

## ASX Release

3 September 2013

# Zhongjin Lingnan Proposal to acquire Perilya at \$0.35 per share

### OVERVIEW

Perilya Limited ("Perilya" or the "Company") today announced that the Company has entered into a binding Scheme Implementation Agreement ("SIA") with its major shareholder, Zhongjin Lingnan Mining (HK) Company Limited ("Zhongjin Lingnan") (a wholly owned subsidiary of Shenzhen Zhongjin Lingnan Nonfermet Co., Limited) under which it is proposed that Zhongjin Lingnan will acquire all the outstanding shares in Perilya that it does not already own by way of a Court approved Scheme of Arrangement ("Scheme") for an offer consideration of \$0.35 per share ("Proposal").

If the Scheme is approved and implemented, Perilya's shareholders who are not associated with Zhongjin Lingnan or its related entities ("Minority Shareholders") will receive cash consideration of \$0.35 for each Perilya share they own.

The Perilya independent directors<sup>1</sup> ("Independent Directors") unanimously support the Proposal in the absence of a superior proposal and subject to the Independent Expert (defined below) determining that the Scheme is in the best interests of Perilya shareholders and intend to vote, or cause the voting of any shares in which he or she has a relevant interest, in favour of the Scheme.

### OFFER PRICE

The offer price of \$0.35 per Perilya share represents a substantial premium to the historical trading price of Perilya shares as set out below:

- 59% premium to the closing share price on Friday 30 August 2013 (i.e. the date on which Perilya went into trading halt pending further announcement) (\$0.22);
- 85% premium to 1 month Volume Weighted Average Price (\$0.189);
- 109% premium to 3 month Volume Weighted Average Price (\$0.167); and
- 64% premium to 12 month Volume Weighted Average Price (\$0.214).

The Proposal is conditional upon the following key conditions:

- Minority Shareholder requisite approval;
- Australian Foreign Investment Review Board ("**FIRB**") approval and other regulatory approvals including ASIC, ASX;
- Chinese regulatory approvals;
- Confirmation from Ernst & Young Transaction Advisory Services Limited (the independent expert engaged by Perilya) ("**Independent Expert**") that the Proposal is in the best interests of Minority Shareholders;

<sup>1</sup> The "independent directors" comprise: Paul Arndt, Patrick O'Connor and Anna Liscia

- a unanimous recommendation by Perilya's Independent Directors in support of the transaction, subject to the Independent Expert opining that the transaction is in the best interests of Minority Shareholders and no superior proposal emerging;
- Endorsement from the Court;
- No material adverse change occurring; and
- No prescribed occurrences.

Further details of the conditions are set out in the SIA attached to this announcement as **Appendix A**.

Zhongjin Lingnan currently owns 53.37% of Perilya and first invested in the Company in February 2009 through a share placement and strategic alliance. Since commencement of the strategic alliance at the beginning of 2009, Zhongjin Lingnan been a committed partner to Perilya as demonstrated by:

- its willingness to financially support the Broken Hill operations through its difficult transition in late 2008 / early 2009 to an economically sustainable lower production profile and the continuation of that support through subsequent periods of historically low Australian dollar metal prices;
- its balance sheet support in securing the finance necessary in 2009 for Perilya to buy-back 11.2 million ounces of silver in the ground at Broken Hill previously sold under a silver sale arrangement with Couer d' Alene for US\$55 million, which at today's prices represents approximately \$300 million worth of silver;
- its support for the development of the Potosi/Silver Peak mine at Broken Hill in an environment of adverse metal prices and difficult economic conditions;
- its strong support for Perilya's M&A activity resulting in the highly successful acquisition of the former TSX listed GlobeStar Mining Corporation, particularly with regards to assisting Perilya to procure funding for that acquisition through Zhongjin Lingnan's strong banking relationships;
- supporting the capital expenditure commitment to allow for the up-grading of Perilya's Port Pirie storage and ship-loading facilities to allow the Company to, for the first time, export lead concentrates and take advantage of more attractive spot prices available overseas;
- Zhongjin Lingnan fully taking up its entitlements under the equal access rights issues undertaken by Perilya in both 2009 and 2011, to underpin Perilya's capital requirements; and
- Providing Perilya with access to its market intelligence of the concentrates markets in China allowing Perilya to leverage Zhongjin's market strength, resulting in improved terms for Perilya with both existing off-take customers and new off-take customers.

Zhongjin Lingnan's intentions going forward are to continue its strong support for Perilya's current operations in Australia and the Dominican Republic and to use its financial strength to underpin Perilya's investment and development plans with respect to the Company's operations and suite of exploration and development projects. Specifically, subject to economic circumstances Zhongjin Lingnan intends to:

- maintain Perilya's existing mining operations in both Australia and the Dominican Republic;
- where possible, extend Perilya's existing operations in Australia and the Dominican Republic, including an accelerated ramp up to full mining at the Potosi deposit and the potential re-opening of North Mine in Broken Hill;
- commit the capital necessary for the construction of a zinc removal circuit at Cerro de Maimón, which will work to extend the economic life of the existing operations, together with completing the study into the potential to develop an underground mine off the Cerro de Maimón open pit;
- retain all key personnel at the operations in both Australia and the Dominican Republic and within the corporate and Executive team of the Company.

- fully explore and develop, where practicable and economic to do so, Perilya's existing suite of development assets, or look for means of extracting best value from those development/exploration assets; and
- continue to seek growth both internally and through external acquisition opportunities as they present themselves.

## COMMENTS FROM PERILYA

Perilya's Managing Director, Paul Arndt said:

*"Zhongjin's proposal is priced at a level that represents an opportunity for Perilya shareholders to realise an attractive premium for their investment in a challenging global economic environment epitomised by weak base and precious metal prices and a high Australian dollar against the US dollar. The cash consideration of \$0.35 being offered provides certainty of timing and value."*

*"Perilya shareholders, in considering the proposal, should be aware that in the short to mid-term, Perilya will likely have capital requirements relating to, amongst other things, the ramp-up of development at Potosi and the introduction of a new zinc/cadmium removal circuit at Cerro de Maimón. In the current environment, where both debt and equity markets are depressed, and in the absence of this proposal proceeding, it is likely that any additional funding required would come through some form of equal access equity offering to Perilya shareholders. Given that we are seeing equity raisings in the current environment being undertaken at discounts to market, any potential raising by Perilya would likely see dilution of the minority shareholders at a discount to market. I am therefore very pleased that Zhongjin have considered the interest of minority shareholders in proposing this transaction at significant premiums to both short and longer term VWAP's."*

*"With regards to our employees, suppliers and contracting partners, I note that Zhongjin Lingnan has indicated they intend to continue to fully support Perilya's current operations and to use their financial strength to underpin Perilya's investment and development plans going forward."*

*"Further I note that the Independent Directors unanimously support the proposal in the absence of a superior proposal and subject to the Independent Expert determining that the Scheme is in the best interests of Perilya shareholders and that they intend to vote, or cause the voting of any shares in which he or she has a relevant interest, in favour of the Scheme"*

## NEXT STEPS

Perilya will work with Zhongjin Lingnan for the Proposal to be put to Minority Shareholders expeditiously.

The Scheme documentation is scheduled to be lodged with ASIC and sent to shareholders in November this year. The Scheme documentation will contain full details of the offer, including a copy of the Independent Expert's report.

The Scheme meeting is expected to be held by early December 2013. At the Scheme meeting, a majority in number of Minority Shareholders voting (in person or by proxy), and who represent at least 75% of total votes cast, must approve the Scheme for it to proceed. If the requisite shareholder approval is obtained, the Scheme will then need to be approved by the Court at a second court hearing before it becomes effective.

## SHAREHOLDERS DO NOT NEED TO TAKE ANY ACTION AT THE PRESENT TIME.

Allion Legal are acting as Australian counsel for Perilya

AnJie Law Firm as Chinese counsel for Perilya

Ernst & Young Transaction Advisory Services Limited have been engaged to provide an Independent Expert's Report

AMC Consultants Pty Ltd have been engaged to provide a Technical Expert's Report

Yours faithfully  
PERILYA



**Paul Marinko**  
Company Secretary

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**About Perilya**

*Perilya is an Australian base and precious metals mining and exploration company, which owns and operates the iconic Broken Hill zinc, lead, silver mine in NSW Australia and, with the successful takeover of GlobeStar Mining Corporation in December 2010, the Cerro de Maimón copper, gold & silver mine in the Dominican Republic. The Company's operations at the Broken Hill mine went through a resizing in 2008 which has resulted in significant improvement in productivity, profitability and cashflows resulting in an extension to the life of mine to approximately 10 years.*

*In addition to its mining operations, the Company has an active exploration and development program which includes exploration and development programs in the Broken Hill region NSW Australia and in the Flinders region of South Australia in the vicinity of its Beltana zinc silicate project. The Company also has extensive exploration programs underway on its Dominican Republic mining and exploration concessions that include a laterite nickel project and highly prospective copper, gold & silver targets near its Cerro de Maimón mine.*

*The Company is reviewing options for the development of the Mount Oxide Copper Project in the Mount Isa region in Queensland. In addition, the Company has a 60% interest in the Moblan lithium project located in Quebec, Canada, which is currently undergoing a development study (the remaining 40% is held by SOQUEM, which is an investment company owned by the Quebec Government in Canada).*

*Perilya is owned 53.37% by Shenzhen Zhongjin Lingnan Nonfermet Co. Ltd, China's third largest zinc producer.*

*For more details, visit [www.perilya.com.au](http://www.perilya.com.au)*

**About Zhongjin Lingnan**

*Shenzhen Zhongjin Lingnan Nonfermet Company Limited (Zhongjin Lingnan) is a publicly listed company that specializes in the production of non-ferrous metals. As a listed company, Zhongjin Lingnan undertakes cross-industry and cross-region operations that include mining, processing, smelting, manufacturing and R&D. Zhongjin Lingnan is listed on the Shenzhen Stock Exchange (Ticker: 000060) and, as of 1 September 2013, has a market capitalisation of approximately RMB15.12 billion (A\$2.76 billion). Based in Shenzhen, Zhongjin Lingnan has a production base at Shaoguan, a city in the north of Guangdong.*

*In 2002, Zhongjin Lingnan was ranked among top 500 Chinese businesses for the first time. As one of the top 100 businesses in Shenzhen and Guangdong, the company was listed as an SSE 100 Index constituent stock in the same year. Since then, in recognition of its active role in high-tech operations in Guangdong, Zhongjin Lingnan has been awarded a string of honours as a tax-payer and exporter with significant contribution to the local economy.*

*Zhongjin Lingnan product portfolio includes fine lead ore, fine zinc ore, mixed lead/zinc ore, fine sulfur ore, electrolytic lead, fine zinc, silver, fine cadmium, germanium ingots, germanium dioxide, indium ingots, sulfuric acid, zinc sulfate, section aluminum, curtain walls, steel stripes, nickel hydroxide, zinc powder for batteries, and fibrous nickel powder, which span over 30 categories. The company offers products up to the international quality standards. Zhongjin Lingnan has obtained LME certifications for its electrolytic lead and fine zinc and LBMA certification for silver. A large number of production facilities in the company reach the ISO9000 standard. Zhongjin Lingnan is highly recognized both at home and abroad.]*

*Zhongjin Lingnan's main activities comprise mining and smelting operations. Its key operations are the Shaoguan and Danxia Smelters and the Fankou lead & zinc mine. The Fankou mine is one of the lowest cost underground lead zinc mines in the world and has over 20 years of mine life remaining*

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# SCHEME IMPLEMENTATION AGREEMENT

**Zhongjin Lingnan Mining (HK) Company Limited**  
**Perilya Limited**

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# SCHEME IMPLEMENTATION AGREEMENT

## DETAILS

<b>Name</b>	Zhongjin Lingnan Mining (HK) Company Limited	<b>Zhongjin</b>
<b>Address</b>	Rm 1809-1812, 18 <sup>th</sup> Floor Tower 2, Admiralty Centre 18 Harcourt Road, Hong Kong	

<b>Name</b>	Perilya Limited	<b>Perilya</b>
<b>ABN</b>	85 009 193 695	
<b>Address</b>	Level 8 251 Adelaide Terrace PERTH WA 6000	

## BACKGROUND

- A Perilya and Zhongjin have agreed to effect a transaction by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Perilya and the Scheme Shareholders, pursuant to which Zhongjin will acquire all of the Scheme Shares (and Perilya will become a wholly-owned subsidiary of Zhongjin), in accordance with the terms of this agreement.
- B Perilya intends to propose the Scheme to the Scheme Shareholders and issue the Scheme Booklet.
- C Perilya and Zhongjin have agreed in good faith to implement the Scheme upon the terms and conditions of this agreement.

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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

These meanings apply unless the contrary intention appears:

**Accounting Standards** means:

- (a) accounting standards as that term is defined in the Corporations Act; and
- (b) to the extent not inconsistent with paragraph (a) above generally accepted Australian accounting principles which are consistently applied.

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

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

**Business Day** means a day other than a Saturday, Sunday or public holiday in Perth, Western Australia.

**Claim** includes any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature whatsoever however arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.

**Competing Proposal** means a transaction which, if completed, would mean a person (other than Zhongjin or its Related Bodies Corporate (other than Perilya and its Subsidiaries)) would:

- (a) directly or indirectly, acquire an interest, a Relevant Interest in or become the holder of:
  - (i) more than 25% of the Shares or more than 50% of the shares in any of Perilya's material subsidiaries; or
  - (ii) the whole or a material part of the business or property of Perilya or any of its material subsidiaries;
- (b) acquire control of Perilya, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge (including by way of a reverse takeover bid or dual listed companies structure) with Perilya.

For the purposes of paragraph (a)(i) above, a Subsidiary of Perilya will be a material subsidiary if:

- (a) the business or property of the Subsidiary represents 50% or more of the consolidated net profit after tax of Perilya; or
- (b) the business or property of the Subsidiary represents 50% or more of the total consolidated assets of Perilya.

For the purposes of paragraph (a)(ii) above, the acquisition of an interest in the business or property of Perilya or any of its Subsidiaries will be material if:

- (a) the relevant business or property represents 50% or more of the consolidated net profit after tax of Perilya; or
- (b) the relevant business or property represents 50% or more of the total consolidated assets of Perilya.

**Conditions Precedent** means the conditions precedent set out in **clause 3.1**.

**Confidentiality Letter** means the letter from Zhongjin to Perilya dated 13 August 2013.

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

**Counterproposal** has the meaning given to that term in **clause 12.6(b)**.

**Court** means the Federal Court of Australia or such other court agreed by the parties.

**Deed Poll** means the Deed Poll in the form set out in Annexure B (or such other form as agreed between Zhongjin and Perilya) pursuant to which Zhongjin will covenant in favour of the Scheme Shareholders to perform its obligations under the Scheme.

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

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

**Encumbrance** means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

**Excluded Shareholders** means the holders of Excluded Shares.

**Excluded Shares** means any Shares held by, or by any person on behalf of or for the benefit of, Zhongjin or any of its Related Bodies Corporate.

**First Court Date** means the date of the hearing by the Court of the application to order the convening of the Scheme Meeting pursuant to section 411(1) of the Corporations Act.

**Government Agency** means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

**GST** means the goods and services tax as defined in the A New Tax System (Goods and Services Tax) Act 1999 or any like tax.

**Implementation** means the implementation of the Scheme, upon it becoming Effective.

**Implementation Date** means the date that is the third Business Day after the Record Date.

**Independent Expert** means Ernst & Young or, failing their ability or preparedness to act as independent expert, such other reputable and qualified expert nominated by Perilya and approved by Zhongjin, such approval not to be unreasonably withheld or delayed.

**Independent Expert's Report** means a report prepared by the Independent Expert, stating whether or not in its opinion the Scheme is in the best interests of Scheme Shareholders and setting out the Independent Expert's reasons for that opinion.

**Independent Perilya Board** means the Perilya Board other than the Zhongjin Nominee Directors.

**Insolvent** means:

- (a) in respect of a person:
- (i) an administrator being appointed to the person;
  - (ii) the person resolving to appoint a controller or analogous person to the person or any of the person's property;
  - (iii) an application being made to a court for an order to appoint a controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property;
  - (iv) an appointment of the kind referred to in subparagraph (c) being made (whether or not following a resolution or application);
  - (v) the holder of a security interest (excluding a security interest that arises in the ordinary course of business pursuant to a retention of title arrangement or a lien that arises by operation of law), or any agent on its behalf, appointing a controller or taking possession of any of the person's property;
  - (vi) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
  - (vii) an application being made to a court for an order for its winding up;
  - (viii) an order being made, or the person passing a resolution, for its winding up;
  - (ix) the person:
    - (A) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or
    - (B) being unable to pay its debts or otherwise insolvent;
  - (x) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property; or
  - (xi) any analogous event under the laws of any applicable jurisdiction, unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved by the other party; and
- (b) in addition to the matters detailed in (a) in respect of a person subject to the laws of the People's Republic of China:
- (i) an enterprise legal person fails to clear off its debts as due;
  - (ii) an enterprise legal person's assets are not enough to pay off all the debts;

- (iii) an enterprise legal person is obviously incapable of clearing its debts; and
- (iv) any other circumstance as prescribed in the Enterprise Bankruptcy Law of the People's Republic of China.

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

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

**Material Contract** means the contracts set out in Schedule 3.

**Native Title Act** means the Native Title Act 1993 (Cth).

**Officer** means, in relation to any entity, any of its directors, officers and employees.

**Participating Shareholders** means each person who is registered in the Register as a holder of a Share as at the Scheme Meeting Date, other than the Excluded Shareholders.

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

**Perilya Indemnified Parties** means Perilya, each Subsidiary of Perilya, the directors and employees of Perilya and the directors and employees of each Subsidiary of Perilya.

**Perilya Material Adverse Change** means any of the following:

- (a) an event, change, condition, matter or thing occurring;
- (b) information being disclosed or announced by Perilya or any of its Subsidiaries concerning any event, change, condition, matter or thing; or
- (c) information concerning any event, change, condition, matter or thing becoming known to Zhongjin (whether or not becoming public),

that has, will have or could reasonably be expected to have (either individually or when aggregated with other matters, events or circumstances of a like kind):

- (a) a material adverse effect on Perilya's business, assets, liabilities, financial or trading position, profitability or prospects of Perilya and its Subsidiaries taken as a whole; and
- (b) without limiting the generality of the above, the effect of diminishing the value of the net assets of Perilya and its Subsidiaries by an amount of \$38 million or more, as compared to the value of the net assets of Perilya and its Subsidiaries set out in its consolidated balance sheet as at 31 December 2012,

other than an event occurring after the date of this agreement which:

- (a) is required or permitted to be done or procured by Perilya or its Subsidiaries pursuant to this agreement or the Scheme;
- (b) has been fairly disclosed pursuant to continuous disclosure obligations prior to the date of this agreement; or
- (c) occurs with the prior written approval of Zhongjin.

**Perilya Options** means options to subscribe for Shares.

**Perilya Performance Rights** means performance rights issued under the Perilya Performance Rights Plan.

**Perilya Performance Rights Plan** means the Perilya Long Term Incentive Plan approved by Perilya Shareholders on 10 May 2012.

**Perilya Prescribed Occurrence** means the occurrence of any of the events set out in Schedule 4 (other than as required or contemplated by this agreement or the Scheme, or with the prior written consent of Zhongjin).

**Perilya Shareholders** means each person who is registered in the Register as a holder of a Share.

**Perilya Transaction Fees** has the meaning given in **section 13.2**

**Perilya Warranties** means the representations and warranties of Perilya given under this agreement.

**Personal Information** means information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.

**Record Date** means 5:00pm on the date that is the fifth Business Day after the Effective Date or any other date agreed by the parties.

**Register** means the register of members of Perilya.

**Regulatory Approval** means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with a Government Agency; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

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

**Related Entity** has the meaning given to that term in the Corporations Act.

**Relevant Date** means, in relation to a Condition Precedent, the date or time specified in this agreement for its fulfilment or, if no date or time is specified, 8.00am on the Second Court Date, subject, in either case, to extension under **clause 3.6**.

**Relevant Interest** has the meaning given to that term in the Corporations Act.

**Representative** of a party includes a Related Entity of that party and an employee, agent, officer, director, auditor, adviser, financier or underwriter or proposed financier or underwriter (and their advisers), partner, consultant, joint venturer, contractor or sub-contractor of that party or of a Related Entity of that party.

**Restriction Period** means the period commencing on the date of this agreement and ending on the earlier of:

- (a) the Effective Date; and
- (b) the date this agreement is terminated in accordance with its terms.

**Scheme** means a scheme of arrangement under Part 5.1 of the Corporations Act to be proposed between Perilya and the Scheme Shareholders in the form set out in Annexure A (or such other form as agreed between Zhongjin and Perilya, consistent with **clause 4**).

**Scheme Booklet** means a booklet containing information about the Scheme to be approved by the Court and sent to Perilya Shareholders, and includes the Scheme, an explanatory statement under section 412 of the Corporations Act, the Independent Expert's Report, and a notice of meeting and proxy form.

**Scheme Consideration** means, in respect of each Scheme Share, \$0.35 cash.

**Scheme Meeting** means the meeting of Perilya Shareholders, to be convened pursuant to a Court order under section 411(1) of the Corporations Act, to consider the Scheme and includes any meeting convened following any adjournment or postponement of the meeting.

**Scheme Meeting Date** means the date of the Scheme Meeting.

**Scheme Order** means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.

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

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

**Second Court Date** means the first day on which the Court hears the application for its approval of the Scheme under section 411(4)(b) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

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

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

**Sunset Date** means the date which is six months after the date of this agreement (or such other date as the parties may agree).

**Superior Proposal for Perilya** means a Competing Proposal (or any variation thereof) that in the determination of the Independent Perilya Board acting in good faith and in order to satisfy their fiduciary and statutory duties (as confirmed by a legal opinion from Perilya's Australian lawyers):

- (a) is reasonably capable of being valued and completed, taking into account both the nature of the Competing Proposal and the person or persons making it; and
- (b) is more favourable to Scheme Shareholders than the Transaction, taking into account all terms and conditions of the Competing Proposal,

provided that an independent financial adviser has provided written opinion to the directors of Perilya which supports the determination of the matters in paragraphs (a) and (b) above.

**Timetable** means the timetable set out in Schedule 1, subject to any modification agreed in writing by the parties.

**Transaction** means:

- (a) the acquisition by Zhongjin of all of the Scheme Shares through the implementation of the Scheme; and
- (b) the cancellation of the Perilya Options;
- (c) the vesting and exercise of Perilya Performance Rights under the Perilya Performance Rights Plan,

as contemplated by this agreement.

**Transaction Documents** means:

- (a) this agreement;
- (b) the Confidentiality Letter;
- (c) the Scheme;
- (d) the Deed Poll;
- (e) the Scheme Booklet; and
- (f) any other document agreed by the parties as being a transaction document.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

**Zhongjin Indemnified Parties** means Zhongjin, each Related Body Corporate of Zhongjin (other than Perilya and its Subsidiaries), the directors and employees of Zhongjin and the directors and employees of each Related Body Corporate of Zhongjin (other than Perilya and its Subsidiaries).

**Zhongjin Information** means such information within the knowledge of Zhongjin (after making reasonable inquiry) regarding Zhongjin and its Related Bodies Corporate required by law and by Regulatory Authorities to enable the Scheme Booklet to be prepared and completed in accordance with all applicable laws.

**Zhongjin Nominee Directors** means Mr Shuijian Zhang (Non-Executive Chairman of Perilya), Mr Wen Wang (Non-Executive Director of Perilya) and Mr Minzhi Han (Executive Director of Perilya).

**Zhongjin Transaction Fees** has the meaning given in **section 13.3**.

**Zhongjin Warranties** means the representations and warranties of Zhongjin given under this agreement.

## 1.2 Interpretations

Unless the contrary intention appears, a reference in this agreement to:

- (a) a document (including this agreement) includes any variation or replacement of it;
- (b) a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) a word or a phrase which is defined in the Corporations Act will have the same meaning given to that word or phrase in the Corporations Act;
- (e) the singular includes the plural and vice versa;
- (f) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Government Agency;
- (g) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (i) a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (j) Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (k) USD is a reference to the lawful currency of the United States of America;
- (l) if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (m) a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (n) a reference to time is a reference to time in Perth, Western Australia;
- (o) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (p) the words "include", "including", "for example" or "such as" are not used as, nor are they to be interpreted as, words of limitation, and, 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;
- (q) if an event under this agreement must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day; and
- (r) a reference to a party using its best endeavours does not include a reference to that party paying money (except immaterial amounts payable to advisers and similar expenses) or providing other valuable consideration to or for the benefit of any person and an obligation on a party to use its best endeavours does not oblige that party to pay money (except immaterial amounts payable to advisers and similar expenses) or provide other valuable consideration to or for the benefit of any person.

### 1.3 Headings

Headings are for convenience only and do not affect the interpretation of this agreement.

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## 2. AGREEMENT TO PROCEED

### 2.1 Agreement to proceed with Scheme

Perilya agrees to propose the Scheme in accordance with this agreement and the Corporations Act, under which (subject to the Scheme becoming Effective) all of the Scheme Shares will be transferred to Zhongjin, and Scheme Shareholders become entitled to receive the Scheme Consideration for each Scheme Share.

### 2.2 Implementation of Transaction

Each party agrees to execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Transaction substantially in accordance with this agreement, and, in particular, must comply with its obligations pursuant to this agreement.

### 2.3 Timetable

Each party agrees to use its best endeavours to complete its obligations in this agreement substantially in accordance with the Timetable.

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## 3. CONDITIONS PRECEDENT

### 3.1 Conditions Precedent

The Scheme will not become Effective and Zhongjin will not be required to pay or procure the payment of the Scheme Consideration under **clause 4.2** unless each of the following conditions is satisfied, or waived in accordance with **clause 3.3**:

*Conditions for the benefit of Zhongjin and Perilya*

- (a) prior to 8.00am on the Second Court Date, one of the following occurs:
  - (i) the Treasurer or his agent advises Zhongjin to the effect that there are no objections to the acquisition of up to all the Scheme Shares by Zhongjin (by any means permitted by the Corporations Act) in terms of the Commonwealth Government's foreign investment policy; or
  - (ii) no order is made in relation to the Transaction under section 22 of the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) within a period of 40 days after Zhongjin has notified the Treasurer that it proposes to acquire Scheme Shares in accordance with the Transaction, and no notice is given by the Treasurer to Zhongjin during that period to the effect that there are any objections to the acquisition of the Scheme Shares by Zhongjin (by any means permitted by the Corporations Act) in terms of the Commonwealth Government's foreign investment policy; or
  - (iii) where an order is made under section 22 of the FATA, a period of 90 days has expired after the order comes into operation and no notice has been given by the Treasurer to Zhongjin during that period to the effect that there are any objections to the acquisition of the Scheme Shares by Zhongjin (by any means permitted by the Corporations Act) in terms of the Commonwealth Government's foreign investment policy;
- (b) prior to 8.00am on the Second Court Date, Zhongjin receives all approvals, consents and authorisations as required in connection with the Transaction from:
  - (i) the Guangdong Development and Reform Commission of the People's Republic of China;
  - (ii) the State Administration of Foreign Exchange; and
  - (iii) the Ministry of Commerce of the People's Republic of China;

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- (c) prior to 8.00am on the Second Court Date, ASIC and the ASX issue or provide such consents, waivers or approvals, or do such other acts as are necessary, to permit the Transaction and such consents, waivers or approvals are not withdrawn, including in the case of ASIC, providing a statement required under section 411(17)(b) of the Corporations Act;
  - (d) prior to 8.00am on the Second Court Date, all other Regulatory Approvals required to implement the Scheme being granted or obtained and those Regulatory Approvals not being withdrawn;
  - (e) prior to 8.00am on the Second Court Date, Zhongjin receives a waiver from each person who is entitled to exercise any right under any provision of a Material Contract that entitles the person to terminate or modify the contract as a result of the entry into this agreement by Perilya or the implementation of the Scheme or the Transaction, in each case on an unconditional basis or on conditions satisfactory to Zhongjin in its absolute discretion;
  - (f) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition is in effect at 8.00am on the Second Court Date which prevents the Implementation of the Scheme;
  - (g) a resolution in favour of the Scheme is passed by the requisite majority of Participating Shareholders at the Scheme Meeting under section 411(4)(a)(ii) of the Corporations Act;
  - (h) the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme;
  - (i) an office copy of the Court orders approving the Scheme is lodged with ASIC under section 411(10) of the Corporations Act;

*Conditions for the benefit of Zhongjin alone*

- (j) from the date of this agreement until 8:00am on the Second Court Date, no Perilya Material Adverse Change occurs or becomes apparent;
- (k) from the date of this agreement until 8.00am on the Second Court Date, no Perilya Prescribed Occurrence occurs;
- (l) the Perilya Warranties that are qualified as to materiality are true and correct, and the Perilya Warranties that are not so qualified are true and correct in all material respects, in each case as at the date of this agreement and as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent that any representation or warranty expressly relates to an earlier date (in which case as of such date);
- (m) before 8.00am on the Second Court Date all outstanding Options and Perilya Performance Rights:
  - (i) have vested and been exercised;
  - (ii) are either cancelled; or
  - (iii) are otherwise dealt with as is agreed between the parties including in accordance with **clause 6.8** or **6.9** (as the case may be);
- (n) the price of lead as quoted on the London Metal Exchange does not fall and remain below USD1700 per metric tonne for 5 (five) consecutive London Metal Exchange "trading days" from the date of this agreement until 8.00am on the Second Court Date;
- (o) the price of zinc as quoted on the London Metal Exchange does not fall and remain below USD1500 per metric tonne for 5 (five) consecutive London Metal Exchange "trading days" from the date of this agreement until 8.00am on the Second Court Date;
- (p) the price of copper as quoted on the London Metal Exchange does not fall and remain below USD6000 per metric tonne for 5 (five) consecutive London Metal

Exchange "trading days" from the date of this agreement until 8.00am on the Second Court Date;

*Conditions for the benefit of Perilya alone*

- (q) the Independent Expert's Report concludes that the Scheme is in the best interests of Scheme Shareholders before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not change that conclusion or withdraw its report prior to 8.00am on the Second Court Date;
- (r) the Zhongjin Warranties that are qualified as to materiality are true and correct, and the Zhongjin Warranties that are not so qualified are true and correct in all material respects, in each case as at the date of this agreement and as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent that any representation or warranty expressly relates to an earlier date (in which case as of such date).

### **3.2 Benefit of Conditions Precedent**

The Conditions Precedent in:

- (a) **clauses 3.1(a) to 3.1(i)** are for the benefit of both parties;
- (b) **clauses 3.1(j) to 3.1(p)** are for the benefit of Zhongjin alone; and
- (c) **clauses 3.1(q) and 3.1(r)** are for the benefit of Perilya alone.

### **3.3 Waiver of Conditions Precedent**

- (a) If a Condition Precedent is for the benefit of one party only, only that party may, in its sole and absolute discretion, waive the breach or non-fulfilment of that Condition Precedent.
- (b) Subject to **clause 3.3(c)**, if a Condition Precedent is for the benefit of both parties, the breach or non-fulfilment of that Condition Precedent may be waived only by the consent of both parties.
- (c) **Clauses 3.1(f), 3.1(g) and 3.1(h)** cannot be waived by either party.
- (d) A party entitled to waive a Condition Precedent under this **clause 3.3** may do so in its absolute discretion.
- (e) If a waiver by a party of a Condition Precedent is itself conditional and the other party accepts the condition, the terms of that condition apply accordingly. If the other party does not accept a conditional waiver of the Condition Precedent, the Condition Precedent has not been waived.
- (f) If a party waives the breach or non-fulfilment of any of the Conditions Precedent, that waiver will not preclude it from suing the other party for any breach of this agreement, including a breach that resulted in the non-fulfilment of the Condition Precedent that was waived.
- (g) Unless specified in the waiver, a waiver of the breach or non-fulfilment of any Condition Precedent will not constitute:
  - (i) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from events or circumstances giving rise to the breach or non-fulfilment of the first Condition Precedent; or
  - (ii) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event or circumstance.

### **3.4 Fulfilment of each Condition Precedent**

Each party must use its best endeavours to procure that

- (a) each of the Conditions Precedent is satisfied as soon as practicable after the date of this agreement in accordance with the Timetable, and/or continues to be satisfied until the last time it is to be satisfied (as the case may require); and

- (b) there is no event or circumstance within the reasonable control or influence of that party that would prevent the Conditions Precedent being satisfied.

### 3.5 Notification

Each party must:

- (a) promptly and reasonably inform the other either directly or through its agents of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (b) promptly notify the other party of the fulfilment of a Condition Precedent;
- (c) keep the other party informed of any material developments of which it becomes aware in relation to a Condition Precedent, including any circumstances which may result in any Condition Precedent not being satisfied in accordance with its terms; and
- (d) after having given or received a notice in accordance with **clause 3.5(c)** in relation to a Condition Precedent that it is entitled under **clause 3.3** to waive, give notice to the other party as soon as possible (and in any event no later than five Business Days or such shorter time to ensure that notice is given before 5.00pm on the last Business Day before the Second Court Date) as to whether or not it waives the breach or non-fulfilment of the relevant Condition Precedent, specifying the Condition Precedent in question.

### 3.6 Consultation on failure of Conditions Precedent

If a Condition Precedent has not been fulfilled or waived by the Relevant Date or there is an occurrence that will prevent a Condition Precedent being satisfied by the Sunset Date, the parties must consult in good faith to determine whether:

- (a) the Transaction may proceed by alternative means and, if so, to agree on the terms of such alternative means or methods;
- (b) to extend the Relevant Date or the Sunset Date, or both; or
- (c) to change the date of the application to be made to the Court for the Scheme Order or adjourning that application (as applicable) to another date agreed by the parties.

Any discussions between the parties under this **clause 3.6** absent a valid variation to this agreement in accordance with **clause 15.12** shall not affect the parties respective rights or obligations under this agreement.

### 3.7 Failure to agree

Either party may terminate this agreement at any time with immediate effect by written notice to the other party if:

- (a) a Condition Precedent is not satisfied or waived in accordance with **clause 3.3**, or becomes incapable of being satisfied and is not waived in accordance with **clause 3.3**, on or by the Sunset Date; and
- (b) the parties do not agree to waive that Condition Precedent under **clause 3.3**, provided that the party seeking to terminate this agreement has complied with its obligations under this agreement.

### 3.8 Certificate

- (a) Perilya and Zhongjin must each provide the Court at the hearing on the Second Court Date with a certificate confirming that all of the Conditions Precedent (other than **clauses 3.1(h)** and **3.1(i)**) have been satisfied or waived in accordance with the terms of this agreement.
- (b) The giving of the certificate by each of Zhongjin and Perilya under **clause 3.8(a)** will be in the absence of manifest error, be conclusive evidence of the satisfaction or waiver of the Conditions Precedent referred to in the certificate.

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## 4. SCHEME

### 4.1 Scheme

Perilya must propose the Scheme in accordance with this agreement and the Corporations Act under which, subject to the Scheme becoming Effective:

- (a) all of the Scheme Shares held by Scheme Shareholders will be transferred to Zhongjin on the Implementation Date; and
- (b) in exchange for the transfer of their Scheme Shares, the Scheme Shareholders will be entitled to receive the Scheme Consideration, for each Scheme Share.

### 4.2 Scheme Consideration

Zhongjin covenants in favour of Perilya (in its own right and separately as trustee or nominee for each of the Scheme Shareholders) that, subject to the Scheme becoming Effective, in consideration of the transfer to Zhongjin of the Scheme Shares held by a Scheme Shareholder under the terms of the Scheme, Zhongjin will pay or procure the payment of the Scheme Consideration to that Scheme Shareholder on the Implementation Date.

### 4.3 Conditions

- (a) Except as ordered by the Court pursuant to section 411(6) of the Corporations Act, the Scheme will not be conditional upon any matters other than those stated in **clause 3.1**.
- (b) Perilya must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Zhongjin (which consent will not be unreasonably withheld or delayed).

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## 5. SCHEME BOOKLET

### 5.1 Preparation of Scheme Booklet

As soon as practicable after the date of this agreement, Perilya must prepare, and subject to approval by the Court, dispatch the Scheme Booklet in accordance with all applicable laws (including the Corporations Act and Corporations Regulations 2001 (Cth), any and all applicable ASIC regulatory guides and the Listing Rules) and containing:

- (a) the explanatory statement pursuant to section 412 of the Corporations Act;
- (b) the Independent Expert's Report;
- (c) the Scheme;
- (d) a notice of meeting and proxy form; and
- (e) a statement that:
  - (i) the Independent Perilya Board unanimously recommends the approval of the Scheme; and
  - (ii) each member of the Independent Perilya Board intends to vote or cause the voting of any shares in which they have a Relevant Interest in favour of the Scheme,

in each case in the absence of a Superior Proposal for Perilya.

### 5.2 Zhongjin Information

- (a) Zhongjin must prepare and provide to Perilya:
  - (i) the Zhongjin Information for inclusion in the Scheme Booklet (including, subject to compliance by Perilya with its obligations under **clause 5.4**, consenting to the form and context in which the Zhongjin Information appears in the Scheme Booklet); and
  - (ii) any information about Zhongjin which Perilya reasonably requests,

in reasonable time to enable Perilya to prepare the final form of the Scheme Booklet in accordance with this agreement.

- (b) Zhongjin must ensure that the Zhongjin Information is not misleading or deceptive in any material respect including because of an omission.

### **5.3 Perilya Information**

- (a) Perilya must prepare and provide to Zhongjin such information as Zhongjin reasonably requires to prepare the Zhongjin Information for inclusion in the Scheme Booklet.
- (b) Perilya must ensure that the Scheme Booklet is, as at the date of dispatch to Perilya Shareholders, not misleading or deceptive in any material respect including because of an omission (other than in relation to the Zhongjin Information).

### **5.4 Consultation**

Perilya must:

- (a) make available to Zhongjin such drafts of the Scheme Booklet as are reasonably requested by Zhongjin, including all drafts of the Independent Expert's Report (and any other specialist report) received by Perilya;
- (b) provide to Zhongjin a revised draft of the Scheme Booklet within a reasonable time before the Scheme Booklet is finalised to enable Zhongjin to review the Scheme Booklet at least three Business Days before its submission to ASIC;
- (c) consult with Zhongjin in good faith in relation to the content of those drafts (including inclusion of any Zhongjin Information);
- (d) obtain the written consent from Zhongjin for the form and context in which any Zhongjin Information appears in the Scheme Booklet; and
- (e) consider in good faith any comments by Zhongjin in relation to the contents of the documents referred to in **clause 5.4(a)** but Perilya reserves the right to determine, in good faith as it sees fit, any dispute as to the contents of the Scheme Booklet (other than any dispute as to the Zhongjin Information, which will be determined by Zhongjin in good faith as it sees fit).

### **5.5 Zhongjin supplementary information**

Zhongjin must provide Perilya any further or new information which may arise after the Scheme Booklet has been dispatched which may be necessary to ensure that, so far as Zhongjin is aware (after having made reasonable enquiries), the Scheme Booklet does not contain any Zhongjin Information which is misleading or deceptive in any material respect including because of an omission.

### **5.6 Updating the Scheme Booklet**

Perilya must provide Perilya Shareholders with any further or new information which may arise after the Scheme Booklet has been dispatched until the Scheme Meeting Date which is material to Participating Shareholders in deciding whether to approve the Scheme or may be necessary to ensure that, so far as Perilya is aware (after having made reasonable enquiries), the Scheme Booklet:

- (a) does not contain any material statement which is misleading or deceptive in any material respect including because of an omission; and
- (b) complies with all applicable laws (including the Corporations Act),

provided that, prior to providing any such information to Perilya Shareholders, it provides such information to Zhongjin and agrees with Zhongjin in relation to the form and content of that information and any other correspondence with Perilya Shareholders.

### **5.7 Verification**

Each party agrees to undertake appropriate verification processes for the information supplied by that party for inclusion in the Scheme Booklet.

## 5.8 Disclosure of material correspondence

The parties must disclose to each other, as soon as practicable after it is received or sent, all material correspondence between that party and any Government Agency in relation to the Transaction following the execution of this agreement until the Implementation Date.

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## 6. IMPLEMENTATION

### 6.1 Independent Perilya Board recommendation

Perilya confirms that the Independent Perilya Board has (immediately prior to the execution of this agreement) unanimously resolved, subject to the conclusions of the Independent Expert and in the absence of a Superior Proposal for Perilya, that they will:

- (a) recommend to Participating Shareholders that they vote in favour of and approve the Scheme;
- (b) actively support and promote the Scheme and the Transaction; and
- (c) not make or authorise any public statement or take any other action which would suggest that the Scheme is not unanimously recommended by the Independent Perilya Board.

### 6.2 Perilya's obligations

Perilya must take all necessary steps to propose and Implement the Scheme as soon as reasonably practicable substantially in accordance with the Timetable, including executing all documents and doing all acts and things within its power as may be necessary or desirable for the Implementation of the Scheme, and in particular:

- (a) immediately following execution of this agreement, releasing (and not withdrawing) an announcement, in a form agreed between Zhongjin and Perilya that, in the absence of:
  - (i) a Superior Proposal for Perilya; or
  - (ii) the Independent Expert giving an opinion that the Scheme is not in the best interests of the Scheme Shareholders,  
each member of the Independent Perilya Board:
    - (iii) considers the Scheme to be in the best interests of Scheme Shareholders and recommends to Scheme Shareholders that the Scheme be approved;
    - (iv) intends to vote or cause the voting of any Shares in which he has a Relevant Interest in favour of the Scheme;
- (b) after consulting with Zhongjin, appointing the Independent Expert (and any other specialist expert required) to advise on whether the Scheme is in the best interests of Scheme Shareholders and providing all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet, and on receipt providing Zhongjin with a copy of any draft of the Independent Expert's Report (and any other specialist report);
- (c) as soon as practicable after the preparation of an advanced draft of the Scheme Booklet for review by ASIC, procuring that a meeting of the Independent Perilya Board is convened to approve the Zhongjin Information in the Scheme Booklet as being in a form appropriate for provision to ASIC for review;
- (d) as soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, lodging a draft Scheme Booklet with ASIC in accordance with section 411(2) of the Corporations Act;
- (e) following the lodgement of the draft of the Scheme Booklet with ASIC:

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- (i) liaising with ASIC during the period of its consideration of that draft of the Scheme Booklet;
  - (ii) keeping Zhongjin informed of any material matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those matters), and using all reasonable endeavours to resolve any such matters; and
  - (iii) to the extent that Perilya is itself unable to resolve any matters raised by ASIC in relation to the Scheme Booklet, or a matter raised by ASIC in relation to the Scheme Booklet concerns the Zhongjin Information, allowing Zhongjin to participate (including by attending meetings and being involved in discussions) in Perilya's liaisons with ASIC;
- (f) as soon as practicable after the conclusion of the review by ASIC of the draft Scheme Booklet, procuring that a meeting of the Independent Perilya Board is convened to approve the Scheme Booklet for dispatch to Perilya Shareholders, subject to approval of the Court;
- (g) Regulatory Approvals:
- (i) taking all steps for which it is responsible as part of obtaining the Regulatory Approvals, including responding to requests for information at the earliest practicable time and attending meetings with any Government Agency; and
  - (ii) providing Zhongjin with all information reasonably requested by it in connection with any applications for the Regulatory Approvals;
- (h) promptly after, and provided that the approvals in **clause 6.2(g)** have been received, applying to the Court for orders directing Perilya to convene the Scheme Meeting;
- (i) consult with Zhongjin in relation to the content of the documents required for the purpose of the First Court Date and Second Court Date (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Zhongjin and its representatives on those documents;
- (j) applying to ASIC for a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objections to the Scheme;
- (k) convening the Scheme Meeting in accordance with the Court orders pursuant to section 411(1) of the Corporations Act;
- (l) request ASIC to register the explanatory statement relating to the Scheme in accordance with section 412(6) of the Corporations Act;
- (m) dispatching the completed Scheme Booklet to Perilya Shareholders to satisfy any notice period for the Scheme Meeting;
- (n) subject to the satisfaction or waiver of all Conditions Precedent (other than **clauses 3.1(h)** and **3.1(i)**), as soon as practicable after Shareholders have approved the Scheme at the Scheme Meeting, applying to the Court for orders approving the Scheme under section 411(4) of the Corporations Act substantially in accordance with the Timetable;
- (o) if the Court makes orders approving the Scheme under section 411(4) of the Corporations Act, as soon as practicable after those orders are made, notifying the ASX of those orders;
- (p) if the Court makes orders approving the Scheme under section 411(4) of the Corporations Act, as soon as practicable after those orders are made, lodging an office copy of those orders with ASIC;
- (q) promptly providing all information about Scheme Shareholders to Zhongjin which Zhongjin reasonably requires to provide the Scheme Consideration, in such form as Zhongjin reasonably requires, including details of the names, registered addresses and holdings of Shares of every Scheme Shareholder;

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- (r) determining who are the Scheme Shareholders and their entitlements to the Scheme Consideration on the Record Date and providing that information to Zhongjin in such form as Zhongjin may require;
  - (s) executing proper instruments of transfer of and effecting and registering all transfers of Scheme Shares on the Implementation Date in accordance with the Scheme;
  - (t) use its best endeavours to ensure that the Shares continue to be quoted on the official list conducted by ASX up to, and including, the Effective Date;
  - (u) allow, and not oppose, any application by Zhongjin for leave of the Court to be represented, or the separate representation of Zhongjin by counsel, at the court hearings on the First Court Date and the Second Court Date;
  - (v) as soon as they become available, publish on its website the First Court Date, Second Court Date, the date of the Scheme Meeting, and the text of all announcements made to ASX in connection with the Transaction;
  - (w) doing all other things within its power contemplated by or necessary to give effect to the Scheme and any orders of the Court approving the Scheme; and
  - (x) doing everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws.

### 6.3 Zhongjin's obligations

Zhongjin must take all necessary steps to propose and Implement the Scheme as soon as reasonably practicable substantially in accordance with the Timetable, including executing all documents and doing all acts and things within its power as may be necessary or desirable for the Implementation of the Scheme, and in particular:

- (a) doing everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws;
- (b) providing all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet;
- (c) participating in efforts reasonably required by Perilya to promote the Scheme, including procuring Zhongjin directors to attend meetings with Perilya Shareholders if requested by Perilya;
- (d) as soon as practicable after the preparation of an advanced draft of the Scheme Booklet for review by ASIC, procuring that a meeting of the Zhongjin Board, or of a committee of the Zhongjin Board appointed for the purpose, is convened to approve the Zhongjin Information in the Scheme Booklet as being in a form appropriate for provision to ASIC for review;
- (e) as soon as practicable after the conclusion of the review by ASIC of the draft Scheme Booklet, procuring that a meeting of the Zhongjin Board, or of a committee of the Zhongjin Board appointed for the purpose, is convened to approve the Zhongjin Information in the Scheme Booklet;
- (f) prior to the First Court Date, executing the Deed Poll; and
- (g) if the Scheme becomes Effective, providing the Scheme Consideration in accordance with **clause 4.2** and the Deed Poll.

### 6.4 Court representation

- (a) Zhongjin must, if requested by Perilya, procure that it is represented at the hearings held by the Court in relation to the Scheme at which, through its counsel, Zhongjin will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme.
- (b) Zhongjin is entitled to separate representation at all Court proceedings relating to the Scheme at its own cost.

- (c) Perilya must support any application by Zhongjin for leave of the Court to be represented, or the separate representation of Zhongjin, at any hearing held by the Court in relation to the Scheme, whether following a request by Perilya pursuant to **clause 6.4(a)** or otherwise.

## 6.5 Court proceedings

- (a) If the Court refuses to make an order pursuant to section 411(1) of the Corporations Act for the convening of the Scheme Meeting or refuses to make an order pursuant to section 411(4) of the Corporations Act approving the Scheme, Perilya must, on receiving a written notice from Zhongjin, appeal the Court's decision unless:
- (i) in the opinion of senior counsel, who shall be jointly briefed on the matter by Perilya and Zhongjin, such appeal is unlikely to succeed; or
  - (ii) there is a Superior Proposal for Perilya.
- (b) Each of Zhongjin and Perilya must vigorously defend, or must cause to be vigorously defended, any lawsuits or other claims or proceedings (including any Takeovers Panel proceedings) brought against it (or any member of its Related Bodies Corporate) challenging this agreement or the completion of the Transaction. Neither Zhongjin nor Perilya may settle or compromise (or permit any of its Related Bodies Corporate to settle or compromise) any claim brought in connection with this agreement without the prior written consent of the other, such consent not to be unreasonably withheld.
- (c) Any costs incurred as a result of the operation of this clause will be borne equally by Zhongjin and Perilya.

## 6.6 Assistance of officers and advisors

Each party must procure that its Representatives work (including by attending meetings and providing information) in good faith and in a timely and co-operative fashion with the other party to satisfy that party's obligations under this agreement in relation to the:

- (a) satisfaction of the Conditions Precedent;
- (b) implementation of the Transaction; and
- (c) preparation of all documents required relating to the Transaction.

## 6.7 Conduct of Perilya's business

During the period from the date of this agreement until the Implementation Date, Perilya must carry on its business, and must procure that each of its Subsidiaries carries on their respective businesses, in the ordinary course and at arm's length and on usual commercial terms, substantially consistent (subject to any applicable laws, regulations and licence conditions) with the manner in which, and at the locations at which, their respective businesses have been carried on in the six (6) month period prior to the date of this agreement. Without limiting the foregoing, Perilya must:

- (a) comply in all material respects with all applicable laws, regulations, licences, permits and approvals; and
- (b) to the extent not inconsistent with **clause 6.7(a)**, make all reasonable efforts to:
  - (i) preserve intact its current business organisation;
  - (ii) keep available the services of its current officers;
  - (iii) maintain all of its (and its Subsidiaries') assets in good working order as necessary to operate all aspects of its business;
  - (iv) have in place, and maintain until the Implementation Date, insurance over its (and its Subsidiaries') assets and business at least to the same extent as that in place at the date of this agreement; and

- (v) preserve its relationships with customers, suppliers, licensors, licensees, regulators and others with whom they have business dealings, and retain all key employees; and
- (c) where reasonably requested, consult with Zhongjin and provide updates as to the progress of its business and activities.

## 6.8 Perilya Options

- (a) Perilya must use its best endeavours to ensure that, by 8.00am on the Second Court Date, either:
  - (i) an agreement has been entered into with the holders of all Perilya Options conditional on the Implementation of the Scheme on terms acceptable to Zhongjin (acting reasonably); or
  - (ii) all Perilya Options are vested and have been converted into Shares.
- (b) If, for any reason, any holders of Perilya Options have not dealt, or have not agreed to deal with, its Perilya Options in accordance with **clause 6.8(a)** by the date which is 7 Business Days before Perilya proposes to lodge the initial draft of the Scheme Booklet with ASIC in accordance with the Timetable, the parties will immediately meet, in good faith, to determine whether:
  - (i) they wish to propose an option scheme contemporaneously with the Scheme; or
  - (ii) Zhongjin will undertake a compulsory acquisition under Chapter 6A of the Corporations Act, of those Perilya Options.

## 6.9 Perilya Performance Rights

- (a) Perilya must use its best endeavours to ensure that all Perilya Performance Rights become vested and are exercised in a manner such that the Shares issued pursuant to their exercise are issued prior to the Record Date.
- (b) Perilya's obligations under **clause 6.9(a)** include an obligation to vary the terms of the Perilya Performance Rights Plan (in accordance with the terms of the plan), if required, to effect the vesting and exercise of all Perilya Performance Rights such that the Shares issued pursuant to their exercise are issued prior to the Record Date.

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## 7. REPRESENTATIONS, WARRANTIES AND COVENANTS

### 7.1 Preliminary

- (a) Each of the representations and warranties of Perilya and Zhongjin in **clauses 7.2** and **7.3** respectively are subject to:
  - (i) any matter disclosed to ASX and ASIC; and
  - (ii) any relevant information of which the other party or its Representatives (other than its advisers) has actual knowledge.
- (b) Each of the representations and warranties of Perilya and Zhongjin in **clauses 7.2** and **7.3** respectively is given, unless otherwise expressly stated, as at:
  - (i) the date of this agreement;
  - (ii) the date of the Scheme Meeting;
  - (iii) 8.00am on the Second Court Date; and
  - (iv) on the Implementation Date.

### 7.2 Perilya's representations and warranties

Perilya represents and warrants to Zhongjin that:

- For personal use only
- (a) it (and each of its Subsidiaries) is a corporation validly existing under the laws of its jurisdiction of incorporation or formation;
  - (b) it has the corporate power:
    - (i) to enter into and perform its obligations under this agreement and carry out the transactions contemplated by this agreement; and
    - (ii) along with each of its Subsidiaries, to own assets and carry on its business as it is now being conducted;
  - (c) it has taken all necessary corporate action to authorise entry into this agreement and has taken or will take all necessary corporate action to authorise the performance of this agreement and to carry out the transactions contemplated by this agreement;
  - (d) this agreement constitutes legal, valid and binding obligations, enforceable against it in accordance with its terms and neither the execution of this agreement nor the carrying out by it of the transactions that it contemplates does or will:
    - (i) contravene in any material respect a provision of a law or treaty or a judgement, ruling order or decree of any Government Agency binding on it or any of its assets; or
    - (ii) contravene its constitution;
  - (e) Schedule 2 accurately records the total number and details of Shares, securities convertible into Shares, options, notes or other securities issued by Perilya at the date of this agreement and, other than as fully or fairly disclosed in Schedule 2, neither Perilya nor any of its Subsidiaries is subject to any actual or contingent obligation to issue, convert or cancel any securities;
  - (f) there is no material Encumbrance over all or any of its or its Subsidiaries' present or future assets or revenues, other than those Encumbrances which have been approved by the Perilya Board and which are in existence as at the date of this agreement;
  - (g) it is the beneficial owner of all the issued share capital in each of its Subsidiaries and there is no obligation to transfer, or issue new shares in any of those companies to third parties;
  - (h) it has complied in all material respects with the continuous disclosure obligations of the Listing Rules and is not withholding any information under the carve-out in Listing Rule 3.1A (except the discussions which have resulted in the execution of this agreement);
  - (i) to the best of the knowledge and belief of Perilya after having made reasonable enquiry neither it nor any of its Subsidiaries is in material default under any material document or agreement binding on it or its assets (including any Material Contract) nor has anything occurred which is or would with the giving of notice and/or lapse of time constitute an event of default, prepayment event or similar event (whatever called) under any such document or agreement with such an effect;
  - (j) there is no material claim, action or proceeding pending or in progress or threatened against or relating to Perilya or any of its Subsidiaries;
  - (k) it has fully and fairly disclosed in writing to Zhongjin the complete set of terms and conditions that apply to any securities convertible into Shares and in relation to any actual or contingent obligation to issue, convert or cancel any securities;
  - (l) the Scheme Booklet (other than in respect of the Zhongjin Information) will:
    - (i) be prepared in good faith;
    - (ii) not, so far as it is aware (after having made reasonable enquiries), contain any material statement which is misleading or deceptive in any material respect including because of any material omission from that statement; and

- (iii) so far as it is aware (after having made reasonable enquiries), comply with all applicable laws and regulatory requirements;
- (m) any further or new information provided to Perilya Shareholders after the Scheme Booklet has been dispatched until the Scheme Meeting Date will:
- (i) be provided in good faith;
- (ii) not, so far as it is aware (after having made reasonable enquiries), contain any material statement which is misleading or deceptive in any material respect including because of any material omission from that statement; and
- (iii) so far as it is aware (after having made reasonable enquiries), comply with all applicable laws and regulatory requirements; and
- (n) as at the date of this agreement, Perilya is not aware of any facts or circumstances to suggest that the entry into this agreement and the implementation of the Scheme and the Transaction will cause any counterparty to a Material Contract to:
- (i) terminate a Material Contract;
- (ii) accelerate or vary the performance of any material obligation of Perilya under a Material Contract; or
- (iii) exercise a right to acquire, or require the disposal of, any material assets of Perilya.

### 7.3 Zhongjin's representations and warranties

Zhongjin represents and warrants to Perilya that:

- (a) it is a corporation validly existing under the laws of its jurisdiction of incorporation or formation;
- (b) it has the corporate power to enter into and perform its obligations under this agreement and carry out the transactions contemplated by this agreement;
- (c) it has taken all necessary corporate action to authorise entry into this agreement and has taken or will take all necessary corporate action to authorise the performance of this agreement and to carry out the transactions contemplated by this agreement;
- (d) it will apply for all necessary Regulatory Approvals in order for Zhongjin to enter into this agreement and to carry out the transactions contemplated by this agreement and will use its reasonable endeavours to progress those applications in accordance with its obligations under this agreement;
- (e) this agreement constitutes legal, valid and binding obligations, enforceable against it in accordance with its terms and neither the execution of this agreement nor the carrying out by it of the transactions that it contemplates does or will:
- (i) contravene in any material respect a provision of a law or treaty or a judgement, ruling order or decree of any Government Agency binding on it or any of its assets; or
- (ii) contravene its constitution;
- (f) neither it nor any of its Related Bodies Corporate (other than Perilya and its Subsidiaries) is Insolvent;
- (g) the Zhongjin Information provided to Perilya for inclusion in the Scheme Booklet and any further or new information provided by Zhongjin to Perilya which may arise after the Scheme Booklet has been dispatched will:
- (i) be provided in good faith and on the understanding that Perilya and each of the Officers of Perilya will rely on that information for the purposes of preparing the Scheme Booklet and proposing the Scheme;

- (ii) not, so far as it is aware (after having made reasonable enquiries), contain any material statement which is misleading or deceptive in any material respect including because of any material omission from that statement; and
- (iii) so far as it is aware (after having made reasonable enquiries), comply with all applicable laws and regulatory requirements; and
- (h) by 8.00am on the Second Court Date, Zhongjin will have available to it on an unconditional basis (other than the conditions relating to the approval of the Court and other conditions within the control of Zhongjin) sufficient cash amounts (whether from internal cash resources or external funding arrangements) to satisfy Zhongjin's obligation to pay the Scheme Consideration in accordance with its obligations under this agreement, the Scheme and the Deed Poll.

#### **7.4 Information on representations and warranties**

Except as otherwise provided or contemplated by this agreement, from the date of this agreement up to and including the Implementation Date, each party must, and must procure each of its Related Bodies Corporate to, promptly give to the other party details of any matter or occurrence which will make any representations and warranties given by that party under this agreement inaccurate in a material respect.

#### **7.5 Reliance on representations and warranties**

- (a) Each party acknowledges that the other party has executed this agreement and agreed to take part in the transactions that this agreement contemplates in reliance on the representations and warranties that are made by that party in this **clause 7**.
- (b) Each party acknowledges that no representations or warranties are made by any party or person except as expressly stated in this agreement and that all terms, conditions, representations, warranties and statements (whether express, implied, written, oral, collateral, statutory or otherwise) in connection with the transactions contemplated by this agreement which are not expressly stated in this agreement are excluded to the maximum extent permitted by law and, to the extent they cannot be excluded, each party disclaims all Loss in relation to them to the maximum extent permitted by law.

#### **7.6 Survival of representations**

The representations and warranties provided by each party under this **clause 7**:

- (a) are severable;
- (b) will survive the termination of this agreement; and
- (c) are given with the intent that liability under them will not be confined to breaches of them discovered prior to the date of termination of this agreement.

#### **7.7 Perilya's indemnity**

Perilya agrees with Zhongjin (on its own behalf and separately as trustee for each of the Zhongjin Indemnified Parties) to indemnify and keep indemnified the Zhongjin Indemnified Parties from and against all Losses which a Zhongjin Indemnified Party may suffer or incur by reason of or in relation to:

- (a) a breach by Perilya of any of the representations and warranties in **clause 7.2**; or
- (b) any breach by Perilya of any covenant or undertaking on the part of Perilya under this agreement or the Scheme.

This **clause 7.7** must be read down to the extent necessary to ensure that there is no breach of section 199A of the Corporations Act.

#### **7.8 Zhongjin's indemnity**

Zhongjin agrees with Perilya (on its own behalf and separately as trustee for each of the Perilya Indemnified Parties) to indemnify and keep indemnified the Perilya Indemnified

Parties from and against all Losses which a Perilya Indemnified Party may suffer or incur by reason of or in relation to:

- (a) a breach by Zhongjin of any of the representations and warranties in **clause 7.3**; or
- (b) any breach by Zhongjin of any covenant or undertaking on the part of Zhongjin under this agreement, the Deed Poll or the Scheme.

## **7.9 Survival of indemnities**

Each indemnity provided by each party under this **clause 7** will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this agreement; and
- (d) survive the termination of this agreement.

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## **8. CONFIDENTIALITY AND PRIVACY**

### **8.1 Confidential information**

- (a) The parties refer to the Confidentiality Letter and reaffirm their commitment to maintain confidentiality under the terms of that letter.
- (b) Notwithstanding anything in the Confidentiality Letter, each party agrees that all information provided to the other party or its Representatives pursuant to this agreement is confidential information and is accordingly subject to the confidentiality obligations of the Confidentiality Letter.
- (c) The parties acknowledge that:
  - (i) pursuant to this agreement, each party makes certain representations and warranties to the other party; and
  - (ii) nothing in the Confidentiality Letter limits, restricts or otherwise derogates from those representations and warranties, which operate with full force and effect according to their terms.
- (d) In the case of any inconsistency between the terms of the Confidentiality Letter and the terms of this agreement, the terms of this agreement prevail unless otherwise indicated.

### **8.2 Takeover bid**

Despite any provision of this agreement or the Confidentiality Letter, in the event that:

- (a) a Competing Proposal is announced and it is a Superior Proposal for Perilya; or
- (b) in Zhongjin's reasonable opinion, the Timetable will, or may, not be met due to the delay of the Court in making orders pursuant to section 411(1) of the Corporations Act,

then, Zhongjin is not precluded from making any announcement, including of information in any document, or doing any other thing required to be done to permit it to make a takeover bid for Perilya, provided:

- (a) the takeover bid is for all of the Shares on issue (other than the Shares in which Zhongjin has a Relevant Interest);
- (b) the consideration offered by Zhongjin under its takeover bid matches or exceeds the value of the Scheme Consideration; and
- (c) the conditions of Zhongjin's offer are limited to conditions requiring:
  - (i) a minimum level of acceptance of Zhongjin's offer that would entitle Zhongjin to 90% of the Shares the subject of the offer;

- (ii) no Perilya Prescribed Occurrence occurring;
- (iii) other "standard" takeover conditions including no material adverse effect on Perilya, no material acquisitions or disposals, no restraining orders, no persons exercising rights under agreements or instruments, and no distributions or capital reductions by Perilya.

This clause is not intended to limit Zhongjin's ability to acquire securities in Perilya.

### 8.3 Privacy obligations

Each party agrees to comply with its obligations under any privacy law by which it is bound in respect of all Personal Information collected, used or disclosed under this agreement or otherwise in connection with the Transaction.

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## 9. ANNOUNCEMENTS

### 9.1 Public announcements

- (a) Subject to **clause 9.2**, no party may, before the Implementation Date, make or send a public announcement, communication, press release or circular concerning the transactions referred to in this agreement unless it has first obtained the written consent of the other party which consent is not to be unreasonably withheld or delayed.
- (b) After announcement of the Transaction, Zhongjin and Perilya will discuss and agree the content of any further public announcements concerning the proposed Transaction and will co-operate and coordinate their efforts in the preparation and presentation of public announcements in regard to the Transaction.

### 9.2 Public announcements required by law

**Clause 9.1** does not apply to a public announcement, communication, press release or circular required by law or a regulation of a stock exchange, if the party required to make or send it has, to the extent practicable without breaching any applicable law:

- (a) provided the other party with such notice as is reasonable in the circumstances of its intention to make the announcement, communication, press release or circular;
- (b) provided the other party with a draft of the announcement, communication, press release or circular and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft; and
- (c) considered in good faith, for the purposes of amending the announcement, communication, press release or circular, any comments provided by the other party.

### 9.3 Statements on termination

The parties must act in good faith and use all reasonable endeavours to issue an agreed statement or statements in respect of any termination provided for in this agreement and will make no statements or disclosure in respect of the termination of this agreement except in accordance with **clauses 9.1** and **9.2**.

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## 10. COSTS AND DUTY

Except as otherwise provided in the Transaction Documents:

- (a) Zhongjin and Perilya will each pay all of their own costs associated with the Transaction; and
- (b) Zhongjin will pay any duty payable by Zhongjin (including any fines and penalties) according to applicable Australian laws and regulations in respect of this agreement, the performance of this agreement and each transaction effected by or made under or pursuant to this agreement; and

- (c) Perilya will pay any duty payable by Perilya (including any fines and penalties) according to applicable Australian laws and regulations in respect of this agreement, the performance of this agreement and each transaction effected by or made under or pursuant to this agreement.

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## 11. TERMINATION

### 11.1 Right to terminate – Zhongjin

Zhongjin may terminate this agreement by notice in writing to Perilya at any time before 8:00am on the Second Court Date if:

- (a) the Independent Perilya Board or any member of the Perilya Independent Board:
- (i) makes a public statement that withdraws or qualifies its or his support for or recommendation of the Transaction or the Scheme; or
  - (ii) recommends, promotes, or sells or expresses an intention to sell any Shares in which the director has a Relevant Interest in into, a Competing Proposal, or votes or expresses an intention to vote such Shares in support of a Competing Proposal; or
  - (iii) otherwise acts in a manner which is inconsistent with obtaining approval for the Transaction or the Scheme; or
- (b) a Perilya Prescribed Occurrence occurs.

### 11.2 Right to terminate – Perilya

Perilya may terminate this agreement by notice in writing to Zhongjin at any time before 8:00am on the Second Court Date if the Perilya Transaction Fees are payable by Perilya and have been paid to Zhongjin.

### 11.3 Right to terminate – either party

Either party has the right to terminate this agreement by notice in writing to the other party at any time before 8:00am on the Second Court Date if:

- (a) the resolution to approve the Scheme submitted to the Scheme Meeting is not approved by the requisite majorities of Participating Shareholders;
- (b) the other party becomes Insolvent;
- (c) provided that the party giving the notice has complied with its obligations under this agreement, the other party commits a breach of this agreement (including a breach of a representation or warranty) and:
- (i) the breach is material and not capable of being cured (which, in the case of Perilya, shall include any breach of **clause 12**); or
  - (ii) the breach is capable of being cured and the defaulting party fails to cure the breach within 10 Business Days of being notified in writing of the breach by the party giving the notice (or such shorter period ending at 5.00pm on the last Business Day before the Second Court Date);
- (d) the Court fails to make orders in accordance with section 411(1) of the Corporations Act for Perilya to convene the Scheme Meeting;
- (e) the Independent Expert's Report does not conclude that the Scheme is in the best interests of Scheme Shareholders or the Independent Expert changes that conclusion or withdraws its report prior to 8.00am on the Second Court Date;
- (f) Zhongjin elects to make offers under a takeover bid in accordance with **clause 8.2**;
- (g) any court, the Takeovers Panel or Government Agency has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, or has refused to do anything necessary to permit the Scheme, and the parties fail to agree on conducting on appeal within 5 Business Days;

- (h) any of the Conditions Precedents are not satisfied, has become incapable of being satisfied or is not reasonably capable of being satisfied, and has not been waived by the party entitled to waive it, before 8.00am on the Second Court Date; or
- (i) the Effective Date for the Scheme has not occurred on or before the Sunset Date.

#### **11.4 Notice**

A notice given under **clause 11.1, 11.2 or 11.3** must specify the event or events in relation to which the notice is given.

#### **11.5 Effect of termination**

- (a) If this agreement is terminated (including under this **clause 11**), this agreement and the parties' obligations under it cease with the exception of this **clause 11.5** and **clauses 1, 7.7, 7.8, 8, 10, 13, 14 and 15** which survive termination.
- (b) Termination does not affect any accrued rights of a party, including in respect of any breach prior to termination.

#### **11.6 Limitation**

Any right to terminate this agreement ceases on the Effective Date.

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### **12. EXCLUSIVITY**

#### **12.1 No current discussions**

Perilya represents and warrants to Zhongjin that, as at the date of this agreement, neither it nor any of its Representatives:

- (a) has received any offer, proposal or expression of interest from any person or otherwise is participating, directly or indirectly, in any discussions or negotiations with any persons that concern, or could reasonably be expected to lead to, a Competing Proposal; or
- (b) is a party to any agreement, arrangement or understanding with any person in relation to a Competing Proposal or a possible Competing Proposal that prevents it from entering into this agreement, or may prevent it from complying with its obligations under this agreement.

#### **12.2 No shop restriction**

During the Restriction Period, Perilya must ensure that neither it nor its Representatives directly or indirectly solicit, invite, facilitate, initiate or encourage the submission of, any enquiries, negotiations or discussions, or communicate to any person an intention to do any of these things which might lead to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal.

#### **12.3 No talk and no due diligence**

During the Restriction Period, Perilya must not and must ensure that its Representatives do not:

- (a) directly or indirectly enter into or participate in any discussions or negotiations with any person regarding a Competing Proposal;
- (b) grant any other person any right or access to conduct due diligence investigations in respect of any of its Subsidiaries;
- (c) enter into any agreement, arrangement or understanding in relation to, or which might lead to, a Competing Proposal; or
- (d) endorse, or propose to endorse, any Competing Proposal,

even if that Competing Proposal was not directly solicited, invited, encouraged, or initiated by Perilya or any of its Representatives or the person has publicly announced the Competing Proposal.

## 12.4 Notification of approaches

- (a) During the Restriction Period, Perilya must promptly notify Zhongjin in writing of:
  - (i) any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with, Perilya or any of its Representatives with respect to any Competing Proposal; or
  - (ii) any request for information relating to any of Perilya or any Subsidiary or any of their businesses or operations, if Perilya has reasonable grounds to suspect that it may relate to a current or future Competing Proposal.
- (b) A notice under this clause must include comprehensive details of the applicable matter (including key details of the Competing Proposal and the identity of that person).

## 12.5 Exception to no talk and notification

The restrictions in **clauses 12.3 and 12.4** do not apply to the extent that it restricts Perilya or the Independent Perilya Board from responding to a bona fide Competing Proposal (which was not solicited, invited, encouraged or initiated by Perilya or its Representatives in contravention of **clause 12.2**) provided that the Independent Perilya Board has determined:

- (a) in good faith and acting reasonably that:
  - (i) the Competing Proposal is bona fide; and
  - (ii) it could reasonably be a Superior Proposal for Perilya; and
- (b) after receiving written legal advice from its external legal advisors that failing to respond would in Perilya's reasonable opinion (acting in good faith) be likely to constitute a breach of the fiduciary or statutory duties (or could reasonably lead to a contravention of law) of the members of the Independent Perilya Board.

## 12.6 Matching right

Perilya will not enter into any agreement, arrangement or understanding in relation to a Competing Proposal without giving Zhongjin not less than five Business Days to:

- (a) consider the Competing Proposal; and
- (b) make a new proposal or propose a revision to the Transaction (**Counterproposal**) which is on terms no less favourable than the terms of the Competing Proposal. If Zhongjin's Counterproposal is on terms no less favourable than the Competing Proposal, Perilya must, in the absence of a Superior Proposal for Perilya, proceed exclusively with Zhongjin's Counterproposal.

## 12.7 Revisions to a Competing Proposal

Any modification to any Competing Proposal will be deemed to make that proposal a new Competing Proposal in respect of which Perilya must comply with its obligations under **clauses 12.4 and 12.6**.

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## 13. PAYMENT OF TRANSACTION FEES

### 13.1 Rationale

Each of Zhongjin and Perilya acknowledges and agrees, for the purposes of this **clause 13**, as follows:

- (a) each of Zhongjin and Perilya has required the inclusion of this **clause 13**, in the absence of which it would not have entered into this agreement or otherwise agreed to implement the Transaction;
- (b) each of Zhongjin and Perilya (and the Zhongjin Board and the Perilya Board) believes that the Transaction will provide significant benefits to it and its members and that it is reasonable and appropriate that it agrees to the inclusion of this **clause 13**, in order to secure the other party's execution of this agreement and its agreement to implement the Transaction;

- (c) the amount payable by Perilya to Zhongjin pursuant to **clause 13.2** and the amount payable by Zhongjin to Perilya pursuant to **clause 13.3** is an amount to compensate the party entitled to receive the payment (**Payee**) for the following costs and expenses incurred, directly or indirectly, by the Payee and its Related Entities as a result of the Transaction not being implemented in accordance with this agreement and all costs and expenses incurred by the Payee and its Related Entities in connection with the investigation and assessment of the other party (**Payer**) and the investigation, assessment, negotiation, documentation and pursuit of approval and implementation of the Transaction, and the performance of the Payee's obligations and the enforcement of its rights under this agreement, including the following:
- (i) advisory costs (including legal and financial advice costs associated with planning and implementing the Transaction and costs of Representatives other than success fees);
  - (ii) costs of management and directors' time in planning and implementing the Transaction;
  - (iii) any commitment fees or other financing costs;
  - (iv) reasonable opportunity costs incurred by the Payee in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives;
  - (v) out of pocket expenses incurred including, airfares, hotel accommodation, meals and associated expenses incurred by the Payee's employees, advisers and agents in planning and implementing the Transaction; and
  - (vi) costs of planning the merging of the businesses of Zhongjin and Perilya.

### 13.2 Perilya's Transaction Fees

Subject to **clause 13.4**, if:

- (a) the Independent Perilya Board or any member of the Independent Perilya Board:
  - (i) makes a public statement that withdraws or qualifies its or his support for or recommendation of the Transaction or the Scheme;
  - (ii) recommends, promotes, or sells or expresses an intention to sell any Shares in which the director has a Relevant Interest in into, a Competing Proposal, or votes or expresses an intention to vote such Shares in support of a Competing Proposal; or
  - (iii) otherwise acts in a manner which is inconsistent with obtaining approval for the Transaction or the Scheme;
- (b) a Competing Proposal is announced and the proponent of that Competing Proposal acquires (together with its associates) a Relevant Interest in at least 25% of the Shares;
- (c) Zhongjin terminates this agreement in accordance with **clause 11.1(b)** as a result of a Perilya Prescribed Occurrence; or
- (d) Zhongjin terminates this agreement in accordance with **clause 11.3(c)** as a result of a breach by Perilya of its obligations under this agreement,

then Perilya must pay to Zhongjin an amount of \$600,000 (being an amount not exceeding 1% of the implied equity value of Zhongjin's offer as at the date of announcement of the Transaction) inclusive of GST (**Perilya Transaction Fees**).

### 13.3 Zhongjin's Transaction Fees

Subject to **clause 13.4**, if Perilya terminates this agreement in accordance with **clause 11.3(b)**, or **11.3(c)** as a result of a breach by Zhongjin of its obligations under this agreement, then Zhongjin must pay to Perilya the amount of \$600,000 (being an amount not

exceeding 1% of the implied equity value of Zhongjin's offer as at the date of announcement of the Transaction) inclusive of GST (**Zhongjin Transaction Fees**).

#### **13.4 Compliance with law**

- (a) If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that any part of either the Zhongjin Transaction Fees or Perilya Transaction Fees (**Challenged Amount**):
- (i) is unlawful;
  - (ii) involves a breach of directors' duties; or
  - (iii) constitutes unacceptable circumstances,
- then the requirement to pay the relevant fee does not apply to the Challenged Amount and if a party has received the Challenged Amount, it must refund it within 10 Business Days of such final determination being made.
- (b) To the extent reasonably possible, the Payer must submit in any relevant proceedings that no such determination should be made or that if any such determination is to be made, it should apply only to the extent that the Challenged Amount constitutes a payment made or to be made in excess of the amount of the actual costs incurred, directly or indirectly, by the Payer and its Related Entities as a result of the Transaction not being implemented in accordance with this agreement (including those described in **clause 13.1(c)**).
- (c) If in Takeovers Panel proceedings of a kind referred to in **clause 13.4(a)**, the Takeovers Panel indicates to the parties or either of them that in the absence of a written undertaking pursuant to section 201A of the Australian Securities and Investments Commission Act 2001 (Cth) it will make a declaration of unacceptable circumstances, each of the parties may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this **clause 13** will operate in a manner consistent with the terms of such undertakings.
- (d) Each party must not make, nor may it cause or permit to be made, any application to a court, arbitral tribunal or the Australian Takeovers Panel for or in relation to a determination referred to in **clause 13.4(a)**.

#### **13.5 Payment**

Any amount payable under this **clause 13** must be paid within five Business Days of written demand and the provision of a valid tax invoice.

#### **13.6 No other break fees**

Perilya must not pay or agree to pay to any other person (including a person who offers, submits or proposes a Competing Proposal) any break fee or similar fee which would become payable if that Competing Proposal did not proceed.

#### **13.7 No further loss**

Each party acknowledges and agrees that the payment by the Payer to the Payee under this **clause 13.7** will constitute full and final satisfaction of any and all liability to the Payee arising under or in connection with this agreement.

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### **14. NOTICES**

#### **14.1 Notices**

Any communication under or in connection with this agreement:

- (a) must be in writing;
- (b) must be addressed as shown below:

**Perilya**

Name: Perilya Limited  
Address: Level 8  
251 Adelaide Terrace  
PERTH WA 6000  
Fax no: +61 8 6330 1099  
For the attention of: Mr. Paul Arndt (Managing Director)

**Zhongjin**

Name: Zhongjin Lingnan Mining (HK) Company Limited  
Address: Rm 1809-1812, 18<sup>th</sup> Floor  
Tower 2, Admiralty Centre  
18 Harcourt Road, Hong Kong  
Fax no: (852) 2865 6659  
For the attention of: Zhang Tao (General Manager)

(or as otherwise notified by that party to the other party 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 posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with **clause 14.1(b)**; and
- (e) is regarded as received by the addressee:
  - (i) if sent by prepaid post, on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
  - (ii) if sent by 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 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day.

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**15. GENERAL**

**15.1 Assignment**

A party may not assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, without the consent of the other party.

**15.2 Severability**

If the whole or any part of a provision of this agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

**15.3 Entire agreement**

This agreement constitutes the entire agreement of the parties about its subject matter and, except for the Transaction Documents, supersedes all previous agreements, understandings and negotiations on that subject matter.

#### **15.4 No representations or warranties**

Each party acknowledges that in entering into this agreement it has not relied on any representations or warranties about its subject matter except as expressly provided by the written terms of this agreement.

#### **15.5 Discretion in exercising rights**

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

#### **15.6 Partial exercising of rights**

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

#### **15.7 No liability for loss**

A party is not liable for loss caused to the other party by the first party's exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

#### **15.8 Approvals and consents**

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval except as expressly provided by the written terms of this agreement.

#### **15.9 Conflict of interest**

The parties' rights and remedies under this agreement may be exercised even if this involves a conflict of duty or a party has a personal interest in their exercise.

#### **15.10 Remedies cumulative**

The rights and remedies provided in this agreement are in addition to other rights and remedies given by law independently of this agreement.

#### **15.11 Rights and obligations are unaffected**

Rights given to the parties under this agreement and the parties' liabilities under it are not affected by anything which might otherwise affect them by law.

#### **15.12 Variation and waiver**

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

#### **15.13 No merger**

The warranties, undertakings and indemnities in this agreement do not merge on the Implementation Date.

#### **15.14 Indemnities**

The indemnities in this agreement are continuing obligations, independent from the other obligations of the parties under this agreement and continue after this agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this agreement.

#### **15.15 Survival of representations**

Each representation and warranty in this agreement is severable, survives the termination of this agreement and is given with the intention that liability under it is not confined to breaches which are discovered before the date of termination of this agreement.

### **15.16 Further steps**

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this agreement; and
- (b) to show whether the party is complying with this agreement.

### **15.17 Prompt performance**

If a Transaction Document specifies when a party to it agrees to perform an obligation, that party agrees to perform it by the time specified. Each party agrees to perform all other obligations promptly.

### **15.18 Time of the essence**

Time is of the essence in this agreement.

### **15.19 Construction**

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

### **15.20 Inconsistent law**

To the extent permitted by law, each Transaction Document prevails to the extent it is inconsistent with any law.

### **15.21 Supervening legislation**

Any present or future legislation which operates to vary the obligations of a party in connection with this agreement with the result that the other party's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

### **15.22 Counterparts**

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute the one instrument.

### **15.23 GST**

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made by a party to another party under or in connection with this agreement is a taxable supply and a tax invoice has been provided to the recipient of the supply, the recipient must pay, in addition to the consideration to be provided under this agreement for that supply (unless it expressly includes GST), an amount equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.
- (c) The amount of GST payable in accordance with this clause will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (d) Where this agreement provides for the payment of an amount which is inclusive of GST, prior to the payment being made the intended recipient of the payment must, where relevant and upon demand, issue a valid tax invoice.

### **15.24 Governing Law**

This agreement is governed by the law in force in Western Australia. Each party submits to the non-exclusive jurisdiction of the courts of that place, and any court that may hear appeals from any of those courts, for any proceedings in connection with this agreement, and waives any right it might have to claim that those courts are an inconvenient forum.

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## SCHEDULE 1 – TIMETABLE

Date	Event
7 October 2013	Lodge Scheme Booklet with ASIC and ASX
28 October 2013	First Court Date
4 November 2013	Printing and dispatch of Scheme Booklet
2 December 2013	Scheme Meeting Date
9 December 2013	Second Court Date
9 December 2013	Lodge Court order with ASIC (Effective Date)
16 December 2013	Record Date (fifth Business Day after Effective Date)
19 December 2013	Implementation Date (third Business Day after Record Date)

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## SCHEDULE 2 – PERILYA SECURITIES

ASX Code	Security Description	Number
PEM	Quoted Ordinary Fully Paid Shares	769,316,426
PEMAZ	Unquoted Perilya Options exercisable at \$0.87 expiring 31 March 2014	2,589,721
PEMAZ	Unquoted Perilya Options exercisable at \$0.89 expiring 31 March 2015	2,603,293
PEMAM	Unquoted Perilya Performance Rights expiring 31 December 2015	2,469,076
PEMAI	Unquoted Perilya Performance Rights expiring 31 December 2016	5,359,562

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### SCHEDULE 3 – MATERIAL CONTRACTS

- (a) Sale and Purchase Agreement for Lead Concentrate between Perilya Broken Hill Limited (**Seller**) and Jiangtong Southern (Hong Kong) Limited, together with its parent entity, Shenzhen Jiangtong Southern Company (collectively, the **Buyer**) dated 19 November 2012. Seller's reference: 2013-BH01-001. Buyer's reference: JCIE13-PI-901AU.
- (b) Sale and Purchase Agreement for Zinc Concentrate between Perilya Broken Hill Limited (**Seller**) and Korea Zinc Company Limited and Young Poong Corporation (collectively, the **Buyer**) dated 24 October 2011. Seller's reference: 2012-BH02-0001.
- (c) Sale and Purchase Agreement for Zinc Concentrate between Perilya Broken Hill Limited (**Seller**) and MRI Trading AG. (**Buyer**) dated 29 October 2012. Seller's reference: 2013-BH02-002. Buyer's reference: P.13.ZNCN.MT32795.
- (d) Sale and Purchase Agreement for Lead Concentrate between Perilya Broken Hill Limited (**Seller**) and MRI Trading AG. (**Buyer**) dated 29 October 2012. Seller's reference: 2013-BH01-002. Buyer's reference: P.13.PBCN.MT32794.
- (e) Concentrate Sales Agreement between Perilya Broken Hill Limited (**Seller**) and Nyrstar Sales & Marketing AG (**Buyer**) dated 28 December 2012. Seller's reference 2013-BH01-005.
- (f) Sale and Purchase Agreement for Zinc Concentrate between Perilya Broken Hill Limited (**Seller**) and Shum Yip Nonfemet Hong Kong Limited (**Buyer**) dated 25 November 2011. Seller's reference: 2012-BH02-0002. Buyer's reference: 2012ZC-1001.
- (g) Sale and Purchase Agreement for Zinc Concentrate between Perilya Broken Hill Limited (**Seller**) and Trafigura Pte. Ltd. (**Buyer**) dated 17 November 2012. Seller's reference: 2013-BH02-003. Buyer's reference: 103-13-29998-P.
- (h) Sale and Purchase Agreement for Zinc Concentrate between Perilya Broken Hill Limited (**Seller**) and Louis Dreyfus Commodities Metals Suisse S.A. (**Buyer**) dated 16 November 2012. Seller's reference: 2013-BH02-004. Buyer's reference: P200.01120 01/02.
- (i) Sale and Purchase Agreement for Lead Concentrate between Perilya Broken Hill Limited (**Seller**) and Louis Dreyfus Commodities Metals Suisse S.A. (**Buyer**) dated 16 November 2012. Seller's reference: 2013-BH01-003. Buyer's reference: P300.01119 01/02.
- (j) Sale and Purchase Agreement for Copper Concentrate between Globestar Mining Corporation (**Seller**) and MRI Trading AG (**Buyer**) dated 15 November 2012. Seller's reference: 2013-CMD-001. Buyer's reference: P.13.CUCN.MT32804.
- (k) Sale and Purchase Agreement for Copper Concentrate between Globestar Mining Corporation (**Seller**) and Jiangxi Copper Company Limited (**Buyer**) dated 19 November 2012. Seller's reference: 2013-CMD-002. Buyer's reference: JCIE13-AI-901CAN.
- (l) Sale and Purchase Agreement for Copper Concentrate between Globestar Mining Corporation (**Seller**) and Gerald Metals S.A. (**Buyer**) dated 29 November 2012. Seller's reference: 2013-CMD-003. Buyer's reference: 10-1315.
- (m) Sale and Purchase Agreement for PGM Cement between Globestar Mining Corporation (**Seller**) and Umicore Precious Metals Refining (**Buyer**) dated 18 October 2012. Agreement number 12.8128.000.

## SCHEDULE 4 – PERILYA PRESCRIBED OCCURRENCES

- (a) Perilya or a Subsidiary of Perilya converts all or any of its shares into a larger or smaller number of shares or reconstructs or changes its capital structure;
- (b) Perilya declares, pays or distributes any dividend or any bonus or other share of its profits or returns or agrees to return any capital or makes any other equity distribution to its members;
- (c) Perilya or a Subsidiary of Perilya resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares;
- (d) Perilya or a Subsidiary of Perilya:
- (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- (e) Perilya or a Subsidiary of Perilya issues shares (other than on the exercise of a security convertible into shares which security was on issue as at the date of this agreement and is listed in Schedule 2), or grants an option over any of its shares, or agrees to make such an issue or grant such an option;
- (f) Perilya or a Subsidiary of Perilya issues, agrees to issue or grants an option to subscribe for convertible notes or other securities convertible into shares or debt securities;
- (g) Perilya or a Subsidiary of Perilya issues, agrees to issue or grants an option to subscribe for debentures (as defined in section 9 of the Corporations Act);
- (h) Perilya or a Subsidiary of Perilya disposes, or agrees to dispose, of the whole, or a substantial part, of its Business or property;
- (i) Perilya or a Subsidiary of Perilya charges, or agrees to charge, the whole or a substantial part, of its business or property, or creates or alters, or agrees to create or alter, any mortgage, charge lien, security interest or other encumbrance over the whole or a substantial part of its business or property;
- (j) Perilya or a Subsidiary of Perilya resolves to be wound up;
- (k) a liquidator or provisional liquidator of Perilya or a Subsidiary of Perilya is appointed;
- (l) a court makes an order for the winding up of Perilya or a Subsidiary of Perilya;
- (m) an administrator of Perilya or a Subsidiary of Perilya is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (n) Perilya or a Subsidiary of Perilya executes a deed of company arrangement;
- (o) a receiver or receiver and manager is appointed in relation to the whole, or a substantial part, or the property of Perilya or a Subsidiary of Perilya;
- (p) Perilya or a Subsidiary of Perilya makes any material change or amendment to its constitution;
- (q) Perilya or a Subsidiary of Perilya disposes, or agrees to dispose, of shares in a Subsidiary of that party;
- (r) Perilya or a Subsidiary of Perilya:
- (i) changes the terms of any Material Contract to the material detriment of Perilya or a Subsidiary of Perilya;
  - (ii) terminates any Material Contract;

- (iii) pays, discharges or satisfies any claims, liabilities or obligations under any Material Contract other than in accordance with past practice and consistent with the contract terms; or
  - (iv) waives any material claims or rights under or waives the benefit of any provisions of any Material Contract;
- (s) Perilya or a Subsidiary of Perilya makes any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards, or elects to form a consolidated group for the purposes of the Income Tax Assessment Act 1997 (Cth); and
- (t) Perilya or a Subsidiary of Perilya becomes a party to any material litigation.

Executed as an agreement on \_\_\_\_\_ 3 September, \_\_\_\_\_ 2013.

**Executed by Zhongjin Lingnan Mining (HK) Company Limited** in accordance with its constituent documents:



\_\_\_\_\_  
Signature of Chairman / Legal Representative

Zhang Shuijian

\_\_\_\_\_  
Name of Chairman / Legal Representative

\_\_\_\_\_  
Company Chop

**Executed by Perilya Limited** in accordance with section 127 of the Corporations Act by:



\_\_\_\_\_  
Director

Paul Arndt, Managing Director

\_\_\_\_\_  
Name of Director (print)



\_\_\_\_\_  
Director/Secretary

Paul Marinko, Company Secretary

\_\_\_\_\_  
Name of Director/Secretary (print)

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**ANNEXURE A – SCHEME OF ARRANGEMENT**

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# SCHEME OF ARRANGEMENT

**Perilya Limited**  
**Scheme Shareholders**

File Ref: PL:BS:141025  
Doc Ref: 1609869v4

50 Kings Park Road  
West Perth WA 6005  
T: +61 8 9216 7100

# SCHEME OF ARRANGEMENT

*Pursuant to section 411 of the Corporations Act 2001*

## DETAILS

<b>Name</b>	Perilya Limited	<b>Perilya</b>
<b>ABN</b>	85 009 193 695	
<b>Address</b>	Level 8 251 Adelaide Terrace PERTH WA 6000	
<b>Fax</b>	+61 8 6330 1099	
<b>Attention</b>	Paul Arndt (Managing Director)	

<b>Name</b>	Perilya Shareholders as at the Record Date, other than the Excluded Shareholders	<b>Scheme Shareholders</b>
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## 1. DEFINITIONS, INTERPRETATION AND SCHEME COMPONENTS

### 1.1 Definitions

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

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

**ASX** means ASX Limited ABN 98 008 624 691.

**Business Day** means a day other than a Saturday, Sunday or public holiday in Perth, Western Australia.

**CHESS** means the Clearing House Electronic Sub-register System of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd (ACN 088 504 532).

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

**Court** means the Supreme Court of Western Australia.

**Deed Poll** means the deed poll dated September 2013 executed by Zhongjin under which Zhongjin covenants in favour of the Scheme Shareholders to perform the steps attributed to Zhongjin under, and otherwise comply with, the Scheme as if Zhongjin were a party to this Scheme.

**Effective** when used in relation to the Scheme, means the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

**Effective Date** with respect to the Scheme, means the date on which this Scheme becomes Effective.

**Excluded Shareholder** means any Perilya Shareholder who is Zhongjin or a Related Body Corporate of Zhongjin.

**Implementation Date** has the meaning given in the Scheme Implementation Agreement.

**Participating Shareholders** means all Perilya Shareholders as at the date of the Scheme Meeting other than the Excluded Shareholders.

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

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**Perilya Share Register** means the register of members of Perilya maintained by the Perilya Share Registry in accordance with the Corporations Act.

**Perilya Share Registry** means the register of members of Perilya maintained by or on behalf of Perilya in accordance with section 168(1) of the Corporations Act.

**Perilya Shareholder** means each person who is registered in the Perilya Share Register as the holder of Perilya Shares.

**Record Date** means 16 December 2013.

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

**Registrar** means the person for the time being responsible for the maintenance of the Perilya Share Register.

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

**Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act between Perilya and Scheme Shareholders subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Perilya and Zhongjin.

**Scheme Booklet** means the information described in clause 6.1(a) of the Scheme Implementation Agreement to be despatched to Participating Shareholders.

**Scheme Consideration** means, in respect of each Scheme Share, \$0.35 cash.

**Scheme Implementation Agreement** means the agreement between Perilya and Zhongjin under which each party undertakes specific obligations to give effect to the Scheme.

**Scheme Meeting** the meeting of Participating Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of the meeting.

**Scheme Shareholders** all Perilya Shareholders as at the Record Date, other than the Excluded Shareholders.

**Scheme Shares** all Perilya Shares held by the Scheme Shareholders as at the Record Date.

**Scheme Share Transfer** for each Scheme Shareholder, means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**Second Court Date** the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard, or if the application is adjourned for any reason, the first day on which the adjourned application is heard.

**Sunset Date** has the meaning given in the Scheme Implementation Agreement.

**Zhongjin** means Zhongjin Lingnan Mining (HK) Company Limited.

## 1.2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;

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- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them;
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) the word “includes” in any form is not a word of limitation;
- (j) a reference to ‘\$’, ‘A\$’ or ‘dollar’ is to Australian currency unless denominated otherwise;
- (k) a reference to any time is a reference to that time in Perth;
- (l) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme;
- (m) a reference to a party to a document includes that party’s successors and permitted assignees;
- (n) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body, is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

### 1.3 Business Day

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

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## 2. PRELIMINARY MATTERS

- (a) Perilya is a public company limited by shares, incorporated in Australia and has been admitted to the official list of the ASX.
- (b) As at the date of the Scheme Booklet 769,316,426 Perilya Shares were on issue which are officially quoted on the ASX.
- (c) Zhongjin is a company incorporated under the laws of Hong Kong.
- (d) If this Scheme becomes Effective:
  - (i) Zhongjin will pay or procure the payment of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll;
  - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Zhongjin and Perilya will enter the name of Zhongjin in the Perilya Share Register in respect of the Scheme Shares;
  - (iii) it will bind Perilya and all Scheme Shareholders, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting; and
  - (iv) it will override the constitution of Perilya, to the extent of any inconsistency.

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- (e) Perilya and Zhongjin have agreed, by executing the Scheme Implementation Agreement, to implement this Scheme.
- (f) Zhongjin has executed the Deed Poll in favour of Scheme Shareholders.
- (g) Zhongjin has agreed, by executing the Deed Poll, to perform its obligations under this Scheme, including the obligation to pay or procure the payment of the Scheme Consideration to the Scheme Shareholders.

### 3. CONDITIONS

#### 3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in **clause 3.1** of the Scheme Implementation Agreement (other than the condition in the Scheme Implementation Agreement relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by 8.00am on the Second Court Date;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll being terminated as at 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with such alterations or conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Zhongjin and Perilya; and
- (d) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving the Scheme coming into effect, pursuant to section 411(10) of the Corporations Act.

#### 3.2 Satisfaction

The fulfilment of **clause 3.1** is a condition precedent to the operation of provisions of **clause 4.2, 5.1, 5.2, 5.3 and 5.4** of this Scheme.

#### 3.3 Sunset Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the Sunset Date; or
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms, unless Perilya and Zhongjin otherwise agree in writing.

#### 3.4 Certificate

- (a) Perilya and Zhongjin will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in **clauses 3.1(a) and 3.1(b)** have been satisfied or waived.
- (b) The certificate referred to in **clause 3.4(a)** constitutes conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

### 4. IMPLEMENTATION OF THE SCHEME

#### 4.1 Lodgement of Court orders with ASIC

Perilya will lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving the Scheme as soon as possible and in any event by no later than 1.00pm on the first Business Day after the day on which the Court approves the Scheme or such later time as Perilya and Zhongjin agree in writing. The Scheme will be Effective on and from the Effective Date.

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## 4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the payment of the Scheme Consideration in the manner contemplated by **clause 5**, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Zhongjin, without the need for any further act by any Scheme Shareholder (other than acts performed by Perilya as attorney and agent for Scheme Shareholders under **clause 8.5**), by:
  - (i) Perilya delivering to Zhongjin a duly completed Scheme Share Transfer, executed on behalf of the Scheme Shareholders by Perilya, for registration; and
  - (ii) Zhongjin duly executing the Scheme Share Transfer, attending to the stamping of the Scheme Share Transfer (if required) and delivering it to Perilya for registration; and
- (b) as soon as possible following receipt of the Scheme Share Transfer in accordance with **clause 4.2(a)(ii)**, Perilya must enter, or procure the entry of, the name and address of Zhongjin in the Perilya Share Register in respect of all the Scheme Shares transferred to Zhongjin in accordance with this Scheme.

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## 5. SCHEME CONSIDERATION

### 5.1 Provision of Scheme Consideration

- (a) Zhongjin must pay or procure that, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders is deposited in cleared funds, in an Australian dollar denominated trust account operated by Perilya as trustee for the Scheme Shareholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Zhongjin's account).
- (b) Subject to Zhongjin complying with its obligations under **clause 5.1(a)**, Perilya must on the Implementation Date pay or procure the payment of the Scheme Consideration due to each Scheme Shareholder from the trust account referred to in **clause 5.1(a)**.
- (c) The obligations of Perilya under **clause 5.1(b)** will be satisfied by Perilya:
  - (i) dispatching, or procuring the dispatch of, a cheque to each Scheme Shareholder by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Scheme Shareholders (or in the case of joint holders, in accordance with the procedures set out in **clause 5.2**), for the relevant amount; or
  - (ii) making a deposit in an account with any ADI (as defined in the Banking Act 1959 (Cth)) in Australia notified by the Scheme Shareholder to Perilya and recorded in or for the purposes of the Perilya Share Register as at the Record Date.

### 5.2 Joint holders

In the case of Scheme Shares held in joint names, the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Perilya Share Register as at the Record Date.

### 5.3 Unclaimed monies

- (a) Perilya may cancel a cheque issued under **clause 5.1(c)** if the cheque:
  - (i) is returned to Perilya; or

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- (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder, Perilya must reissue a cheque that was previously cancelled under this clause.

#### 5.4 Orders of a court

In the case of written notice having been given to Perilya (or the Perilya Share Registrar) of an order made by a court of competent jurisdiction:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with **clause 5.1(c)**, then Perilya shall be entitled to procure that payment is made in accordance with that order; or
- (b) which would prevent Perilya from despatching a cheque to any particular Scheme Shareholder in accordance with **clause 5.1(c)**, Perilya shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with **clause 5.1(c)** is permitted by that order or otherwise by law.

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## 6. DEALINGS IN PERILYA SHARES

### 6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Perilya Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Perilya Share Register as the holder of the relevant Perilya Shares on or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings are received on or before the Record Date at the place where the Perilya Share Register is kept, and Perilya will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders, any transfer or transmission application in respect of Perilya Shares received after such times, or received prior to such times but not in registrable form.

### 6.2 Register

- (a) Perilya must register registrable transmission applications or transfers of the Scheme Shares in accordance with **clause 6.1(b)** on or before the Record Date; provided that, for the avoidance of doubt, nothing in this **clause 6.2(a)** requires Perilya to register a transfer that would result in a Perilya Shareholder holding a parcel of Perilya Shares that is less than a 'marketable parcel' (as defined in the ASX Operating Rules).
- (b) If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Perilya must maintain the Perilya Share Register in accordance with the provisions of **clause 6.2(a)** until the Scheme Consideration has been paid to the Scheme Shareholders. The Perilya Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Perilya Shares (other than statements of holding in favour of Zhongjin) will cease to have effect after the Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Perilya Share Register (other than entries on the Perilya Share

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Register in respect of Zhongjin) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Perilya Shares relating to that entry.

- (e) As soon as possible on or after the Record Date, and in any event within three Business Days after the Record Date, Perilya will ensure that details of the names, Registered Addresses and holdings of Perilya Shares for each Scheme Shareholder as shown in the Perilya Share Register are available to Zhongjin in the form Zhongjin reasonably requires.

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## 7. QUOTATION OF PERILYA SHARES

- (a) Perilya will apply to ASX to suspend trading on the ASX in Perilya Shares with effect from the close of normal trading on ASX on the Effective Date.
- (b) Provided that the Scheme has been fully implemented in accordance with its terms, Perilya will apply:
  - (i) for termination of the official quotation of Perilya Shares on the ASX; and
  - (ii) to have itself removed from the official list of the ASX, on a date after the Implementation Date to be determined by Zhongjin.

---

## 8. GENERAL SCHEME PROVISIONS

### 8.1 Consent to amendments to the Scheme

If the Court proposes to approve the Scheme subject to any alterations or conditions, Perilya may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Zhongjin has consented.

### 8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
  - (i) agrees to the transfer of their Perilya Shares together with all rights and entitlements attaching to those Perilya Shares in accordance with the Scheme and agrees to the variation, cancellation or modification of the rights attached to their Perilya Shares constituted by or resulting from the Scheme; and
  - (ii) acknowledges that the Scheme binds all Scheme Shareholders.
- (b) Each Scheme Shareholder is taken to have warranted to Perilya and Zhongjin, and appointed and authorised Perilya as its attorney and agent to warrant to Zhongjin, that all their Perilya Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Perilya Shares to Zhongjin together with any rights attaching to those shares.

### 8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Zhongjin will be beneficially entitled to the Scheme Shares transferred to it under the Scheme pending registration by Perilya of Zhongjin the Perilya Share Register as the holder of the Scheme Shares.

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#### 8.4 Appointment of sole proxy

On the Scheme becoming Effective, and until Perilya registers Zhongjin as the holder of all Scheme Shares in the Perilya Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Zhongjin as attorney and agent (and directed Zhongjin in each such capacity) to appoint any director, officer, secretary or agent nominated by Zhongjin as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution whether in person, by proxy or by corporate representative;
- (b) undertakes not to otherwise attend or vote at any of those meetings or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to **clause 8.4(a)**);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Zhongjin reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in **clause 8.4(a)**, Zhongjin and any director, officer, secretary or agent nominated by Zhongjin under **clause 8.4(a)** may act in the best interests of Zhongjin as the intended registered holder of the Scheme Shares.

#### 8.5 Authority given to Perilya

On the Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints Perilya and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) enforcing the Deed Poll against Zhongjin; and
- (b) executing any document or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Share Transfer, and Perilya accepts such appointment. Perilya as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this **clause 8.5** to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

#### 8.6 Binding effect of Scheme

This Scheme binds Perilya and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting, did not vote at that meeting, or voted against the Scheme) and, to the extent of any inconsistency, overrides the constitution of Perilya.

---

### 9. GENERAL

#### 9.1 Stamp duty

Zhongjin will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with **clause 9.1**.

#### 9.2 Consent

Each of the Scheme Shareholders consents to Perilya doing all things necessary or incidental to the implementation of this Scheme.

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### 9.3 Notices

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Perilya, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Perilya's registered office or at the office of the Registrar.

### 9.4 Governing law

- (a) The Scheme is governed by the laws in force in Western Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

### 9.5 Further action

Perilya must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

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**ANNEXURE B – DEED POLL**

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## **DEED POLL**

**Zhongjin Lingnan Mining (HK) Company Limited  
Scheme Shareholders**

File Ref: PL:BS: 141025  
Doc Ref: 1609870v3

50 Kings Park Road  
West Perth WA 6005  
T: +61 8 9216 7100

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# DEED POLL

## DETAILS

<b>Name</b>	Zhongjin Lingnan Mining (HK) Company Limited	<b>Zhongjin</b>
<b>Address</b>	Rm 1809-1812, 18 <sup>th</sup> Floor Tower 2, Admiralty Centre 18 Harcourt Road, Hong Kong	
<b>Fax</b>	(852) 2865 6659	
<b>Attention</b>	Zhang Tao (General Manager)	
<b>Name</b>	Perilya Shareholders as at the Record Date, other than the Excluded Shareholders	<b>Scheme Shareholders</b>

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

A word or phrase in defined in the Scheme has the same meaning in this deed poll.

### 1.2 Interpretation

In this deed poll:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed poll;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a reference to a document (including the Scheme) includes all amendments or supplements to, or replacements or novations of, that document; and
- (d) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this deed poll and a reference to this deed poll includes any schedule, attachment and exhibit.

### 1.3 Time for Performance

- (a) If the day on or by which a payment or an act is to be done under this deed poll is not a Business Day, that act must be done on the next business Day.
- (b) In this deed poll, if a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (c) In this deed poll, a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (d) In this deed poll a reference to time is a reference to Perth time.

### 1.4 Nature of deed poll

Zhongjin acknowledges that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

---

## 2. CONDITIONS TO OBLIGATIONS

### 2.1 Conditions

Zhongjin's obligations under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

The obligations of Zhongjin under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if and only if the Scheme Implementation Agreement is terminated in accordance with its terms.

### 2.3 Consequences of Termination

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

- (a) Zhongjin is released from its obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against Zhongjin in respect of any breach of this deed poll which occurs before it was terminated.

---

## 3. PERFORMANCE OF SCHEME OBLIGATIONS

### 3.1 Generally

Subject to **clause 2**, Zhongjin covenants in favour of Scheme Shareholders to perform the steps attributed to Zhongjin under, and otherwise comply with, the Scheme as if Zhongjin were a party to the Scheme.

### 3.2 Undertaking to pay Scheme Consideration

Subject to **clause 2**, Zhongjin undertakes in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme.

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## 4. WARRANTIES

Zhongjin represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out transactions contemplated by this deed poll; and
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms.

---

## 5. CONTINUING OBLIGATIONS

This deed poll is irrevocable and, subject to **clause 2**, remains in full force and effect until:

- (a) Zhongjin has fully performed its obligations under this deed poll; and
- (b) the earlier termination of this deed poll under **clause 2**.

---

## 6. NOTICES

### 6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Zhongjin in accordance with the details set out below (or any alternative details nominated by Zhongjin by Notice).

**Attention** Zhang Tao (General Manager)  
**Address** Rm 1809-1812, 18<sup>th</sup> Floor  
 Tower 2, Admiralty Centre,  
 18 Harcourt Road, Hong Kong  
**Email address** zhangtao691001@163.com

## 6.2 How must Notice be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm on a Business Day (**business hour period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand or pre-paid post to the nominated address	When delivered to the nominated address
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or person acting on its behalf

## 7. GENERAL

### 7.1 Stamp Duty

Zhongjin will:

- (a) Pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with **clause (a)**.

### 7.2 Governing law and jurisdiction

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

### 7.3 Waiver

Zhongjin may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

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The meanings of the terms used in this **clause 7.3** are set out below.

**conduct** includes any delay in the exercise of a right

**right** means any right arising under or in connection with this deed and includes the right to rely on this clause

**waiver** includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppels.

#### **7.4 Variation**

A provision of this deed poll may not be varied unless the variation is agreed to by Perilya and the Court indicates that the variation would not of itself preclude approval of the Scheme, in which event Zhongjin will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

#### **7.5 Cumulative rights**

The rights powers and remedies of Zhongjin and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

#### **7.6 Assignment**

- (a) The rights created by this deed poll are personal to Zhongjin and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Zhongjin and Perilya.
- (b) Any purported dealing in contravention of **clause 7.6** is invalid.

#### **7.7 Further action**

Zhongjin must, at its own expense, do all things and execute all documents necessary to give effect to this deed poll.

**Executed** as a deed on \_\_\_\_\_ 2013.

**Executed** by **Zhongjin Lingnan Mining (HK) Company Limited** in accordance with its constituent documents:

\_\_\_\_\_  
Signature of Chairman / Legal Representative

\_\_\_\_\_  
Name of Chairman / Legal Representative

\_\_\_\_\_  
Company Chop

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