date from Scheme Shareholders, in accordance with the provisions of the Share Scheme;
- (b) issue and allot the Share Scheme Consideration to each Scheme Shareholder (other than to Ineligible Foreign Holders who will be dealt with in accordance with clause 3.3); and
- (c) otherwise do all things necessary or expedient on its part to implement the Share Scheme.

### **3.2 Satisfaction of Obligation to Provide Share Scheme Consideration**

The obligation of IronClad to provide the Share Scheme Consideration referred to in clause 3.1(b) will be satisfied by IronClad:

- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the New IronClad Shares comprising the Share Scheme Consideration due to that Scheme Shareholder (other than an Ineligible Foreign Holder) and entering in the register of members of IronClad the name and registered address of each Scheme Shareholder, in relation to all the New IronClad Shares issued to each Scheme Shareholder as Share Scheme Consideration in accordance with the Share Scheme;
- (b) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue to the Sale Agent all the New IronClad Shares required to be issued to the Sale Agent under the Share Scheme rather than to an Ineligible Foreign Holder, and entering the name and registered address of the Sale Agent in the register of members of IronClad as the holder of those New IronClad Shares;
- (c) within 5 Business Days after the Implementation Date, dispatching to each Scheme Shareholder, by pre-paid post to his or her address as recorded in Trafford's share register at the Record Date or to the Sale Agent (as the case may be), a certificate or uncertificated holding statement in the name of that Scheme Shareholder representing the number of New IronClad Shares issued to that Scheme Shareholder;
- (d) on the Implementation Date, if required by Trafford, executing a valid share transfer form or forms (which may be a master transfer) as contemplated by clause 4.3 of the Share Scheme effecting the transfer of the Scheme Shares from the Scheme Shareholders to IronClad and must deliver such executed share transfer form or forms to Trafford for registration; and
- (e) procuring, as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date) that the Sale Agent sell any New IronClad Shares issued to it and remit the proceeds to the relevant Ineligible Foreign Holders, in accordance with the Share Scheme.

### **3.3 Ineligible Foreign Holders**

IronClad will be under no obligation under the Share Scheme to issue, and will not issue, any New IronClad Shares to an Ineligible Foreign Holder, and instead where a Scheme Shareholder is an Ineligible Foreign Holder, the number of New IronClad Shares to which the Scheme Shareholder would otherwise be entitled, will be allotted to a nominee approved by Trafford and ASIC who will sell those New IronClad Shares as soon as practicable (at the risk of that Ineligible Foreign Holder) and pay the proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to that Ineligible Foreign Holder in full satisfaction of that Ineligible Foreign Holder's rights under the Share Scheme to Share Scheme Consideration.

### **3.4 Joint Holders**

In the case of Trafford Shares held by Scheme Shareholders in joint names:

- (a) any entry in the register of members of IronClad required to be made must record the names and registered addresses of the joint holders; and
- (b) any certificates or uncertificated holding statement for New IronClad Shares must be issued to Scheme Shareholders in the names of the joint holders and must be forwarded to the holder whose name first appears in Trafford's share register at the Record Date.

---

## 4. Representations and Warranties

IronClad represents and warrants that:

- (a) **(status)** it is a company limited by shares and validly existing;
- (b) **(power)** it has full legal capacity and power to enter into this Deed and to carry out the transactions that this Deed contemplates;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this Deed and its carrying out the transactions this Deed contemplates;
- (d) **(Deed effective)** this Deed constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping; and
- (e) **(Rank equally)** the New IronClad Shares to be issued pursuant to the Share Scheme will be validly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest and will rank equally in all respects with all other IronClad Shares then on issue (other than in respect of any dividend already declared and not yet paid by IronClad, where the record date for entitlement to that dividend occurred prior to the Implementation Date).

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## 5. Continuing Obligations

This Deed is irrevocable and, subject to clause 2, remains in full force and effect until IronClad has completely performed its obligations under this Deed or the earlier termination of this Deed under clause 2.

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## 6. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed to the address notified by the recipient to the sender from time to time. As at the date of this Deed, IronClad's address is the address as set out at the start of this Deed;
- (c) must be signed by the sender or (on that sender's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that sender;
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, of the addressee in accordance with clause (c); and
- (e) is taken to be received by the addressee:
  - (i) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
  - (ii) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting;

(iii) (in the case of facsimile) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the facsimile machine from which it was sent or other verification from the time of sending; and

(iv) (in the case of delivery by hand) on delivery,

but if the communication would, on the application of clauses (i) to (iv), be taken to be received on a day that is not a Business Day or after 5.00pm on a Business Day, it is taken to be received at 9.00am on the next Business Day.

---

## **7. Amendment and Assignment**

### **7.1 Amendment**

This Deed may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Trafford; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Trafford and is approved by the Court,

and, in which case, IronClad will enter into a further deed poll in favour of Scheme Shareholders giving effect to that amendment.

### **7.2 Assignment**

The rights and obligations of a person under this Deed are personal. They cannot be assigned, novated, encumbered, charged or otherwise dealt with, and no person shall attempt or purport to do so.

---

## **8. General**

### **8.1 Governing Law**

This Deed is governed by and must be construed according to the laws applying in Western Australia.

### **8.2 Jurisdiction**

Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waive any right they might have to claim that those courts are an inconvenient forum.

### **8.3 Liability for Expenses**

IronClad is solely responsible for, and must indemnify each Scheme Shareholder against, and must pay each Scheme Shareholder on demand the amount of, any duty that is payable and any related fines, interest and penalties in respect of or in connection with this Deed, the performance of this Deed and each transaction effected by or made or any instrument executed under this Deed or the Share Scheme, including the transfer of Scheme Shares under the Share Scheme.

#### **8.4 Waiver of Rights**

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this Deed by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this Deed.
- (b) A waiver or consent given by a party under this Deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this Deed operates as a waiver of another breach of that term or of a breach of any other term of this Deed.

#### **8.5 Consent**

IronClad consents to Trafford producing this Deed to the Court.

#### **8.6 Further Acts and Documents**

IronClad must promptly do all further acts and execute and deliver all further documents (in such form and content reasonably satisfactory to Trafford) required by law or reasonably requested by Trafford to give full effect to this Deed and the transactions contemplated by this Deed.

#### **8.7 Severance and Enforceability**

Any provision, or the application of any provision, of this Deed that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Deed in that or any other jurisdiction.

**Executed**

**Executed by IronClad Mining Limited  
ACN 124 990 405** in accordance with  
section 127 of the *Corporations Act*:

---

Signature of Director

---

Signature of Secretary/other Director

---

Name of Director in full

---

Name of Secretary/other Director in full

## Schedule 7 - Option Scheme of Arrangement

**Option Scheme of Arrangement**  
pursuant to Section 411 of the Corporations Act

Trafford Resources Limited  
ACN 112 257 299

and

Each Scheme Optionholder

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# Option Scheme of Arrangement

Date

2014

**Parties**      **Trafford Resources Limited ACN 112 257 299** of Level 2, 679 Murray Street, West Perth, Western Australia (**Trafford**)

and

Each Scheme Optionholder

---

## 1. Definitions and interpretation

### 1.1 Definitions

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Operating Rules** means the operating rules of ASX Settlement.

**ASX Settlement** means ASX Settlement Pty Ltd ACN 008 504 532.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

**CHES** means the Clearing House Electronic Sub-register System, for the electronic transfer of securities, operated by ASX Settlement.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or the Supreme Court of Western Australia or such other court of competent jurisdiction as agreed by IronClad and Trafford in writing.

**Effective Date** means the date on which the Option Scheme becomes Effective.

**Effective** means, when used in relation to the Option Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Option Scheme.

**Implementation Date** means the fifth Business Day after the Record Date, or such other date as Trafford and IronClad may agree in writing, may be ordered by the Court or may be required by ASX.

**IronClad** means IronClad Mining Limited ACN 124 990 405.

**IronClad Option** means an option to subscribe for an IronClad Share.

**IronClad Register** means the register of members of IronClad maintained by Advanced Share Registry Services and **IronClad Registry** has a corresponding meaning.

**IronClad Share** means a fully paid ordinary share in the capital of IronClad.

**Listing Rules** means the listing rules of ASX.

**Merger Implementation Agreement** means the merger implementation agreement dated 23 December 2014 between Trafford and IronClad.

**New IronClad Options** means those IronClad Options to be issued (as Option Scheme Consideration) to (or in respect of) Scheme Optionholders as consideration for their Scheme Options.

**Option Register** means the register of Trafford members maintained by Advanced Share Registry Services and **Option Registry** has a corresponding meaning.

**Option Scheme Consideration** means the consideration to be provided by IronClad to Scheme Optionholders for the transfer of their Scheme Options under the terms of the Option Scheme, being 1 New IronClad Option for every 1 Scheme Option on the terms and conditions set out in Schedule 1.

**Option Scheme Deed Poll** means the deed poll executed by IronClad on or about 23 December 2014 in favour of each Scheme Optionholder as set out in Annexure A.

**Option Scheme Meeting** means the meeting of Scheme Optionholders, to be convened by the Court pursuant to section 411(1) of the Corporations Act, to consider and vote on the Option Scheme.

**Option Scheme or Option Scheme of Arrangement** means the scheme of arrangement under Part 5.1 of the Corporations Act recorded in this document subject to any modifications or conditions made or required by the Court under section 411(6) of the Corporations Act.

**Optionholder** means a holder of a Trafford Option.

**Record Date** means 5.00pm on the fifth Business Day after the Effective Date, or any other date agreed by Trafford and IronClad.

**Registered Address** means, in relation to a Scheme Optionholder, the address of the Scheme Optionholder shown in the Option Register.

**Scheme Optionholder** means each person who is registered in the Option Register as a holder of Scheme Options as at the Record Date.

**Scheme Options** means the 25,700,963 Trafford Options on issue and quoted on ASX, with an exercise price of \$0.20 each and expiring on 20 May 2015.

**Scheme Shareholder** means each person, other than IronClad, recorded in the register of members of Trafford as at the Share Scheme Record Date.

**Second Court Date** means the first day of the Second Court Hearing, or if the application at such hearing is adjourned or subject to an appeal for any reason, the first day on which the adjourned or appealed application is heard.

**Second Court Hearing** means the hearing of the Court of the application for an order pursuant to section 411(4)(b) of the Corporations Act approving this Option Scheme.

**Share Scheme Meeting** means the meeting of Shareholders, to be convened by the Court pursuant to section 411(1) of the Corporations Act, to consider and vote on the Share Scheme.

**Share Scheme or Share Scheme of Arrangement** means the scheme of arrangement under Part 5.1 of the Corporations Act between Trafford and the Scheme Shareholders subject to any modifications or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by IronClad and Trafford.

**Share Scheme Record Date** means the "Record Date" as defined in the Share Scheme.

**Shareholder** means a holder of a Trafford Share.

**Subsidiary** of an entity means another entity which is a subsidiary of the first within the meaning of Division 6 of Part 1.2 of the Corporations Act or is a subsidiary or otherwise controlled by the first within the meaning of any approved accounting standard.

**Sunset Date** means 31 July 2015 or such date as extended by agreement between Trafford and IronClad.

**Trafford** means Trafford Resources Limited ACN 112 257 299.

**Trafford Option** means an option to subscribe for a Trafford Share.

**Trafford Share** means a fully paid ordinary share in Trafford.

## 1.2 Interpretation

In this Option Scheme:

- (a) headings are for convenience only and do not affect interpretation; and unless the context indicates otherwise:
- (b) a word or phrase in the singular number includes the plural, a word or phrase in the plural number includes the singular, and a word indicating a gender includes every other gender;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to:

- (i) a clause or schedule is a reference to a clause or schedule of this Scheme;
  - (ii) a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation;
  - (iii) a document in writing includes a document produced by means of typewriting, printing, lithography, photography and other modes of representing or reproducing words in a visible form, recorded by any electronic, magnetic, photographic or other medium by which information may be stored or reproduced;
  - (iv) a document (including this Scheme) includes a reference to all schedules, exhibits, attachments and annexures to it, and is to that document as varied, novated, ratified or replaced from time to time;
  - (v) legislation or to a provision of legislation includes any consolidation, amendment, re-enactment, substitute or replacement of or for it, and refers also to any regulation or statutory instrument issued or delegated legislation made under it;
  - (vi) a person includes an individual, the estate of an individual, a corporation, an authority, an unincorporated body, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (e) a reference to a day is to a period of time commencing at midnight and ending twenty four (24) hours later;
  - (f) a reference to a Chapter, Part, Division or section is a reference to a Chapter, Part, Division or section of the Corporations Act;
  - (g) the word "includes" in any form is not a word of limitation;
  - (h) a reference to "information" is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programmes, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets;
  - (i) the words "entity" and "officer" have the same meaning as in section 9 of the Corporations Act, and "control" has the same meaning as in section 50AA of the Corporations Act;
  - (j) time is a reference to time in Perth, Western Australia;
  - (k) a reference to "\$" or "dollar" is to Australian currency;
  - (l) a contravention of or a breach of any of the representations and warranties includes any of the representations and warranties not being complete, true and correct;

- (m) each representation and warranty is a separate representation and warranty, and its meaning is not affected by any other representation or warranty;
- (n) a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (o) when a day on or by which anything to be done is not a Business Day, that thing may be done on or by the next Business Day.

---

## **2. Preliminary**

### **2.1 Trafford**

- (a) Trafford is a public company limited by shares, incorporated in Australia and registered in Western Australia.
- (b) As at the date of this document:
  - (i) 124,866,562 Trafford Shares were on issue;
  - (ii) 25,700,963 quoted Trafford Options were on issue, exercisable at \$0.25 each on or before 20 May 2015;
  - (iii) 8,687,174 quoted Trafford Options were on issue, exercisable at \$0.10 each on or before 16 February 2015; and
  - (iv) 3,786,500 performance rights convertible into ordinary fully paid shares in Trafford were on issue.
- (c) Trafford has been admitted to the official list of ASX and its shares have been granted official quotation.

### **2.2 IronClad**

- (a) IronClad is a public company limited by shares, incorporated in Australia and registered in Western Australia.
- (b) As at the date of this document, 108,203,871 IronClad Shares were on issue.
- (c) IronClad has been admitted to the official list of ASX and its shares have been granted official quotation.

### **2.3 Option Scheme Summary**

If this Option Scheme becomes Effective, then:

- (a) in consideration for the cancellation of each Scheme Option to IronClad, IronClad will be obliged to provide the Option Scheme Consideration to each Scheme Optionholder; and
- (b) all of the Scheme Options and all rights and obligations attaching to them as at the Implementation Date, will be cancelled.

## 2.4 Implementation

- (a) IronClad has entered into the Option Scheme Deed Poll pursuant to which it has, among other things, covenanted to carry out its obligations (including its obligation to provide the Option Scheme Consideration, to Scheme Optionholders) as contemplated by this Option Scheme.
- (b) Trafford and IronClad have also entered into the Merger Implementation Agreement, which sets out the terms on which Trafford and IronClad have agreed to implement the Option Scheme.

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## 3. Conditions precedent and effectiveness

### 3.1 Conditions Precedent

The conditions precedent to this Option Scheme becoming Effective are:

- (a) **(Option Scheme approval)** this Option Scheme being approved, in accordance with section 411(4)(a) of the Corporations Act, at the Option Scheme Meeting;
- (b) **(Share Scheme approval)** the Share Scheme being approved, in accordance with section 411(4)(a) of the Corporations Act, at the Share Scheme Meeting;
- (c) **(conditions precedent to Merger Implementation Agreement)** all of the conditions set out in clause 2.4 of the Merger Implementation Agreement (other than the conditions set out in clauses 2.4(e) and 2.2(f)) being satisfied or waived in accordance with the terms of the Merger Implementation Agreement by the times indicated in the Merger Implementation Agreement;
- (d) **(no termination)** the Merger Implementation Agreement or Option Scheme Deed Poll not being terminated prior to 8.00am on the Second Court Date;
- (e) **(Court approval)** the approval by the Court of this Option Scheme, pursuant to section 411(4)(b) of the Corporations Act, being given;
- (f) **(ASIC lodgements)** the lodgement with ASIC of an office copy of the Court order approving the Option Scheme under section 411(4)(b) of the Corporations Act;
- (g) **(Court conditions)** such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Option Scheme as are acceptable to IronClad and Trafford being satisfied;
- (h) **(Court approval of Share Scheme)** the approval by the Court of the Share Scheme, pursuant to section 411(4)(b) of the Corporations Act, being given;
- (i) **(ASIC lodgement)** the lodgement with ASIC of an office copy of the Court order approving the Share Scheme under section 411(4)(b) of the Corporations Act; and

- (j) **(Court conditions for Share Scheme)** such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Share Scheme as are acceptable to IronClad and Trafford being satisfied.

The satisfaction of each of paragraphs (a) to (j) of this clause 3.1 is a condition precedent to the operation of this Option Scheme and this Option Scheme will be of no effect unless the conditions precedent in this clause 3.1 are satisfied.

### **3.2 Certificate**

IronClad and Trafford will provide to the Court at the Second Court Hearing a certificate confirming:

- (a) whether or not all of the conditions in clause 2.4 of the Merger Implementation Agreement (other than those set out in clauses 2.4(e) and (f) of the Merger Implementation Agreement) have been satisfied or waived in accordance with the terms of the Merger Implementation Agreement; and
- (b) the Merger Implementation Agreement and the Option Scheme Deed Poll have not been terminated in accordance with their terms.

Such certificate constitutes conclusive evidence that those conditions are satisfied, waived or taken to be waived.

### **3.3 Merger Implementation Agreement**

If the Merger Implementation Agreement is terminated in accordance with its terms prior to 8.00am on the Second Court Date, IronClad and Trafford are each immediately released from any further obligation to take steps to implement the Option Scheme.

### **3.4 Sunset Date**

This Option Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

---

## **4. Implementation of the Option Scheme**

### **4.1 Court order**

This Option Scheme will become binding on Trafford and each Scheme Optionholder if and only if the Court makes an order under section 411(4)(b) of the Corporations Act approving this Option Scheme and that order becomes effective under section 411(10) of the Corporations Act.

### **4.2 Lodgement with ASIC**

Trafford will lodge with ASIC an office copy of the order of the Court made under section 411(4)(b) of the Corporations Act approving this Option Scheme as soon as practicable and, in any event, by 5.00pm on the first Business Day after:

- (a) the Court approves the Option Scheme; or

- (b) the date of satisfaction of the conditions precedent referred to in clause 3.1 of this Option Scheme,

whichever is the later.

#### **4.3 Cancellation of Scheme Options**

- (a) Subject to the provision of the Option Scheme Consideration in the manner contemplated by clause 4.4, on the Implementation Date all of the Scheme Options (together with all rights and entitlements attaching to the Scheme Options) will be cancelled (without the need for any further act by a Scheme Optionholder other than acts performed by Trafford pursuant to the authority in clause 4.7) and each Scheme Optionholder:
  - (i) releases Trafford from all obligations in relation to those Scheme Options;
  - (ii) releases and waives any and all rights it may have had (including to be issued Trafford Shares) in relation to those Scheme Options (including under a relevant option plan or under the terms of the relevant Scheme Options); and
  - (iii) authorises Trafford to update the Option Register recording the cancellation of the Trafford Options that constitute the Scheme Options.
- (b) In consideration for the cancellation of their Scheme Options, each Scheme Optionholder will be entitled to receive the Option Scheme Consideration in accordance with clause 4.4.

#### **4.4 Consideration under this Option Scheme**

Subject to and in accordance with the other terms and conditions of this Option Scheme, in consideration for the cancellation of each Scheme Option, IronClad will on the Implementation Date grant to each Scheme Optionholder the number of New IronClad Options as are due to that Scheme Optionholder as Option Scheme Consideration.

#### **4.5 Joint holders**

In the case of Scheme Options held in joint names, any certificates or uncertificated holding statements for New IronClad Options to be issued to Option Scheme Optionholders will be issued in the names of the joint holders and will be forwarded to the holder whose name appears first in the Option Register on the Record Date.

#### **4.6 Scheme Optionholders bound**

Each Scheme Optionholder who is to receive New IronClad Options under this Option Scheme agrees to have their name and address entered into the Option Register and accept the New IronClad Options issued to them under this Option Scheme.

#### **4.7 Authority given to Trafford**

- (a) Each Scheme Optionholder will be deemed (without the need for any further act) to have irrevocably appointed Trafford (and each of its directors and officers, jointly and severally) as its attorney and agent to do and execute all acts, matters, things and documents on the part of each Scheme Optionholder necessary to implement and give full effect to this Option Scheme and the transactions contemplated by it, including (without limitation) the cancellation of the Scheme Options.
- (b) Trafford accepts each such appointment and, as attorney and agent of each Scheme Optionholder, may sub-delegate its functions, authorities or powers under clause 4.7(a) to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

#### **4.8 Appointment of sole proxy**

Upon the Option Scheme Consideration being issued by IronClad pursuant to this clause 4 and until Trafford registers IronClad as the holder of all Scheme Options in the Option Register, each Scheme Optionholder:

- (a) is deemed to have appointed IronClad as attorney and agent (and directed IronClad in such capacity) to appoint the chairman of IronClad as its sole proxy and, where applicable, corporate representative, to attend meetings of holders of Trafford Options, exercise the votes attaching to the Scheme Options registered in their name and sign any resolution of holders of Trafford Options, and no Scheme Optionholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 4.8(a));
- (b) acknowledges and agrees that in exercising the powers referred to in clause 4.8(a), IronClad or a director of IronClad may act in the best interests of IronClad as the intended registered holder of the Scheme Options; and
- (c) must take all other actions in the capacity of a registered holder of Scheme Options as IronClad reasonably directs.

---

## **5. IronClad's Obligations and Ancillary matters**

### **5.1 Trafford notice and Scheme Optionholder consent**

- (a) As soon as practicable after the Record Date, and in any event at least 2 Business Days before the Implementation Date, Trafford will give to IronClad (or procure that IronClad be given) details of the names and addresses shown in the Option Register of all Scheme Optionholders and the number of Scheme Options held by each of them at the Record Date (in such form as may be reasonably requested by IronClad).
- (b) Scheme Optionholders agree that any information referred to in clause 5.1(a) may be disclosed to IronClad, IronClad's advisors, Trafford's advisors and other service providers (including the IronClad Registry) to the extent necessary to effect the Option Scheme.

## **5.2 Provision of Option Scheme Consideration**

IronClad will provide to each Scheme Optionholder the Option Scheme Consideration to which that Scheme Optionholder is entitled by:

- (a) on the Implementation Date, issuing to that Scheme Optionholder 1 New IronClad Option for every 1 Scheme Option registered in the name of that Scheme Optionholder in the Option Register at the Record Date, which obligation will be satisfied by causing the name and Registered Address (at the Record Date) of that Scheme Optionholder to be entered into the IronClad Register as the holder of the New IronClad Options issued to that Scheme Optionholder; and
- (b) within 5 Business Days after the Implementation Date, procuring the dispatch to that Scheme Optionholder, if their New IronClad Options are to be held on the issuer sponsored subregister of IronClad, by pre-paid post to their Registered Address (at the Record Date), of an uncertificated holding statement in the name of that Scheme Optionholder relating to the number of New IronClad Options issued to that Scheme Optionholder.

## **5.3 Status of New IronClad Options**

The New IronClad Options to be issued in accordance with this Option Scheme will be validly issued.

## **5.4 Deferred settlement trading**

IronClad will use its best endeavours to ensure that the New IronClad Options to be issued to Scheme Optionholders are quoted on ASX as soon as practicable after the Effective Date, initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

## **5.5 Appointment of IronClad as attorney and agent**

Each Scheme Optionholder, without need for any further act, irrevocably appoints IronClad and each of its directors and officers, jointly and severally, as that Scheme Optionholder's attorney and agent for the purpose of executing any form of application required for New IronClad Options to be issued to that Scheme Optionholder under the Option Scheme.

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# **6. Dealings in Trafford Options**

## **6.1 No allotment or issue**

No Trafford Options will be allotted or issued by Trafford after the Effective Date.

## **6.2 No dealings after Record Date**

Where this Option Scheme becomes binding as provided by clause 4.1, for the purposes of determining who are Scheme Optionholders, dealings in Scheme Options will only be recognised if:

- (a) in the case of dealings of a type to be effected using CHESS, the transferee is registered in the Option Register as the holder of the Scheme Options by the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Option Registry by the Record Date.

Trafford will register registrable transfers or transmission applications of the kind referred to in clause 6.2(b) on or before the Record Date.

### **6.3 No registration of transfers**

Trafford will not accept for registration nor recognise for any purpose any transmission application, transfer or other dealing in respect of Scheme Options received after the Record Date, other than a transfer to IronClad in accordance with this Option Scheme.

### **6.4 Statements of holding**

All statements of holdings (or certificates) for Scheme Options will cease to have any effect from the Record Date as documents of title in respect of such Scheme Options. As from the Record Date, each entry current at that date on the Share Register relating to Scheme Options will cease to be of any effect other than as evidence of entitlement to the Option Scheme Consideration.

### **6.5 Maintenance of Option Register**

In order to determine entitlements to the Option Scheme Consideration, Trafford will maintain, or procure the maintenance of, the Option Register in accordance with this clause 6 until the Option Scheme Consideration has been provided to Scheme Optionholders, and the Option Register in this form will solely determine entitlements to the Option Scheme Consideration.

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## **7. Quotation of Trafford Options**

### **7.1 Suspension of trading**

Trafford will apply to ASX for suspension of trading of Trafford Options on ASX after the close of trading on ASX on the Effective Date. It is expected that suspension of trading in Trafford Options will occur from the commencement of the Business Day following the day on which Trafford notifies ASX of this Option Scheme becoming Effective.

### **7.2 Termination of quotation**

After the Implementation Date, Trafford will apply for termination of the official quotation of Scheme Options.

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## **8. General**

### **8.1 Option Scheme binding**

This Option Scheme binds Trafford and all Scheme Optionholders (including those who do not attend the Option Scheme Meeting, do not vote at the Option Scheme Meeting, or vote against this Option Scheme at the Option Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Trafford.

### **8.2 Enforcement of Option Scheme Deed Poll**

- (a) Each Scheme Optionholder appoints Trafford as its agent and attorney to enforce the Option Scheme Deed Poll against IronClad.
- (b) Trafford undertakes in favour of each Scheme Optionholder to enforce the Option Scheme Deed Poll against IronClad on behalf of, and as agent and attorney for, the Scheme Optionholders.

### **8.3 Modifications and amendments**

Trafford may by its counsel or solicitors (but only with the prior consent of IronClad, which consent may not be unreasonably withheld or delayed) consent on behalf of all persons concerned (including the Scheme Optionholders) to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of this Option Scheme.

### **8.4 Accidental omissions and non-receipt of notice**

The accidental omission to give notice of the Option Scheme Meeting to any holder of Scheme Options or the non-receipt of such a notice by any holder of Scheme Options will not, unless so ordered by the Court, invalidate the Option Scheme Meeting or the proceedings at the Option Scheme Meeting.

### **8.5 Binding instruction or notification**

Except for a Scheme Optionholder's tax file number, any binding instruction or notification from a Scheme Optionholder to Trafford relating to Scheme Options at the Record Date (including any instructions relating to communications) will, from the Record Date, be deemed (except to the extent inconsistent with the other provisions of this Option Scheme or as determined otherwise by IronClad in its sole discretion) to be a similarly binding instruction or notification to IronClad in respect of the New IronClad Options issued to the Scheme Optionholder until such time as it is revoked or amended in writing addressed to IronClad at the IronClad Registry.

### **8.6 Notices**

Each communication (including each notice, transfer, transmission application, direction or other communication) under or in connection with this Option Scheme:

- (a) must be in writing;
- (b) must be addressed to:

- (i) in the case of Trafford - Trafford's registered office or the Share Registry; and
  - (ii) in the case of Scheme Optionholders - the Registered Address of the relevant Scheme Optionholder at the Record Date;
- (c) must be signed by the sender or (on that sender's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that sender;
- (d) must be delivered by hand or posted by prepaid post to the address of the addressee in accordance with clause (b); and
- (e) is taken to be received by the addressee:
- (i) where the addressee is Trafford and the communication is sent by prepaid post, on the day it is actually received at Trafford's registered office or the Share Registry; and
  - (ii) in all other cases, by the addressee:
    - (A) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
    - (B) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting;
    - (C) (in the case of delivery by hand) on delivery,

but if the communication would, on the application of clauses (A) to (C), be taken to be received on a day that is not a Business Day or after 5.00pm on a Business Day, it is taken to be received at 9.00am on the next Business Day.

## **8.7 Further obligations**

Trafford and IronClad must each execute all deeds and other documents (including transfers) and do all acts and things as may be necessary or expedient on its part to implement and give full effect to this Option Scheme in accordance with its terms.

## **8.8 No liability**

Neither Trafford nor IronClad, nor any of their respective officers, is liable to Scheme Optionholders for anything done or for anything omitted to be done in performance of this Option Scheme in good faith.

## **8.9 Costs and stamp duty**

Trafford will pay the costs of the Option Scheme other than duty.

## **8.10 Governing law**

This Option Scheme is governed by and must be construed according to the laws applying in Western Australia.

## **8.11 Jurisdiction**

Trafford, Scheme Optionholders and IronClad each submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waive any right they might have to claim that those courts are an inconvenient forum.

## Schedule 1 - Terms and Conditions of New IronClad Options

The following terms and conditions apply to the New IronClad Options (**Options**):

### 1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of IronClad (**Share**) upon exercise of the Option.

### 2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.20 per Option (**Exercise Price**) and an expiry date of 20 May 2016 (**Expiry Date**).

### 3. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 4. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to IronClad in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to IronClad.

### 5. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 6. Quotation

IronClad will apply for quotation of the Options on ASX.

### 7. Quotation of Shares issued on exercise

Application will be made by IronClad to ASX for quotation of the Shares issued upon the exercise of the Options.

### 8. Timing of issue of Shares on exercise

After an Option is validly exercised, IronClad must, within, 15 business days of receipt of the Notice of Exercise and receipt of cleared funds equal to the Exercise Price of the exercised Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 10 business days after issuing the Share.

### 9. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of IronClad.

**10. Reconstruction of capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of IronClad prior to the expiry date of the Options, all rights of the Option holder will be varied in accordance with the Listing Rules.

**11. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**12. Change in exercise price**

There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of IronClad making a pro-rata issue of Shares or other securities to the holders of Shares in IronClad (other than a bonus issue).

**13. Adjustment for bonus issues**

If IronClad makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Option exercise price.

**14. Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**Annexure A - Option Scheme Deed Poll**

## Schedule 8 - Option Scheme Deed Poll

**BELLANHOUSE**

LEGAL

## Option Scheme Deed Poll

**IronClad Mining Limited**  
ACN 124 990 405

Date

2014

**Parties** IronClad Mining Limited ACN 124 990 405 of Level 2, 679 Murray Street, West Perth, Western Australia (IronClad)

In favour of each holder of Scheme Options in the capital of Trafford Resources Limited ACN 112 257 299 on issue as at 5.00pm on the Record Date (each a Scheme Optionholder)

## Recitals

- A. IronClad and Trafford have entered into the Merger Implementation Agreement.
- B. Trafford has agreed in the Merger Implementation Agreement to propose the Option Scheme.
- C. Under the Option Scheme, all Scheme Options held by Scheme Optionholders will be cancelled and each Scheme Optionholder will receive the Option Scheme Consideration.
- D. In accordance with the Merger Implementation Agreement, IronClad is entering into this Deed to covenant in favour of the Scheme Optionholders to perform its obligations under the Option Scheme.

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# 1. Definitions and Interpretation

## 1.1 Definitions

In this Deed, unless the context requires otherwise:

**Deed** means this Option Scheme Deed Poll.

**Merger Implementation Agreement** means the merger implementation agreement between Trafford and IronClad dated 23 December 2014.

**Option Scheme** means the scheme of arrangement under section 411 of the Corporations Act between Trafford and the Scheme Optionholders, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Trafford and IronClad.

Terms that are not defined in this Deed and that are defined in the Merger Implementation Agreement or the Option Scheme have the same meaning in this Deed as given to the term in the Merger Implementation Agreement or Option Scheme, unless the context makes it clear that a definition is not intended to apply.

## 1.2 Interpretation

The rules specified in clause 1.2 of the Merger Implementation Agreement apply in interpreting this Deed, unless the context makes it clear that a rule is not intended to apply.

## 1.3 Nature of Option Scheme Deed Poll

IronClad acknowledges that:

- (a) this Deed may be relied on and enforced by any Scheme Optionholder in accordance with its terms even though the Scheme Optionholders are not party to it; and
- (b) under the Option Scheme, each Scheme Optionholder irrevocably appoints Trafford and any of Trafford's directors as its agent and attorney, inter alia, to enforce this Deed against IronClad.

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## **2. Condition Precedent and Termination**

### **2.1 Condition**

IronClad's obligations under clause 3 are subject to the Option Scheme becoming Effective.

### **2.2 Termination**

If the Option Scheme does not become Effective on or before the Sunset Date, or the Merger Implementation Agreement is terminated, IronClad's obligations under this Deed will automatically terminate and the terms of this Deed will be of no further force or effect, unless IronClad and Trafford otherwise agree in writing.

### **2.3 Consequences of Termination**

If this Deed is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) IronClad is released from its obligations to further perform this Deed except those obligations contained in clause 8.3; and
- (b) each Scheme Optionholder retains any rights, power or remedies it has against IronClad in respect of any breach of this Deed by IronClad which occurred before termination of this Deed.

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## **3. Payment of Option Scheme Consideration**

### **3.1 Undertaking to pay Option Scheme Consideration**

Subject to clause 2, in consideration of the cancellation of each Scheme Option, IronClad must:

- (a) grant the Option Scheme Consideration to each Scheme Optionholder; and
- (b) otherwise do all things necessary or expedient on its part to implement the Option Scheme.

### **3.2 Satisfaction of obligation to provide Option Scheme Consideration**

The obligation of IronClad to provide the Option Scheme Consideration referred to in clause 3.1(a) will be satisfied by IronClad:

- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the New IronClad Options comprising the Option Scheme Consideration due to that Scheme Optionholder and entering in the register of Optionholders of IronClad the name and registered address of each Scheme Optionholder, in relation to all the New IronClad

Options issued to each Scheme Optionholder as Option Scheme Consideration in accordance with the Option Scheme;

- (b) within 5 Business Days after the Implementation Date, dispatching to each Scheme Optionholder, by pre-paid post to his or her address as recorded in Trafford's option register at the Record Date, a certificate or uncertificated holding statement in the name of that Scheme Optionholder representing the number of New IronClad Options issued to that Scheme Optionholder.

### 3.3 Joint Holders

In the case of Trafford Options held by Scheme Optionholders in joint names:

- (a) any entry in the IronClad Register required to be made must record the names and registered addresses of the joint holders; and
- (b) any certificates or uncertificated holding statement for New IronClad Options must be issued to Scheme Optionholders in the names of the joint holders and must be forwarded to the holder whose name first appears in Trafford's option register at the Record Date.

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## 4. Representations and Warranties

IronClad represents and warrants that:

- (a) **(status)** it is a company limited by shares and validly existing;
- (b) **(power)** it has full legal capacity and power to enter into this Deed and to carry out the transactions that this Deed contemplates;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this Deed and its carrying out the transactions this Deed contemplates; and
- (d) **(Deed effective)** this Deed constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping.

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## 5. Continuing Obligations

This Deed is irrevocable and, subject to clause 2, remains in full force and effect until IronClad has completely performed its obligations under this Deed or the earlier termination of this Deed under clause 2.

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## 6. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed to the address notified by the recipient to the sender from time to time. As at the date of this Deed, IronClad's address is the address as set out at the start of this Deed;

- (c) must be signed by the sender or (on that sender's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that sender;
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, of the addressee in accordance with (c); and
- (e) is taken to be received by the addressee:
  - (i) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
  - (ii) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting;
  - (iii) (in the case of facsimile) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the facsimile machine from which it was sent or other verification from the time of sending; and
  - (iv) (in the case of delivery by hand) on delivery,

but if the communication would, on the application of clauses (i) to (iv), be taken to be received on a day that is not a Business Day or after 5.00pm on a Business Day, it is taken to be received at 9.00am on the next Business Day.

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## **7. Amendment and Assignment**

### **7.1 Amendment**

This Deed may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Trafford; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Trafford and is approved by the Court,

and, in which case, IronClad will enter into a further deed poll in favour of Scheme Optionholders giving effect to that amendment.

### **7.2 Assignment**

The rights and obligations of a person under this Deed are personal. They cannot be assigned, novated, encumbered, charged or otherwise dealt with, and no person shall attempt or purport to do so.

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## **8. General**

### **8.1 Governing Law**

This Deed is governed by and must be construed according to the laws applying in Western Australia.

## **8.2 Jurisdiction**

Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waive any right they might have to claim that those courts are an inconvenient forum.

## **8.3 Liability for Expenses**

IronClad is solely responsible for, and must indemnify each Scheme Optionholder against, and must pay each Scheme Optionholder on demand the amount of, any duty that is payable and any related fines, interest and penalties in respect of or in connection with this Deed, the performance of this Deed and each transaction effected by or made or any instrument executed under this Deed or the Option Scheme, including the transfer of Scheme Options under the Option Scheme.

## **8.4 Waiver of Rights**

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this Deed by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this Deed.
- (b) A waiver or consent given by a party under this Deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this Deed operates as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **8.5 Consent**

IronClad consents to Trafford producing this Deed to the Court.

## **8.6 Further Acts and Documents**

IronClad must promptly do all further acts and execute and deliver all further documents (in such form and content reasonably satisfactory to Trafford) required by law or reasonably requested by Trafford to give full effect to this Deed and the transactions contemplated by this Deed.

## **8.7 Severance and Enforceability**

Any provision, or the application of any provision, of this Deed that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Deed in that or any other jurisdiction.

**Executed**

**Executed by IronClad Mining Limited  
ACN 124 990 405** in accordance with  
section 127 of the *Corporations Act*:

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Signature of Director

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Signature of Secretary/other Director

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Name of Director in full

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Name of Secretary/other Director in full

Executed as an agreement

**Executed by IronClad Mining Limited ACN )  
124 990 405 pursuant to section 127 of the )  
Corporations Act )**

.....  
Director

.....  
Director /Secretary

.....  
Full name (please print)

.....  
Full name (please print)

**Executed by Trafford Resources Limited )  
ACN 112 257 299 pursuant to section 127 of )  
the Corporations Act )**

.....  
Director

.....  
Director /Secretary

.....  
Full name (please print)

.....  
Full name (please print)