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2 October 2013

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By Facsimile

pages (this page included)

Our reference: 80148726

Dear Sir/Madam

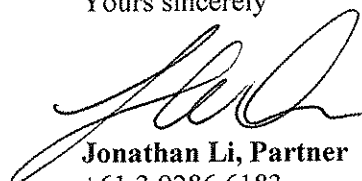
Carpentaria Exploration Limited: Notice of Initial Substantial Holder

We act for Mr Wu Jiping.

Attached is an ASIC Form 603 (Notice of initial substantial holder) in relation to the relevant interest Mr Wu acquired in 19,691,371 ordinary shares in Carpentaria Exploration Limited on 30 September 2013.

A copy of this notice has been provided to Carpentaria Exploration Limited and ASIC.

Yours sincerely



Jonathan Li, Partner
+61 3 9286 6183
jli@claytonutz.com

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Carpentaria Exploration Limited

ACN/ARSN 095 117 981

1. Details of substantial holder (1)

Name Wu Jiping

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 30/09/2013

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:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
ORD	19,691,371	19,691,371	19.9%

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
Wu Jiping	As per the agreements set out in	19,691,371 ordinary class shares
	Annexures A, B, C, D & E being the Deed of Mortgage of Securities, Chess Security Deed, Redeemable Convertible Note Subscription Deed, Guarantee & Indemnity and Featherweight Charge	

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
Wu Jiping	Silvergate Capital Pty Ltd	Wu Jiping	19,691,371 ordinary class 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:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
Wu Jiping	30/09/13	Cash	Non-cash	19,691,371 ordinary class shares
		An amount equivalent to the		
		Secured Money (as defined in the Deed of Mortgage of securities).		

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

7. Addresses

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

Name	Address
Wu Jiping	C/- Clayton Utz, Level 18, 333 Collins Street, Melbourne VIC 3000

Signature

print name Chong Lee

capacity

Signed for and behalf of
Wu Jiping by Chong Lee
under a power of
attorney dated 26
September 2013

sign here

date

02/10/2013

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 definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The 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, moneys 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 - Deed of Mortgage of Securities

This is Annexure "A" of 28 pages referred to in Form 603.

Signed for and behalf of Wu Jiping by
Chong Lee under a power of attorney dated 26
September 2013:

Chong Lee

Print Name



Signature of Chong Lee

I do hereby certify that this is a true
and complete copy of the original document

Signed

02/10/2013

Marie Clarissa De Stefano
Level 18, 333 Collins Street,
Melbourne VIC 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

CLAYTON UTZ

Execution version

Deed of mortgage of securities

Silvergate Capital Pty Ltd
Grantor

Wu Jiping
Secured Party

Clayton Utz
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Our reference 18866/995/80148726

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Deed of mortgage of securities dated 30 September 2013

Parties Silvergate Capital Pty Ltd ACN 158 538 580 (Grantor)

Wu Jiping (Secured Party)

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this mortgage:

Collateral means:

- (a) any Present Securities;
- (b) any Other Security; and
- (c) any proceeds (as defined in the PPSA) relating to the property referred to in paragraphs (a) and (b).

Controller has the meaning given in section 9 of the Corporations Act.

Delegate means any agent, attorney or other delegate appointed under this mortgage by the Secured Party or by any receiver or receiver and manager appointed under this mortgage.

Entity means Carpentaria Exploration Limited ACN 095 117 981.

Event of Default has the meaning given in clause 7.1.

Excess Amount has the meaning given to that term in clause 2.3(b).

GST means any goods and services Tax, consumption Tax, value added Tax or any similar Tax.

Joint Venture means any form of joint venture, whether a company, unincorporated entity, undertaking, association, partnership or other similar entity.

Limited Recourse Guarantee means the guarantee and indemnity dated on or about the date of this mortgage and made between the Grantor and the Secured Party.

Marketable Securities has the meaning given to "marketable securities" in section 9 of the Corporations Act but as if the reference to "managed investment scheme" included any unit trust which is not registered under the Corporations Act.

Note has the meaning given to that term in the Subscription Deed.

Obligations has the meaning given to that term in the Limited Recourse Guarantee.

Other Security means:

- (a) all of the present and future right, title and interest of the Grantor in:
 - (i) any dividend reinvestment scheme, bonus issue, rights issue, allotment, offer, benefit, privilege, note, stock, debenture or right to take up Marketable Securities in another corporation or other person;

- (ii) any rights consequent on any conversion, redemption, cancellation, reclassification, forfeiture, consolidation or subdivision; or
- (iii) any rights consequent on a reduction of capital, liquidation or scheme of arrangement,

in any case, in respect of or in connection with any Present Securities; and

- (b) all entitlements, including dividends, distributions, proceeds and other amounts from time to time payable to or accruing to the Grantor in respect of any right, title or interest referred to in paragraph (a) of this definition.

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

Power means any right, power, authority, discretion, remedy or privilege conferred on the Secured Party, any Receiver or any Delegate, in any case, under this mortgage, under any other Transaction Document or by law.

Present Securities means all shares or other Marketable Securities owned as at the date of this deed or acquired after the date of this deed by the Grantor which are issued by the Entity and all of the present and future rights attaching or relating to such shares or other Marketable Securities including for the avoidance of doubt:

- (a) 19,691,371 fully paid ordinary shares in the share capital of the Entity with HIN 0062856343; and
- (b) all entitlements, including dividends, distributions, proceeds and other amounts from time to time payable to or accruing to the Grantor in respect of any such shares or other Marketable Securities referred to in this definition.

Receiver means a receiver or receiver and manager appointed by the Secured Party under this mortgage and, if more than one, then each of them and also any employee, contractor or Delegate of any receiver or receiver and manager.

Recovered Amount means an amount which is equal to the sum received by:

- (a) the Secured Party;
- (b) any Controller; or
- (c) any person acting on behalf of the Secured Party,

from the sale or realisation of the Collateral.

Related Body Corporate has the meaning given in section 9 of the Corporations Act, but on the basis that "subsidiary" for the purposes of that definition has the meaning given to "Subsidiary" in this mortgage.

Secured Money means all money the payment or repayment of which from time to time forms part of the Obligations.

Subscription Deed has the meaning given to that term in the Limited Recourse Guarantee.

Subsidiary in relation to any person, has the meaning given in the Corporations Act but as if "body corporate" included any person and for the purpose of which any beneficial interests will be deemed shares. A determination by the auditors of a person as to whether a person is a Subsidiary of another person will be evidence of the same until the contrary is proved.

Transfer means an undated transfer of a Marketable Security executed by the Grantor (or its nominee, if applicable) as transferor in registrable form but with the name of the transferee and the consideration left blank.

1.2 Interpretation

In this mortgage:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) **"person"** includes an individual, the estate of an individual, a corporation, a Government Authority, an association or a Joint Venture and a trust;
- (c) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
- (d) a reference to a document (including any Transaction Document) is to that document as varied, novated, ratified, replaced or restated from time to time, including for the avoidance of doubt any such variation, novation, ratification, replacement or restatement which has the effect directly or indirectly of increasing in any way the Secured Money;
- (e) a reference to a law includes any law, principle of equity, Statute and official directive of any Government Authority and a reference to any legislation (including any Statute) includes any rule, regulation, ordinance, by-law, statutory instrument, order or notice at any time made under that legislation and, in each case, any consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa) and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause or schedule is a reference to a party, clause or schedule to or of this mortgage and a reference to this mortgage includes all schedules to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) a reference to the Collateral or any other thing includes any part of it;
- (j) a reference to an asset includes any real or personal property or asset, whether tangible or intangible, present or future, together with any interest or benefit in or revenue from, such property or asset;
- (k) **"includes"** in any form is not a word of limitation;
- (l) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or that act, matter or thing will be done on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not);
- (m) a reference to **"subsists"** or any similar expression in relation to an Event of Default or a Potential Event of Default indicates an Event of Default or Potential Event of Default which has not been remedied or waived in accordance with the terms of the Transaction Documents; and

- (n) each of the terms "advance", "future advance", "financing statement", "financing change statement" and "verification statement" have the meanings given to them in the PPSA.

1.3 Limited Recourse Guarantee

Capitalised terms used in this mortgage and not otherwise defined have the same meaning as that given to them in the Limited Recourse Guarantee.

1.4 Grantor liable as trustee

- (a) The Grantor is liable under each Transaction Document to which it is a party in its personal capacity and in its capacity as trustee of the Trust.
- (b) In each Transaction Document, a reference to the Grantor is a reference to the Grantor in both its personal capacity and in its capacity as trustee of the Trust.

1.5 Transaction Document

This deed is a "Transaction Document" for the purposes of the Subscription Deed.

2. Recourse

2.1 Recovered Amount

Subject to clause 2.2 and clause 2.4, but otherwise despite anything else in this document or any other Transaction Document:

- (a) the amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the Recovered Amount; and
- (b) the Secured Party may not seek to recover from the Grantor any shortfall in the Secured Money by:
 - (i) bringing any proceedings against the Grantor; or
 - (ii) applying to have the Grantor wound up.

2.2 Exceptions to limit

Despite clause 2.1, the Secured Party or any Controller or person acting on its behalf may:

- (a) exercise all Powers in connection with the Collateral as against the Grantor; and
- (b) take proceedings to obtain:
 - (i) an injunction or other order to restrain any breach of a Transaction Document by the Grantor; or
 - (ii) declaratory relief or other similar judgment or order as to the Grantor's obligations under any Transaction Document.

2.3 Secured Party may retain excess

The Grantor and the Secured Party hereby agree and acknowledge that it is their intention that the Secured Party shall bear the risk and reward associated with any movements in the value of

the Collateral. To that end and despite anything else in this deed or any other Transaction Document:

- (a) the recourse of the Secured Party to the Grantor shall be limited in the manner set out in clauses 2.1 and 2.2; and
- (b) if the Recovered Amount exceeds the Secured Moneys (such an amount being the **Excess Amount**):
 - (i) the Secured Party:
 - A. is absolutely and unconditionally entitled to be paid and retain for its own account the Excess Amount; and
 - B. shall not under any circumstances be required to pay, repay or account to any Obligor or any other party for or on account of that Excess Amount; and
 - (ii) the Grantor may not bring any proceedings against the Secured Party in relation to the Excess Amount.
- (c) To the extent permitted by law, this clause 2.3 will operate notwithstanding any rule or law or equity to the contrary.
- (d) Clause 2.3 **Error! Reference source not found.** will cease to apply on and from the Conversion Date.

2.4 Maximum amount recoverable after Conversion Date

On and from the Conversion Date, the maximum amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the lesser of:

- (a) the amount referred to in clause 2.1(a); and
- (b) the sum of:
 - (i) the amount required to be paid by Pure Metals to the Secured Party under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as that amount relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Secured Party as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
 - (ii) all costs, outgoings and expenses incurred by the Secured Party in enforcing or attempting to enforce its rights under this mortgage, the Limited Recourse Guarantee and other security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or chargee consequent on the occurrence of an event of default;
 - (iii) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
 - (iv) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in this clause 2.4(b)(i) to (iv) (inclusive).

2.5 No obligation to realise

- (a) Nothing in this mortgage or in any other Transaction Document obliges or requires the Secured Party to sell or realise the Collateral within any particular time frame or at all.
- (b) Notwithstanding any contrary provision of any Transaction Document, it is agreed and acknowledged that the Secured Party has the option, under and in accordance with clause 3.3, to procure itself (or its nominee) to be registered as the holder of the shares, units or other Marketable Securities comprising the Collateral (or any of them) and it (or its nominee) may remain registered as the holder of the shares, units or other Marketable Securities comprising the Collateral (or any of them) for so long as it deems fit in its absolute discretion.

3. Mortgage

3.1 The mortgage

- (a) By this mortgage and subject to clause 3.1(b), the Grantor as beneficial owner mortgages the Collateral to the Secured Party to secure the satisfaction of the Obligations and the payment of the Secured Money.
- (b) The Grantor grants this mortgage in respect of the Collateral comprising the Trust Assets as sole trustee of the Trust.

3.2 Priority

This mortgage will operate as a first ranking security subject only to any Encumbrances mandatorily preferred by law.

3.3 Conversion

At any time after an Event of Default has occurred and while it subsists, the Secured Party may procure itself (or its nominee) to be registered as the holder of the shares, units or other Marketable Securities comprising the Collateral (or any of them). To facilitate this, the Grantor irrevocably and unconditionally authorises the Secured Party to date and complete any Transfers and lodge those Transfers for stamping and registration accompanied by, if certificated, the share or unit certificates relating to those Transfers.

3.4 Notice

The Secured Party may at any time after the date of this mortgage notify any Entity or other person of its interest in the Collateral.

4. Representations and warranties

4.1 General representations and warranties

The Grantor represents and warrants to the Secured Party that:

- (a) **(Good title)** it has good title to the Collateral and good right to mortgage the Collateral as beneficial owner or as trustee of the Trust in the manner provided in this mortgage and the Collateral is free of all Encumbrances other than in favour of the Secured Party or as otherwise expressly permitted by any other Transaction Document;

- (b) **(Income from Collateral)** no legal or beneficial right or interest in any income or entitlement or any right to receive any income or entitlement whether payable now or in the future and derived from the Collateral, have been assigned or Encumbered to any other person; and
- (c) **(Information for financing statement)** the Secured Party has received from the Grantor all information needed by the Secured Party to complete the financing statement (or financing change statement, if necessary) for this mortgage.

4.2 Representations and warranties repeated

Each representation and warranty in this clause 4 will be repeated on each day while any of the Secured Money remains outstanding (whether or not then due for payment) with reference to the facts and circumstances then subsisting, as if made on each such day.

5. General undertakings

5.1 Satisfaction of Obligations

The Grantor will satisfy, or procure the satisfaction of, the Obligations and will pay the Secured Money in the manner provided in this mortgage or in any other Transaction Document.

5.2 Notification of certain events

The Grantor will immediately notify the Secured Party in writing if it becomes aware of:

- (i) the occurrence of any Event of Default or Potential Event of Default; or
- (ii) any change of details of the Grantor.

5.3 Secured Party's priority

To the extent that any Trust Assets are mortgaged or subject to a lien in favour of the Grantor to secure the Grantor's Rights of Indemnity, the Grantor acknowledges and agrees that that mortgage or lien will at all times and for all purposes be postponed to and rank after this mortgage.

5.4 Secured Party assumes no obligations

The Secured Party will not be deemed by virtue of this mortgage to have assumed any obligation of the Grantor under any law.

6. Additional undertakings concerning the Collateral

6.1 Restrictions in relation to the Collateral

The Grantor will not without the Secured Party's prior written consent or as expressly permitted in any other Transaction Document:

- (a) **(No Encumbrances)** create, purport or attempt to create or permit to exist any Encumbrance, however ranking, over the Collateral;

- (b) **(Voting entitlement)** at any time following the occurrence of an Event of Default and during the period it subsists, vote at any meeting of the members or creditors of any Entity in any way contrary to the directions of the Secured Party;
- (c) **(No sale etc)** sell, convey, assign, transfer, lease, licence or otherwise dispose of, part with possession of, make any bailment, or grant any option over or create or permit to exist any other interest in any part of the Collateral;
- (d) **(Not to prejudice)** do, fail to do or consent to any act, omission or thing as a result of which the Collateral becomes or could become liable to surrender, forfeiture or cancellation, or becomes or could become prejudiced in any manner, or the value of this mortgage as an Encumbrance to the Secured Party becomes or could become materially lessened; or
- (e) **(Take any steps)** take any steps towards doing any of these things.

6.2 Undertakings regarding the Collateral

The Grantor will:

- (a) **(Additional securities)** promptly notify the Secured Party in writing if, after the date of this mortgage, it acquires any Present Securities or if it becomes entitled to any Other Security and will, during the currency of this mortgage, exercise and take up its entitlements to each Other Security which it is offered;
- (b) **(Pay calls)** duly and punctually pay all calls, premiums and instalments which may be or become payable in respect of the Collateral and duly and punctually pay all money which may become due or owing by the Grantor to any Entity on any account;
- (c) **(Compliance with Entity's Constitution)** comply with the Constitution or other constituent documents of the Entity and any resolution, rule or regulation made under any such documents;
- (d) **(No lien)** not do or omit to do any act or thing which, if that act or thing was done or omitted to be done (as the case may be), would entitle the Entity to a lien over or to forfeit any of the Collateral;
- (e) **(No variation of rights)** not consent to, vote in favour of or permit any variation or abrogation of the rights and privileges attaching to the Collateral or any diminution of the benefits and privileges held in respect of the Collateral;
- (f) **(Protection of Collateral)** at the request of the Secured Party take or defend all legal proceedings that the Secured Party, acting reasonably, considers necessary or desirable for the preservation, protection or recovery of the Collateral; and
- (g) **(Documents of title and other securities)** lodge with the Secured Party on the date of this mortgage or, if later, the date on which the relevant Collateral is acquired all certificates, scrip and other indicia of title or interest in any Marketable Securities forming part of the Collateral and any transfers for those Marketable Securities required by the Secured Party, signed by the Grantor, and with the name of the transferee, consideration and date left blank.

6.3 Indemnity against calls

If the Secured Party or its nominee becomes the registered holder of any of the Collateral, the Grantor will indemnify and keep indemnified the Secured Party against any money payable or

other liability arising in relation to that Collateral except to the extent the money is payable or other liability arises directly from the gross negligence, wilful misconduct or fraud of the Secured Party.

6.4 Collateral not registered in name of Grantor

If any Marketable Security comprising the Collateral is not registered in the name of the Grantor, the Grantor will deliver to the Secured Party immediately on demand one or more duly stamped and registrable transfers of those Marketable Securities and all certificates, scrip or other indicia of title relating to those Marketable Securities necessary to enable those Marketable Securities to be registered in the name of the Grantor, together with an irrevocable authority to the Entity to deliver up to the Secured Party the certificates, scrip or other indicia of title relating to those Marketable Securities following registration by any Entity in the name of the Grantor.

6.5 Cash distributions and benefits

At the request of the Secured Party, which may be made at any time following the occurrence of an Event of Default and during the period it subsists, the Grantor will pay to the Secured Party, or as it directs in writing, the following:

- (a) **(Dividends)** all cash dividends;
- (b) **(Returns of capital)** all cash returns of capital;
- (c) **(Rights issues)** all proceeds from the disposal or relinquishment of rights; and
- (d) **(Options)** all proceeds in relation to options or other rights granted to the Grantor or granted by the Grantor,

in relation to any Marketable Security comprising the Collateral.

6.6 Events of Default

The Grantor will ensure that no Event of Default occurs. Without affecting the liability of the Grantor or any Power in any other respect (including where a breach of this clause 6.3 is a breach of any other provision of any Transaction Document), the Grantor is not liable in damages for a breach of its obligations under this clause 6.3 but the Secured Party may exercise the Powers following any breach of this clause 6.3, during the period it subsists.

6.7 Postponement or waiver of Encumbrances

If requested by the Secured Party, the Grantor will immediately cause:

- (a) any Encumbrance (other than any Encumbrances expressly permitted under any other Transaction Document to rank in priority to this mortgage) which has arisen or which arises from time to time by operation of law over the Collateral in favour of any person to be postponed in all respects after and subject to this mortgage or to be otherwise discharged, released or terminated; and
- (b) any Financial Liability or other obligation secured by any Encumbrance of the type referred to in clause 6.7(a), to be waived, released, paid or performed.

7. Events of Default

7.1 Events of Default

Each of the events set out in this clause 7.1 is an Event of Default whether or not the cause is beyond the control of the Grantor or any other person:

- (a) **(Subscription Deed)** Pure Metals fails to pay any amount required to be paid by it to the Secured Party under:
 - (i) clause 8.1 (*Repayment on Redemption Date*) of the Subscription Deed;
 - (ii) clause 14.4 (*Noteholder's powers on default prior to Conversion Date*) of the Subscription Deed; or
 - (iii) clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as it relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Secured Party as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed),

on its due date for payment; and
- (b) **(Event of Insolvency)** an Event of Insolvency occurs in relation to any Obligor;
- (c) **(Change in control)** effective control of Pure Metals is altered from that subsisting at the date of this mortgage other than as a result of the exercise by the Secured Party of any of its rights under the Subscription Deed, the Secured Party acquiring shares in Pure Metals or Ample Source International BV obtaining control of Pure Metals. For the purpose of this clause 7.1(c) a person or persons has effective control of Pure Metals if that person or those persons (acting jointly):
 - (i) control the composition of the board of directors of Pure Metals;
 - (ii) are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of Pure Metals; or
 - (iii) hold more than one-half of the issued share capital of Pure Metals excluding any part of that issued share capital which carries no right to participate beyond a specified amount in the distribution of either profits or capital;
- (d) **(Breach of Trust provisions)**
 - (i) the Grantor ceases to be the sole trustee of the Trust; or
 - (ii) the Trust terminates or the capital of the Trust vests in any beneficiary of the Trust or any other person (other than where it vests solely as a result of a person becoming a beneficiary of the Trust); or
- (e) **(Calls etc)** the Grantor fails to pay any money payable in respect of any part of the Collateral.

7.2 Rights on an Event of Default

If any Event of Default occurs then, during the period it subsists, at the option of the Secured Party and despite any delay or previous waiver of the right to exercise that option:

- (a) the Secured Money becomes immediately due and payable within 5 Business Days of demand from the Secured Party;
- (b) all Powers not previously exercisable become exercisable; and
- (c) any rights of the Grantor to deal with the Collateral (other than through a Receiver appointed under this mortgage) immediately cease.

8. Receivers: appointment and Powers

8.1 Appointment of Receiver

If any Event of Default occurs then, during the period it subsists, the Secured Party may:

- (a) appoint any person or persons to be a receiver or receiver and manager of the Collateral;
- (b) terminate the appointment of any Receiver; and
- (c) in case of the removal, retirement or death of any Receiver, appoint another person or persons in the place of that Receiver.

8.2 Joint Receivers

If more than one person is appointed as a Receiver, the Secured Party may at its option specify whether the appointment and the Powers of each appointee will be joint or joint and several. If no specification is made, the appointment and the Powers of each appointee will be joint and several.

8.3 Remuneration of Receiver

The Secured Party may fix the rate of remuneration of each Receiver, which will not exceed the standard hourly rate from time to time charged by the firm of which that Receiver is a member for work of the level carried out by that Receiver.

8.4 Agent of Grantor

Each Receiver will be the agent of the Grantor. The Grantor will be solely responsible for all acts and omissions by, and the remuneration of, each Receiver.

8.5 Powers of Receiver

Without the need for any consent from the Grantor or any other person, each Receiver will have all of the following powers:

- (a) (**Section 420**) all of the powers granted to a receiver of property of a corporation under section 420 of the Corporations Act;
- (b) (**Dispose**) whether or not in possession, to dispose of the Collateral in such manner and on such terms as the Receiver thinks fit;

- (c) **(Borrow or raise money)** to borrow or raise from the Secured Party or any other person any money which may be required for any purposes and, if the Receiver thinks fit, to secure any money borrowed or raised by the grant of any Encumbrance over the Collateral (whether in the name of the Grantor or otherwise) so that the Encumbrance ranks in priority to, pari passu with or after this mortgage. The Secured Party will not be bound to inquire as to the necessity or propriety of any Financial Liability nor be responsible for the misapplication or non-application of any money so borrowed or raised;
- (d) **(Register)** to register itself or its nominee as the holder of the Marketable Securities (or any of the Marketable Securities) comprising the Collateral;
- (e) **(Engage)** to engage consultants, contractors, professional advisors, agents and employees (including any person associated with a firm or company in which the Receiver is a member or in which the Receiver is interested and that person may charge for his or her services as if independently retained at a salary or remuneration determined by the Receiver) and the Receiver may act on any advice given by any person so engaged;
- (f) **(Take up entitlements)** to exercise all or any of the rights, privileges or entitlements conferred on or accruing to the registered holder of the Collateral in all respects as if it were the absolute beneficial owner of the Collateral, including to attend and vote at any meeting of the members or creditors of the Entity or of the holders of any Marketable Securities or class of Marketable Securities comprising the Collateral, to appoint attorneys and proxies, and to prove in any winding up or scheme of arrangement;
- (g) **(Take up issues)** to take up and accept any rights issues, bonus shares or other Marketable Securities of the Entity, and to pay any sum or sums of money necessary or expedient for the taking up of those rights, shares or other Marketable Securities, with any sum or sums paid being deemed to be and become part of the Secured Money and bearing interest accordingly;
- (h) **(Receive dividends)** to receive all dividends, interest, income and other money payable on the Collateral and to apply any money so received towards satisfaction of the Secured Money without being liable to account for it;
- (i) **(Invest proceeds against contingencies)** if any of the Secured Money is contingent, to invest, deposit or hold the Collateral in a form or mode of investment for the time being as the Receiver thinks fit, with like power to vary, transpose or re-invest the investments or deposits from time to time until that part of the Secured Money ceases to be contingent;
- (j) **(Perform contracts)** to perform, observe, carry out, enforce specific performance of, exercise or refrain from exercising, the Grantor's rights and powers under, obtain the benefit of, and vary or rescind all contracts and rights forming part of the Collateral or entered into in the exercise of any Power;
- (k) **(Take proceedings)** to institute, conduct or defend any proceedings in law or bankruptcy and to submit to arbitration, mediation or conciliation, in the name of the Grantor or otherwise and on any terms, any proceeding, claim, question or dispute in connection with the Collateral or otherwise;
- (l) **(Compromise)** to make any settlement, arrangement or compromise regarding any action, proceeding or dispute arising in connection with the Collateral, to grant to any person involved time or other indulgence and to execute all related releases or discharges as the Receiver thinks expedient in the interests of the Secured Party;

- (m) **(Appeal)** to appeal against or to enforce any judgment or order in respect of the Collateral;
- (n) **(Bankrupt debtors and wind up bodies corporate)** to make debtors bankrupt and to wind up bodies corporate and to do all things in connection with any bankruptcy or winding up which the Receiver thinks necessary for the recovery or protection of the Collateral or for the security or other benefit of the Secured Party;
- (o) **(Delegate)** with the Secured Party's prior approval, to delegate to any person, for any time, any of the Powers including this power of delegation;
- (p) **(File)** to file all certificates, registrations and other documents and to take any and all action on behalf of the Grantor which the Receiver believes is necessary to protect, preserve or improve any or all of the Collateral and the rights of the Grantor and the Secured Party in respect of any agreement for sale and to obtain for the Secured Party all of the benefits of this mortgage and any other Transaction Document;
- (q) **(Operate bank accounts)** to open or operate any bank account in the name of the Grantor (whether alone or jointly with any other person) to the exclusion of the Grantor and to deposit or withdraw any money standing to the credit of that account and to sign and endorse or to authorise others to sign and endorse in the name of the Grantor cheques, promissory notes, bills of exchange and other negotiable instruments;
- (r) **(Do all other things)** to do all things the law allows an owner of any interest in the Collateral, or any Controller of the Collateral, to do; and
- (s) **(Do all things as are expedient)** to do all other acts and things without limitation as the Receiver thinks expedient,

and any further powers as the Secured Party confers on a Receiver by notice in writing to that Receiver.

8.6 Indemnity

The Secured Party may give any indemnities to any Receiver concerning the performance of that Receiver's duties as are permitted by law. If the Secured Party is obliged to pay any money under any indemnity, that money will become part of the Secured Money.

9. Secured Party's Powers

9.1 Exercise of Power

If any Event of Default occurs then, during the period it subsists, the Secured Party may without notice and whether or not a Receiver has been appointed:

- (a) exercise all or any of the Powers conferred on a Receiver, or which would be conferred on a Receiver if appointed, as if those Powers had been expressly conferred on the Secured Party;
- (b) exercise all other Powers; and
- (c) appoint an agent or agents (whether severally, jointly or jointly and severally) and delegate the Powers (or any of them) to the agent or agents (in which case clauses 8.1, 8.3, 8.6, 12.2, 12.3 and 12.4 will apply as if the agent or agents were each appointed as a Receiver).

9.2 Act jointly

The Secured Party and each Receiver may exercise any of the Powers in conjunction with the exercise of similar powers by the holder of any other Encumbrance over the Collateral or by any receiver or receiver and manager appointed by that other holder and may enter into and give effect to agreements and arrangements with that other holder, receiver or receiver and manager as the Secured Party or the relevant Receiver thinks fit.

9.3 Power of attorney

- (a) In consideration of the Secured Party entering into the Transaction Documents, the Grantor irrevocably appoints the Secured Party and each of its Authorised Officers and each Receiver, severally, as an attorney of the Grantor with power at any time an Event of Default or Potential Event of Default has occurred and is subsisting:
 - (i) to do all acts which ought to be done by the Grantor under any Transaction Document;
 - (ii) to do all acts to exercise or give effect to any Power;
 - (iii) to demand, sue for, recover and receive the Collateral from any person, in the name of the Grantor or in the name of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 9.3;
 - (iv) to take further action and to execute further instruments which are, or are in the opinion of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 9.3, necessary or desirable to secure more satisfactorily the performance of the Obligations or the payment of the Secured Money or to sell or otherwise deal with the Collateral; and
 - (v) to appoint (and remove at will) at any time any person as a substitute for an attorney.
- (b) The Grantor:
 - (i) agrees that each attorney may exercise powers under this power of attorney notwithstanding that the exercise may or will involve or result in a conflict between the duty of that attorney to the Grantor and either the interests of that attorney or a Related Party of that attorney or another duty of that attorney; and
 - (ii) ratifies and confirms now and for the future all actions undertaken by or on behalf of any attorney under this power of attorney, including any action which may or will involve or result in a conflict of the type referred to in clause 9.3(b)(i) or in respect of which that attorney has a personal interest.

For the purposes of this clause 9.3(b) a Related Party of any attorney is any Related Body Corporate of that attorney or, in the case of any attorney that is an individual, any person that is related to or has any personal or professional relationship, of any nature, with that attorney.

- (c) The Grantor declares that this power of attorney will continue in force until all actions taken under it have been completed, despite the discharge of this mortgage.

- (d) The Grantor will do anything requested by the Secured Party, acting reasonably, to enable the Secured Party to register this power of attorney in the manner and within any time limits prescribed by law to ensure the efficacy of this power of attorney.

9.4 Secured Party may make good any default

If the Grantor defaults in satisfying any of the Obligations, the Secured Party may, without prejudice to any other Power, do all things and pay all money necessary or expedient in the opinion of the Secured Party to make good or to attempt to make good that default to the satisfaction of the Secured Party. The Grantor will take all steps which the Secured Party, acting reasonably, requests to facilitate the exercise by the Secured Party of its rights under this clause 9.4. The Secured Party will not be a mortgagee or chargee in possession simply as a result of the exercise of its rights under this clause 9.4.

9.5 Notice for exercise of Powers

- (a) The Powers may be exercised by the Secured Party and any Receiver at any time during the period any Event of Default subsists, without any notice, demand or lapse of time being necessary unless required by a law which cannot be excluded.
- (b) Subject to clause 9.5(c), if required by any law which cannot be excluded, one day is fixed as the period for which:
 - (i) default must continue in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money before the Secured Party may give any notice or demand as required by any law affecting the Powers; and
 - (ii) default in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money must continue after the giving of any notice or demand before any Power may be exercised.
- (c) If any law which cannot be excluded provides that a specific period of notice or lapse of time is mandatorily required before any Power may be exercised by the Secured Party or any Receiver, that period of notice must be given or time must elapse before that Power may be exercised.

9.6 Exclusion of PPSA enforcement provisions

To the extent permitted by law, and in respect of each Security Interest created by this mortgage:

- (a) the parties contract out of sections 95, 121(4), 125, 130, 132(3)(d), 132(4), 142 and 143 of the PPSA (to the extent, if any, mentioned in section 115(1) of the PPSA); and
- (b) the Grantor irrevocably and unconditionally waives its right to receive any notice of any verification statement in respect of any financing statement or financing change statement relating to this mortgage.

10. Application of money

The Secured Party and each Receiver has an absolute discretion to apply any money received as a result of the exercise of any Power or which is the proceeds of enforcement of this mortgage (and which is to be applied in payment of the Secured Money) in reduction of any part or parts of the Secured Money, whenever and on whatever account it became secured,

despite any principle or presumption of law to the contrary or any direction given at the time of receipt and without the need to communicate its election to any person.

11. Liability and release

11.1 Continuing obligation

This mortgage constitutes a continuing obligation regardless of any settlement of account, intervening payment, express or implied revocation or any other matter or thing.

11.2 Personal liability

No grant of full or partial satisfaction of or discharge from this mortgage by the Secured Party will, unless it expressly provides otherwise, release the Grantor from personal liability under this mortgage or under any other Transaction Document until none of the Secured Money is owing (whether actually, contingently or prospectively) and it is not reasonably foreseeable that there could be any Secured Money owing in the future.

11.3 Settlement conditional

If:

- (a) (i) the Secured Party has at any time released or discharged:
 - A. the Grantor from its obligations under this mortgage; or
 - B. any assets of the Grantor from this mortgage,in either case in reliance on a payment, receipt or other transaction to or in favour of the Secured Party; or
- (ii) any payment, receipt or other transaction to or in favour of the Secured Party has the effect of releasing or discharging:
 - A. the Grantor from its obligations under this mortgage; or
 - B. any assets of the Grantor from this mortgage; and
- (b) that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason, including under an Insolvency Provision or under any other law; and
- (c) that claim is upheld or is conceded or compromised by the Secured Party,

then:

- (i) the Secured Party will immediately become entitled against the Grantor to all rights as it had immediately before that release or discharge;
- (ii) the Grantor must, to the extent permitted by law:
 - A. immediately do all things and execute all documents as the Secured Party, acting reasonably, may require to restore to the Secured Party all those rights; and
 - B. indemnify the Secured Party against all Costs, damages, claims, demands and actions suffered or incurred by it in or in

connection with any negotiations or proceedings relating to the claim or as a result of the upholding, concession or compromise of the claim.

11.4 Grantor's liability not affected

The liability of the Grantor under this mortgage:

- (a) **(Absolute)** is absolute and is not subject to the execution of any other Transaction Document or any other document by any person or to the performance of any condition precedent or subsequent, including as between any Obligor and the Secured Party or between any 2 or more Obligors;
- (b) **(Not Affected)** will not be affected by any act, omission, matter or thing that would otherwise operate by law to reduce or release the Grantor from its liability including any of the following:
 - (i) the occurrence or subsistence of any Event of Default;
 - (ii) the receipt by the Secured Party of any payment, dividend or distribution under any Insolvency Provision in relation to any Obligor;
 - (iii) any Transaction Document, or any payment or other act the making or doing of which would otherwise have formed part of the Obligations, being, becoming or being conceded to be illegal, invalid, void, voidable, unenforceable or irrecoverable in whole or in part for any reason whether past, present or future, including as a result of any:
 - A. law;
 - B. act or omission by any person;
 - C. legal limitation, disability or incapacity of any Obligor;
 - D. improper exercise of a Power;
 - E. Power being suspended or postponed by Statute, any court order or otherwise; or
 - F. Insolvency Provision;
 - (iv) the Secured Party accepting the benefit of any other Encumbrance;
 - (v) the Secured Party granting time, waiver or other indulgence or concession to, or making any composition or compromise with, any Obligor;
 - (vi) the Secured Party forbearing or neglecting to exercise any remedy or right it has for the enforcement of any Transaction Document or any of the Obligations (other than an express waiver granted in favour of the Grantor in respect of its liabilities under this mortgage);
 - (vii) any laches, acquiescence or other act, neglect, default, omission or mistake by the Secured Party;
 - (viii) the determination, rescission, repudiation or termination, or the acceptance of any of the foregoing, by the Secured Party or any Obligor of any Transaction Document or any of the Obligations (other than an

express release or discharge of the Grantor from all of its liabilities under this mortgage);

- (ix) any variation to any Transaction Document or any of the Obligations, whether or not the variation is substantial or material or imposes an additional liability on or is onerous on any Obligor;
- (x) the full, partial or conditional release or discharge by the Secured Party, or by operation of law or otherwise, of any person from any Transaction Document or any of the Obligations (other than an express release or discharge of the Grantor from all of its liabilities under this mortgage);
- (xi) the release of any property from any other Encumbrance, or the substitution of any property in place of any other property now or after the date of this mortgage the subject of any other Encumbrance;
- (xii) the Secured Party wasting, destroying, abandoning, prejudicing or not perfecting, maintaining, preserving, enforcing or realising or not properly enforcing or realising any other Encumbrance;
- (xiii) the failure to perfect or to obtain the benefit, or the loss or impairment, of any other Encumbrance by operation of law or otherwise;
- (xiv) the postponement or loss of the priority attaching to any other Encumbrance;
- (xv) the opening or operation of any new account with the Secured Party by any Obligor;
- (xvi) the transfer or assignment of the benefit of any Transaction Document or of any of the Obligations;
- (xvii) any failure by the Secured Party to disclose to the Grantor any material or unusual fact, circumstance, event or thing known to, or which ought to have been known by, the Secured Party relating to or affecting any Obligor at any time before or during the currency of any Transaction Document, whether prejudicial or not to the rights and liabilities of the Grantor and whether or not the Secured Party was under any duty of disclosure; or
- (xviii) the Secured Party entering into a covenant with any other Obligor not to sue, issue process, sign or execute judgment, commence proceedings for bankruptcy or winding up, participate in any scheme of arrangement or reconstruction, prove in any bankruptcy or winding up or do any other act, matter or thing in respect of the liability of any other Obligor.

11.5 Insolvency

- (a) The Grantor must not:
 - (i) institute any proceedings against any other Obligor or make or join in making any application to any court for an administration, winding up, receivership or other similar order to be made in relation to any other Obligor; or

- (ii) except as contemplated by clause 11.5(b), lodge any proof of debt or similar claim under any Insolvency Provision in relation to an Obligor in competition with the Secured Party.
- (b) The Grantor irrevocably appoints the Secured Party as its attorney to prove in the insolvency of any other Obligor for all money to which the Grantor may be entitled from that Obligor. The Grantor acknowledges that the Secured Party may, subject to the terms of this mortgage, retain any money which the Secured Party may receive from any proof on account of the Secured Money.

11.6 Waiver of rights

The Grantor may not:

- (a) exercise any right of contribution, indemnity or subrogation which it might otherwise be entitled to claim and enforce against any other Obligor and irrevocably waives all of those rights of contribution, indemnity or subrogation it may have;
- (b) accept the benefit of any Encumbrance as security for any obligation which any other Obligor owes to the Grantor; or
- (c) raise any defence, right of set-off or counterclaim in reduction or discharge of its obligations under this mortgage.

11.7 Obligor

For the purposes of clauses 11.4, 11.5 and 11.6 the expression "Obligor" will include any person from whom the Grantor may become entitled (by reason of its making a payment to the Secured Party) to claim any right of contribution or indemnity.

11.8 Claim on Grantor

The Secured Party is not required to:

- (a) make any claim or demand on any other Obligor or any other person;
- (b) enforce any other Transaction Document or other Encumbrance; or
- (c) enforce any other Power,

in any case, before making any demand on the Grantor under this mortgage or otherwise enforcing this mortgage.

11.9 Release of Collateral

The Secured Party will release the Collateral at the times and in the manner specified in the Subscription Deed.

12. Protection and indemnity

12.1 Waiver by Grantor

The Grantor waives in favour of the Secured Party:

- (a) all rights against the Secured Party and any other person, estate or assets as far as is necessary to give effect to any provision of this mortgage;

- (b) promptness and diligence on the part of the Secured Party; and
- (c) all rights inconsistent with the provisions of this mortgage.

12.2 No liability for loss

Neither the Secured Party nor any Receiver will be liable or otherwise accountable for any act, omission, delay, mistake, loss or irregularity in or concerning the exercise, attempted exercise, non exercise or purported exercise of any Power, except for its own gross negligence, fraud or wilful misconduct.

12.3 No liability to account

Neither the Secured Party nor any Receiver will, by reason of the Secured Party or that Receiver entering into possession of the Collateral, be liable to account as mortgagee or chargee in possession, for any loss on realisation or for any default, omission, delay or mistake for which a mortgagee or chargee in possession might be liable. The liability of the Secured Party and of each Receiver will be for actual receipts only.

12.4 No conflict

The Secured Party and each Receiver may exercise any Power, even though the exercise of that Power involves a conflict between any duty owed to the Grantor by the Secured Party or that Receiver and any duty owed by the Secured Party or that Receiver to any other person or the interests of the Secured Party or that Receiver. No contract will be void or voidable by virtue of that conflict of duty or interest nor will the Secured Party or Receiver be liable to account to the Grantor or any other person for any money or property as a result of that conflict.

12.5 No notice or enforcement

The Secured Party need not:

- (a) give any notice of this mortgage to any debtor of the Grantor, to any purchaser or to any other person;
- (b) enforce payment of any money payable to the Grantor;
- (c) vote at any meeting of members or creditors of any Entity or otherwise exercise any rights in respect of the Collateral; or
- (d) realise the Collateral or take any steps or proceedings for that purpose.

12.6 Indemnity

The Grantor will on demand indemnify and keep the Secured Party indemnified in respect of all Costs and Taxes incurred by the Secured Party or any Receiver:

- (a) in the exercise, attempted exercise or non-exercise of any Power, including those resulting from any mistake, oversight, error of judgment or want of prudence on the part of the Secured Party or any Receiver, unless the same is due to its own gross negligence, fraud or wilful misconduct;
- (b) as a consequence of the occurrence or subsistence of any Event of Default;
- (c) by reason of this mortgage;

- (d) in respect of any act or omission for which the Secured Party or any Receiver is exonerated by this mortgage; and
- (e) by reason of the Secured Party redeeming or taking a transfer of any Encumbrance ranking in priority to or pari passu with this mortgage,

and the Grantor will defend all actions, proceedings, claims or demands brought by any person in relation to any matter the subject of this indemnity.

12.7 Protection of persons dealing with the Secured Party or Receiver

No person acquiring any money or asset from or paying or handing over any money or asset to or otherwise dealing with the Secured Party, any Receiver or any Delegate, or to whom is tendered for registration an instrument executed by the Secured Party, any Receiver or any Delegate, will be:

- (a) bound to inquire:
 - (i) whether the Secured Party or the relevant Receiver or Delegate has the right to dispose of any money or asset;
 - (ii) whether any Event of Default has occurred or is subsisting;
 - (iii) whether any of the Secured Money is owing or payable;
 - (iv) whether the relevant Receiver or Delegate has been properly appointed;
 - (v) as to the propriety or regularity of the exercise or purported exercise of any Power; or
 - (vi) as to any other matter or thing;
 - (b) affected by actual or constructive notice that any transaction, document or other dealing is unnecessary or improper; or
 - (c) concerned to see to the application of any money or asset, or be answerable or accountable for any loss or misapplication,
- and:
- (i) in the case of any person paying or handing over any money or asset, that person will be discharged from any further liability to pay or hand over that money or asset; and
 - (ii) the irregular, improper or unnecessary exercise of any Power and any other dealing of any nature with the Secured Party, any Receiver or any Delegate will be, as regards the protection of any such person, deemed to be authorised by the Grantor and valid.

13. Payments

13.1 Money repayable as agreed or on demand

The Grantor will pay the Secured Money to the Secured Party in dollars or any other currency specified in the relevant Transaction Document in immediately available funds not later than 11.00 am in the place of payment on the due date (or if no due date is specified, on the date of

demand by the Secured Party) and in compliance with any other requirements of the Transaction Documents.

13.2 Credit balances of other accounts

In determining the amount of the Secured Money, no credit need be allowed by the Secured Party for any credit balance in any joint or other account of the Grantor with the Secured Party, or for any other money owing by the Secured Party to the Grantor.

14. Expenses, stamp duties and GST

14.1 Expenses

- :
- (a) **(Preparation)** Each party will bear its own costs in relation to negotiating, preparing and executing this mortgage and any subsequent consent, agreement, approval, waiver or amendment relating to, or discharge of, this mortgage; and
 - (b) **(Enforcement)** The Grantor must reimburse the Secured Party on demand for, and indemnifies the Secured Party against, all Costs, including legal fees, costs and disbursements (on a full indemnity basis and determined without taxation, assessment or similar process) incurred in connection with exercising, enforcing or preserving, or attempting to exercise, enforce or preserve, any Power including any expenses incurred in the evaluation of any matter of material concern to the Secured Party or the investigation of any matter which the Secured Party determines, acting reasonably, may be an Event of Default or Potential Event of Default.
 - (c) **(Grantor's compliance)** The Grantor will bear the cost of its compliance with this mortgage.

14.2 Stamp duties

The Grantor:

- (a) must promptly pay all stamp duty, transaction, registration and similar Taxes, including fines and penalties which may be payable to, or required to be paid by, any appropriate Government Authority or determined to be payable in connection with the execution, delivery, performance or enforcement of this mortgage or any payment, receipt or other transaction contemplated by this mortgage; and
- (b) indemnifies the Secured Party against any loss or liability incurred or suffered by it as a result of the delay or failure by the Grantor to pay any Taxes as required in accordance with clause 14.2(a).

14.3 GST

- (a) Any reimbursement required to be made by the Grantor under this mortgage for a Cost or other amount paid or incurred by the Secured Party will be limited to the total Cost or other amount less the amount of any input tax credit to which the Secured Party is entitled for the acquisition to which the Cost or other amount relates.
- (b) If GST is payable in respect of any supply made by or through the Secured Party under, pursuant to, or in connection with this mortgage (**GST Liability**), then:

- (i) where consideration is provided by the Grantor in relation to that supply, the Grantor will pay an additional amount to the Secured Party equal to the full amount of the GST Liability; and
- (ii) except where clause 14.3(b)(i) applies, the Grantor will indemnify and keep the Secured Party indemnified for the full amount of the GST Liability.

The Secured Party will provide to the Grantor a tax invoice complying with the relevant law relating to any payment made to it in accordance with this clause 14.3(b).

15. Governing law and jurisdiction

15.1 Governing law

This mortgage is governed by the law applying in Victoria.

15.2 Jurisdiction

The Grantor irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of Victoria, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this mortgage; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 15.2(a).

16. Miscellaneous

16.1 Further acts and documents

- (a) The Grantor will, and will procure that all persons having or claiming any estate or interest in the Collateral from time to time after the date of this mortgage will, on demand by the Secured Party (and at the entire cost and expense of the Grantor) perform all acts and execute and deliver all further documents as the Secured Party, acting reasonably, requires:
 - (i) for more satisfactorily securing to the Secured Party the payment of the Secured Money;
 - (ii) to perfect the Encumbrance created by this mortgage over the Collateral;
or
 - (iii) for facilitating the exercise of any Power.
- (b) Without limiting clause 16.1(a) if the Secured Party determines that a Transaction Document (or a transaction related to a Transaction Document) is or contains a Security Interest, the Grantor agrees to promptly do anything (including amending any Transaction Document or executing any new document) which the Secured Party reasonably requires for the purposes of:

- (i) ensuring that the Security Interest is enforceable, perfected (including, where possible, by control in addition to registration) and otherwise effective; or
- (ii) enabling the Secured Party to apply for registration, or give any notification, in connection with the Security Interest so that the Security Interest has the priority required by the Secured Party; or
- (iii) enabling the Secured Party to exercise rights in connection with the Security Interest.

16.2 Powers cumulative

Each Power is cumulative and in addition to each other Power available to the Secured Party or any Receiver.

16.3 Indemnities

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

16.4 Time of essence

Time is of the essence in respect of the Grantor's obligations under this mortgage.

16.5 Moratorium legislation

To the fullest extent permitted by law, all laws which at any time operate directly or indirectly to:

- (a) lessen or affect in favour of the Grantor any obligation under this mortgage; or
 - (b) delay or otherwise prevent or prejudicially affect the exercise of any Power,
- are expressly waived.

16.6 Binding on each signatory

This mortgage binds and is enforceable against the Grantor despite:

- (a) any other person not executing this mortgage or its execution being defective in any way; or
- (b) any obligation or liability of any other party under this mortgage not being binding or enforceable against that party for any reason.

16.7 Counterparts

This mortgage may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the deed of each party who has executed and delivered that counterpart.

16.8 Registration

The Secured Party may register this mortgage and any financing statement or financing change statement relating to this mortgage in the manner and within any time limits prescribed by law to ensure the full efficacy of this mortgage as an Encumbrance to the Secured Party in all relevant jurisdictions.

16.9 Assignment

- (a) (i) The Secured Party may at any time assign or otherwise transfer all or any part of its rights under this mortgage to any party to whom the Secured Party transfers the Note in accordance with clause 10 of the Subscription Deed and may disclose to a proposed assignee or transferee any information in the Secured Party's possession relating to the Grantor.
- (ii) If the Secured Party assigns or otherwise transfers all or any part of its rights under this mortgage as permitted in accordance with this clause 16.9(a) the Grantor may not claim against any assignee or transferee any right of set-off or any other rights the Grantor has against the assigning or transferring Secured Party.
- (b) The Grantor cannot assign, novate or otherwise transfer any of its rights or obligations under this mortgage without the prior written consent of the Secured Party.

16.10 No merger

This mortgage and the Powers are in addition to and do not merge with, postpone, lessen or otherwise prejudicially affect any other Transaction Document or any other right, power, authority, discretion, remedy or privilege of the Secured Party.

16.11 Blanks

The Grantor authorises the Secured Party to complete any blanks in this mortgage or any document, of any nature, entered into or executed by the Grantor in connection with this mortgage.

16.12 Confidentiality

- (a) Subject to clause 16.12(b), if the Grantor is a debtor as defined in the PPSA, the parties agree to keep all information of the kind mentioned in section 275(1) of the PPSA confidential and not to disclose that information to anyone.
- (b) Clause 16.12(a) does not apply to any disclosure of information or documents:
 - (i) in any proceeding arising out of or in connection with this mortgage to the extent that the disclosure is deemed by the disclosing party necessary to protect its interests;
 - (ii) where the information is in the public domain other than as a result of a breach by that disclosing party of this clause 16.12;
 - (iii) if required to do so under a binding order of any Government Authority or any procedure for discovery in any proceedings;
 - (iv) if the disclosing party reasonably believes it is required to do so by any law or stock exchange (except that this paragraph does not permit the

Secured Party to disclose any information of the kind referred to in section 275(1) of the PPSA, to the extent that disclosure can be resisted under subsection 275(6) of the PPSA);

- (v) otherwise as required or permitted by any Transaction Document;
- (vi) to a disclosing party's Related Bodies Corporate, its legal advisors and its consultants as long as it advises them of the confidential nature of the information or documents or that nature is clear from the circumstances of the disclosure;
- (vii) by the Secured Party to a proposed assignee or transferee of any rights or obligations under any Transaction Document or to any sub-participant or other person with whom any other transaction may be entered into under which payments may be made by reference to any Transaction Document or any Obligor;
- (viii) by the Secured Party with the Grantor's prior written consent;
- (ix) by the Grantor with the Secured Party's prior written consent.

Each party authorises disclosures made by the other party in accordance with clauses 16.12(b)(i) to 16.12(b)(vii).

Executed as a deed

By the Grantor

**Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust by in accordance with
section 127 of the Corporations Act 2001 (Cth):**

Ed M'Comarck

Full name of sole director and company secretary who states that he or she is the sole director and sole company secretary of



Signature of sole director and sole company secretary

By the Secured Party

**Signed, sealed and delivered by Wu
Jiping in the presence of:**

Signature of witness

Signature

Full name of witness

Secured Party to disclose any information of the kind referred to in section 275(1) of the PPSA, to the extent that disclosure can be resisted under subsection 275(6) of the PPSA),

- (v) otherwise as required or permitted by any Transaction Document;
- (vi) to a disclosing party's Related Bodies Corporate, its legal advisors and its consultants as long as it advises them of the confidential nature of the information or documents or that nature is clear from the circumstances of the disclosure;
- (vii) by the Secured Party to a proposed assignee or transferee of any rights or obligations under any Transaction Document or to any sub-participant or other person with whom any other transaction may be entered into under which payments may be made by reference to any Transaction Document or any Obligor;
- (viii) by the Secured Party with the Grantor's prior written consent;
- (ix) by the Grantor with the Secured Party's prior written consent.

Each party authorises disclosures made by the other party in accordance with clauses 16.12(b)(i) to 16.12(b)(vii).

Executed as a deed

By the Grantor

**Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust by in accordance with
section 127 of the Corporations Act 2001 (Cth):**

Full name of sole director and company secretary who
states that he or she is the sole director and sole
company secretary of

Signature of sole director and sole company
secretary

By the Secured Party

**Signed, sealed and delivered by Wu
Jiping in the presence of:**

Signature of witness

Full name of witness

Signature

Annexure B - Chess Security Deed

This is Annexure "B" of 16 pages referred to in Form 603.

Signed for and behalf of Wu Jiping by
Chong Lee under a power of attorney dated 26
September 2013:

Chong Lee

Print Name



Signature of Chong Lee

I do hereby certify that this is a true
and complete copy of the original document

Signed

02.10.2013

Marie Clarissa De Stefano
Level 18, 333 Collins Street,
Melbourne VIC 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

CHES security deed

Silvergate Capital Pty Ltd in its own capacity and as trustee
for the Silvergate Capital Unit Trust (**Grantor**)

RBS Morgans Limited (**Participant**)

Wu Jiping (**Secured Party**)

CHES security deed

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Details

Date 30 September 2013

Parties

Name	Silvergate Capital Pty Ltd ACN 158 538 580 in its own capacity and as trustee for the Silvergate Capital Unit Trust
Short form name	Grantor
Notice details	C/- McCullough Robertson Lawyers Level 11, 66 Eagle Street BRISBANE QLD 4000 Facsimile: +617 3229 9949 Attention: Isaac West
Name	RBS Morgans Limited ACN 010 669 726
Short form name	Participant
Notice details	Level 29 123 Eagle Street BRISBANE QLD 4000 Facsimile: 07 3834 0989 Attention: Peter Chisholm
Name	Wu Jiping
Short form name	Secured Party
Notice details	C/- Clayton Utz Level 18 333 Collins Street Melbourne VIC 3000 Facsimile: +61 3 9629 8488 Attention: Jonathan Li

Background

- A The Participant and the Grantor have entered into the Sponsorship Agreement.
- B The Grantor has granted a Security Interest in the CHESSE Securities to the Secured Party under the Security Agreement.
- C This document is entered into to protect the interests of the Secured Party under the Security Agreement.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Authorised Representative means:

- (a) in respect of the Grantor, a director or company secretary, or a person it notifies to the Secured Party and the Participant (with a certified copy of that person's specimen signature) as being authorised to act as its authorised representative for the purposes of this document;
- (b) in respect of the Participant, a person holding or acting in the office of director, chief executive or company secretary, or whose title or acting title includes 'manager', 'director', 'executive', 'chief', 'head', 'counsel' or 'president', or a person notified to the other parties to act as its authorised representative for the purposes of this document; and
- (c) in respect of the Secured Party, a director or company secretary, or a person notified to the other parties to act as its authorised representative for the purposes of this document.

ASX means ASX Limited (ABN 98 008 624 691), or the stock market it conducts, as the context requires.

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

CHESS Securities means the Financial Products, including the Shares which are the subject of the Sponsorship Agreement from time to time and which are, at the date of this document, 19,691,371 fully paid ordinary shares in Carpentaria Exploration Limited ACN 095 117 981 with HIN 0062856343.

Collateral has the meaning given to that term in the Security Agreement.

Controlling Participant has the meaning given to that term under the ASX Settlement Operating Rules, provided that that Controlling Participant has been appointed pursuant to the terms of the Sponsorship Agreement.

Financial Products means:

- (a) a financial product as defined in the Corporations Act;
- (b) a negotiable instrument; and
- (c) a unit or other interest in a trust or partnership,

in connection with Carpentaria Exploration Limited ACN 095 117 981 as at the date of this document with HIN 0062856343. It includes, for the avoidance of doubt, the Shares.

Government Agency means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

GST has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the relevant entity is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Loss means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

New Rights means any new shares, dividends, bonuses, options, monies or securities of whatever nature that may at any time be transferable, allotable or payable to the holder of the Financial Products.

Power means any right, power, discretion or remedy of the Secured Party or a Receiver under this document, the Security Agreement or applicable law.

Proceeds means all money (in whatever currency) and amounts payable to the Grantor or to which the Grantor is entitled now or in the future (whether alone or with any other person) on any account or in any way whatever under, or as holder of, the Financial Products or New Rights, including distributions, dividends, bonuses, profits, return of capital, interest and all proceeds of sale, redemption or disposal.

Receiver means a receiver or receiver and manager appointed under the Security Agreement.

Secured Property means the Financial Products and includes the New Rights and Proceeds.

Security Agreement means the document titled '*Deed of mortgage of securities*' dated on or about the date of this document between the Grantor and the Secured Party.

Settlement Rules means the operating rules of the clearing and settlement facility for the financial market operated by ASX.

Shares means of the Grantor's present and after-acquired interest in, and rights in relation to:

- (a) the 19,691,371 ordinary shares issued by Carpentaria Exploration Limited ACN 095 117 981 held by the Grantor (including the Grantor's beneficial interest in those Shares);
- (b) any New Rights;
- (c) any other shares which the Grantor deposits with the Secured Party or which certificates are deposited with the Secured Party or that the Grantor and Secured Party designate as collateral for the purposes of this document; and
- (d) Proceeds.

Sponsorship Agreement means the agreement titled '*Sponsorship Agreement*' dated 10 May 2013 between the Grantor and the Participant.

Tax means any tax, levy, duty, rate, impost, charge, deduction or withholding (and any related penalty, fine, fee or interest) imposed, levied or assessed by a Government Agency. It includes stamp duty, GST and any transaction taxes and duties.

1.2 Interpretation

In this document:

- (a) headings are for reference only and do not affect interpretation;
- (b) any undertaking, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (c) the singular includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;

- (d) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day;
- (e) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting; and
- (f) examples and use of the word **including** and similar expressions do not limit what else may be included.

Unless the context requires otherwise, a reference in this document to:

- (g) a party to any document includes that person's successors and permitted substitutes and assigns;
- (h) an agreement includes any legally enforceable arrangement, understanding, undertaking or representation whether or not in writing;
- (i) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;
- (j) any thing includes any part of it and a reference to a group of things or persons includes each thing or person in that group;
- (k) clauses, schedules and annexures are to those in this document, and a reference to this document includes any schedule and annexure;
- (l) a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;
- (m) time is to Melbourne time unless stated otherwise;
- (n) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement;
- (o) **property** or an **asset** includes any real or personal, present or future, tangible or intangible property or asset and any right, interest, revenue or benefit in, under or derived from the property or asset.

1.3 ASX Settlement Operating Rules definitions

Unless defined in this document or the context otherwise requires, expressions which are given a meaning in the ASX Settlement Operating Rules have the same meaning in this document.

1.4 Inconsistency with Sponsorship Agreement

This document prevails over the Sponsorship Agreement to the extent of any inconsistency.

2. Acquisition and holding of CHES Security

2.1 Participant as Controlling Participant

- (a) The Grantor must ensure, and the Participant must procure, that each CHES Security acquired or to be acquired by the Grantor from time to time:
 - (i) is acquired as; or
 - (ii) immediately on its acquisition is Transferred or Converted to, a Participant Sponsored Holding with the Participant as Controlling Participant.
- (b) The Grantor must do all acts and things necessary, or required by the Secured Party or the Participant, to ensure that such CHES Securities are so acquired, Transferred or

Converted to a Participant Sponsored Holding with the Participant as Controlling Participant pursuant to the Sponsorship Agreement.

- (c) The Grantor must provide the Secured Party with full details of the acquisition, Transfer or Conversion once it has been completed, including copies of any documentation connected with that acquisition, Transfer or Conversion.

2.2 Acquisitions to be the subject of Sponsorship Agreement

No Financial Product which is Secured Property may be acquired or held by the Participant on the instructions of or on behalf of the Grantor unless it is the subject of the Sponsorship Agreement and the Participant is the Controlling Participant for that Financial Product.

2.3 Other Controlling Participant

Where a Financial Product which is Secured Property is held in a Participant Sponsored Holding with a person other than the Participant as the Controlling Participant for any reason, the Grantor immediately must take all action necessary to ensure that the Participant becomes the Controlling Participant in relation to that Financial Product.

2.4 Delivery of documents

If and only if required by the Secured Party to do so, the Grantor immediately must give to the Participant all certificates, marked or unmarked transfers and any other documents relating to each CHESS Security or any of the Secured Property that is capable of Transfer or Conversion into a CHESS Holding as soon as they are available to the Grantor or its agents, together with any documents which are necessary to effect a Transfer or Conversion.

2.5 Account controls

- (a) The Participant must do all things the Secured Party reasonably requires it to do to protect the interest of the Secured Party in a CHESS Security provided such things are within the control of the Participant.
- (b) Without limiting clause 2.5(a) the Participant must make the account in which the Grantor's CHESS Securities are held a single use account and otherwise put in place the Participant's usual internal controls on access and use of that account so as to protect the interest of the Secured Party in the CHESS Securities.

2.6 Information

- (a) Each of the Grantor and the Secured Party authorises the Participant to provide details of the Grantor's holding of CHESS Securities or information in relation to those CHESS Securities if required to do so by law or by the constitution of the relevant issuer of those CHESS Securities.
- (b) The Grantor undertakes to promptly advise the Secured Party in writing of any HIN or SRN used to identify it as soon as it becomes aware of such HIN or SRN.

2.7 Grantor Covenants

The Grantor acknowledges and agrees that:

- (a) the Grantor will not act in a manner in any way inconsistent with the arrangements set out in this deed, and in particular and despite its role as Participant Sponsored Holder, it will not:
 - (i) give any instructions to or conduct any dealings with the Participant as Controlling Participant pursuant to the Sponsorship Agreement or otherwise in connection with the CHESS Securities that form part of the Collateral or the Sponsorship Agreement other than as specifically permitted under this deed; and

- (ii) exercise any of its rights as Participant Sponsored Holder other than as specifically permitted on and subject to the terms of this deed and in that case only where the Secured Party has specifically consented to that exercise of rights by notice in writing to the Participant; and

any such action of the Grantor prohibited by this clause 2.7(a) is of no effect; and

- (b) the Participant as Controlling Participant pursuant to the Sponsorship Agreement is entitled to rely on the instructions received from the Secured Party or a Receiver dealing in any way with the CHESS Securities that form part of the Collateral or the Sponsorship Agreement as if the Secured Party or that Receiver were the Participant Sponsored Holder under that Sponsorship Agreement in the place of the Grantor.

3. Sponsorship representations and warranties

3.1 By Grantor and Participant

Each of the Grantor and the Participant represents and warrants to the Secured Party that:

- (a) the Sponsorship Agreement is valid, binding and enforceable against it in accordance with its terms; and
- (b) the CHESS Securities are held under the Sponsorship Agreement as a Participant Sponsored Holding with the Participant as the Controlling Participant.

3.2 Repetition

Each representation and warranty in this clause 3 is repeated, with reference to the facts and circumstances at the time, each day until termination of this document.

4. Participant's undertakings

4.1 Dealings with CHESS Securities

- (a) The Participant must not (under the Sponsorship Agreement or otherwise) Transfer, Convert, dispose of or otherwise deal with or act in relation to the CHESS Securities or any New Rights or Proceeds relating to those CHESS Securities, except as approved and authorised by the Secured Party in writing.

4.2 Secured Party or Receiver instructing the Participant

If the Secured Party or a Receiver exercises a Power under the Security Agreement:

- (a) the Secured Party or Receiver may instruct the Participant without reference to the Grantor, and that exercise of Power and the instructions are authorised and valid as far as the Participant is concerned despite any actual or constructive notice to the contrary; and
- (b) the Participant agrees to act on those instructions, and may remove any Holder Record Lock in accordance with the ASX Settlement Operating Rules to facilitate that exercise of Power and instructions, without instruction, confirmation or ratification from the Grantor.

4.3 Proceeds

The Participant must, unless the Secured Party gives a written direction to the Participant to do otherwise, pay to the Secured Party all Proceeds in relation to the CHESS Securities immediately they are received by the Participant. The Participant is not obliged to enquire as to the application of those Proceeds by the Secured Party.

4.4 Required change to form of holding or registration

The Participant immediately must notify the Secured Party of any requirement or proposal which affects or may affect the way in which any CHESS Security is held or registered. If the Participant is required by law or by a Government Agency (including ASX Settlement Pty Ltd) to effect such a change, then:

- (a) the Participant must comply with the requirement;
- (b) without limiting paragraph (a), the Participant must consult with the Secured Party with a view to determining a permissible method of compliance which best protects the Secured Party's interests; and
- (c) without limiting the Grantor's obligations under the Security Agreement, the Grantor must do whatever the Secured Party requires it to do to ensure that the Secured Party is as effectively secured in respect of that CHESS Security after the change is effected.

4.5 Participant not bound to enquire

When dealing with the Secured Party or a Receiver, the Participant need not enquire whether:

- (a) there has been a default under the Security Agreement or whether a Receiver has been properly appointed; or
- (b) the Secured Party or a Receiver has executed or registered an instrument or exercised a Power properly or with authority.

4.6 Participant's general obligations

The Participant must, unless the Secured Party otherwise consents in writing:

- (a) **(comply with Sponsorship Agreement)** comply with the Sponsorship Agreement to the extent that it is not inconsistent with this document;
- (b) **(comply with laws)** comply with applicable laws relating to the CHESS Securities and the Sponsorship Agreement, including the ASX Settlement Operating Rules, the operating rules of the ASX and the Listing Rules;
- (c) **(Controlling Participant)** take all action and execute all documents necessary for the purpose of acting as the Controlling Participant in respect of the CHESS Securities;
- (d) **(notices)** promptly notify the Secured Party of any:
 - (i) material default or dispute relating to, or under, the Sponsorship Agreement; or
 - (ii) any fact or circumstance which may affect its ability to perform its obligations under the Sponsorship Agreement or this document;
- (e) **(Security Agreement paramount)** not do anything which is inconsistent with or prejudicial to the Secured Party's rights under the Security Agreement, unless it is required by law or permitted by a Permitted Security Interest or this document to do so; and
- (f) **(Sponsorship Agreement)** not change, or agree to a change in, the Sponsorship Agreement unless required by law (in which case, such change must be promptly notified to the Secured Party); and
- (g) **(information)** if requested by the Secured Party, provide the Secured Party with copies of:
 - (i) any information and supporting documentation that the Participant holds that is necessary for it to comply with the Settlement Rules or with any law; and

- (ii) statements of holding balances and any other information which the Participant is reasonably able to obtain in relation to the CHESSE Securities that form part of the Collateral,

only to the extent that such information and documentation relates to the Financial Products the subject of this document.

5. Termination

5.1 Participant unable to perform

If the Participant is suspended from participation in CHESSE, or is otherwise unable to perform its obligations under the Sponsorship Agreement or this document, the Grantor must ensure that another Sponsoring Participant becomes its Controlling Participant in relation to the CHESSE Securities and that that Sponsoring Participant immediately enters into a deed with the Secured Party and the Grantor substantially on the same terms as this document.

5.2 Grantor's right of termination restricted

The Grantor may not terminate the Sponsorship Agreement until the Secured Party has released all CHESSE Securities from the Security Agreement or the Security Agreement has terminated. Any purported termination by the Grantor of the Sponsorship Agreement prior to that time is invalid.

5.3 Termination of this document

- (a) This document will terminate when the Secured Party notifies the Grantor and the Participant that it has released all CHESSE Securities from the Security Agreement or that the Security Agreement has been terminated. The Secured Party must notify the Participant of any release or termination.
- (b) The termination of this document does not affect any rights or obligations of the parties which accrue before termination.

6. Costs, expenses and Taxes

6.1 Costs and expenses of the Participant

The Grantor must pay on demand all costs and expenses of the Participant relating to or in connection with:

- (a) the negotiation, preparation, execution, delivery and payment of Taxes on this document;
- (b) any variation or discharge of this document;
- (c) the exercise, enforcement, protection or waiver, or attempted exercise, enforcement or protection, of any right of the Participant under this document;
- (d) the discharge of the Participant's obligations under this document; and
- (e) the giving by the Participant of a consent or approval in connection with this document,

including any legal costs and expenses (on a full indemnity basis), any professional consultant's fees and any registration or other fees and charges associated with CHESSE.

6.2 Costs and expenses of the Grantor

The Grantor will pay its own costs and expenses in connection with this document.

6.3 Taxes, fees and charges

The Grantor must pay all:

- (a) Taxes, fees and charges in connection with this document or any payment, receipt, supply or other transaction carried out pursuant to, or contemplated by, this document, including Taxes passed onto the Secured Party by another financial institution or supplier of goods and services; and
- (b) fines and penalties for late payment or non-payment of those amounts, except where the Grantor places the Secured Party in cleared funds to make the payment not less than 5 Business Days before the due date and the Secured Party fails to make the payment.

The Grantor must pay or reimburse the Secured Party on demand for all such amounts which are payable or which the Secured Party determines in good faith to be payable.

6.4 GST

- (a) In this clause 6.4:
 - (i) terms defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) apply;
 - (ii) reference to a person includes the representative member of any GST group of which the relevant person is a member;
 - (iii) a **Finance Supply** means a supply made or to be made by the Secured Party under or in connection with a Finance Document where the consideration for the supply is not stated to include an amount in respect of GST on the supply; and
 - (iv) **GST Amount** means the amount of any GST payable on a Finance Supply.
- (b) All Finance Supply amounts have been calculated without regard to GST. If GST is or will be imposed on any Finance Supply, the payment to the supplier for that supply shall be increased by the GST Amount. Each recipient of a Finance Supply indemnifies the supplier against, and must pay to the supplier on demand amounts equal to, any Loss arising as a result of or in connection with the supplier failing to receive the increased payment amount.
- (c) If a party is liable under a Finance Document to reimburse or indemnify the Secured Party for any Loss, the reimbursement or indemnity amount will be for the full GST inclusive amount of that Loss less any input tax credit to which the Secured Party determines it is entitled with respect to that Loss, plus any increased amount for GST payable under clause 6.4(b). To the extent that the Secured Party is not entitled to an input tax credit for the GST payable on any supply acquired by or expenditure incurred by the Secured Party directly or indirectly in connection with a Finance Document, the Grantor must reimburse the Secured Party for the amount of that unrecoverable GST.
- (d) The supplier of a Finance Supply that is a taxable supply must issue a tax invoice to the recipient no later than 14 days following payment of the GST Amount pursuant to this clause 6.4.
- (e) If it is determined on reasonable grounds that the amount of GST paid or payable to the Commissioner of Taxation by the supplier in connection with a Finance Supply differs for any reason from the GST amount paid or payable to the supplier by the recipient pursuant to clause 6.4(b), the amount of the difference must be paid by, refunded to or credited to (as applicable), the recipient promptly, and the supplier must issue an adjustment note to the recipient.

- (f) If the GST payable in relation to a Finance Supply is less than the amount that the recipient has paid the supplier under clause 6.4(b), the supplier is only obligated to pay a refund of GST to the recipient to the extent the supplier receives a refund of that GST from the Commissioner of Taxation. This clause 6.4(f) does not apply in relation to adjustment events.

7. Indemnity

The Grantor indemnifies the Participant against, and must pay to the Participant on demand amounts equal to, any Loss by the Participant as a result of or in connection with:

- (a) the Participant complying with its obligations under this document; or
- (b) the exercise of a Power by the Secured Party or a Receiver in relation to this document, the Security Agreement, the Sponsorship Agreement or the CHESS Securities.

8. Assignment

8.1 By Grantor

The Grantor may not assign, transfer or otherwise deal with its rights, interest or obligations under this document without the Secured Party's prior written consent.

8.2 By Participant

The Participant may not assign, transfer or otherwise deal with its rights, interest or obligations under this document without the Secured Party's prior written consent.

8.3 By Secured Party

- (a) Unless the Secured Party has expressly agreed otherwise with the Grantor in another document, the Secured Party may assign its rights under this document without the consent of the Grantor or the Participant.
- (b) Unless the Secured Party has expressly agreed otherwise with the Grantor in another document, the Secured Party may disclose to a potential assignee any confidential information provided to the Secured Party by the Grantor or the Participant for the purposes of the assignment.

9. Notices, demands and communications

9.1 Service

A notice, demand, consent, approval or communication (**Notice**) given by a party in connection with this document must be:

- (a) in writing, in English and signed by an Authorised Representative of the party; and
- (b) hand delivered or sent by prepaid post (or airmail if applicable) or facsimile to the recipient's address for notices specified in the 'Details' section of this document (as varied by any Notice given by the recipient to the party).

9.2 Effective on receipt

A Notice given in accordance with clause 9.1 takes effect when received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;

- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia); or
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight hours after the transmission (being counted as hours from 9.00am to 5.00pm on a Business Day), the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm (addressee's time) on a Business Day, the Notice is taken to be received at 9.00am (addressee's time) on the next Business Day.

9.3 Validity

A Notice is validly given by the Secured Party even if returned unclaimed or if the recipient has been wound up or is absent from the place the Notice is delivered or sent to.

9.4 Other methods

This clause does not limit any provision for giving Notices in the Sponsorship Agreement or the Security Agreement, or limit any other method for giving Notices or serving demands provided for by law.

10. Other provisions

10.1 Authorised Representatives and communications

The Grantor irrevocably authorises the Secured Party and the Participant to rely on a certificate by any person purporting to be its director or secretary as to the identity and signatures of its Authorised Representatives, and to rely on any Notice or other document contemplated by this document or the Security Agreement which bears the purported signature (whether given by facsimile or otherwise) of its Authorised Representative. The Grantor warrants that those persons have been authorised to give notices and communications under or in connection with this document and the Security Agreement.

10.2 Consent and waivers

A consent or waiver by the Secured Party in relation to this document is effective only if in writing. If given subject to conditions, the consent or waiver only takes effect subject to compliance with those conditions to the Secured Party's satisfaction.

10.3 Indemnities and reimbursement obligations

The Secured Party or the Participant need not incur an expense or make a payment before enforcing an indemnity or reimbursement obligation in this document. Unless otherwise stated, each such indemnity or reimbursement obligation is separate and independent of each other obligation of the party giving it, is absolute, irrevocable, unconditional and payable on demand and continues despite any settlement of account, termination of this document, the Security Agreement or anything else.

10.4 Law and legislation

To the extent permitted by law:

- (a) this document prevails to the extent of inconsistency with any law; and
- (b) any present or future legislation operating to reduce the Grantor's obligations under this document or the effectiveness of the Secured Party's rights under it is excluded.

10.5 Severability

A provision of this document that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of this document in any jurisdiction.

10.6 Variation

A variation of this document must be in writing and signed by or on behalf of each party to it.

10.7 Governing law and jurisdiction

This document is governed by the laws of Queensland. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

10.8 Service of process

Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this document.

10.9 Counterparts

This document may be executed in any number of counterparts. Each counterpart constitutes an original of this document, all of which together constitute one instrument. A party who has executed a counterpart of this document may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party, and if requested by that other party, will promptly deliver the original by hand or post. Failure to make that delivery will not affect the validity of this document.

Signing page

EXECUTED as a deed.

Each attorney signing this document under a power of attorney certifies, by the attorney's signature, that the attorney has no notice of the revocation of the power of attorney.

Grantor

Executed by **Silvergate Capital Pty Ltd**
ACN 158 538 580 in its own capacity and
as trustee for the Silvergate Capital Unit
Trust in accordance with Section 127 of the
Corporations Act 2001

←  ←

Signature of Edward McCormack who signs in his
capacity as sole director and sole secretary

Participant

Executed for and on behalf of **RBS**
Morgans Limited ACN 010 669 726 in
accordance with Section 127 of the
Corporations Act 2001

 ←

Signature of director

PETER CHISHOLM

Name of director (print)

 ←

Signature of director/company secretary

Jeffrey Oates

Name of director/company secretary (print)

Secured Party

Executed by Wu Jiping in the presence of:

Signature of witness

← _____ ←
Signature of Wu Jiping

Name of witness (print)

Signing page

EXECUTED as a deed.

Each attorney signing this document under a power of attorney certifies, by the attorney's signature, that the attorney has no notice of the revocation of the power of attorney.

Grantor

Executed by **Silvergate Capital Pty Ltd**
ACN 158 538 580 in its own capacity and
as trustee for the Silvergate Capital Unit
Trust in accordance with Section 127 of the
Corporations Act 2001

← Signature of Edward McCormack who signs in his
capacity as sole director and sole secretary ←

Participant

Executed for and on behalf of **RBS**
Morgans Limited ACN 010 669 726 in
accordance with Section 127 of the
Corporations Act 2001

Signature of director ←

← Signature of director/company secretary ←

Name of director (print)

Name of director/company secretary (print)

Secured Party

Executed by Wu Jiping in the presence of:

Signature of witness ←

← Signature of Wu Jiping ←

Name of witness (print)

Annexure C - Redeemable Convertible Note Subscription Deed

This is Annexure "C" of 136 pages referred to in Form 603.

**Signed for and behalf of Wu Jiping by
Chong Lee** under a power of attorney dated 26
September 2013;

Chong Lee

Print Name

Signature of Chong Lee

I do hereby certify that this is a true
and complete copy of the original document

Signed

02/10/2013

Marie Clarissa De Stefano
Level 18, 333 Collins Street,
Melbourne VIC 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

Redeemable convertible note subscription deed

Pure Metals Pty Ltd ACN 151 066 321

Ample Source International BVI

Mr Wu Jiping

Edward Maurice McCormack in his personal capacity and in his capacity as trustee for the Pure Metals Trust

Wilson Wai Yin Cheung

I hereby certify that this is a true
true copy of the original document

Signed

02/10/2013

Marie Clarissa De Stefano
Level 18, 333 Collins Street,
Melbourne VIC 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

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Redeemable convertible note subscription deed

Dated *29 September* 2013

Parties

Pure Metals	Pure Metals Pty Ltd ACN 151 066 321 of C/- McCullough Robertson Lawyers of Level 11, 66 Eagle Street, Brisbane, Queensland 4000
Subscriber	Mr Wu Jiping of C/- Clayton Utz, Level 18, 333 Collins Street, Melbourne VIC 3000
ASI	Ample Source International BVI in its capacity as beneficiary of the Pure Metals Trust of 5B Kiu Fu Commercial Building, 300 Lockhart Road, Wanchai, Hong Kong
Edward Maurice McCormack	Edward Maurice McCormack in his personal capacity and in his capacity as trustee for the Pure Metals Trust of Unit 1, 24 Mona Road, Darling Point, NSW 2027
Wilson Wai Yin Cheung	Wilson Wai Yin Cheung of 5B Kiu Fu Commercial Building, 300 Lockhart Road, Wanchai, Hong Kong

Background

- A Pure Metals has agreed to issue, and the Subscriber has agreed to subscribe for, the Note.
- B All amounts owing by Pure Metals to the Subscriber under the Note and this document will be secured by a security interest over the CAP Shareholding pursuant to the Mortgage Deed.
- C The parties have agreed to enter into this document to record the terms of their agreement.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Approved Programme and Budget	has the meaning given to that term in the Exploration Joint Venture Agreement.
ASIC	means the Australian Securities and Investments Commission.
Board	means the board of directors of Pure Metals.
Business Day	means a day other than a Saturday, Sunday or a public holiday in Brisbane, Australia or Wanchai, Hong Kong.
Called Sums	has the meaning given to that term in the Exploration Joint Venture Agreement.
CAP	means Carpentaria Exploration Limited ACN 095 117 981
CAP Shareholding	means Silvergate's holding of 19,691,371 fully paid ordinary shares in the capital of CAP.
Capped Amount	has the meaning given to that term in the Exploration Joint Venture Agreement.
CHESS Security Deed	means the CHESS security deed to be entered into between the Subscriber (as secured party) and Silvergate (as grantor) and RBS Morgans Limited (as broker sponsor) in respect of the Subscriber's rights under the Mortgage Deed.
Claim	means any claim, notice, demand, action, proceeding, litigation, investigation or judgment whether based in contract, tort, statute or otherwise.
Completion	means completion of the issue of and subscription for the Note under this document.
Completion Date	means 30 September 2013.
Conversion Date	means the day that is 10 Business Days after the date on which the Noteholder gives the Noteholder Conversion Notice.
Conversion Deed Poll Release	means a deed poll given by the Subscriber in favour of Pure Metals in the form set out in Annexure E.
Conversion Period	means the period beginning on the Issue Date and ending at 5.00pm on the date that is five months after the Issue Date.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Encumbrance	means any mortgage, pledge, charge, licence, any right of set off, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security agreement or arrangement of any kind given, arising or created.
Exploration Joint Venture Agreement	means the Exploration Joint Venture Agreement (Hawsons Iron Project) dated 4 May 2013 between CAP and the Pure Metals as amended from time to time.
Event of Default	has the meaning set out in clause 14.1.

Term	Definition
Face Value	means, in relation to the Note, A\$3,000,000.
Featherweight Charge	means the featherweight general security deed to be entered into by the Subscriber (as secured party) and Silvergate (as grantor) in the form set out in Annexure C.
Governmental Agency	means any government or any governmental agency, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
Guarantee and Indemnity	means the deed of guarantee and indemnity to be entered into by the Subscriber (as beneficiary) and Silvergate (as grantor) in the form set out in Annexure B.
Immediately Available Funds	means telegraphic or other electronic means of transfer of cleared funds into a bank account nominated in advance by the payee.
Insolvency Event	means any of the following events occurring in relation to a party: (a) a liquidator, receiver, receiver and manager, administrator, official manager or other controller (as defined in the Corporations Act), trustee or controlling trustee or similar official is appointed over any of the property or undertaking of the party; (b) the party is, or becomes unable to, pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act, or is presumed to be insolvent under the Corporations Act; (c) the party ceases to carry on business; (d) the party has entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them; or (e) an application or order is made for the liquidation of the party or a resolution is passed or any steps are taken to liquidate or pass a resolution for the liquidation of the party, otherwise than for the purpose of an amalgamation or reconstruction.
Interest Rate	means from and including the Issue Date to six months from the date of this document (where the Note has not been converted, repaid or purchased prior to that date), 18% per annum.
Issue Date	means in respect of the Note, the date of issue of the Note.

Term	Definition
Joint Venture	has the meaning given to it in the Exploration Joint Venture Agreement.
Joint Venture Interest	has the meaning given to it in the Exploration Joint Venture Agreement.
Last Balance Date	means 30 June 2012.
Loss	losses, liabilities, damages, costs, charges and expenses and includes Taxes.
Management Committee	has the meaning given to it in the Exploration Joint Venture Agreement.
Material Contract	means the following agreements relating to the Joint Venture: (a) the Exploration Joint Venture Agreement; and (b) the Deed of Cross Security contained in Schedule 6 of the Exploration Joint Venture Agreement.
Mortgage Deed	means the deed of mortgage of securities to be entered into between the Subscriber (as secured party) and Silvergate (as grantor) in the form set out in Annexure A.
Note	means the secured redeemable convertible note issued by Pure Metals on the terms set out in this document.
Note Certificate	means a certificate in the form set out in Schedule 1 and issued to a Noteholder in respect of the Note held by it.
Noteholder	means the holder of a Note.
Noteholder Conversion Notice	means a notice in the form set out in Schedule 2.
Noteholder Repayment Notice	means a notice to Pure Metals in the form set out in Schedule 3 advising the Noteholder's requirement for Pure Metals to repay the Note in accordance with clause 14.3.
Noteholders' Register	means the Noteholders' register maintained by Pure Metals in accordance with clause 11.1(a).
PPS Register	means the register of security interests established and maintained under the Personal Property Securities Act 2009 (Cth).
Pure Metals Warranties	means the warranties contained in Schedule 4.
Redemption Date	means, in respect of the Note, the earlier of: (a) the Repayment Date; and (b) the date that is six months after the Issue Date.
Redemption Deed Poll Release	means a deed poll given by the Subscriber in favour of Pure Metals in the form set out in Annexure D.

Term	Definition
Regulatory Authority	means (a) any government or local authority and any department, minister or agency of any government; and (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.
Related Entity	in relation to a corporation means: (a) a related body corporate of that corporation within the meaning of section 50 of the Corporations Act; and (b) a trustee of any unit trust in relation to which that corporation, or any corporation referred to in paragraph (a), directly or indirectly: (i) controls the right to appoint the trustee; (ii) is in a position to control the casting of, more than one half of the maximum number of votes that might be cast at a meeting of holders of units in the trust; or (iii) holds or is in a position to control the disposal of more than one half of the issued units of the trust. in relation to an individual means a company in which the individual beneficially owns 50% or more of the shares.
Repayment Date	means the date which is ten Business Days after the Noteholder gives Pure Metals a Noteholder Repayment Notice.
Security	means a share, debenture, stock, bond, note, unit, warrant, option or derivative instrument.
Share	means an ordinary share in the capital of Pure Metals.
Shareholder	means a holder of a Share from time to time.
Shareholding	means the number of Shares held by a Shareholder expressed as a percentage of the total number of Shares.
Silvergate	means Silvergate Capital Pty Ltd ACN 158 538 580 as trustee for the Silvergate Capital Unit Trust.
Silvergate Release	means the release to be executed by BMG and the Liquidators under which the CAP Shareholding is released as security.
Subscriber Shares	means the Shares issued to the Subscriber pursuant to clause 9.2(b)(i) or 9.2(c).
Subscriber Additional Shares	means the Shares issued to the Subscriber pursuant to clause 9.2(b)(ii).

Term	Definition
Subscription Amount	means A\$3,000,000 for the Note.
Subsidiary	has the meaning given to that term in section 9 of the Corporations Act.
Sunset Date	means the date that is one month from the date of this document.
Tax	means: (a) any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or (b) any income, stamp or transaction duty, tax or charge, that is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to, any interest, fine, penalty charge, fee or any other amount imposed on, or in respect of any of the above.
Transaction Documents	means: (a) this document; (b) the Note; (c) the Mortgage Deed; (d) the CHESS Security Deed; (e) the Featherweight Charge; (f) Guarantee and Indemnity; and (g) any other document that the parties agree is a Transaction Document for the purposes of this definition.

1.2 Interpretation

In this document:

- (a) a singular word includes the plural and vice versa;
- (b) a word which suggests one gender includes the other gender;
- (c) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (d) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied, novated or replaced;
- (g) a reference to this document includes the agreement recorded by this document;

- (h) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (i) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;
- (j) a reference to time is to the time in Brisbane, Australia.
- (k) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity; and
- (l) a reference to '\$' or 'dollar' is to Australian currency.

2 Subscription for Note

The Subscriber agrees to subscribe for the issue of the Note and Pure Metals agrees to issue the Note to the Subscriber at Completion on the terms set out in this document.

3 Release of existing security and Completion

3.1 Date and place of Completion

Completion is to occur at the time and place nominated by Pure Metals on the Completion Date.

3.2 Events for Completion

- (a) **(Subscriber's Completion obligations)** At Completion, the Subscriber must:

- (b) **(Pure Metals' Completion obligations)** At Completion, Pure Metals must:

- (v) **(issue Note)** Issue the Note to the Subscriber free from any Encumbrance; and
- (vi) **(Note Certificate)** give the Subscriber a Note Certificate in respect of the Note issued.

3.4 Sunset Date

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

4 Subscriber's warranties

4.1 Warranties

The Subscriber warrants to Pure Metals at the date of this document, the Completion Date and the Conversion Date that:

- (a) it has full corporate power and lawful authority to execute and deliver and perform its obligations under this document; and
- (b) this document does not conflict with, nor result in a breach of or default under, any writ, order, injunction, judgement, law, rule or regulation to which it is a party or is subject to or by which it is bound.

4.2 Duration

The warranties contained in clause 4.1 survive and do not merge on Completion.

5 Pure Metals' warranties

5.1 Warranties

Subject to the qualifications in clause 5.3, Pure Metals gives the Pure Metals Warranties in favour of the Subscriber:

- (a) in respect of each Pure Metals Warranty that is expressed to be given on a particular date, on that date; and
- (b) in respect of each other Pure Metals Warranty, on the date of this document and the Conversion Date and on each other day between the date of this document and the Conversion Date (including the Completion Date).

5.2 Duration

The warranties contained in clause 5.1 survive and do not merge on Completion.

5.3 Qualifications

- (a) The Subscriber must not make a Claim in respect of a fact, matter or circumstance that caused a breach of a Pure Metals Warranty that is given on the Conversion Date to occur if the fact, matter or circumstance that caused the breach of the Pure Metals Warranty is:
 - (i) provided for or described in this document;
 - (ii) fairly disclosed in writing by Pure Metals to the Subscriber within one month after the date of this document; or
 - (iii) fairly disclosed in writing by Pure Metals to the Subscriber in accordance with clause 5.4.
- (b) For purposes of this clause 5.3 and 5.4, a fact, matter or circumstance is "fairly disclosed" if sufficient information has been disclosed that a sophisticated investor, experienced in transactions of the nature of the proposed transactions contemplated by this document would be aware of the substance and significance of the information and would be aware of the nature and extent of the breach of Pure Metals Warranty.
- (c) The Subscriber must not make a Claim in respect of a fact matter or circumstance that caused a breach of a Pure Metals Warranty if the fact, matter or circumstance that caused the breach of the Pure Metals Warranty was within the actual knowledge of the Subscriber, Ms Qing Wu or Mr Chong Lee or Mr David Lee:
 - (i) in respect of a Pure Metals Warranty given at the date of this document or at Completion, before the date of this document; and
 - (ii) in respect of a Pure Metals Warranty given at the Conversion Date, before the Subscriber submits a Noteholder Conversion Notice.

5.4 Disclosure upon receipt of Conversion Notice

- (a) Pure Metals may, within five Business Days of the receipt of a Noteholder Conversion Notice from the Subscriber in accordance with this document, fairly disclose in writing to the Subscriber, any fact, matter or circumstance that would cause a breach of a Pure Metals Warranty that is given on the Conversion Date (**Conversion Notice Disclosure**).
- (b) The Subscriber must, within five Business Days following receipt of the Conversion Notice Disclosure from Pure Metals:
 - (i) confirm that it wishes to proceed with the conversion of the Note on the basis of the facts, matters or circumstances disclosed; or

- (ii) withdraw the Noteholder Conversion Notice and issue a Noteholder Repayment Notice.

5.5 Reliance

Pure Metals acknowledges that the Subscriber has entered into this document and will Complete and exercise its right to convert the Note and subscribe for the Subscriber Shares and Subscriber Additional Shares (as the case may be) in reliance of the Pure Metals Warranties.

5.6 Awareness

Where a Pure Metals Warranties is given "to the best of the knowledge of Pure Metals", or "so far as Pure Metals is aware" or with a similar qualification as to the knowledge or awareness of Pure Metals, Pure Metal is deemed to know or be aware of a particular fact, matter or circumstance only if Edward Maurice McCormack or Wilson Wai Yin Cheung is actually aware of that fact, matter or circumstance as at the date on which the Pure Metals Warranty is given.

6 Issue of Note

6.1 Note are unlisted

Pure Metals does not intend to list the Note for quotation on any stock exchange and is not obliged to do so.

6.2 Note are secured

All amounts owing by Pure Metals to the Subscriber under the Note and this document will be secured by a security interest over the CAP Shareholding in the form and to the effect of the Mortgage Deed.

6.3 Term

The Note will, unless redeemed or converted earlier in accordance with this document, be redeemed or converted, as the case may be, and cease to exist on the Redemption Date.

7 Interest

7.1 Calculation of interest

Subject to clause 7.3, interest on the Note:

- (a) Is payable in arrears at the Interest Rate;

- (b) accrues daily on the Face Value;
- (c) is cumulative; and
- (d) is calculated on the outstanding Face Value of each Note from and including the Issue Date of that Note, until and including the Redemption Date.

7.2 Payment of interest

In the case of the redemption of Note, interest must be paid in arrears by Pure Metals to the Noteholder in respect of the Note held by that Noteholder on the Redemption Date.

7.3 No interest on conversion

No interest is payable on the Note where the Noteholder elects to convert the Note in accordance with clause 9.

7.4 Default Interest

If Pure Metals fails to pay any amount payable by it under a Transaction Document, it shall immediately pay, on demand by the Noteholder, interest at the rate of 18% per annum on the overdue amount from and including the due date until and including the date of actual payment.

8 Repayment of Note

8.1 Repayment on Redemption Date

- (a) If:
 - (i) the Noteholder has not previously issued a valid Noteholder Conversion Notice to Pure Metals (but, in any event, within the Conversion Period) or having issued a Noteholder Conversion Notice, has withdrawn that notice in accordance with clause 5.4(b)(ii); or
 - (ii) the Noteholder has not previously issued a valid Noteholder Repayment Notice to Pure Metals by no later than 5:00pm on the day two Business Days prior to the Redemption Date under clause 14.4(a) (on the occurrence of Event of Default),

Pure Metals must subject to clause 8.2, on the Redemption Date, pay to the Noteholder the aggregate of the Face Value of each Note held by that Noteholder and any interest accrued and payable under clause 7 (**Cash Repayment**).

- (b) If on the Redemption Date Pure Metals has the funds available (but excluding any funds which have been allocated for expenditure required under an Approved Programme and Budget), but fails, to pay the Cash Repayment in full as required under clause 8.1(a), Pure Metals is in default under this document and, in addition to Pure Metals being liable to pay the Cash Repayment to the Noteholder, the Noteholder may exercise its rights pursuant to the terms of the Mortgage Deed and Guarantee and Indemnity in respect of the Collateral to acquire the CAP Shareholding.
- (c) If on the Redemption Date Pure Metals does not have the funds available (which excludes any funds which have been allocated for expenditure required under an Approved Programme and Budget), and fails, to pay the Cash Repayment in full as required under clause 8.1(a),:

- (i) Pure Metals is in default under this document; and
- (ii) the Noteholder must exercise its rights pursuant to the terms of the Mortgage Deed and Guarantee and Indemnity in respect of the Collateral to acquire the CAP Shareholding; and
- (iii) the parties acknowledge and agree that:
 - (A) the acquisition of the CAP Shareholding pursuant to the Mortgage Deed is in full and final satisfaction of all of Pure Metals' obligations to the Noteholder under this document, including to repay the Face Value of the Note and any interest accrued and payable under this document, and the Subscriber releases Pure Metals from such obligations; and
 - (B) the acquisition of the CAP Shareholding is in full and final satisfaction of Silvergate's obligations under the Transaction Documents and the Subscriber will release Silvergate from such obligations,
 regardless of whether the value of the CAP Shareholding exceeds or is less than the amount of the Cash Repayment.

8.2 Surrender of Note Certificate and release of security

Pure Metals need not make a Cash Repayment to the Noteholder or transfer the CAP Shareholding to the Noteholder under this clause 8 unless the Noteholder:

- (a) **(Note Certificate)** surrenders to Pure Metals the Note Certificate for the Note or, if the certificate has been lost or destroyed, provides a statutory declaration to that effect; and
- (b) **(Redemption Deed Poll Release)** provides to Pure Metals a signed original Redemption Deed Poll Release and any notices required to terminate the CHESS Security Deed.

8.3 Obligations cease and security to be released

Upon the payment of the Cash Repayment or provision of the CAP Shareholding:

- (a) Pure Metals' obligations under this document to the former holder of that Note end; and
- (b) the Noteholder must, no later than five Business Days after the payment, lodge any documentation required to record the release of its security interest in a connection with a Transaction Document from the PPS Register.

8.4 Cancellation of Note

If Pure Metals repays or converts the Note, then the Note must be cancelled and cannot be re-issued.

9 Conversion to Shares and subscription of additional Shares

9.1 Conversion only during the Conversion Period

A Noteholder Conversion Notice submitted by the Noteholder is not valid and Pure Metals has no obligation to convert the Note, unless the Noteholder Conversion Notice is lodged during the Conversion Period.

9.2 Conversion of Note by Noteholder

- (a) The Noteholder may elect to convert the Note during the Conversion Period.

9.3 Ranking of Subscriber Shares and Subscriber Additional Shares

Each Subscriber Share or Subscriber Additional Share will be issued as fully paid and will rank equally with all other Shares then on issue.

9.4 Issue Subscriber Shares and Subscriber Additional Shares

Pure Metals must, at the time of issue of Subscriber Shares or Subscriber Additional Shares:

- (a) cause that the Noteholder to be registered as the holder of that number of Subscriber Shares and Subscriber Additional Shares (as the case may be); and
- (b) deliver a share certificate (or holding statement) for the Subscriber Shares and Subscriber Additional Shares (as the case may be) to the Noteholder.

9.5 Obligations cease

On conversion of the Note under clause 9.2, Pure Metals' obligations under this document to the former holder of that Note end.

9.6 Security to be released on the Conversion Date

If the Note to be converted under this clause is the only Note held by the Noteholder, the Noteholder must:

- (a) **(Conversion Deed Poll Release)** on the Conversion Date, provide to Pure Metals a signed original Conversion Deed Poll Release; and
- (b) **(PPS Register)** no later than five Business Days after the Conversion Date, lodge any documentation required to record the release of 16,737,665 fully paid ordinary shares in the capital of CAP from its security interest on the PPS Register (provided that the number of shares to be released is adjusted for any adjustment to the share capital of CAP by way of share split or consolidation between the date of this document and the date of lodgement of the document) and any directions required to transfer such number of shares released from the Subscriber's security interest to a participant sponsored holding that is not subject to the CHESS Security Deed.

9.7 Security to be released 9 months after the Conversion Date

On the date that is the later of:

- (a) 9 months after the Conversion Date of the last Note; and
- (b) the agreement, compromise or settlement of all Claims made against Pure Metals by the Subscriber under clause 14.3 where the Claims were made within 9 months after the Conversion Date of the last Note,

the Subscriber must:

- (c) **(Redemption Deed Poll Release)** provide to Pure Metals a signed original Redemption Deed Poll Release and any notices required to terminate the CHESS Security Deed; and
- (d) **(PPS Register)** no later than five Business Days after the provision of the Redemption Deed Poll Release, lodge any documentation required to record the release of all fully paid ordinary shares in the capital of CAP from its security interest on the PPS Register.

10 Transfer of Note

10.1 Entitlements and restrictions

- (a) Subject to:
 - (i) the terms of this document;
 - (ii) the proposed transferee entering into a deed of adherence referred to in clause 10.1(b); and
 - (iii) Pure Metals being satisfied that:
 - (A) the proposed transferee is solvent, responsible and respectable, and of sound financial standing; or

- (B) the proposed transferee is a Related Entity of the Subscriber (provided that if the transferee ceases to be a Related Entity it must transfer the Note back to the Subscriber),

the Note may otherwise be freely transferred by an instrument in writing in common form or in any other form as the Board approves.

- (b) If the Noteholder transfers the Note to a person in accordance with this document it must procure that the transferee enters into a deed of adherence agreeing to be bound by the terms of this document.
- (c) Title to the Note passes when the Note is registered in the name of the transferee in the Noteholders' Register.

10.2 Procedure

Every instrument of transfer must be:

- (a) signed by the transferor and the transferee; and
- (b) sent to Pure Metals, accompanied by:
 - (i) the Note Certificate (or a statutory declaration to the effect that the certificate has been lost or destroyed) for the Note being transferred and evidence of the payment of any applicable stamp duty; and
 - (ii) the deed of adherence in favour of Pure Metals referred to in clause 10.1(a)(ii) duly executed by the transferee.

10.3 Registration

On receipt of an instrument of transfer signed by the transferor and the transferee in accordance with this clause 10, Pure Metals must:

- (a) enter the named transferee into the Noteholders' Register for the number of Note the subject of the Instrument of transfer;
- (b) issue a new Note Certificate for the Note the subject of the instrument of transfer in the name of that transferee; and
- (c) cancel the old Note Certificate.

10.4 Lost certificate

Where an instrument of transfer is not accompanied by a Note Certificate because it is lost or destroyed, if Pure Metals would be obliged to issue a replacement Note Certificate in accordance with this document, the instrument of transfer will be deemed to have been properly given on the date that it is received by Pure Metals in accordance with this document.

10.5 Retention of instruments

All instruments of transfer and surrendered Note Certificates will be retained by Pure Metals.

10.6 Obligations cease

On transfer of the Note under clause 10, Pure Metals' obligations under this document to the former holder of that Note end.

10.7 Security to be released on transfer of Note and new security granted to transferee

- (a) **(Redemption Deed Poll Release)** the Noteholder must, on the date of the transfer, provide to Pure Metals a signed original Redemption Deed Poll Release;
- (b) **(PPS Register)** the Noteholder must, no later than five Business Days after the date of the transfer, lodge any documentation required to record the release of its security interest from the PPS Register; and
- (c) **(new security in favour of transferee)** subject to Pure Metals consenting to grant security to the proposed transferee, Pure Metals must execute a security document granting security in favour of the transferee on the same or substantially the same terms as the General Security Agreement.

11 Register of Noteholders

11.1 Register of Noteholders

- (a) Pure Metals must establish and maintain a Noteholders' Register at its registered office or at any other place permitted by the Corporations Act as the Board decides.
- (b) There must be entered on the Noteholders' Register:
 - (i) the name and address of the Noteholder;
 - (ii) the date of issue of the Note;
 - (iii) the number and Face Value of the Note held by the Noteholder;
 - (iv) the details of any security interest in place to secure Pure Metals' obligations to the Noteholder;
 - (v) the date of transfer (if any) of the Note to or from the Noteholder; and
 - (vi) if the Note has been converted, repaid or redeemed, particulars of the conversion, repayment or redemption.
- (c) The Noteholder must promptly notify Pure Metals of any change of its name or registered address accompanied, in the case of change of name, by any evidence as Pure Metals may reasonably require. The Noteholders' Register must be altered accordingly.
- (d) The Noteholders' Register will be open during normal business hours for inspection by the Noteholder and as required by the Corporations Act.

11.2 Recognition of registered Noteholder

- (a) Inscription in the Noteholders' Register is sufficient and conclusive evidence to all persons for all purposes that the person whose name is so inscribed is the registered holder of the Note, except in the case of manifest error or breach by Pure Metals of its obligations under clause 11.1.

- (b) Pure Metals will only recognise the party registered as the holder of a Note, as the owner of a Note and is not bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Note may be subject.
- (c) If several persons are entered in the Noteholders' Register as joint holders of any Note then the payment to any one of such persons of any amount from time to time payable in respect of such Note will be an effective discharge to Pure Metals for the moneys so paid.

11.3 Issue and replacement of Note Certificates

- (a) Pure Metals must, on the Issue Date, issue to the Noteholder a Note Certificate stating the Face Value of the Note held by the Noteholder.
- (b) If any Note Certificate becomes worn out or defaced then upon its production to Pure Metals may cancel it and issue a new Note Certificate in its place.
- (c) If any Note Certificate is lost or destroyed then upon proof to the satisfaction of Pure Metals, a replacement Note Certificate shall be given to the Noteholder. An entry as to the issue of such new Note Certificate must be made in the Noteholders' Register.
- (d) Any Note Certificate that is returned to Pure Metals in connection with the conversion or transfer or repurchase of any Note must be cancelled by Pure Metals when the conversion or transfer or repurchase is recorded in the Noteholders' Register.

12 Covenants

14 Events of Default

14.1 Events of Default

It is an Event of Default if one of the following events occurs:

- (a) Pure Metals fails to pay any amount payable under the Transaction Documents on its due date; or
- (b) an Insolvency Event occurs in respect of Pure Metals;.
- (c) Pure Metals is in breach of a Transaction Document; or
- (d) a warranty or representation by Pure Metals under this document (including a Pure Metals Warranty) is incorrect, and the fact, matter or circumstance giving rise to the warranty or representation becoming incorrect has not been disclosed in accordance with clause 5.3(a).

14.2 Notification of Event of Default

Pure Metals must immediately notify the Subscriber of a Event of Default occurring under clause 14.1(c) or (d).

14.3 Subscriber's powers on default

- (a) If an Event of Default occurs under clause 14.1(c) or 14.1(d) and the Noteholder has converted the Note, the Subscriber may Claim against Pure Metals for the Loss suffered or incurred by it as a result of the Event of Default.
- (b) The Subscriber's rights and remedies for an Event of Default occurring prior to the Conversion Date are set out in clause 14.4.

14.4 Noteholder's powers on default prior to a Conversion Date

- (a) If an Event of Default occurs prior to a Conversion Date, a Noteholder may lodge a Noteholder Repayment Notice with Pure Metals.
- (b) If a Noteholder lodges a Noteholder Repayment Notice under clause 14.4(a), Pure Metals must repay the Note to which the notice relates and any interest accrued on those Note in accordance with clause 7, by 5.00pm on the fifth Business Day after the date on which the Noteholder Repayment Notice is received by Pure Metals.
- (c) The rights and obligations of Pure Metals and the Noteholder set out in clause 8 apply equally to a repayment of the Note following notice by the Noteholder under clause (a).

16 Consent & acknowledgement from Beneficiary

16.1 Consent

ASI as a beneficiary of the Silvergate Capital Unit Trust (referred in this clause 16 as the **Beneficiary**) unconditionally and irrevocably:

- (a) consents to Silvergate Capital Pty Ltd as trustee of the Silvergate Capital Unit Trust (**Trustee**) executing each Transaction Document to which the Trustee is a party and observing its obligations under each Transaction Document;
- (b) agrees and acknowledges that the execution by the Trustee of its obligations under each Transaction Document to which the Trustee is a party is in the best interests of the Beneficiary; and
- (c) waives any right it has to claim that the Trustee's:
 - (i) execution of any Transaction Document to which it is a party; and/or
 - (ii) exercise of its rights and performance of its obligations under the Transaction Documents, is,

In breach of the Trust.

16.2 Silvergate Release

Without limiting clause 16.1 the Beneficiary hereby expressly agrees and acknowledges that under the terms of the Silvergate Release, the Subscriber is entitled, in certain circumstances and among other things to sell, retain and apply for its own the purposes the whole of the Collateral (as that term is defined in the Silvergate Release) and the proceeds thereof irrespective of the amount of the outstanding Secured Moneys or outstanding Obligations (as those terms are defined in the Silvergate Release) owing at the relevant time.

17 Confidentiality

Except as required by law or by a stock exchange:

- (a) the negotiations of the parties relating to the transactions contemplated by this document and the subject matter, terms and existence of this document must be kept confidential and may only be disclosed by a party to its professional advisers on condition that they agree to be bound by the terms of this clause, or to other persons with the prior written consent of all other parties; and
- (b) no party may make any press release or announcement in relation to the transactions contemplated by this document without the prior written consent of the other parties.

18 General

18.1 Amendments

This document may be amended by written agreement between Pure Metals and the Noteholder.

18.2 Counterparts

This document may be executed in any number of counterparts. All counterparts together make one instrument.

18.3 Tax, duty and costs

- (a) Pure Metals must pay any Tax in respect of the execution, delivery and performance of the Transaction Documents (including the issue of the Note) but Pure Metals is not responsible for any Tax which may subsequently become payable in connection with the transfer or conversion of the Note.
- (b) Pure Metals must pay any fine, penalty or other cost in respect of a failure to pay any Tax referred to in clause 18.3(a), except to the extent that the fine, penalty or other cost is caused by an act or default on the part of the Subscriber.
- (c) Each party must bear its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of the Transaction Documents.

18.4 Tax Gross Up

All payments to be made by Pure Metals under this document or a Note shall be made in cleared funds, without any deduction or set-off and free and clear of and without deduction for or on account of any taxes, levies, imports, duties, charges, fees and withholdings of any nature now or hereafter imposed by any governmental, fiscal or other authority save as required by law. If a Pure Metals is required to make any such deduction, it will pay to the Noteholder such additional amounts as are necessary to ensure receipt by the Noteholder of the full amount which the Noteholder would have received but for the deduction.

18.5 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

18.6 Entire agreement

- (a) This document supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion, has no effect except to the extent expressly set out or incorporated by reference in this document.

18.7 Further assurances

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

18.8 No waiver

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

18.9 Governing law and jurisdiction

- (a) Queensland law governs this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

18.10 Method of payment

All payments required to be made under this document must be made:

- (a) in cash or by bank cheque; or
- (b) by crediting the account of the recipient (specified for that purpose) with cleared funds.

18.11 Severability

- (a) A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.
- (b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

18.12 Notice

- (a) A notice, consent or communication under this document is only effective if it is:
 - (i) in writing, signed by or on behalf of the person giving it;
 - (ii) addressed to the person to whom it is to be given; and
 - (iii) given as follows:
 - (A) delivered by hand to that person's last known address;
 - (B) sent by prepaid mail (and by prepaid air mail if the person is overseas) to that person's last known address;
 - (C) sent by fax to that person's last known fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax

number or name of recipient, followed by prepaid mail confirmation (or by prepaid air mail confirmation if the person is overseas) received within three Business Days after posting (or seven Business Days after posting if the person is overseas); or

- (D) sent to that person's email address and no 'bounce back' message was received by the sender;
- (b) A notice, consent or communication delivered under clause 18.12(a) is given and received:
 - (i) If it is hand delivered or sent by fax:
 - (A) by 5.00pm (local time in the place of receipt) on a Business Day – on that day; or
 - (B) after 5.00pm (local time in the place of receipt) on a Business Day, or at any time on a day that is not a Business Day – on the next Business Day; and
 - (ii) if it is sent by post:
 - (A) within Australia – three Business Days after posting; or
 - (B) to or from a place outside Australia – seven Business Days after posting; or
 - (iii) if it is sent by email:
 - (A) at the time it is received in the recipient's inbox.
- (c) The address, fax number and email address for each party is:
 - (i) **Pure Metals:**
 - Fax: +61 7 3229 9949
 - Address: C/- McCullough Robertson Lawyers of Level 11, 66 Eagle Street, Brisbane, Queensland 4000
 - Email: edward@puremetals.com.au
 - (ii) **Subscriber:**
 - Fax: +61 3 9629 8488
 - Address: C/- Clayton Utz, Level 18, 333 Collins Street, Melbourne VIC 3000
 - Email: JU@claytonutz.com
 - (iii) **ASI:**
 - Fax: +61 7 3229 9949
 - Address: 5B Kiu Fu Commercial Building, 300 Lockhart Road, Wanchai, Hong Kong
 - Email: edward@puremetals.com.au
 - (iv) **Edward Maurice McCormack:**
 - Fax: +61 7 3229 9949

Address: Unit 1, 24 Mona Road, Darling Point, NSW 2027
Email: edward@puremetals.com.au

(v) **Wilson Wai Yin Cheung**

Fax: +61 7 3229 9949
Address: 5B Kiu Fu Commercial Building, 300 Lockhart Road, Wanchai,
Hong Kong
Email: wilscheung@yahoo.com

18.13 No assignment

- (a) Other than clause 17.13(b), a party may not assign its rights or obligations under this document without the consent of the other parties.
- (b) The Subscriber may prior to the Conversion Date transfer its rights and obligations under this document to a transferee of the Note in accordance with clause 10.

18.14 Service of process

- (a) Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under clause 18.12.
- (b) Each of Edward Maurice McCormack and Wilson Wai Yin Cheung irrevocably appoints McCullough Robertson Lawyers of Level 11, 66 Eagle Street, Brisbane, Queensland 4000 as its agent for the service of process in Australia in relation to any matter arising out of this document.

Schedule 1

Note Certificate (clause 1.1)

PURE METALS PTY LTD
ISSUE OF
REDEEMABLE CONVERTIBLE NOTE OF \$3,000,000
(Note)

REGISTERED OFFICE: Level 32, 1 Market Street, Sydney, Register:
New South Wales, 2000
Certificate No: 1

THIS IS TO CERTIFY that

_____ name of investor
of _____
address of investor

was registered on Pure Metals Note register as the holder of _____ ONE
Note constituted under the deed dated [#]

The Note is issued with the benefit of and subject to the terms of the document, a copy of which is attached to this certificate.

DATED 2013

Executed by Pure Metals Pty Ltd)
By:)
)
)

^ _____
Director

^ _____
Director/Secretary

Schedule 2

Noteholder Conversion Notice (clause 9.1)

Notice of conversion of Note

This notice of conversion of Note form relates to the issue by Pure Metals Pty Ltd of C/- McCullough Robertson Lawyers of Level 11, 66 Eagle Street, Brisbane, Queensland 4000 (**Pure Metals**) of the Note on and subject to the provisions of the document dated [#] (**Deed**) between Pure Metals and [#insert Investor].

[#insert Investor] agrees to become a member of Pure Metals and to be bound by its constitution on the issue of Shares upon the conversion of the Note the subject of this notice.

Expressions used in this notice which have a defined meaning in the Deed have the same meaning when used in this notice.

To: Pure Metals Pty Ltd

Mr Wu Jiping gives notice of the exercise of its right to convert the Note referred to in the Note Certificate attached into Shares. Mr Wu Jiping confirms that the warranties and representations in clause 4 are true and accurate as at the Conversion Date.

Executed by
[#] on / /20 by:

^ _____
Witness

^ _____
Mr Wu Jiping

^ _____
Full name of Witness

*Select this option if this notice is given prior to 5 November 2013 and the Noteholder wishes to subscribe for the Subscriber Additional Shares

Schedule 3

Noteholder Repayment Notice (clause 14.4(a))

Noteholder Repayment Notice

This notice of repayment of Note form relates to the issue by Pure Metals Pty Ltd of C/- McCullough Robertson Lawyers of Level 11, 66 Eagle Street, Brisbane, Queensland 4000 (**Pure Metals**) of the Note on and subject to the provisions of the document dated [#] (**Deed**) between Pure Metals and Mr Wu Jiping.

Expressions used in this notice which have a defined meaning in the Deed have the same meaning when used in this notice.

To: Pure Metals Pty Ltd

Mr Wu Jiping gives notice of the exercise of its right, under clause 14.4(a) of the Deed to require the redemption the Note referred to in the Note Certificate attached.

Signed sealed and delivered
by Mr Wu Jiping in the presence of:

^ _____
Signature of Mr Wu Jiping

^ _____
Signature of witness

^ _____
Name of witness (print)

Schedule 4 Pure Metals Warranties

1 Pure Metals

1.1 Capacity and authorisation

Pure Metals:

- (a) has full and unrestricted legal capacity and power to:
 - (i) carry on its business;
 - (ii) execute and deliver this document;
 - (iii) carry out the transactions contemplated by this document; and
- (b) has taken all corporate action that is necessary or desirable to authorise its entry into this document and its carrying out of the transactions that it contemplates.

1.2 Breach or default

- (a) The execution, delivery and performance of this document and the transactions that it contemplates does not and will not:
 - (i) violate any provision of the constitution of Pure Metals;
 - (ii) result in the breach of, or constitute a default under, any agreement or other instrument to which Pure Metals is a party or is otherwise bound;
 - (iii) violate any statute, rule, regulation, ordinance, by law, code, order, judgment, writ, injunction, decree or award by which Pure Metals is bound; or
 - (iv) constitute an event that, with notice, lapse of time or both, would result in any such violation, breach or default.

2 Shares and share capital

2.1 Share capital

- (a) As at the date of this document, the table below lists all the securities outstanding in Pure Metals and their Shareholders:

Shareholder	Number of Shares
Edward McCormack	5,000 Note: 4,999 Shares have been transferred to Edward McCormack as trustee for the Pure Metals Trust and will be registered once stamped.
Wilson Wai Yin Cheung	5,000

- (b) As at the Conversion Date, all the securities outstanding in Pure Metals (other than the Subscriber Shares) are held by the Shareholders listed in clause 2.1(a).

2.2 Issue of further securities

No person has any right to require the issue of any Shares or other securities in Pure Metals and Pure Metals has not made any offer that may result in any person having a right of this type.

2.3 CAP Shareholding

As at Completion, the CAP Shareholding will be free of any Encumbrance, other than in favour of the Subscriber pursuant to the Mortgage Deed.

2.4 The Subscriber Shares

- (a) The Subscriber Shares will, on issue after conversion of the Note, be fully paid up and validly issued.
- (b) At Completion, the Subscriber will receive absolute ownership of, and title to, the Note free from any:
 - (i) Encumbrance; and
 - (ii) Claim of any person (including Pure Metals or any person claiming through Pure Metals).

3 Accounts

3.1 The Last Accounts

As at the Conversion Date, the Last Accounts:

- (a) give a true and fair view of:
 - (i) the financial position and the assets and liabilities of Pure Metals as at the Last Balance Date; and
 - (ii) the income, expenses and operational results of Pure Metals for the financial period ended on the Last Balance Date;
- (b) have been prepared in compliance with the Corporations Act, the Accounting Standards and all other applicable laws and regulations;
- (c) are not affected by any extraordinary, unusual or non-recurring item or any other factor that might make the financial position or operational results of Pure Metals disclosed in the Last Accounts misleading or deceptive; and
- (d) contain specific provisions adequate to cover, or full particulars in notes of, all liabilities of Pure Metals as at the Last Balance Date including all liabilities in respect of Tax and all contingent liabilities.

3.2 Position since Last Balance Date

As at the Conversion Date, since the Last Balance Date:

- (a) Pure Metals has carried on the business in the ordinary and usual course consistent with its usual business practices and has not made any significant change to the nature or scale of any activity comprised in the business, except in connection with:
 - (i) this document;
 - (ii) the purchase of Pure Metal's Joint Venture Interest;
 - (iii) entry into the term sheet with CAP on 26 March 2013 and subsequently amended, a copy of which has been provided to the Subscriber;
 - (iv) the investment into FEX Pty Ltd; and
 - (v) the payment of the Capped Amount under the Exploration Joint Venture Agreement.
- (b) Pure Metals has not issued or allotted any shares or other securities, bought back or redeemed any shares or other securities or otherwise reduced its share capital, declared or paid any dividends or other distributions or authorised, or agreed conditionally or otherwise to do, any of those things.

3.3 Management accounts

As at the Conversion Date, the unaudited management accounts of Pure Metals provided to the Subscriber enable a reasonable assessment to be made of the assets, liabilities, income and expenses of Pure Metals and are not misleading or deceptive in any material respect having regard to the basis of preparation and the purpose for which they were prepared.

4 Material Contract

4.1 Default by Pure Metals

As at the Conversion Date, Pure Metals is not in default, or would be in default but for the requirements of notice or lapse of time, under any Material Contract to which it is a party (including the Exploration Joint Venture Agreement).

4.2 Default by third parties

As at the Conversion Date, so far as Pure Metals is aware, no other party to any Material Contract to which Pure Metals is a party (including the Exploration Joint Venture Agreement) is in default, or would be in default but for the requirements of notice or lapse of time, under that agreement.

4.3 Notice

As of the Conversion Date, Pure Metals has not received, or give, any notice of termination of any Material Contract to which it is a party.

5 Compliance with laws

As at the Conversion Date, Pure Metals has not received any notice in respect of its business of any failure to comply with any law.

6 Legal proceedings

6.1 Litigation

As at the Conversion Date, Pure Metals is not a claimant or defendant in, or otherwise a party to, any litigation, arbitration or mediation proceedings, and as far as Pure Metals is aware, no circumstance exists that is likely to give rise to any proceedings of this type.

6.2 Investigations and prosecutions

As at the Conversion Date, Pure Metals is not the subject of any investigation, inquiry, prosecution or enforcement proceedings by any Regulatory Authority, there are no investigation, inquiries, prosecutions or proceedings of this type pending or threatened against Pure Metals and as far as Pure Metals is aware, no circumstance exists that is likely to give rise to any investigation inquiry, prosecution or proceedings of this type.

6.3 Orders and judgments

As at the Conversion Date, there is no unsatisfied order, judgment or aware against Pure Metals.

7 Disclosure

7.1 Accuracy of information

- (a) As at the Conversion Date, the information provided to the Discloser by Pure Metals and its officers have been prepared in good faith and with due care for the purpose of informing the Subscriber about the business of Pure Metals, including the Joint Venture, and is not, misleading or deceptive in any material respect.
- (b) As at the Conversion Date, all information provided by Pure Metals and its officers pursuant to clause 13 of this document and in connection with this document is accurate and not misleading or deceptive in any material respect.

This warranty 7.1 does not apply to information provided by Pure Metals or its officers that has been prepared by a third party, except to the extent that Pure Metals is aware that that information is inaccurate or misleading or deceptive in any material respect.

7.2 Completeness of information

As at the Conversion Date, to the best of the knowledge of Pure Metals, the information provided by Pure Metals, and its officers to the Subscriber, its advisers and representatives in connection with this document includes all information relating to Pure Metals which Pure Metals, and its officers know or should reasonably be expected to know is material to the parties in entering into and completing the transactions contemplated by this document.

8 Insolvency Event

Pure Metals is not affected by an Insolvency Event.

Schedule 5 Terms of Shareholders' Agreement

Execution

EXECUTED as a deed

Executed for an on behalf of
Pure Metals Pty Ltd ACN 151 066 321 by its
authorised officer in the presence of:

^  _____
Witness

^ ISAAC CLIFFORD WEST
Full name of Witness

^  _____
Signature

^ Ed McCormack
Full name of Authorised Officer

^ Managing Director
Office held

Executed

by
Ample Source Investments BVI in its capacity as
Beneficiary of the Pure Metals Trust by:

^ _____
Director

^ _____
Full name of Director

^ _____
Director/Secretary

^ _____
Full name of Director/Secretary

Execution

EXECUTED as a deed

Executed for and on behalf of
Pure Metals Pty Ltd ACN 151 066 321 by its
authorised officer in the presence of:

A. Witness

A. Signature

A. Full name of Witness

A. Full name of Authorised Officer

A. Office held

Executed

by
Ample Source Investments BVI in its capacity as
Beneficiary of the Pure Metals Trust by:

A. 
Director

A. 
Director/Secretary

A. WILSON CHEUNG
Full name of Director

A. LINDA LAU
Full name of Director/Secretary

Signed sealed and delivered
by Mr Wu Jiping in the presence of:

^ _____
Signature of Mr Wu Jiping

^ _____
Signature of witness

^ _____
Name of witness (print)

Signed sealed and delivered
by Edward Maurice McCormack as an individual
and in his capacity as trustee of the Pure Metals
Trust in the presence of:


^ _____
Signature of Edward Maurice McCormack


^ _____
Signature of witness

ISAAC CLIFFORD WEST
^ _____
Name of witness (print)

Signed sealed and delivered
by Wilson Wai Yin Cheung in the presence of:

^ _____
Signature of Wilson Wai Yin Cheung

^ _____
Signature of witness

^ _____
Name of witness (print)

Signed sealed and delivered
by Mr Wu Jiping in the presence of:

A _____
Signature of Mr Wu Jiping

A _____
Signature of witness

A _____
Name of witness (print)

Signed sealed and delivered
by Edward Maurice McCormack as an individual
and in his capacity as trustee of the Pure Metals
Trust in the presence of:

A _____
Signature of Edward Maurice McCormack

A _____
Signature of witness

A _____
Name of witness (print)

Signed sealed and delivered
by Wilson Wai Yin Cheung in the presence of:

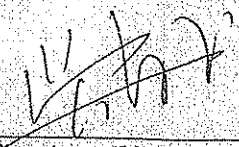

A _____
Signature of Wilson Wai Yin Cheung

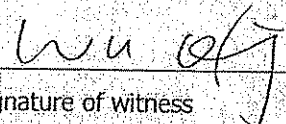

A _____
Signature of witness

Calvin Chan
A _____

A _____
Name of witness (print)

Signed sealed and delivered
by Mr Wu Jiping in the presence of:


A Signature of Mr Wu Jiping

A 
Signature of witness

A WU QING
Name of witness (print)

Signed sealed and delivered
by Edward Maurice McCormack as an individual
and in his capacity as trustee of the Pure Metals
Trust in the presence of:

A _____
Signature of Edward Maurice McCormack

A _____
Signature of witness

A _____
Name of witness (print)

Signed sealed and delivered
by Wilson Wai Yin Cheung in the presence of:

A _____
Signature of Wilson Wai Yin Cheung

A _____
Signature of witness

A _____
Name of witness (print)

Annexure A

Mortgage Deed

CLAYTON UTZ

Execution version

Deed of mortgage of securities

Silvergate Capital Pty Ltd
Grantor

Wu Jiping
Secured Party

Clayton Utz
Lawyers
Level 18 333 Collins Street Melbourne VIC 3000 Australia
DX 38451 333 Collins VIC
T +61 3 9286 6000 F +61 3 9629 8488

www.claytonutz.com

Our reference 18866/995/80148726

Legal\311097903.1

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Deed of mortgage of securities dated

Parties Silvergate Capital Pty Ltd ACN 158 538 580 (Grantor)

 Wu Jiping (Secured Party)

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this mortgage:

Collateral means:

- (a) any Present Securities;
- (b) any Other Security; and
- (c) any proceeds (as defined in the PPSA) relating to the property referred to in paragraphs (a) and (b).

Controller has the meaning given in section 9 of the Corporations Act.

Delegate means any agent, attorney or other delegate appointed under this mortgage by the Secured Party or by any receiver or receiver and manager appointed under this mortgage.

Entity means Carpentaria Exploration Limited ACN 095 117 981.

Event of Default has the meaning given in clause 7.1.

Excess Amount has the meaning given to that term in clause 2.3(b).

GST means any goods and services Tax, consumption Tax, value added Tax or any similar Tax.

Joint Venture means any form of joint venture, whether a company, unincorporated entity, undertaking, association, partnership or other similar entity.

Limited Recourse Guarantee means the guarantee and indemnity dated on or about the date of this mortgage and made between the Grantor and the Secured Party.

Marketable Securities has the meaning given to "marketable securities" in section 9 of the Corporations Act but as if the reference to "managed investment scheme" included any unit trust which is not registered under the Corporations Act.

Note has the meaning given to that term in the Subscription Deed.

Obligations has the meaning given to that term in the Limited Recourse Guarantee.

Other Security means:

- (a) all of the present and future right, title and interest of the Grantor in:
 - (i) any dividend reinvestment scheme, bonus issue, rights issue, allotment, offer, benefit, privilege, note, stock, debenture or right to take up Marketable Securities in another corporation or other person;

- (ii) any rights consequent on any conversion, redemption, cancellation, reclassification, forfeiture, consolidation or subdivision; or
 - (iii) any rights consequent on a reduction of capital, liquidation or scheme of arrangement,
- in any case, in respect of or in connection with any Present Securities; and
- (b) all entitlements, including dividends, distributions, proceeds and other amounts from time to time payable to or accruing to the Grantor in respect of any right, title or interest referred to in paragraph (a) of this definition.

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

Power means any right, power, authority, discretion, remedy or privilege conferred on the Secured Party, any Receiver or any Delegate, in any case, under this mortgage, under any other Transaction Document or by law.

Present Securities means all shares or other Marketable Securities owned as at the date of this deed or acquired after the date of this deed by the Grantor which are issued by the Entity and all of the present and future rights attaching or relating to such shares or other Marketable Securities including for the avoidance of doubt:

- (a) 19,691,371 fully paid ordinary shares in the share capital of the Entity with HIN 0062856343; and
- (b) all entitlements, including dividends, distributions, proceeds and other amounts from time to time payable to or accruing to the Grantor in respect of any such shares or other Marketable Securities referred to in this definition.

Receiver means a receiver or receiver and manager appointed by the Secured Party under this mortgage and, if more than one, then each of them and also any employee, contractor or Delegate of any receiver or receiver and manager.

Recovered Amount means an amount which is equal to the sum received by:

- (a) the Secured Party;
- (b) any Controller; or
- (c) any person acting on behalf of the Secured Party,

from the sale or realisation of the Collateral.

Related Body Corporate has the meaning given in section 9 of the Corporations Act, but on the basis that "subsidiary" for the purposes of that definition has the meaning given to "Subsidiary" in this mortgage.

Secured Money means all money the payment or repayment of which from time to time forms part of the Obligations.

Subscription Deed has the meaning given to that term in the Limited Recourse Guarantee.

Subsidiary in relation to any person, has the meaning given in the Corporations Act but as if "body corporate" included any person and for the purpose of which any beneficial interests will be deemed shares. A determination by the auditors of a person as to whether a person is a Subsidiary of another person will be evidence of the same until the contrary is proved.

Transfer means an undated transfer of a Marketable Security executed by the Grantor (or its nominee, if applicable) as transferor in registrable form but with the name of the transferee and the consideration left blank.

1.2 Interpretation

In this mortgage:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) **"person"** includes an individual, the estate of an individual, a corporation, a Government Authority, an association or a Joint Venture and a trust;
- (c) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
- (d) a reference to a document (including any Transaction Document) is to that document as varied, novated, ratified, replaced or restated from time to time, including for the avoidance of doubt any such variation, novation, ratification, replacement or restatement which has the effect directly or indirectly of increasing in any way the Secured Money;
- (e) a reference to a law includes any law, principle of equity, Statute and official directive of any Government Authority and a reference to any legislation (including any Statute) includes any rule, regulation, ordinance, by-law, statutory instrument, order or notice at any time made under that legislation and, in each case, any consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa) and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause or schedule is a reference to a party, clause or schedule to or of this mortgage and a reference to this mortgage includes all schedules to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) a reference to the Collateral or any other thing includes any part of it;
- (j) a reference to an asset includes any real or personal property or asset, whether tangible or intangible, present or future, together with any interest or benefit in or revenue from, such property or asset;
- (k) **"includes"** in any form is not a word of limitation;
- (l) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or that act, matter or thing will be done on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not);
- (m) a reference to **"subsists"** or any similar expression in relation to an Event of Default or a Potential Event of Default indicates an Event of Default or Potential Event of Default which has not been remedied or waived in accordance with the terms of the Transaction Documents; and

- (n) each of the terms "advance", "future advance", "financing statement", "financing change statement" and "verification statement" have the meanings given to them in the PPSA.

1.3 Limited Recourse Guarantee

Capitalised terms used in this mortgage and not otherwise defined have the same meaning as that given to them in the Limited Recourse Guarantee.

1.4 Grantor liable as trustee

- (a) The Grantor is liable under each Transaction Document to which it is a party in its personal capacity and in its capacity as trustee of the Trust.
- (b) In each Transaction Document, a reference to the Grantor is a reference to the Grantor in both its personal capacity and in its capacity as trustee of the Trust.

1.5 Transaction Document

This deed is a "Transaction Document" for the purposes of the Subscription Deed.

2. Recourse

2.1 Recovered Amount

Subject to clause 2.2 and clause 2.4, but otherwise despite anything else in this document or any other Transaction Document:

- (a) the amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the Recovered Amount; and
- (b) the Secured Party may not seek to recover from the Grantor any shortfall in the Secured Money by:
 - (i) bringing any proceedings against the Grantor; or
 - (ii) applying to have the Grantor wound up.

2.2 Exceptions to limit

Despite clause 2.1, the Secured Party or any Controller or person acting on its behalf may:

- (a) exercise all Powers in connection with the Collateral as against the Grantor; and
- (b) take proceedings to obtain:
 - (i) an injunction or other order to restrain any breach of a Transaction Document by the Grantor; or
 - (ii) declaratory relief or other similar judgment or order as to the Grantor's obligations under any Transaction Document.

2.3 Secured Party may retain excess

The Grantor and the Secured Party hereby agree and acknowledge that it is their intention that the Secured Party shall bear the risk and reward associated with any movements in the value of

the Collateral. To that end and despite anything else in this deed or any other Transaction Document:

- (a) the recourse of the Secured Party to the Grantor shall be limited in the manner set out in clauses 2.1 and 2.2; and
- (b) if the Recovered Amount exceeds the Secured Moneys (such an amount being the **Excess Amount**):
 - (i) the Secured Party:
 - A. is absolutely and unconditionally entitled to be paid and retain for its own account the Excess Amount; and
 - B. shall not under any circumstances be required to pay, repay or account to any Obligor or any other party for or on account of that Excess Amount; and
 - (ii) the Grantor may not bring any proceedings against the Secured Party in relation to the Excess Amount.
- (c) To the extent permitted by law, this clause 2.3 will operate notwithstanding any rule or law or equity to the contrary.
- (d) Clause 2.3 **Error! Reference source not found.** will cease to apply on and from the Conversion Date.

2.4 Maximum amount recoverable after Conversion Date

On and from the Conversion Date, the maximum amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the lesser of:

- (a) the amount referred to in clause 2.1(a); and
- (b) the sum of:
 - (i) the amount required to be paid by Pure Metals to the Secured Party under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as that amount relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Secured Party as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
 - (ii) all costs, outgoings and expenses incurred by the Secured Party in enforcing or attempting to enforce its rights under this mortgage, the Limited Recourse Guarantee and other security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or chargee consequent on the occurrence of an event of default;
 - (iii) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
 - (iv) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in this clause 2.4(b)(i) to (iv) (inclusive).

2.5 No obligation to realise

- (a) Nothing in this mortgage or in any other Transaction Document obliges or requires the Secured Party to sell or realise the Collateral within any particular time frame or at all.
- (b) Notwithstanding any contrary provision of any Transaction Document, it is agreed and acknowledged that the Secured Party has the option, under and in accordance with clause 3.3, to procure itself (or its nominee) to be registered as the holder of the shares, units or other Marketable Securities comprising the Collateral (or any of them) and it (or its nominee) may remain registered as the holder of the shares, units or other Marketable Securities comprising the Collateral (or any of them) for so long as it deems fit in its absolute discretion.

3. Mortgage

3.1 The mortgage

- (a) By this mortgage and subject to clause 3.1(b), the Grantor as beneficial owner mortgages the Collateral to the Secured Party to secure the satisfaction of the Obligations and the payment of the Secured Money.
- (b) The Grantor grants this mortgage in respect of the Collateral comprising the Trust Assets as sole trustee of the Trust.

3.2 Priority

This mortgage will operate as a first ranking security subject only to any Encumbrances mandatorily preferred by law.

3.3 Conversion

At any time after an Event of Default has occurred and while it subsists, the Secured Party may procure itself (or its nominee) to be registered as the holder of the shares, units or other Marketable Securities comprising the Collateral (or any of them). To facilitate this, the Grantor irrevocably and unconditionally authorises the Secured Party to date and complete any Transfers and lodge those Transfers for stamping and registration accompanied by, if certificated, the share or unit certificates relating to those Transfers.

3.4 Notice

The Secured Party may at any time after the date of this mortgage notify any Entity or other person of its interest in the Collateral.

4. Representations and warranties

4.1 General representations and warranties

The Grantor represents and warrants to the Secured Party that:

- (a) **(Good title)** it has good title to the Collateral and good right to mortgage the Collateral as beneficial owner or as trustee of the Trust in the manner provided in this mortgage and the Collateral is free of all Encumbrances other than in favour of the Secured Party or as otherwise expressly permitted by any other Transaction Document;

- (b) **(Income from Collateral)** no legal or beneficial right or interest in any income or entitlement or any right to receive any income or entitlement whether payable now or in the future and derived from the Collateral, have been assigned or Encumbered to any other person; and
- (c) **(Information for financing statement)** the Secured Party has received from the Grantor all information needed by the Secured Party to complete the financing statement (or financing change statement, if necessary) for this mortgage.

4.2 Representations and warranties repeated

Each representation and warranty in this clause 4 will be repeated on each day while any of the Secured Money remains outstanding (whether or not then due for payment) with reference to the facts and circumstances then subsisting, as if made on each such day.

5. General undertakings

5.1 Satisfaction of Obligations

The Grantor will satisfy, or procure the satisfaction of, the Obligations and will pay the Secured Money in the manner provided in this mortgage or in any other Transaction Document.

5.2 Notification of certain events

The Grantor will immediately notify the Secured Party in writing if it becomes aware of:

- (i) the occurrence of any Event of Default or Potential Event of Default; or
- (ii) any change of details of the Grantor.

5.3 Secured Party's priority

To the extent that any Trust Assets are mortgaged or subject to a lien in favour of the Grantor to secure the Grantor's Rights of Indemnity, the Grantor acknowledges and agrees that that mortgage or lien will at all times and for all purposes be postponed to and rank after this mortgage.

5.4 Secured Party assumes no obligations

The Secured Party will not be deemed by virtue of this mortgage to have assumed any obligation of the Grantor under any law.

6. Additional undertakings concerning the Collateral

6.1 Restrictions in relation to the Collateral

The Grantor will not without the Secured Party's prior written consent or as expressly permitted in any other Transaction Document:

- (a) **(No Encumbrances)** create, purport or attempt to create or permit to exist any Encumbrance, however ranking, over the Collateral;

- (b) **(Voting entitlement)** at any time following the occurrence of an Event of Default and during the period it subsists, vote at any meeting of the members or creditors of any Entity in any way contrary to the directions of the Secured Party;
- (c) **(No sale etc)** sell, convey, assign, transfer, lease, licence or otherwise dispose of, part with possession of, make any bailment, or grant any option over or create or permit to exist any other interest in any part of the Collateral;
- (d) **(Not to prejudice)** do, fail to do or consent to any act, omission or thing as a result of which the Collateral becomes or could become liable to surrender, forfeiture or cancellation, or becomes or could become prejudiced in any manner, or the value of this mortgage as an Encumbrance to the Secured Party becomes or could become materially lessened; or
- (e) **(Take any steps)** take any steps towards doing any of these things.

6.2 Undertakings regarding the Collateral

The Grantor will:

- (a) **(Additional securities)** promptly notify the Secured Party in writing if, after the date of this mortgage, it acquires any Present Securities or if it becomes entitled to any Other Security and will, during the currency of this mortgage, exercise and take up its entitlements to each Other Security which it is offered;
- (b) **(Pay calls)** duly and punctually pay all calls, premiums and instalments which may be or become payable in respect of the Collateral and duly and punctually pay all money which may become due or owing by the Grantor to any Entity on any account;
- (c) **(Compliance with Entity's Constitution)** comply with the Constitution or other constituent documents of the Entity and any resolution, rule or regulation made under any such documents;
- (d) **(No lien)** not do or omit to do any act or thing which, if that act or thing was done or omitted to be done (as the case may be), would entitle the Entity to a lien over or to forfeit any of the Collateral;
- (e) **(No variation of rights)** not consent to, vote in favour of or permit any variation or abrogation of the rights and privileges attaching to the Collateral or any diminution of the benefits and privileges held in respect of the Collateral;
- (f) **(Protection of Collateral)** at the request of the Secured Party take or defend all legal proceedings that the Secured Party, acting reasonably, considers necessary or desirable for the preservation, protection or recovery of the Collateral; and
- (g) **(Documents of title and other securities)** lodge with the Secured Party on the date of this mortgage or, if later, the date on which the relevant Collateral is acquired all certificates, scrip and other indicia of title or interest in any Marketable Securities forming part of the Collateral and any transfers for those Marketable Securities required by the Secured Party, signed by the Grantor, and with the name of the transferee, consideration and date left blank.

6.3 Indemnity against calls

If the Secured Party or its nominee becomes the registered holder of any of the Collateral, the Grantor will indemnify and keep indemnified the Secured Party against any money payable or

other liability arising in relation to that Collateral except to the extent the money is payable or other liability arises directly from the gross negligence, wilful misconduct or fraud of the Secured Party.

6.4 Collateral not registered in name of Grantor

If any Marketable Security comprising the Collateral is not registered in the name of the Grantor, the Grantor will deliver to the Secured Party immediately on demand one or more duly stamped and registrable transfers of those Marketable Securities and all certificates, scrip or other indicia of title relating to those Marketable Securities necessary to enable those Marketable Securities to be registered in the name of the Grantor, together with an irrevocable authority to the Entity to deliver up to the Secured Party the certificates, scrip or other indicia of title relating to those Marketable Securities following registration by any Entity in the name of the Grantor.

6.5 Cash distributions and benefits

At the request of the Secured Party, which may be made at any time following the occurrence of an Event of Default and during the period it subsists, the Grantor will pay to the Secured Party, or as it directs in writing, the following:

- (a) **(Dividends)** all cash dividends;
- (b) **(Returns of capital)** all cash returns of capital;
- (c) **(Rights issues)** all proceeds from the disposal or relinquishment of rights; and
- (d) **(Options)** all proceeds in relation to options or other rights granted to the Grantor or granted by the Grantor,

in relation to any Marketable Security comprising the Collateral.

6.6 Events of Default

The Grantor will ensure that no Event of Default occurs. Without affecting the liability of the Grantor or any Power in any other respect (including where a breach of this clause 6.3 is a breach of any other provision of any Transaction Document), the Grantor is not liable in damages for a breach of its obligations under this clause 6.3 but the Secured Party may exercise the Powers following any breach of this clause 6.3, during the period it subsists.

6.7 Postponement or waiver of Encumbrances

If requested by the Secured Party, the Grantor will immediately cause:

- (a) any Encumbrance (other than any Encumbrances expressly permitted under any other Transaction Document to rank in priority to this mortgage) which has arisen or which arises from time to time by operation of law over the Collateral in favour of any person to be postponed in all respects after and subject to this mortgage or to be otherwise discharged, released or terminated; and
- (b) any Financial Liability or other obligation secured by any Encumbrance of the type referred to in clause 6.7(a), to be waived, released, paid or performed.

7. Events of Default

7.1 Events of Default

Each of the events set out in this clause 7.1 is an Event of Default whether or not the cause is beyond the control of the Grantor or any other person:

- (a) **(Subscription Deed)** Pure Metals fails to pay any amount required to be paid by it to the Secured Party under:
 - (i) clause 8.1 (*Repayment on Redemption Date*) of the Subscription Deed;
 - (ii) clause 14.4 (*Noteholder's powers on default prior to Conversion Date*) of the Subscription Deed; or
 - (iii) clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as it relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Secured Party as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed),

on its due date for payment; and
- (b) **(Event of Insolvency)** an Event of Insolvency occurs in relation to any Obligor;
- (c) **(Change in control)** effective control of Pure Metals is altered from that subsisting at the date of this mortgage other than as a result of the exercise by the Secured Party of any of its rights under the Subscription Deed, the Secured Party acquiring shares in Pure Metals or Ample Source International BV obtaining control of Pure Metals. For the purpose of this clause 7.1(c) a person or persons has effective control of Pure Metals if that person or those persons (acting jointly):
 - (i) control the composition of the board of directors of Pure Metals;
 - (ii) are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of Pure Metals; or
 - (iii) hold more than one-half of the issued share capital of Pure Metals excluding any part of that issued share capital which carries no right to participate beyond a specified amount in the distribution of either profits or capital;
- (d) **(Breach of Trust provisions)**
 - (i) the Grantor ceases to be the sole trustee of the Trust; or
 - (ii) the Trust terminates or the capital of the Trust vests in any beneficiary of the Trust or any other person (other than where it vests solely as a result of a person becoming a beneficiary of the Trust); or
- (e) **(Calls etc)** the Grantor fails to pay any money payable in respect of any part of the Collateral.

7.2 Rights on an Event of Default

If any Event of Default occurs then, during the period it subsists, at the option of the Secured Party and despite any delay or previous waiver of the right to exercise that option:

- (a) the Secured Money becomes immediately due and payable within 5 Business Days of demand from the Secured Party;
- (b) all Powers not previously exercisable become exercisable; and
- (c) any rights of the Grantor to deal with the Collateral (other than through a Receiver appointed under this mortgage) immediately cease.

8. Receivers: appointment and Powers

8.1 Appointment of Receiver

If any Event of Default occurs then, during the period it subsists, the Secured Party may:

- (a) appoint any person or persons to be a receiver or receiver and manager of the Collateral;
- (b) terminate the appointment of any Receiver; and
- (c) in case of the removal, retirement or death of any Receiver, appoint another person or persons in the place of that Receiver.

8.2 Joint Receivers

If more than one person is appointed as a Receiver, the Secured Party may at its option specify whether the appointment and the Powers of each appointee will be joint or joint and several. If no specification is made, the appointment and the Powers of each appointee will be joint and several.

8.3 Remuneration of Receiver

The Secured Party may fix the rate of remuneration of each Receiver, which will not exceed the standard hourly rate from time to time charged by the firm of which that Receiver is a member for work of the level carried out by that Receiver.

8.4 Agent of Grantor

Each Receiver will be the agent of the Grantor. The Grantor will be solely responsible for all acts and omissions by, and the remuneration of, each Receiver.

8.5 Powers of Receiver

Without the need for any consent from the Grantor or any other person, each Receiver will have all of the following powers:

- (a) **(Section 420)** all of the powers granted to a receiver of property of a corporation under section 420 of the Corporations Act;
- (b) **(Dispose)** whether or not in possession, to dispose of the Collateral in such manner and on such terms as the Receiver thinks fit;

- (c) **(Borrow or raise money)** to borrow or raise from the Secured Party or any other person any money which may be required for any purposes and, if the Receiver thinks fit, to secure any money borrowed or raised by the grant of any Encumbrance over the Collateral (whether in the name of the Grantor or otherwise) so that the Encumbrance ranks in priority to, pari passu with or after this mortgage. The Secured Party will not be bound to inquire as to the necessity or propriety of any Financial Liability nor be responsible for the misapplication or non-application of any money so borrowed or raised;
- (d) **(Register)** to register itself or its nominee as the holder of the Marketable Securities (or any of the Marketable Securities) comprising the Collateral;
- (e) **(Engage)** to engage consultants, contractors, professional advisors, agents and employees (including any person associated with a firm or company in which the Receiver is a member or in which the Receiver is interested and that person may charge for his or her services as if independently retained at a salary or remuneration determined by the Receiver) and the Receiver may act on any advice given by any person so engaged;
- (f) **(Take up entitlements)** to exercise all or any of the rights, privileges or entitlements conferred on or accruing to the registered holder of the Collateral in all respects as if it were the absolute beneficial owner of the Collateral, including to attend and vote at any meeting of the members or creditors of the Entity or of the holders of any Marketable Securities or class of Marketable Securities comprising the Collateral, to appoint attorneys and proxies, and to prove in any winding up or scheme of arrangement;
- (g) **(Take up issues)** to take up and accept any rights issues, bonus shares or other Marketable Securities of the Entity, and to pay any sum or sums of money necessary or expedient for the taking up of those rights, shares or other Marketable Securities, with any sum or sums paid being deemed to be and become part of the Secured Money and bearing interest accordingly;
- (h) **(Receive dividends)** to receive all dividends, interest, income and other money payable on the Collateral and to apply any money so received towards satisfaction of the Secured Money without being liable to account for it;
- (i) **(Invest proceeds against contingencies)** if any of the Secured Money is contingent, to invest, deposit or hold the Collateral in a form or mode of investment for the time being as the Receiver thinks fit, with like power to vary, transpose or re-invest the investments or deposits from time to time until that part of the Secured Money ceases to be contingent;
- (j) **(Perform contracts)** to perform, observe, carry out, enforce specific performance of, exercise or refrain from exercising, the Grantor's rights and powers under, obtain the benefit of, and vary or rescind all contracts and rights forming part of the Collateral or entered into in the exercise of any Power;
- (k) **(Take proceedings)** to institute, conduct or defend any proceedings in law or bankruptcy and to submit to arbitration, mediation or conciliation, in the name of the Grantor or otherwise and on any terms, any proceeding, claim, question or dispute in connection with the Collateral or otherwise;
- (l) **(Compromise)** to make any settlement, arrangement or compromise regarding any action, proceeding or dispute arising in connection with the Collateral, to grant to any person involved time or other indulgence and to execute all related releases or discharges as the Receiver thinks expedient in the interests of the Secured Party;

- (m) **(Appeal)** to appeal against or to enforce any judgment or order in respect of the Collateral;
- (n) **(Bankrupt debtors and wind up bodies corporate)** to make debtors bankrupt and to wind up bodies corporate and to do all things in connection with any bankruptcy or winding up which the Receiver thinks necessary for the recovery or protection of the Collateral or for the security or other benefit of the Secured Party;
- (o) **(Delegate)** with the Secured Party's prior approval, to delegate to any person, for any time, any of the Powers including this power of delegation;
- (p) **(File)** to file all certificates, registrations and other documents and to take any and all action on behalf of the Grantor which the Receiver believes is necessary to protect, preserve or improve any or all of the Collateral and the rights of the Grantor and the Secured Party in respect of any agreement for sale and to obtain for the Secured Party all of the benefits of this mortgage and any other Transaction Document;
- (q) **(Operate bank accounts)** to open or operate any bank account in the name of the Grantor (whether alone or jointly with any other person) to the exclusion of the Grantor and to deposit or withdraw any money standing to the credit of that account and to sign and endorse or to authorise others to sign and endorse in the name of the Grantor cheques, promissory notes, bills of exchange and other negotiable instruments;
- (r) **(Do all other things)** to do all things the law allows an owner of any interest in the Collateral, or any Controller of the Collateral, to do; and
- (s) **(Do all things as are expedient)** to do all other acts and things without limitation as the Receiver thinks expedient,

and any further powers as the Secured Party confers on a Receiver by notice in writing to that Receiver.

8.6 Indemnity

The Secured Party may give any indemnities to any Receiver concerning the performance of that Receiver's duties as are permitted by law. If the Secured Party is obliged to pay any money under any indemnity, that money will become part of the Secured Money.

9. Secured Party's Powers

9.1 Exercise of Power

If any Event of Default occurs then, during the period it subsists, the Secured Party may without notice and whether or not a Receiver has been appointed:

- (a) exercise all or any of the Powers conferred on a Receiver, or which would be conferred on a Receiver if appointed, as if those Powers had been expressly conferred on the Secured Party;
- (b) exercise all other Powers; and
- (c) appoint an agent or agents (whether severally, jointly or jointly and severally) and delegate the Powers (or any of them) to the agent or agents (in which case clauses 8.1, 8.3, 8.6, 12.2, 12.3 and 12.4 will apply as if the agent or agents were each appointed as a Receiver).

9.2 Act jointly

The Secured Party and each Receiver may exercise any of the Powers in conjunction with the exercise of similar powers by the holder of any other Encumbrance over the Collateral or by any receiver or receiver and manager appointed by that other holder and may enter into and give effect to agreements and arrangements with that other holder, receiver or receiver and manager as the Secured Party or the relevant Receiver thinks fit.

9.3 Power of attorney

- (a) In consideration of the Secured Party entering into the Transaction Documents, the Grantor irrevocably appoints the Secured Party and each of its Authorised Officers and each Receiver, severally, as an attorney of the Grantor with power at any time an Event of Default or Potential Event of Default has occurred and is subsisting:
- (i) to do all acts which ought to be done by the Grantor under any Transaction Document;
 - (ii) to do all acts to exercise or give effect to any Power;
 - (iii) to demand, sue for, recover and receive the Collateral from any person, in the name of the Grantor or in the name of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 9.3;
 - (iv) to take further action and to execute further instruments which are, or are in the opinion of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 9.3, necessary or desirable to secure more satisfactorily the performance of the Obligations or the payment of the Secured Money or to sell or otherwise deal with the Collateral; and
 - (v) to appoint (and remove at will) at any time any person as a substitute for an attorney.
- (b) The Grantor:
- (i) agrees that each attorney may exercise powers under this power of attorney notwithstanding that the exercise may or will involve or result in a conflict between the duty of that attorney to the Grantor and either the interests of that attorney or a Related Party of that attorney or another duty of that attorney; and
 - (ii) ratifies and confirms now and for the future all actions undertaken by or on behalf of any attorney under this power of attorney, including any action which may or will involve or result in a conflict of the type referred to in clause 9.3(b)(i) or in respect of which that attorney has a personal interest.

For the purposes of this clause 9.3(b) a Related Party of any attorney is any Related Body Corporate of that attorney or, in the case of any attorney that is an individual, any person that is related to or has any personal or professional relationship, of any nature, with that attorney.

- (c) The Grantor declares that this power of attorney will continue in force until all actions taken under it have been completed, despite the discharge of this mortgage.

- (d) The Grantor will do anything requested by the Secured Party, acting reasonably, to enable the Secured Party to register this power of attorney in the manner and within any time limits prescribed by law to ensure the efficacy of this power of attorney.

9.4 Secured Party may make good any default

If the Grantor defaults in satisfying any of the Obligations, the Secured Party may, without prejudice to any other Power, do all things and pay all money necessary or expedient in the opinion of the Secured Party to make good or to attempt to make good that default to the satisfaction of the Secured Party. The Grantor will take all steps which the Secured Party, acting reasonably, requests to facilitate the exercise by the Secured Party of its rights under this clause 9.4. The Secured Party will not be a mortgagee or chargee in possession simply as a result of the exercise of its rights under this clause 9.4.

9.5 Notice for exercise of Powers

- (a) The Powers may be exercised by the Secured Party and any Receiver at any time during the period any Event of Default subsists, without any notice, demand or lapse of time being necessary unless required by a law which cannot be excluded.
- (b) Subject to clause 9.5(c), if required by any law which cannot be excluded, one day is fixed as the period for which:
 - (i) default must continue in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money before the Secured Party may give any notice or demand as required by any law affecting the Powers; and
 - (ii) default in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money must continue after the giving of any notice or demand before any Power may be exercised.
- (c) If any law which cannot be excluded provides that a specific period of notice or lapse of time is mandatorily required before any Power may be exercised by the Secured Party or any Receiver, that period of notice must be given or time must elapse before that Power may be exercised.

9.6 Exclusion of PPSA enforcement provisions

To the extent permitted by law, and in respect of each Security Interest created by this mortgage:

- (a) the parties contract out of sections 95, 121(4), 125, 130, 132(3)(d), 132(4), 142 and 143 of the PPSA (to the extent, if any, mentioned in section 115(1) of the PPSA); and
- (b) the Grantor irrevocably and unconditionally waives its right to receive any notice of any verification statement in respect of any financing statement or financing change statement relating to this mortgage.

10. Application of money

The Secured Party and each Receiver has an absolute discretion to apply any money received as a result of the exercise of any Power or which is the proceeds of enforcement of this mortgage (and which is to be applied in payment of the Secured Money) in reduction of any part or parts of the Secured Money, whenever and on whatever account it became secured,

despite any principle or presumption of law to the contrary or any direction given at the time of receipt and without the need to communicate its election to any person.

11. Liability and release

11.1 Continuing obligation

This mortgage constitutes a continuing obligation regardless of any settlement of account, intervening payment, express or implied revocation or any other matter or thing.

11.2 Personal liability

No grant of full or partial satisfaction of or discharge from this mortgage by the Secured Party will, unless it expressly provides otherwise, release the Grantor from personal liability under this mortgage or under any other Transaction Document until none of the Secured Money is owing (whether actually, contingently or prospectively) and it is not reasonably foreseeable that there could be any Secured Money owing in the future.

11.3 Settlement conditional

If:

- (a) (i) the Secured Party has at any time released or discharged:
 - A. the Grantor from its obligations under this mortgage; or
 - B. any assets of the Grantor from this mortgage,in either case in reliance on a payment, receipt or other transaction to or in favour of the Secured Party; or
- (ii) any payment, receipt or other transaction to or in favour of the Secured Party has the effect of releasing or discharging:
 - A. the Grantor from its obligations under this mortgage; or
 - B. any assets of the Grantor from this mortgage; and
- (b) that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason, including under an Insolvency Provision or under any other law; and
- (c) that claim is upheld or is conceded or compromised by the Secured Party,

then:

- (i) the Secured Party will immediately become entitled against the Grantor to all rights as it had immediately before that release or discharge;
- (ii) the Grantor must, to the extent permitted by law:
 - A. immediately do all things and execute all documents as the Secured Party, acting reasonably, may require to restore to the Secured Party all those rights; and
 - B. indemnify the Secured Party against all Costs, damages, claims, demands and actions suffered or incurred by it in or in

connection with any negotiations or proceedings relating to the claim or as a result of the upholding, concession or compromise of the claim.

11.4 Grantor's liability not affected

The liability of the Grantor under this mortgage:

- (a) **(Absolute)** is absolute and is not subject to the execution of any other Transaction Document or any other document by any person or to the performance of any condition precedent or subsequent, including as between any Obligor and the Secured Party or between any 2 or more Obligors;
- (b) **(Not Affected)** will not be affected by any act, omission, matter or thing that would otherwise operate by law to reduce or release the Grantor from its liability including any of the following:
 - (i) the occurrence or subsistence of any Event of Default;
 - (ii) the receipt by the Secured Party of any payment, dividend or distribution under any Insolvency Provision in relation to any Obligor;
 - (iii) any Transaction Document, or any payment or other act the making or doing of which would otherwise have formed part of the Obligations, being, becoming or being conceded to be illegal, invalid, void, voidable, unenforceable or irrecoverable in whole or in part for any reason whether past, present or future, including as a result of any:
 - A. law;
 - B. act or omission by any person;
 - C. legal limitation, disability or incapacity of any Obligor;
 - D. improper exercise of a Power;
 - E. Power being suspended or postponed by Statute, any court order or otherwise; or
 - F. Insolvency Provision;
 - (iv) the Secured Party accepting the benefit of any other Encumbrance;
 - (v) the Secured Party granting time, waiver or other indulgence or concession to, or making any composition or compromise with, any Obligor;
 - (vi) the Secured Party forbearing or neglecting to exercise any remedy or right it has for the enforcement of any Transaction Document or any of the Obligations (other than an express waiver granted in favour of the Grantor in respect of its liabilities under this mortgage);
 - (vii) any laches, acquiescence or other act, neglect, default, omission or mistake by the Secured Party;
 - (viii) the determination, rescission, repudiation or termination, or the acceptance of any of the foregoing, by the Secured Party or any Obligor of any Transaction Document or any of the Obligations (other than an

express release or discharge of the Grantor from all of its liabilities under this mortgage);

- (ix) any variation to any Transaction Document or any of the Obligations, whether or not the variation is substantial or material or imposes an additional liability on or is onerous on any Obligor;
- (x) the full, partial or conditional release or discharge by the Secured Party, or by operation of law or otherwise, of any person from any Transaction Document or any of the Obligations (other than an express release or discharge of the Grantor from all of its liabilities under this mortgage);
- (xi) the release of any property from any other Encumbrance, or the substitution of any property in place of any other property now or after the date of this mortgage the subject of any other Encumbrance;
- (xii) the Secured Party wasting, destroying, abandoning, prejudicing or not perfecting, maintaining, preserving, enforcing or realising or not properly enforcing or realising any other Encumbrance;
- (xiii) the failure to perfect or to obtain the benefit, or the loss or impairment, of any other Encumbrance by operation of law or otherwise;
- (xiv) the postponement or loss of the priority attaching to any other Encumbrance;
- (xv) the opening or operation of any new account with the Secured Party by any Obligor;
- (xvi) the transfer or assignment of the benefit of any Transaction Document or of any of the Obligations;
- (xvii) any failure by the Secured Party to disclose to the Grantor any material or unusual fact, circumstance, event or thing known to, or which ought to have been known by, the Secured Party relating to or affecting any Obligor at any time before or during the currency of any Transaction Document, whether prejudicial or not to the rights and liabilities of the Grantor and whether or not the Secured Party was under any duty of disclosure; or
- (xviii) the Secured Party entering into a covenant with any other Obligor not to sue, issue process, sign or execute judgment, commence proceedings for bankruptcy or winding up, participate in any scheme of arrangement or reconstruction, prove in any bankruptcy or winding up or do any other act, matter or thing in respect of the liability of any other Obligor.

11.5 Insolvency

- (a) The Grantor must not:
 - (i) institute any proceedings against any other Obligor or make or join in making any application to any court for an administration, winding up, receivership or other similar order to be made in relation to any other Obligor; or

- (ii) except as contemplated by clause 11.5(b), lodge any proof of debt or similar claim under any Insolvency Provision in relation to an Obligor in competition with the Secured Party.
- (b) The Grantor irrevocably appoints the Secured Party as its attorney to prove in the insolvency of any other Obligor for all money to which the Grantor may be entitled from that Obligor. The Grantor acknowledges that the Secured Party may, subject to the terms of this mortgage, retain any money which the Secured Party may receive from any proof on account of the Secured Money.

11.6 Waiver of rights

The Grantor may not:

- (a) exercise any right of contribution, indemnity or subrogation which it might otherwise be entitled to claim and enforce against any other Obligor and irrevocably waives all of those rights of contribution, indemnity or subrogation it may have;
- (b) accept the benefit of any Encumbrance as security for any obligation which any other Obligor owes to the Grantor; or
- (c) raise any defence, right of set-off or counterclaim in reduction or discharge of its obligations under this mortgage.

11.7 Obligor

For the purposes of clauses 11.4, 11.5 and 11.6 the expression "Obligor" will include any person from whom the Grantor may become entitled (by reason of its making a payment to the Secured Party) to claim any right of contribution or indemnity.

11.8 Claim on Grantor

The Secured Party is not required to:

- (a) make any claim or demand on any other Obligor or any other person;
- (b) enforce any other Transaction Document or other Encumbrance; or
- (c) enforce any other Power,

in any case, before making any demand on the Grantor under this mortgage or otherwise enforcing this mortgage.

11.9 Release of Collateral

The Secured Party will release the Collateral at the times and in the manner specified in the Subscription Deed.

12. Protection and indemnity

12.1 Waiver by Grantor

The Grantor waives in favour of the Secured Party:

- (a) all rights against the Secured Party and any other person, estate or assets as far as is necessary to give effect to any provision of this mortgage;

- (b) promptness and diligence on the part of the Secured Party; and
- (c) all rights inconsistent with the provisions of this mortgage.

12.2 No liability for loss

Neither the Secured Party nor any Receiver will be liable or otherwise accountable for any act, omission, delay, mistake, loss or irregularity in or concerning the exercise, attempted exercise, non exercise or purported exercise of any Power, except for its own gross negligence, fraud or wilful misconduct.

12.3 No liability to account

Neither the Secured Party nor any Receiver will, by reason of the Secured Party or that Receiver entering into possession of the Collateral, be liable to account as mortgagee or chargee in possession, for any loss on realisation or for any default, omission, delay or mistake for which a mortgagee or chargee in possession might be liable. The liability of the Secured Party and of each Receiver will be for actual receipts only.

12.4 No conflict

The Secured Party and each Receiver may exercise any Power, even though the exercise of that Power involves a conflict between any duty owed to the Grantor by the Secured Party or that Receiver and any duty owed by the Secured Party or that Receiver to any other person or the interests of the Secured Party or that Receiver. No contract will be void or voidable by virtue of that conflict of duty or interest nor will the Secured Party or Receiver be liable to account to the Grantor or any other person for any money or property as a result of that conflict.

12.5 No notice or enforcement

The Secured Party need not:

- (a) give any notice of this mortgage to any debtor of the Grantor, to any purchaser or to any other person;
- (b) enforce payment of any money payable to the Grantor;
- (c) vote at any meeting of members or creditors of any Entity or otherwise exercise any rights in respect of the Collateral; or
- (d) realise the Collateral or take any steps or proceedings for that purpose.

12.6 Indemnity

The Grantor will on demand indemnify and keep the Secured Party indemnified in respect of all Costs and Taxes incurred by the Secured Party or any Receiver:

- (a) in the exercise, attempted exercise or non-exercise of any Power, including those resulting from any mistake, oversight, error of judgment or want of prudence on the part of the Secured Party or any Receiver, unless the same is due to its own gross negligence, fraud or wilful misconduct;
- (b) as a consequence of the occurrence or subsistence of any Event of Default;
- (c) by reason of this mortgage;

- (d) in respect of any act or omission for which the Secured Party or any Receiver is exonerated by this mortgage; and
- (e) by reason of the Secured Party redeeming or taking a transfer of any Encumbrance ranking in priority to or pari passu with this mortgage,

and the Grantor will defend all actions, proceedings, claims or demands brought by any person in relation to any matter the subject of this indemnity.

12.7 Protection of persons dealing with the Secured Party or Receiver

No person acquiring any money or asset from or paying or handing over any money or asset to or otherwise dealing with the Secured Party, any Receiver or any Delegate, or to whom is tendered for registration an instrument executed by the Secured Party, any Receiver or any Delegate, will be:

- (a) bound to inquire:
 - (i) whether the Secured Party or the relevant Receiver or Delegate has the right to dispose of any money or asset;
 - (ii) whether any Event of Default has occurred or is subsisting;
 - (iii) whether any of the Secured Money is owing or payable;
 - (iv) whether the relevant Receiver or Delegate has been properly appointed;
 - (v) as to the propriety or regularity of the exercise or purported exercise of any Power; or
 - (vi) as to any other matter or thing;
 - (b) affected by actual or constructive notice that any transaction, document or other dealing is unnecessary or improper; or
 - (c) concerned to see to the application of any money or asset, or be answerable or accountable for any loss or misapplication,
- and:
- (i) in the case of any person paying or handing over any money or asset, that person will be discharged from any further liability to pay or hand over that money or asset; and
 - (ii) the irregular, improper or unnecessary exercise of any Power and any other dealing of any nature with the Secured Party, any Receiver or any Delegate will be, as regards the protection of any such person, deemed to be authorised by the Grantor and valid.

13. Payments

13.1 Money repayable as agreed or on demand

The Grantor will pay the Secured Money to the Secured Party in dollars or any other currency specified in the relevant Transaction Document in immediately available funds not later than 11.00 am in the place of payment on the due date (or if no due date is specified, on the date of

demand by the Secured Party) and in compliance with any other requirements of the Transaction Documents.

13.2 Credit balances of other accounts

In determining the amount of the Secured Money, no credit need be allowed by the Secured Party for any credit balance in any joint or other account of the Grantor with the Secured Party, or for any other money owing by the Secured Party to the Grantor.

14. Expenses, stamp duties and GST

14.1 Expenses

:

- (a) **(Preparation)** Each party will bear its own costs in relation to negotiating, preparing and executing this mortgage and any subsequent consent, agreement, approval, waiver or amendment relating to, or discharge of, this mortgage; and
- (b) **(Enforcement)** The Grantor must reimburse the Secured Party on demand for, and indemnifies the Secured Party against, all Costs, including legal fees, costs and disbursements (on a full indemnity basis and determined without taxation, assessment or similar process) incurred in connection with exercising, enforcing or preserving, or attempting to exercise, enforce or preserve, any Power including any expenses incurred in the evaluation of any matter of material concern to the Secured Party or the investigation of any matter which the Secured Party determines, acting reasonably, may be an Event of Default or Potential Event of Default.
- (c) **(Grantor's compliance)** The Grantor will bear the cost of its compliance with this mortgage.

14.2 Stamp duties

The Grantor:

- (a) must promptly pay all stamp duty, transaction, registration and similar Taxes, including fines and penalties which may be payable to, or required to be paid by, any appropriate Government Authority or determined to be payable in connection with the execution, delivery, performance or enforcement of this mortgage or any payment, receipt or other transaction contemplated by this mortgage; and
- (b) indemnifies the Secured Party against any loss or liability incurred or suffered by it as a result of the delay or failure by the Grantor to pay any Taxes as required in accordance with clause 14.2(a).

14.3 GST

- (a) Any reimbursement required to be made by the Grantor under this mortgage for a Cost or other amount paid or incurred by the Secured Party will be limited to the total Cost or other amount less the amount of any input tax credit to which the Secured Party is entitled for the acquisition to which the Cost or other amount relates.
- (b) If GST is payable in respect of any supply made by or through the Secured Party under, pursuant to, or in connection with this mortgage (**GST Liability**), then:

- (i) where consideration is provided by the Grantor in relation to that supply, the Grantor will pay an additional amount to the Secured Party equal to the full amount of the GST Liability; and
- (ii) except where clause 14.3(b)(i) applies, the Grantor will indemnify and keep the Secured Party indemnified for the full amount of the GST Liability.

The Secured Party will provide to the Grantor a tax invoice complying with the relevant law relating to any payment made to it in accordance with this clause 14.3(b).

15. Governing law and jurisdiction

15.1 Governing law

This mortgage is governed by the law applying in Victoria.

15.2 Jurisdiction

The Grantor irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of Victoria, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this mortgage; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 15.2(a).

16. Miscellaneous

16.1 Further acts and documents

- (a) The Grantor will, and will procure that all persons having or claiming any estate or interest in the Collateral from time to time after the date of this mortgage will, on demand by the Secured Party (and at the entire cost and expense of the Grantor) perform all acts and execute and deliver all further documents as the Secured Party, acting reasonably, requires:
 - (i) for more satisfactorily securing to the Secured Party the payment of the Secured Money;
 - (ii) to perfect the Encumbrance created by this mortgage over the Collateral; or
 - (iii) for facilitating the exercise of any Power.
- (b) Without limiting clause 16.1(a) if the Secured Party determines that a Transaction Document (or a transaction related to a Transaction Document) is or contains a Security Interest, the Grantor agrees to promptly do anything (including amending any Transaction Document or executing any new document) which the Secured Party reasonably requires for the purposes of:

- (i) ensuring that the Security Interest is enforceable, perfected (including, where possible, by control in addition to registration) and otherwise effective; or
- (ii) enabling the Secured Party to apply for registration, or give any notification, in connection with the Security Interest so that the Security Interest has the priority required by the Secured Party; or
- (iii) enabling the Secured Party to exercise rights in connection with the Security Interest.

16.2 Powers cumulative

Each Power is cumulative and in addition to each other Power available to the Secured Party or any Receiver.

16.3 Indemnities

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

16.4 Time of essence

Time is of the essence in respect of the Grantor's obligations under this mortgage.

16.5 Moratorium legislation

To the fullest extent permitted by law, all laws which at any time operate directly or indirectly to:

- (a) lessen or affect in favour of the Grantor any obligation under this mortgage; or
 - (b) delay or otherwise prevent or prejudicially affect the exercise of any Power,
- are expressly waived.

16.6 Binding on each signatory

This mortgage binds and is enforceable against the Grantor despite:

- (a) any other person not executing this mortgage or its execution being defective in any way; or
- (b) any obligation or liability of any other party under this mortgage not being binding or enforceable against that party for any reason.

16.7 Counterparts

This mortgage may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the deed of each party who has executed and delivered that counterpart.

16.8 Registration

The Secured Party may register this mortgage and any financing statement or financing change statement relating to this mortgage in the manner and within any time limits prescribed by law to ensure the full efficacy of this mortgage as an Encumbrance to the Secured Party in all relevant jurisdictions.

16.9 Assignment

- (a) (i) The Secured Party may at any time assign or otherwise transfer all or any part of its rights under this mortgage to any party to whom the Secured Party transfers the Note in accordance with clause 10 of the Subscription Deed and may disclose to a proposed assignee or transferee any information in the Secured Party's possession relating to the Grantor.
- (ii) If the Secured Party assigns or otherwise transfers all or any part of its rights under this mortgage as permitted in accordance with this clause 16.9(a) the Grantor may not claim against any assignee or transferee any right of set-off or any other rights the Grantor has against the assigning or transferring Secured Party.
- (b) The Grantor cannot assign, novate or otherwise transfer any of its rights or obligations under this mortgage without the prior written consent of the Secured Party.

16.10 No merger

This mortgage and the Powers are in addition to and do not merge with, postpone, lessen or otherwise prejudicially affect any other Transaction Document or any other right, power, authority, discretion, remedy or privilege of the Secured Party.

16.11 Blanks

The Grantor authorises the Secured Party to complete any blanks in this mortgage or any document, of any nature, entered into or executed by the Grantor in connection with this mortgage.

16.12 Confidentiality

- (a) Subject to clause 16.12(b), if the Grantor is a debtor as defined in the PPSA, the parties agree to keep all information of the kind mentioned in section 275(1) of the PPSA confidential and not to disclose that information to anyone.
- (b) Clause 16.12(a) does not apply to any disclosure of information or documents:
 - (i) in any proceeding arising out of or in connection with this mortgage to the extent that the disclosure is deemed by the disclosing party necessary to protect its interests;
 - (ii) where the information is in the public domain other than as a result of a breach by that disclosing party of this clause 16.12;
 - (iii) if required to do so under a binding order of any Government Authority or any procedure for discovery in any proceedings;
 - (iv) if the disclosing party reasonably believes it is required to do so by any law or stock exchange (except that this paragraph does not permit the

Secured Party to disclose any information of the kind referred to in section 275(1) of the PPSA, to the extent that disclosure can be resisted under subsection 275(6) of the PPSA);

- (v) otherwise as required or permitted by any Transaction Document;
- (vi) to a disclosing party's Related Bodies Corporate, its legal advisors and its consultants as long as it advises them of the confidential nature of the information or documents or that nature is clear from the circumstances of the disclosure;
- (vii) by the Secured Party to a proposed assignee or transferee of any rights or obligations under any Transaction Document or to any sub-participant or other person with whom any other transaction may be entered into under which payments may be made by reference to any Transaction Document or any Obligor;
- (viii) by the Secured Party with the Grantor's prior written consent;
- (ix) by the Grantor with the Secured Party's prior written consent.

Each party authorises disclosures made by the other party in accordance with clauses 16.12(b)(i) to 16.12(b)(vii).

Executed as a deed

By the Grantor

**Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust by in accordance with
section 127 of the Corporations Act 2001 (Cth):**

Full name of sole director and company secretary who
states that he or she is the sole director and sole
company secretary of

Signature of sole director and sole company
secretary

By the Secured Party

**Signed, sealed and delivered by Wu
Jiping in the presence of:**

Signature of witness

Signature

Full name of witness

Annexure B

Guarantee and Indemnity

CLAYTON UTZ

Execution version

Guarantee and indemnity

Wu Jiping
Beneficiary

Silvergate Capital Pty Ltd
Guarantor

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Guarantee and indemnity dated

Parties **Wu Jiping (Beneficiary)**
Silvergate Capital Pty Ltd ACN 158 538 580 (Guarantor)

Background

- A. At the request of the Guarantor, the Beneficiary has agreed to provide financial accommodation to Pure Metals pursuant to the Subscription Deed.
- B. A condition precedent to Pure Metals' utilisation of the financial accommodation under the Subscription Deed is that the Guarantor enters into this deed.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed:

Authorisation means:

- (a) any authorisation, permit, consent, approval, resolution, licence, exemption, permission, recording, filing or registration required by any Government Authority or any law; and
- (b) in relation to any act, matter or thing which will be prohibited or restricted either in whole or in part by any law if a Government Authority intervenes or acts in any way within a specified period after lodgement, filing, registration, notification or any other event, the expiry of that period without intervention or action.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for business generally in Melbourne and Sydney.

Collateral has the meaning given to that term in the Deed of Mortgage.

Controller has the meaning given to that term in the Deed of Mortgage.

Constitution means, in relation to any person, the replaceable rules, constitution or combination of both (as those terms are used in section 134 of the Corporations Act) of that person (if any).

Conversion Date means the date on which the Note is actually converted in accordance with the Subscription Deed.

Corporations Act means the Corporations Act 2001 (Cth).

Cost means any cost, expense, charge, liability or disbursement.

Deed of Mortgage means the document entitled "Deed of mortgage of securities" dated on or about the date of this deed and made between the Beneficiary (as the Secured Party) and the Guarantor (as the Grantor).

Default Rate means the rate of interest specified in clause 7.4 (*Default Interest*) of the Subscription Deed.

dollar or \$ means the lawful currency of the Commonwealth of Australia.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person and includes any Security Interest.

Event of Default has the meaning given to that term in the Deed of Mortgage.

Event of Insolvency means:

- (a) a controller (as defined in section 9 of the Corporations Act), administrator or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a person;
- (c) any application (not withdrawn or dismissed within 7 days) is made to a court for an order, an order is made, a meeting is convened or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in clauses (a) or (b) of this definition;
 - (ii) winding up or deregistering a person; or
 - (iii) proposing or implementing a scheme of arrangement, other than with the prior approval of the Beneficiary under a solvent scheme of arrangement pursuant to Part 5.1 of the Corporations Act;
- (d) any application (not withdrawn or dismissed within 7 days) is made to a court for an order, a meeting is convened, a resolution is passed or any negotiations are commenced, for the purpose of implementing or agreeing:
 - (i) a moratorium of any debts of a person;
 - (ii) any other assignment, composition or arrangement (formal or informal) with a person's creditors; or
 - (iii) any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee,or any agreement or other arrangement of the type referred to in this clause (d) is ordered, declared or agreed to;
- (e) as a result of the operation of section 459F(1) of the Corporations Act, a person is taken to have failed to comply with a statutory demand (as defined in the Corporations Act);
- (f) any writ of execution, garnishee order, mareva injunction or similar order, attachment or other process is made, levied or issued against or in relation to any asset of a person;
- (g) anything analogous to anything referred to in clauses (a) to (f) (inclusive) of this definition, or which has a substantially similar effect, occurs with respect to a person under any law; or
- (h) a person is, or admits in writing that it is, or is declared to be, or is taken under any applicable law to be (for any purpose), insolvent or unable to pay its debts.

Excess Amount has the meaning given to that term in clause 2.3(b).

Excluded Tax means any Tax imposed by any jurisdiction on the overall net income of the Beneficiary as a consequence of the Beneficiary being a resident of or organised or doing business in that jurisdiction other than any Tax:

- (a) calculated on or by reference to the gross amount of any payment (without the allowance of any deduction) derived under any Transaction Document by the Beneficiary; or
- (b) imposed as a result of the Beneficiary being considered a resident of or organised or doing business in that jurisdiction solely as a result of:
 - (i) it being a party to any Transaction Document; or
 - (ii) any transaction contemplated by any Transaction Document.

Face Value has the meaning given to that term in the Subscription Deed.

Financial Liability of a person means any liability or indebtedness (whether present or future, actual or contingent) of that person for or in respect of:

- (a) money borrowed or raised and debit balances at banks or financial institutions;
- (b) any indemnity obligation in respect of any guarantee, indemnity, bond or letter of credit or similar instrument issued by a bank or financial institution;
- (c) any guarantee, indemnity, letter of credit or similar assurance in respect of financial loss given in connection with any Financial Liability (as referred to in any other clause of this definition) of another person;
- (d) amounts raised under or in connection with any bill acceptance, endorsement or discounting arrangement;
- (e) amounts raised under or in connection with any bond, debenture, note, loan stock or similar instruments;
- (f) any swap, hedge, cap, collar, ceiling or floor agreement, futures contract, forward exchange or forward purchase contract or option contract, in each case, in respect of any currency, interest rate or commodity or any similar transaction; or
- (g) amounts raised under any other transaction or series of transactions having the commercial effect of a borrowing or raising of money.

Government Authority means any government or any governmental or semi governmental entity, authority, agency, commission, corporation or body (including those constituted or formed under any Statute), local government authority, administrative or judicial body or tribunal or stock exchange.

Guaranteed Money means all money the payment or repayment of which from time to time forms part of the Obligations.

Insolvency Provision means any law relating to insolvency, sequestration, liquidation, winding up or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences and any law under which a liquidator or trustee may set aside or avoid transactions) and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

Interest Rate has the meaning given to that term in the Subscription Deed.

Note has the meaning given to that term in the Subscription Deed.

Obligations means:

- (a) the liabilities and obligations of Pure Metals to the Beneficiary under the Subscription Deed to repay the Face Value of the Note and interest accrued on the Note on the Redemption Date under:
 - (i) clause 8.1 (*Repayment on Redemption Date*) of the Subscription Deed; and
 - (ii) clause 14.4 (*Noteholder's powers on default prior to Conversion Date*) of the Subscription Deed;
- (b) on and from the Conversion Date only, the liabilities and obligations of Pure Metals under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as it relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Beneficiary that is:
 - (i) determined by a court; or
 - (ii) or agreed with Pure Metals or the Guarantor,as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
- (c) all costs, outgoings and expenses incurred by the Beneficiary in enforcing or attempting to enforce its rights under this document, the Deed of Mortgage and any other security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or charge consequent on the occurrence of an event of default;
- (d) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
- (e) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in paragraphs (a) to (e) (inclusive) of this definition.

Obligor means Pure Metals or the Guarantor. When used in clause 5, "Obligor" includes any person from whom the Guarantor, but for any provision of this deed, would be entitled to claim any right of contribution or indemnity.

Potential Event of Default means any event or circumstance which, with the giving of notice, lapse of time, satisfaction of a condition or a determination (or any combination of these) would be an Event of Default.

Power means any right, power, authority, discretion, remedy or privilege.

Pure Metals means Pure Metals Pty Ltd ABN 89 151 066 321.

Recovered Amount means an amount which is equal to the sum received by:

- (a) the Beneficiary;
- (b) any Controller; or

(c) any person acting on behalf of the Beneficiary,

from the sale or realisation of the Collateral.

Redemption Date has the meaning given to that term in the Subscription Deed.

Right of Indemnity means the rights of the Guarantor to be fully indemnified and reimbursed out of the Trust Assets for all liabilities incurred by it in its capacity as trustee of the Trust, including those incurred by it under each Transaction Document to which it is a party.

Security Interest has the meaning given to that term in section 12 of the Personal Property Securities Act 2009 (Cth).

Statute means any legislation of the Parliament of the Commonwealth of Australia, of any State or Territory of the Commonwealth of Australia or of any other jurisdiction or Government Authority in force at any time.

Subscription Deed means the document entitled "Redeemable convertible note subscription deed" dated on or about the date of this deed and made between Pure Metals and the Beneficiary.

Tax means any taxes, levies, imposts, deductions, charges and withholdings assessed, imposed, collected or withheld under any legislation and, in each case, all interest, fines, penalties, charges, fees or other amounts in respect of them.

Transaction Document has the meaning given to that term in the Subscription Deed.

Trust means the trust known as "Silvergate Capital Unit Trust" ABN 92 672 871 445, established under the Trust Deed.

Trust Assets means all assets, undertaking and rights held by the Guarantor from time to time as trustee of the Trust.

Trust Deed means the document entitled "Unit Trust - Fixed Deed establishing the Silvergate Capital Unit Trust" dated 27 May 2012.

Trustee means Silvergate Capital Pty Ltd.

Unpaid Sum means any sum due and payable by the Guarantor under any Transaction Document but unpaid.

1.2 Interpretation

In this deed:

(a) headings are for convenience only and do not affect interpretation,

and unless the context indicates a contrary intention:

(b) "person" includes an individual, the estate of an individual, a corporation, a Government Authority, an association or any form of joint venture (whether a company, unincorporated entity, undertaking, association, partnership or other similar entity) and a trust;

(c) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;

- (d) a reference to a document (including any Transaction Document) is to that document as varied, novated, ratified, replaced or restated from time to time;
- (e) a reference to a law includes any law, principle of equity, Statute and official directive of any Government Authority and a reference to any legislation (including any Statute) includes any rule, regulation, ordinance, by law, statutory instrument, order or notice at any time made under that legislation and, in each case, any consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause or schedule is a reference to a party, clause or schedule to or of this deed, and a reference to this deed includes all schedules to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) "includes" in any form is not a word of limitation;
- (j) all accounting terms used in this deed have the meaning given to them under Accepted Accounting Practices;
- (k) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or that act, matter or thing will be done on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not); and
- (l) a reference to "subsists" or any similar expression in relation to an Event of Default or a Potential Event of Default indicates an Event of Default or Potential Event of Default which has not been remedied or waived in accordance with the terms of the Transaction Documents.

1.3 Guarantor liable as trustee

- (a) The Guarantor is liable under each Transaction Document to which it is a party in its personal capacity and in its capacity as trustee of the Trust.
- (b) In each Transaction Document, a reference to the Guarantor is a reference to the Guarantor in both its personal capacity and in its capacity as trustee of the Trust.

1.4 Transaction Document

This deed is a "Transaction Document" for the purposes of the Subscription Deed.

1.5 Liability as guarantor and indemnifier

- (a) Any reference in this deed to the obligations or liabilities of the Guarantor will be construed as a reference to its obligations or liabilities, whether as a guarantor or an indemnifier or both, under this deed.
- (b) The use of the expression "Guarantor" in this deed in relation to a party is not to be construed as diminishing that party's obligations as an indemnifier under this deed.
- (c) The provisions of this deed which preserve the liability of the Guarantor as a guarantor apply, appropriately modified, to any liability which arises whether in regard to that party's guarantee or its indemnity under this deed.

1.6 Principal obligation

Each obligation of the Guarantor under this deed constitutes a principal, not a secondary or ancillary obligation, to the intent that, without limiting in any way the operation of any of the other provisions of this deed, any limitation on the liability of the Guarantor which would otherwise arise by reason of its status as a guarantor, co-guarantor, indemnifier or co-indemnifier, is negated.

2. Recourse

2.1 Recovered Amount

Subject to clause 2.2 and clause 2.4, but otherwise despite anything else in this document or any other Transaction Document:

- (a) the amount recoverable by the Beneficiary from the Guarantor under any Transaction Document in respect of the Obligations, the Guaranteed Money or otherwise is an amount equal to the Recovered Amount; and
- (b) the Beneficiary may not seek to recover from the Guarantor any shortfall in the Guaranteed Money by:
 - (i) bringing any proceedings against the Guarantor; or
 - (ii) applying to have the Guarantor wound up.

2.2 Exceptions to limit

Despite clause 2.1, the Beneficiary or any Controller or person acting on its behalf may:

- (a) exercise all Powers in connection with the Collateral as against the Guarantor; and
- (b) take proceedings to obtain:
 - (i) an injunction or other order to restrain any breach of a Transaction Document by the Guarantor; or
 - (ii) declaratory relief or other similar judgment or order as to the Guarantor's obligations under any Transaction Document.

2.3 Beneficiary may retain excess

The Guarantor and the Beneficiary hereby agree and acknowledge that it is their intention that the Beneficiary shall bear the risk and reward associated with any movements in the value of the Collateral. To that end and despite anything else in this deed or any other Transaction Document:

- (a) the recourse of the Beneficiary to the Guarantor shall be limited in the manner set out in clauses 2.1, 2.2 and 2.4; and
- (b) if the Recovered Amount exceeds the Guaranteed Moneys (such an amount being the **Excess Amount**):
 - (i) the Beneficiary:
 - A. is absolutely and unconditionally entitled to be paid and retain for its own account the Excess Amount; and

- B. shall not under any circumstances be required to pay, repay or account to any Obligor or any other party for or on account of that Excess Amount; and
- (ii) the Guarantor may not bring any proceedings against the Beneficiary in relation to the Excess Amount.
- (c) To the extent permitted by law, this clause 2.3 will operate notwithstanding any rule or law or equity to the contrary.
- (d) Clause 2.3(b) will cease to apply on and from the Conversion Date.

2.4 Maximum amount recoverable after Conversion Date

On and from the Conversion Date, the maximum amount recoverable by the Beneficiary from the Guarantor under any Transaction Document in respect of the Obligations, the Guaranteed Money or otherwise is an amount equal to the lesser of:

- (a) the amount referred to in clause 2.1(a); and
- (b) the sum of:
 - (i) the amount required to be paid by Pure Metals to the Beneficiary under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as that amount relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Beneficiary that is:
 - A. determined by a court; or
 - B. or agreed with Pure Metals or the Guarantor,
 as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
 - (ii) all costs, outgoings and expenses incurred by the Beneficiary in enforcing or attempting to enforce its rights under this deed and any security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or chargee consequent on the occurrence of an event of default;
 - (iii) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
 - (iv) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in this clause 2.4(b)(i) to (iv) (inclusive).

3. Guarantee

3.1 Guarantee

The Guarantor irrevocably and unconditionally guarantees to the Beneficiary the satisfaction and payment in full of the Obligations.

3.2 Satisfaction of Obligations

If any Obligor does not pay or satisfy any Obligation in full on the due date, the Guarantor will immediately on demand by the Beneficiary satisfy or pay that Obligation in full.

4. Indemnity

The Guarantor as a separate additional and primary liability irrevocably and unconditionally agrees to indemnify the Beneficiary and keep the Beneficiary indemnified against any Cost, loss, damage, claim, demand or action suffered by the Beneficiary arising from:

- (a) any failure by any Obligor to satisfy the Obligations; or
- (b) any obligation or liability that would otherwise form part of the Obligations being void, voidable or unenforceable against or irrecoverable from any Obligor for any reason, whether or not the Beneficiary knew or ought to have known of that reason.

5. Nature and preservation of liability

5.1 Absolute and unconditional liability

The liability of the Guarantor under this deed:

- (a) is absolute and is not subject to the performance of any condition precedent or subsequent, including any condition between any Obligor and the Beneficiary or amongst any 2 or more Obligors; and
- (b) will not be affected by any act, omission, matter or thing which, but for this clause 5.1(b), might release the Guarantor from that liability or reduce the liability of the Guarantor (other than an express release of the Guarantor from all of its liabilities under this deed) including any of the following:
 - (i) **(Event of Insolvency)** the occurrence before, on or at any time after, the date of this deed of any Event of Insolvency in relation to any Obligor;
 - (ii) **(Invalidity etc)** any Transaction Document or any payment or other act, the making or doing of which would otherwise form part of the Obligations being or becoming or being conceded to be frustrated, illegal, invalid, void, voidable, unenforceable or irrecoverable in whole or in part for any reason whether past, present or future;
 - (iii) **(Time or concession)** the Beneficiary granting time, waiver or other concession to, or making any composition, arrangement or compromise with any other Obligor (including to or with Pure Metals in respect of the liability of the Guarantor) or any other person;
 - (iv) **(Forbearance)** the Beneficiary not exercising or delaying (whether deliberately, negligently, unreasonably or otherwise) in the exercise of any Power it has for the enforcement of any Transaction Document or any Obligation;
 - (v) **(Repudiation)** the determination, rescission, repudiation or termination, or the acceptance of any of the foregoing, by the Beneficiary or any other Obligor of any Transaction Document or any Obligation;

- (vi) **(Variation)** any variation to any Transaction Document or any Obligation, whether or not that variation is substantial or material or imposes an additional liability on or disadvantages any Obligor;
- (vii) **(Release)** the full, partial or conditional release or discharge by the Beneficiary or by operation of law of any other Obligor from any Transaction Document or any Obligation;
- (viii) **(Property subject to Encumbrance)** the release of any property from any Encumbrance or the substitution of any property in place of any other property subject to any Encumbrance;
- (ix) **(Loss of Encumbrances)** the failure to obtain or perfect any Encumbrance or the loss or impairment of any Encumbrance by operation of law or otherwise;
- (x) **(Transfer)** the transfer, assignment or novation by the Beneficiary or any Obligor of all or any of its rights or obligations under any Transaction Document;
- (xi) **(Non execution etc)** any person, whether named as a party or not, does not execute any Transaction Document or the execution of any Transaction Document by any person is invalid, forged or irregular in any way; or
- (xii) **(Disclosure)** any failure by the Beneficiary to disclose to the Guarantor any material or unusual fact, circumstance, event or thing known to, or which ought to have been known by, the Beneficiary relating to or affecting any Obligor at any time before or during the currency of any Transaction Document, whether prejudicial or not to the rights and liabilities of the Guarantor and whether or not the Beneficiary was under a duty to disclose that fact, circumstance, event or thing to any Obligor.

5.2 No merger

The guarantee and indemnity from the Guarantor under this deed is in addition to and does not merge with, postpone, lessen or otherwise prejudicially affect any other Transaction Document or any other Power of the Beneficiary.

5.3 No obligation to gain consent

The Guarantor has no right or entitlement to consent to or be made aware of any event referred to in clause 5.1(b), any transaction between the Beneficiary and any Obligor or any particulars concerning any obligation or liability that forms part of the Obligations.

5.4 Appropriation

- (a) The Beneficiary is under no obligation to marshal or appropriate in favour of the Guarantor, or to exercise, apply, transfer or recover in favour of the Guarantor, any Encumbrance or any funds or assets which the Beneficiary holds, has a claim on, has received or is entitled to receive, but may do so in the manner and order as the Beneficiary determines in its absolute discretion.
- (b) The Beneficiary may hold in a suspense account (without liability to pay interest) any money which it receives from the Guarantor, or which it receives on account of the Guarantor's liability under any Transaction Document and which the Beneficiary may, at its discretion, appropriate in reduction of the Guarantor's

liability under this deed or any other Transaction Document at such time determined by it.

5.5 Void or voidable transactions

If:

- (a) (i) the Beneficiary has at any time released or discharged the Guarantor from its obligations under a Transaction Document in reliance on a payment, receipt or other transaction to or in favour of the Beneficiary; or
- (ii) any payment, receipt or other transaction to or in favour of the Beneficiary has the effect of releasing or discharging the Guarantor from its obligations under a Transaction Document; and
- (b) that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason, including under an Insolvency Provision or under the general law; and
- (c) that claim is upheld or is conceded or compromised by the Beneficiary;

then:

- (d) **(Restitution of rights)** the Beneficiary will immediately become entitled against the Guarantor to all rights under each Transaction Document as it had immediately before that release or discharge;
- (e) **(Restore Beneficiary's position)** the Guarantor must immediately do all things and execute all documents as the Beneficiary may, acting reasonably, require to restore to the Beneficiary all those rights; and
- (f) **(Indemnity)** the Guarantor must indemnify the Beneficiary against Costs and losses suffered or incurred by it in or in connection with any negotiations or proceedings relating to the claim or as a result of the upholding, concession or compromise of the claim.

5.6 No third party rights

The Guarantor's liability under this deed will not be reduced or avoided by any defence, set-off or counterclaim available to any other Obligor against the Beneficiary.

5.7 Restriction on Guarantor's dealings

- (a) The Guarantor must not:
 - (i) **(No proceedings)** institute any proceedings against any other Obligor or make or join in making any application to any court for an administration, winding up, receivership or other similar order to be made in relation to any other Obligor;
 - (ii) **(No demand)** unless instructed to do so by the Beneficiary, take any action, make any demand for, lodge any proof of debt or similar claim, or accept any money in part or complete satisfaction of, any liability on any account of any other Obligor (including in relation to any Financial Liability) other than for a liability arising out of the supply of goods and

services by the Guarantor to that Obligor in the ordinary course of the Guarantor's ordinary business and on arm's length terms;

- (iii) **(No Encumbrances)** create or permit to exist any Encumbrance as security for any obligation which it owes to any other Obligor or obtain the benefit of any Encumbrance for any obligation which any other Obligor owes to it; or
 - (iv) **(No set-off)** unless instructed to do so by the Beneficiary, set-off any money owing by the Guarantor against any liability owing to the Guarantor by any other Obligor or permit any other Obligor to set-off any money owing by that Obligor against any liability owing to that Obligor by the Guarantor.
- (b) If the Guarantor receives the benefit of any payment, any set-off or any Encumbrance (or the proceeds of its realisation) in breach of clause 5.7(a) the Guarantor will hold on trust for the Beneficiary, so much of the benefit it has received as does not exceed, by value, the amount which may become payable by the Guarantor under this deed. Any benefit held on trust in accordance with this clause will be applied in or towards satisfaction of the Guarantor's liability under this deed.
- (c) The Guarantor irrevocably appoints the Beneficiary as its attorney to prove in the insolvency of any other Obligor for all money to which the Guarantor may be entitled from that other Obligor up to an amount which does not exceed the amount which may be payable by the Guarantor under this deed. The Guarantor acknowledges that the Beneficiary may, subject to the terms of this deed, retain any money which the Beneficiary may receive from any proof on account of the Guarantor's liability under this deed.

5.8 Claim on the Guarantor

The Guarantor agrees that the Beneficiary is not required to make any claim or demand on any other Obligor, or to enforce any Transaction Document or any other Power against any other Obligor, before making any demand or claim on the Guarantor.

5.9 Waiver of rights

The Guarantor must not exercise any right of contribution, indemnity or subrogation which it might otherwise be entitled to claim and enforce against or in respect of any other Obligor and irrevocably waives all of those rights of contribution, indemnity or subrogation it may have.

6. Representations and warranties

6.1 General representations and warranties

The Guarantor represents and warrants to the Beneficiary that:

- (a) **(Legally binding obligation)** each Transaction Document to which it is a party constitutes its valid and legally binding obligation and is enforceable against it in accordance with its terms, subject to any necessary stamping and registration requirements and laws affecting creditors' rights generally;
- (b) **(Execution, delivery and performance)** the execution, delivery and performance of each Transaction Document to which it is a party and each transaction contemplated by each Transaction Document to which it is a party does not violate

or breach any law or any document or agreement to which it is a party or which is binding on it or any of its assets;

(c) **(Authorisation)** all Authorisations required:

- (i) to be obtained by it in connection with the execution, delivery and performance of each Transaction Document to which it is a party, the transactions contemplated by each Transaction Document to which it is a party and the legality, validity and enforcement of each Transaction Document to which it is a party;
- (ii) for it to carry on business and which are material; and
- (iii) for the Trust to be established,

have been obtained and are valid and subsisting and it is not aware of any breach of any of the conditions of any of those Authorisations or aware of any fact or circumstance which may cause any of those Authorisations to be suspended, forfeited, cancelled or rendered void;

(d) **(No Event of Default)** no Event of Default has occurred which is subsisting;

(e) **(No trusts)** it is not the trustee of any trust other than the Trust;

(f) **(Ranking)** its payment obligations under each Transaction Document to which it is a party rank and will at all times rank at least pari passu in right and priority of payment with all its present and future unsecured and unsubordinated obligations other than obligations mandatorily preferred by any law applying to companies generally;

(g) **(Immunity from suit)** it does not enjoy immunity from suit or execution in relation to its obligations under each Transaction Document to which it is a party; and

(h) **(No misrepresentation)** all information relating to any Obligor or the Transaction Documents provided by it or on its behalf to the Beneficiary or any advisor of the Beneficiary in connection with any Transaction Document was at the time it was provided or as at the date (if any) at which it was stated true in all material respects and was not, by omission or otherwise, misleading in any material respect at that time; and

6.2 Corporate representations and warranties

The Guarantor represents and warrants to the Beneficiary that:

(a) **(Existence and power)** it:

- (i) is duly registered and remains in existence; and
- (ii) has the power to own the assets held by it and carry on business as it is being conducted;

(b) **(No violation)** its execution, delivery and performance of each Transaction Document to which it is a party does not (and the transactions contemplated by each such Transaction Document do not) violate its Constitution;

(c) **(Power)** it has the power to enter into, deliver and perform each Transaction Document to which it is a party and to carry out the transactions contemplated by each Transaction Document to which it is a party;

- (d) **(Due authority)** it has taken all corporate action required to enter into, deliver and perform each Transaction Document to which it is a party and to carry out the transactions contemplated by each Transaction Document to which it is a party (including, without limitation under the Trust Deed); and
- (e) **(Corporate benefit)** the entry into and the performance of its obligations under each Transaction Document to which it is a party is in its best interests and for a proper purpose.

6.3 Trust representations and warranties

The Guarantor represents and warrants to the Beneficiary:

- (a) **(Power)** it has power to enter into, deliver and perform each Transaction Document to which it is a party in its capacity as trustee of the Trust and to carry out the transactions contemplated by each Transaction Document to which it is a party;
- (b) **(Trust validly created)** the Trust has been validly created and is in existence;
- (c) **(Trustee validly appointed)** it has been validly appointed as trustee of the Trust and is the sole trustee of the Trust;
- (d) **(Trust Deed)**
 - (i) the Trust is solely constituted by the Trust Deed, a true copy of which has been provided to the Beneficiary prior to the date of this deed;
 - (ii) the Trust Deed is not void, voidable or otherwise unenforceable;
 - (iii) it has complied with all of its obligations as trustee of the Trust and, to the best of its knowledge, no allegation has been made that it has breached those obligations;
- (e) **(No termination or vesting)** no action has been taken or is proposed to terminate the Trust or to vest the Trust Assets in any person;
- (f) **(Ranking over beneficiaries)** the rights of the Beneficiary under each Transaction Document to which it is a party rank in priority to the interests of all beneficiaries of the Trust;
- (g) **(No action to remove)** no action has been taken or proposed to remove it as trustee of the Trust;
- (h) **(Commercial benefit)** entry into each Transaction Document to which it is a party is for the commercial benefit of the beneficiaries of the Trust; and
- (i) **(Rights of indemnity and exoneration against Trust Assets)** it has a valid Right of Indemnity and (except as provided under the Transaction Documents) neither that Right of Indemnity nor its lien over the Trust Assets has been limited in any way.

6.4 Representations and warranties repeated

Each representation and warranty in this clause 6 will be repeated on each day while any of the Guaranteed Money remains outstanding (whether or not then due for payment) with reference to the facts and circumstances then subsisting, as if made on each such day.

7. General undertakings

- (a) **(Provision of further information)** The Guarantor will provide to the Beneficiary as and when required by the Beneficiary, evidence to the satisfaction of the Beneficiary, acting reasonably, proving that the Guarantor is complying with its obligations under each Transaction Document to which it is a party and, if applicable, taking steps to remedy any subsisting Event of Default or Potential Event of Default
- (b) **(Notification of certain events)** The Guarantor will immediately notify the Beneficiary in writing if it becomes aware of the occurrence of:
 - (i) **(Event of Default)** any Event of Default or Potential Event of Default; or
 - (ii) **(Litigation)** any litigation, arbitration, criminal or administrative proceedings which are current, pending or to its knowledge threatened relating to any Obligor or any Obligor's assets.

7.2 Other undertakings

- (a) **(Corporate existence)** The Guarantor will do all things necessary to maintain its corporate existence.
- (b) **(Authorisations)** The Guarantor will:
 - (i) obtain and maintain all Authorisations required:
 - A. in connection with the execution, delivery and performance of each Transaction Document to which it is a party, the transactions contemplated by each Transaction Document to which it is a party and the legality, validity and enforcement of each Transaction Document to which it is a party;
 - B. for it to carry on business and which are material; and
 - C. for the Trust to be established;
 - (ii) not do, fail to do or consent to any act, matter or thing as a result of which any of the Authorisations referred to in clause 7.2(b)(i) is or may be suspended, forfeited, withdrawn, cancelled, refused or rendered void or by which it is disqualified permanently or temporarily from receiving or continuing to hold any such Authorisations.
- (c) **(Comply with laws)** The Guarantor will comply with all laws applicable to it.

7.3 Trust undertakings

The Guarantor will:

- (a) **(No distribution)** procure that no distribution of any of the capital of the Trust is made without the Beneficiary's prior written consent;
- (b) **(Right of Indemnity)** not exercise in its own favour any Right of Indemnity or lien over the Trust Assets to which it might be entitled against any beneficiary of the Trust or against any Trust Asset (other than in respect of any expenses which it

properly incurs in the day to day performance of its obligations as trustee of the Trust);

(c) **(Trust Deed)**

- (i) comply with all of its obligations as trustee of the Trust, whether imposed under the Trust Deed or any law; and
- (ii) ensure that no waiver, revocation, amendment or variation of the Trust Deed is made, whether formally or by conduct;

(d) **(General)** not do anything (or permit anything to be done) which:

- (i) results or may result in registration of the Trust as a managed investment scheme under Part 5C.1 of the Corporations Act;
- (ii) restricts or limits or may restrict or limit the Guarantor's:
 - A. Right of Indemnity or lien over the Trust Assets; or
 - B. ability to observe its obligations under each Transaction Document to which it is a party;
- (iii) restricts or limits or may restrict or limit the Beneficiary's rights of subrogation to the Guarantor's Right of Indemnity or lien over the Trust Assets;
- (iv) effects or facilitates or may effect or facilitate:
 - A. the termination of the Trust or the termination, rescission or revocation of the Trust Deed;
 - B. the resettlement of any Trust Assets; or
 - C. the resignation, retirement, removal or replacement of the Guarantor as trustee of the Trust or the appointment of an additional trustee of the Trust; or
- (v) could determine, alter, shorten or fix the vesting date of the Trust.

8. Payments

8.1 On demand

All payments by the Guarantor under each Transaction Document to which it is a party are to be made to the Beneficiary in dollars or any other currency specified in the Transaction Documents in immediately available funds not later than 11.00 am in the place of payment on the due date (or if no due date is specified, on the date of demand by the Beneficiary) to the account that the Beneficiary from time to time designates and otherwise in compliance with the requirements of the Transaction Documents.

8.2 Payment in gross

All amounts received or recovered by the Beneficiary on account of the Guaranteed Money will be treated as payments in gross without any right on the part of the Guarantor to claim the benefit of any amount received or recovered by the Beneficiary under any Transaction Document, until the Guaranteed Money has been paid in full.

8.3 Payment of interest on Unpaid Sums

- (a) The Guarantor will pay default interest on all Unpaid Sums in accordance with this clause 8.3. Default interest will accrue on all Unpaid Sums from day to day:
 - (i) from the due date up to the date of actual payment, before and (as a separate and independent obligation) after judgment; and
 - (ii) at the Default Rate for successive one month periods (each an **Interest Period**) commencing on the date the Unpaid Sum was due.
- (b) Default interest accruing under this clause 8.3 will be immediately payable by the Guarantor on demand. Default interest (if unpaid) arising on any Unpaid Sum will be compounded with that Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.
- (c) The Beneficiary will promptly notify the Guarantor of each rate of interest determined under this clause 8.3.

8.4 No set-off or counterclaim

All payments by the Guarantor under this deed will be without any set-off or counterclaim and the Guarantor irrevocably waives any right of set-off or counterclaim which it may have against the Beneficiary.

8.5 Merger

If the liability of the Guarantor to pay any of the Guaranteed Money becomes merged in any judgment or order, the Guarantor will as an independent obligation pay to the Beneficiary interest at the rate which is the higher of that payable under clause 8.3 and that fixed by or payable under the judgment or order.

8.6 No deduction for Taxes

- (a) All payments by the Guarantor under each Transaction Document to which it is a party will be without deduction or withholding for any present or future Taxes unless the Guarantor is compelled by law to deduct or withhold the same.
- (b) If:
 - (i) the Guarantor is compelled by law to make any deduction or withholding from any payment under any Transaction Document to which it is a party on account of Taxes (other than Excluded Taxes); or
 - (ii) the Beneficiary is obliged to pay any Taxes (other than Excluded Taxes) in respect of a payment made or to be made by the Guarantor,then:
 - (iii) the Guarantor will promptly notify the Beneficiary if it becomes aware of any event referred to in clause 8.6(b)(i) to 8.6(b)(ii);
 - (iv) the Guarantor will on demand by the Beneficiary pay to the Beneficiary any additional amounts necessary to ensure that the Beneficiary receives (after all deductions and withholdings for Taxes other than Excluded Taxes) a net amount equal to the full amount which it would have been entitled to receive and retain had the deduction or withholding not been

made or had the Beneficiary not been obliged to pay Taxes (other than Excluded Taxes) in respect of the payment; and

- (v) where clause 8.6(b)(i) applies the Guarantor will:
 - A. pay to the appropriate Government Authority any amount deducted or withheld in respect of Taxes within the time allowed and in the minimum amount required by law; and
 - B. within 20 Business Days after making the deduction or withholding, provide to the Beneficiary evidence satisfactory to the Beneficiary of that payment having been made.

8.7 Set-off

- (a) The Guarantor authorises the Beneficiary to apply without prior notice any credit balance (whether or not then due) to which the Guarantor is at any time entitled on any account and in any currency at any office of the Beneficiary in or towards satisfaction of any sum then due and unpaid from the Guarantor under any Transaction Document to which it is a party.
- (b) The Guarantor further authorises the Beneficiary to set-off without prior notice any amount owing (whether present or future, actual, contingent or prospective and on any account) by the Guarantor under any Transaction Document to which it is a party against any liability (whether present, future, actual, contingent or prospective) of the Beneficiary to the Guarantor under any Transaction Document to which it is a party or on any other account.
- (c) The Beneficiary will not be obliged to exercise any of its rights under this clause 8.7, which will be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).

8.8 Currency for payments

The Guarantor agrees:

- (a) any payment by the Guarantor of or in relation to any Obligation will be made in the currency in which that Obligation is denominated on its due date;
- (b) each payment of interest will be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued;
- (c) each payment in respect of costs, expenses or Taxes will be made in the currency in which the costs, expenses or Taxes are incurred; and
- (d) all other payments due from the Guarantor will be made in dollars.

8.9 Currency indemnity

- (a) If any amount to be applied in satisfaction of any amount payable by the Guarantor under any Transaction Document is in a currency (**Foreign Currency**) other than the currency in which that amount is required to be paid under the Transaction Documents (**Due Currency**), the Beneficiary in its absolute discretion may accept application in that Foreign Currency.

- (b) If any application of an amount in a Foreign Currency is accepted by the Beneficiary as contemplated by clause 8.9(a), or if any amount is recovered by the Beneficiary in respect of any amount payable by the Guarantor under any Transaction Document in a Foreign Currency (whether as a result of any judgment or order, the winding up of the Guarantor or otherwise), the Beneficiary in its absolute discretion may actually or notionally convert that amount to the Due Currency at any time or times as it sees fit and at any rate or rates as it is, or considers it would be, able to obtain in the relevant foreign currency market at the time of that conversion. The amount of the Due Currency actually or notionally received after the conversion will be applied in reduction of the amount payable by the Guarantor.
- (c) The Guarantor will pay to the Beneficiary all commissions and expenses incurred by the Beneficiary in connection with the actual or notional conversion of any Foreign Currency into the Due Currency on the terms contemplated by clause 8.9(b).

9. Expenses and stamp duties

9.1 Expenses

- (a) **(Preparation)** Each party bears its own costs in relation to negotiating, preparing and executing each Transaction Document and any subsequent consent, agreement, approval, waiver or amendment relating to any Transaction Document; and
- (b) **(Enforcement)** The Guarantor must reimburse the Beneficiary on demand for, and indemnifies the Beneficiary against, all Costs, including legal fees, costs and disbursements (on a full indemnity basis and determined without taxation, assessment or similar process) incurred in connection with exercising, enforcing or preserving, or attempting to exercise, enforce or preserve, any Power under each Transaction Document.

9.2 Stamp duties

The Guarantor:

- (a) must promptly pay all stamp duty, transaction, registration and similar Taxes, including fines and penalties which may be payable to, or required to be paid by, any appropriate Government Authority or determined to be payable in connection with the execution, delivery, performance or enforcement of this deed or any payment, receipt or other transaction contemplated by each Transaction Document; and
- (b) indemnifies the Beneficiary against any loss or liability incurred or suffered by it as a result of the delay or failure by the Guarantor to pay any Taxes as required in accordance with clause 9.2(a).

10. Governing law and jurisdiction

10.1 Governing law

This deed is governed by the law applying in Victoria.

10.2 Jurisdiction

The Guarantor irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Victoria, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.2(a).

11. Miscellaneous

11.1 Form of demand

A demand on the Guarantor for payment under this deed may be in any form and contain any information as the Beneficiary determines. It need not specify the aggregate amount of the Guaranteed Money, nor the method or basis of calculation of all or any part of the Guaranteed Money.

11.2 Certificate of the Beneficiary

A certificate or determination in writing signed by the Beneficiary or a director, company secretary or attorney of the Beneficiary certifying:

- (a) an exchange rate, a rate of interest or an amount payable by the Guarantor under any Transaction Document is sufficient evidence of the matters to which it relates; and
- (b) any other act, matter or thing relating to any Transaction Document is sufficient evidence of those matters unless the contrary is proved.

11.3 Notices

- (a) Each communication (including each notice, consent, approval, request or demand) under or in connection with this deed or any other Transaction Document to which the Guarantor is a party:
 - (i) must be legible and in writing;
 - (ii) must be addressed to the following address or facsimile number (or as otherwise notified by a party to the other party from time to time):

Guarantor

Address:	c/-McCullough Robertson, level 11, 66 Eagle Street, Brisbane, Queensland 4000
Fax:	(07) 3229 9949
For the attention of:	Isaac West

Beneficiary

Address: c/- Clayton Utz, Level 18, 333 Collins Street, Melbourne VIC 3000
Fax: +61 3 9629 8488
For the attention of: JLi@claytonutz.com

- (iii) must be signed by the sender or on the sender's behalf by a director, company secretary, attorney or authorised agent of the sender;
- (iv) must be delivered by hand or posted by prepaid post to the address or sent by fax to the facsimile number, in each case, provided for in accordance with clause 11.3(a)(ii);
- (v) is taken to be received by the addressee:
 - A. (in the case of prepaid post) on the second Business Day after the date of posting;
 - B. (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent; and
 - C. (in the case of delivery by hand) on delivery.
- (b) Each communication sent in accordance with this clause 11.3 may be relied on by the recipient if the recipient, acting reasonably, believes the communication to be genuine and if it appears to be executed by or on behalf of the sender in accordance with clause 11.3(a)(iii) (without the need for further enquiry or confirmation).

11.4 Continuing obligation

Each Transaction Document is a continuing obligation regardless of any settlement of account, intervening payment, express or implied revocation or any other matter or thing until a final discharge has been given to the Guarantor.

11.5 Further acts and documents

The Guarantor on demand by the Beneficiary (and at the entire Cost of the Guarantor) will perform all acts and execute all agreements, assurances and other documents and instruments as the Beneficiary, acting reasonably, requires to perfect or improve the Powers afforded or created, or intended to be afforded or created, by each Transaction Document.

11.6 Severance

If at any time a provision of any Transaction Document is or becomes illegal, invalid, void or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair the legality, validity or enforceability:

- (a) in that jurisdiction of any other provision of that Transaction Document; or
- (b) under the law of any other jurisdiction of that or any other provision of that Transaction Document.

11.7 Powers cumulative

The Powers conferred by this deed on the Beneficiary are cumulative and in addition to all other Powers available to the Beneficiary by law or under any Transaction Document.

11.8 Waiver

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

11.9 Consents

A consent required under a Transaction Document from the Beneficiary may be given or withheld, or may be given subject to any conditions, as the Beneficiary (in its absolute discretion) thinks fit, unless this deed expressly provides otherwise.

11.10 Moratorium legislation

To the fullest extent permitted by law, all laws which at any time operate directly or indirectly to:

- (a) lessen or affect in favour of the Guarantor any obligation under any Transaction Document; or
- (b) delay or otherwise prevent or prejudicially affect the exercise by the Beneficiary of any Power under a Transaction Document or otherwise,

are expressly waived.

11.11 Binding on each signatory

Each Transaction Document to which it is a party binds and is enforceable against the Guarantor despite:

- (a) any other person not executing the relevant Transaction Document or its execution being defective in any way; or
- (b) any obligation or liability of any other party under any Transaction Document not being binding or enforceable against that party for any reason.

11.12 Counterparts

This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the deed of each party who has executed and delivered that counterpart.

11.13 Assignment

- (a) (i) The Beneficiary may at any time assign or otherwise transfer all or any part of its rights under any Transaction Document to any party to whom the Beneficiary transfers the Note in accordance with clause 10 of the Subscription Deed and may disclose to a proposed assignee or transferee any information in the Beneficiary's possession relating to the Guarantor.
- (ii) If the Beneficiary assigns or otherwise transfers all or any part of its rights under a Transaction Document as permitted in accordance with this clause 11.13(a) the Guarantor may not claim against any assignee or transferee any right of set-off or any other rights the Guarantor has against the assigning or transferring Beneficiary.
- (b) The Guarantor cannot assign, novate or otherwise transfer any of its rights or obligations under any Transaction Document without the prior written consent of the Beneficiary.

12. No representation by or reliance

The Guarantor acknowledges that:

- (a) the Beneficiary does not have any duty to supply it with information in relation to or affecting the other Obligors or the Beneficiary before the date of this deed or during the currency of any Transaction Document;
- (b) it has relied on its own inquiries as to the other Obligors, the nature and extent of the entire relationship between each of them and the Beneficiary (whether or not recorded in the Transaction Documents) and the nature and effect of the Transaction Documents; and
- (c) it does not enter into this deed or any other Transaction Document in reliance on any representation, promise, statement, conduct or inducement by or on behalf of the Beneficiary or other Obligor, except for any inducement expressly set out in a Transaction Document.

Executed as a deed.

By the Guarantor

**Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust by in accordance with
section 127 of the Corporations Act 2001 (Cth):**

Full name of sole director and company secretary who states that he or she is the sole director and sole company secretary of

Signature of sole director and sole company secretary

By the Beneficiary

**Signed, sealed and delivered by Wu
Jiping in the presence of:**

Signature of witness

Signature

Full name of witness

Annexure C

Featherweight Charge

CLAYTON UTZ

Execution version

Featherweight general security deed

Silvergate Capital Pty Ltd
Grantor

Wu Jiping
Secured Party

Clayton Utz
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Featherweight general security deed dated

Deed of mortgage of securities dated

Parties **Silvergate Capital Pty Ltd ACN 158 538 580 (Grantor)**

Wu Jiping (Secured Party)

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed:

Collateral means all present and after acquired property, interests, rights and proceeds in respect of which the Grantor has at any time sufficient rights to grant a Security Interest or charge, other than the Specific Security Collateral.

Deal means sell, convey, assign, Encumber, transfer, lease, licence or otherwise dispose or part with possession of, make any bailment over, grant any option over or create or permit to exist any other interest in any part of the Collateral.

Enforcement Event means:

- (a) the appointment of an External Administrator to the Grantor; or
- (b) the occurrence of an Event of Default under the Transaction Documents that is subsisting.

Enforcement Period means the period:

- (a) commencing on the occurrence of an Enforcement Event; and
- (b) ending on:
 - (i) in the case of the appointment of an External Administrator, the occurrence of any event described in sections 435C(2) or 435C(3) of the Corporations Act, except for:
 - A. sections 435C(2)(c) and 435C(3)(g) of the Corporations Act; or
 - B. where a Deed of company arrangement is entered into pursuant to section 435C(2)(a) of the Corporations Act in circumstances where the Secured Party has not voted in favour of the Deed of company arrangement;
 - (ii) if this deed is enforced before one of the events described in paragraph (i) of this definition occurs, the date on which the Grantor is entitled to call for the discharge of this deed in accordance with clause 8.5; or
 - (iii) in the case of an Event of Default, when that Event of Default no longer subsists or has been waived by the Facility Agent (acting on the instructions of the Majority Financiers).

Event of Default has the meaning given to that term in the Specific Security.

External Administrator means an administrator appointed in accordance with Part 5.3A of the Corporations Act or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Limited Recourse Guarantee means the guarantee and indemnity dated on or about the date of this mortgage and made between the Grantor and the Secured Party.

Obligations has the meaning given to that term in the Limited Recourse Guarantee.

Receiver means a receiver or receiver and manager appointed by the Secured Party under this deed and, if more than one, then each of them and also any employee, contractor or Delegate of any receiver or receiver and manager.

Recovered Amount means an amount which is equal to the sum received by:

- (a) the Secured Party;
- (b) any Controller; or
- (c) any person acting on behalf of the Secured Party,

from the sale or realisation of the Specific Security Collateral.

Specific Security means the document entitled "Deed of mortgage of securities" dated on or about the date of this deed and made between the Grantor and the Secured Party.

Specific Security Collateral means any property, interests, rights and proceeds subject to the Specific Security.

1.2 Specific Security and Limited Recourse Guarantee

Unless otherwise defined, expressions used in this deed have the meanings given to them in or for the purposes of the Specific Security and the Limited Recourse Guarantee.

1.3 Interpretation

In this deed:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) "**person**" includes an individual, the estate of an individual, a corporation, a Government Authority, an association or a Joint Venture and a trust;
- (c) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
- (d) a reference to a document (including any Transaction Document) is to that document as varied, novated, ratified, replaced or restated from time to time, including for the avoidance of doubt any such variation, novation, ratification, replacement or restatement which has the effect directly or indirectly of increasing in any way the Secured Money;

- (e) a reference to a law includes any law, principle of equity, Statute and official directive of any government authority and a reference to any legislation (including any Statute) includes any rule, regulation, ordinance, by-law, statutory instrument, order or notice at any time made under that legislation and, in each case, any consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa) and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause or schedule is a reference to a party, clause or schedule to or of this deed and a reference to this deed includes all schedules to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) a reference to the Collateral or any other thing includes any part of it;
- (j) a reference to an asset includes any real or personal property or asset, whether tangible or intangible, present or future, together with any interest or benefit in or revenue from, such property or asset;
- (k) "includes" in any form is not a word of limitation;
- (l) all accounting terms used in this deed have the meaning given to them under Accepted Accounting Practices;
- (m) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or that act, matter or thing will be done on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not);
- (n) a reference to "subsists" or any similar expression in relation to an Event of Default or a Potential Event of Default indicates an Event of Default or Potential Event of Default which has not been remedied or waived in accordance with the terms of the Transaction Documents;
- (o) a reference to "proceeds" includes, where the context permits, any proceeds as that term is defined in the PPSA; and
- (p) each of the terms "advance", "future advance", "financing statement", "financing change statement" and "verification statement" have the meanings given to them in the PPSA.

1.4 Grantor liable as trustee

- (a) The Grantor is liable under each Transaction Document to which it is a party in its personal capacity and in its capacity as trustee of the Trust.
- (b) In each Transaction Document, a reference to the Grantor is a reference to the Grantor in both its personal capacity and in its capacity as trustee of the Trust.

1.5 Transaction Document

This deed is a "Transaction Document" for the purposes of the Subscription Deed.

2. Recourse

2.1 Recovered Amount

Subject to clause 2.2 and clause 2.4, but otherwise despite anything else in this document or any other Transaction Document:

- (a) the amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the Recovered Amount; and
- (b) the Secured Party may not seek to recover from the Grantor any shortfall in the Secured Money by:
 - (i) bringing any proceedings against the Grantor; or
 - (ii) applying to have the Grantor wound up.

2.2 Exceptions to limit

Despite clause 2.1, the Secured Party or any Controller or person acting on its behalf may:

- (a) exercise all Powers in connection with the Specific Security Collateral and the Collateral as against the Grantor; and
- (b) take proceedings to obtain:
 - (i) an injunction or other order to restrain any breach of a Transaction Document by the Grantor; or
 - (ii) declaratory relief or other similar judgment or order as to the Grantor's obligations under any Transaction Document.

2.3 Secured Party may retain excess

The Grantor and the Secured Party hereby agree and acknowledge that it is their intention that the Secured Party shall bear the risk and reward associated with any movements in the value of the Specific Security Collateral. To that end and despite anything else in this deed or any other Transaction Document:

- (a) the recourse of the Secured Party to the Grantor shall be limited in the manner set out in clauses 2.1 and 2.2; and
- (b) if the Recovered Amount exceeds the Secured Moneys (such an amount being the **Excess Amount**):
 - (i) the Secured Party:
 - A. is absolutely and unconditionally entitled to be paid and retain for its own account the Excess Amount; and
 - B. shall not under any circumstances be required to pay, repay or account to any Obligor or any other party for or on account of that Excess Amount; and
 - (ii) the Grantor may not bring any proceedings against the Secured Party in relation to the Excess Amount.

- (c) To the extent permitted by law, this clause 2.3 will operate notwithstanding any rule or law or equity to the contrary.
- (d) Clause 2.3(b) will cease to apply on and from the Conversion Date.

2.4 Maximum amount recoverable after Conversion Date

On and from the Conversion Date, the maximum amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the lesser of:

- (a) the amount referred to in clause **Error! Reference source not found.**; and
- (b) the sum of:
 - (i) the amount required to be paid by Pure Metals to the Secured Party under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as that amount relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Secured Party:
 - A. determined by a court; or
 - B. agreed with Pure Metals or the Grantor,
 as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
 - (ii) all costs, outgoings and expenses incurred by the Secured Party in enforcing or attempting to enforce its rights under this mortgage, the Limited Recourse Guarantee and other security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or chargee consequent on the occurrence of an event of default;
 - (iii) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
 - (iv) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in this clause 2.4(b)(i) to (iv) (inclusive).

3. Security Interest

3.1 The security interest

- (a) By this deed, and subject to clause 3.1(b), the Grantor as beneficial owner charges the Collateral held by it to the Secured Party to secure the satisfaction of the Obligations and the due and punctual payment to the Secured Party of the Secured Money.
- (b) The Grantor grants this deed in respect of the Collateral comprising the Trust Assets as sole trustee of the Trust.

3.2 Non Personal Property

To the extent that this deed relates to property:

- (a) which is not personal property as defined in the PPSA; or
- (b) to which the PPSA does not apply,

it will operate as a floating charge in respect of such property until either the Secured Party gives a notice fixing the charge to the Grantor or an Event of Default occurs.

3.3 Permissions and Restrictions in relation to the Collateral

- (a) Subject to any other contrary provision in this deed or any other Transaction Document, the Grantor may Deal with any part of the Collateral.
- (b) Clause 3.3(a):
 - (i) does not apply during the Enforcement Period; and
 - (ii) in permitting any Security Interest to be granted to a third party, is not to be interpreted as extinguishing or permitting the extinguishment of the Security Interest created by this deed in respect of the Collateral, the intention being that the Secured Party will continue at all times to have a security interest (as defined in the Corporations Act 2001 (Cth)) over the whole or substantially the whole of the property and assets of the Grantor.
- (c) The Grantor will not without the Secured Party's prior written consent or as expressly permitted in any other Transaction Document during the Enforcement Period:
 - (i) (No sale, mortgage lease etc) Deal with any part of the Collateral; or
 - (ii) (Debts and Proceeds) Deal with or permit any set-off or combination of accounts in respect of any of its book debts or the proceeds of any book debts.

3.4 Satisfaction of Obligations

The Grantor will satisfy, or procure the satisfaction of, the Obligations and will pay the Secured Money in the manner provided in this deed or in any other Transaction Document.

3.5 Enforcement Limit

Despite any other provision of this deed, the total amount of advances and all other amounts (including any Secured Moneys) secured by, or to be secured by, and recoverable by the Secured Party under this deed is limited in accordance with clause 2.

3.6 Subordination

- (a) The Secured Party agrees that the Encumbrances created under this deed in the Collateral are subordinated to any other Encumbrance permitted under the Transaction Documents and granted by the Grantor in the Collateral prior to the commencement of the Enforcement Period.

- (b) The subordination in clause 3.6(a) is stated for the benefit of third parties and may be enforced by a third party.
- (c) To the extent that the subordination in clauses 3.6(a) and 3.6(b) is not effective to subordinate the Encumbrances created under this deed, the Secured Party will enter into such priority agreements that any relevant third party may reasonably require to give effect to the subordination contemplated by clauses 3.6(a) and 3.6(b).

4. Enforcement Events

4.1 Suspension of rights

During the currency of an Enforcement Event all Powers of the Secured Party in respect of the Collateral not previously exercisable, become exercisable.

4.2 Covenant

The Grantor will ensure that no Enforcement Event occurs. Without affecting the liability of the Grantor or any Power in any other respect (including where a breach of this clause 4.2 is a breach of any other provision of any Transaction Document), the Grantor is not liable in damages for a breach of its obligations under this clause 4.2 but the Secured Party may exercise the Powers following any breach of this clause 4.2, during the period it subsists.

5. Receivers: appointment and Powers

5.1 Appointment of Receiver

At any time during an Enforcement Period, the Secured Party or any Authorised Officer of the Secured Party may:

- (a) appoint any person or persons to be a receiver or receiver and manager of the Collateral;
- (b) terminate the appointment of any Receiver; and
- (c) in case of the removal, retirement or death of any Receiver, appoint another person or persons in the place of that Receiver.

Any appointment of a Receiver automatically and immediately terminates at the conclusion of the Enforcement Period.

5.2 Joint Receivers

If more than one person is appointed as a Receiver, the Secured Party may at its option specify whether the appointment and the Powers of each appointee will be joint or joint and several. If no specification is made, the appointment and the Powers of each appointee will be joint and several.

5.3 Remuneration of Receiver

The Secured Party may fix the rate of remuneration of each Receiver, which will not exceed the standard hourly rate from time to time charged by the firm of which that Receiver is a member for work of the level carried out by that Receiver.

5.4 Agent of Grantor

Each Receiver will be the agent of the Grantor. The Grantor will be solely responsible for all acts and omissions by, and the remuneration of, each Receiver.

5.5 Powers of Receiver

Without the need for any consent from the Grantor or any other person, each Receiver will have all of the following powers:

- (a) **(Section 420)** all of the powers granted to a receiver of property of a corporation under section 420 of the Corporations Act;
- (b) **(Dispose)** whether or not in possession, to dispose of the Collateral in such manner and on such terms as the Receiver thinks fit;
- (c) **(Borrow or raise money)** to borrow or raise from the Secured Party or any other person any money which may be required for any purposes and, if the Receiver thinks fit, to secure any money borrowed or raised by the grant of any Encumbrance over the Collateral (whether in the name of the Grantor or otherwise) so that the Encumbrance ranks in priority to, pari passu with or after this deed. The Secured Party will not be bound to inquire as to the necessity or propriety of any Financial Liability nor be responsible for the misapplication or non-application of any money so borrowed or raised;
- (d) **(Lease)** whether or not the Receiver has taken possession, to lease or licence the Collateral in the name of the Grantor or otherwise, for any period and on any terms or to vary or terminate a lease or licence;
- (e) **(Collection)** collect the Charged Debts;
- (f) **(Engage)** to engage consultants, contractors, professional advisors, agents and employees (including any person associated with a firm or company in which the Receiver is a member or in which the Receiver is interested and that person may charge for his or her services as if independently retained at a salary or remuneration determined by the Receiver) and the Receiver may act on any advice given by any person so engaged;
- (g) **(Conduct works)** to repair, renew, replace, renovate or clean the Collateral, to erect any new buildings or make any improvements to any land forming part of the Collateral and to demolish, alter, rebuild or extend any existing buildings on the Collateral;
- (h) **(Invest proceeds against contingencies)** if any of the Secured Money is contingent, to invest, deposit or hold the Collateral in a form or mode of investment for the time being as the Receiver thinks fit, with like power to vary, transpose or re-invest the investments or deposits from time to time until that part of the Secured Money ceases to be contingent;
- (i) **(Perform contracts)** to perform, observe, carry out, enforce specific performance of, exercise or refrain from exercising, the Grantor's rights and powers under, obtain the benefit of, and vary or rescind all contracts and rights forming part of the Collateral or entered into in the exercise of any Power;
- (j) **(Take proceedings)** to institute, conduct or defend any proceedings in law or bankruptcy and to submit to arbitration, mediation or conciliation, in the name of

the Grantor or otherwise and on any terms, any proceeding, claim, question or dispute in connection with the Collateral or otherwise;

- (k) **(Compromise)** to make any settlement, arrangement or compromise regarding any action, proceeding or dispute arising in connection with the Collateral, to grant to any person involved time or other indulgence and to execute all related releases or discharges as the Receiver thinks expedient in the interests of the Secured Party;
- (l) **(Appeal)** to appeal against or to enforce any judgment or order in respect of the Collateral;
- (m) **(Bankrupt debtors and wind up bodies corporate)** to make debtors bankrupt and to wind up bodies corporate and to do all things in connection with any bankruptcy or winding up which the Receiver thinks necessary for the recovery or protection of the Collateral or for the security or other benefit of the Secured Party;
- (n) **(Delegate)** with the Secured Party's prior approval, to delegate to any person, for any time, any of the Powers including this power of delegation;
- (o) **(File)** to file all certificates, registrations and other documents and to take any and all action on behalf of the Grantor which the Receiver believes is necessary to protect, preserve or improve any or all of the Collateral and the rights of the Grantor and the Secured Party in respect of any agreement for sale and to obtain for the Secured Party all of the benefits of this deed and any other Transaction Document;
- (p) **(Operate bank accounts)** to open or operate any bank account in the name of the Grantor (whether alone or jointly with any other person) to the exclusion of the Grantor and to deposit or withdraw any money standing to the credit of that account and to sign and endorse or to authorise others to sign and endorse in the name of the Grantor cheques, promissory notes, bills of exchange and other negotiable instruments;
- (q) **(Do all other things)** to do all things the law allows an owner of any interest in the Collateral, or any Controller of the Collateral, to do; and
- (r) **(Do all things as are expedient)** to do all other acts and things without limitation as the Receiver thinks expedient,

and any further powers as the Secured Party confers on a Receiver by notice in writing to that Receiver.

5.6 Indemnity

The Secured Party may give any indemnities to any Receiver concerning the performance of that Receiver's duties as are permitted by law. If the Secured Party is obliged to pay any money under any indemnity, that money will become part of the Secured Money.

6. Secured Party's Powers

6.1 Exercise of Power

At any time after the occurrence of an Enforcement Event, the Secured Party may without notice and whether or not a Receiver has been appointed:

- (a) exercise all or any of the Powers conferred on a Receiver, or which would be conferred on a Receiver if appointed, as if those Powers had been expressly conferred on the Secured Party;

- (b) exercise all other Powers; and
- (c) appoint an agent or agents (whether severally, jointly or jointly and severally) and delegate the Powers (or any of them) to the agent or agents (in which case clauses 5.1, 5.3, 5.6, 9.2, 9.3 and 9.4 will apply as if the agent or agents were each appointed as a Receiver).

6.2 Act jointly

The Secured Party and each Receiver may exercise any of the Powers in conjunction with the exercise of similar powers by the holder of any other Encumbrance over the Collateral or by any receiver or receiver and manager appointed by that other holder and may enter into and give effect to agreements and arrangements with that other holder, receiver or receiver and manager as the Secured Party or the relevant Receiver thinks fit.

6.3 Power of attorney

- (a) In consideration of the Secured Party entering into the Transaction Documents, the Grantor irrevocably appoints the Secured Party and each of its Authorised Officers and each Receiver, severally, as an attorney of the Grantor with power at any time an Event of Default has occurred and is subsisting:
 - (i) to do all acts which ought to be done by the Grantor under any Transaction Document;
 - (ii) to do all acts to exercise or give effect to any Power;
 - (iii) to demand, sue for, recover and receive the Collateral from any person, in the name of the Grantor or in the name of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 6.3;
 - (iv) to take further action and to execute further instruments which are, or are in the opinion of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 6.3, necessary or desirable to secure more satisfactorily the performance of the Obligations or the payment of the Secured Money or to sell or otherwise deal with the Collateral; and
 - (v) to appoint (and remove at will) at any time any person as a substitute for an attorney.
- (b) The Grantor:
 - (i) agrees that each attorney may exercise powers under this power of attorney notwithstanding that the exercise may or will involve or result in a conflict between the duty of that attorney to the Grantor and either the interests of that attorney or a Related Party of that attorney or another duty of that attorney; and
 - (ii) ratifies and confirms now and for the future all actions undertaken by or on behalf of any attorney under this power of attorney, including any action which may or will involve or result in a conflict of the type referred to in clause 6.3(b)(i) or in respect of which that attorney has a personal interest.

For the purposes of this clause 6.3(b) a Related Party of any attorney is any Related Body Corporate of that attorney or, in the case of any attorney that is an individual,

any person that is related to or has any personal or professional relationship, of any nature, with that attorney.

- (c) The Grantor declares that this power of attorney will continue in force until all actions taken under it have been completed, despite the discharge of this deed.
- (d) The Grantor will do anything requested by the Secured Party, acting reasonably, to enable the Secured Party to register this power of attorney in the manner and within any time limits prescribed by law to ensure the efficacy of this power of attorney.
- (e) An attorney may continue to exercise any power under this clause 6.3 so as to complete any action which has been commenced under this clause 6.3, notwithstanding that prior to that act being completed the Event of Default has ceased to subsist.

6.4 Secured Party may make good any default

If the Grantor defaults in satisfying any of the Obligations, the Secured Party may, without prejudice to any other Power, do all things and pay all money necessary or expedient in the opinion of the Secured Party to make good or to attempt to make good that default to the satisfaction of the Secured Party. The Grantor will take all steps which the Secured Party, acting reasonably, requests to facilitate the exercise by the Secured Party of its rights under this clause 6.4. The Secured Party will not be a mortgagee or Secured Party in possession simply as a result of the exercise of its rights under this clause 6.4.

6.5 Notice for exercise of Powers

- (a) The Powers may be exercised by the Secured Party and any Receiver at any time during the period any Event of Default subsists, without any notice, demand or lapse of time being necessary unless required by a law which cannot be excluded.
- (b) Subject to clause 6.5(c), if required by any law which cannot be excluded, one day is fixed as the period for which:
 - (i) default must continue in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money before the Secured Party may give any notice or demand as required by any law affecting the Powers; and
 - (ii) default in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money must continue after the giving of any notice or demand before any Power may be exercised.
- (c) If any law which cannot be excluded provides that a specific period of notice or lapse of time is mandatorily required before any Power may be exercised by the Secured Party or any Receiver, that period of notice must be given or time must elapse before that Power may be exercised.

7. Application of money

The Secured Party and each Receiver has an absolute discretion to apply any money received as a result of the exercise of any Power or which is the proceeds of enforcement of this deed (and which is to be applied in payment of the Secured Money) in reduction of any part or parts of the Secured Money, whenever and on whatever account it became secured, despite any principle or presumption of law to the contrary or any direction given at the time of receipt and without the need to communicate its election to any person.

8. Liability and release

8.1 Continuing obligation

This deed constitutes a continuing obligation regardless of any settlement of account, intervening payment, express or implied revocation or any other matter or thing.

8.2 Personal liability

No grant of full or partial satisfaction of or discharge from this deed by the Secured Party will, unless it expressly provides otherwise, release the Grantor from personal liability under this deed or under any other Transaction Document until none of the Secured Money is owing (whether actually, contingently or prospectively) and it is not reasonably foreseeable that there could be any Secured Money owing in the future.

8.3 Grantor's liability not affected

This deed and the liability of the Grantor under this deed will not be affected or discharged by any of the following:

- (a) (**Indulgence**) the granting to the Grantor or to any other person of any time or other indulgence or consideration;
- (b) (**Transaction Documents**) the Secured Party failing or neglecting to recover by the realisation of any Transaction Document or any other Encumbrance or otherwise any of the Secured Money;
- (c) (**Laches**) any other laches, acquiescence, delay, act, omission or mistake on the part of the Secured Party or any other person;
- (d) (**Release**) the release, discharge, abandonment or transfer, whether wholly or partially and with or without consideration, of any Transaction Document, other Encumbrance, judgment or negotiable instrument held from time to time or recovered by the Secured Party from or against the Grantor or any other person (other than an express release or discharge of the Grantor from all of its liabilities under this deed); or
- (e) (**Any other thing**) any other matter or thing.

8.4 Claim on Grantor

The Secured Party is not required to:

- (a) make any claim or demand on any other Obligor or any other person;
- (b) enforce any other Transaction Document or other Encumbrance; or
- (c) enforce any other Power,

in any case, before making any demand on the Grantor under this deed or otherwise enforcing this deed.

8.5 Release of Collateral

- (a) Subject to clause 8.5(b), the Secured Party will release the Collateral at the times and in the manner specified in the Subscription Deed.

- (b) If at any time during the currency of an Enforcement Period:
- (i) all other Securities granted by the Grantor have been enforced;
 - (ii) the maximum amount from the realisation of a secured asset that forms part of the Collateral has been recovered by the Secured Party under this deed as contemplated by clause 3.5; and
 - (iii) the proceeds from each such realisation referred to in clause 8.5(b)(ii) has been applied towards the payment to the Secured Party of the Secured Money,

then the Secured Party shall, upon request, absolutely and unconditionally release the Collateral from this deed notwithstanding that there may be unsatisfied Obligations or Secured Moneys then owing.

8.6 Principal and independent obligation

This deed is a principal and independent obligation. Except for stamp duty purposes, it is not ancillary or collateral to any other Encumbrance, right or obligation.

8.7 No marshalling

Subject to the express terms of another Transaction Document, the Secured Party is not obliged to marshal or appropriate in favour of the Grantor or to exercise, apply or recover:

- (a) any Encumbrance (including any Transaction Document) held by the Secured Party at any time; or
- (b) any of the funds or assets that the Secured Party may be entitled to receive or have a claim on.

9. Protection and indemnity

9.1 Waiver by Grantor

The Grantor waives in favour of the Secured Party:

- (a) all rights against the Secured Party and any other person, estate or assets as far as is necessary to give effect to any provision of this deed;
- (b) promptness and diligence on the part of the Secured Party; and
- (c) all rights inconsistent with the provisions of this deed.

9.2 No liability for loss

Neither the Secured Party nor any Receiver will be liable or otherwise accountable for any act, omission, delay, mistake, loss or irregularity in or concerning the exercise, attempted exercise, non exercise or purported exercise of any Power, except for its own gross negligence, fraud or wilful misconduct.

9.3 No liability to account

Neither the Secured Party nor any Receiver will, by reason of the Secured Party or that Receiver entering into possession of the Collateral, be liable to account as mortgagee or Secured Party in possession, for any loss on realisation or for any default, omission, delay or

mistake for which a mortgagee or Secured Party in possession might be liable. The liability of the Secured Party and of each Receiver will be for actual receipts only.

9.4 No conflict

The Secured Party and each Receiver may exercise any Power, even though the exercise of that Power involves a conflict between any duty owed to the Grantor by the Secured Party or that Receiver and any duty owed by the Secured Party or that Receiver to any other person or the interests of the Secured Party or that Receiver. No contract will be void or voidable by virtue of that conflict of duty or interest nor will the Secured Party or Receiver be liable to account to the Grantor or any other person for any money or property as a result of that conflict.

9.5 No notice or enforcement

The Secured Party need not:

- (a) give any notice of this deed to any debtor of the Grantor, to any purchaser or to any other person;
- (b) enforce payment of any money payable to the Grantor; or
- (c) realise the Collateral or take any steps or proceedings for that purpose.

9.6 Indemnity

The Grantor will on demand indemnify and keep the Secured Party indemnified in respect of all Costs and Taxes incurred by the Secured Party or any Receiver:

- (a) in the exercise, attempted exercise or non-exercise of any Power, including those resulting from any mistake, oversight, error of judgment or want of prudence on the part of the Secured Party or any Receiver, unless the same is due to its own gross negligence, fraud or wilful misconduct;
- (b) as a consequence of the occurrence or subsistence of any Event of Default;
- (c) by reason of this deed;
- (d) in respect of any act or omission for which the Secured Party or any Receiver is exonerated by this deed; and
- (e) by reason of the Secured Party redeeming or taking a transfer of any Encumbrance ranking in priority to or *pari passu* with this deed,

and the Grantor will defend all actions, proceedings, claims or demands brought by any person in relation to any matter the subject of this indemnity.

9.7 Protection of persons dealing with the Secured Party or Receiver

No person acquiring any money or asset from or paying or handing over any money or asset to or otherwise dealing with the Secured Party, any Receiver or any Delegate, or to whom is tendered for registration an instrument executed by the Secured Party, any Receiver or any Delegate, will be:

- (a) bound to inquire:
 - (i) whether the Secured Party or the relevant Receiver or Delegate has the right to dispose of any money or asset;

- (ii) whether any Event of Default has occurred or is subsisting;
 - (iii) whether any of the Secured Money is owing or payable;
 - (iv) whether the relevant Receiver or Delegate has been properly appointed;
 - (v) as to the propriety or regularity of the exercise or purported exercise of any Power; or
 - (vi) as to any other matter or thing;
- (b) affected by actual or constructive notice that any transaction, document or other dealing is unnecessary or improper; or
- (c) concerned to see to the application of any money or asset, or be answerable or accountable for any loss or misapplication,
- and:
- (i) in the case of any person paying or handing over any money or asset, that person will be discharged from any further liability to pay or hand over that money or asset; and
 - (ii) the irregular, improper or unnecessary exercise of any Power and any other dealing of any nature with the Secured Party, any Receiver or any Delegate will be, as regards the protection of any such person, deemed to be authorised by the Grantor and valid.

10. Payments

10.1 Money repayable as agreed or on demand

The Grantor will pay the Secured Money to the Secured Party in dollars or any other currency specified in the relevant Transaction Document in immediately available funds not later than 11.00 am in the place of payment on the due date (or if no due date is specified, on the date of demand by the Secured Party) and in compliance with any other requirements of the Transaction Documents.

10.2 Credit balances of other accounts

In determining the amount of the Secured Money, no credit need be allowed by the Secured Party for any credit balance in any joint or other account of the Grantor with the Secured Party, or for any other money owing by the Secured Party to the Grantor.

10.3 Merger

If the liability of the Grantor to pay any of the Secured Money becomes merged in any judgment or order, the Grantor will as an independent obligation pay, in accordance with the Transaction Documents, interest at the rate which is the higher of that payable under the Transaction Documents and that fixed by or payable under the judgment or order.

10.4 Suspense account

- (a) The Grantor acknowledges and agrees that the Secured Party may deposit into a suspense account any amount it or any Receiver receives as a result of the exercise of any Power for such time as it considers appropriate without the Secured Party

being obliged to apply any such amount towards payment or repayment of the Secured Money.

- (b) If the Secured Party determines this is required, if the Secured Party deposits any amount into a suspense account as contemplated by clause 10.4(a) in order to preserve rights to prove in the bankruptcy or liquidation of a person, that amount will not be treated as an amount received as a result of the exercise of any Power until such time as the amount is withdrawn from the suspense account.

11. Governing law and jurisdiction

11.1 Governing law

This deed is governed by the law applying in Victoria.

11.2 Jurisdiction

The Grantor irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of Victoria, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 11.2(a).

12. Miscellaneous

12.1 Further acts and documents

- (a) The Grantor will, and will procure that all persons having or claiming any estate or interest in the Collateral from time to time after the date of this deed will, on demand by the Secured Party (and at the entire cost and expense of the Grantor) perform all acts and execute and deliver all further documents as the Secured Party, acting reasonably, requires:
 - (i) for more satisfactorily securing to the Secured Party the payment of the Secured Money;
 - (ii) to perfect the Encumbrance created by this deed over the Collateral; or
 - (iii) for facilitating the exercise of any Power.
- (b) Without limiting clause 12.1(a) if the Secured Party determines that a Transaction Document (or a transaction related to a Transaction Document) is or contains a Security Interest, the Grantor agrees to promptly do anything (including amending any Transaction Document or executing any new document) which the Secured Party reasonably requires for the purposes of:
 - (i) ensuring that the Security Interest is enforceable, perfected (including, where possible, by control in addition to registration) and otherwise effective; or

- (ii) enabling the Secured Party to apply for registration, or give any notification, in connection with the Security Interest so that the Security Interest has the priority required by the Secured Party; or
- (iii) enabling the Secured Party to exercise rights in connection with the Security Interest.

12.2 Powers cumulative

Each Power is cumulative and in addition to each other Power available to the Secured Party or any Receiver.

12.3 Consents

A consent required under this deed from the Secured Party may be given or withheld, or may be given subject to any conditions, as the Secured Party (in its absolute discretion) thinks fit, unless this deed expressly provides otherwise.

12.4 Indemnities

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

12.5 Time of essence

Time is of the essence in respect of the Grantor's obligations under this deed.

12.6 Binding on each signatory

This deed binds and is enforceable against the Grantor despite:

- (a) any other person not executing this deed or its execution being defective in any way; or
- (b) any obligation or liability of any other party under this deed not being binding or enforceable against that party for any reason.

12.7 Counterparts

This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the deed of each party who has executed and delivered that counterpart.

12.8 Registration

The Secured Party may register this deed, or any financing statement or financing change statement relating to this deed, in the manner and within any time limits prescribed by law to ensure the full efficacy of this deed as an Encumbrance to the Secured Party in all relevant jurisdictions. The Grantor will take all steps which the Secured Party, acting reasonably, requests to facilitate the exercise by the Secured Party of its rights under this clause 12.8.

12.9 Exclusion of PPSA provisions

To the extent permitted by law, and in respect of each Security Interest created by this deed:

- (a) the parties contract out of sections 95, 121(4), 125, 130, 132(3)(d), 132(4), 135, 142 and 143 of the PPSA (to the extent, if any, mentioned in section 115(1) of the PPSA); and
- (b) the Grantor irrevocably and unconditionally waives its right to receive any notice of any verification statement in respect of any financing statement or financing change statement relating to this deed.

12.10 Assignment

- (a)
 - (i) The Secured Party may at any time assign or otherwise transfer all or any part of its rights under this deed to any party to whom the Secured Party is transfers the Note in accordance with clause 10 of the Subscription Deed and may disclose to a proposed assignee or transferee any information in the Secured Party's possession relating to the Grantor.
 - (ii) If the Secured Party assigns or otherwise transfers all or any part of its rights under this deed as permitted in accordance with this clause 12.10(a) the Grantor may not claim against any assignee or transferee any right of set-off or any other rights the Grantor has against the assigning or transferring Secured Party.
- (b) The Grantor cannot assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of the Secured Party.

12.11 No merger

This deed and the Powers are in addition to and do not merge with, postpone, lessen or otherwise prejudicially affect any other Transaction Document or any other right, power, authority, discretion, remedy or privilege of the Secured Party.

12.12 Blanks

The Grantor authorises the Secured Party to complete any blanks in this deed or any document, of any nature, entered into or executed by the Grantor in connection with this deed.

12.13 Confidentiality

- (a) Subject to clause 12.13(b), if the Grantor is a debtor as defined in the PPSA, the parties agree to keep all information of the kind mentioned in section 275(1) of the PPSA confidential and not to disclose that information to anyone.
- (b) Clause 12.13(a) does not apply to any disclosure of information or documents:
 - (i) in any proceeding arising out of or in connection with this deed to the extent that the disclosure is deemed by the disclosing party necessary to protect its interests;
 - (ii) where the information is in the public domain other than as a result of a breach by that disclosing party of this clause 12.13;
 - (iii) if required to do so under a binding order of any Government Authority or any procedure for discovery in any proceedings;

- (iv) if the disclosing party reasonably believes it is required to do so by any law or stock exchange (except that this paragraph does not permit the Secured Party to disclose any information of the kind referred to in section 275(1) of the PPSA, to the extent that disclosure can be resisted under subsection 275(6) of the PPSA);
- (v) otherwise as required or permitted by any Transaction Document;
- (vi) to a disclosing party's Related Bodies Corporate, its legal advisors and its consultants as long as it advises them of the confidential nature of the information or documents or that nature is clear from the circumstances of the disclosure;
- (vii) by the Secured Party to a proposed assignee or transferee of any rights or obligations under any Transaction Document or to any sub-participant or other person with whom any other transaction may be entered into under which payments may be made by reference to any Transaction Document or any Obligor;
- (viii) by the Secured Party with the Grantor's prior written consent;
- (ix) by the Grantor with the Secured Party's prior written consent.

Each party authorises disclosures made by the other party in accordance with clause 12.13(b)(i) to 12.13(b)(vii).

Executed as a deed.

By the Grantor

**Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust by in accordance with
section 127 of the Corporations Act 2001 (Cth):**

Full name of sole director and company secretary who
states that he or she is the sole director and sole
company secretary of

Signature of sole director and sole company
secretary

By the Secured Party

**Signed, sealed and delivered by Wu
Jiping in the presence of:**

Signature of witness

Signature

Full name of witness

Annexure D

Redemption Deed Poll Release

By

Secured Party **Mr Wu Jiping**
of [#insert Investor's address]

In favour of

Grantor **Silvergate Capital Pty Ltd ACN 158 538 580 as trustee for the Silvergate Capital Unit Trust ABN 92 672 871 445**

of c/o McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland 4000

Background

- A The Secured Party and Grantor are parties to the Mortgage Deed and Guarantee and Indemnity.
- B On and from Completion, the Secured Party releases:
- (i) the Secured Property from the Security Interest; and
 - (ii) the Grantor from any claims the Secured Party may have against the Grantor in connection with the Mortgage Deed, Guarantee and Indemnity, Featherweight Charge and any Collateral (as defined in the Mortgage Deed).

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Completion	means the repayment or transfer under clauses 8 10 (respectively) of the Subscription Deed of the Note held by the Secured Party.
Subscription Deed	has the meaning given to that term in the Mortgage Deed.
Featherweight Charge	means the featherweight general security deed dated [#] between the Secured Party and the Grantor.
Guarantee and Indemnity	means the guarantee and indemnity dated [#] between the Secured Party and the Grantor.
Note	has the meaning given to that term in the Convertible Note Deed.

Term	Definition
PPSA	means the <i>Personal Property Securities Act 2009</i> (Cth).
Secured Property	has the meaning given to the term 'Collateral' in the Mortgage Deed.
Security Interest	any security interest (including a 'security interest' as defined in the PPSA) held by the Secured Party in respect of the Secured Property.
Mortgage Deed	means the deed of mortgage of securities dated [#] between the Secured Party and the Grantor.
Transaction Documents	has the meaning given to that term in the Mortgage Deed.

1.2 Interpretation

In this document:

- (a) a singular word includes the plural and vice versa;
- (b) a word which suggests one gender includes the other gender;
- (c) unless otherwise described, a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (d) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied, novated or replaced;
- (g) a reference to this document includes the agreement recorded by this document; and
- (h) this document is not to be interpreted against the interests of a party merely because that party proposed this document or some provision in it or because that party relies on a provision of this document to protect itself.

2 Release

On and from Completion, the Secured Party releases and forever discharges:

- (a) the Secured Property from the Security Interest; and
- (b) the Grantor from all claims whatsoever it may have against the Grantor in connection with the Mortgage Deed, Guarantee and Indemnity and any Collateral (as defined in the Mortgage Deed).

3 Absolute bar

This document may be pleaded and tended by the Grantor as an absolute bar and defence to any proceedings brought by or through the Secured Party in relation to any matter which is the subject of the release in clause 2.

4 General

4.1 No merger

The rights and obligations under this document do not merge on completion of any transaction contemplated by this document.

4.2 Entire agreement

- (a) This document supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion has no effect except to the extent expressly set out or incorporated by reference in this document.

4.3 Governing law and jurisdiction

- (a) Queensland law governs this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

4.4 Severability

A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

Execution

EXECUTED as a deed

Signed sealed and delivered
by
Mr Wu Jiping by:

^ _____
Director

^ _____
Director/Secretary

^ _____
Full name of Director

^ _____
Full name of Director/Secretary

Annexure E

Conversion Deed Poll Release

By

Secured Party **Mr Wu Jiping**

of [#Insert Investor's address]

In favour of

Grantor **Silvergate Capital Pty Ltd ACN 158 538 580 as trustee for the Silvergate Capital Unit Trust ABN 92 672 871 445**

of c/o McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane,
Queensland 4000

Background

- A The Secured Party and Grantor are parties to the Mortgage Deed and Guarantee and Indemnity.
- B On and from Completion, the Secured Party releases:
- (iii) the Released Property from the Security Interest; and
 - (iv) the Grantor from any claims the Secured Party may have against the Grantor in connection with the Mortgage Deed in so far as it encumbers the Released Property.

Agreed terms

5 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Completion	means the conversion under clause 9 of the Subscription Deed of the Note held by the Secured Party.
Subscription Deed	has the meaning given to that term in the Mortgage Deed.
Note	has the meaning given to that term in the Convertible Note Deed.
PPSA	means the <i>Personal Property Securities Act 2009</i> (Cth).
Released Property	means 16,737,665 fully paid ordinary shares in the capital of CAP (provided that the number of shares is adjusted for any adjustment to the share capital of CAP by way of share split or consolidation between the date of the Convertible Note Deed and Completion).

Term	Definition
Security Interest	any security interest (including a 'security interest' as defined in the PPSA) held by the Secured Party in respect of the Released Property.
Mortgage Deed	means the deed of mortgage of securities dated [#] between the Secured Party and the Grantor.
Transaction Documents	has the meaning given to that term in the Mortgage Deed.

1.2 Interpretation

In this document:

- (a) a singular word includes the plural and vice versa;
- (b) a word which suggests one gender includes the other gender;
- (c) unless otherwise described, a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (d) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied, novated or replaced;
- (g) a reference to this document includes the agreement recorded by this document; and
- (h) this document is not to be interpreted against the interests of a party merely because that party proposed this document or some provision in it or because that party relies on a provision of this document to protect itself.

6 Release

On and from Completion, the Secured Party releases and forever discharges:

- (a) the Released Property from the Security Interest; and
- (b) the Grantor from any claims the Secured Party may have against the Grantor in connection with the Mortgage Deed in so far as it encumbers the Released Property.

7 Absolute bar

This document may be pleaded and tendered by the Grantor as an absolute bar and defence to any proceedings brought by or through the Secured Party in relation to any matter which is the subject of the release in clause 2.

8 General

4.1 No merger

The rights and obligations under this document do not merge on completion of any transaction contemplated by this document.

4.2 Entire agreement

- (c) This document supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties.
- (d) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion has no effect except to the extent expressly set out or incorporated by reference in this document.

4.3 Governing law and jurisdiction

- (e) Queensland law governs this document.
- (f) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

4.4 Severability

A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

Execution

EXECUTED as a deed

Signed sealed and delivered
by
Mr Wu Jiping by:

^ _____
Director

^ _____
Director/Secretary

^ _____
Full name of Director

^ _____
Full name of Director/Secretary

Annexure D - Guarantee & Indemnity

This is Annexure "D" of 27 pages referred to in Form 603.

**Signed for and behalf of Wu Jiping by
Chong Lee** under a power of attorney dated 26
September 2013:

Chong Lee

Print Name



Signature of Chong Lee

I do hereby certify that this is a true
and complete copy of the original document

Signed

02/10/2013

Marie Clarissa De Stefano
Level 18, 333 Collins Street,
Melbourne VIC 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

CLAYTON UTZ

Execution version

Guarantee and indemnity

Wu Jiping
Beneficiary

Silvergate Capital Pty Ltd
Guarantor

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Guarantee and indemnity dated 30 September 2013

Parties Wu Jiping (Beneficiary)

 Silvergate Capital Pty Ltd ACN 158 538 580 (Guarantor)

Background

- A. At the request of the Guarantor, the Beneficiary has agreed to provide financial accommodation to Pure Metals pursuant to the Subscription Deed.
- B. A condition precedent to Pure Metals' utilisation of the financial accommodation under the Subscription Deed is that the Guarantor enters into this deed.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed:

Authorisation means:

- (a) any authorisation, permit, consent, approval, resolution, licence, exemption, permission, recording, filing or registration required by any Government Authority or any law; and
- (b) in relation to any act, matter or thing which will be prohibited or restricted either in whole or in part by any law if a Government Authority intervenes or acts in any way within a specified period after lodgement, filing, registration, notification or any other event, the expiry of that period without intervention or action.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for business generally in Melbourne and Sydney.

Collateral has the meaning given to that term in the Deed of Mortgage.

Controller has the meaning given to that term in the Deed of Mortgage.

Constitution means, in relation to any person, the replaceable rules, constitution or combination of both (as those terms are used in section 134 of the Corporations Act) of that person (if any).

Conversion Date means the date on which the Note is actually converted in accordance with the Subscription Deed.

Corporations Act means the Corporations Act 2001 (Cth).

Cost means any cost, expense, charge, liability or disbursement.

Deed of Mortgage means the document entitled "Deed of mortgage of securities" dated on or about the date of this deed and made between the Beneficiary (as the Secured Party) and the Guarantor (as the Grantor).

Default Rate means the rate of interest specified in clause 7.4 (*Default Interest*) of the Subscription Deed.

dollar or \$ means the lawful currency of the Commonwealth of Australia.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person and includes any Security Interest.

Event of Default has the meaning given to that term in the Deed of Mortgage.

Event of Insolvency means:

- (a) a controller (as defined in section 9 of the Corporations Act), administrator or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a person;
- (c) any application (not withdrawn or dismissed within 7 days) is made to a court for an order, an order is made, a meeting is convened or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in clauses (a) or (b) of this definition;
 - (ii) winding up or deregistering a person; or
 - (iii) proposing or implementing a scheme of arrangement, other than with the prior approval of the Beneficiary under a solvent scheme of arrangement pursuant to Part 5.1 of the Corporations Act;
- (d) any application (not withdrawn or dismissed within 7 days) is made to a court for an order, a meeting is convened, a resolution is passed or any negotiations are commenced, for the purpose of implementing or agreeing:
 - (i) a moratorium of any debts of a person;
 - (ii) any other assignment, composition or arrangement (formal or informal) with a person's creditors; or
 - (iii) any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee,or any agreement or other arrangement of the type referred to in this clause (d) is ordered, declared or agreed to;
- (e) as a result of the operation of section 459F(1) of the Corporations Act, a person is taken to have failed to comply with a statutory demand (as defined in the Corporations Act);
- (f) any writ of execution, garnishee order, mareva injunction or similar order, attachment or other process is made, levied or issued against or in relation to any asset of a person;
- (g) anything analogous to anything referred to in clauses (a) to (f) (inclusive) of this definition, or which has a substantially similar effect, occurs with respect to a person under any law; or
- (h) a person is, or admits in writing that it is, or is declared to be, or is taken under any applicable law to be (for any purpose), insolvent or unable to pay its debts.

Excess Amount has the meaning given to that term in clause 2.3(b).

Excluded Tax means any Tax imposed by any jurisdiction on the overall net income of the Beneficiary as a consequence of the Beneficiary being a resident of or organised or doing business in that jurisdiction other than any Tax:

- (a) calculated on or by reference to the gross amount of any payment (without the allowance of any deduction) derived under any Transaction Document by the Beneficiary; or
- (b) imposed as a result of the Beneficiary being considered a resident of or organised or doing business in that jurisdiction solely as a result of:
 - (i) it being a party to any Transaction Document; or
 - (ii) any transaction contemplated by any Transaction Document.

Face Value has the meaning given to that term in the Subscription Deed.

Financial Liability of a person means any liability or indebtedness (whether present or future, actual or contingent) of that person for or in respect of:

- (a) money borrowed or raised and debit balances at banks or financial institutions;
- (b) any indemnity obligation in respect of any guarantee, indemnity, bond or letter of credit or similar instrument issued by a bank or financial institution;
- (c) any guarantee, indemnity, letter of credit or similar assurance in respect of financial loss given in connection with any Financial Liability (as referred to in any other clause of this definition) of another person;
- (d) amounts raised under or in connection with any bill acceptance, endorsement or discounting arrangement;
- (e) amounts raised under or in connection with any bond, debenture, note, loan stock or similar instruments;
- (f) any swap, hedge, cap, collar, ceiling or floor agreement, futures contract, forward exchange or forward purchase contract or option contract, in each case, in respect of any currency, interest rate or commodity or any similar transaction; or
- (g) amounts raised under any other transaction or series of transactions having the commercial effect of a borrowing or raising of money.

Government Authority means any government or any governmental or semi governmental entity, authority, agency, commission, corporation or body (including those constituted or formed under any Statute), local government authority, administrative or judicial body or tribunal or stock exchange.

Guaranteed Money means all money the payment or repayment of which from time to time forms part of the Obligations.

Insolvency Provision means any law relating to insolvency, sequestration, liquidation, winding up or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences and any law under which a liquidator or trustee may set aside or avoid transactions) and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

Interest Rate has the meaning given to that term in the Subscription Deed.

Note has the meaning given to that term in the Subscription Deed.

Obligations means:

- (a) the liabilities and obligations of Pure Metals to the Beneficiary under the Subscription Deed to repay the Face Value of the Note and interest accrued on the Note on the Redemption Date under:
 - (i) clause 8.1 (*Repayment on Redemption Date*) of the Subscription Deed; and
 - (ii) clause 14.4 (*Noteholder's powers on default prior to Conversion Date*) of the Subscription Deed;
- (b) on and from the Conversion Date only, the liabilities and obligations of Pure Metals under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as it relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Beneficiary that is:
 - (i) determined by a court; or
 - (ii) or agreed with Pure Metals or the Guarantor,as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
- (c) all costs, outgoings and expenses incurred by the Beneficiary in enforcing or attempting to enforce its rights under this document, the Deed of Mortgage and any other security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or charge consequent on the occurrence of an event of default;
- (d) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
- (e) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in paragraphs (a) to (e) (inclusive) of this definition.

Obligor means Pure Metals or the Guarantor. When used in clause 5, "Obligor" includes any person from whom the Guarantor, but for any provision of this deed, would be entitled to claim any right of contribution or indemnity.

Potential Event of Default means any event or circumstance which, with the giving of notice, lapse of time, satisfaction of a condition or a determination (or any combination of these) would be an Event of Default.

Power means any right, power, authority, discretion, remedy or privilege.

Pure Metals means Pure Metals Pty Ltd ABN 89 151 066 321.

Recovered Amount means an amount which is equal to the sum received by:

- (a) the Beneficiary;
- (b) any Controller; or

(c) any person acting on behalf of the Beneficiary,

from the sale or realisation of the Collateral.

Redemption Date has the meaning given to that term in the Subscription Deed.

Right of Indemnity means the rights of the Guarantor to be fully indemnified and reimbursed out of the Trust Assets for all liabilities incurred by it in its capacity as trustee of the Trust, including those incurred by it under each Transaction Document to which it is a party.

Security Interest has the meaning given to that term in section 12 of the Personal Property Securities Act 2009 (Cth).

Statute means any legislation of the Parliament of the Commonwealth of Australia, of any State or Territory of the Commonwealth of Australia or of any other jurisdiction or Government Authority in force at any time.

Subscription Deed means the document entitled "Redeemable convertible note subscription deed" dated on or about the date of this deed and made between Pure Metals and the Beneficiary.

Tax means any taxes, levies, imposts, deductions, charges and withholdings assessed, imposed, collected or withheld under any legislation and, in each case, all interest, fines, penalties, charges, fees or other amounts in respect of them.

Transaction Document has the meaning given to that term in the Subscription Deed.

Trust means the trust known as "Silvergate Capital Unit Trust" ABN 92 672 871 445, established under the Trust Deed.

Trust Assets means all assets, undertaking and rights held by the Guarantor from time to time as trustee of the Trust.

Trust Deed means the document entitled "Unit Trust - Fixed Deed establishing the Silvergate Capital Unit Trust" dated 27 May 2012.

Trustee means Silvergate Capital Pty Ltd.

Unpaid Sum means any sum due and payable by the Guarantor under any Transaction Document but unpaid.

1.2 Interpretation

In this deed:

(a) headings are for convenience only and do not affect interpretation,

and unless the context indicates a contrary intention:

(b) "person" includes an individual, the estate of an individual, a corporation, a Government Authority, an association or any form of joint venture (whether a company, unincorporated entity, undertaking, association, partnership or other similar entity) and a trust;

(c) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;

- (d) a reference to a document (including any Transaction Document) is to that document as varied, novated, ratified, replaced or restated from time to time;
- (e) a reference to a law includes any law, principle of equity, Statute and official directive of any Government Authority and a reference to any legislation (including any Statute) includes any rule, regulation, ordinance, by law, statutory instrument, order or notice at any time made under that legislation and, in each case, any consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause or schedule is a reference to a party, clause or schedule to or of this deed, and a reference to this deed includes all schedules to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) "includes" in any form is not a word of limitation;
- (j) all accounting terms used in this deed have the meaning given to them under Accepted Accounting Practices;
- (k) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or that act, matter or thing will be done on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not); and
- (l) a reference to "subsists" or any similar expression in relation to an Event of Default or a Potential Event of Default indicates an Event of Default or Potential Event of Default which has not been remedied or waived in accordance with the terms of the Transaction Documents.

1.3 Guarantor liable as trustee

- (a) The Guarantor is liable under each Transaction Document to which it is a party in its personal capacity and in its capacity as trustee of the Trust.
- (b) In each Transaction Document, a reference to the Guarantor is a reference to the Guarantor in both its personal capacity and in its capacity as trustee of the Trust.

1.4 Transaction Document

This deed is a "Transaction Document" for the purposes of the Subscription Deed.

1.5 Liability as guarantor and indemnifier

- (a) Any reference in this deed to the obligations or liabilities of the Guarantor will be construed as a reference to its obligations or liabilities, whether as a guarantor or an indemnifier or both, under this deed.
- (b) The use of the expression "Guarantor" in this deed in relation to a party is not to be construed as diminishing that party's obligations as an indemnifier under this deed.
- (c) The provisions of this deed which preserve the liability of the Guarantor as a guarantor apply, appropriately modified, to any liability which arises whether in regard to that party's guarantee or its indemnity under this deed.

1.6 Principal obligation

Each obligation of the Guarantor under this deed constitutes a principal, not a secondary or ancillary obligation, to the intent that, without limiting in any way the operation of any of the other provisions of this deed, any limitation on the liability of the Guarantor which would otherwise arise by reason of its status as a guarantor, co-guarantor, indemnifier or co-indemnifier, is negated.

2. Recourse

2.1 Recovered Amount

Subject to clause 2.2 and clause 2.4, but otherwise despite anything else in this document or any other Transaction Document:

- (a) the amount recoverable by the Beneficiary from the Guarantor under any Transaction Document in respect of the Obligations, the Guaranteed Money or otherwise is an amount equal to the Recovered Amount; and
- (b) the Beneficiary may not seek to recover from the Guarantor any shortfall in the Guaranteed Money by:
 - (i) bringing any proceedings against the Guarantor; or
 - (ii) applying to have the Guarantor wound up.

2.2 Exceptions to limit

Despite clause 2.1, the Beneficiary or any Controller or person acting on its behalf may:

- (a) exercise all Powers in connection with the Collateral as against the Guarantor; and
- (b) take proceedings to obtain:
 - (i) an injunction or other order to restrain any breach of a Transaction Document by the Guarantor; or
 - (ii) declaratory relief or other similar judgment or order as to the Guarantor's obligations under any Transaction Document.

2.3 Beneficiary may retain excess

The Guarantor and the Beneficiary hereby agree and acknowledge that it is their intention that the Beneficiary shall bear the risk and reward associated with any movements in the value of the Collateral. To that end and despite anything else in this deed or any other Transaction Document:

- (a) the recourse of the Beneficiary to the Guarantor shall be limited in the manner set out in clauses 2.1, 2.2 and 2.4; and
- (b) if the Recovered Amount exceeds the Guaranteed Moneys (such an amount being the **Excess Amount**):
 - (i) the Beneficiary:
 - A. is absolutely and unconditionally entitled to be paid and retain for its own account the Excess Amount; and

- B. shall not under any circumstances be required to pay, repay or account to any Obligor or any other party for or on account of that Excess Amount; and
- (ii) the Guarantor may not bring any proceedings against the Beneficiary in relation to the Excess Amount.
- (c) To the extent permitted by law, this clause 2.3 will operate notwithstanding any rule or law or equity to the contrary.
- (d) Clause 2.3(b) will cease to apply on and from the Conversion Date.

2.4 Maximum amount recoverable after Conversion Date

On and from the Conversion Date, the maximum amount recoverable by the Beneficiary from the Guarantor under any Transaction Document in respect of the Obligations, the Guaranteed Money or otherwise is an amount equal to the lesser of:

- (a) the amount referred to in clause 2.1(a); and
- (b) the sum of:
 - (i) the amount required to be paid by Pure Metals to the Beneficiary under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as that amount relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Beneficiary that is:
 - A. determined by a court; or
 - B. or agreed with Pure Metals or the Guarantor,
 as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
 - (ii) all costs, outgoings and expenses incurred by the Beneficiary in enforcing or attempting to enforce its rights under this deed and any security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or chargee consequent on the occurrence of an event of default;
 - (iii) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
 - (iv) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in this clause 2.4(b)(i) to (iv) (inclusive).

3. Guarantee

3.1 Guarantee

The Guarantor irrevocably and unconditionally guarantees to the Beneficiary the satisfaction and payment in full of the Obligations.

3.2 Satisfaction of Obligations

If any Obligor does not pay or satisfy any Obligation in full on the due date, the Guarantor will immediately on demand by the Beneficiary satisfy or pay that Obligation in full.

4. Indemnity

The Guarantor as a separate additional and primary liability irrevocably and unconditionally agrees to indemnify the Beneficiary and keep the Beneficiary indemnified against any Cost, loss, damage, claim, demand or action suffered by the Beneficiary arising from:

- (a) any failure by any Obligor to satisfy the Obligations; or
- (b) any obligation or liability that would otherwise form part of the Obligations being void, voidable or unenforceable against or irrecoverable from any Obligor for any reason, whether or not the Beneficiary knew or ought to have known of that reason.

5. Nature and preservation of liability

5.1 Absolute and unconditional liability

The liability of the Guarantor under this deed:

- (a) is absolute and is not subject to the performance of any condition precedent or subsequent, including any condition between any Obligor and the Beneficiary or amongst any 2 or more Obligors; and
- (b) will not be affected by any act, omission, matter or thing which, but for this clause 5.1(b), might release the Guarantor from that liability or reduce the liability of the Guarantor (other than an express release of the Guarantor from all of its liabilities under this deed) including any of the following:
 - (i) **(Event of Insolvency)** the occurrence before, on or at any time after, the date of this deed of any Event of Insolvency in relation to any Obligor;
 - (ii) **(Invalidity etc)** any Transaction Document or any payment or other act, the making or doing of which would otherwise form part of the Obligations being or becoming or being conceded to be frustrated, illegal, invalid, void, voidable, unenforceable or irrecoverable in whole or in part for any reason whether past, present or future;
 - (iii) **(Time or concession)** the Beneficiary granting time, waiver or other concession to, or making any composition, arrangement or compromise with any other Obligor (including to or with Pure Metals in respect of the liability of the Guarantor) or any other person;
 - (iv) **(Forbearance)** the Beneficiary not exercising or delaying (whether deliberately, negligently, unreasonably or otherwise) in the exercise of any Power it has for the enforcement of any Transaction Document or any Obligation;
 - (v) **(Repudiation)** the determination, rescission, repudiation or termination, or the acceptance of any of the foregoing, by the Beneficiary or any other Obligor of any Transaction Document or any Obligation;

- (vi) **(Variation)** any variation to any Transaction Document or any Obligation, whether or not that variation is substantial or material or imposes an additional liability on or disadvantages any Obligor;
- (vii) **(Release)** the full, partial or conditional release or discharge by the Beneficiary or by operation of law of any other Obligor from any Transaction Document or any Obligation;
- (viii) **(Property subject to Encumbrance)** the release of any property from any Encumbrance or the substitution of any property in place of any other property subject to any Encumbrance;
- (ix) **(Loss of Encumbrances)** the failure to obtain or perfect any Encumbrance or the loss or impairment of any Encumbrance by operation of law or otherwise;
- (x) **(Transfer)** the transfer, assignment or novation by the Beneficiary or any Obligor of all or any of its rights or obligations under any Transaction Document;
- (xi) **(Non execution etc)** any person, whether named as a party or not, does not execute any Transaction Document or the execution of any Transaction Document by any person is invalid, forged or irregular in any way; or
- (xii) **(Disclosure)** any failure by the Beneficiary to disclose to the Guarantor any material or unusual fact, circumstance, event or thing known to, or which ought to have been known by, the Beneficiary relating to or affecting any Obligor at any time before or during the currency of any Transaction Document, whether prejudicial or not to the rights and liabilities of the Guarantor and whether or not the Beneficiary was under a duty to disclose that fact, circumstance, event or thing to any Obligor.

5.2 No merger

The guarantee and indemnity from the Guarantor under this deed is in addition to and does not merge with, postpone, lessen or otherwise prejudicially affect any other Transaction Document or any other Power of the Beneficiary.

5.3 No obligation to gain consent

The Guarantor has no right or entitlement to consent to or be made aware of any event referred to in clause 5.1(b), any transaction between the Beneficiary and any Obligor or any particulars concerning any obligation or liability that forms part of the Obligations.

5.4 Appropriation

- (a) The Beneficiary is under no obligation to marshal or appropriate in favour of the Guarantor, or to exercise, apply, transfer or recover in favour of the Guarantor, any Encumbrance or any funds or assets which the Beneficiary holds, has a claim on, has received or is entitled to receive, but may do so in the manner and order as the Beneficiary determines in its absolute discretion.
- (b) The Beneficiary may hold in a suspense account (without liability to pay interest) any money which it receives from the Guarantor, or which it receives on account of the Guarantor's liability under any Transaction Document and which the Beneficiary may, at its discretion, appropriate in reduction of the Guarantor's

liability under this deed or any other Transaction Document at such time determined by it.

5.5 Void or voidable transactions

If:

- (a) (i) the Beneficiary has at any time released or discharged the Guarantor from its obligations under a Transaction Document in reliance on a payment, receipt or other transaction to or in favour of the Beneficiary; or
- (ii) any payment, receipt or other transaction to or in favour of the Beneficiary has the effect of releasing or discharging the Guarantor from its obligations under a Transaction Document; and
- (b) that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason, including under an Insolvency Provision or under the general law; and
- (c) that claim is upheld or is conceded or compromised by the Beneficiary;

then:

- (d) **(Restitution of rights)** the Beneficiary will immediately become entitled against the Guarantor to all rights under each Transaction Document as it had immediately before that release or discharge;
- (e) **(Restore Beneficiary's position)** the Guarantor must immediately do all things and execute all documents as the Beneficiary may, acting reasonably, require to restore to the Beneficiary all those rights; and
- (f) **(Indemnity)** the Guarantor must indemnify the Beneficiary against Costs and losses suffered or incurred by it in or in connection with any negotiations or proceedings relating to the claim or as a result of the upholding, concession or compromise of the claim.

5.6 No third party rights

The Guarantor's liability under this deed will not be reduced or avoided by any defence, set-off or counterclaim available to any other Obligor against the Beneficiary.

5.7 Restriction on Guarantor's dealings

- (a) The Guarantor must not:
 - (i) **(No proceedings)** institute any proceedings against any other Obligor or make or join in making any application to any court for an administration, winding up, receivership or other similar order to be made in relation to any other Obligor;
 - (ii) **(No demand)** unless instructed to do so by the Beneficiary, take any action, make any demand for, lodge any proof of debt or similar claim, or accept any money in part or complete satisfaction of, any liability on any account of any other Obligor (including in relation to any Financial Liability) other than for a liability arising out of the supply of goods and

services by the Guarantor to that Obligor in the ordinary course of the Guarantor's ordinary business and on arm's length terms;

- (iii) **(No Encumbrances)** create or permit to exist any Encumbrance as security for any obligation which it owes to any other Obligor or obtain the benefit of any Encumbrance for any obligation which any other Obligor owes to it; or
 - (iv) **(No set-off)** unless instructed to do so by the Beneficiary, set-off any money owing by the Guarantor against any liability owing to the Guarantor by any other Obligor or permit any other Obligor to set-off any money owing by that Obligor against any liability owing to that Obligor by the Guarantor.
- (b) If the Guarantor receives the benefit of any payment, any set-off or any Encumbrance (or the proceeds of its realisation) in breach of clause 5.7(a) the Guarantor will hold on trust for the Beneficiary, so much of the benefit it has received as does not exceed, by value, the amount which may become payable by the Guarantor under this deed. Any benefit held on trust in accordance with this clause will be applied in or towards satisfaction of the Guarantor's liability under this deed.
- (c) The Guarantor irrevocably appoints the Beneficiary as its attorney to prove in the insolvency of any other Obligor for all money to which the Guarantor may be entitled from that other Obligor up to an amount which does not exceed the amount which may be payable by the Guarantor under this deed. The Guarantor acknowledges that the Beneficiary may, subject to the terms of this deed, retain any money which the Beneficiary may receive from any proof on account of the Guarantor's liability under this deed.

5.8 Claim on the Guarantor

The Guarantor agrees that the Beneficiary is not required to make any claim or demand on any other Obligor, or to enforce any Transaction Document or any other Power against any other Obligor, before making any demand or claim on the Guarantor.

5.9 Waiver of rights

The Guarantor must not exercise any right of contribution, indemnity or subrogation which it might otherwise be entitled to claim and enforce against or in respect of any other Obligor and irrevocably waives all of those rights of contribution, indemnity or subrogation it may have.

6. Representations and warranties

6.1 General representations and warranties

The Guarantor represents and warrants to the Beneficiary that:

- (a) **(Legally binding obligation)** each Transaction Document to which it is a party constitutes its valid and legally binding obligation and is enforceable against it in accordance with its terms, subject to any necessary stamping and registration requirements and laws affecting creditors' rights generally;
- (b) **(Execution, delivery and performance)** the execution, delivery and performance of each Transaction Document to which it is a party and each transaction contemplated by each Transaction Document to which it is a party does not violate

or breach any law or any document or agreement to which it is a party or which is binding on it or any of its assets;

- (c) **(Authorisation)** all Authorisations required:
 - (i) to be obtained by it in connection with the execution, delivery and performance of each Transaction Document to which it is a party, the transactions contemplated by each Transaction Document to which it is a party and the legality, validity and enforcement of each Transaction Document to which it is a party;
 - (ii) for it to carry on business and which are material; and
 - (iii) for the Trust to be established,have been obtained and are valid and subsisting and it is not aware of any breach of any of the conditions of any of those Authorisations or aware of any fact or circumstance which may cause any of those Authorisations to be suspended, forfeited, cancelled or rendered void;
- (d) **(No Event of Default)** no Event of Default has occurred which is subsisting;
- (e) **(No trusts)** it is not the trustee of any trust other than the Trust;
- (f) **(Ranking)** its payment obligations under each Transaction Document to which it is a party rank and will at all times rank at least pari passu in right and priority of payment with all its present and future unsecured and unsubordinated obligations other than obligations mandatorily preferred by any law applying to companies generally;
- (g) **(Immunity from suit)** it does not enjoy immunity from suit or execution in relation to its obligations under each Transaction Document to which it is a party; and
- (h) **(No misrepresentation)** all information relating to any Obligor or the Transaction Documents provided by it or on its behalf to the Beneficiary or any advisor of the Beneficiary in connection with any Transaction Document was at the time it was provided or as at the date (if any) at which it was stated true in all material respects and was not, by omission or otherwise, misleading in any material respect at that time; and

6.2 Corporate representations and warranties

The Guarantor represents and warrants to the Beneficiary that:

- (a) **(Existence and power)** it:
 - (i) is duly registered and remains in existence; and
 - (ii) has the power to own the assets held by it and carry on business as it is being conducted;
- (b) **(No violation)** its execution, delivery and performance of each Transaction Document to which it is a party does not (and the transactions contemplated by each such Transaction Document do not) violate its Constitution;
- (c) **(Power)** it has the power to enter into, deliver and perform each Transaction Document to which it is a party and to carry out the transactions contemplated by each Transaction Document to which it is a party;

- (d) **(Due authority)** it has taken all corporate action required to enter into, deliver and perform each Transaction Document to which it is a party and to carry out the transactions contemplated by each Transaction Document to which it is a party (including, without limitation under the Trust Deed); and
- (e) **(Corporate benefit)** the entry into and the performance of its obligations under each Transaction Document to which it is a party is in its best interests and for a proper purpose.

6.3 Trust representations and warranties

The Guarantor represents and warrants to the Beneficiary:

- (a) **(Power)** it has power to enter into, deliver and perform each Transaction Document to which it is a party in its capacity as trustee of the Trust and to carry out the transactions contemplated by each Transaction Document to which it is a party;
- (b) **(Trust validly created)** the Trust has been validly created and is in existence;
- (c) **(Trustee validly appointed)** it has been validly appointed as trustee of the Trust and is the sole trustee of the Trust;
- (d) **(Trust Deed)**
 - (i) the Trust is solely constituted by the Trust Deed, a true copy of which has been provided to the Beneficiary prior to the date of this deed;
 - (ii) the Trust Deed is not void, voidable or otherwise unenforceable;
 - (iii) it has complied with all of its obligations as trustee of the Trust and, to the best of its knowledge, no allegation has been made that it has breached those obligations;
- (e) **(No termination or vesting)** no action has been taken or is proposed to terminate the Trust or to vest the Trust Assets in any person;
- (f) **(Ranking over beneficiaries)** the rights of the Beneficiary under each Transaction Document to which it is a party rank in priority to the interests of all beneficiaries of the Trust;
- (g) **(No action to remove)** no action has been taken or proposed to remove it as trustee of the Trust;
- (h) **(Commercial benefit)** entry into each Transaction Document to which it is a party is for the commercial benefit of the beneficiaries of the Trust; and
- (i) **(Rights of indemnity and exoneration against Trust Assets)** it has a valid Right of Indemnity and (except as provided under the Transaction Documents) neither that Right of Indemnity nor its lien over the Trust Assets has been limited in any way.

6.4 Representations and warranties repeated

Each representation and warranty in this clause 6 will be repeated on each day while any of the Guaranteed Money remains outstanding (whether or not then due for payment) with reference to the facts and circumstances then subsisting, as if made on each such day.

7. General undertakings

- (a) **(Provision of further information)** The Guarantor will provide to the Beneficiary as and when required by the Beneficiary, evidence to the satisfaction of the Beneficiary, acting reasonably, proving that the Guarantor is complying with its obligations under each Transaction Document to which it is a party and, if applicable, taking steps to remedy any subsisting Event of Default or Potential Event of Default
- (b) **(Notification of certain events)** The Guarantor will immediately notify the Beneficiary in writing if it becomes aware of the occurrence of:
 - (i) **(Event of Default)** any Event of Default or Potential Event of Default; or
 - (ii) **(Litigation)** any litigation, arbitration, criminal or administrative proceedings which are current, pending or to its knowledge threatened relating to any Obligor or any Obligor's assets.

7.2 Other undertakings

- (a) **(Corporate existence)** The Guarantor will do all things necessary to maintain its corporate existence.
- (b) **(Authorisations)** The Guarantor will:
 - (i) obtain and maintain all Authorisations required:
 - A. in connection with the execution, delivery and performance of each Transaction Document to which it is a party, the transactions contemplated by each Transaction Document to which it is a party and the legality, validity and enforcement of each Transaction Document to which it is a party;
 - B. for it to carry on business and which are material; and
 - C. for the Trust to be established;
 - (ii) not do, fail to do or consent to any act, matter or thing as a result of which any of the Authorisations referred to in clause 7.2(b)(i) is or may be suspended, forfeited, withdrawn, cancelled, refused or rendered void or by which it is disqualified permanently or temporarily from receiving or continuing to hold any such Authorisations.
- (c) **(Comply with laws)** The Guarantor will comply with all laws applicable to it.

7.3 Trust undertakings

The Guarantor will:

- (a) **(No distribution)** procure that no distribution of any of the capital of the Trust is made without the Beneficiary's prior written consent;
- (b) **(Right of Indemnity)** not exercise in its own favour any Right of Indemnity or lien over the Trust Assets to which it might be entitled against any beneficiary of the Trust or against any Trust Asset (other than in respect of any expenses which it

properly incurs in the day to day performance of its obligations as trustee of the Trust);

(c) **(Trust Deed)**

- (i) comply with all of its obligations as trustee of the Trust, whether imposed under the Trust Deed or any law; and
- (ii) ensure that no waiver, revocation, amendment or variation of the Trust Deed is made, whether formally or by conduct;

(d) **(General)** not do anything (or permit anything to be done) which:

- (i) results or may result in registration of the Trust as a managed investment scheme under Part 5C.1 of the Corporations Act;
- (ii) restricts or limits or may restrict or limit the Guarantor's:
 - A. Right of Indemnity or lien over the Trust Assets; or
 - B. ability to observe its obligations under each Transaction Document to which it is a party;
- (iii) restricts or limits or may restrict or limit the Beneficiary's rights of subrogation to the Guarantor's Right of Indemnity or lien over the Trust Assets;
- (iv) effects or facilitates or may effect or facilitate:
 - A. the termination of the Trust or the termination, rescission or revocation of the Trust Deed;
 - B. the resettlement of any Trust Assets; or
 - C. the resignation, retirement, removal or replacement of the Guarantor as trustee of the Trust or the appointment of an additional trustee of the Trust; or
- (v) could determine, alter, shorten or fix the vesting date of the Trust.

8. Payments

8.1 On demand

All payments by the Guarantor under each Transaction Document to which it is a party are to be made to the Beneficiary in dollars or any other currency specified in the Transaction Documents in immediately available funds not later than 11.00 am in the place of payment on the due date (or if no due date is specified, on the date of demand by the Beneficiary) to the account that the Beneficiary from time to time designates and otherwise in compliance with the requirements of the Transaction Documents.

8.2 Payment in gross

All amounts received or recovered by the Beneficiary on account of the Guaranteed Money will be treated as payments in gross without any right on the part of the Guarantor to claim the benefit of any amount received or recovered by the Beneficiary under any Transaction Document, until the Guaranteed Money has been paid in full.

8.3 Payment of interest on Unpaid Sums

- (a) The Guarantor will pay default interest on all Unpaid Sums in accordance with this clause 8.3. Default interest will accrue on all Unpaid Sums from day to day:
 - (i) from the due date up to the date of actual payment, before and (as a separate and independent obligation) after judgment; and
 - (ii) at the Default Rate for successive one month periods (each an **Interest Period**) commencing on the date the Unpaid Sum was due.
- (b) Default interest accruing under this clause 8.3 will be immediately payable by the Guarantor on demand. Default interest (if unpaid) arising on any Unpaid Sum will be compounded with that Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.
- (c) The Beneficiary will promptly notify the Guarantor of each rate of interest determined under this clause 8.3.

8.4 No set-off or counterclaim

All payments by the Guarantor under this deed will be without any set-off or counterclaim and the Guarantor irrevocably waives any right of set-off or counterclaim which it may have against the Beneficiary.

8.5 Merger

If the liability of the Guarantor to pay any of the Guaranteed Money becomes merged in any judgment or order, the Guarantor will as an independent obligation pay to the Beneficiary interest at the rate which is the higher of that payable under clause 8.3 and that fixed by or payable under the judgment or order.

8.6 No deduction for Taxes

- (a) All payments by the Guarantor under each Transaction Document to which it is a party will be without deduction or withholding for any present or future Taxes unless the Guarantor is compelled by law to deduct or withhold the same.
- (b) If:
 - (i) the Guarantor is compelled by law to make any deduction or withholding from any payment under any Transaction Document to which it is a party on account of Taxes (other than Excluded Taxes) ; or
 - (ii) the Beneficiary is obliged to pay any Taxes (other than Excluded Taxes) in respect of a payment made or to be made by the Guarantor,then:
 - (iii) the Guarantor will promptly notify the Beneficiary if it becomes aware of any event referred to in clause 8.6(b)(i) to 8.6(b)(ii);
 - (iv) the Guarantor will on demand by the Beneficiary pay to the Beneficiary any additional amounts necessary to ensure that the Beneficiary receives (after all deductions and withholdings for Taxes other than Excluded Taxes) a net amount equal to the full amount which it would have been entitled to receive and retain had the deduction or withholding not been

made or had the Beneficiary not been obliged to pay Taxes (other than Excluded Taxes) in respect of the payment; and

- (v) where clause 8.6(b)(i) applies the Guarantor will:
 - A. pay to the appropriate Government Authority any amount deducted or withheld in respect of Taxes within the time allowed and in the minimum amount required by law; and
 - B. within 20 Business Days after making the deduction or withholding, provide to the Beneficiary evidence satisfactory to the Beneficiary of that payment having been made.

8.7 Set-off

- (a) The Guarantor authorises the Beneficiary to apply without prior notice any credit balance (whether or not then due) to which the Guarantor is at any time entitled on any account and in any currency at any office of the Beneficiary in or towards satisfaction of any sum then due and unpaid from the Guarantor under any Transaction Document to which it is a party.
- (b) The Guarantor further authorises the Beneficiary to set-off without prior notice any amount owing (whether present or future, actual, contingent or prospective and on any account) by the Guarantor under any Transaction Document to which it is a party against any liability (whether present, future, actual, contingent or prospective) of the Beneficiary to the Guarantor under any Transaction Document to which it is a party or on any other account.
- (c) The Beneficiary will not be obliged to exercise any of its rights under this clause 8.7, which will be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).

8.8 Currency for payments

The Guarantor agrees:

- (a) any payment by the Guarantor of or in relation to any Obligation will be made in the currency in which that Obligation is denominated on its due date;
- (b) each payment of interest will be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued;
- (c) each payment in respect of costs, expenses or Taxes will be made in the currency in which the costs, expenses or Taxes are incurred; and
- (d) all other payments due from the Guarantor will be made in dollars.

8.9 Currency indemnity

- (a) If any amount to be applied in satisfaction of any amount payable by the Guarantor under any Transaction Document is in a currency (**Foreign Currency**) other than the currency in which that amount is required to be paid under the Transaction Documents (**Due Currency**), the Beneficiary in its absolute discretion may accept application in that Foreign Currency.

- (b) If any application of an amount in a Foreign Currency is accepted by the Beneficiary as contemplated by clause 8.9(a), or if any amount is recovered by the Beneficiary in respect of any amount payable by the Guarantor under any Transaction Document in a Foreign Currency (whether as a result of any judgment or order, the winding up of the Guarantor or otherwise), the Beneficiary in its absolute discretion may actually or notionally convert that amount to the Due Currency at any time or times as it sees fit and at any rate or rates as it is, or considers it would be, able to obtain in the relevant foreign currency market at the time of that conversion. The amount of the Due Currency actually or notionally received after the conversion will be applied in reduction of the amount payable by the Guarantor.
- (c) The Guarantor will pay to the Beneficiary all commissions and expenses incurred by the Beneficiary in connection with the actual or notional conversion of any Foreign Currency into the Due Currency on the terms contemplated by clause 8.9(b).

9. Expenses and stamp duties

9.1 Expenses

- (a) **(Preparation)** Each party bears its own costs in relation to negotiating, preparing and executing each Transaction Document and any subsequent consent, agreement, approval, waiver or amendment relating to any Transaction Document; and
- (b) **(Enforcement)** The Guarantor must reimburse the Beneficiary on demand for, and indemnifies the Beneficiary against, all Costs, including legal fees, costs and disbursements (on a full indemnity basis and determined without taxation, assessment or similar process) incurred in connection with exercising, enforcing or preserving, or attempting to exercise, enforce or preserve, any Power under each Transaction Document.

9.2 Stamp duties

The Guarantor:

- (a) must promptly pay all stamp duty, transaction, registration and similar Taxes, including fines and penalties which may be payable to, or required to be paid by, any appropriate Government Authority or determined to be payable in connection with the execution, delivery, performance or enforcement of this deed or any payment, receipt or other transaction contemplated by each Transaction Document; and
- (b) indemnifies the Beneficiary against any loss or liability incurred or suffered by it as a result of the delay or failure by the Guarantor to pay any Taxes as required in accordance with clause 9.2(a).

10. Governing law and jurisdiction

10.1 Governing law

This deed is governed by the law applying in Victoria.

10.2 Jurisdiction

The Guarantor irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Victoria, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.2(a).

11. Miscellaneous

11.1 Form of demand

A demand on the Guarantor for payment under this deed may be in any form and contain any information as the Beneficiary determines. It need not specify the aggregate amount of the Guaranteed Money, nor the method or basis of calculation of all or any part of the Guaranteed Money.

11.2 Certificate of the Beneficiary

A certificate or determination in writing signed by the Beneficiary or a director, company secretary or attorney of the Beneficiary certifying:

- (a) an exchange rate, a rate of interest or an amount payable by the Guarantor under any Transaction Document is sufficient evidence of the matters to which it relates; and
- (b) any other act, matter or thing relating to any Transaction Document is sufficient evidence of those matters unless the contrary is proved.

11.3 Notices

- (a) Each communication (including each notice, consent, approval, request or demand) under or in connection with this deed or any other Transaction Document to which the Guarantor is a party:
 - (i) must be legible and in writing;
 - (ii) must be addressed to the following address or facsimile number (or as otherwise notified by a party to the other party from time to time):

Guarantor

Address:	c/-McCullough Robertson, level 11, 66 Eagle Street, Brisbane, Queensland 4000
Fax:	(07) 3229 9949
For the attention of:	Isaac West

Beneficiary

Address: c/- Clayton Utz, Level 18, 333 Collins Street, Melbourne VIC 3000
Fax: +61 3 9629 8488
For the attention of: JLi@claytonutz.com

- (iii) must be signed by the sender or on the sender's behalf by a director, company secretary, attorney or authorised agent of the sender;
- (iv) must be delivered by hand or posted by prepaid post to the address or sent by fax to the facsimile number, in each case, provided for in accordance with clause 11.3(a)(ii);
- (v) is taken to be received by the addressee:
 - A. (in the case of prepaid post) on the second Business Day after the date of posting;
 - B. (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent; and
 - C. (in the case of delivery by hand) on delivery.
- (b) Each communication sent in accordance with this clause 11.3 may be relied on by the recipient if the recipient, acting reasonably, believes the communication to be genuine and if it appears to be executed by or on behalf of the sender in accordance with clause 11.3(a)(iii) (without the need for further enquiry or confirmation).

11.4 Continuing obligation

Each Transaction Document is a continuing obligation regardless of any settlement of account, intervening payment, express or implied revocation or any other matter or thing until a final discharge has been given to the Guarantor.

11.5 Further acts and documents

The Guarantor on demand by the Beneficiary (and at the entire Cost of the Guarantor) will perform all acts and execute all agreements, assurances and other documents and instruments as the Beneficiary, acting reasonably, requires to perfect or improve the Powers afforded or created, or intended to be afforded or created, by each Transaction Document.

11.6 Severance

If at any time a provision of any Transaction Document is or becomes illegal, invalid, void or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair the legality, validity or enforceability:

- (a) in that jurisdiction of any other provision of that Transaction Document; or
- (b) under the law of any other jurisdiction of that or any other provision of that Transaction Document.

11.7 Powers cumulative

The Powers conferred by this deed on the Beneficiary are cumulative and in addition to all other Powers available to the Beneficiary by law or under any Transaction Document.

11.8 Waiver

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

11.9 Consents

A consent required under a Transaction Document from the Beneficiary may be given or withheld, or may be given subject to any conditions, as the Beneficiary (in its absolute discretion) thinks fit, unless this deed expressly provides otherwise.

11.10 Moratorium legislation

To the fullest extent permitted by law, all laws which at any time operate directly or indirectly to:

- (a) lessen or affect in favour of the Guarantor any obligation under any Transaction Document; or
- (b) delay or otherwise prevent or prejudicially affect the exercise by the Beneficiary of any Power under a Transaction Document or otherwise,

are expressly waived.

11.11 Binding on each signatory

Each Transaction Document to which it is a party binds and is enforceable against the Guarantor despite:

- (a) any other person not executing the relevant Transaction Document or its execution being defective in any way; or
- (b) any obligation or liability of any other party under any Transaction Document not being binding or enforceable against that party for any reason.

11.12 Counterparts

This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the deed of each party who has executed and delivered that counterpart.

11.13 Assignment

- (a)
 - (i) The Beneficiary may at any time assign or otherwise transfer all or any part of its rights under any Transaction Document to any party to whom the Beneficiary transfers the Note in accordance with clause 10 of the Subscription Deed and may disclose to a proposed assignee or transferee any information in the Beneficiary's possession relating to the Guarantor.
 - (ii) If the Beneficiary assigns or otherwise transfers all or any part of its rights under a Transaction Document as permitted in accordance with this clause 11.13(a) the Guarantor may not claim against any assignee or transferee any right of set-off or any other rights the Guarantor has against the assigning or transferring Beneficiary.
- (b) The Guarantor cannot assign, novate or otherwise transfer any of its rights or obligations under any Transaction Document without the prior written consent of the Beneficiary.

12. No representation by or reliance

The Guarantor acknowledges that:

- (a) the Beneficiary does not have any duty to supply it with information in relation to or affecting the other Obligors or the Beneficiary before the date of this deed or during the currency of any Transaction Document;
- (b) it has relied on its own inquiries as to the other Obligors, the nature and extent of the entire relationship between each of them and the Beneficiary (whether or not recorded in the Transaction Documents) and the nature and effect of the Transaction Documents; and
- (c) it does not enter into this deed or any other Transaction Document in reliance on any representation, promise, statement, conduct or inducement by or on behalf of the Beneficiary or other Obligor, except for any inducement expressly set out in a Transaction Document.

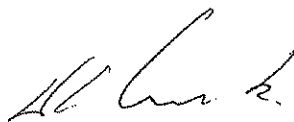
Executed as a deed.

By the Guarantor

**Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust** by in accordance with
section 127 of the Corporations Act 2001 (Cth):

Edward McComack

Full name of sole director and company secretary who
states that he or she is the sole director and sole
company secretary of



Signature of sole director and sole company
secretary

By the Beneficiary

**Signed, sealed and delivered by Wu
Jiping in the presence of:**

Wu Jiping
Signature of witness

Wu JING
Full name of witness

Wu Jiping
Signature

Annexure E - Featherweight Charge

This is Annexure "E" of 23 pages referred to in Form 603.

**Signed for and behalf of Wu Jiping by
Chong Lee** under a power of attorney dated 26
September 2013:

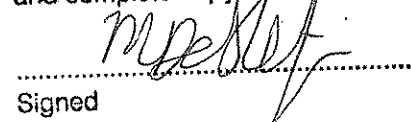
Chong Lee

Print Name



Signature of Chong Lee

I do hereby certify that this is a true
and complete copy of the original document



Signed

02/10/2013

Marie Clarissa De Stefano
Level 18, 333 Collins Street,
Melbourne VIC 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

CLAYTON UTZ

Execution version

Featherweight general security deed

Silvergate Capital Pty Ltd
Grantor

Wu Jiping
Secured Party

Clayton Utz
Lawyers
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Our reference 18866/995/0000[*]

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Featherweight general security deed dated

Deed of mortgage of securities dated

Parties **Silvergate Capital Pty Ltd ACN 158 538 580 (Grantor)**
Wu Jiping (Secured Party)

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed:

Collateral means all present and after acquired property, interests, rights and proceeds in respect of which the Grantor has at any time sufficient rights to grant a Security Interest or charge, other than the Specific Security Collateral.

Deal means sell, convey, assign, Encumber, transfer, lease, licence or otherwise dispose or part with possession of, make any bailment over, grant any option over or create or permit to exist any other interest in any part of the Collateral.

Enforcement Event means:

- (a) the appointment of an External Administrator to the Grantor; or
- (b) the occurrence of an Event of Default under the Transaction Documents that is subsisting.

Enforcement Period means the period:

- (a) commencing on the occurrence of an Enforcement Event; and
- (b) ending on:
 - (i) in the case of the appointment of an External Administrator, the occurrence of any event described in sections 435C(2) or 435C(3) of the Corporations Act, except for:
 - A. sections 435C(2)(c) and 435C(3)(g) of the Corporations Act; or
 - B. where a Deed of company arrangement is entered into pursuant to section 435C(2)(a) of the Corporations Act in circumstances where the Secured Party has not voted in favour of the Deed of company arrangement;
 - (ii) if this deed is enforced before one of the events described in paragraph (i) of this definition occurs, the date on which the Grantor is entitled to call for the discharge of this deed in accordance with clause 8.5; or
 - (iii) in the case of an Event of Default, when that Event of Default no longer subsists or has been waived by the Facility Agent (acting on the instructions of the Majority Financiers.

Event of Default has the meaning given to that term in the Specific Security.

External Administrator means an administrator appointed in accordance with Part 5.3A of the Corporations Act or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Limited Recourse Guarantee means the guarantee and indemnity dated on or about the date of this mortgage and made between the Grantor and the Secured Party.

Obligations has the meaning given to that term in the Limited Recourse Guarantee.

Receiver means a receiver or receiver and manager appointed by the Secured Party under this deed and, if more than one, then each of them and also any employee, contractor or Delegate of any receiver or receiver and manager.

Recovered Amount means an amount which is equal to the sum received by:

- (a) the Secured Party;
- (b) any Controller; or
- (c) any person acting on behalf of the Secured Party,

from the sale or realisation of the Specific Security Collateral.

Specific Security means the document entitled "Deed of mortgage of securities" dated on or about the date of this deed and made between the Grantor and the Secured Party.

Specific Security Collateral means any property, interests, rights and proceeds subject to the Specific Security.

1.2 Specific Security and Limited Recourse Guarantee

Unless otherwise defined, expressions used in this deed have the meanings given to them in or for the purposes of the Specific Security and the Limited Recourse Guarantee.

1.3 Interpretation

In this deed:

- (a) headings are for convenience only and do not affect interpretation;
- and unless the context indicates a contrary intention:
- (b) "**person**" includes an individual, the estate of an individual, a corporation, a Government Authority, an association or a Joint Venture and a trust;
 - (c) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
 - (d) a reference to a document (including any Transaction Document) is to that document as varied, novated, ratified, replaced or restated from time to time, including for the avoidance of doubt any such variation, novation, ratification, replacement or restatement which has the effect directly or indirectly of increasing in any way the Secured Money;

- (e) a reference to a law includes any law, principle of equity, Statute and official directive of any government authority and a reference to any legislation (including any Statute) includes any rule, regulation, ordinance, by-law, statutory instrument, order or notice at any time made under that legislation and, in each case, any consolidations, amendments, re-enactments and replacements;
- (f) a word importing the singular includes the plural (and vice versa) and a word indicating a gender includes every other gender;
- (g) a reference to a party, clause or schedule is a reference to a party, clause or schedule to or of this deed and a reference to this deed includes all schedules to it;
- (h) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) a reference to the Collateral or any other thing includes any part of it;
- (j) a reference to an asset includes any real or personal property or asset, whether tangible or intangible, present or future, together with any interest or benefit in or revenue from, such property or asset;
- (k) **"includes"** in any form is not a word of limitation;
- (l) all accounting terms used in this deed have the meaning given to them under Accepted Accounting Practices;
- (m) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or that act, matter or thing will be done on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not);
- (n) a reference to **"subsists"** or any similar expression in relation to an Event of Default or a Potential Event of Default indicates an Event of Default or Potential Event of Default which has not been remedied or waived in accordance with the terms of the Transaction Documents;
- (o) a reference to **"proceeds"** includes, where the context permits, any proceeds as that term is defined in the PPSA; and
- (p) each of the terms **"advance"**, **"future advance"**, **"financing statement"**, **"financing change statement"** and **"verification statement"** have the meanings given to them in the PPSA.

1.4 Grantor liable as trustee

- (a) The Grantor is liable under each Transaction Document to which it is a party in its personal capacity and in its capacity as trustee of the Trust.
- (b) In each Transaction Document, a reference to the Grantor is a reference to the Grantor in both its personal capacity and in its capacity as trustee of the Trust.

1.5 Transaction Document

This deed is a "Transaction Document" for the purposes of the Subscription Deed.

2. Recourse

2.1 Recovered Amount

Subject to clause 2.2 and clause 2.4, but otherwise despite anything else in this document or any other Transaction Document:

- (a) the amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the Recovered Amount; and
- (b) the Secured Party may not seek to recover from the Grantor any shortfall in the Secured Money by:
 - (i) bringing any proceedings against the Grantor; or
 - (ii) applying to have the Grantor wound up.

2.2 Exceptions to limit

Despite clause 2.1, the Secured Party or any Controller or person acting on its behalf may:

- (a) exercise all Powers in connection with the Specific Security Collateral and the Collateral as against the Grantor; and
- (b) take proceedings to obtain:
 - (i) an injunction or other order to restrain any breach of a Transaction Document by the Grantor; or
 - (ii) declaratory relief or other similar judgment or order as to the Grantor's obligations under any Transaction Document.

2.3 Secured Party may retain excess

The Grantor and the Secured Party hereby agree and acknowledge that it is their intention that the Secured Party shall bear the risk and reward associated with any movements in the value of the Specific Security Collateral. To that end and despite anything else in this deed or any other Transaction Document:

- (a) the recourse of the Secured Party to the Grantor shall be limited in the manner set out in clauses 2.1 and 2.2; and
- (b) if the Recovered Amount exceeds the Secured Moneys (such an amount being the **Excess Amount**):
 - (i) the Secured Party:
 - A. is absolutely and unconditionally entitled to be paid and retain for its own account the Excess Amount; and
 - B. shall not under any circumstances be required to pay, repay or account to any Obligor or any other party for or on account of that Excess Amount; and
 - (ii) the Grantor may not bring any proceedings against the Secured Party in relation to the Excess Amount.

- (c) To the extent permitted by law, this clause 2.3 will operate notwithstanding any rule or law or equity to the contrary.
- (d) Clause 2.3(b) will cease to apply on and from the Conversion Date.

2.4 Maximum amount recoverable after Conversion Date

On and from the Conversion Date, the maximum amount recoverable by the Secured Party from the Grantor under any Transaction Document in respect of the Obligations, the Secured Money or otherwise is an amount equal to the lesser of:

- (a) the amount referred to in clause **Error! Reference source not found.**;
- (b) the sum of:
 - (i) the amount required to be paid by Pure Metals to the Secured Party under clause 14.3 (*Subscriber's powers on default*) of the Subscription Deed (but only insofar as that amount relates to Loss (as that term is defined in the Subscription Deed) suffered or incurred by the Secured Party:
 - A. determined by a court; or
 - B. agreed with Pure Metals or the Grantor,
 as a result of an Event of Default of the kind referred to in clause 14.1(d) of the Subscription Deed);
 - (ii) all costs, outgoings and expenses incurred by the Secured Party in enforcing or attempting to enforce its rights under this mortgage, the Limited Recourse Guarantee and other security or in exercising any of the rights or powers conferred on the beneficiary as mortgagee or chargee consequent on the occurrence of an event of default;
 - (iii) remuneration to, and reimbursement of expenses claimed by, any receiver or receiver and manager appointed under any security; and
 - (iv) all interest, including default interest, and interest on interest, which has accrued due and is unpaid under the Transaction Documents in relation to each amount set out in this clause 2.4(b)(i) to (iv) (inclusive).

3. Security Interest

3.1 The security interest

- (a) By this deed, and subject to clause 3.1(b), the Grantor as beneficial owner charges the Collateral held by it to the Secured Party to secure the satisfaction of the Obligations and the due and punctual payment to the Secured Party of the Secured Money.
- (b) The Grantor grants this deed in respect of the Collateral comprising the Trust Assets as sole trustee of the Trust.

3.2 Non Personal Property

To the extent that this deed relates to property:

- (a) which is not personal property as defined in the PPSA; or
- (b) to which the PPSA does not apply,

it will operate as a floating charge in respect of such property until either the Secured Party gives a notice fixing the charge to the Grantor or an Event of Default occurs.

3.3 Permissions and Restrictions in relation to the Collateral

- (a) Subject to any other contrary provision in this deed or any other Transaction Document, the Grantor may Deal with any part of the Collateral.
- (b) Clause 3.3(a):
 - (i) does not apply during the Enforcement Period; and
 - (ii) in permitting any Security Interest to be granted to a third party, is not to be interpreted as extinguishing or permitting the extinguishment of the Security Interest created by this deed in respect of the Collateral, the intention being that the Secured Party will continue at all times to have a security interest (as defined in the Corporations Act 2001 (Cth)) over the whole or substantially the whole of the property and assets of the Grantor.
- (c) The Grantor will not without the Secured Party's prior written consent or as expressly permitted in any other Transaction Document during the Enforcement Period:
 - (i) (No sale, mortgage lease etc) Deal with any part of the Collateral; or
 - (ii) (Debts and Proceeds) Deal with or permit any set-off or combination of accounts in respect of any of its book debts or the proceeds of any book debts.

3.4 Satisfaction of Obligations

The Grantor will satisfy, or procure the satisfaction of, the Obligations and will pay the Secured Money in the manner provided in this deed or in any other Transaction Document.

3.5 Enforcement Limit

Despite any other provision of this deed, the total amount of advances and all other amounts (including any Secured Moneys) secured by, or to be secured by, and recoverable by the Secured Party under this deed is limited in accordance with clause 2.

3.6 Subordination

- (a) The Secured Party agrees that the Encumbrances created under this deed in the Collateral are subordinated to any other Encumbrance permitted under the Transaction Documents and granted by the Grantor in the Collateral prior to the commencement of the Enforcement Period.

- (b) The subordination in clause 3.6(a) is stated for the benefit of third parties and may be enforced by a third party.
- (c) To the extent that the subordination in clauses 3.6(a) and 3.6(b) is not effective to subordinate the Encumbrances created under this deed, the Secured Party will enter into such priority agreements that any relevant third party may reasonably require to give effect to the subordination contemplated by clauses 3.6(a) and 3.6(b).

4. Enforcement Events

4.1 Suspension of rights

During the currency of an Enforcement Event all Powers of the Secured Party in respect of the Collateral not previously exercisable, become exercisable.

4.2 Covenant

The Grantor will ensure that no Enforcement Event occurs. Without affecting the liability of the Grantor or any Power in any other respect (including where a breach of this clause 4.2 is a breach of any other provision of any Transaction Document), the Grantor is not liable in damages for a breach of its obligations under this clause 4.2 but the Secured Party may exercise the Powers following any breach of this clause 4.2, during the period it subsists.

5. Receivers: appointment and Powers

5.1 Appointment of Receiver

At any time during an Enforcement Period, the Secured Party or any Authorised Officer of the Secured Party may:

- (a) appoint any person or persons to be a receiver or receiver and manager of the Collateral;
- (b) terminate the appointment of any Receiver; and
- (c) in case of the removal, retirement or death of any Receiver, appoint another person or persons in the place of that Receiver.

Any appointment of a Receiver automatically and immediately terminates at the conclusion of the Enforcement Period.

5.2 Joint Receivers

If more than one person is appointed as a Receiver, the Secured Party may at its option specify whether the appointment and the Powers of each appointee will be joint or joint and several. If no specification is made, the appointment and the Powers of each appointee will be joint and several.

5.3 Remuneration of Receiver

The Secured Party may fix the rate of remuneration of each Receiver, which will not exceed the standard hourly rate from time to time charged by the firm of which that Receiver is a member for work of the level carried out by that Receiver.

5.4 Agent of Grantor

Each Receiver will be the agent of the Grantor. The Grantor will be solely responsible for all acts and omissions by, and the remuneration of, each Receiver.

5.5 Powers of Receiver

Without the need for any consent from the Grantor or any other person, each Receiver will have all of the following powers:

- (a) **(Section 420)** all of the powers granted to a receiver of property of a corporation under section 420 of the Corporations Act;
- (b) **(Dispose)** whether or not in possession, to dispose of the Collateral in such manner and on such terms as the Receiver thinks fit;
- (c) **(Borrow or raise money)** to borrow or raise from the Secured Party or any other person any money which may be required for any purposes and, if the Receiver thinks fit, to secure any money borrowed or raised by the grant of any Encumbrance over the Collateral (whether in the name of the Grantor or otherwise) so that the Encumbrance ranks in priority to, pari passu with or after this deed. The Secured Party will not be bound to inquire as to the necessity or propriety of any Financial Liability nor be responsible for the misapplication or non-application of any money so borrowed or raised;
- (d) **(Lease)** whether or not the Receiver has taken possession, to lease or licence the Collateral in the name of the Grantor or otherwise, for any period and on any terms or to vary or terminate a lease or licence;
- (e) **(Collection)** collect the Charged Debts;
- (f) **(Engage)** to engage consultants, contractors, professional advisors, agents and employees (including any person associated with a firm or company in which the Receiver is a member or in which the Receiver is interested and that person may charge for his or her services as if independently retained at a salary or remuneration determined by the Receiver) and the Receiver may act on any advice given by any person so engaged;
- (g) **(Conduct works)** to repair, renew, replace, renovate or clean the Collateral, to erect any new buildings or make any improvements to any land forming part of the Collateral and to demolish, alter, rebuild or extend any existing buildings on the Collateral;
- (h) **(Invest proceeds against contingencies)** if any of the Secured Money is contingent, to invest, deposit or hold the Collateral in a form or mode of investment for the time being as the Receiver thinks fit, with like power to vary, transpose or re-invest the investments or deposits from time to time until that part of the Secured Money ceases to be contingent;
- (i) **(Perform contracts)** to perform, observe, carry out, enforce specific performance of, exercise or refrain from exercising, the Grantor's rights and powers under, obtain the benefit of, and vary or rescind all contracts and rights forming part of the Collateral or entered into in the exercise of any Power;
- (j) **(Take proceedings)** to institute, conduct or defend any proceedings in law or bankruptcy and to submit to arbitration, mediation or conciliation, in the name of

the Grantor or otherwise and on any terms, any proceeding, claim, question or dispute in connection with the Collateral or otherwise;

- (k) (**Compromise**) to make any settlement, arrangement or compromise regarding any action, proceeding or dispute arising in connection with the Collateral, to grant to any person involved time or other indulgence and to execute all related releases or discharges as the Receiver thinks expedient in the interests of the Secured Party;
- (l) (**Appeal**) to appeal against or to enforce any judgment or order in respect of the Collateral;
- (m) (**Bankrupt debtors and wind up bodies corporate**) to make debtors bankrupt and to wind up bodies corporate and to do all things in connection with any bankruptcy or winding up which the Receiver thinks necessary for the recovery or protection of the Collateral or for the security or other benefit of the Secured Party;
- (n) (**Delegate**) with the Secured Party's prior approval, to delegate to any person, for any time, any of the Powers including this power of delegation;
- (o) (**File**) to file all certificates, registrations and other documents and to take any and all action on behalf of the Grantor which the Receiver believes is necessary to protect, preserve or improve any or all of the Collateral and the rights of the Grantor and the Secured Party in respect of any agreement for sale and to obtain for the Secured Party all of the benefits of this deed and any other Transaction Document;
- (p) (**Operate bank accounts**) to open or operate any bank account in the name of the Grantor (whether alone or jointly with any other person) to the exclusion of the Grantor and to deposit or withdraw any money standing to the credit of that account and to sign and endorse or to authorise others to sign and endorse in the name of the Grantor cheques, promissory notes, bills of exchange and other negotiable instruments;
- (q) (**Do all other things**) to do all things the law allows an owner of any interest in the Collateral, or any Controller of the Collateral, to do; and
- (r) (**Do all things as are expedient**) to do all other acts and things without limitation as the Receiver thinks expedient,

and any further powers as the Secured Party confers on a Receiver by notice in writing to that Receiver.

5.6 Indemnity

The Secured Party may give any indemnities to any Receiver concerning the performance of that Receiver's duties as are permitted by law. If the Secured Party is obliged to pay any money under any indemnity, that money will become part of the Secured Money.

6. Secured Party's Powers

6.1 Exercise of Power

At any time after the occurrence of an Enforcement Event, the Secured Party may without notice and whether or not a Receiver has been appointed:

- (a) exercise all or any of the Powers conferred on a Receiver, or which would be conferred on a Receiver if appointed, as if those Powers had been expressly conferred on the Secured Party;

- (b) exercise all other Powers; and
- (c) appoint an agent or agents (whether severally, jointly or jointly and severally) and delegate the Powers (or any of them) to the agent or agents (in which case clauses 5.1, 5.3, 5.6, 9.2, 9.3 and 9.4 will apply as if the agent or agents were each appointed as a Receiver).

6.2 Act jointly

The Secured Party and each Receiver may exercise any of the Powers in conjunction with the exercise of similar powers by the holder of any other Encumbrance over the Collateral or by any receiver or receiver and manager appointed by that other holder and may enter into and give effect to agreements and arrangements with that other holder, receiver or receiver and manager as the Secured Party or the relevant Receiver thinks fit.

6.3 Power of attorney

- (a) In consideration of the Secured Party entering into the Transaction Documents, the Grantor irrevocably appoints the Secured Party and each of its Authorised Officers and each Receiver, severally, as an attorney of the Grantor with power at any time an Event of Default has occurred and is subsisting:
 - (i) to do all acts which ought to be done by the Grantor under any Transaction Document;
 - (ii) to do all acts to exercise or give effect to any Power;
 - (iii) to demand, sue for, recover and receive the Collateral from any person, in the name of the Grantor or in the name of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 6.3;
 - (iv) to take further action and to execute further instruments which are, or are in the opinion of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 6.3, necessary or desirable to secure more satisfactorily the performance of the Obligations or the payment of the Secured Money or to sell or otherwise deal with the Collateral; and
 - (v) to appoint (and remove at will) at any time any person as a substitute for an attorney.
- (b) The Grantor:
 - (i) agrees that each attorney may exercise powers under this power of attorney notwithstanding that the exercise may or will involve or result in a conflict between the duty of that attorney to the Grantor and either the interests of that attorney or a Related Party of that attorney or another duty of that attorney; and
 - (ii) ratifies and confirms now and for the future all actions undertaken by or on behalf of any attorney under this power of attorney, including any action which may or will involve or result in a conflict of the type referred to in clause 6.3(b)(i) or in respect of which that attorney has a personal interest.

For the purposes of this clause 6.3(b) a Related Party of any attorney is any Related Body Corporate of that attorney or, in the case of any attorney that is an individual,

any person that is related to or has any personal or professional relationship, of any nature, with that attorney.

- (c) The Grantor declares that this power of attorney will continue in force until all actions taken under it have been completed, despite the discharge of this deed.
- (d) The Grantor will do anything requested by the Secured Party, acting reasonably, to enable the Secured Party to register this power of attorney in the manner and within any time limits prescribed by law to ensure the efficacy of this power of attorney.
- (e) An attorney may continue to exercise any power under this clause 6.3 so as to complete any action which has been commenced under this clause 6.3, notwithstanding that prior to that act being completed the Event of Default has ceased to subsist.

6.4 Secured Party may make good any default

If the Grantor defaults in satisfying any of the Obligations, the Secured Party may, without prejudice to any other Power, do all things and pay all money necessary or expedient in the opinion of the Secured Party to make good or to attempt to make good that default to the satisfaction of the Secured Party. The Grantor will take all steps which the Secured Party, acting reasonably, requests to facilitate the exercise by the Secured Party of its rights under this clause 6.4. The Secured Party will not be a mortgagee or Secured Party in possession simply as a result of the exercise of its rights under this clause 6.4.

6.5 Notice for exercise of Powers

- (a) The Powers may be exercised by the Secured Party and any Receiver at any time during the period any Event of Default subsists, without any notice, demand or lapse of time being necessary unless required by a law which cannot be excluded.
- (b) Subject to clause 6.5(c), if required by any law which cannot be excluded, one day is fixed as the period for which:
 - (i) default must continue in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money before the Secured Party may give any notice or demand as required by any law affecting the Powers; and
 - (ii) default in the satisfaction of the whole or any part of the Obligations or in the payment of any part of the Secured Money must continue after the giving of any notice or demand before any Power may be exercised.
- (c) If any law which cannot be excluded provides that a specific period of notice or lapse of time is mandatorily required before any Power may be exercised by the Secured Party or any Receiver, that period of notice must be given or time must elapse before that Power may be exercised.

7. Application of money

The Secured Party and each Receiver has an absolute discretion to apply any money received as a result of the exercise of any Power or which is the proceeds of enforcement of this deed (and which is to be applied in payment of the Secured Money) in reduction of any part or parts of the Secured Money, whenever and on whatever account it became secured, despite any principle or presumption of law to the contrary or any direction given at the time of receipt and without the need to communicate its election to any person.

8. Liability and release

8.1 Continuing obligation

This deed constitutes a continuing obligation regardless of any settlement of account, intervening payment, express or implied revocation or any other matter or thing.

8.2 Personal liability

No grant of full or partial satisfaction of or discharge from this deed by the Secured Party will, unless it expressly provides otherwise, release the Grantor from personal liability under this deed or under any other Transaction Document until none of the Secured Money is owing (whether actually, contingently or prospectively) and it is not reasonably foreseeable that there could be any Secured Money owing in the future.

8.3 Grantor's liability not affected

This deed and the liability of the Grantor under this deed will not be affected or discharged by any of the following:

- (a) **(Indulgence)** the granting to the Grantor or to any other person of any time or other indulgence or consideration;
- (b) **(Transaction Documents)** the Secured Party failing or neglecting to recover by the realisation of any Transaction Document or any other Encumbrance or otherwise any of the Secured Money;
- (c) **(Laches)** any other laches, acquiescence, delay, act, omission or mistake on the part of the Secured Party or any other person;
- (d) **(Release)** the release, discharge, abandonment or transfer, whether wholly or partially and with or without consideration, of any Transaction Document, other Encumbrance, judgment or negotiable instrument held from time to time or recovered by the Secured Party from or against the Grantor or any other person (other than an express release or discharge of the Grantor from all of its liabilities under this deed); or
- (e) **(Any other thing)** any other matter or thing.

8.4 Claim on Grantor

The Secured Party is not required to:

- (a) make any claim or demand on any other Obligor or any other person;
- (b) enforce any other Transaction Document or other Encumbrance; or
- (c) enforce any other Power,

in any case, before making any demand on the Grantor under this deed or otherwise enforcing this deed.

8.5 Release of Collateral

- (a) Subject to clause 8.5(b), the Secured Party will release the Collateral at the times and in the manner specified in the Subscription Deed.

- (b) If at any time during the currency of an Enforcement Period:
- (i) all other Securities granted by the Grantor have been enforced;
 - (ii) the maximum amount from the realisation of a secured asset that forms part of the Collateral has been recovered by the Secured Party under this deed as contemplated by clause 3.5; and
 - (iii) the proceeds from each such realisation referred to in clause 8.5(b)(ii) has been applied towards the payment to the Secured Party of the Secured Money,

then the Secured Party shall, upon request, absolutely and unconditionally release the Collateral from this deed notwithstanding that there may be unsatisfied Obligations or Secured Moneys then owing.

8.6 Principal and independent obligation

This deed is a principal and independent obligation. Except for stamp duty purposes, it is not ancillary or collateral to any other Encumbrance, right or obligation.

8.7 No marshalling

Subject to the express terms of another Transaction Document, the Secured Party is not obliged to marshal or appropriate in favour of the Grantor or to exercise, apply or recover:

- (a) any Encumbrance (including any Transaction Document) held by the Secured Party at any time; or
- (b) any of the funds or assets that the Secured Party may be entitled to receive or have a claim on.

9. Protection and indemnity

9.1 Waiver by Grantor

The Grantor waives in favour of the Secured Party:

- (a) all rights against the Secured Party and any other person, estate or assets as far as is necessary to give effect to any provision of this deed;
- (b) promptness and diligence on the part of the Secured Party; and
- (c) all rights inconsistent with the provisions of this deed.

9.2 No liability for loss

Neither the Secured Party nor any Receiver will be liable or otherwise accountable for any act, omission, delay, mistake, loss or irregularity in or concerning the exercise, attempted exercise, non exercise or purported exercise of any Power, except for its own gross negligence, fraud or wilful misconduct.

9.3 No liability to account

Neither the Secured Party nor any Receiver will, by reason of the Secured Party or that Receiver entering into possession of the Collateral, be liable to account as mortgagee or Secured Party in possession, for any loss on realisation or for any default, omission, delay or

mistake for which a mortgagee or Secured Party in possession might be liable. The liability of the Secured Party and of each Receiver will be for actual receipts only.

9.4 No conflict

The Secured Party and each Receiver may exercise any Power, even though the exercise of that Power involves a conflict between any duty owed to the Grantor by the Secured Party or that Receiver and any duty owed by the Secured Party or that Receiver to any other person or the interests of the Secured Party or that Receiver. No contract will be void or voidable by virtue of that conflict of duty or interest nor will the Secured Party or Receiver be liable to account to the Grantor or any other person for any money or property as a result of that conflict.

9.5 No notice or enforcement

The Secured Party need not:

- (a) give any notice of this deed to any debtor of the Grantor, to any purchaser or to any other person;
- (b) enforce payment of any money payable to the Grantor; or
- (c) realise the Collateral or take any steps or proceedings for that purpose.

9.6 Indemnity

The Grantor will on demand indemnify and keep the Secured Party indemnified in respect of all Costs and Taxes incurred by the Secured Party or any Receiver:

- (a) in the exercise, attempted exercise or non-exercise of any Power, including those resulting from any mistake, oversight, error of judgment or want of prudence on the part of the Secured Party or any Receiver, unless the same is due to its own gross negligence, fraud or wilful misconduct;
- (b) as a consequence of the occurrence or subsistence of any Event of Default;
- (c) by reason of this deed;
- (d) in respect of any act or omission for which the Secured Party or any Receiver is exonerated by this deed; and
- (e) by reason of the Secured Party redeeming or taking a transfer of any Encumbrance ranking in priority to or *pari passu* with this deed,

and the Grantor will defend all actions, proceedings, claims or demands brought by any person in relation to any matter the subject of this indemnity.

9.7 Protection of persons dealing with the Secured Party or Receiver

No person acquiring any money or asset from or paying or handing over any money or asset to or otherwise dealing with the Secured Party, any Receiver or any Delegate, or to whom is tendered for registration an instrument executed by the Secured Party, any Receiver or any Delegate, will be:

- (a) bound to inquire:
 - (i) whether the Secured Party or the relevant Receiver or Delegate has the right to dispose of any money or asset;

- (ii) whether any Event of Default has occurred or is subsisting;
 - (iii) whether any of the Secured Money is owing or payable;
 - (iv) whether the relevant Receiver or Delegate has been properly appointed;
 - (v) as to the propriety or regularity of the exercise or purported exercise of any Power; or
 - (vi) as to any other matter or thing;
- (b) affected by actual or constructive notice that any transaction, document or other dealing is unnecessary or improper; or
- (c) concerned to see to the application of any money or asset, or be answerable or accountable for any loss or misapplication,
- and:
- (i) in the case of any person paying or handing over any money or asset, that person will be discharged from any further liability to pay or hand over that money or asset; and
 - (ii) the irregular, improper or unnecessary exercise of any Power and any other dealing of any nature with the Secured Party, any Receiver or any Delegate will be, as regards the protection of any such person, deemed to be authorised by the Grantor and valid.

10. Payments

10.1 Money repayable as agreed or on demand

The Grantor will pay the Secured Money to the Secured Party in dollars or any other currency specified in the relevant Transaction Document in immediately available funds not later than 11.00 am in the place of payment on the due date (or if no due date is specified, on the date of demand by the Secured Party) and in compliance with any other requirements of the Transaction Documents.

10.2 Credit balances of other accounts

In determining the amount of the Secured Money, no credit need be allowed by the Secured Party for any credit balance in any joint or other account of the Grantor with the Secured Party, or for any other money owing by the Secured Party to the Grantor.

10.3 Merger

If the liability of the Grantor to pay any of the Secured Money becomes merged in any judgment or order, the Grantor will as an independent obligation pay, in accordance with the Transaction Documents, interest at the rate which is the higher of that payable under the Transaction Documents and that fixed by or payable under the judgment or order.

10.4 Suspense account

- (a) The Grantor acknowledges and agrees that the Secured Party may deposit into a suspense account any amount it or any Receiver receives as a result of the exercise of any Power for such time as it considers appropriate without the Secured Party

being obliged to apply any such amount towards payment or repayment of the Secured Money.

- (b) If the Secured Party determines this is required, if the Secured Party deposits any amount into a suspense account as contemplated by clause 10.4(a) in order to preserve rights to prove in the bankruptcy or liquidation of a person, that amount will not be treated as an amount received as a result of the exercise of any Power until such time as the amount is withdrawn from the suspense account.

11. Governing law and jurisdiction

11.1 Governing law

This deed is governed by the law applying in Victoria.

11.2 Jurisdiction

The Grantor irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of Victoria, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 11.2(a).

12. Miscellaneous

12.1 Further acts and documents

- (a) The Grantor will, and will procure that all persons having or claiming any estate or interest in the Collateral from time to time after the date of this deed will, on demand by the Secured Party (and at the entire cost and expense of the Grantor) perform all acts and execute and deliver all further documents as the Secured Party, acting reasonably, requires:
 - (i) for more satisfactorily securing to the Secured Party the payment of the Secured Money;
 - (ii) to perfect the Encumbrance created by this deed over the Collateral; or
 - (iii) for facilitating the exercise of any Power.
- (b) Without limiting clause 12.1(a) if the Secured Party determines that a Transaction Document (or a transaction related to a Transaction Document) is or contains a Security Interest, the Grantor agrees to promptly do anything (including amending any Transaction Document or executing any new document) which the Secured Party reasonably requires for the purposes of:
 - (i) ensuring that the Security Interest is enforceable, perfected (including, where possible, by control in addition to registration) and otherwise effective; or

- (ii) enabling the Secured Party to apply for registration, or give any notification, in connection with the Security Interest so that the Security Interest has the priority required by the Secured Party; or
- (iii) enabling the Secured Party to exercise rights in connection with the Security Interest.

12.2 Powers cumulative

Each Power is cumulative and in addition to each other Power available to the Secured Party or any Receiver.

12.3 Consents

A consent required under this deed from the Secured Party may be given or withheld, or may be given subject to any conditions, as the Secured Party (in its absolute discretion) thinks fit, unless this deed expressly provides otherwise.

12.4 Indemnities

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

12.5 Time of essence

Time is of the essence in respect of the Grantor's obligations under this deed.

12.6 Binding on each signatory

This deed binds and is enforceable against the Grantor despite:

- (a) any other person not executing this deed or its execution being defective in any way; or
- (b) any obligation or liability of any other party under this deed not being binding or enforceable against that party for any reason.

12.7 Counterparts

This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the deed of each party who has executed and delivered that counterpart.

12.8 Registration

The Secured Party may register this deed, or any financing statement or financing change statement relating to this deed, in the manner and within any time limits prescribed by law to ensure the full efficacy of this deed as an Encumbrance to the Secured Party in all relevant jurisdictions. The Grantor will take all steps which the Secured Party, acting reasonably, requests to facilitate the exercise by the Secured Party of its rights under this clause 12.8.

12.9 Exclusion of PPSA provisions

To the extent permitted by law, and in respect of each Security Interest created by this deed:

- (a) the parties contract out of sections 95, 121(4), 125, 130, 132(3)(d), 132(4), 135, 142 and 143 of the PPSA (to the extent, if any, mentioned in section 115(1) of the PPSA); and
- (b) the Grantor irrevocably and unconditionally waives its right to receive any notice of any verification statement in respect of any financing statement or financing change statement relating to this deed.

12.10 Assignment

- (a)
 - (i) The Secured Party may at any time assign or otherwise transfer all or any part of its rights under this deed to any party to whom the Secured Party is transfers the Note in accordance with clause 10 of the Subscription Deed and may disclose to a proposed assignee or transferee any information in the Secured Party's possession relating to the Grantor.
 - (ii) If the Secured Party assigns or otherwise transfers all or any part of its rights under this deed as permitted in accordance with this clause 12.10(a) the Grantor may not claim against any assignee or transferee any right of set-off or any other rights the Grantor has against the assigning or transferring Secured Party.
- (b) The Grantor cannot assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of the Secured Party.

12.11 No merger

This deed and the Powers are in addition to and do not merge with, postpone, lessen or otherwise prejudicially affect any other Transaction Document or any other right, power, authority, discretion, remedy or privilege of the Secured Party.

12.12 Blanks

The Grantor authorises the Secured Party to complete any blanks in this deed or any document, of any nature, entered into or executed by the Grantor in connection with this deed.

12.13 Confidentiality

- (a) Subject to clause 12.13(b), if the Grantor is a debtor as defined in the PPSA, the parties agree to keep all information of the kind mentioned in section 275(1) of the PPSA confidential and not to disclose that information to anyone.
- (b) Clause 12.13(a) does not apply to any disclosure of information or documents:
 - (i) in any proceeding arising out of or in connection with this deed to the extent that the disclosure is deemed by the disclosing party necessary to protect its interests;
 - (ii) where the information is in the public domain other than as a result of a breach by that disclosing party of this clause 12.13;
 - (iii) if required to do so under a binding order of any Government Authority or any procedure for discovery in any proceedings;

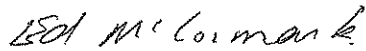
- (iv) if the disclosing party reasonably believes it is required to do so by any law or stock exchange (except that this paragraph does not permit the Secured Party to disclose any information of the kind referred to in section 275(1) of the PPSA, to the extent that disclosure can be resisted under subsection 275(6) of the PPSA);
- (v) otherwise as required or permitted by any Transaction Document;
- (vi) to a disclosing party's Related Bodies Corporate, its legal advisors and its consultants as long as it advises them of the confidential nature of the information or documents or that nature is clear from the circumstances of the disclosure;
- (vii) by the Secured Party to a proposed assignee or transferee of any rights or obligations under any Transaction Document or to any sub-participant or other person with whom any other transaction may be entered into under which payments may be made by reference to any Transaction Document or any Obligor;
- (viii) by the Secured Party with the Grantor's prior written consent;
- (ix) by the Grantor with the Secured Party's prior written consent.

Each party authorises disclosures made by the other party in accordance with clause 12.13(b)(i) to 12.13(b)(vii).

Executed as a deed.

By the Grantor

Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust by in accordance with
section 127 of the Corporations Act 2001 (Cth):



Full name of sole director and company secretary who
states that he or she is the sole director and sole
company secretary of



Signature of sole director and sole company
secretary

By the Secured Party

Signed, sealed and delivered by Wu
Jiping in the presence of:

Signature of witness

Signature

Full name of witness

Executed as a deed.

By the Grantor

**Executed by Silvergate Capital Pty Ltd
ACN 158 538 580 in its own capacity and
in its capacity as trustee of the Silvergate
Capital Unit Trust** by in accordance with
section 127 of the Corporations Act 2001 (Cth):

Full name of sole director and company secretary who
states that he or she is the sole director and sole
company secretary of

Signature of sole director and sole company
secretary

By the Secured Party

**Signed, sealed and delivered by Wu
Jiping** in the presence of:

Signature of witness

Full name of witness

Signature