



ASX/MEDIA ANNOUNCEMENT

31 May 2012

RECOMMENDED CASH TAKEOVER OFFER BY ZIJIN FOR NORTON GOLD FIELDS

- Zijin Mining Group Co., Ltd (through a wholly-owned subsidiary) to make a cash offer for all the shares of Norton Gold Fields Limited it does not currently hold
- Offer price to be A\$0.25 cash per share
- In addition, Zijin to allow Norton shareholders to retain a special dividend of A\$0.02 per share which Norton declares and pays, without any consequent reduction in the Offer price
- Norton proposes to declare the A\$0.02 special dividend once the Offer is unconditional and Norton's existing financier is repaid
- Norton's Recommending Directors¹ unanimously recommend that Norton shareholders accept the Offer, in the absence of a superior proposal
- Zijin currently owns approximately 16.98% of the Norton shares
- Offer conditions include minimum relevant interest of 50.1% and regulatory approvals

Norton Gold Fields Limited (ASX:NGF) ("**Norton**") and Zijin Mining Group Co., Ltd ("**Zijin**") are pleased to announce they have signed a Bid Implementation Deed pursuant to which Zijin (through a wholly-owned subsidiary) will make an off-market takeover offer of A\$0.25 cash per share for all of the Norton shares not currently held by Zijin and its subsidiaries (the "**Offer**"). In addition, as described further in this announcement, Norton shareholders will be entitled to retain a A\$0.02 per share unfranked special dividend which Norton proposes to declare and pay, without any consequent reduction in the Offer price.

A copy of the Bid Implementation Deed is attached as Annexure A to this announcement.

Zijin is a Shanghai and Hong Kong listed public company with extensive interests across a broad range of commodities, including gold, copper, zinc, lead, tungsten and iron ore. Zijin and its subsidiaries currently hold approximately 16.98% of Norton shares.

Norton's Recommending Directors have carefully considered the Offer, and **unanimously recommend that Norton shareholders accept the Offer** in the absence of a superior proposal.

Norton Chairman, Mr Tim Prowse, said:

¹ The Recommending Directors are all of the Norton Directors as at the date of this announcement other than Mr Xianhui Zeng, who was appointed to the Norton Board as Zijin's representative.

"Zijin's Offer provides Norton shareholders with an attractive premium, which recognises the company's inherent value and considerable achievements over the past two years. The Recommending Directors consider the Offer to be in the best interests of shareholders and unanimously recommend the Offer in the absence of a superior proposal."

DETAILS OF THE OFFER

The Offer will be made by Jinyu (H.K.) International Mining Company Limited, a wholly-owned subsidiary of Zijin, incorporated in Hong Kong (the "**Bidder**"). The Offer price will be A\$0.25 cash per Norton share, which represents a premium of:

- **35.1%** to the closing price of Norton shares of A\$0.185 on 29 March 2012 (being the last trading day before the indicative takeover proposal was announced on 3 April 2012);
- **39.2%** to A\$0.1796, being the volume-weighted average price of Norton shares for the one month to and including 29 March 2012; and
- **28.7%** to A\$0.1942, being the volume-weighted average price of Norton shares for the three months to and including 29 March 2012.

SPECIAL DIVIDEND

In addition, Norton shareholders will be entitled to retain an unfranked special dividend of A\$0.02 per share (the "**Special Dividend**") which Norton proposes to declare and pay, with no reduction in the A\$0.25 per share Offer price. The Special Dividend will be:

- (a) declared and announced once the Offer becomes unconditional and all of the loan notes under Norton's existing secured debt facility have been redeemed (the latter to occur upon a 'change of control' of Norton, as explained further below); and
- (b) paid to shareholders not later than 3 weeks after the date on which the last of the events in (a) has occurred.

Zijin has agreed that it will not register transfers of Norton shares accepted into the Offer until after the record date of such Special Dividend (and, as such, persons registered as holders of Norton shares who accept the Offer prior to the Special Dividend record date will still be entitled to receive the Special Dividend), except where the Bid Implementation Deed has terminated and the Special Dividend has not already been declared and announced in accordance with the above.

After taking into account the Special Dividend, the total cash amount of \$0.27 per Norton share represents a premium of:

- **45.9%** to the closing price of Norton shares of A\$0.185 on 29 March 2012;
 - **50.3%** to A\$0.1796, being the volume-weighted average price of Norton shares for the one month to and including 29 March 2012; and
 - **39.0%** to A\$0.1942, being the volume-weighted average price of Norton shares for the three months to and including 29 March 2012.
-

CONDITIONS OF THE OFFER

The Offer is subject to a number of conditions which include (but are not limited to):²

- Zijin group obtaining a relevant interest in at least 50.1% of Norton shares;
- Receipt of Foreign Investment Review Board (FIRB) approval and all necessary Chinese regulatory approvals;
- No material adverse change in relation to Norton prior to the end of the Offer period; and
- Spot gold prices not falling below A\$1,400 per ounce throughout any 72 hour period of gold trading during the six month period following the date of this announcement.

The Bid Implementation Deed contains terms usual for a transaction of this nature, including customary exclusivity arrangements such as 'no shop', 'no talk' and 'no due diligence' restrictions as well as a right for Zijin to match any competing proposal. A break fee of A\$2.15 million (plus any applicable GST) may also be payable by Norton to Zijin in certain circumstances.

Details of the key terms and full conditions of the Offer are set out in the attached Bid Implementation Deed. Full details of the Offer will be set out in Zijin's Bidder's Statement.

DEBT REFINANCING ARRANGEMENTS

Norton has a senior secured note debt facility as announced to ASX on 1 June 2011 (the "**Secured Note Facility**"). The Secured Note Facility contains a change of control provision that will be triggered in certain circumstances, including where: (i) any person obtains a relevant interest in more than 45% of the Norton shares, or (ii) a takeover bid made for Norton becomes unconditional, and either the bidder has a relevant interest in more than 45% of Norton shares or the Norton board unanimously recommends the bid (with or without conditions).

Upon the change of control provision being triggered, Norton must repay the entire outstanding loan amount under the Secured Note Facility and a redemption premium. As a guide, if such events were to occur today, Norton estimates that an aggregate amount of approximately A\$50.8 million would need to be paid.

To assist Norton in repaying the Secured Note Facility upon a trigger of the change of control provision, the Bidder (being a wholly-owned subsidiary of Zijin) has agreed to provide Norton with a A\$38 million unsecured loan facility (the "**Unsecured Loan Facility**"). The Unsecured Loan Facility, together with Norton's existing cash reserves, will enable Norton to repay the Secured Note Facility in full.

The Unsecured Loan Facility has a 12 month term from initial drawdown and an interest rate of 11.0% p.a. In the event that the Offer is withdrawn or does not become unconditional (or if certain other specified events occur) the Unsecured Loan Facility will be repayable within six months from this event occurring (or in any event no later than by the end of the 12 month term).

² Zijin is entitled to waive any of the conditions in accordance with the Corporations Act 2001 (Cth). However, Zijin has agreed with Norton in the Bid Implementation Deed that the Bidder will not waive the 50.1% condition in the first two weeks of the Offer period unless Zijin has obtained a relevant interest in at least 45% of the Norton shares.

A copy of the agreement entered into in relation to the Unsecured Loan Facility is attached to this announcement as Annexure B.

INDICATIVE TIMETABLE

Zijin expects that its Bidder's Statement for the Offer will be dispatched to Norton shareholders within approximately six weeks, at which time the Offer will open for acceptance. Norton's Target's Statement in response to the Offer is expected to be dispatched to Norton shareholders a short time thereafter. The Offer will initially remain open for a minimum period of one month. Zijin has agreed with Norton in the Bid Implementation Deed that the aggregate Offer period will not be longer than 6 months.

ADVISERS

Norton is being advised by financial adviser Merrill Lynch and legal adviser HopgoodGanim.

Zijin is being advised by financial adviser Lincoln Crowne & Company and legal adviser Allens.

For further information please contact:

Norton

Andre Labuschagne

Managing Director

+61 7 3846 9206

Media:

Warrick Hazeldine / Annette Ellis

Purple Communications

+61 8 6314 6300

whazeldine@purplecom.com.au /

aellis@purplecom.com.au

Zijin

Dahui Zhang

President Assistant

+86 592 2933598

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ABOUT NORTON

Norton Gold Fields Limited is a mid-tier, ASX-listed, unhedged gold producer.

In FY2011, Norton produced approximately 152,000 oz of gold from its open cut and underground operations at Paddington, near Kalgoorlie in Western Australia.

Norton has recently added two new mining operations, the Homestead underground mine and the Navajo Chief open cut, to supply ore to its processing facility.

Norton holds extensive granted mining and exploration leases in the pre-eminent Kalgoorlie goldfields, with a landholding of 693 km². The Paddington operations have a current Mineral Resource of 6.0M oz, of which some 1.0M oz is classified as Reserves, for a mine life in excess of ten years. The Paddington Mineral Resource and Ore Reserve Statements as at 31 December 2011 are attached as Annexure C to this announcement.

Norton's growth will come from optimising existing operations and acquiring and developing resources.

For more information, please visit Norton's website: www.nortongoldfields.com.au



COMPETENT PERSONS STATEMENT

The information in this report that relates to Mineral Resources is based on information compiled by Peter Ruzicka and Andrew Bewsher. The information in this report that relates to Ore Reserves is compiled by Ian Paynter and Cullum Winn. Exploration drilling results have been compiled by Peter Ruzicka. In some instances material relating to historical resource models is reported, these models have been reviewed and validated by Peter Ruzicka.

Ian Paynter, Cullum Winn and Peter Ruzicka are members of the Australasian Institute of Mining and Metallurgy. Ian Paynter, Peter Ruzicka and Cullum Winn are all full-time employees of Norton Gold Fields Limited. Andrew Bewsher is a member of the Australian Institute of Geoscientists and a full-time employee of BM Geological Services PL, a consulting group to Norton Gold Fields Limited.

Messrs. Winn, Paynter, Ruzicka and Bewsher all have sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Cullum Winn, Ian Paynter, Peter Ruzicka and Andrew Bewsher all consent to the inclusion in this announcement of matters based on their information in the form and context in which it appears.

ABOUT ZIJIN

Zijin is a large international Chinese mining company incorporated in the People's Republic of China. Zijin is listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. As at 30 May 2012, its market capitalisation was approximately A\$12.5 billion. Approximately 29% of the shares in Zijin are held by Minxi Xinghang State-owned Assets Investment Co. Ltd, an entity owned by a county-level government in China.

Zijin's major activities are: the refinement and sale of gold and other non-ferrous metals in China; gold and copper production and refinement; and zinc and lead mining and refinement.

Zijin is China's largest gold producer and second largest copper producer. It has operations in more than 20 provinces in China and in 7 other countries, including Tajikistan, Mongolia, Peru, Krygyzstan and Russia.

For more information, please visit Zijin's website: www.zijinmining.com

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ANNEXURE A – BID IMPLEMENTATION DEED

Bid Implementation Deed

Zijin Mining Group Co., Ltd

Norton Gold Fields Limited

Allens
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.allens.com.au

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Table of Contents

1.	Definitions and interpretation	1
1.1	Defined terms	1
1.2	Interpretation	5
1.3	Consents and approvals	6
1.4	Business Day	6
2.	Takeover Bid	7
2.1	Agreed Announcement	7
2.2	Making of Takeover Bid	7
2.3	Zijin intends to use a Subsidiary	7
2.4	NGF's assessment of Takeover Bid	7
3.	Recommending Directors	7
4.	Public announcements and disclosure of information	8
4.1	Public announcements	8
4.2	Disclosure of information	8
5.	Facilitation of Offer	9
5.1	Bidder's Statement	9
5.2	Target's Statement	9
5.3	Early dispatch of offers	9
5.4	Promote and assist with the Takeover Bid	9
5.5	Conditions of Offer	10
5.6	Conduct of business	10
5.7	Regulatory approvals	11
5.8	Share register	11
5.9	Appointment of Directors to Board	12
6.	Takeover Bid – variation and waiver	12
6.1	Variation	12
6.2	Waiver of conditions and extension	12
7.	Repayment of Merrill Lynch Debt Facility	13
7.1	Merrill Lynch Debt Facility Documentation	13
7.2	Repayment of Merrill Lynch Debt Facility	13
8.	Warranties	14
9.	Exclusivity	15
9.1	Cease existing discussions	15
9.2	No shop restriction	16
9.3	No talk restriction	16
9.4	No due diligence	16
9.5	Notification and matching right	17
9.6	Normal provision of information	18
9.7	Return of confidential information	19
9.8	Time of the essence	19

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10. Break Fee	19
10.1 Background	19
10.2 Undertaking to pay Break Fee	19
10.3 Demand for payment	20
10.4 Nature of payment	20
10.5 Compliance with law	20
11. Confidentiality Deed	21
12. Termination	21
12.1 Termination by either party	21
12.2 Termination by Zijin	22
12.3 Termination by NGF	22
12.4 Effect of termination	22
13. Notices	22
14. General	23
14.1 GST	23
14.2 Entire agreement	24
14.3 Assignment	24
14.4 Severability	24
14.5 No waiver	24
14.6 Variation	24
14.7 Costs and expenses	24
14.8 Further assurances	24
14.9 Governing law	24
14.10 Counterparts	24
Schedule 1	26
Agreed Bid Terms	26
Schedule 2	27
Conditions to Offer	27
Schedule 3 – Performance Rights	35
Schedule 4 – Permitted Actions	36
Execution Page	38

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Date	31 May 2012
Parties	<ol style="list-style-type: none"> 1. Zijin Mining Group Co., Ltd (a company incorporated in China) of No. 1 Zijin Road, Shanghang County, Fujian Province, China (Zijin). 2. Norton Gold Fields Limited (ACN 112 287 797) of Level 1, 79 Hope Street, South Brisbane Qld 4101 Australia (NGF).
Recitals	<ol style="list-style-type: none"> A Zijin is proposing (itself or through a Subsidiary) to make a Takeover Bid for NGF. B The Recommending Directors of NGF are proposing to recommend the Takeover Bid, subject to there being no Superior Proposal. C The parties have agreed that the Takeover Bid will be facilitated on the terms set out in this Deed.

It is agreed as follows.

1. Definitions and interpretation

1.1 Defined terms

In this Deed:

Adviser means, in relation to an entity, a person who in the ordinary course of its business provides services as a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant and who has been engaged in that capacity in connection with the Takeover Bid, or any response to it, by the entity.

Agreed Announcement means the announcement in relation to the Takeover Bid to be made jointly by Zijin and NGF to the ASX following execution of this Deed, in the form initialled by the parties prior to the signing of this Deed.

Agreed Bid Terms means the terms and conditions set out or referred to in Schedule 1.

Announcement Date means:

- (a) the date on which this Deed is executed; or
- (b) if this Deed is executed on a day that is not a Trading Day, the first Trading Day immediately following the day of execution.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given to that term in section 12(2) of the Corporations Act, where NGF is the "designated body".

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ASX means the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of ASX.

Bidder's Statement means the bidder's statement and acceptance form(s) under sections 636 and 637 of the Corporations Act, and which includes the Offer.

Board means the board of directors of NGF.

Break Fee has the meaning given in clause 10.2.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Sydney, Australia, the PRC and Hong Kong.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement (other than any transaction that may be made and implemented in accordance with this Deed) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) would result in a Third Party (either alone or together with any Associate):
 - (i) holding a Relevant Interest or economic interest in (or having the right to acquire a Relevant Interest or economic interest in) 20% or more of the Shares or of the securities of any Subsidiary of NGF;
 - (ii) directly or indirectly acquiring or obtaining an economic interest in all or a substantial part or material part of the business conducted by, or assets or property of, NGF or any Subsidiary of NGF;
 - (iii) acquiring Control of NGF or Subsidiary of NGF; or
 - (iv) otherwise acquiring, or merging with, NGF or any Subsidiary of NGF, whether by way of takeover bid, scheme of arrangement, shareholder-approved transaction, capital reduction, share buy-back, sale or purchase of securities, issue of securities, sale of assets, strategic alliance, dual listed company structure (or other synthetic merger), joint venture, partnership, or other transaction or arrangement; or
- (b) requires or would require NGF or any Recommending Director to change, withdraw or modify their recommendation of the Takeover Bid.

Conditions means the conditions to the Offer which are set out in Schedule 2 and which are annexed to the Agreed Announcement.

Confidentiality Deed means the confidentiality deed dated on or about 5 January 2012 between Zijin and NGF.

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

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

Director means a director of NGF.

Due Diligence Material means all documents and information provided by NGF or its Advisers to Zijin or its Advisers prior to the signing of this Deed by Zijin (for the purpose of carrying out a due diligence investigation of the NGF Group, its business, assets, interests

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and prospects, including all written answers to questions raised by Zijin or its Advisers in relation to one or more documents provided, or the contents of any one or more of those documents), an index of which has been initialled by the parties.

Exclusivity Period means the period commencing on the date of this Deed and ending on the earliest of:

- (a) 6 months after the date of this Deed;
- (b) termination of this Deed; and
- (c) the end of the Offer Period.

Hong Kong means the Hong Kong Special Administrative Region of the PRC.

Hong Kong and PRC Laws and Regulations means the laws and regulations of Hong Kong and the PRC, including but not limited to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Rules of the Shanghai Stock Exchange.

Independence Test is satisfied in respect of a person if that person would be considered independent for the purposes of the Corporate Governance Principles and Recommendations with 2010 Amendments 2nd Edition as published by ASX.

Jinyu has the meaning given in clause 2.3(a).

Loan Notes means the loan notes under the Merrill Lynch Debt Facility and as defined in the Merrill Lynch Debt Facility Documentation.

Merrill Lynch Debt Facility means the senior secured note facility provided to the NGF Group, which was announced to the ASX on 1 June 2011, on the terms and conditions set out in the Merrill Lynch Debt Facility Documentation.

Merrill Lynch Debt Facility Documentation means all of the documents which set out the terms and conditions of the Merrill Lynch Debt Facility and associated security interests, including: A\$ Secured note deed, Security trust deed, Loan note deed poll, Fixed and floating charge and share mortgage, Share placement deed, Voluntary escrow deed, and any accession deeds and substitution deeds entered into in accordance with the A\$ Secured note deed.

NGF Group means NGF and its Subsidiaries, and **entity within the NGF Group** shall be construed accordingly.

Offer has the meaning given in clause 2.2(b).

Offer Period means the period during which the Offer is open for acceptance.

Officer means, in relation to an entity, its directors, officers and employees.

Option means an option, issued by NGF, to subscribe for a Share.

Optionholder means a registered holder of one or more Options.

Performance Right means a right held by a person to be issued one or more Shares if certain NGF share price thresholds are achieved, pursuant to the terms of his employment with an NGF Group company.

PRC means the People's Republic of China.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia, China or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Recommending Directors means all of the Directors from time to time, other than any Director nominated or appointed by Zijin.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Representative means, in relation to a person:

- (a) a Related Body Corporate of the person (save that no entity within the Zijin Group will be considered a Related Body Corporate of NGF for the purposes of the definition of "Representative");
- (b) a Subsidiary of the person;
- (c) an Officer of the person or any of the person's Subsidiaries;
- (d) an Adviser to the person or any of the person's Subsidiaries; or
- (e) in the case of Zijin, any person to whom Zijin has provided access to information provided by NGF pursuant to the Confidentiality Deed.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from the Shares directly or indirectly at or after the Announcement Date (including all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by NGF or any Subsidiary of NGF).

Share means an ordinary share issued in the capital of NGF.

Shareholder means a registered holder of one or more Shares.

Specified Employee means the NGF Group employee whose name has been given by NGF to Zijin prior to the date of this Deed.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal (not resulting from a breach by NGF of any of its obligations under clause 9) after the date of this Deed which the majority of the Recommending Directors have determined, acting in good faith and in order to satisfy what the majority of the Recommending Directors consider to be their fiduciary or statutory duties (and after taking written advice from their external financial and legal advisers):

- (a) is reasonably capable of being valued and completed, taking into account all aspects of the Competing Proposal, including the identity of the person making it, timing considerations and its conditions precedent; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to Shareholders (as a whole) than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal.

Takeover Bid has the meaning given in clause 2.2(a).

Target's Statement means the target's statement under section 638 of the Corporations Act in relation to the Offer.

Third Party means a person other than an entity within the Zijin Group.

Trading Day has the meaning given in the ASX Listing Rules.

Unacceptable Circumstances has the meaning given in section 657A of the Corporations Act.

Zijin's Announcements means the announcements in relation to the Takeover Bid to be made by Zijin in accordance with Hong Kong and PRC Laws and Regulations (as defined above) following the execution of this Deed, in the forms initialled by the parties prior to the signing of this Deed or otherwise agreed by the parties, provided that Zijin's Announcements are in all cases subject to the overriding requirements of Hong Kong and PRC Laws and Regulations (as defined above).

Zijin Group means Zijin and each of its Subsidiaries and Related Bodies Corporate (excluding, at any time, NGF and its Subsidiaries to the extent that NGF and its Subsidiaries are Subsidiaries of Zijin at that time), and **entity within the Zijin Group** shall be construed accordingly.

Zijin Loan Facility Agreement means the agreement entered into on or prior to the date of this Deed between the Zijin Group and NGF Group pursuant to which the Zijin Group will make available to NGF an unsecured loan for a maximum of A\$38 million.

1.2 Interpretation

In this Deed, headings are for convenience only and do not affect interpretation. The following rules apply in this Deed unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a *person* includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this Deed.
- (f) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form but excludes a communication by electronic mail.
- (g) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (h) A reference to a party to this Deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).

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- (i) A reference to legislation or to a provision of legislation includes:
- (i) a modification of it (including, in respect of the Corporations Act or a provision of that Act, a modification made by ASIC);
 - (ii) a re-enactment of it;
 - (iii) a legislative provision substituted for it; and
 - (iv) a regulation or statutory instrument issued under it.
- (j) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (k) A reference to an *agreement* includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a *document* includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (l) A reference to an agreement or document (including a reference to this Deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Deed or that other agreement or document.
- (m) A reference to *Australian dollars*, *dollars* and *\$* is to Australian currency.
- (n) Mentioning anything after *includes*, *including*, *for example* or similar expressions, does not limit what else might be included.
- (o) Nothing in this Deed is to be interpreted against a party solely on the ground that the party put forward this Deed or a relevant part of it.
- (p) A reference to any time is a reference to that time in Sydney, Australia.
- (q) A reference to a period of time dating from a given day or the day of an act or event is to be calculated exclusive of that day.
- (r) If an act to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.
- (s) A reference to a *month* is to a calendar month.

1.3 Consents and approvals

If the doing of any act, matter or thing under this Deed is dependent on the consent or approval of a party or is within the discretion of a party, such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion (unless this Deed specifies otherwise).

1.4 Business Day

Except where otherwise expressly provided, where under this Deed the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the next Business Day.

2. Takeover Bid

2.1 Agreed Announcement

NGF must release the Agreed Announcement to the ASX on the Announcement Date.

2.2 Making of Takeover Bid

- (a) Zijin acknowledges and agrees that, upon the release of the Agreed Announcement on the ASX company announcements platform, it will be deemed to have publicly proposed to make a takeover bid to acquire all of the Shares under Chapter 6 of the Corporations Act on terms no less favourable than the Agreed Bid Terms (the **Takeover Bid**).
- (b) Zijin agrees to make offers for the Shares under the Takeover Bid on terms no less favourable than that publicly proposed (the **Offer**).

2.3 Zijin intends to use a Subsidiary

- (a) Zijin intends to satisfy its obligations under clauses 2.2(a) and 2.2(b) by causing Jinyu (H.K.) International Mining Company Limited (**Jinyu**) (a wholly-owned Subsidiary of Zijin which is incorporated in Hong Kong) to perform the obligations referred to in clauses 2.2(a) and 2.2(b), and in such case references to:
 - (i) the Takeover Bid are references to the Takeover Bid by Jinyu; and
 - (ii) Zijin making the Takeover Bid or the Offer are references to Zijin causing Jinyu to make the Takeover Bid or Offer (as applicable).
- (b) In the event that Zijin elects to satisfy its obligations under clauses 2.2(a) and 2.2(b) by causing Jinyu to perform the obligations referred to in clauses 2.2(a) and 2.2(b), Zijin:
 - (i) must procure that Jinyu performs and observes all of such obligations; and
 - (ii) unconditionally and irrevocably guarantees to NGF the performance and observance by Jinyu of all of such obligations.

2.4 NGF's assessment of Takeover Bid

NGF represents and warrants that:

- (a) the Recommending Directors have met and considered the possibility of Zijin agreeing to make the Takeover Bid; and
- (b) all of the Recommending Directors have informed NGF that they will unanimously recommend that Shareholders accept the Offer, in each case subject only to the qualification that there is no Superior Proposal.

3. Recommending Directors

- (a) Subject to clause 3(b), NGF must use its best endeavours to procure that the Recommending Directors will unanimously recommend (including in the Target's

Statement) that Shareholders accept the Offer subject to there being no Superior Proposal.

- (b) NGF must use its best endeavours to procure that each of the Recommending Directors does not change, withdraw or modify his or her recommendation under clause 3(a) or make a recommendation that is inconsistent with such recommendation, unless:
 - (i) there is a Superior Proposal or a Competing Proposal that may reasonably be expected to lead to a Superior Proposal; or
 - (ii) it has been at least 3 months since the Announcement Date and that Recommending Director, acting in good faith, determines (after taking written advice from NGF's or his or her own external financial and legal advisers) that he or she, is by virtue of his or her fiduciary or statutory duties, required to change, withdraw or modify such recommendation or make a recommendation that is inconsistent with it.

4. Public announcements and disclosure of information

4.1 Public announcements

- (a) Subject to 4.1(b), each party must use its best endeavours to consult with the other party prior to making any public announcements in connection with the Offer (other than the Agreed Announcement and Zijin's Announcements).
- (b) Where a party is required by applicable law or stock exchange rules to make any announcement or make any disclosure relating to matters the subject of the Offer (including any supplementary Bidder's Statement or Target's Statement), it may do so only after it has, to the maximum extent possible in the circumstances:
 - (i) given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by law or a Public Authority; and
 - (ii) consulted with the other party as to the content of that announcement or disclosure.

4.2 Disclosure of information

- (a) The parties acknowledge and agree that, notwithstanding anything in the Confidentiality Deed:
 - (i) Zijin and its Subsidiaries will be able to disclose information as required or desirable by or under Australian law such that Zijin and its Subsidiaries are free to acquire Shares under the Offer or (during the Offer Period) on-market subject to the restrictions in the Corporations Act; and
 - (ii) NGF will be able to disclose information as required or desirable by or under Australian law such that the Recommending Directors are free to consider and recommend the Offer.

- (b) Each party shall provide the other party with reasonable advance notice of any disclosure contemplated by clause 4.2(a), and consider in good faith the comments made by the other party in relation to the form of the disclosure.

5. Facilitation of Offer

5.1 Bidder's Statement

- (a) Zijin will give NGF a reasonable opportunity to review the draft of the Bidder's Statement in the form in which Zijin proposes to lodge that document with ASIC, and will consult in good faith with NGF with respect to any comments NGF may have.
- (b) NGF must provide any assistance and information reasonably requested by Zijin to enable Zijin to prepare and finalise the Bidder's Statement.

5.2 Target's Statement

- (a) NGF will give Zijin a reasonable opportunity to review the draft of the Target's Statement in the form in which NGF proposes to lodge that document with ASIC and will consult in good faith with Zijin with respect to any comments Zijin may have.
- (b) Zijin must provide any assistance and information reasonably requested by NGF to enable NGF to prepare and finalise the Target's Statement.

5.3 Early dispatch of offers

- (a) NGF agrees, and represents and warrants that all of the Recommending Directors have agreed, that the Bidder's Statement may be despatched to Shareholders and Optionholders on a date agreed between Zijin and NGF that is earlier than the date for sending under Item 6 of section 633(1) of the Corporations Act.
- (b) At the request of Zijin, NGF must use reasonable endeavours to ensure that its Target's Statement is despatched to Shareholders and Optionholders together with the Bidder's Statement.

5.4 Promote and assist with the Takeover Bid

- (a) During the Exclusivity Period, NGF will procure that the chairman of directors, the managing director and such other senior executives as reasonably requested by Zijin will participate in efforts reasonably required by Zijin, at Zijin's expense, to promote the merits of the Takeover Bid, including:
 - (i) meeting with key Shareholders if requested to do so by Zijin;
 - (ii) communicating with NGF's employees, customers and contractual counterparties.
- (b) NGF will direct its share registry to provide Zijin with such assistance as it may reasonably require in implementing and promoting the Takeover Bid.

- (c) NGF will provide Zijin with such assistance as it may reasonably require in Zijin establishing or operating any institutional or shareholder acceptance facility relating to the Offer.

5.5 Conditions of Offer

- (a) From the Announcement Date until the end of the Offer Period, NGF will ensure and procure that, to the extent within its power or control, none of the Conditions are breached.
- (b) To avoid any doubt in this Deed, a reference to a Condition being breached includes a reference to a Condition not being, or not being capable of being, satisfied.
- (c) For the avoidance of doubt, any action by NGF or any Subsidiary of NGF described in Schedule 4 will not be considered a breach of clause 5.5(a).
- (d) If any event occurs or becomes apparent which would cause any of the Conditions to be breached or prevent them from being able to be satisfied, NGF or Zijin must, to the extent such information is within the relevant party's actual knowledge, as soon as reasonably practicable notify the other party of the event.

5.6 Conduct of business

- (a) From the Announcement Date until the end of the Offer Period, NGF will, and will procure that each of its Subsidiaries will:
 - (i) conduct the NGF Group's business and operations in the usual and ordinary course consistent with the manner in which each such business and operations were conducted immediately prior to the date of this Deed, and must regularly consult with Zijin on the manner of conduct of the NGF Group's business and operations;
 - (ii) make all reasonable efforts to:
 - (A) keep available the services of their officers and employees; and
 - (B) preserve their relationships with Public Authorities, customers, suppliers, landlords, trade unions, licensors, licensees and others with whom they have business dealings;
 - (iii) not enter any lines of business or other activities in which the NGF Group is not engaged at the date of this Deed;
 - (iv) ensure that Zijin is given the opportunity to be kept up-to-date on any material discussions, correspondence and negotiations between any entity within the NGF Group and any Public Authority on any matter;
 - (v) respond to any reasonable request from Zijin for information concerning the NGF Group and its business and operations; and
 - (vi) subject to the Confidentiality Deed, provide Zijin and its Representatives reasonable access to officers and employees, offices and other facilities, and books and records of entities within the NGF Group, and otherwise

provide reasonable co-operation to Zijin and its Representatives, for the purpose of:

- (A) Zijin and its Representatives understanding the business and operation of the NGF Group;
 - (B) Zijin and its Representatives doing all things necessary or desirable under this Deed or in connection with the Offer; or
 - (C) Zijin and its Representatives planning for:
 - (1) the integration of the NGF Group into the Zijin Group assuming the Offer becomes unconditional and the Zijin Group holds Relevant Interests in at least 90% of the Shares; or
 - (2) the management of the NGF Group assuming the Offer becomes unconditional and the Zijin Group holds Relevant Interests in at least 50% of the Shares;
- (vii) ensure there is no material decrease in the amount of cash in the NGF Group other than as:
- (A) used in the ordinary course of business or as described in Schedule 4; or
 - (B) a result of reasonable costs incurred directly in relation to the transactions contemplated by the Takeover Bid; or
 - (C) a result of the payment of a dividend as contemplated by paragraph 2(c) of Schedule 1.
- (b) Nothing in clause 5.6(a) restricts the ability of NGF to take any action which:
- (i) is required by this Deed;
 - (ii) NGF has fully and fairly disclosed in an announcement made to ASX and released on the ASX company announcements platform prior to the signing of this Deed by Zijin;
 - (iii) NGF has fully and fairly disclosed to Zijin prior to the signing of this Deed by Zijin;
 - (iv) is described in Schedule 4; or
 - (v) has been agreed to in writing by Zijin.

5.7 Regulatory approvals

NGF must provide Zijin with all reasonable assistance and information required by Zijin to prepare and/or progress all applications made by the Zijin Group to seek the regulatory approvals described in items 2 and 3 of the Conditions.

5.8 Share register

From the date of this Deed until the end of the Offer Period, NGF must (without charge to Zijin):

- (a) provide Zijin with a copy of the register of Shareholders in an electronic form from time to time as reasonably requested by Zijin promptly after a request by Zijin to do so (including any request made by Zijin under section 641 of the Corporations Act); and
- (b) comply with any request of Zijin acting reasonably, to give directions to Shareholders pursuant to Part 6C.2 of the Corporations Act (and provide copies of any responses to Zijin upon request).

5.9 Appointment of Directors to Board

- (a) NGF represents and warrants to Zijin that, if and when Zijin acquires a Relevant Interest in more than 50% of the Shares and the Offer has become unconditional, each Recommending Director will take all actions necessary to ensure that:
 - (i) the nominees of Zijin are lawfully appointed as Directors; and
 - (ii) all Directors, other than:
 - (A) Zijin's nominees (which includes for this purpose Mr Zeng); and
 - (B) any Recommending Director who may be identified by Zijin and notified to NGF,resign and each such resigning Director provides a written acknowledgement and confirmation for the benefit of the NGF Group that the Director has no claim against any entity within the NGF Group for salary, fees, compensation for loss of office or loans which that Director has made to any entity within the NGF Group in respect of that Director holding office as or ceasing to be a Director.
- (b) For the avoidance of doubt, Zijin is under no obligation to identify a Recommending Director for the purposes of clause 5.9(a)(ii)(B). If Zijin does not identify and notify to NGF a Recommending Director for the purposes of clause 5.9(a)(ii)(B), then immediately prior to the resignations referred to in clause 5.9(a)(ii), NGF will cause and procure the appointment to the Board a person who has been nominated by Zijin and who satisfies the Independence Test.

6. Takeover Bid – variation and waiver

6.1 Variation

Subject to clause 6.2(a), Zijin may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act.

6.2 Waiver of conditions and extension

- (a) Subject to the Corporations Act and clause 6.2(b), Zijin may at any time:
 - (i) declare the Takeover Bid to be free from any Condition; and/or
 - (ii) extend the Offer Period.
- (b) Despite anything else in this Deed or the Corporations Act, Zijin must not:

- (i) waive the minimum relevant interest condition described in item 1 of the Conditions until such time as either of the following has occurred:
 - (A) Zijin has obtained a Relevant Interest in at least 45% of the Shares; or
 - (B) the expiration of the first two weeks of the initial Offer Period (prior to any extension as permitted by the Corporations Act); or
- (ii) extend the Offer Period beyond an aggregate Offer Period of 6 months.

7. Repayment of Merrill Lynch Debt Facility

7.1 Merrill Lynch Debt Facility Documentation

NGF must not (and must ensure that its Subsidiaries do not):

- (a) amend or vary the Merrill Lynch Debt Facility Documentation; or
- (b) seek any consents from, or make any requests, to any counter-party or holder of Loan Notes, or waive any rights which the NGF Group has, under the Merrill Lynch Debt Facility Documentation,

except with the prior written consent of Zijin (such consent not to be unreasonably withheld where the relevant matter is in the ordinary course of business). Zijin will be deemed to have given its consent if Zijin does not respond to NGF's written request for consent by 5.00pm (Sydney, Australia time) within 3 Business Days after NGF seeks that consent.

7.2 Repayment of Merrill Lynch Debt Facility

- (a) If, at any time after the date of this Deed, NGF has an obligation under the Merrill Lynch Debt Facility Documentation to redeem any of the Loan Notes, then NGF must:
 - (i) on or before the date on which each such redemption must occur (the **Mandatory Redemption Date**), do all things required to redeem the relevant Loan Notes, including the payment of (or procuring the payment of) all amounts payable under the Merrill Lynch Debt Facility; and
 - (ii) ensure that, within 5 Business Days after each Mandatory Redemption Date, all of the relevant security interests under the Merrill Lynch Debt Facility are fully and finally released and discharged.
- (b) In the event that the Offer becomes or is declared unconditional before the Mandatory Redemption Date, then NGF must:
 - (i) within 1 Business Day after the Offer becomes or is declared unconditional, provide to the Agent under the Merrill Lynch Debt Facility a notice (a **Voluntary Redemption Notice**) that NGF will redeem all of the Loan Notes on:
 - (A) the tenth Business Day (as defined in the Merrill Lynch Debt Facility Documentation) after the giving of the Voluntary Redemption Notice to the Agent; or

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- (B) such earlier date agreed with the Agent,
(the **Voluntary Redemption Date**);
- (ii) on or before the Voluntary Redemption Date, do all things required to redeem all of the Loan Notes, including the payment of (or procuring the payment of) all amounts payable under the Merrill Lynch Debt Facility; and
 - (iii) ensure that, within 5 Business Days after the Voluntary Redemption Date, all of the security interests under the Merrill Lynch Debt Facility are fully and finally released and discharged.
- (c) In the event that NGF has obligations under both clause 7.2(a) and 7.2(b), NGF must comply with clause 7.2(a) in priority to clause 7.2(b).
- (d) NGF must apply all amounts drawdown under the Zijin Loan Facility Agreement towards meeting its payment obligations under clause 7.2(a) or 7.2(b) and related fees and expenses, and cannot use any amount drawdown for any other purpose.

8. Warranties

- (a) Each party represents and warrants to the other that, at the date of this Deed:
- (i) it is duly incorporated under the laws of the place of its incorporation;
 - (ii) it has the power and authority to sign this Deed and perform and observe all its terms;
 - (iii) this Deed has been duly executed and is a legal, valid and binding agreement, enforceable against it in accordance with its terms;
 - (iv) it is not bound by any contract which may restrict its right or ability to enter into or perform this Deed;
 - (v) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets, and no regulatory action of any nature has been taken, which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Deed; and
 - (vi) it is not aware of any act, omission, event or fact that would result in one or more of the Conditions being triggered, except as disclosed by a party to the other party in writing prior to the signing of this Deed.
- (b) In addition, NGF warrants to Zijin that:
- (i) as at the date of this Deed, all information which has been disclosed by NGF under its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules was true and correct at the time it was disclosed, and NGF has complied with its continuous disclosure obligations under ASX Listing Rule 3.1;

- (ii) as at the date of this Deed:
- (A) the Due Diligence Material contains all material information that was reasonably requested by Zijin before the signing of this Deed by Zijin; and
 - (B) the Due Diligence Material is not misleading or deceptive in any material respect;
- (iii) as at the date of this Deed, without limiting clause 8(b)(ii), all documents and information containing or relevant to the terms and conditions of the Merrill Lynch Debt Facility have been disclosed to Zijin in writing as part of the Due Diligence Material;
- (iv) as at the date of this Deed, the aggregate amount outstanding (being the aggregate of principal, accrued interest and any other amounts) under the Merrill Lynch Debt Facility is not more than A\$48,442,426.22;
- (v) as at the date of this Deed, NGF has on issue:
- (A) 849,580,265 Shares;
 - (B) 12,000,000 Options, of which 8,000,000 are held by NGF's Chief Executive Officer (Andre Labushagne) and 4,000,000 are held by NGF's Chief Financial Officer (Robert Brainsbury); and
 - (C) the Performance Rights set out in Schedule 3,
- and those securities, instruments or derivatives comprise the whole of the issued and outstanding share capital of NGF and it has not issued or agreed to issue any other securities, instruments or derivatives which are still outstanding and which may convert into or be exchangeable for or entitle the holder to any Shares, except that NGF may issue a maximum of 4,000,000 Options to the Specified Employee in accordance with the terms disclosed to Zijin at least 1 Business Day prior to the date of this Deed; and
- (vi) as at the date of this Deed, the information in Schedule 3 is true and accurate.
- (c) In addition, Zijin warrants to NGF that:
- (i) as at the date of this Deed, to the best of its knowledge, Zijin is unaware of any reason why it will be unable to obtain the approvals referred to in item 3 of the Conditions; and
 - (ii) as at the date of the Deed and at all times during the Offer Period, Jinyu is and will remain a wholly-owned Subsidiary of Zijin.

9. Exclusivity

9.1 Cease existing discussions

NGF warrants that, as at the time of execution of this Deed:

- (a) it is not in any discussions or negotiations, and has ceased any discussions or negotiations, in respect of any Competing Proposal with any Third Party; and
- (b) there is no Competing Proposal.

9.2 No shop restriction

During the Exclusivity Period, NGF must not, and must ensure that none of its Representatives directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.

9.3 No talk restriction

During the Exclusivity Period, NGF must not, and must ensure that none of its Representatives, enters into, continues or participates in, negotiations or discussions with any Third Party regarding a Competing Proposal, or if to do so may be reasonably be likely to lead to a Competing Proposal, even if:

- (a) the Competing Proposal was not directly or indirectly solicited, initiated or encouraged by NGF or any of its Representatives; or
- (b) the Competing Proposal has been publicly announced,

unless the Recommending Directors have determined that the Competing Proposal:

- (i) is a Superior Proposal; or
- (ii) may reasonably be expected to lead to a Superior Proposal.

9.4 No due diligence

Without limiting the general nature of clause 9.3, during the Exclusivity Period, NGF must not, and must ensure that its Representatives do not, make available to any Third Party, or permit any Third Party, to receive any non-public information relating to any entity within the NGF Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal, unless all of the following requirements are satisfied:

- (a) the Recommending Directors have determined that the Competing Proposal:
 - (i) is a Superior Proposal; or
 - (ii) may reasonably be expected to lead to, a Superior Proposal;
- (b) if NGF proposes to provide any confidential information to a Third Party, before NGF provides such information to the Third Party, the Third Party has entered into a written agreement in favour of NGF regarding the use and disclosure of the confidential information by the Third Party and that restricts the Third Party's ability to solicit the employees of the NGF Group; and
- (c) to the extent that such information has not previously been provided to Zijin, NGF provides that information to Zijin at the same time as it is provided to the Third Party.

9.5 Notification and matching right

- (a) During the Exclusivity Period, NGF must immediately notify Zijin if:
- (i) it or, so far as it is aware, any of its Representatives, is approached (directly or indirectly) by any Third Party to engage in any activity or take any other action of a kind referred to in clause 9.3; or
 - (ii) it proposes to take any action of a kind referred to in clause 9.4, unless (and only to the extent that) the Recommending Directors, acting in good faith and after having received written advice from their external legal advisers, determine that notifying Zijin would, or would be likely to, constitute a breach of the Recommending Directors' fiduciary or statutory obligations.
- (b) If NGF receives a Competing Proposal, NGF:
- (i) must not enter into any agreement, arrangement or understanding (whether or not in writing) to undertake or give effect to a Competing Proposal; and
 - (ii) must use its best endeavours to procure that none of the Recommending Directors changes, withdraws or modifies his or her recommendation of the Takeover Bid in favour of the Competing Proposal, unless:
 - (iii) the Recommending Directors have determined that the Competing Proposal is a Superior Proposal or may reasonably be expected to lead to, a Superior Proposal;
 - (iv) NGF has complied with its notification obligations under clause 9.5(a) (subject to the exception in that clause);
 - (v) NGF has first given Zijin at least 5 clear Business Days notice in writing of the proposed action described in clause 9.5(b)(i) or 9.5(b)(ii); and
 - (vi) NGF has provided to Zijin with that notice:
 - (A) all material terms of the Competing Proposal, including details of the proposed price or implied value, conditions, timing and break fee (if any); and
 - (B) the identity of the person who has made the Competing Proposal (the **Competing Party**). If the identity of the Competing Party cannot be disclosed to Zijin without the consent of the Competing Party then NGF must use its best endeavours to obtain that consent. If consent is refused, NGF may only withhold the identity of the Competing Party if the Recommending Directors, acting in good faith and after having received written advice from their external legal advisers, determine that disclosing the identity of the Competing Party would, or would be likely to, constitute a breach of the Recommending Directors' fiduciary or statutory obligations.

- (c) During the 5 clear Business Day period referred to in clause 9.5(b)(v), Zijin will have the right to offer a counter proposal (a **Zijin Counter Proposal**) that will provide a superior outcome for Shareholders than the applicable Competing Proposal.
- (d) NGF must procure that the Recommending Directors consider any such Zijin Counter Proposal and if the Recommending Directors, acting in good faith, determines that:
- (i) the Zijin Counter Proposal would provide a superior outcome for the Shareholders than the applicable Competing Proposal; and
 - (ii) the other terms and conditions of the Zijin Counter Proposal taken as a whole are not less favourable than those in the applicable Competing Proposal,
- then:
- (iii) NGF and Zijin must use their best endeavours to agree any amendments to this Deed that are reasonably necessary to reflect the Zijin Counter Proposal; and
 - (iv) the Recommending Directors must recommend the Zijin Counter Proposal to Shareholders and not the applicable Competing Proposal.
- (e) Any material modification to any Competing Proposal (which will include any modification relating to the price or value of any Competing Proposal) will be taken to make that proposal a new Competing Proposal in respect of which NGF must comply with its obligations under this clause 9.5 except that any reference to “5 clear Business Days” in this clause 9.5 would in that event be taken to be a reference to “3 clear Business Days”.
- (f) Notwithstanding anything else in this clause 9.5, if it is found by the Takeovers Panel or a Court that any obligation of NGF under this clause 9.5 must be subject to a 'fiduciary carve-out', then such obligation does not apply to the extent that the Recommending Directors, acting in good faith and after having received written advice from their external legal advisers, determine that complying with such obligation would be likely to involve a breach of their fiduciary or statutory obligations.

9.6 Normal provision of information

Nothing in this clause 9 prevents a party from:

- (a) providing information to its Representatives;
- (b) providing information to any Public Authority;
- (c) providing information to its auditors, Advisers, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law, including to satisfy its obligations of disclosure under any stock exchange listing rules or to any Public Authority; or

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- (e) making presentations to brokers, portfolio investors, analysts, financiers and other third parties in the ordinary course of business.

9.7 Return of confidential information

NGF must, immediately after the Announcement Date, require all persons (other than an entity within the Zijin Group) to whom it has provided non-public information prior to the date of this Deed to return or destroy, and delete from retrieval systems and databases, all such information.

9.8 Time of the essence

Time is of the essence in this clause 9.

10. Break Fee

10.1 Background

This clause 10 has been agreed to in circumstances where:

- (a) Zijin and NGF believe the implementation of the Takeover Bid will provide significant benefits to their respective shareholders, and Zijin and NGF acknowledge that, if they enter into this Deed and the Takeover Bid is subsequently not implemented, Zijin will have incurred significant costs, including significant opportunity costs;
- (b) Zijin requested provision be made for the payments outlined in this clause 10, without which Zijin would not have entered into this Deed;
- (c) both the Board and the board of Zijin believe that it is appropriate for both parties to agree to the payment referred to in this clause 10 to secure Zijin's entry into this Deed; and
- (d) both parties have received legal advice in relation to this Deed and the operation of this clause 10.

10.2 Undertaking to pay Break Fee

NGF undertakes to pay a compensating amount of A\$2.15 million (plus any GST) (the **Break Fee**), to Zijin if any of the following events occurs:

- (a) any of the Recommending Directors does not recommend the Takeover Bid as described in clause 3(a) or recommends against, qualifies their support of or withdraws their recommendation or approval of the Takeover Bid;
- (b) a Competing Proposal is announced or made during the Exclusivity Period and any of the Recommending Directors recommends that Competing Proposal;
- (c) at any time during the Exclusivity Period a Competing Proposal is announced or made and is completed at any time within a 12 month period following the date of this Deed and, as a result, a Third Party acquires Control of NGF or has a Relevant Interest in more than 50% of the Shares;

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- (d) a general meeting of NGF is convened by the Board to consider and, if thought fit, approve the implementation or taking of any step that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied, and any of the Recommending Directors recommend that Shareholders vote in favour of implementing or taking that step;
- (e) NGF or any Recommending Director does (or omits to do) anything (whether or not it may be permitted by the terms of this Deed) which results in any of the Conditions being breached, unless Zijin declares the Takeover Bid free of the breached Condition (which it may do in its absolute discretion); or
- (f) NGF is in material breach of this Deed, and that material breach is not remedied within 3 Business Days of NGF receiving notice to remedy from Zijin,

provided in each case that a Break Fee will not be payable after the Offer has closed in circumstances where the Offer has become unconditional and Zijin has acquired a Relevant Interest in at least 50.1% of the Shares.

10.3 Demand for payment

- (a) Any demand by Zijin for payment of the Break Fee must be in writing.
- (b) NGF must pay the Break Fee to Zijin, by bank cheque or electronic funds transfer to an Australian bank account nominated by Zijin, within 5 Business Days of receipt of the demand from Zijin. The demand may only be made after the occurrence of an event referred to in clause 10.2.
- (c) NGF will not be required to pay the Break Fee more than once.

10.4 Nature of payment

- (a) The Break Fee payable by NGF to Zijin under clause 10.2 is an amount to compensate Zijin for:
- (i) advisory costs;
 - (ii) costs of management and directors' time;
 - (iii) out-of-pocket expenses; and
 - (iv) opportunity costs incurred in pursuing the Takeover Bid or in not pursuing other alternative acquisitions or strategic initiatives which could have been developed to further business and objectives,
- incurred by the entities within the Zijin Group in circumstances where the Takeover Bid is not ultimately successful.
- (b) The parties acknowledge and agree that the costs actually incurred by Zijin as described in clause 10.4(a) will be of such nature that they cannot be accurately ascertained, but that the Break Fee is a genuine and reasonable pre-estimate of the cost and loss that would actually be suffered by the Zijin Group.

10.5 Compliance with law

If:

- (a) it is found by the Takeovers Panel or a Court that all or any part of the payment of the Break Fee required to be made under clause 10.2 is unlawful, involves a breach of directors' duties or constitutes Unacceptable Circumstances and the period for lodging an application for review or a notice of appeal (as applicable) has expired without such an application or notice having been lodged; or
- (b) an application for review or a notice of appeal having been lodged with the Takeovers Panel or a Court within the prescribed period, it is found by the relevant review panel or appeal Court that all or any part of the payment of the Break Fee required to be made under clause 10.2 is unlawful, involves a breach of directors' duties or constitutes Unacceptable Circumstances,

then:

- (c) the undertaking under clause 10.2 does not apply in respect of that part of the payment which is found to be unlawful, involving a breach of directors' duties or constituting Unacceptable Circumstances; and
- (d) Zijin must refund that part of the payment paid to Zijin under this Deed within 5 Business Days of a written demand by NGF for a refund of that part of the Break Fee.

11. Confidentiality Deed

- (a) Zijin unconditionally and irrevocably releases and indemnifies NGF, NGF's Subsidiaries and their respective agents, officers, employees and contractors against any loss, damage or claim Zijin has or may suffer, incur, be liable for or have as a result of any breach of the Confidentiality Deed on the part of NGF, a Subsidiary of NGF or their respective agents, officers, employees or contractors prior to the date of this Deed.
- (b) NGF unconditionally and irrevocably releases and indemnifies Zijin, Zijin's Subsidiaries and their respective agents, officers, employees and contractors against any loss, damage or claim any entity within the NGF Group has or may suffer, incur, be liable for or have as a result of any breach of the Confidentiality Deed on the part of Zijin, a Subsidiary of Zijin or their respective agents, officers, employees or contractors prior to the date of this Deed.

12. Termination

12.1 Termination by either party

- (a) A party (the **Terminating Party**) may terminate this Deed at any time, by notice to the other party, if:
- (i) the other party is in breach of any clause of this Deed, which breach is material in the context of the Takeover Bid;
- (ii) the Terminating Party has given notice to the other party setting out the material breach and stating an intention to terminate this Deed; and

- (iii) the material breach has continued to exist for 5 Business Days from the time such notice is given.
- (b) A party may terminate this Deed at any time, by notice to the other, if Zijin withdraws the Takeover Bid or the Takeover Bid lapses or does not proceed for any reason, including non-satisfaction of a Condition which non-satisfaction is not waived by Zijin pursuant to section 650F of the Corporations Act.
- (c) A party may terminate this Deed at any time, by notice to the other, if all of the Conditions are not satisfied or waived by the date that is 6 months from the commencement of the Offer Period.

12.2 Termination by Zijin

This Deed may be terminated by Zijin by notice to NGF if:

- (a) any of the Recommending Directors does not recommend the Takeover Bid as described in clause 3(a) or recommends against, qualifies their support of or withdraws their recommendation or approval of the Takeover Bid; or
- (b) a Competing Proposal is announced or made during the Exclusivity Period and any of the Recommending Directors recommends that Competing Proposal.

12.3 Termination by NGF

This Deed may be terminated by NGF by notice to Zijin if a majority of the Recommending Directors recommend a Superior Proposal in accordance with this Deed.

12.4 Effect of termination

If this Deed is terminated by either party under this clause 12, this Deed will have no further force or effect and the parties will have no further obligations under this Deed, other than in respect of any accrued rights or remedies including in respect of any liability for an antecedent breach of this Deed and provided that this clause 12.4 and clauses 1 (Definitions and interpretation), 8 (Warranties), 10 (Break Fee), 11 (Confidentiality Deed), 13 (Notices) and 14 (General) survive termination.

13. Notices

Any communication under or in connection with this Deed:

- (a) must be in writing in English;
- (b) must be addressed as shown below:
 - (i) to NGF: Attention: The Chairman
Fax No: +61 7 3846 9233
with a copy via email to: timprowse@optusnet.com.au and to HopgoodGanim Lawyers - attention: Michele Muscillo, email: m.muscillo@hopgoodganim.com.au;
 - (ii) to Zijin: Attention: Mr Lan Fusheng

Fax No: +86 592 2933580

with a copy via email to ifs@zijinmining.com and to Allens – attention: Campbell Davidson and Andrew Wong, email: Campbell.Davidson@allens.com.au and Andrew.Wong@allens.com.au;

(or as otherwise notified by that party to the other parties from time to time);

- (c) must be signed by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered or sent by fax to the number, of the addressee, in accordance with clause 13(b); and
- (e) will be deemed to be received by the addressee:
 - (i) (in the case of prepaid post) on the third Business Day after the date of posting domestically to an Australian address, and on the fifth Business Day after the date of posting to a foreign address;
 - (ii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day; and
 - (iii) (in the case of delivery by hand) on delivery at the address of the addressee as provided in clause 13(b) unless that delivery is not made on a Business Day, or after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day.

14. General

14.1 GST

- (a) Unless otherwise expressly stated, all amounts payable under this Deed are expressed to be exclusive of GST. If GST is payable on a Taxable Supply made under or in connection with this Deed, the recipient of the supply must pay the supplier, an additional amount equal to the GST payable on that supply provided that the supplier first issues a tax invoice for that supply.
- (b) Without limiting clause 14.1(a), if an amount payable under this Deed is calculated by reference to a liability incurred by a party, then the amount of the liability must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of the acquisition of the supply to which that liability relates. A party will be assumed to be entitled to a full Input Tax Credit unless it demonstrates that its entitlement is otherwise prior to the date on which payment must be made.

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- (c) Words and expressions used in this clause 14.1 have the same meaning as in *A New Tax System (Goods and Services) Tax Act 1999 (Cth)*.

14.2 Entire agreement

This Deed contains the entire agreement between the parties with respect to its subject matter. It sets out the only conduct relied on by the parties and supersedes all earlier conduct and prior agreements and understandings between the parties in connection with its subject matter.

14.3 Assignment

Neither party may assign or otherwise transfer any of its rights arising under this Deed without the prior written consent of the other party.

14.4 Severability

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction will be ineffective in that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Deed nor affect the validity or enforceability of that provision in any other jurisdiction.

14.5 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this Deed does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

14.6 Variation

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

14.7 Costs and expenses

Subject to clause 10, each party must pay its own legal costs and expenses in respect of the negotiation, preparation, completion and stamping of this Deed.

14.8 Further assurances

Each party must do all things and execute all further documents necessary to give full effect to this Deed.

14.9 Governing law

This Deed is governed by the laws of New South Wales. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there, and waives any right to claim that those courts are an inconvenient forum.

14.10 Counterparts

This Deed may be executed in any number of counterparts. All counterparts taken together will be taken to constitute one agreement. The parties agree that a facsimile copy

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of a counterpart received from a party shall be regarded as an original copy of that counterpart received from that party.

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Schedule 1

Agreed Bid Terms

1. Offer for Shares

Zijin or its wholly-owned subsidiary Jinyu (H.K.) International Mining Company Limited (each being **Bidder**) will make an offer to acquire 100% of the Shares. However, each Shareholder can choose to accept the Offer for all or only some of their Shares.

2. Offer price

- (a) Offer price will be A\$0.25 per Share.
- (b) Subject to paragraph (c) below, the Offer price may be reduced by the amount of any Rights which are paid, made or otherwise arise or accrue to a Shareholder.
- (c) Paragraph (b) does not apply to a one-off dividend which satisfies the following requirements:
 - (i) the dividend will be declared or become payable only if both of the following events have occurred:
 - (A) the Offer becomes unconditional; and
 - (B) all of the Loan Notes have been redeemed;
 - (ii) the dividend amount will not be greater than A\$0.02 per NGF Share;
 - (iii) the dividend will be unfranked; and
 - (iv) the dividend will have a payment date that is not later than 3 weeks after the date on which the last of the events in sub-paragraphs (i)(A) and (i)(B) has occurred.

3. Offer Period

The Offer will remain open for an initial period of not less than one month, and will be subject to Bidder's right to extend the period in its absolute discretion in a way permitted by the Corporations Act provided that the aggregate Offer Period does not exceed 6 months.

4. Shares issued upon exercise of Options

The Offer will extend to Shares that are issued prior to the end of the Offer Period upon the exercise of Options which are in existence as at the date set by Bidder under section 633(2) of the Corporations Act.

5. Conditions to Offer

As set out in Schedule 2.

Schedule 2

Conditions to Offer

The Offer and any contract that results from acceptance of the Offer are subject to the fulfillment of the following conditions. (Note: Terms used in this Schedule 2 have the meanings given at the end of this Schedule 2.)

1. Minimum relevant interest

At or before the end of the Offer Period, Zijin Bidder and its Related Bodies Corporate together have Relevant Interests in at least 50.1% of all the NGF Shares.

2. FIRB approval

Before the end of the Offer Period, the Treasurer of the Commonwealth of Australia or his agent notifies Zijin Bidder to the effect that there are no objections to the proposed acquisition by Zijin Bidder of interests in up to all of the NGF Shares on issue pursuant to or as a result of the Offer (or by any other means permitted under the Corporations Act) under the Commonwealth Government's foreign investment policy, and such notice is unconditional.

3. PRC Government approvals

Before the end of the Offer Period, Zijin Bidder obtains all legal and regulatory approvals, authorisations and consents required under any PRC laws, regulations or policies relevant to Zijin and necessary to enable Zijin Bidder to acquire NGF Shares under the Offer and the transactions contemplated by the Bidder's Statement to be completed, in each case on an unconditional basis and, at the end of the Offer Period, all of those approvals, authorisations and consents remain in full force and effect in all respects and are not subject to any notice or indication of intention to revoke, suspend, restrict, modify or not renew.

4. No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (b) no action or investigation is announced, threatened or commenced by any Public Authority; and
- (c) no application is made to any Public Authority (other than by Zijin Bidder or any of its Related Bodies Corporate),

(other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer) which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of NGF Shares under the Offer or any transaction

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contemplated by the Bidder's Statement or the Offer, or requires the divestiture by any entity within the Zijin Group of any NGF Shares, or requires the divestiture of any assets of the Zijin Group or NGF Group.

5. **Merrill Lynch Debt Facility**

- (a) Between the Announcement Date and the end of the Offer Period (each inclusive), none of NGF or any of its Subsidiaries:
- (i) amends or varies the Merrill Lynch Debt Facility Documentation; or
 - (ii) seeks any consents from, or makes any requests, to any counter-party or holder of loan notes, or waives any rights which the NGF Group has, under the Merrill Lynch Debt Facility Documentation,

except with the prior written consent of Zijin Bidder (such consent not to be unreasonably withheld where the relevant matter is in the ordinary course of business). Zijin Bidder will be deemed to have given its consent if Zijin Bidder does not respond to a written request for consent by 5.00pm (Sydney, Australia time) within 3 Business Days after the relevant NGF Group entity seeks that consent.

- (b) If, between the Announcement Date and the end of the Offer Period (each inclusive), an obligation arises on the part of NGF to redeem any of the loan notes under the Merrill Lynch Debt Facility Documentation:
- (i) then NGF, on or before the date on which each such redemption must occur (the **Mandatory Redemption Date**), does all things required to redeem the relevant loan notes under the Merrill Lynch Debt Facility, including the payment of (or procuring the payment of) all amounts payable under the Merrill Lynch Debt Facility; and
 - (ii) within 5 Business Days after each Mandatory Redemption Date, all of the relevant security interests under the Merrill Lynch Debt Facility are fully and finally released and discharged.

6. **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no event, change or condition occurs, is announced or becomes known to Zijin Bidder (whether or not it becomes public) where that event, change or condition has or has resulted, or could reasonably be expected to have or result in a material adverse effect on:

- (a) the assets, liabilities, or prospects of the NGF Group, taken as a whole; or
- (b) the status or terms of, or the NGF Group's interests in any material approvals, licences, tenements or permits issued by any Public Authority to any entity within the NGF Group,

except to the extent such event, change or condition:

- (c) is an event, change or condition arising from actions taken by the NGF Group with the prior written consent of Zijin Bidder;

- (d) was fully and fairly disclosed by NGF in an ASX announcement that is released on the ASX company announcements platform at least 1 Business Day prior to the Announcement Date;
- (e) is an event, change or condition described in Schedule 4 to this Deed; or
- (f) is an event, change or condition arising from actions taken by the NGF Group to satisfy the condition in paragraph 5.

7. No material acquisitions, disposals or new commitments

Between the Announcement Date and the end of the Offer Period (each inclusive), neither NGF nor any Subsidiary of NGF:

- (a) acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than the Specified Amount;
- (b) disposes of, offers to dispose of or agrees to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than the Specified Amount;
- (c) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement, joint venture or partnership that:
 - (i) requires payments, expenditure or the foregoing of revenue by NGF and/or any of its Subsidiaries of an amount in excess of the Specified Amount on any individual basis or which is, in aggregate, greater than the Specified Amount; or
 - (ii) cannot be terminated on less than 6 months' notice without penalty;
- (d) enters into or agrees to enter into, terminates or agrees to terminate a contract, commitment or arrangement for the provision of services or a licence to a third party that is a new or existing customer that results in NGF and/or any of its Subsidiaries incurring costs greater than the Specified Amount (on an individual basis) for the entire term of such contract, commitment or arrangement;
- (e) provides or agrees to provide financial accommodation, other than to entities within the NGF Group for an amount that is greater than the Specified Amount, or receiving financial accommodation other than from entities within the NGF Group of an amount that is greater than the Specified Amount;
- (f) enters into, amends, or agrees to enter into or amend any contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of NGF;
- (g) incurs, agrees to incur or bring forward the time for incurring, or granting to a third party a right the exercise of which would involve NGF or a Subsidiary incurring or agreeing to incur an amount of capital expenditure in excess of the Specified Amount;

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- (h) gives or agrees to give any encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;
- (i) is or becomes the subject of any litigation which is commenced, threatened to be commenced, announced or made known to Zijin Bidder (whether or not becoming public) or the NGF Group:
- (i) which may reasonably be expected to result in a judgment against any member of the NGF Group for an amount that is greater than the Specified Amount; or
 - (ii) which may reasonably result in:
 - (A) any third party acquiring any legal or economic interest in; or
 - (B) any diminution in,
the rights granted under any mineral tenement which contains Mineral Resources (as that term is defined in the JORC Code contained in Appendix 5A of the ASX Listing Rules) which are to be mined in accordance with the Paddington Operations Financial Model dated 15 March 2012 held by any entity within the NGF Group;
- (j) incurs or otherwise becomes exposed to a liability or contingent liability with an amount or value which is, in aggregate, greater than the Specified Amount;
- (k) amends or varies the terms of any of the NGF Options or NGF Performance Rights;
- (l) without limiting sub-paragraphs (a) to (k) above:
- (i) enters into, offers to enter into, agrees to enter into or announces any agreement for any transaction; or
 - (ii) is otherwise affected by any transaction or proposal,
under which any third party would acquire any legal or economic interest in, or there would be any diminution in, the rights granted under any mineral tenement held by any entity within the NGF Group; or
- (m) announces an intention to do any of the matters referred to in sub-paragraphs (a) to (l) above, or brings forward the time for performance of or releases any rights it has against third parties in respect of any obligations or commitments relating to such matters in existence as at the day which is 1 Business Day prior to the Announcement Date,
- other than:
- (g) with the prior written consent of Zijin Bidder;
 - (h) to the extent disclosed to Zijin in writing at least 1 Business Day prior to the Announcement Date;
 - (i) as described in Schedule 4; or
 - (j) to satisfy the condition in paragraph 5.

8. No change of control rights

Between the Announcement Date and the end of the Offer Period (each inclusive), no person has or will have any right (whether subject to conditions or not) as a result of Zijin Bidder making the Offer or announcing its intention to make the Offer, or acquiring NGF Shares under the Offer, to:

- (a) acquire, or require the disposal of, or require any entity within the NGF Group to offer to dispose of, any material asset of any entity within the NGF Group;
- (b) terminate, or vary the terms or performance of, any material agreement with any entity within the NGF Group;
- (c) terminate, or vary the terms of any approvals, licences or permits issued by any Public Authority to any entity within the NGF Group; or
- (d) require repayment of any moneys borrowed by or any other indebtedness of any entity within the NGF Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the NGF Group to borrow moneys or incur indebtedness,

other than:

- (e) a right under the terms of the Merrill Lynch Debt Facility which are in existence as at the Announcement Date, where such terms were provided to Zijin at least 1 Business Day prior to the Announcement Date;
- (f) a right in respect of which a written, enforceable, irrevocable and unconditional waiver has been obtained and disclosed to the ASX and released on the ASX company announcements platform; or
- (g) a right under the terms of the finance facility agreements with the National Australia Bank Limited which are in existence as at the Announcement Date, where such agreements were provided to Zijin at least 1 Business Day prior to the Announcement Date.

9. No dividends

Between the Announcement Date and the end of the Offer Period (each inclusive), NGF does not make, determine as payable, announce or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) other than a one-off dividend which satisfies the following requirements:

- (a) the dividend will be declared or become payable only if both of the following events have occurred:
 - (i) the Offer becomes unconditional; and
 - (ii) all of the loan notes under the Merrill Lynch Debt Facility have been redeemed;
- (b) the dividend amount will not be greater than A\$0.02 per NGF Share;
- (c) the dividend will be unfranked; and

- (d) the dividend will have a payment date that is not later than 3 weeks after the date on which the last of the events in sub-paragraphs (a)(i) and (a)(ii) has occurred.

10. Gold price

Between the Announcement Date and the date that is 6 months from the Announcement Date, the spot price for gold as quoted on COMEX (Commodity Exchange, Inc) is not below A\$1,400 per ounce throughout any 72 hour period of gold trading.

11. No prescribed occurrences

During the period from the date on which the Bidder's Statement is given to NGF and the end of the Offer Period (each inclusive), none of the following events occur:

- (a) NGF converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) NGF or a Subsidiary of NGF resolves to reduce its share capital in any way;
- (c) NGF or a Subsidiary of NGF enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) NGF or a Subsidiary of NGF issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option in each case other than:
 - (i) the issue of a maximum of 4,000,000 NGF Options to the Specified Employee in accordance with terms disclosed to Zijin in writing at least 1 Business Day prior to the Announcement Date, and the issue of a maximum of 4,000,000 Shares as a result of such NGF Options;
 - (ii) the issue of a maximum of 12,000,000 Shares as a result of the exercise of NGF Options; and
 - (iii) the issue of a maximum of 4,290,000 Shares pursuant to the NGF Performance Rights;
- (e) NGF or a Subsidiary of NGF issues, or agrees to issue, convertible notes;
- (f) NGF or a Subsidiary of NGF disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property (taken as a whole);
- (g) NGF or a Subsidiary of NGF charges, or agrees to charge, the whole, or a substantial part, of its business or property (taken as a whole);
- (h) NGF or a Subsidiary of NGF resolves to be wound up;
- (i) a liquidator or provisional liquidator of NGF or of a Subsidiary of NGF is appointed;
- (j) a court makes an order for the winding up of NGF or of a Subsidiary of NGF;
- (k) an administrator of NGF or of a Subsidiary of NGF is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) NGF or a Subsidiary of NGF executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of NGF or a Subsidiary of NGF.

12. No prescribed occurrences between the Announcement Date and date of the Bidder's Statement

During the period from the Announcement Date to the date that is the day before the date of the Bidder's Statement (each inclusive), none of the events listed in sub-paragraphs (a) to (m) of paragraph 11 happen.

DEFINITIONS

In this Schedule 2:

Announcement Date means the date of announcement of Zijin Bidder's intention to make the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as appropriate.

ASX Listing Rules means the listing rules of ASX.

Bidder's Statement means the bidder's statement to be prepared in relation to the Offer and includes any supplementary or replacement bidder's statement.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Sydney, Australia, the PRC and Hong Kong Special Administrative Region of the PRC.

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

Merrill Lynch Debt Facility means the senior secured note facility provided to the NGF Group, which was announced to the ASX on 1 June 2011, on the terms and conditions set out in the Merrill Lynch Debt Facility Documentation.

Merrill Lynch Debt Facility Documentation means all of the documents which set out the terms and conditions of the Merrill Lynch Debt Facility and associated security interests, including: A\$ Secured note deed, Security trust deed, Loan note deed poll, Fixed and floating charge and share mortgage, Share placement deed, Voluntary escrow deed, and any accession deeds and substitution deeds entered into in accordance with the A\$ Secured note deed.

NGF means Norton Gold Fields Limited (ACN 112 287 797).

NGF Group means NGF and its Subsidiaries.

NGF Option means an option, issued by NGF prior to the Announcement Date or pursuant to the terms of an employment agreement in existence at the Announcement Date, to subscribe for one NGF Share.

NGF Performance Right means a right held by a person to be issued one or more Shares in if certain NGF share price thresholds are achieved, pursuant to the terms of his employment with an NGF Group company, where such right was granted or came into existence prior to the Announcement Date.

NGF Share means an ordinary share issued in the capital of NGF.

NGF Shareholder means a person who is the registered holder of one or more NGF Shares.

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Offer means an off-market offer to be made by Zijin Bidder under Chapter 6 of the Corporations Act to acquire all of the NGF Shares not already held by or on behalf of the Zijin Group.

Offer Period means the period during which the Offer remains open for acceptance by NGF Shareholders.

PRC means the People's Republic of China.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia, China or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Specified Amount means A\$1 million.

Specified Employee means the NGF Group employee whose name has been given by NGF to Zijin prior to the date of this Deed.

Subsidiary has the meaning given in the Corporations Act.

Zijin means Zijin Mining Group Co., Ltd (a company incorporated in the PRC).

Zijin Bidder means the entity within the Zijin Group which will be the 'bidder' under the Offer, which is intended to be Jinyu (H.K.) International Mining Company Limited (being a wholly-owned Subsidiary of Zijin which is incorporated in Hong Kong).

Zijin Group means Zijin and its Subsidiaries.

Schedule 3 – Performance Rights

In this Schedule 3:

- **"5 Day VWAP"** means the volume weighted average price on ASX of NGF ordinary shares over 5 consecutive trading days;
- **"20 Day VWAP"** means the volume weighted average price on ASX of NGF ordinary shares over 20 consecutive days.

As at the date of this Deed, the Performance Rights which are in existence are as follows:

1. **Performance Rights of Russell Browning:** Mr Browning has a right to be issued with:
 - (a) 240,000 Shares for nil consideration if the 20 Day VWAP is A\$0.375 or greater; and
 - (b) 280,000 Shares for nil consideration if the 5 Day VWAP is A\$0.70 or greater;
2. **Performance Rights of Terry Moylan:** Mr Moylan has a right to be issued with:
 - (a) 600,000 Shares for nil consideration if the 20 Day VWAP is A\$0.375 or greater; and
 - (b) 700,000 Shares for nil consideration if the 5 Day VWAP is A\$0.70 or greater;
3. **Performance Rights of Ian Paynter:** Mr Paynter has a right to be issued with:
 - (a) 420,000 Shares for nil consideration if the 20 Day VWAP is A\$0.375 or greater; and
 - (b) 490,000 Shares for nil consideration if the 5 Day VWAP is A\$0.70 or greater;
4. **Performance Rights of Peter Ruzicka:** Mr Ruzicka has a right to be issued with:
 - (a) 420,000 Shares for nil consideration if the 20 Day VWAP is A\$0.375 or greater; and
 - (b) 490,000 Shares for nil consideration if the 5 Day VWAP is A\$0.70 or greater;
5. **Performance Rights of Brian Sowden:** Mr Sowden has a right to be issued with:
 - (a) 300,000 Shares for nil consideration if the 20 Day VWAP is A\$0.375 or greater; and
 - (b) 350,000 Shares for nil consideration if the 5 Day VWAP is A\$0.70 or greater;

The Performance Rights held by any individual will terminate upon that individual ceasing to be an employee of the NGF Group.

Schedule 4 – Permitted Actions

The following actions (whether taken by NGF or any Subsidiary) are expressly permitted and will not be considered a breach of clause 5.5 or 5.6 of this Deed or any of the Conditions to the extent specified in Schedule 1.

1. Any operating, capital and exploration expenditure incurred for the remainder of the 2012 financial year and as contemplated by the FY12 Reforecast approved by the Board at the 21 February 2012 Board Meeting.
2. Any operating, capital and exploration expenditure incurred for the 2013 financial year commencing on 1 July 2012 which:
 - (a) is expended in accordance with the NGF Group delegated authority procedure as approved by the Board and a copy of such delegated authority procedure has been given to Zijin prior to the date of this Deed; and
 - (b) is contemplated by the 2013 financial year budget for the NGF Group which is approved by both the Board and by Zijin (with such approval by Zijin not to be unreasonably withheld).
3. Entry into new supply contracts or arrangements and acquisition or disposal of assets on arm's-length commercial terms that NGF or any Subsidiary of NGF reasonably considers necessary to conduct its operations in accordance with item 2 above.
4. Commencement or advancement of Technical and/or Feasibility Studies that NGF or any Subsidiary of NGF reasonably considers necessary to conduct its operations in the ordinary course of business.
5. Recruitment and replacement of staff (and entry into employment contracts or arrangements on market terms) that NGF or any Subsidiary of NGF reasonably considers necessary to conduct its operations in the ordinary course of business, other than employment and consultancy contracts or arrangements with related parties of NGF (as defined in section 228 of the Corporations Act).
6. Purchase of ore stockpiles from third parties for up to 10,000 ounces of gold (on an individual transaction basis) on arm's-length commercial terms.
7. Purchase of rights to mine from third parties for up to 10,000 ounces of gold (on an individual transaction basis) on arm's-length commercial terms.
8. Negotiation and settlement on arm's-length commercial terms of any outstanding claims, disputes or litigation in relation to NGF or any Subsidiary of NGF, where the details of any outstanding claims, disputes or litigation were fully and fairly disclosed to Zijin at least 1 Business Day prior to the Announcement Date.
9. Replacement of individual vehicles in NGF's light vehicle fleet through entry into vehicle leasing contracts on arm's-length commercial terms.

10. Negotiation of and entry into residential and office leases arm's-length commercial terms that NGF or any Subsidiary of NGF reasonably considers necessary to conduct its operations in the ordinary course of business.
11. Obtaining performance bonds, on arm's-length commercial terms, from third party commercial financiers from time to time as required pursuant to the requirements of the NGF Group's mining leases or exploration permits and licences.
12. Renewal or replacement, on arm's-length commercial terms, of existing supply contracts or arrangements that may expire, in relation to:
- (a) ore haulage;
 - (b) equipment hire;
 - (c) exploration drilling;
 - (d) underground drilling;
 - (e) underground ground support materials (eg. mesh);
 - (f) blasting materials;
 - (g) fuel supply;
 - (h) activated carbon; and
 - (i) information technology and support systems,
- but provided that NGF first consults with Zijin in good faith prior to agreeing to any such renewal or replacement.
13. Any other action that NGF or any Subsidiary of NGF reasonably considers necessary to conduct its operations in the ordinary course of business, but provided that NGF first obtains Zijin's prior written consent (such consent not to be unreasonably withheld) prior to performing such actions (except where the relevant action must be immediately performed in order to avoid or address a significant adverse outcome or circumstance for the NGF Group and there is insufficient time to seek Zijin's consent). Zijin will be deemed to have given its consent if Zijin does not respond to a written request for consent by 5.00pm (Sydney, Australia time) within 3 Business Days after the relevant NGF Group entity seeks that consent.

Execution Page

Executed and delivered as a Deed.

Executed as a deed in accordance with section 127 of the Corporations Act 2001 by Norton Gold Fields Limited:

A.T. Prowse

Director Signature

A.T. Prowse

Print Name

W.A. Wuschagere

Director/~~Secretary~~ Signature

W.A. Wuschagere

Print Name

Executed as a deed by Zijin Mining Group Co., Ltd by its duly authorised representative in the presence of:

Witness Signature

Print Name

Authorised Representative Signature

Print Name

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Execution Page

Executed and delivered as a Deed.

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by Norton Gold Fields Limited:

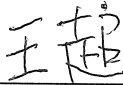
Director Signature

Director/Secretary Signature

Print Name

Print Name

Executed as a deed by Zijin Mining Group Co., Ltd by its duly authorised representative in the presence of:



Witness Signature

Wang Chao

Print Name



Authorised Representative Signature

Chen Jinghe

Print Name

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ANNEXURE B – AGREEMENT FOR UNSECURED LOAN FACILITY

Allens > < Linklaters

\$38,000,000

BRIDGING TERM LOAN
FACILITY AGREEMENT

for

NORTON GOLD FIELDS LIMITED

Provided by

JINYU (H.K.) INTERNATIONAL MINING COMPANY LIMITED

Allens
Level 28
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.allens.com.au

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CONTENTS

CLAUSE	PAGE
1. Definitions and Interpretation	3
2. The Facility	14
3. Purpose.....	14
4. Conditions of Utilisation.....	14
5. Utilisation.....	15
6. Repayment	16
7. Prepayment and Cancellation	16
8. Interest	19
9. Fees	19
10. Tax Gross Up and Indemnities.....	20
11. Increased Costs	22
12. Other Indemnities.....	23
13. Mitigation by the Lender	24
14. Costs and Expenses.....	24
15. Guarantee and Indemnity.....	25
16. Representations.....	28
17. Information and Undertakings	30
18. General Undertakings	31
19. Events of Default	34
20. Changes to the Lenders.....	37
21. Changes to the Obligors.....	37
22. Payment Mechanics	38
23. Set-Off	38
24. General PPSA Provisions	38
25. Notices	39
26. Calculations and Certificates	41
27. Partial Invalidity.....	41
28. Remedies and Waivers.....	41
29. Amendments and Waivers	41
30. Counterparts.....	41
31. Indemnities and Reimbursement.....	41
32. Acknowledgement	41
33. Governing Law	43
34. Enforcement.....	43

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SCHEDULE 1 THE ORIGINAL PARTIES.....	44
SCHEDULE 2 CONDITIONS PRECEDENT.....	45
SCHEDULE 3 REQUESTS.....	47
SCHEDULE 4 FORM OF COMPLIANCE CERTIFICATE.....	48
SCHEDULE 5 PERMITTED TENEMENTS.....	49
SCHEDULE 6 NON-CORE TENEMENT AGREEMENTS.....	145
SCHEDULE 7 EXCLUDED TENEMENTS.....	149
SCHEDULE 8 ENVIRONMENTAL BONDS.....	151
SCHEDULE 9 RETAINED RIGHTS TENEMENTS.....	154
SCHEDULE 10 PART A RESOURCE TENEMENTS.....	163
SCHEDULE 10 PART B INFRASTRUCTURE TENEMENTS.....	166

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THIS AGREEMENT is dated 2012 and made between:

- (1) NORTON GOLD FIELDS LIMITED (ACN 112 287 797) incorporated in Australia of 79 Hope Street, South Brisbane, Queensland 4000 (the "**Borrower**");
- (2) THE SUBSIDIARIES of the Borrower listed in Part I of Schedule 1 as original guarantors (together with the Borrower the "**Original Guarantors**");
- (3) JINYU (H.K.) INTERNATIONAL MINING COMPANY LIMITED (incorporated in Hong Kong), of Suites 3712-15, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong (the "**Lender**").

IT IS AGREED as follows:

SECTION 1

INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Additional Guarantor**" means a company which becomes an Additional Guarantor in accordance with Clause 21 (*Changes to the Obligors*).

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**ASX**" means ASX Limited ACN 008 624 691 or the Australian Securities Exchange.

"**Authorisation**" means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, lodgement or registration required by any Governmental Agency or any law; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"**Authorised Officer**" means:

- (a) in respect of an Obligor, any director, or any person from time to time nominated as an Authorised Officer by that Obligor by a notice to the Lender accompanied by certified copies of signatures of all new persons so appointed (and in respect of which the Lender has not received notice of revocation of the appointment); and
- (b) in respect of the Lender, any person whose title or acting title includes the word **Manager, Financial Controller, Head, Executive, Director** or **President** or cognate expressions, or any secretary or director.

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"**Availability Period**" means the period from and including the date the Takeover Offer opens (being the commencement of the offer period of the Takeover Offer) to and including the earliest of:

- (a) the date that is 3 weeks after the earlier of:
 - (i) the date the Borrower is required to prepay the Merrill Lynch Facility in accordance with clause 9.2 of the Merrill Lynch Note Deed; and
 - (ii) the Takeover Offer being declared unconditional.
- (b) the date on which the Takeover Offer closes without having become, or having been declared, unconditional;
- (c) the date on which the Takeover Offer is withdrawn;
- (d) the termination of the Bid Implementation Deed; and
- (e) the date on which the Commitment is fully utilised or any unutilised Commitment is cancelled.

"**Available Commitment**" means the Lender's Commitment minus:

- (a) the amount of its participation in any outstanding Loans; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date.

"**Available Facility**" means the aggregate for the time being of the Lender's Available Commitment.

"**Bid Implementation Deed**" means the deed so entitled dated on or about the date of this Agreement and entered into between Zijin and the Borrower.

"**Board**" means the board of Directors of the Borrower.

"**Bond Limit**" means \$25,000,000 or any greater amount of Financial Indebtedness which:

- (a) must be incurred by any of the Obligors in connection with the giving of the Environmental Bonds; and
- (b) is required by an applicable law or regulation, to ensure that the assets of the Obligors are maintained in good standing.

"**Borrower Shares**" means an ordinary share issued in the capital of the Borrower.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Sydney, Australia, the People's Republic of China and Hong Kong.

"**Commitment**" means \$38,000,000 as reduced or cancelled under this Agreement.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 4 (*Form of Compliance Certificate*).

"**Default**" means an Event of Default or any event or circumstance specified in Clause 19 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Disposal**" has the meaning give in clause 18.4(a), and "**Dispose**" has a corresponding meaning.

"**Environmental Bonds**" means, collectively:

- (a) any performance bond lodged (or to be lodged) with the Department of Mines and Petroleum for the State of Western Australia by, or on behalf of, an Obligor in respect of Mining Interests held in Western Australia by an Obligor including those Environmental Bonds specified in Part A of Schedule 8;
- (b) funds deposited (or to be deposited) by one or more Obligors with the Queensland Department of Environment and Resource Management or the Queensland Department of Employment, Economic Development and Innovation including for the purposes of securing obligations to Environmental Authorities including those Environmental Bonds specified in Part B of Schedule 8;
- (c) any performance bond lodged (or to be lodged) with the Queensland Department of Environment and Resource Management or the Queensland Department of Employment, Economic Development and Innovation by, or on behalf of, an Obligor including in respect of Mining Interests held in Queensland by any Obligor or any of its Subsidiaries including those Environmental Bonds specified in Part C of Schedule 8.

"**Event of Default**" means any event or circumstance specified as such in Clause 19 (*Events of Default*).

"**Excluded Tenement**" means the mining tenements listed in Schedule 7.

"**Facility**" means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

"**Facility Office**" means the office or offices as the office or offices through which it will perform its obligations under this Agreement.

"**Finance Document**" means this Agreement, any Accession Letter and any other document designated as such by the Lender and the Borrower.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;

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- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets or services payable more than 90 days after acquisition;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

"Financial Statements" means:

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

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

"GAAP" means generally accepted accounting principles, standards and practices in Australia.

"Governmental Agency" means any government or any governmental, semi-governmental, statutory or judicial entity or authority or any minister, department, office or delegate of any government, whether in Australia, China or elsewhere. It also includes any self-regulatory organisation established under statute or any stock exchange.

"Group" means the Borrower and its Subsidiaries.

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"**Guarantee**" means an obligation or offer to provide funds (including by subscription or purchase) or otherwise be responsible in respect of an obligation or indebtedness, or the financial condition or insolvency, of another person. It includes a guarantee, indemnity, letter of credit or legally binding letter of comfort, or an obligation or offer to purchase an obligation or indebtedness of another person.

"**Guarantor**" means an Original Guarantor or an Additional Guarantor.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**Indirect Tax**" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"**Infrastructure Tenement**" means a tenement listed in Part B of Schedule 10.

"**JORC Code**" means 'The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

"**Lease**" means an agreement under which an asset may be used, exploited, operated or managed by a person other than the owner. It includes a lease, licence, charter, hire purchase or hiring arrangement.

"**Loan**" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"**Major Default**" means any circumstances constituting a Default under any of Clause 19.1 (*Non-Payment*), Clause 19.3 (*Other obligations*) insofar as it relates to a breach of a Major Undertaking, Clause 19.3 (*Misrepresentation*) insofar as it relates to a breach of any Major Representation, Clause 19.5 (*Insolvency*), Clause 19.6 (*Insolvency proceedings*), Clause 19.7 (*Creditors' process*), Clause 19.9 (*Unlawfulness*) or Clause 19.11 (*Vitiation of Finance Documents*).

"**Major Representation**" means a representation or warranty under any of Clause 16.1 (*Status*), Clause 16.2 (*Binding obligations*), Clause 16.3 (*Non-conflict with other obligations*), Clause 16.4 (*Power and authority*), Clause 16.5 (*Authorisations*) and Clause 16.14 (*Trustee*).

"**Major Undertaking**" means undertaking under any of Clause 18.3 (*Negative pledge*), Clause 18.4 (*Disposals*), Clause 18.5 (*Merger*), Clause 18.7 (*No Financial Indebtedness*) and Clause 18.8 (*Distributions*).

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the assets, liabilities, business, operation, condition (financial or otherwise) or prospects of the Group taken as a whole;
- (b) the ability of an Obligor to perform its obligations under the Finance Documents; or
- (c) the validity or enforceability of the whole or any material part of any Finance Documents or any material rights or remedies of the Lender under the Finance Documents.

"Merrill Lynch Facility" means the \$80,000,000 loan note facility made available under the Merrill Lynch Note Deed.

"Merrill Lynch Note Deed" means the deed titled 'A\$ secured note deed' dated 27 May 2011 between, among others, Norton Gold Fields Limited, AET Structured Finance Services Pty Limited and AET SPV Management Pty Limited.

"Mining Interests" means any grant made under any legislation in any Australian jurisdiction which enables the holder to explore for, retain rights in, or exploit minerals or petroleum for commercial gain whether held by registration or whether legally or beneficially held.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month. This rule will only apply to the last Month of any period.

"Non-Core Tenements" means the assets of the Borrower and its Subsidiaries that have been or shall be disregarded by the Board as "non-core" assets, which are specifically set forth in Schedule 6.

"Obligor" means the Borrower or a Guarantor.

"Original Financial Statements" means the audited consolidated Financial Statements of the Group for the financial year ended 30 June 2011.

"Original Obligor" means the Borrower or an Original Guarantor.

"Party" means a party to this Agreement and includes its successors in title, permitted assigns and permitted transferees.

"Permitted Financial Indebtedness" means:

- (a) Financial Indebtedness incurred under the Finance Documents;
- (b) Financial Indebtedness incurred with the prior written consent of the Lender;
- (c) Financial Indebtedness under any finance lease of any asset or a related series of leases entered into in the ordinary course of trading on arm's length terms, as long as the aggregate capital value of all assets leased under all such finance leases of the Group does not at any time exceed A\$1,500,000 in aggregate;
- (d) Financial Indebtedness incurred or subsisting under revolving credit card arrangements of the Group, the aggregate outstanding principal amount of which does not at any time exceed A\$1,000,000;
- (e) Financial Indebtedness incurred or subsisting in connection with the giving of the Environmental Bonds provided that such indebtedness does not at any time exceed the Bond Limit (without the prior written consent of the Lender, such consent not to be unreasonably withheld) and the recourse of the relevant financial providers of such Environmental Bonds against the Group is limited solely to money deposited in a bank account pledged to support the same in accordance with paragraph (d) of the definition of Permitted Security;

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- (f) Financial Indebtedness incurred or subsisting in connection with the giving of guarantees and surety bonds with respect to leases of offices and residential accommodation entered into in the ordinary course of business;
 - (g) unsecured Financial Indebtedness in the form of trade letters of credit, guarantees, notes and surety bonds securing performance of an Obligor to its suppliers arising in the ordinary course of business provided that:
 - (i) the aggregate amount of such Financial Indebtedness does not exceed A\$300,000 at any time; and
 - (ii) such Financial Indebtedness is not assumed, created or otherwise refinanced if any Default has occurred or would occur as a result from their creation; and
 - (h) Financial Indebtedness in respect of novated vehicle leases pursuant to which a member of the Group assumes rights and obligations of employees in an aggregate amount not to exceed A\$10,000,000.

"Permitted Security" means with respect to the property or assets of any member of the Group:

- (a) a Security for Taxes either not yet due or being contested in good faith and by appropriate proceedings (provided that adequate accruals or reserves have been established on the books of the Borrower or its applicable Subsidiary);
- (b) materialmen's, mechanics', workers', repairmen's, employees', landlord's or other like Security arising in the ordinary course of business for amounts either not yet due or being contested in good faith and by appropriate proceedings;
- (c) a Security securing the Financial Indebtedness permitted by paragraph (c) of the definition of Permitted Financial Indebtedness provided that such Security extends solely to the assets subject to the finance leases constituting such Permitted Financial Indebtedness;
- (d) Security securing the Financial Indebtedness permitted by paragraph (e) of the definition of Permitted Financial Indebtedness provided that such Security extends solely to money deposited in a bank account not exceeding the applicable Bond Limit;
- (e) Security securing the Financial indebtedness permitted by paragraph (f) of the definition of Permitted Financial Indebtedness provided that such Security extends solely to money deposited in a bank account;
- (f) any Security:
 - (i) on the terms of; or
 - (ii) created under,a permitted tenement agreement as set out in Schedule 5;

- (g) Security arising under the following native title agreement entered into by any Obligor and provided that the Lender receives a true, correct and complete copy of such native title agreement prior to the Utilisation Date:
- (i) Deed dated 12 December 2000 between Goldfields Limited and the Widji People;
 - (ii) Deed of Assignment and Assumption dated 2 February 2009 between Goldfields Limited, Norton Gold Fields Limited, Paddington Gold Pty Ltd and the Widji People;
 - (iii) Deed dated 25 September 1997 between Paddington Gold Pty Ltd and the Gubrun People;
 - (iv) Deed of Acknowledgement between Third Rail Limited, Paddington Gold Pty Ltd and the Gubrun People;
 - (v) Deed of Acknowledgement between Paddington Gold Pty Ltd, Centaur Mining & Exploration Limited (Receivers and Managers Appointed) (Under Deed of Company Arrangement), David Laurance McEvoy and Allan John Watson as receivers and managers of Centaur Nickel Pty Ltd, (Receivers and Managers Appointed) (Under Deed of Company Arrangement) and the Gubrun People;
 - (vi) Deed pursuant to the Native Title Act 1993 between the Maduwongga People and Paddington Gold Pty Ltd;
 - (vii) Deed of Termination and Release between Paddington Gold Pty Ltd, Norton Gold Fields Limited, Bellamel Mining Pty Ltd and the Maduwongga People; and
 - (viii) Deed dated 6 June 2001 between Goldfields Limited and the Central West People;
- (h) claims numbered WC98/27, WC99/30, WC10/14, QC97/21, QCO1/29 and QC08/11 registered on the Native Title Register and made under the provisions of the *Native Title Act 1993* (Cth); and
- (i) any Security granted in respect of any Excluded Tenement if:
- (i) the Borrower or any Subsidiary has disposed of, or will dispose of, its beneficial interest in such Excluded Tenement; and
 - (ii) following such disposal, such Security has been granted by any such beneficial owner that is not the Borrower or any Affiliate thereof of such Excluded Tenement.

"PPSA" means the Personal Property Securities Act 2009 (Cth).

"PPSA Deemed Security Interest" means an interest of the kind referred to in section 12(3) of the PPSA where the transaction concerned does not, in substance, secure payment or performance of an obligation.

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"**Related Body Corporate**" has the meaning given in Section 50 of the *Corporations Act 2001* (Cth).

"**Repeating Representations**" means each of the representations set out in Clause 16.

"**Resource**" means:

- (a) a mineral resource within the meaning ascribed to that term in paragraph 19 of the JORC Code; and
- (b) an ore reserve within the meaning ascribed to that term in paragraph 28 of the JORC Code.

"**Resource Tenement**" means:

- (a) a tenement listed in part A of Schedule 10; and
- (b) any other tenement owned by an Obligor on which a Resource is located.

"**Retained Rights Agreements**" means all agreements, deeds, documents, contracts or other agreements whatsoever entered into for the purposes of the sale, re-acquisition, development, commercial exploitation, royalty arising out of, or otherwise in connection with, the Retained Rights Tenements.

"**Retained Rights Tenements**" means those tenements listed in Schedule 9 other than a Resource Tenement or Infrastructure Tenement.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement, notice or arrangement having a similar effect. It does not include a PPSA Deemed Security Interest.

"**Subsidiary**" has the meaning given in the *Corporations Act 2001* (Cth), but as if body corporate includes any entity. It also includes an entity required by current accounting practice to be included in the consolidated annual financial statements of that entity or would be required if that entity were a corporation.

"**Surrender**" means, with respect to any property, any surrender, forfeiture or termination of or withdrawal from all or any part of such property.

"**Takeover Offer**" means an off-market offer to be made by Zijin Bidder under Chapter 6 of the *Corporations Act 2001* (Cth) to acquire up to all of the Borrower Shares not already held by or on behalf of Zijin Group.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Consolidated Group**" means a Consolidated Group or an MEC Group as defined in the Income Tax Assessment Act 1997.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

"**Termination Date**" means the date that is 12 months after the Utilisation Date.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**Utilisation**" means a utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part I of Schedule 3 (*Requests*).

"**Zijin**" means Zijin Mining Group Co., Ltd (a company incorporated in the PRC).

"**Zijin Bidder**" means Zijin or, if a wholly-owned Subsidiary of Zijin is the bidder, that wholly-owned Subsidiary.

"**Zijin Group**" means Zijin and its Subsidiaries.

1.2 Construction

(a) Any reference in this Agreement to:

- (i) "**assets**" includes present and future properties, revenues and rights of every description;
- (ii) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated;
- (iii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (iv) a "**person**" or "**entity**" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and any reference to a particular person or entity (as so defined) includes a reference to that person's or entity's executors, administrators, successors, substitutes (including by novation) and assigns;
- (v) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and if not having the force of law, with which responsible entities in the position of the relevant Party would normally comply;
- (vi) the words "**including**", "**for example**" or "**such as**" when introducing an example do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (vii) a provision of law or a regulation is a reference to that provision as amended or re-enacted; and

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- (viii) unless a contrary indication appears, a time of day is a reference to Sydney time.
 - (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (d) A Default is "**continuing**" if it has not been remedied to the satisfaction of the Lender or waived in writing.
 - (e) References to "\$" or to "dollars" are to Australian dollars.

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SECTION 2**THE FACILITY****2. THE FACILITY****2.1 The Facility**

Subject to the terms of this Agreement, the Lender makes available to the Borrower an Australian dollar term loan facility in an aggregate amount equal to the Commitment.

3. PURPOSE

The Borrower shall apply all amounts borrowed by it under the Facility to partially refinance the Merrill Lynch Facility in accordance with clause 7 of the Bid Implementation Deed and for no other purpose.

4. CONDITIONS OF UTILISATION**4.1 Initial conditions precedent**

The Borrower may not deliver a Utilisation Request unless the Lender has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Lender. The Lender shall notify the Borrower promptly upon being so satisfied.

4.2 Further conditions precedent

The Lender will only be obliged to comply with Clause 5.4 (Lender's participation) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) none of the events or circumstances set out in clause 7.6(a) has occurred;
- (b) no Major Default is continuing or would result from the proposed Utilisation;
- (c) no breach of a Major Undertaking is continuing or would result from the proposed Utilisation; and
- (d) all the Major Representations are true.

4.3 Maximum number of Loans

The Borrower may only deliver a single Utilisation Request and only one Loan may be outstanding at any time.

SECTION 3**UTILISATION****5. UTILISATION****5.1 Delivery of a Utilisation Request**

The Borrower may utilise the Facility by delivery to the Lender of a Utilisation Request duly completed and signed by an Authorised Officer of the Borrower. That Utilisation Request must be received by the Lender not later than 11am (Sydney time) 3 Business Days before the proposed Utilisation Date (which must be a Business Day during the Availability Period).

5.2 Completion of a Utilisation Request

(a) The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (i) the proposed Utilisation Date is a Business Day within the Availability Period;
- (ii) the amount of the Utilisation complies with Clause 5.3 (*Amount*).

(b) Only one Loan may be requested in the Utilisation Request.

5.3 Amount

The amount of the proposed Loan must be a minimum of \$5,000,000 or if less, the Available Facility.

5.4 Lenders' participation

If the conditions set out in this Agreement have been met, the Lender shall make its participation in the Loan available by the Utilisation Date through its Facility Office.

SECTION 4**REPAYMENT, PREPAYMENT AND CANCELLATION****6. REPAYMENT****6.1 Repayment of Loans**

The Borrower shall pay the total principal amount of the outstanding Loan on the Termination Date.

6.2 Reborrowing

The Borrower may not reborrow any part of the Facility which is repaid.

7. PREPAYMENT AND CANCELLATION**7.1 Illegality**

If it becomes unlawful (or impossible as a result of a change in law or regulation) in any jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Loan:

- (a) the Lender shall promptly notify the Borrower upon becoming aware of that event;
- (b) upon the Lender notifying the Borrower, the Commitment of the Lender will be immediately cancelled; and
- (c) the Borrower shall repay the Loan on:
 - (i) the thirtieth day after the Lender has notified the Borrower; or
 - (ii) if earlier, the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law).

7.2 Voluntary cancellation

The Borrower may, if it gives the Lender not less than 5 Business Days' prior notice, cancel the whole or any part (being a minimum amount of \$1,000,000 and a whole multiple of \$1,000,000) of the Available Facility.

7.3 Voluntary prepayment of Loans

- (a) The Borrower to which a Loan has been made may, if it gives the Lender not less than 5 Business Days' prior notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of \$1,000,000 and a whole multiple of \$1,000,000).
- (b) A Loan may only be prepaid after the last day of the Availability Period (or, if earlier, the day on which the Available Facility is zero).

7.4 Right of repayment and cancellation in relation to a single Lender

- (a) If:
 - (i) any sum payable to the Lender by an Obligor is required to be increased under paragraph (c) of Clause 10.2 (*Tax gross-up*); or

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- (ii) the Lender claims indemnification from the Borrower under Clause 10.3 (*Tax indemnity*) or Clause 11.1 (*Increased costs*),

the Borrower may, whilst the circumstance giving rise to the requirement or indemnification continues, give the Lender notice of cancellation of the Commitment and its intention to procure the repayment of the Loan.

- (b) On receipt of a notice referred to in paragraph (a) above, the Commitment of the Lender shall immediately be reduced to zero.
- (c) Within 5 Business Days after the Borrower has given notice under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay the Loan.

7.5 **Restrictions**

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and without premium or penalty.
- (c) The Borrower may not reborrow any part of the Facility which is prepaid. The Commitment will reduce by the amount repaid.
- (d) The Borrower shall not repay or prepay all or any part of the Loan or cancel all or any part of the Commitment except at the times and in the manner expressly provided for in this Agreement.
- (e) No amount of the Commitment cancelled under this Agreement may be subsequently reinstated.

7.6 **Mandatory Prepayment**

- (a) If any of the following occurs:
- (i) the Takeover Offer closes without:
- (A) having become, or having been declared, unconditional; or
- (B) the Zijin Group having acquired a relevant interest in more than 45% of the Borrower Shares;
- (ii) the Takeover Offer is withdrawn;
- (iii) an announcement is made to the ASX that the Takeover Offer will not proceed in reliance on section 670F of the *Corporations Act 2001* (Cth); or
- (iv) a person other than the Lender or its Related Bodies Corporate obtaining control of the Borrower, or a relevant interest (as defined in the *Corporations Act 2001* (Cth)) in over 50% of the Borrower Shares;

then:

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- (v) the Lender shall, in no case later than the Termination Date but otherwise by not less than 6 months notice to the Borrower, cancel the Facility and declare all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents, immediately due and payable, whereupon the Facility will be cancelled and all such outstanding amounts will become immediately due and payable.
- (b) If any new Financial Indebtedness (other than Permitted Financial Indebtedness) is raised by the Borrower (unless agreed to in writing by the Lender), then:
- (i) the Borrower shall promptly notify the Lender upon becoming aware of that event; and
 - (ii) the Lender shall, by not less than 10 days notice to the Borrower, require the Borrower to prepay the Facility in an amount equal to the proceeds from the new Financial Indebtedness, whereupon all such amounts will become immediately due and payable.
- (c) For the purposes of paragraph (a) (iv) above, "control" has the meaning given in section 608(4) of the *Corporations Act 2001* (Cth).

SECTION 5

COSTS OF UTILISATION

8. INTEREST

8.1 Calculation of interest

The rate of interest on each Loan is 11 per cent. per annum.

8.2 Payment of interest

The Borrower shall pay accrued interest on the Loan on the last day of each month.

8.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is the sum of 5 per cent per annum and the rate of interest set out under Clause 8.1. Any interest accruing under this Clause 8.3 shall be immediately payable by the Obligor on demand by the Lender.

(b) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount but will remain immediately due and payable.

9. FEES

9.1 Upfront Fee

(a) The Borrower shall pay to the Lender a non-refundable fee of A\$100,000.

(b) The upfront fee is payable on the Utilisation Date, and shall be withheld by the Lender from the amount of the Utilisation.

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SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS**10. TAX GROSS UP AND INDEMNITIES****10.1 Definitions**

In this Clause 10:

"Protected Party" means the Lender which is or will be, for or on account of Tax, subject to any liability or required to make any payment in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Tax Credit" means a credit against, relief or remission for, or repayment of any Tax.

"Tax Payment" means an increased payment made by an Obligor to the Lender under Clause 10.2 (Tax gross-up) or a payment under Clause 10.3 (*Tax indemnity*).

10.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender.
- (c) If a Tax Deduction is required by law to be made by an Obligor except in relation to a Tax described in Clause 10.3(b)(i) (*Tax indemnity*), the Obligor shall pay an additional amount together with the payment so that, after making any Tax Deduction, the Lender receives an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Lender evidence satisfactory to the Lender (acting reasonably) that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

10.3 Tax indemnity

- (a) The Borrower shall (within three Business Days of demand by the Lender) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or a transaction or payment under it.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on the Lender:

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- (A) under the law of the jurisdiction in which the Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Lender is treated as resident for tax purposes; or
- (B) under the law of the jurisdiction in which the Lender's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Lender; or

- (ii) to the extent the relevant loss, liability or cost is compensated for by an increased payment under clause 10.2 (*Tax gross-up*).
- (c) A Protected Party making, or intending to make a claim pursuant to paragraph (a) above shall promptly notify the Company of the event which will give, or has given, rise to the claim.

10.4 **Tax Credit**

If an Obligor makes a Tax Payment and the Lender determines in its absolute discretion that:

- (a) a Tax Credit is attributable to that Tax Payment; and
- (b) the Lender has obtained, utilised and retained that Tax Credit,

the Lender shall pay an amount to the Obligor which the Lender determines in its absolute discretion will leave it (after that payment) in the same after-Tax position as it would have been in had the circumstances not arisen which caused the Tax Payment to be required to be made by the Obligor.

10.5 **Stamp duties and Taxes**

The Borrower shall:

- (a) pay; and
- (b) within three Business Days of demand, indemnify the Lender against any cost, loss or liability the Lender incurs in relation to,

all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

10.6 **Indirect Tax**

(a) All payments to be made by an Obligor under or in connection with any Finance Document have been calculated without regard to Indirect Tax. If all or part of any such payment is the consideration for a taxable supply or chargeable with Indirect Tax then, when the Obligor makes the payment:

- (i) it must pay to the Lender an additional amount equal to that payment (or part) multiplied by the appropriate rate of Indirect Tax; and
- (ii) the Lender will promptly provide to the Obligor a tax invoice complying with the relevant law relating to that Indirect Tax.

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- (b) Where a Finance Document requires an Obligor to reimburse the Lender for any costs or expenses, that Obligor shall also at the same time pay and indemnify the Lender against all Indirect Tax incurred by the Lender in respect of the costs or expenses save to the extent that the Lender is entitled to repayment or credit in respect of the Indirect Tax. The Lender will promptly provide to the Obligor a tax invoice complying with the relevant law relating to that Indirect Tax.

11. INCREASED COSTS

11.1 Increased costs

- (a) Subject to Clause 11.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Lender, pay for the account of the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of:

- (i) the introduction of or any change in (or in the interpretation or application of) any law or regulation; or
- (ii) compliance with any law or regulation,

made after the date of this Agreement. This includes without limitation, any law or regulation with regard to capital adequacy, prudential limits, liquidity, reserve assets or Tax.

- (b) In this Agreement "Increased Costs" means:

- (i) a reduction in the rate of return from the Facility or on the Lender's (or its Affiliate's) overall capital (including, without limitation, as a result of any reduction in the rate of return on capital as more capital is required to be allocated);
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the Lender having entered into its Commitment or funding or performing its obligations under any Finance Document.

11.2 Increased cost claims

- (a) If the Lender intends to make a claim pursuant to Clause 11.1 (Increased costs) it shall notify the Borrower of the event giving rise to the claim.
- (b) The Lender shall, as soon as practicable after a demand by the Borrower, provide a certificate confirming the amount of its Increased Costs.

11.3 Exceptions

Clause 11.1 (Increased costs) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law to be made by an Obligor;
- (b) compensated for by Clause 10.3 (*Tax indemnity*) (or would have been compensated for under Clause 10.3 (*Tax indemnity*) but was not so compensated solely because one of the exclusions in paragraph (b) of Clause 10.3 (*Tax indemnity*) applied); or

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- (c) attributable to the wilful breach by the Lender or its Affiliates of any law or regulation.

12. OTHER INDEMNITIES

12.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (i) making or filing a claim or proof against that Obligor;
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify the Lender to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.
- (c) Payment of an amount in a currency other than the due currency does not discharge that amount except to the extent of the amount of the due currency actually obtained when the recipient converts the amount received into the due currency.

12.2 Other indemnities

The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify the Lender against any cost, expense, loss or liability (including legal fees) incurred by the Lender as a result of:

- (a) the occurrence of any Default;
- (b) any information produced or approved by the Borrower under or in connection with the Finance Documents or the transactions they contemplate being or being alleged to be misleading or deceptive in any respect;
- (c) any enquiry, investigation, subpoena (or similar) or litigation with respect to any Obligor or with respect to the transactions contemplated or financed under this Agreement;
- (d) a failure by an Obligor to pay any amount due under a Finance Document on its due date;
- (e) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone); or

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- (f) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

13. MITIGATION BY THE LENDER

13.1 Mitigation

- (a) The Lender shall negotiate in good faith with a view to finding a way to mitigate any circumstances which arise and which would result in any amount becoming payable to it under, or its Commitment cancelled pursuant to, any of the following Clauses: Clause 7.1 (*Illegality*), Clause 10 (*Tax gross-up and indemnities*) (other than Clause 10.6 (*Indirect Tax*)) or Clause 11 (*Increased costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents including under Clause 10 (*Tax gross-up and indemnities*).

13.2 Indemnity and limitation of liability

- (a) The Borrower shall indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 13.1 (*Mitigation*).
- (b) The Lender is not obliged to take any steps under Clause 13.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

14. COSTS AND EXPENSES

14.1 Transaction expenses

The Borrower shall promptly on demand pay the Lender the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing, and execution of any other Finance Documents executed after the date of this Agreement.

14.2 Amendment costs

If an Obligor requests an amendment, waiver or consent, the Borrower shall, within three Business Days of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by or for the account of the Lender in responding to, evaluating, negotiating or complying with that request or requirement.

14.3 Enforcement costs

The Borrower shall, within three Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, any Finance Document or in connection with anything referred to in Clause 12.2(c) (*Other indemnities*).

SECTION 7**GUARANTEE****15. GUARANTEE AND INDEMNITY****15.1 Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to the Lender punctual performance by each Obligor of all that Obligor's obligations under the Finance Documents;
- (b) undertakes with the Lender that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document (or anything which would have been due if the Finance Document or the amount was enforceable, valid and not illegal), that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies the Lender immediately on demand against any cost, loss or liability suffered by the Lender if any obligation guaranteed by it (or anything which would have been an obligation guaranteed by it if not unenforceable, invalid or illegal) is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Lender would otherwise have been entitled to recover.

Each of paragraphs (a), (b) and (c) is a separate obligation. None is limited by reference to the other.

15.2 Continuing guarantee

This guarantee, undertaking and indemnity is a continuing guarantee, undertaking and indemnity and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

15.3 Reinstatement

If any payment to, or any discharge given by, the Lender (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced for any reason (including without limitation as a result of insolvency, breach of fiduciary or statutory duties or any similar event):

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Lender shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

15.4 Waiver of defences

The obligations of each Guarantor under this Clause 15 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 15 (without limitation and whether or not known to it or the Lender) including:

- (a) any time, waiver or other concession or consent granted to, or composition with, any Obligor or other person;

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- (b) the release or resignation of any other Obligor or any other person;
 - (c) any composition or arrangement with any creditor of any Obligor or other person;
 - (d) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
 - (f) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
 - (g) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
 - (h) any set off, combination of accounts or counterclaim;
 - (i) any insolvency or similar proceedings; or
 - (j) this agreement or any other Finance Document not being executed by, or binding against, any other Obligor or any other party.

References in Clause 15.1 to obligations of an Obligor or amounts due will include what would have been obligations or amounts due but for any of the above, as well as obligations and amounts due which result from any of the above.

15.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 15. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

15.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 15.

15.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Lender otherwise directs, no Guarantor will:

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- (a) exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:
- (i) to be indemnified by an Obligor;
 - (ii) to claim any contribution from any other guarantor of or provider of security for any Obligor's obligations under the Finance Documents; and/or
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender,
- (b) in any form of administration of an Obligor (including liquidation, winding up, bankruptcy, voluntary administration, dissolution or receivership or any analogous process) prove for or claim, or exercise any vote or other rights in respect of, any indebtedness of any nature owed to it by the Obligor.

15.8 **Trust**

If, in any form of administration of an Obligor (including liquidation, winding up, bankruptcy, voluntary administration, dissolution or receivership or any analogous process), a Guarantor receives any sum in respect of any indebtedness of any nature owed to it by the Obligor, it will hold on trust for the Lender so much of that sum as does not exceed the amount which may be or become payable to the Lender under or in connection with the Finance Documents. It will promptly pay it to the Lender.

15.9 **Additional security**

This guarantee, undertaking and indemnity is in addition to and is not in any way prejudiced by any other guarantee, undertaking and indemnity or security now or subsequently held by the Lender.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT**16. REPRESENTATIONS**

Each Obligor makes the representations and warranties set out in this Clause 16 to the Lender on the date of this Agreement and in the case of the Repeating Representations, on the other dates set out in Clause 16.17 (*Repetition*).

16.1 Status

- (a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

16.2 Binding obligations

The obligations expressed to be assumed by it in each Finance Document to which it is expressed to be a party are, subject to any necessary stamping and registration requirements, equitable principles and laws generally affecting creditors' rights, legal, valid, binding and enforceable obligations.

16.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it in any material respect;
- (b) its or any of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets where such conflict would be reasonably likely to have a Material Adverse Affect.

16.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

16.5 Authorisations

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party;
- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (c) for it and its Subsidiaries to carry on their business, and which are material/where failure to obtain that Authorisation would be reasonably likely to have a Material Adverse Effect,

have been obtained or effected and are in full force and effect.

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16.6 Governing law and enforcement

- (a) The choice of law referred to in Clause 33 (*Governing law*) as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.
- (b) Any judgment obtained against it in any jurisdiction referred to in Clause 34 (*Enforcement*) in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

16.7 No filing or stamp taxes

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

16.8 No default

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or its Subsidiaries') assets are subject which would be reasonably likely to have a Material Adverse Effect.

16.9 No misleading information

To the best of its knowledge and belief following due enquiry:

- (a) any factual information provided by or on behalf of an Obligor or any other member of the Group (excluding projections) or provided in writing in connection with the Finance Documents and the transactions they contemplate was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated;
- (b) any financial projections provided by an Obligor have been prepared on the basis of recent historical information and on the basis of reasonable assumptions; and
- (c) nothing has occurred or been omitted from the information provided in writing in connection with the Finance Documents and no information has been given or withheld that results in the information provided by an Obligor being untrue or misleading in any material respect.

16.10 Financial statements

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied unless expressly disclosed to the contrary in those Original Financial Statements.
- (b) Its Original Financial Statements give a true and fair view and represent its financial condition and operations (consolidated in the case of the Borrower) during the relevant financial year unless expressly disclosed to the contrary in those Original Financial Statements.

16.11 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

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16.12 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined would be reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

16.13 No Security

Its assets are free from any Security other than a Permitted Security.

16.14 Trustee

It does not enter any Finance Document or hold any property as a trustee.

16.15 Authorised Signatures

Any person specified as its authorised signatory under Schedule 2 (*Conditions precedent*) or Clause 17.4 (*Information: miscellaneous*) is authorised to sign Utilisation Requests and other notices on its behalf except where it has previously notified the Lender that the authority has been revoked.

16.16 Tax Consolidation

Each Obligor is a member of a Tax Consolidated Group as from 1 July 2011.

16.17 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:

- (a) the date of the Utilisation Request and the first day of each month; and
- (b) in the case of an Additional Guarantor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Guarantor.

17. INFORMATION AND UNDERTAKINGS

The undertakings in this Clause 17 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

17.1 Financial Statements

The Borrower shall supply to the Lender:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years its audited consolidated Financial Statements for that financial year; and
- (b) as soon as the same become available, but in any event within 90 days after the end of each half of each of its financial years its consolidated Financial Statements for that financial half year.

17.2 Compliance Certificate

- (a) The Borrower shall supply to the Lender, with each set of Financial Statements delivered pursuant to paragraph (a)(i) or (b)(i) of Clause 17.1 (*Financial Statements*), a Compliance Certificate.
- (b) Each Compliance Certificate shall be signed by two directors of the Borrower.

17.3 Requirements as to Financial Statements

Each set of Financial Statements delivered by the Borrower pursuant to Clause 17.1 (*Financial Statements*) shall be certified by a director of the relevant company as fairly representing its financial condition as at the date as at which those Financial Statements were drawn up.

17.4 Information: miscellaneous

The Borrower shall supply to the Lender:

- (a) all documents dispatched by the Borrower to its shareholders (or any class of them) or its creditors generally (or any class of them) at the same time as they are dispatched;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which if adversely determined, would be reasonably likely to have a Material Adverse Effect;
- (c) promptly, such further information regarding the financial condition, business and operations of any member of the Group as the Lender may reasonably request; and
- (d) promptly, notice of any change in authorised signatories of any Borrower signed by a director or secretary of the Borrower accompanied by specimen signatures of any new signatories.

17.5 Notification of default

- (a) Each Obligor shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Lender, the Borrower shall supply to the Lender a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

18. GENERAL UNDERTAKINGS

The undertakings in this Clause 18 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

18.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required:
 - (i) to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document;
 - (ii) in relation to its business as now conducted or contemplated and which is material ; and
- (b) supply certified copies to the Lender of any Authorisation referred to in subparagraph (a).

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18.2 Compliance with laws

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

18.3 Negative pledge

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets other than a Permitted Security.
- (b) Without limiting paragraph (a), no Obligor shall (and the Borrower shall ensure that no other member of the Group will):
- (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor, any other member of the Group or its Affiliate;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter any title retention arrangement;
 - (iv) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts or not repayable in certain circumstances; or
 - (v) enter into any other preferential arrangement having a similar effect,

in the case of paragraphs (iii) and (iv) in circumstances where the arrangement or transaction is entered into primarily as a method of raising or securing Financial Indebtedness or of financing the acquisition of an asset.

18.4 Disposals

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Group will), enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (a "**Disposal**").
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:
- (i) made in the ordinary course of sound mining practices in the State or Territory of Australia in which the assets are located pursuant to arrangements which are satisfactory to the Lender (acting reasonably);
 - (ii) of output from mining activities made in the ordinary course of business;
 - (iii) of obsolete assets that are no longer used or required or of assets which are to be replaced;
 - (iv) of Non-Core Tenements approved by the Board provided that:
 - (A) the Board or the chief financial officer of the Borrower provides written certificate to the Lender that the value of such Non-Core Tenements is immaterial to the applicable Obligor and that the Disposal of such Non-Core Tenements, other than in the case of a

Surrender, shall be for fair market value (which for the avoidance of doubt, may be a nil or nominal amount) as determined by the Borrower using sound business judgment;

- (B) 15 days prior to any such Disposal, the Borrower and its Subsidiaries shall have notified the Lender of their intention to make any Disposal and shall have provided the documentation required by clause 18 to the Lender; and
- (C) if the Disposal of such Non-Core Tenements is a Disposal other than a Surrender, the proceeds of such Disposition are applied in prepayment of the Facility;
- (v) if such Disposal is an asset sale for cash, the Disposal of which is for fair market value (as determined in good faith by the Borrower) provided that the proceeds of such Disposal are applied in prepayment of the Facility; and
- (vi) of a Retained Rights Agreement, provided the relevant Obligor provides:
 - (A) prior written notice to the Lender; and
 - (B) a certification to the Lender signed by 2 directors of the Borrower that the Board of the Borrower determined that such Retained Rights Agreements are immaterial to the relevant Obligor.

18.5 Merger

No Obligor shall (and the Borrower shall ensure that no other member of the Group will) enter into any amalgamation, demerger, merger or corporate reconstruction except with the Lender or as otherwise contemplated in the Bid Implementation Deed.

18.6 Change of business

The Borrower shall procure that no substantial change is made to the general nature of the business of the Borrower or the Group from that carried on at the date of this Agreement.

18.7 No Financial Indebtedness

It will not incur any Financial Indebtedness other than Permitted Financial Indebtedness.

18.8 Distributions

It will not pay or distribute any money or other asset (including by management or other fee, interest, dividend, buy back, return of capital, repayment or redemption) to or for the benefit of a shareholder in that capacity or to an Associate except:

- (a) reasonable directors' fees and salaries and other emoluments;
- (b) payments to an Obligor; and
- (c) subject to permitted exceptions, including in accordance with the Bid Implementation Deed.

18.9 Insurance

The Borrower shall take out and maintain (and shall ensure that each member of the Group takes out and maintains) insurances with a reputable insurer in the manner and to the extent which is in accordance with prudent business practice having regard to the nature of the

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business and assets of the Borrower and the Group (including all insurance required by applicable law).

19. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 19 is an Event of Default.

19.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by administrative or technical error beyond the control of the Obligors; and
- (b) payment is made within 2 Business Days of its due date.

19.2 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 19.1 (*Non-payment*) or with any condition of any waiver or consent by the Lender under or in connection with any Finance Document).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 10 Business Days of the Lender giving notice to the Borrower or the Borrower becoming aware of the failure to comply, whichever is the earlier.

19.3 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (b) No Event of Default under paragraph (a) above will occur in relation to a representation deemed to be made under the Finance Documents after the first Utilisation Date being incorrect or misleading if it is capable of remedy and is remedied within 10 Business Days of the Lender giving notice to the Borrower, or the Borrower becoming aware of it whichever is first.

19.4 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default or review event (however described).
- (c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default or review event (however described).
- (d) No Event of Default will occur under this Clause 19.4 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than \$1,000,000 (or its equivalent in any other currency or currencies).

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19.5 Insolvency

- (a) A member of the Group is or is presumed or deemed to be unable, or admits inability, to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) A moratorium is declared in respect of any indebtedness of any member of the Group.

19.6 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor except an application made to a court for the purposes of winding up such a person which is disputed by an Obligor acting diligently and in good faith and dismissed within 10 Business days;
- (b) a composition, assignment or arrangement with any creditor of any member of the Group;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any member of the Group or any of its assets except an application made to a court for the purposes of appointing such a person which is disputed by an Obligor acting diligently and in good faith and dismissed within 10 Business Days; or
- (d) enforcement of any Security over any assets of any member of the Group,

or any analogous event occurs in any jurisdiction.

19.7 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a member of the Group having an aggregate value of \$1,000,000 and is not discharged within 10 Business Days.

19.8 Ownership of the Obligors

An Obligor (other than the Borrower) is not or ceases to be a Subsidiary of the Borrower.

19.9 Unlawfulness

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.

19.10 Repudiation

An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

19.11 Vitiating of Finance Documents

A provision of a Finance Document is or becomes or is claimed by a party other than the Lender to be wholly or partly invalid, void, voidable or unenforceable in any material respect.

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19.12 Consequences of an Event of Default

On and at any time after the occurrence of an Event of Default which is continuing the Lender may, by notice to the Borrower:

- (a) cancel the Commitment whereupon they shall immediately be cancelled;
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (c) declare that all or part of the Loans be payable on demand.

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SECTION 9**CHANGES TO PARTIES****20. CHANGES TO THE LENDERS****20.1 Assignments and transfers by the Lenders**

The Lender may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents without the consent of the Borrower unless the assignment is to an Affiliate of the Lender.

20.2 Disclosure of information

Any Lender may disclose to:

- (a) any of its Affiliates; and
- (b) any other person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about any Obligor, the Group and the Finance Documents as the Lender shall consider appropriate.

21. CHANGES TO THE OBLIGORS**21.1 Assignments and transfer by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

21.2 Additional Guarantors

- (a) The Borrower must ensure that any of its Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:
 - (i) the Borrower delivers to the Lender a duly completed and executed accession letter in form and substance satisfactory to the Lender; and
 - (ii) the Lender has received all of the documents and other evidence it requires in form and substance satisfactory to the Lender in relation to that Additional Guarantor, each in form and substance satisfactory to the Lender.
- (b) The Lender shall notify the Borrower promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence it requires.

21.3 Repetition of Representations

Delivery of an accession letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

SECTION 10**ADMINISTRATION****22. PAYMENT MECHANICS****22.1 Payments**

On each date on which an Obligor is required to make a payment under a Finance Document, payment shall be made by transfer of immediately available funds to the account specified by the Lender by 11am (local time).

22.2 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

22.3 Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or the Unpaid Sum at the rate payable on the original due date.

22.4 Currency of account

(a) Subject to paragraphs (b) and (c) below, the Australian dollar is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(c) Any amount expressed to be payable in a currency other than Australian dollars shall be paid in that other currency.

23. SET-OFF

If a Default is continuing the Lender may, but need not, set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

24. GENERAL PPSA PROVISIONS

To the extent that a security interest (as defined in the PPSA) is created under a Finance Document, the following applies.

(a) The Lender need not give any notice under the PPSA (including a notice of a verification statement) under or arising out of anything relating to that security interest or Finance Document unless the notice is required by the PPSA and the giving of it cannot be excluded.

- (b) The Borrower waives its right to receive anything from the Lender under section 275 of the PPSA, and shall not make any request of the Lender under that section.
- (c) The Borrower authorises and requests the Lender under section 275(7)(c) of the PPSA to obtain from the holder of any other Security or PPSA Deemed Security Interest over the relevant collateral any of the information referred to in section 275(1) of the PPSA.
- (d) Each party contracts out of each provision of the PPSA which section 115 permits, except sections 117, 118, 123, 126, 128, 129, 134(1) and 135. However, each of those sections is contracted out of to the extent that a provision in it would be contrary to or limit an express or implied right on the part of the Lender provided for in the relevant Finance Document.
- (e) Any disposal or other exercise of any right, power or remedy under this Agreement will only be taken to be made under a provision which has not been excluded in paragraph (d), if the Lender so elects.

25. NOTICES

25.1 Communications in writing

Communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter or if the recipient so agrees, by electronic transmission.

25.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower and the Lender, that identified with its name below; and
- (b) in the case of the any other Original Obligor, that specified in Schedule 1 (*The Original Parties*),

or any substitute address, fax number, email address (if applicable) or department or officer as the Party may notify to the other Parties by not less than five Business Days' notice.

Address for service of Notices:

Borrower: Attention: The Chairman
 Fax No: (07) 3846 9233
 with a copy via email to timprowse@optusnet.com.au

with a copy via email to HopgoodGanim Lawyers
 Attention: Michele Muscillo
 Email: m.muscillo@hopgoodganim.com.au

Lender: Attention: MR. YIU KAI
 Fax No: 852 2803 0878
 with a copy via email to yiukai@zijinmining.com.hk

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25.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
- (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
 - (iii) if by way of electronic transmission, (if the recipient has agreed to receive the notice by electronic transmission) when received in legible form by the recipient,
- and, if a particular department or officer is specified as part of its address details provided under Clause 25.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender.
- (c) Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

Subject to Clause 25.4 (*Reliance*), all notices must be signed by an Authorised Officer of the sender.

25.4 Reliance

Any notice sent under this Clause 25 can be relied on by the recipient if the recipient reasonably believes the notice to be genuine and if it bears what appears to be the signature (original or facsimile) of an Authorised Officer of the sender (without the need for further enquiry or confirmation). Each Party must take reasonable care to ensure that no forged, false or unauthorised notices are sent to another Party.

25.5 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
- (i) in English; or
 - (ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

25.6 Borrower and Obligors

Each Obligor irrevocably authorises the Borrower to give and receive notices and communications on its behalf (including Utilisation Requests). Other Parties may rely on any such notice or communication by the Borrower as given on behalf of the Obligor, and the Obligor is bound by it.

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26. CALCULATIONS AND CERTIFICATES

26.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are sufficient evidence of the matters to which they relate unless the contrary is proved.

26.2 Certificates and Determinations

Any certification or determination by the Lender of an exchange rate, a rate of interest or amount under Clause 10 (*Tax gross up and indemnities*) or Clause 11 (*Increased costs*) or under any Finance Document is sufficient evidence of the matters to which it relates and any certification or determination by the Lender of any other matter is sufficient evidence of the matters to which it relates unless the contrary is proved.

26.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

27. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

28. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

29. AMENDMENTS AND WAIVERS

Any term of the Finance Documents may be amended or waived only in writing with the consent of the Lender and the Borrower and any such amendment or waiver will be binding on all Parties.

30. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

31. INDEMNITIES AND REIMBURSEMENT

All indemnities and reimbursement obligations in each Finance Document are continuing and survive termination of the Finance Document, repayment of the Loan and cancellation or expiry of the Commitment.

32. ACKNOWLEDGEMENT

Except as expressly set out in the Finance Documents none of the Asia Pacific Loan Market Association, the Lender or any of their advisers have given any representation or warranty or

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other assurance to any Obligor in relation to the Finance Documents and the transactions they contemplate, including as to tax or other effects. The Obligors have not relied on any of them or on any conduct (including any recommendation) by any of them. The Obligors have obtained their own tax and legal advice.

The Code of Banking Practice does not apply to the Finance Documents and the transactions under them.

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SECTION 12

GOVERNING LAW AND ENFORCEMENT

33. GOVERNING LAW

This Agreement is governed by New South Wales law.

34. ENFORCEMENT

34.1 Jurisdiction

- (a) The courts having jurisdiction in New South Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").
- (b) The Parties agree that those courts are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Each Party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within paragraph (a).
- (d) This Clause 34.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

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**SCHEDULE 1
THE ORIGINAL PARTIES**

**PART I
THE ORIGINAL OBLIGORS**

Name of Original Borrower	Registration number (or equivalent, if any)	Address for Service of Notice
Norton Gold Fields Limited	ACN 112 287 797	<p>Attention: The Chairman Fax No: (07) 3846 9233 with a copy via email to timprowse@optusnet.com.au</p> <p>with a copy via email to HopgoodGanim Lawyers Attention: Michele Muscillo Email: m.muscillo@hopgoodganim.com.au</p>

Name of Original Guarantor	Registration number (or equivalent, if any)	Address for Service of Notice
Paddington Gold Pty Limited	ACN 008 585 886	As for the Borrower
Norton Gold Mines Pty. Ltd.	ACN 110 955 354	As for the Borrower
Norton Gold Holdings Pty Ltd	ACN 118 450 776	As for the Borrower
Norton Coal Pty. Ltd.	ACN 131 025 502	As for the Borrower
Bellamel Mining Pty Ltd	ACN 125 443 076	As for the Borrower
Mount Morgan Mine Pty. Ltd.	ACN 138 015 077	As for the Borrower
Norton Operations Pty Ltd	ACN 151 083 359	As for the Borrower

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**SCHEDULE 2
CONDITIONS PRECEDENT**

**PART I
CONDITIONS PRECEDENT TO INITIAL UTILISATION**

1. Verification Certificate

A Verification Certificate from each Original Obligor, attaching, as applicable, for each such entity:

- (a) a copy of extracts of minutes of the board of directors:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (ii) in the case of an Original Guarantor, to the effect that it is in the best interests of the relevant guarantor, giving reasons;
 - (iii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf, or otherwise authorising a power of attorney for execution for each Finance Document to which it is a party; and
 - (iv) authorising a specified person or persons, on its behalf, as Authorised Officers to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
- (b) if applicable, an original power of attorney for the execution of each Finance Document to which it is a party, executed under common seal or by two directors or a director and a secretary; and
- (c) a specimen of the signature of each person authorised by the resolution referred to in paragraph (a)(iii) above,

and containing statements:

- (d) certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement; and
- (e) certifying that such Original Guarantor is not in breach of Chapter 2E of the Corporations Act 2001.

2. Legal opinions

A legal opinion of Allens, legal advisers to the Lender in Australia, substantially in the form distributed to the Lenders prior to signing this Agreement.

3. Other documents and evidence

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-
- (a) An original of each Finance Document duly executed by all of the parties to it.
 - (b) An original of the Bid Implementation Deed duly executed by all of the parties to it.
 - (c) A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document
 - (d) A copy of any regulatory approval or other Authorisation which the Lender considers to be necessary in connection with the Lender's entry into and performance of the transactions contemplated by any Finance Document.
 - (e) Evidence that the fees, costs and expenses then due from the Borrower pursuant to Clause 9 (*Fees*) and Clause 14 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.
 - (f) Evidence that the Merrill Lynch Facility will be fully repaid on Utilisation of the Facility.
 - (g) Evidence that all security in respect of the Merrill Lynch Facility will be fully released on Utilisation of the Facility (or the Lender has been provided with everything it needs to effect such release).

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**SCHEDULE 3
REQUESTS**

**PART I
UTILISATION REQUEST**

From: [Borrower]

To: [Lender]

Dated:

Dear Sirs

[Borrower] – [] Facility Agreement
dated [] (the "Agreement")

4. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement shall have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

5. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)

Amount: [] or, if less, the Available Facility

We confirm that each condition specified in Clause 4.2 (Further conditions precedent is satisfied on the date of this Utilisation Request. [except as described in the notice dated [*] given to you, a copy of which is attached]

6. The proceeds of this Loan should be credited to [account].

7. This Utilisation Request is irrevocable.

Yours faithfully

.....
Authorised Officer
[name of Borrower]

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**SCHEDULE 4
FORM OF COMPLIANCE CERTIFICATE**

To: []

From: [Company]

Dated:

Dear Sirs

**[Company] – [] Facility Agreement
dated [] (the "Agreement")**

- 8. We refer to the Agreement. This is a Compliance Certificate. Terms used in the Agreement shall have the same meaning in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- 9. We confirm that: *[Insert details of covenants to be certified]*
- 10. *[We confirm that no Default is continuing.]**

Signed:
Director	Director
Of	Of
[Company]	[Company]

[insert applicable certification language]

.....
for and on behalf of
[name of auditors of the Company]

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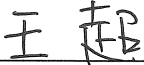
SCHEDULES 5 TO 10 OMITTED

SIGNATURE PAGE

Executed and delivered as a Deed.

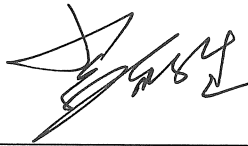
LENDER

Executed as a deed by **Jinyu (H.K.) International Mining Company Limited** by its duly authorised representative in the presence of:



Witness Signature
Wang Chao

Print Name



Authorised Representative Signature
Lan Fusheng

Print Name

BORROWER

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Norton Gold Fields Limited:**

Director Signature

Print Name

Director/Secretary Signature

Print Name

ORIGINAL GUARANTORS

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Paddington Gold Pty Limited:**

Director Signature

Print Name

Director/Secretary Signature

Print Name

For personal use only

SIGNATURE PAGE

Executed and delivered as a Deed.

LENDER

Executed as a deed by **Jinyu (H.K.) International Mining Company Limited** by its duly authorised representative in the presence of:

Witness Signature


Print Name


Authorised Representative Signature

Print Name


BORROWER

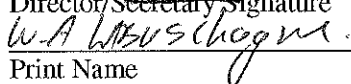
Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Norton Gold Fields Limited:**



Director Signature


Print Name





Director/Secretary Signature


Print Name

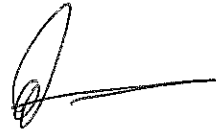
ORIGINAL GUARANTORS

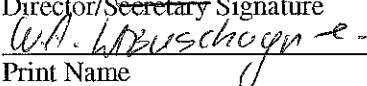
Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Paddington Gold Pty Limited:**



Director Signature


Print Name



Director/Secretary Signature


Print Name

For personal use only


For personal use only

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Norton Gold Mines Pty Limited:**



Director Signature
A. I. PROWSE


Print Name



Director/Secretary Signature
W.A. WABUSCHNIG


Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Norton Gold Holdings Pty Limited:**



Director Signature
A. I. PROWSE

Print Name



Director/Secretary Signature
W.A. WABUSCHNIG


Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Norton Coal Pty Limited:**



Director Signature
A. I. PROWSE


Print Name



Director/Secretary Signature
W.A. WABUSCHNIG

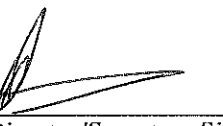
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Bellamel Mining Pty Limited:**



Director Signature
A. I. PROWSE


Print Name



Director/Secretary Signature
W.A. WABUSCHNIG


Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Mount Morgan Mine Pty Limited:**



Director Signature
A. I. PROWSE

Print Name



Director/Secretary Signature
W.A. WABUSCHNIG

Print Name

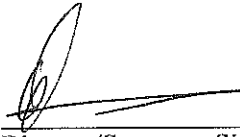
Executed as a deed in accordance with
section 127 of the *Corporations Act 2001* by
Norton Operations Pty Limited:



Director Signature

A. C. ROWIE

Print Name



Director/Secretary Signature

W. A. MUSCHAGN

Print Name

For personal use only

ANNEXURE C – PADDINGTON MINERAL RESOURCE AND ORE RESERVE STATEMENTS

Paddington Resource Statement: Ore Reserve (31 December 2011)

Project	Proven			Probable			Total Reserve		
	Mt	g/t	oz	Mt	g/t	oz	Mt	g/t	oz
Enterprise				5.55	2.52	450,000	5.55	2.52	450,000
Janet Ivy				1.58	1.09	55,000	1.58	1.09	55,000
Green Gum				0.58	2.52	47,000	0.58	2.52	47,000
Blue Gum East				0.20	2.92	19,000	0.20	2.92	19,000
Homestead	0.05	10.2	16,000	0.14	8.96	41,000	0.19	9.28	57,000
Navajo Chief				3.68	1.06	125,000	3.68	1.06	125,000
Rose West				0.24	1.97	15,000	0.24	1.97	15,000
Golden Flag				0.26	2.50	21,000	0.26	2.50	21,000
Federal				1.73	1.88	105,000	1.73	1.88	105,000
Mulgarrie				0.64	3.53	73,000	0.64	3.53	73,000
Stockpiles	0.81	0.80	21,000	0.64	0.73	15,000	1.45	0.77	36,000
Total Reserve	0.86	1.33	37,000	15.3	1.97	966,000	16.1	1.94	1,003,000

* Apparent arithmetic inconsistencies are due to rounding

Paddington Resource Statement: Mineral Resource (includes Ore Reserve) (31 December 2011)

Project	Measured			Indicated			Inferred			Total Resource		
	Mt	g/t	oz	Mt	g/t	oz	Mt	g/t	oz	Mt	g/t	oz
Havana				4.29	1.69	233,000	0.26	1.73	14,000	4.55	1.69	247,000
Enterprise				10.3	2.27	749,000	5.10	1.75	287,000	15.4	2.10	1,037,000
Mulgarrie				1.05	3.22	109,000	0.44	2.72	39,000	1.49	3.07	147,000
Federal				3.74	1.92	231,000	2.99	2.10	202,000	6.73	2.00	433,000
Golden Flag				0.43	2.10	29,000	0.33	1.92	20,000	0.76	2.02	49,000
Mt Pleasant				2.81	2.42	219,000	8.47	2.95	803,000	11.3	2.82	1,021,000
Rose West				0.46	1.80	27,000	0.03	1.81	2,000	0.50	1.80	29,000
Natal							0.38	2.46	30,000	0.38	2.46	30,000
Janet Ivy				3.39	1.23	133,000	2.32	1.24	93,000	5.71	1.23	226,000
Jakarta				1.77	1.15	65,000	0.42	1.02	14,000	2.19	1.13	79,000
Green Gum				2.01	2.53	163,000	0.21	5.11	35,000	2.22	2.78	198,000
Blue Gum East				0.20	3.10	20,000	0.13	1.44	6,000	0.34	2.45	26,000
Homestead UG	0.07	22.6	49,000	0.11	15.6	55,000	0.09	12.6	38,000	0.27	16.5	142,000
Golden Kilometre							0.76	4.17	102,000	0.76	4.17	102,000
Tuart UG							0.74	6.00	142,000	0.74	6.00	142,000
Lady Bountiful Extension				2.82	1.72	156,000	1.43	1.73	79,000	4.25	1.72	235,000
Fort William				0.23	2.20	16,000	1.78	1.26	72,000	2.00	1.37	88,000
Fort Scott				0.32	2.08	21,000	0.13	1.26	5,000	0.45	1.84	27,000
Navajo Chief				15.8	1.01	511,000	3.17	1.08	110,000	18.9	1.02	621,000
Navajo Chief Low Grade				12.8	0.60	244,000	2.67	0.59	51,000	15.4	0.59	295,000
Apache							0.63	1.67	34,000	0.63	1.67	34,000
Ben Hur (1,2,3)				3.60	1.20	139,000	5.68	2.08	381,000	9.29	1.74	520,000
Pitman South							0.10	2.20	7,000	0.10	2.20	7,000
Walsh & Walsh North							0.42	1.77	24,000	0.42	1.77	24,000
Matls Dam							0.34	1.47	16,000	0.34	1.47	16,000
Porphyry				1.66	1.09	58,000	0.68	1.25	27,000	2.34	1.14	85,000
Liberty West							0.54	1.94	34,000	0.54	1.94	34,000
Stockpiles	0.81	0.80	21,000	0.64	0.73	15,000	1.37	0.65	29,000	2.82	0.71	65,000
Total Mineral Resource	0.88	2.49	70,000	68.3	1.45	3,195,000	41.6	2.01	2,696,000	110.8	1.67	5,961,000

* Apparent arithmetic inconsistencies are due to rounding