Form **603**

Corporations Act 2001

Section 671B

Notice of initial substantial holder

To: Company Name/Scheme **Hillgrove Resources Limited**

ACN/ARSN 004 297 116

1. Details of substantial holder [1]

Name The companies and partnerships listed in Annexure "A" ("**Substantial Holder Group A**") and The company listed in Annexure "B" ("**Bivaru**")

ACN/ARSN (if applicable)

The holder became a substantial holder on 25/09/2013

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate[2] had a relevant interest[3] in on the date the substantial holder became a substantial holder are as follows:

Substantial Holder Group A

Class of securities[4]	Number of securities	Persons' votes[5]	Voting power[6]
Ordinary Shares	83,061,261	83,061,261	7.05%

Bivaru

Class of securities[4]	Number of securities	Persons' votes[5]	Voting power[6]
Ordinary Shares	83,311,281	83,311,281	7.07%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest[7]	Class and number of securities
Portfolio Services Pty Limited	Portfolio Services Pty Limited has a relevant interest under section 608(1)(a) of the Act, as the registered holder of the securities.	45,532,434 ordinary shares
Platinum Partners Value Arbitrage Fund LP	Platinum Partners Value Arbitrage Fund LP has a relevant interest under section 608(1)(a) of the Act, as the registered holder of the securities.	30,023,079 ordinary shares
Platinum Partners Liquid Opportunity Master Fund LP	Platinum Partners Liquid Opportunity Master Fund LP has a relevant interest under section 608(1)(a) of the Act, as the registered holder of the securities.	7,505,768 ordinary shares

Ariadne Capital Pty Limited	Ariadne Capital Pty Limited has a relevant interest under section 608(1)(b) of the Act, as Ariadne Capital Pty Limited has the power to exercise the voting rights of Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP pursuant to the agreement attached as Annexure D (the "Relevant Agreement").	37,528,847 ordinary shares
Ariadne Australia Limited	Ariadne Australia Limited has a relevant interest under section 608(3)(b) of the Act, as Portfolio Services Pty Limited and Ariadne Capital Pty Limited are wholly owned subsidiaries and therefore controlled by Ariadne Australia Limited. Portfolio Services Pty Limited has a Relevant interest under section 608(1)(a) of the Act, as the registered holder of the securities. Ariadne Capital Pty Limited has a relevant interest under section 608(1)(b) of the Act, as Ariadne Capital Pty Limited has the power to exercise the voting rights of Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP pursuant to the Relevant Agreement.	83,061,281 ordinary shares
Bivaru	Bivaru has a relevant interest under section 608(1)(b) and (c) of the Act, as the owner of the securities held by HSBC Custody Nominees (Australia) Limited. Bivaru has a relevant interest under section 608(3)(a) of the Act, as its voting power in Ariadne Australia Limited is more than 20%. Ariadne Australia Limited has a relevant interest under section 608(3)(b) of the Act, as Portfolio Services Pty Limited and Ariadne Capital Pty Limited are wholly owned subsidiaries and therefore controlled by Ariadne Australia Limited. Portfolio Services Pty Limited has a relevant interest under section 608(1)(a) of the Act, as the registered holder of the securities. Ariadne Capital Pty Limited has a relevant interest under section 608(1)(b) of the Act, as Ariadne Capital Pty Limited has the power to exercise the voting rights of Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP pursuant to the Relevant Agreement.	83,311,281 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder[8]	Class and number of securities
Portfolio Services Pty Limited	Portfolio Services Pty Limited	Portfolio Services Pty Limited	45,532,434 ordinary shares
Platinum Partners Value Arbitrage Fund LP	Platinum Partners Value Arbitrage Fund LP	Platinum Partners Value Arbitrage Fund LP	30,023,079 ordinary shares
Platinum Partners Liquid Opportunity Master Fund LP	Platinum Partners Liquid Opportunity Master Fund LP	Platinum Partners Liquid Opportunity Master Fund LP	7,505,768 ordinary shares
Ariadne Capital Pty Limited	Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP	Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP	37,528,847 ordinary shares
Ariadne Australia Limited	Portfolio Services Pty Limited	Portfolio Services Pty Limited	45,532,434 ordinary shares
Ariadne Australia Limited	Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP	Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP	37,528,847 ordinary shares
Bivaru	HSBC Custody Nominees (Australia) Limited	Bivaru	250,000 ordinary shares
Bivaru	Portfolio Services Pty Limited	Portfolio Services Pty Limited	45,532,434 ordinary shares
Bivaru	Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP	Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP	37,528,847ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

See Annexure C

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Portfolio Services Pty Limited and Ariadne Capital Pty Limited	Association under section 12(2)(a)(iii) of the Act, Ariadne Australia Limited is the controller of both entities.
Platinum Partners Value Arbitrage Fund LP and Platinum Partners Liquid Opportunity Master Fund LP and Ariadne Capital Pty Limited	Association under section 12(2)(b) of the Act, Platinum Partners have entered into the Relevant Agreement with Ariadne Capital Pty Limited.

7. Addresses

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

Name	Address
Portfolio Services Pty Limited	Level 20, 39 Martin Place, Sydney NSW 2000
Ariadne Capital Pty Limited	Level 20, 39 Martin Place, Sydney NSW 2000
Ariadne Australia Limited	Level 20, 39 Martin Place, Sydney NSW 2000
Platinum Partners Value Arbitrage Fund LP	152 West 57th Street, 4th Floor, New York, NY 10019
Platinum Partners Liquid Opportunity Master Fund LP	152 West 57th Street, 4th Floor, New York, NY 10019
Bivaru	Level 20, 39 Martin Place, Sydney NSW 2000
HSBC Custody Nominees (Australia) Limited	GPO Box 5302, Sydney NSW 2001

Signature

print name Gary Weiss capacity Director – Ariadne Australia Limited

sign here date 27/09/2013

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.

(2) See the definitions of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 to 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.

(6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(7) Include details of:

(a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

(9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A to form 604

This is Annexure A of 1 page referred to in ASIC form 604 (Notice of initial substantial shareholder), for Hillgrove Resources Limited ACN 004 297 116

Sign here:

Print name: Gary Weiss
Director
Ariadne Australia Limited

Date: 27/09/2013

Portfolio Services Pty Limited, ACN 010 565 670
Ariadne Capital Pty Limited, ACN 125 296 157
Ariadne Australia Limited, ACN 010 474 067
Platinum Partners Value Arbitrage Fund LP
Platinum Partners Liquid Opportunity Master Fund LP

Annexure B to form 604

This is Annexure B of 1 page referred to in ASIC form 604 (Notice of initial substantial shareholder), for Hillgrove Resources Limited ACN 004 297 116

Sign here: ____________________

Print name: Gary Weiss
Director
Ariadne Australia Limited

Date: 27/09/2013

Bivaru Pty Limited (ACN 003 020 184) as trustee of the GH Weiss Super Fund

Annexure C to form 604

This is Annexure C of 2 pages referred to in ASIC form 604 (Notice of initial substantial shareholder), for Hillgrove Resources Limited ACN 004 297 116

Sign here:

Print name: Gary Weiss
Director
Ariadne Australia Limited

Date: 27/09/2013

Consideration

Holder of Relevant Interest	Transaction Type	Date	No. Shares	Consideration
Portfolio Services Pty Ltd	Purchase - on market	17/06/2013	164,601	10,583.84
Portfolio Services Pty Ltd	Purchase - on market	18/06/2013	294,101	18,734.23
Portfolio Services Pty Ltd	Purchase - on market	19/06/2013	82,683	5,209.03
Portfolio Services Pty Ltd	Purchase - on market	20/06/2013	508,615	31,432.41
Portfolio Services Pty Ltd	Purchase - on market	21/06/2013	325,002	19,955.12
Portfolio Services Pty Ltd	Purchase - on market	24/06/2013	474,988	27,549.30
Portfolio Services Pty Ltd	Purchase - on market	25/06/2013	600,010	34,200.57
Portfolio Services Pty Ltd	Purchase - on market	26/06/2013	400,000	21,800.00
Portfolio Services Pty Ltd	Purchase - on market	27/06/2013	304,600	17,270.82
Portfolio Services Pty Ltd	Purchase - on market	28/06/2013	2,045,400	115,360.56
Portfolio Services Pty Ltd	Purchase - on market	1/07/2013	181,741	10,159.32
Portfolio Services Pty Ltd	Purchase - on market	2/07/2013	239,200	13,825.76
Portfolio Services Pty Ltd	Purchase - on market	3/07/2013	860,800	49,323.84
Portfolio Services Pty Ltd	Purchase - on market	4/07/2013	300,000	17,700.00
Portfolio Services Pty Ltd	Purchase - on market	5/07/2013	112,252	6,735.12
Portfolio Services Pty Ltd	Purchase - on market	8/07/2013	6,347	393.51
Portfolio Services Pty Ltd	Purchase - on market	9/07/2013	524,579	33,730.43
Portfolio Services Pty Ltd	Purchase - on market	10/07/2013	656,822	42,562.07
Portfolio Services Pty Ltd	Purchase - on market	11/07/2013	882,053	60,685.25
Portfolio Services Pty Ltd	Purchase - on market	12/07/2013	361,480	25,014.42
Portfolio Services Pty Ltd	Purchase - on market	15/07/2013	206,467	13,626.82
Portfolio Services Pty Ltd	Purchase - on market	16/07/2013	154,200	10,146.36
Portfolio Services Pty Ltd	Purchase - on market	17/07/2013	110,000	7,425.00
Portfolio Services Pty Ltd	Purchase - on market	18/07/2013	200,000	13,600.00
Portfolio Services Pty Ltd	Purchase - on market	19/07/2013	85,000	5,618.50
Portfolio Services Pty Ltd	Purchase - on market	22/07/2013	430,800	30,371.40
Portfolio Services Pty Ltd	Purchase - on market	23/07/2013	385,000	28,336.00
Portfolio Services Pty Ltd	Purchase - on market	26/07/2013	1,441,468	99,605.44

Portfolio Services Pty Ltd	Purchase - on market	29/07/2013	200,000	13,600.00
Portfolio Services Pty Ltd	Purchase - on market	30/07/2013	76,427	5,197.04
Portfolio Services Pty Ltd	Purchase - on market	31/07/2013	2,000,000	136,000.00
Portfolio Services Pty Ltd	Purchase - on market	31/07/2013	748,783	50,917.24
Portfolio Services Pty Ltd	Purchase - on market	1/08/2013	2,000,000	136,000.00
Portfolio Services Pty Ltd	Purchase - on market	1/08/2013	684,619	46,554.09
Portfolio Services Pty Ltd	Purchase - on market	2/08/2013	3,000,000	204,000.00
Portfolio Services Pty Ltd	Purchase - on market	2/08/2013	2,583,703	175,691.80
Portfolio Services Pty Ltd	Purchase - on market	8/08/2013	500,000	32,000.00
Portfolio Services Pty Ltd	Purchase - on market	8/08/2013	5,000,000	320,500.00
Portfolio Services Pty Ltd	Purchase - on market	13/08/2013	109,618	7,662.30
Portfolio Services Pty Ltd	Purchase - on market	13/08/2013	494,839	34,589.25
Portfolio Services Pty Ltd	Purchase - on market	20/08/2013	320,201	24,367.30
Portfolio Services Pty Ltd	Purchase - on market	22/08/2013	889,222	68,381.17
Portfolio Services Pty Ltd	Placement	24/09/2013	10,714,290	750,000.30
Portfolio Services Pty Ltd	Purchase - on market	25/09/2013	2,072,523	140,102.55
Portfolio Services Pty Ltd	Purchase - on market	25/09/2013	1,800,000	109,800.00
Platinum Funds	Purchase - on market	13/08/2013	604,457	42,276.16
Platinum Funds	Purchase - on market	20/08/2013	320,200	24,370.04
Platinum Funds	Purchase - on market	22/08/2013	1,865,721	143,478.04
Platinum Funds	Purchase - on market	23/08/2013	35,349	2,721.87
Platinum Funds	Purchase - on market	27/08/2013	1,354,103	114,327.29
Platinum Funds	Purchase - on market	28/08/2013	1,245,897	104,858.67
Platinum Funds	Purchase - on market	29/08/2013	1,080,934	91,879.39
Platinum Funds	Purchase - on market	30/08/2013	176,422	14,995.87
Platinum Funds	Purchase - on market	2/09/2013	100,000	8,500.00
Platinum Funds	Purchase - on market	3/09/2013	280,000	23,800.00
Platinum Funds	Purchase - on market	4/09/2013	2,062,644	174,905.60
Platinum Funds	Purchase - on market	5/09/2013	306,878	25,414.00
Platinum Funds	Purchase - on market	6/09/2013	324,329	26,498.77
Platinum Funds	Purchase - on market	9/09/2013	637,236	51,884.91
Platinum Funds	Purchase - on market	10/09/2013	453,255	36,553.51
Platinum Funds	Purchase - on market	11/09/2013	98,155	7,852.40
Platinum Funds	Purchase - on market	12/09/2013	1,350,147	108,690.53
Platinum Funds	Purchase - on market	13/09/2013	750,000	57,721.66
Platinum Funds	Purchase - on market	16/09/2013	354,979	27,023.43
Platinum Funds	Purchase - on market	17/09/2013	1,230,021	99,630.02
Platinum Funds	Purchase - on market	23/09/2013	3,400,000	231,694.14
Platinum Funds	Placement	24/09/2013	10,714,290	750,000.30
Platinum Funds	Purchase - on market	25/09/2013	5,433,830	367,058.05
Platinum Funds	Purchase - on market	26/09/2013	3,350,000	233,495.00

Annexure D to form 604

This is Annexure D of 7 pages referred to in ASIC form 604 (Notice of initial substantial shareholder), for Hillgrove Resources Limited ACN 004 297 116

Sign here: ______________________________

Print name: Gary Weiss
Director
Ariadne Australia Limited

Date: 27/09/2013

Relevant Agreement

Ariadne

Platinum Partners Liquid Opportunity Master Fund L.P.
c/o Platinum Management (NY) LLC
152 West 57th Street, 4th Floor
New York, New York 10019

Platinum Partners Value Arbitrage Fund L.P.
c/o Platinum Liquid Opportunity Management (NY) LLC
152 West 57th Street, 4th Floor
New York, New York 10019

September 23, 2013

Dear Sirs

This Letter confirms the agreement between Platinum Partners Liquid Opportunity Master Fund L.P., a Cayman Islands exempted limited partnership, and Platinum Partners Value Arbitrage Fund L.P., a Cayman Islands exempted limited partnership (together, "the Company"), and Ariadne Capital Pty Ltd ACN 125 296 157 ("Ariadne Capital") regarding Hillgrove Resources Limited ACN 004 297 116 ("HGO") ("Letter Agreement"). The Company has advised that it wishes to acquire shares in HGO for purposes of investment (the "Transaction"). The Company warrants that it is a wholesale client for the purposes of section 761G of the Corporations Act 2001 of Australia, and a sophisticated or professional investor for the purposes of section 708 of the Corporations Act 2001 of Australia. The Company acknowledges that Ariadne Capital may also be simultaneously advising other parties collectively ("Consortium Members"), including a Related Company of Ariadne Capital, on acquisition of shares in HGO for investment purposes. The Company further acknowledges that Ariadne Capital will have a "Relevant Interest" in any HGO shares held by the Company while this Letter Agreement continues in force. For the purposes of this Letter Agreement, "HGO shares" means any shares in HGO acquired under this Letter Agreement and any bonus shares or securities acquired pursuant to entitlement offers made by HGO.

1. The Company has retained Ariadne Capital to:

   (a) Exclusively deal in HGO shares on its behalf and to purchase HGO shares up to a value to be agreed, such value initially being US$5 million. The Company or its Nominee shall if it so requires be the Registered Proprietor of the HGO shares; and

   (b) Keep the Company informed of Ariadne Capital's assessment from time to time of the performance and prospects of HGO.

Ariadne Capital Pty Ltd
ACN 125 296 157
ABN 68 125 296 157
Level 20, 39 Martin Place
Sydney NSW 2000
Australia
T +61 2 8227 5500
F +61 2 8227 5511
www.ariadne.com.au

2. During the term of this Letter Agreement, the Company or its Nominee shall have the right, if it so requires, to hold HGO shares acquired on its behalf in its own name or the name of its Nominee.

3. The Company agrees to assign to Ariadne Capital the voting rights attaching to all HGO shares acquired under this Letter Agreement and to take all steps necessary to allow Ariadne Capital the full benefit of those voting rights, including appointing Ariadne Capital as its proxy or Corporate Representative to attend and vote all such shares at any meeting of members of HGO. Such assignments and proxies shall automatically expire upon the termination of this Letter Agreement unless otherwise expressly agreed in writing. The Company irrevocably appoints each director of Ariadne Capital severally as its attorney to sign on its behalf any documents which Ariadne Capital considers reasonably necessary to enable Ariadne Capital to exercise those voting rights on behalf of the Company during the term of this Letter Agreement.

4. During the term of this Letter Agreement the Company may sell any HGO shares it owns but must first give Ariadne Capital (or its nominee) three business days' notice thereof and the price at which it wishes to sell to enable Ariadne Capital (or its nominee) the opportunity to acquire all or any of such HGO shares at the nominated sale price. If Ariadne Capital does not acquire all of the HGO shares then the Company may sell the balance of those Shares at the prevailing market price.

5. Fees.
   The parties acknowledge and agree that Ariadne Capital will be entitled to be paid a fee ("the Fee") for its services under this Letter Agreement. The Fee will be determined in such manner as may be agreed by the parties in writing from time to time.

6. Expenses.
   Ariadne Capital will obtain such reasonable legal and accounting advice it deems necessary or desirable regarding the entering into of this Letter Agreement, purchase of HGO shares for the Company and any HGO share purchases for other Consortium Members and in relation to the investment in HGO generally. Ariadne Capital will pay these professional fees initially. However, these fees will represent a "first charge" against any gross profit on the sale of such HGO shares pro rata to the number of HGO shares purchased by the Company compared to the total number of HGO shares purchased by all Consortium Members. The Company will pay its proportionate share of such fees upon sale of the Company's HGO shares out of the gross profit on the sale of such HGO shares but not otherwise.

Upon sale (or other disposal) of any HGO shares, the Company will pay to Ariadne Capital all expenses to which Ariadne Capital is then entitled to be reimbursed pursuant to and in accordance with Section 6 of this Letter Agreement.

Payment must be made within 3 business days after the date the Company or its nominee receive the sale proceeds.

7. Taxes.
All amounts payable to Ariadne Capital or its affiliates hereunder are stated exclusive of any applicable tax. If GST is payable on a taxable supply made by Ariadne Capital the Company will pay to Ariadne Capital additional consideration of an amount equal to the amount of GST payable in respect of that taxable supply.

8. Authority.
Where the Company is entering into this Letter Agreement in its capacity as trustee, manager or agent on behalf of a fund, trust or other investment vehicle ("Fund"), the Company warrants to Ariadne Capital that it has full legal capacity, power and authority to validly bind the Fund on the terms set out in this Letter Agreement.

9. Term and Termination.
This Letter Agreement may be terminated by the Company or Ariadne Capital at any time upon 60 days written notice to that effect to the other party. This Letter Agreement, unless previously terminated or extended in writing, will expire on the date which is 24 months after completion of the purchase of the HGO shares (the "Term"). The provision of Sections 5 (Fees), 6 (Expenses), 7 (Taxes), 9 (Term and Termination), 10 (Indemnity) and 12 (Miscellaneous) shall survive termination of this Letter Agreement. For the avoidance of doubt, the Fee referred to in Section 5 to be agreed by the parties, unless otherwise mutually agreed, will be calculated and payable at the time of sale or disposal of the HGO Shares regardless of earlier termination of this Letter Agreement.

10. Indemnity.
In connection with engagements such as this, it is Ariadne Capital's policy to receive indemnification. Each of the parties agrees to the provisions with respect to the indemnification of the other party and the other matters set forth in Annexure A, which is hereby incorporated by reference in its entirety into this Letter Agreement.

Ariadne Capital represents and warrants that it has all governmental, regulatory, self-regulatory and exchange licenses, registrations, memberships and approvals, if any, required to perform its duties under this Letter Agreement, and will maintain all required licenses, registrations, memberships and approvals during the term of this Letter

Agreement. Ariadne Capital agrees that it shall perform its duties under this Letter Agreement in full compliance with all applicable laws and regulations.

11. Public Announcement.

Unless otherwise required by applicable law or regulation, the Company will not issue or make any public announcement, statement or other publication relevant to the Transaction contemplated hereby without the prior consent of Ariadne Capital such consent not to be unreasonably withheld. Ariadne Capital will not be responsible for ensuring the truth, accuracy, completeness or fairness of any statement or publication (including any prospectus, listing particular, circular, offer document, information memorandum or other financial promotion) made by or on behalf of the Company or by any of its advisers in connection with the Transaction, this being the Company's sole responsibility. The Company acknowledges that Ariadne Capital may, after consummation of the Transaction, place an announcement in such newspapers, periodicals and electronic media as it may choose, stating that Ariadne Capital has acted as the adviser to the Company in connection with the Transaction. Ariadne Capital shall submit any such announcement to the Company for its prior review. The Company also acknowledges that this Letter Agreement and/or the terms of this Transaction may need to be disclosed by Ariadne Capital in any substantial shareholder notice Ariadne Capital is required to give by law or by the rules of any securities exchange.

12. Miscellaneous.

(a) Ariadne Capital is not an expert on, and does not render opinions regarding, legal, accounting, regulatory or tax matters. The Company should consult with its advisors concerning these matters before undertaking the proposed transaction.

(b) Corporate advisory services are provided by Ariadne Capital which holds an Australian Financial Services License.

(c) No waiver, amendment or other modification of this Letter Agreement shall be effective unless in writing and signed by each party to be bound thereby. This Letter Agreement shall inure to the benefit of and be binding on the Company, Ariadne Capital and their respective successors.

(d) This Letter Agreement shall be governed by, construed and interpreted in accordance with, the laws of New South Wales.

(e) All actions and proceedings arising out of or relating to this Letter Agreement may be heard and determined in the Supreme Court of New South Wales or any Australian court of federal jurisdiction to whose non-exclusive jurisdiction the Company hereby irrevocably submits.

(f) Ariadne Capital does not have any fiduciary obligation to or relationship with the Company.

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to Ariadne Capital the duplicate copy of this Letter Agreement enclosed herewith. We are delighted to accept this mandate and look forward to working with you in relation to the Transaction.

Accepted and agreed as of the date of this letter deed

____

for and on behalf of
Ariadne Capital Pty Ltd

Accepted and agreed as of the date of this letter deed:

____

for and on behalf of
Platinum Partners Liquid Opportunity Master Fund L.P.

____

for and on behalf of
Platinum Partners Value Arbitrage Fund L.P.

ANNEXURE A

1. The Company, severally and not jointly, agrees to indemnify and hold harmless Ariadne Capital and its related bodies corporate and other affiliates, and its and their respective directors, officers, employees, agents and controlling persons (the Company and each such person being an "Ariadne Indemnified Party") to the maximum extent permitted by law from and against any and all losses, claims, damages and liabilities, costs and expenses, joint or several, to which such Ariadne Indemnified Party may become subject arising out of or in connection with any untrue statement or alleged untrue statement of a material fact made by the Company or arising out of or in connection with any breach of this Letter Agreement by the Company and contained in any information (whether oral or written) or documents including without limitation, any Information or offering document, furnished or made available by the Company, directly or through Ariadne Capital or otherwise, to any prospective offeree or any of its representatives of securities included in the sale, or the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein not misleading, in the light of the circumstances under which they were made, and will reimburse any Indemnified Party for all expenses (including reasonable counsel's fees and expenses) as they are incurred by an Ariadne Indemnified Party in connection with the investigation of, preparation for or defence of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Ariadne Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Company. No Ariadne Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or its security holders or creditors related to, arising out of or in connection with, the engagement of Ariadne Capital pursuant to, or the performance by Ariadne Capital of the services contemplated by, this Letter Agreement except to the extent that any loss, claim, damage or liability is found in a final judgment by a court of competent jurisdiction to have resulted from Ariadne Capital's bad faith or negligence.

   The Company agrees that it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought under this Letter Agreement (whether or not Ariadne Capital or any other Ariadne Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Ariadne Indemnified Party from all liability arising out of such claim, action or proceeding.

2. Ariadne Capital agrees to indemnify and hold harmless the Company and its related bodies corporate and other affiliates, and its and their respective directors, officers, employees, agents and controlling persons (Ariadne Capital and each such person

being a "Company Indemnified Party") to the maximum extent permitted by law from and against any and all losses, claims, damages and liabilities, costs and expenses, joint or several, to which such Company Indemnified Party may become subject arising out of or in connection with any breach of this Agreement by Ariadne Capital, and will reimburse any Company Indemnified Party for all expenses (including reasonable counsel's fees and expenses) as they are incurred by a Company Indemnified Party in connection with the investigation of, preparation for or defence of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Company Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of Ariadne Capital.

Ariadne Capital agrees that it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought under this Letter Agreement (whether or not the Company or any other Company Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Company Indemnified Party from all liability arising out of such claim, action or proceeding.

3. Notwithstanding anything in this Annexure A, neither party will be liable for any loss suffered by any person indemnified under this Annexure A to the extent that such loss is in the nature of an indirect or consequential loss.