

Bill Beament to cornerstone strategic funding package

Key Points

- **Highly regarded mining executive Bill Beament will lead a recapitalisation of Venturex designed to set up the Company for growth as a supplier of new-generation energy and technology materials**
- **Mr Beament will subscribe for \$8.9M in shares in a placement at 8c with a one for-two attaching option exercisable at 13.5c with a two-year expiry date**
- **The placement will also include a \$5.1M allocation to institutional and professional investors on the same terms**
- **A one-for-seven underwritten Entitlement Offer will be offered to existing shareholders to raise \$4.4M on the same terms**
- **The entire Placement and attaching options are subject to shareholder approval**
- **Following completion of the Placement and the Entitlement Offer, Mr Beament is expected to emerge with voting power in Venturex of approximately 26.2% (comprising Mr Beament's expected holding of 18.1%, his deemed interest in the expected 3.1% holding of Precision Opportunities Fund Ltd and the expected 5% interest of his associates)¹**
- **Mr Beament will be appointed as an Executive Director from July 1, 2021. Until then, he has entered into a part-time consulting arrangement with Venturex beginning immediately, and will be granted 140M incentive options exercisable at 15c (subject to shareholder approval)**
- **The total value of the funding package, assuming all options (including incentive options) are ultimately exercised, is ~\$58m, of this Mr Beament's share is ~\$37.3m**
- **Mick McMullen, previously CEO and President of Detour Gold and Stillwater Mining Company, will be appointed as an Executive Director immediately and will transition to a Non-Executive Director on 1 July 2021**

¹ Mr Beament's expected voting power of approximately 26.2% on completion of the Placement and the Entitlement Offer assumes that Venturex does not issue any securities after the date of this announcement except as disclosed in this announcement, and includes (a) a deemed relevant interest in the expected 3.1% holding of Precision Opportunities Fund Ltd pursuant to section 608(3) of the Corporations Act 2001 (Cth) and (b) the expected relevant interests of approximately 5% to be held by his associates with respect to Venturex's board and affairs arising from the matters set out in this announcement. The tables in Annexure 4 detail the full position regarding Mr Beament's voting power in a range of circumstances regarding option exercise after completion of each of the Placement and the Entitlement Offer.

- **On completion of the Placement, Craig McGown will resign from the Venturex Board, and Anthony Reilly will transition from Executive Chair to Executive Director**
- **Concurrently, on completion of the Placement and on approval by shareholders, highly experienced corporate lawyer Michael Blakiston will be appointed as Non-executive Chair**
- **The re-capitalisation will ensure Venturex has the balance sheet to advance funding and development of the Sulphur Springs copper-zinc project in WA's Pilbara**

Venturex Resources (ASX: VXR) is pleased to announce an extensive re-capitalisation plan which will position the Company to become a rapidly growing supplier of new-generation energy and technology materials.

The strategy will see highly-regarded mining executive Bill Beament become a major shareholder (immediately post shareholder approval) and part-time consultant to Venturex and will join the Board as an Executive Director on July 1, 2021.

Venturex has received binding commitments to raise \$14 million in a Placement at 8c a share. Mr Beament will contribute \$8.9m of this total.

Existing Venturex shareholders will receive a one-for-seven Entitlement Offer at 8c raising a further \$4.4m (see below for full details of capital raising).

The Placement and Entitlement Offer shares will come with a one-for-two attaching option, exercisable at 13.5c with a two-year expiry. Venturex stands to receive a further \$15.5 million from conversion of these options.

Venturex will implement a Board restructure which will see highly successful mining executive Mick McMullen immediately appointed as an Executive Director.

Mr McMullen will move to a Non-executive role when Mr Beament joins the Board as an Executive Director on July 1, 2021 (see below for full details of proposed Board changes). He will also subscribe for \$461,017 in the shareholder approved placement.

Venturex Executive Director Anthony Reilly said the capital raising and planned Board appointments represented an outstanding growth opportunity for all Venturex shareholders.

“This growth strategy is a game-changer for Venturex,” Mr Reilly said. “The combination of the funding provided to the Company and the exceptional talents of those joining the Board will position Venturex to become a near term producer.

“Existing Venturex shareholders will also benefit immediately from the strategy and will be offered the chance to acquire further shares and options in Venturex on the same terms as the Placement investors.”

Mr Reilly said the ultimate aim of the strategy was to build a high-growth supplier of new-generation energy and technology materials based in tier-one locations building on the Sulphur Springs copper-zinc project as a foundation asset.”

Equity Raising

The equity raising will be structured as follows:

1. A Placement to raise approximately \$14 million at \$0.08 by the issue of 175,037,629 new shares, subject to shareholder approval (**Placement**)
2. A fully underwritten 1 for 7 Entitlement Offer to raise up to approximately \$4.4 million at \$0.08 by the issue of up to 55,344,826 new shares (**Entitlement Offer**).

Subscribers in the Equity Raising will receive 1 free attaching Option per 2 shares subscribed. Each Option will have an exercise price of \$0.135 per Option and have a 2 year expiry.

Bill Beament is subscribing for ~\$8.9 million of the Placement pursuant to a placement agreement, a copy of which is included in Annexure 5. Incoming Director Mick McMullen will be subscribing for \$461,017 in the Placement following receipt of Shareholder approval.

Based on Venturex's closing share price as at 15 February 2021, the issue price for the Equity Raising of \$0.08 per share represents:

- A 23.8% discount to the last traded price of Venturex shares; and
- A 25.3% discount to the 5-day volume weighted average market price of Venturex shares.

The Proceeds from the Equity Raising are intended to be used to fund:

- Development activities for the Sulphur Springs project including:
 - TSF geotechnical verification of design
 - Infill drilling at Sulphur Springs
 - Regional exploration
 - FEED study
- Corporate and general working capital

Non-renounceable Entitlement Offer

Venturex is also offering eligible shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise approximately \$4.4 million (before costs) on the basis of one (1) New Share for every seven (7) Shares held at the record date, at an issue price of \$0.08 per New Share. The Entitlement Offer is fully underwritten as described below.

Subscribers in the Entitlement Offer will receive 1 free attaching Option per 2 shares subscribed. Each Option will have an exercise price of \$0.135 per Option and have a 2 year expiry.

Only shareholders with a registered address in Australia, New Zealand, Singapore, Hong Kong, China and the United Kingdom will be eligible to participate in the Entitlement Offer (Eligible Shareholders).

The Entitlement Offer is made to Eligible Shareholders registered at 5:00pm (Perth-time) on the record date of 20 May 2021 ("**Record Date**").

Assuming no options are exercised before the Record Date, up to 55.3 million New Shares will be issued under the Entitlement Offer.

As a non-renounceable offer, no rights can be traded on the ASX and the rights are not otherwise transferable. New Shares will rank equally with Venturex's existing shares.

The Entitlement Offer will be made by way of a transaction specific prospectus pursuant to section 713 of the Corporations Act 2001 (Cth) ("**Prospectus**").

Details of the Entitlement Offer will be contained in the Prospectus. Eligible Shareholders should consider the Prospectus carefully before deciding whether to participate in the Entitlement Offer and consult with their professional advisors if they have any queries.

The Prospectus will be available on Venturex' website at www.venturexresources.com and on the ASX website at www.asx.com.au

The Entitlement Offer is fully underwritten by Argonaut Capital Limited ("**Underwriter**"). The Underwriter will receive an Underwriting fee of 2.5% of the Entitlement Offer gross proceeds. The Underwriter may terminate its underwriting obligations upon the occurrence of certain termination events, which are customary in nature. Further details of these termination events are set out in Annexure 3.

Board restructure and strategy

Mick McMullen will be appointed immediately to the Venturex Board as an Executive Director. Mick McMullen will be issued 10,000,000 unlisted 3 year options, exercisable at 15c, subject to shareholder approval.

As advised (ASX release 8 February 2021), Tony Kiernan will step down as Director and Chairman of Venturex on the 31st March 2021 and be succeeded by Anthony Reilly as interim Executive Chairman.

Post shareholder approval of the capital raising, Craig McGown will resign from the Venturex Board and Anthony Reilly will transition from Executive Chair to Executive Director. Subject to shareholder approval, Anthony Reilly will be replaced by Michael Blakiston as Non-executive Chair. On his appointment to the board, Michael Blakiston will be issued 7,000,000 unlisted 3 year options, exercisable at 15c, subject to shareholder approval.

Northern Star nominee Darren Stralow will also resign from the Venturex Board effective from the date of this announcement.

Bill Beament will join the board as a full-time Executive Director from 1 July 2021. Until then, Bill has entered into a consulting arrangement with Venturex under terms outlined in Annexure 2 and will be issued 140 million options with a 15c strike price subject to shareholder approval.

The priority for the new Board will include:

- Implementing the human capital and management plan for the business going forward
- Reassessing approvals and implications for the development of Sulphur Springs
- Considering options regarding drilling the project's inferred resource
- Re-evaluating cost inputs into the financial model
- Reviewing the offtake and financing proposals received by the Company from various groups including the Trafigura debt and offtake proposal (ASX release 5 August 2019)
- Assessing plant options
- Evaluating other potential assets and revenue streams

Summary of key terms of the Board contracts are outlined in Annexure 1.

The Board restructure brings a wealth of experience, knowledge, and networks to Venturex and their profiles of the new board members are outlined below.

Mr Bill Beament

Bill Beament is a mining engineer with more than 25 years' experience in the resource sector.

He is currently Executive Chair and a founder of Northern Star Resources (**NST**), one of Australia's largest listed gold producers with a market capitalisation of around \$15 billion. Under his leadership in a little over a decade NST has grown from a 1 cent per share to well over \$10 per share, now employing 4,500 staff and business partners. Previously he held several senior management positions, including General Manager of Operations for Barmenco Limited and General Manager of the Eloise Copper Mine in Queensland. Bill is also currently a Non-

executive Director of Precision Funds Management Pty Ltd and Precision Opportunities Fund Ltd (a shareholder in Venturex).

Mr. Beament is a board trustee of Telethon, a Patron of Western Australia School of Mines Alumni and was named 2016 CEO of the Year by the Financial Review and First Amongst Equals at the 2013 Business News 40under40 Awards.

Mr Mick McMullen

Mick McMullen is geologist with over 28 years experience in the exploration, development, financing and operation of mining projects across Australia, Africa, Asia, Europe, North and South America.

His expertise covers both upstream and downstream areas as well as metal trading and equity and debt capital markets in Australia, London, South Africa, Canada and the USA. His specific mining experience covers small and large open pit and underground mines across many different cultures.

Mick is well known to both sell side analysts and institutional investors in the global equity and debt capital markets. During his career he has raised in excess of \$0.5 billion in equity and \$0.8 billion in debt from the capital markets. He has a strong track record in mergers and acquisitions and asset restructuring.

Most recently, Mick served as the CEO and President of Detour Gold, a 600,000 ozpa gold producer in Canada. During his tenure Mick took the market capitalization of Detour from C\$2B to C\$4.5B over 9 months leading to its eventual sale.

Prior to Detour, Mick was the CEO and President of Stillwater Mining Company from December 2013 until June 2017. During his time at Stillwater Mick oversaw an increase in equity value from US\$1.1B to US\$2.2B against a 10% fall in PGM prices over the same time. Stillwater was sold in an all cash deal valued at US\$2.7B.

He is a former executive board member of the National Mining Association of the United States and Board Member of the World Council, and a current Member of the AusImm.

He qualified as a Geologist at Newcastle University in 1992 and holds a B.Sc in Geology from Newcastle University.

Mr Michael Blakiston

Michael is a specialist in mining and resources law and a partner in Gilbert + Tobin's Corporate Advisory group. Michael joined Gilbert + Tobin in July 2011, after the firm's integration with Blakiston & Crabb which he founded and led since 1985.

Michael advises clients in the corporate and resources sector covering all aspects of corporate life and resource exploration, development and operation. He has extensive experience across a range of commodities.

An internationally renowned leader in resources law, Michael has been recognized in various legal publications including Who's Who Legal, the Australian Financial Review's Best Lawyers listing of Australia's top mining lawyers and Chambers International.

Michael is also a Non-executive Director of ASX listed BCI Minerals Ltd, Precision Funds Management Pty Ltd and Precision Opportunities Fund Ltd (a shareholder in Venturex).

Capital structure on completion of the Equity Raising and Board restructure

On the basis that Venturex receives shareholder approval and completes the Equity Raising, Venturex' indicative capital structure is estimated to be as follows, subject to rounding and reconciliation of entitlements:

	Number of Shares	Number of Options
Balance at the date of this announcement	387,413,780	44,842,383
To be issued under the Placement ¹	175,037,629	87,518,815
To be issued under the Entitlement Offer	55,344,826	27,672,413
Bill Beament Consultant Options	-	140,000,000
Director options	-	17,000,000
Balance after Equity Raising	617,796,235	317,033,610

1. Includes 110,800,341 Shares and 55,400,171 Options to be issued to Mr Beament (or entities controlled by Mr Beament) under the Placement.

Indicative timetable

The indicative timetable for the Equity Raising is as follows:

	Date
Announcement of the Equity Raising	24 Feb 2021
Notice of Meeting expected to be sent to Venturex shareholders	14 Apr 2021
Venturex shareholder meeting	14 May 2021
Ex-Date	19 May 2021
Entitlement Offer Record Date (5:00pm AWST)	20 May 2021
Settlement of Placement and Director and Consultant Options	21 May 2021
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	24 May 2021
Entitlement Offer Opening Date	24 May 2021
Entitlement Offer Closing Date (5:00pm AWST)	7 June 2021
Entitlement Offer Notification of shortfall	8 June 2021
Entitlement Offer Anticipated issue date	15 June 2021

The above timetable is indicative only and all dates are subject to change. The Directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

Board recommendation

The Independent Board Committee of Venturex, consisting of Craig McGown and Anthony Reilly, have each recommended the recapitalisation plan as set out in this announcement to Venturex shareholders as at the date of this announcement and that shareholders vote in favour of the resolutions set out below.

Shareholder approvals

Shareholders will, in due course, receive a Notice of Meeting and Explanatory Memorandum which will contain an independent expert's report on the recapitalisation. This material will describe more fully the recapitalisation of Venturex and impact of this on shareholders. As to whether the recapitalisation as described in this announcement proceeds will then be entirely in the hands of shareholders.

Shareholders will be asked to consider and approve the following resolutions at the shareholders meeting:

- (a) Re-election of casual director Mick McMullen;
- (b) Election of Michael Blakiston;
- (c) Approval for the issue of consultant options to Bill Beament pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.11 of the ASX Listing Rules, and increase in voting power on the exercise of the consultant options under item 7 of section 611 of the Corporations Act;
- (d) Approval for the issue of shares and increase in voting power on the exercise of the options under the Placement to Bill Beament pursuant to item 7 section 611 of the Corporations Act;
- (e) Approval under Listing Rule 7.1 for the placement of shares and options to institutional and professional investors;
- (f) Approval under Chapter 2E of the Corporations Act and Listing Rule 10.11 for the issue of shares and options to Mick McMullen under the Placement;
- (g) Approval under Listing 10.11 for the issue of shares and options to each related party who intends to take up shares and options under the Placement;
- (h) Approval of Listing Rule 10.11 for the issue of director options to Michael Blakiston; and
- (i) Approval under Listing Rule 10.11 for the issue of director options to Mick McMullen; and
- (j) The maximum increase in Mr Beament's voting power in the Company above 20% for the purposes of item 7 of section 611 of the Corporations Act, which at the date of this announcement is expected to be as outlined in Annexure 4.

Advisers

Argonaut Capital Limited is acting as Underwriter to the Entitlement Offer and Joint Lead Manager to the Placement. Euroz Hartleys Securities Limited is acting as corporate adviser to Venturex and Joint Lead Manager to the Placement.

-ENDS-

This announcement is approved for release to the ASX by the Board of Directors.

For further information, please contact:

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About Venturex Resources Limited

Venturex Resources Limited (ASX: VXR) is an exploration and development company with two advanced Copper-Zinc Projects near Port Hedland in the Pilbara region of Western Australia. The two projects are the Sulphur Springs Project which includes the Sulphur Springs Project, Kangaroos Caves Resource plus 27km of prospective tenements on the Panorama trend and the Whim Creek Joint Venture (VXR 20%) which includes the Resources at the Whim Creek, Mons Cupri and Salt Creek mines together with the Evelyn project and 18,100 ha of prospective tenements over the Whim Creek basin.

Annexure 1 – Board Contracts

The material terms of Bill Beament appointment as Executive Director, are as follows:

- To be appointed as Executive Director on 1 July 2021
- Annual remuneration of \$250,000 per annum, excluding superannuation contributions.

The material terms of Mick McMullen appointment as Executive Director, are as follows:

- To be appointed as Executive Director, and to subsequently transition to a Non-Executive Director on 1 July 2021
- Day rate of \$1,500 per day as Executive Director until 1 July 2021
- Annual remuneration of \$60,000 per annum, excluding superannuation contributions from 1 July 2021 as Non-Executive Director
- 10,000,000 unlisted options, exercisable at \$0.15 per share, with an expiry date of three years after the date of issue
- Options to vest 12 months post date of issue
- Issue of options is subject to shareholder approval
- Options to either be exercised or forfeited on ceasing to be a board member

The material terms of Michael Blakiston appointment as a Non-Executive Chair, are as follows:

- Annual remuneration of \$100,000 per annum, excluding superannuation contributions.
- 7,000,000 unlisted options, exercisable at \$0.15 per share, with an expiry date of three years after the date of issue
- Options to vest 12 months post date of issue
- Issue of options is subject to shareholder approval
- Options to either be exercised or forfeited on ceasing to be a board member

Annexure 2 – Bill Beament Consultancy Agreement

The material terms of Bill Beament’s consultancy agreement, are as follows:

- Commencement Date: 23 February 2021
- Term: To the earlier of 31 December 2021 and the date on which Bill commences as an Executive Director of Venturex
- Rate: A\$200 per hour plus incentive options below
- Incentive options: 140,000,000 unlisted options, exercisable at \$0.150 per share, with 50% expiring three years after the date of issue and 50% expiring four years after the date of issue
 - Options vest on issue
 - Grant of options is subject to shareholder approval
- Availability: The appointment is part-time

Annexure 3 – Underwriting Agreement

The Underwriter may terminate its underwriting obligations upon the occurrence of certain termination events, which are customary in nature. These termination events are as follows (described in summary form only):

- a) the Prospectus contains a material omission or a statement that is, or becomes, misleading or deceptive and that matter cannot be remedied (in the view of the Underwriter acting reasonably) by a supplementary or replacement prospectus;
- b) the Company is prevented from issuing New Shares in accordance with the timetable detailed in the Offer Document by ASIC, ASX or any court or government agency;
- c) the Takeovers Panel makes a declaration of unacceptable circumstances in relation to the affairs of the Company;
- d) the S&P / ASX All Ordinaries Index or S&P / ASX Small Resources Index fall more than 15% from the level as at the date of execution of the Underwriting Agreement and remain at or below that level for a period of three consecutive business days;
- e) a director of the Company or a related entity is charged with an indictable offence; or
- f) the Company or a related entity takes any steps to undertake a return of capital or to pass a resolution in relation to financial assistance without the prior written consent of the Underwriter.

The Underwriter may also terminate its underwriting obligations on the occurrence of certain customary termination events if it has reasonable grounds to believe, and does believe that the event has or is likely to have a materially adverse effect on the Entitlement Offer, a material adverse effect on the subsequent market for New Shares offered under the Entitlement Offer or a material adverse effect on the assets, financial condition, financial position or financial prospects of the Company and a related entity, or has given or could reasonably be expected to give rise to a contravention by, or a liability of the Underwriter. These termination events are as follows (described in summary form only):

- a) the Company's bankers terminating or amending the terms of any existing facility to the Company's detriment or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- b) there is a change in law which does or is likely to prohibit, restrict or regulate the business of the Company, the Entitlement Offer or the operation of stock markets generally;
- c) the Company or a related entity fails to comply with a provision of its Constitution, any statute, any requirement, order or request of a government agency or any material agreement entered into by the Company;
- d) the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;
- e) there is an outbreak of hostilities or a material escalation of hostilities (whether war has been declared or not) after the date of the Underwriting Agreement involving any one or more of Australia, Japan, Russia, the United Kingdom, the United States of America or the People's Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country;
- f) the Company is in material default or materially breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- g) an adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a related entity;
- h) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related entity in respect of the Entitlement Offer;
- i) there is a material omission from the results of the due diligence investigation performed in respect of the Entitlement Offer or the results of the investigation or the verification

- material are false or misleading;
- j) a prescribed occurrence occurs, other than as contemplated by the Underwriting Agreement or with the Underwriter's consent (not to be unreasonably withheld);
 - k) the Company suspends payment of its debts generally;
 - l) a related entity to the Company becomes insolvent; or
 - m) a judgment in an amount exceeding A\$200,000 is obtained against the Company or a related entity and is not set aside or satisfied within 7 days.

Annexure 4 – Voting power of Mr Beament in Venturex

Expected Voting Power in Venturex post completion of the Placement³

Scenarios	No options are exercised	All issued options are exercised	Options of Mr Beament and associates only are exercised
Mr Beament's direct and indirect holdings	19.9%	36.1%	36.3%
Precision Opportunities Fund Ltd ¹	3.0%	2.1%	2.5%
Associates ²	5.4%	7.2%	7.3%
Total	28.3%	45.4%	46.1%

Notes:

1. Mr Beament has a deemed relevant interest in the expected holding of Precision Opportunities Fund Ltd pursuant to section 608(3) of the Corporations Act 2001 (Cth).
2. This refers to the expected voting power of Mr Beament's associates with respect to Venturex's board and affairs arising from the matters set out in this announcement.
3. Assumes Venturex does not issue any securities after the date of this announcement except as disclosed in this announcement.

Expected Voting Power in Venturex post completion of the Entitlement Offer³

Scenarios	No options are exercised	All options are exercised	Options of Mr Beament and associates only are exercised
Mr Beament's direct and indirect holdings	18.1%	32.9%	38.9%
Precision Opportunities Fund Ltd ¹	3.1%	2.3%	2.7%
Associates ²	5.0%	6.6%	7.8%
Total	26.2%	41.8%	49.4%

Notes:

1. Mr Beament has a deemed relevant interest in the expected holding of Precision Opportunities Fund Ltd pursuant to section 608(3) of the Corporations Act 2001 (Cth).
2. This refers to the expected voting power of Mr Beament's associates with respect to Venturex's board and affairs arising from the matters set out in this announcement.
3. Assumes Venturex does not issue any securities after the date of this announcement except as disclosed in this announcement.

Annexure 5 – Placement Agreement with Mr Beament

Placement agreement

Venturex Resources Limited (**Company**)

William James Beament as trustee for the Beament Family Trust
(**Subscriber**)

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Parties

- 1 **Venturex Resources Limited (ASX:VXR)** ACN 122 180 205 of Level 2, 91 Havelock Street West Perth WA 6005 (**Company**)
 - 2 **William James Beament as trustee for the Beament Family Trust** of 191 Broome Street Cottesloe WA 6011 (**Subscriber**)
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Background

- A The Company proposes to undertake a capital raising to raise up to approximately \$18.4 million pursuant to the Entitlement Offer and the Placement (together, the **Capital Raising**) and to implement the proposal outlined in the draft ASX announcement contained in Attachment A (**ASX Announcement**) (**Proposal**).
- B The Company has agreed to issue the Subscription Shares and the Subscription Options to the Subscriber and the Subscriber has agreed to subscribe for the Subscription Shares and the Subscription Options and pay the Subscription Amount to the Company on the terms and conditions of this agreement.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this agreement.

2 Subscription Securities

2.1 Subscription

Subject to the terms and conditions of this agreement, the Company must allot and issue and the Subscriber must subscribe for, the Subscription Shares for the Subscription Amount and the Subscription Options, on the Completion Date and free of any Security Interest.

2.2 Obligations prior to Completion

Prior to Completion:

- (a) the Company must ensure that the Board holds a meeting at which the directors resolve, subject to Completion:
 - (i) to allot and issue the Subscription Shares in consideration of the Subscription Amount and grant the Subscription Options to the Subscriber (or his nominee);
 - (ii) to appoint Michael Blakiston as non-executive chairman of the Board with effect from Completion (subject to providing written consent to act); and
 - (iii) to appoint Bill Beament as an executive director of the Board with effect from 1 July 2021 (subject to providing written consent to act);

2.3 Obligations at Completion

At Completion and in accordance with the terms of this agreement:

- (a) the Company must give to the Subscriber a certified copy of the resolution referred to in clause 2.2(a);
- (b) the Subscriber must pay to the Company the Subscription Amount in Immediately Available Funds; and
- (c) the Company must:
 - (i) issue and allot the Subscription Shares to the Subscriber (or his nominee as agreed by the Company);
 - (ii) apply for quotation of the Subscription Shares that form part of the Placement Shares on ASX, including by lodging an Appendix 2A – Application for quotation of securities with the ASX;
 - (iii) register the Subscription Shares in the Company's register of members, or ensure that the Company's share registry does so, in the name of the Subscriber (or, if applicable, the Subscriber's agreed nominee), free from any Security Interest imposed by the Company;
 - (iv) if the Condition in clause 3.1(c) is waived by the Subscriber, give a cleansing notice to ASX that complies with section 708A(5) and 708A(6) of the Corporations Act in relation to the Subscription Shares or lodges a complete prospectus to fulfil any cleansing notice requirements;
 - (v) grant the Subscription Options to the Subscriber (or his authorised nominee authorised by the Company);
 - (vi) register the Subscription Options in the Company's register of Optionholders, or ensure that the Company's share registry does so, in the name of the Subscriber (or, if applicable, the Subscriber's nominee as agreed with the Company); and
 - (vii) procure the Company's share registry to issue and dispatch a Holding Statement that includes reference to the Subscription Shares and

Subscription Options to the Subscriber (or, if applicable, the Subscriber's authorised nominee).

2.4 Constitution

Upon the issue of the Subscription Securities to the Subscriber, the Subscriber agrees to become a member of the Company and to be bound by the Constitution in respect of those Subscription Securities.

2.5 Equal ranking

The Subscription Shares will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as the other Shares already on issue.

2.6 Interdependence of Completion obligations

- (a) The obligations of the Company and the Subscriber under clauses 2.1 and 2.3 are interdependent. Unless otherwise stated, all actions required to be performed by a party at Completion are taken to have occurred simultaneously on the Completion Date.
- (b) Completion will not occur unless all of the obligations of the Company and the Subscriber under clauses 2.1 and 2.3 are complied with and fully effective.
- (c) If one action does not take place under clauses 2.1 and 2.3, then without prejudice to any rights available to any party as a consequence:
 - (i) there is no obligation on any party to undertake or perform any of the other actions;
 - (ii) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
 - (iii) each party must return to the other party all documents delivered to it under this clause 2, without prejudice to any other rights any party may have in respect of that failure.

3 Conditions precedent

3.1 Conditions precedent prior to Completion

The Company and the Subscriber are only obliged to perform their obligations in relation to Completion if the following Conditions are satisfied or waived by the party or parties identified as being entitled to the benefit of that Condition:

Condition	Party entitled to benefit
(a) Shareholder Approval - the Company validly convening and holding the General Meeting on the General Meeting Date and the Shareholders resolving at the General Meeting to approve the issue of the Placement Shares, and grant of the Placement Options and the Consultant Options, to the extent required under the ASX Listing Rules and the Corporations Act, including ASX Listing	The Subscriber and the Company

Condition	Party entitled to benefit
Rules 7.1, 10.1 and 10.11, Chapter 2E of the Corporations Act and the maximum increase in the Subscriber's Voting Power (as that term is defined in the Corporations Act) in the Company in excess of 20% under item 7 of section 611 of the Corporations Act.	
<p>(b) Recommendation – each of the members of the Board legally able:</p> <p>(i) giving their recommendation to the Shareholders in (A) the ASX Announcement and (B) the Notice of Meeting, that they vote in favour of the resolutions the subject of the Proposal; and</p> <p>(ii) not changing or withdrawing his recommendation that the Shareholders vote in favour of the resolutions the subject of the Proposal.</p>	The Subscriber
<p>(c) Prospectus – the Company must prepare and lodge with ASIC and ASX a prospectus pursuant to and which complies with section 713 of the Corporations Act for the offer of the Shares and Options under the Entitlement Offer and the Placement Shares and the Placement Options.</p>	The Subscriber

3.2 Obligation to satisfy Conditions precedent

- (a) The Company must, subject to clauses 3.3 and 3.4, use its reasonable endeavours to ensure or procure that:
- (i) the Conditions in clauses 3.1(a) and 3.1(c) are satisfied on or before the General Meeting Date; and
 - (ii) the Condition in:
 - (A) clause 3.1(b)(i)(A) is satisfied by the date of the ASX Announcement
 - (B) clause 3.1(b)(i)(B) is satisfied on the date the Notice of Meeting is dispatched to Shareholders; and
 - (C) clauses 3.1(b)(ii)(A) and (B) remains satisfied during the period between the date of the ASX Announcement and the date the Notice of Meeting is dispatched to Shareholders, as applicable, and the date upon which the Condition in clause 3.1(a) is satisfied.
- (b) The Subscriber must use its reasonable endeavours to provide any information requested by the Company ensure that the Conditions in clauses 3.1(a) and 3.1(c) are satisfied on or before the General Meeting Date.

3.3 Board recommendation

- (a) In respect of the Condition in clause 3.1(b), the Board may modify or withdraw the recommendation described in clause 3.1(b) if:
 - (i) the Board has formed the view in good faith and acting reasonably, in consultation with the Company's financial and legal advisors, that in order to satisfy the statutory or fiduciary duties of the Board, the Board cannot, acting reasonably, continue to recommend that Shareholders vote in favour of the Placement; or
 - (ii) the Independent Expert opines that the Proposal is 'not fair' and 'not reasonable'.
- (b) For the avoidance of doubt, if the Board modifies or withdraws the recommendation described in clause 3.1(b) in accordance with clause 3.3(a), the Condition in clause 3.1(a) is deemed to have not been satisfied, and the Subscriber will retain all of its rights under this clause 3 in relation to that failure.

3.4 Satisfaction, waiver or failure of Conditions

- (a) The Company and the Subscriber must each promptly notify the other in writing if it becomes aware that a Condition is:
 - (i) satisfied; or
 - (ii) becomes incapable of being satisfied before the date by which that Condition is required to be fulfilled pursuant to clauses 3.1 and 3.2).
- (b) Subject to clauses 3.4(c), 3.4(d) and 3.4(e), a party with the benefit of a Condition may, at any time prior to the General Meeting Date, waive a Condition by giving written notice to the other party specifying that it no longer requires the Condition to be fulfilled (provided such waiver of the Condition is permitted by law and that Completion has not already occurred).
- (c) If more than one party has the benefit of a Condition, that Condition may only be waived if each party with the benefit of the Condition gives notice to the other party prior to the General Meeting Date, specifying that it no longer requires the Condition to be fulfilled (provided such waiver of the Condition is permitted by law and that Completion has not already occurred).
- (d) Subject to clause 3.4(e), a party entitled to the benefit of a Condition may terminate this agreement by giving not less than 2 Business Days written notice to the other party if at any time before Completion and subject to this clause 3:
 - (i) that Condition is not satisfied or waived by the party, or each party with the benefit of that Condition by the time required by clause 3.2 for satisfaction of that Condition; or
 - (ii) the Company or the Subscriber (as the case may be) has given a notice that the Condition is incapable of being satisfied by the time required by clause 3.2 for satisfaction of that Condition (unless that Condition has actually been satisfied before the notice is given).
- (e) If this agreement is terminated under this clause 3.4, then clause 7.4 applies with the necessary changes.

4 Company Warranties

4.1 Giving of Company Warranties

- (a) The Company represents and warrants to the Subscriber that each of the Company Warranties is true and accurate as at:
 - (i) the date of this agreement; and
 - (ii) Completion.
- (b) The Company acknowledges that it has made and given the Company Warranties with the intention of inducing the Subscriber to enter into this agreement and the Subscriber has entered into this agreement in reliance on the Company Warranties.
- (c) Each Company Warranty must be construed independently and the interpretation of any statement made is not to be limited by reference to another Company Warranty.
- (d) The Company Warranties survive Completion of this agreement.

5 Subscriber Warranties

5.1 Giving of Subscriber Warranties

- (a) The Subscriber represents and warrants to the Company that each of the Subscriber Warranties is true and accurate as at:
 - (i) the date of this agreement; and
 - (ii) Completion,unless stated otherwise in Schedule 3.
- (b) The Subscriber acknowledges that it has made and given the Subscriber Warranties with the intention of inducing the Company to enter into this agreement and the Company has entered into this agreement in reliance on the Subscriber Warranties.
- (c) Each Subscriber Warranty must be construed independently and the interpretation of any statement made is not to be limited by reference to another Subscriber Warranty.
- (d) The Subscriber Warranties survive Completion of this agreement.

6 Undertakings by the Company

The Company agrees that it will, to the extent permissible by law and subject to the terms of this agreement:

- (a) **implementation of Proposal:** take all steps necessary, and commit necessary resources, to implement the Proposal in accordance with the terms outlined in the ASX Announcement, subject to any amendments agreed by the parties in writing;

- (b) **prospectus:** issue the Subscription Shares and the Subscription Options pursuant to the Prospectus, unless the Subscriber waives the Condition in clause 3.1(c);
- (c) **interim funding:** notify and consult with the Subscriber if the Board of the Company considers that the Company must raise interim funding for its ordinary course of business activities before Completion of the Placement, and provide all information reasonably required by the Subscriber in relation to that interim funding requirement. The Subscriber may provide funding up to \$1,000,000 by way of an unsecured loan, repayable within 60 days of the earlier of completion of the Placement and the termination of this agreement, and otherwise on commercial arms' length terms to be agreed by the Company and the Subscriber;
- (d) **notification of breach:** at all times prior to Completion notify the Subscriber immediately:
 - (i) if it becomes aware of anything (**Circumstance**) which would cause an Company Warranty to not be true and accurate, or to be misleading, detailing the nature and effect of the Circumstance; or
 - (ii) of any breach of any Company Warranty or undertaking given by it under this agreement or the occurrence of any event as set out in clauses 7.1 and 7.2;
- (e) **constitution:** not, before Completion, vary any term of the Constitution without the prior written consent of the Subscriber to the terms of the variation, such consent not to be unreasonably withheld or delayed;
- (f) **breach:** not, before Completion, commit, be involved in or acquiesce in any activity which breaches in any material respect:
 - (i) the Corporations Act;
 - (ii) any other applicable laws materially relevant to the conduct of the Company's business;
 - (iii) the ASX Listing Rules;
 - (iv) the Constitution; or
 - (v) any legally binding requirement of ASIC or ASX;
- (g) **business:** until Completion, conduct its business and procure that each other member of the Group conducts its business in the ordinary course and will not:
 - (i) dispose (or permit any other member of the Group to dispose) of any material part of its (or their) business or property;
 - (ii) grant (or permit any other member of the Group to grant) any Security Interest over any material part of its (or their) business or property; or
 - (iii) enter into any agreement or commitment which is material,

except in the ordinary course of business or with the prior written consent of the Subscriber, which consent may not be unreasonably withheld;
- (h) **announcements:** not make any public announcement or release in relation to the Placement or this agreement (including the notice of meeting and explanatory

materials in connection with the General Meeting) without consulting with, and obtaining the prior written consent of the Subscriber, such consent not to be unreasonably withheld or delayed, unless the Company is required by law or the ASX Listing Rules to make an announcement and is unable to first consult with, and obtain consent from the Subscriber within the required timeframe, in which case, the Company must use its reasonable endeavours (having regard to its obligations under such law or the ASX Listing Rules) to provide the Subscriber with a copy of the statement before it is made;

- (i) **restriction on new issues:** not, without the prior written consent of the Subscriber (such consent not to be unreasonably withheld or delayed), at any time after the date of this agreement and before the expiration of 30 days after the Completion Date, allot or agree to allot, or indicate in any way that it may or will allot or agree to allot, any Shares or other securities or financial products that are convertible or exchangeable into equity securities or that represent the right to receive equity securities of the Company, other than:
 - (i) as provided for in any public announcement of the Company prior to the date of this agreement;
 - (ii) for the purpose of raising any necessary interim funding for the Company's ordinary course of business activities prior to Completion notified to the Subscriber under clause 6(c), but only if the Subscriber does not elect to provide that interim funding under clause 6(c);
 - (iii) the issue of the securities the subject of the Proposal; or
 - (iv) the exercise of any options or conversion of any convertible securities (as that term is defined in the ASX Listing Rules) which are on issue as of the date of this agreement; or
- (j) **Prescribed occurrence:** not permit a Prescribed Occurrence to occur in respect of it (or any other member of the Group) at any time after the date of this agreement and before Completion.

7 Termination Events

7.1 Termination by the Company

The Company may terminate this agreement without liability at any time before Completion by notice in writing to the Subscriber if:

- (a) **Subscriber Warranties:** any of the Subscriber Warranties cease to be true and accurate, in any material respect;
- (b) **material breach:** the Subscriber commits a material breach of this agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Subscriber within 5 Business Days of receiving written notice from the Company specifying the breach and stating an intention to terminate the agreement; or
- (c) **notifications:** ASIC or the Takeovers Panel commences, or threatens to commence, any inquiry, hearing investigation or regulatory action and issues any order or interim order or other proceedings in relation to the voting power or association of the Subscriber in relation to the Company or any third party who may be named in such inquiry, hearing investigation or regulatory action;

- (d) **unable to issue Subscription Securities:** the Company is prevented from issuing or allotting any of the Subscription Securities on the Completion Date by the order of a court of competent jurisdiction or by a Government Agency which remains in force on the Completion Date.

7.2 Termination by the Subscriber

The Subscriber may terminate this agreement without liability at any time before Completion by notice in writing to the Company if:

- (a) **unable to issue Subscription Shares:** the Company is prevented from issuing or allotting the Subscription Securities on the Completion Date by the order of a court of competent jurisdiction or by a Government Agency which remains in force on the Completion Date;
- (b) **notifications:** ASIC or the Takeovers Panel commences, or threatens to commence, any inquiry, hearing investigation or regulatory action or issues any order or interim order or other proceedings in relation to the Company or the Placement, including the voting power or association of the Subscriber in relation to the Company or any third party who may be named in such inquiry, hearing investigation or regulatory action;
- (c) **material breach:** the Company commits a material breach of this agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Company within 5 Business Days of receiving written notice from the Subscriber specifying the breach and stating an intention to terminate the agreement. Without limiting the remainder of this clause, any breach of an undertaking by the Company in clause 6 will constitute a material breach of this agreement;
- (d) **Company Warranties:** any of the Company Warranties cease to be true and accurate, in any material respect;
- (e) **market fall:** at any time following the execution of this agreement, either the S&P / ASX All Ordinaries Index (ASX Code: XAO) or S&P / ASX Small Resources Index (ASX Code: XSR) fall more than 15% from the level as at date of execution of this Agreement and remains at or below that level for at least a period of 3 consecutive Business Days;
- (f) **underwriting agreement:** the underwriting agreement for the Entitlement Offer is terminated before the Completion Date; or
- (g) **material adverse change:** there is a material adverse change in, or an event occurs which gives rise to, or is likely to give rise to, a material adverse change in the condition (financial or otherwise), assets, earnings, business, affairs, results of operations, management or prospects of the Company from that existing at the date of this agreement.

7.3 Termination

Unless otherwise stated in this agreement, where a party has a right to terminate this agreement, that right for all purposes will be validly exercised if that party delivers a notice in writing to the other party specifying the event or events in relation to which the notice is given and stating that it terminates this agreement.

7.4 Effect of termination

- (a) A termination of this agreement will not affect any other rights the parties have against one another at law or in equity.
- (b) On termination of this agreement:
 - (i) the parts of this agreement specified in clause 12.11 are not affected;
 - (ii) each party retains any rights it has against the other party in connection with any right or Claim which arises before termination; and
 - (iii) subject to the terms of any confidentiality agreement, if any, the Subscriber must return to the Company all documents and other materials in any medium in its possession, power or control which contain information relating to the Subscription Securities and/or Company and which have been disclosed to or provided to the Subscriber by the Company.

8 Exclusivity

8.1 Existing discussions

- (a) The Company represents and warrants to the Subscriber that, as at the date of this agreement:
 - (i) it is not a party to any agreement or arrangement with a third party entered into for the purpose of facilitating a Competing Proposal; and
 - (ii) it is not, directly or indirectly, participating in any discussions or negotiations with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal.
- (b) On the date of this agreement, the Company must, and must procure that each of its Representatives cease any discussions with any third party in relation to, a potential Competing Proposal or a transaction which would require the Company to abandon, or otherwise fail to proceed with, any aspect of the Proposal.

8.2 No shop restriction

During the Exclusivity Period, except with the prior written consent of the Subscriber, the Company must not, and must ensure that none of its Representatives, directly or indirectly solicit, invite or encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any third party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.

Nothing in this clause 8.1 prevents the Company from continuing to make normal presentations to and to respond to inquires from, brokers, portfolio investors and analysis in the ordinary course of business without the purpose of circumventing the restrictions in this clause 8.

8.3 No talk restriction

Subject to clause 8.5, during the Exclusivity Period, the Company must not, and must ensure that none of its Representatives, (whether directly or indirectly):

(a) negotiate or enter into or participate in negotiations or discussions with any person;
or

(b) communicate any intention to do any of these things,

in relation to, or that may reasonably be expected to lead to, a Competing Proposal, even if:

(c) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by the Company or any of its Representatives; or

(d) that person has publicly announced the Competing Proposal.

8.4 Notification

During the Exclusivity Period, the Company must promptly inform the Subscribers if the Company or any of its Representatives:

(a) receives any unsolicited approach with respect to any Competing Proposal;

(b) receives any request for information relating to the Company or any of its Representatives or operations which the Company has reasonable grounds to suspect may relate to a current or future Competing Proposal; or

(c) provides any information relating to the Company or any of its Representatives to any person in connection with a current or future Competing Proposal.

8.5 Exceptions

Clause 8.3 does not apply if the Company Board, acting in good faith, determines:

(a) where there is a written Competing Proposal, that the Competing Proposal is a Superior Proposal or the steps which the Company Board proposes to take may reasonably be expected to lead to a Competing Proposal which is a Superior Proposal; and

(b) after receiving written legal advice from the Company's external legal advisers, that failing to respond to the Competing Proposal may constitute a breach of its fiduciary or statutory duties.

9 Confidentiality

9.1 Recipient must keep information confidential

Where one party to this agreement (**Discloser**) discloses or otherwise makes available for review Confidential Information to the other party (**Recipient**), the Recipient must:

(a) use the Discloser's Confidential Information solely for the purposes of performing its obligations under this agreement; and

(b) keep all the Discloser's Confidential Information confidential and not disclose it to any third party except as:

(i) otherwise permitted under this agreement; and

(ii) provided for in clause 9.2.

9.2 Permitted disclosures

The Recipient may disclose the Discloser's Confidential Information:

- (a) to the Recipient's Representatives provided that:
 - (i) those Representatives need to know that Confidential Information for the purpose of carrying out their responsibilities and duties (and only to the extent that each has a need to know);
 - (ii) those Representatives are under an obligation to the Recipient to keep the Discloser's Confidential Information confidential on terms similar in all material respects to the terms set out in this clause 9; and
 - (iii) the Recipient ensures that those Representatives keep the Discloser's Confidential Information confidential in accordance with this clause 9;
- (b) with the prior written consent of the Discloser; and
- (c) to the extent that the disclosure is required by applicable law, legal process, any order or rule of any Government Agency, the rules of a recognised stock exchange, or otherwise to comply with its regulatory obligations and provided that:
 - (i) the Recipient immediately notifies the Discloser of the particulars of the required Disclosure; and
 - (ii) the Recipient gives the Discloser all assistance reasonably required by the Discloser to enable the Discloser to take any steps available to it to prevent the disclosure or to ensure that it occurs subject to an obligation of confidence.

9.3 Survival of confidentiality obligations

The Recipient's obligations under this clause 9 continue for a period of 12 months from the date of this agreement.

9.4 Common law duty of confidence

The obligations under this agreement are in addition to (and do not diminish) a party's duty of confidence, both during and after (if applicable) the continuation of this agreement (consistent with the general principle of law that the duty of confidence can coexist with contractual confidentiality obligations).

10 Duty, costs and expenses

10.1 Duty

All Duty which may be payable on or in connection with this agreement and any instrument executed under or in connection with or any transaction evidenced by the agreement is payable by the Subscriber.

10.2 Costs and expenses

Each party must pay its own costs and expenses of negotiating, preparing, signing, delivering and registering this agreement and any other agreement or document entered into or signed under this agreement.

10.3 Costs of performance

A party must bear the costs and expenses of performing its obligations under this agreement, unless otherwise provided in this agreement.

11 GST

- (a) Any consideration or amount payable under this agreement, including any non-monetary consideration (as reduced in accordance with clause (e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this agreement, an additional amount (**Additional Amount**) is payable by the party providing the Consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause (b) is payable at the same time and in the same manner as the Consideration for the Supply but is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply made under or in connection with this agreement (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause (b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Notwithstanding any other provision in this agreement, if an amount payable under or in connection with this agreement (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes, without limitation, an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of the GST Group of which that party is a Member is entitled.

12 General

12.1 Notices

- (a) Unless expressly stated otherwise in this agreement and subject to clause 12.2, a notice or other communication given under this agreement including, but not limited to, a request, demand, consent or approval, to or by a party to this agreement:
- (i) must be in legible writing and in English;
 - (ii) must be addressed to the addressee at the address, or email address set out below or to any other address, or email address a party notifies to the other under this clause:
 - (A) if to the Company:

Address	Level 2, 91 Havelock Street West Perth WA 6005
Attention	The Independent Board Committee of Venturex Resources Limited
Email	admin@venturexresources.com
 - (B) if to the Subscriber:

Address	191 Broome Street Cottesloe WA 6011
Attention	Bill Beament
Email	billbeament157@gmail.com
Email	tim.day@sternship.com.au
 - (iii) must be signed by an Officer or under the common seal of a sender which is a company; and
 - (iv) is deemed to be received by the addressee in accordance with clause (b).
- (b) Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice is deemed to be received:
- (i) if sent by hand, when delivered to the addressee;
 - (ii) if by post, 3 Business Days from and including the date of postage; or
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) five hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,
- whichever happens first,
- but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time) it is deemed to be received at 9.00 am on the following Business Day.

- (c) In this clause, a reference to an addressee includes a reference to an addressee's Officers, agents or employees or a person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

12.2 Notices sent by email

Notices sent by email need not be marked for attention in the way stated in clause 12.1. However, the email must state the first and last name of the sender. Notices sent by email are taken to be signed by the named sender.

12.3 Governing law

This agreement is governed by the laws of Western Australia.

12.4 Jurisdiction

Each party irrevocably and unconditionally:

- (a) submits to the exclusive jurisdiction of the courts of Western Australia;
- (b) waives any:
 - (i) claim or objection based on absence of jurisdiction or inconvenient forum; or
 - (ii) immunity in relation to this agreement in any jurisdiction for any reason; and
- (c) agrees that a document required to be served in proceedings about this agreement may be served:
 - (i) under clause 12.1;
 - (ii) in any other way permitted by law.

12.5 Invalidity

- (a) If a provision of this agreement or a right or remedy of a party under this agreement is invalid or unenforceable in a particular jurisdiction:
 - (i) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability; and
 - (ii) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (b) This clause is not limited by any other provision of this agreement in relation to severability, prohibition or enforceability.

12.6 Assignment, novation and other dealings

A party must not assign or novate this agreement or otherwise deal with the benefit of it or a right under it, or purport to do so, without the prior written consent of each other party which consent may be withheld at the absolute discretion of the party from whom consent is sought.

12.7 Variation

No variation of this agreement is effective unless made in writing and signed by each party.

12.8 Waiver

No waiver of a right or remedy under this agreement is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.

12.9 Cumulative rights

Except as expressly provided in this agreement, the rights of a party under this agreement are in addition to and do not exclude or limit any other rights or remedies provided by law.

12.10 Further assurances

Except as expressly provided in this agreement, each party must, at its own expense, do all things reasonably necessary to give full effect to this agreement and the matters contemplated by it.

12.11 Survival and merger

- (a) No term of this agreement merges on completion of any transaction contemplated by this agreement.
- (b) Clause 9 (**Confidentiality**), clause 10 (**Duty, costs and expenses**) and this clause 12 (**General**) survive termination or expiry of this agreement together with any other term which by its nature is intended to do so.

12.12 Entire agreement

This agreement is the entire agreement between the parties about its subject matter and replaces all previous agreements, understandings, representations and warranties about that subject matter.

12.13 Counterparts

This agreement may be executed in any number of counterparts, each of which:

- (a) may be executed electronically or in handwriting; and
- (b) will be deemed an original whether kept in electronic or paper form, and all of which taken together will constitute one and the same document.

Without limiting the foregoing, if the signatures on behalf of one party are on more than one copy of this agreement, this shall be taken to be the same as, and have the same effect as, if all of those signatures were on the same counterpart of this agreement.

12.14 Relationship of the parties

Except as expressly provided in this agreement:

- (a) nothing in this agreement is intended to constitute a fiduciary relationship or an agency, partnership or trust; and

- (b) no party has authority to bind any other party.

12.15 Third party rights

Except as expressly provided in this agreement:

- (a) each person who executes this agreement does so solely in its own legal capacity and not as agent or trustee for or a partner of any other person; and
- (b) only those persons who execute this agreement have a right or benefit under it.

Schedule 1 Dictionary

1 Dictionary

In this agreement:

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given by section 12 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691).

ASX Announcement means the draft ASX announcement by the Company contained in Attachment A.

ASX Listing Rules means the official listing rules of ASX, as amended and waived by ASX from time to time.

Authorisation includes:

- (a) a consent, registration, filing, agreement, notice of non objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and
- (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action.

Board means the board of directors of the Company able to consider the Proposal.

Business Day means a day on which banks are open for business excluding Saturdays, Sundays or public holidays in Western Australia.

Capital Raising has the meaning given to that term in paragraph A of the Background.

CHESS means Clearing House Electronic Subregister System.

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

Competing Proposal means any offer, proposal or expression of interest under which, if ultimately completed, a person or two or more persons who are Associates would:

- (a) acquire an interest in or become the holder of:
 - (i) more than 20% of the issued share capital of the Company; or
 - (ii) the whole or a material part of the business of the Company or the Group;
- (b) acquire control of the Company, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge with the Company.

Completion means the completion of the issue and allotment of the Subscription Securities in accordance with this agreement and **Complete** has a corresponding meaning.

Completion Date means 21 May 2021 or any other date agreed between the parties.

Condition means a condition precedent set out in clause 3.1 .

Confidential Information of the Disclosing Party means all information of the Disclosing Party or any of its Related Bodies Corporate (regardless of form) which:

- (a) is confidential or can reasonably be inferred to be confidential from the circumstances in which it is disclosed; and
- (b) is disclosed to or observed by the Recipient in connection with this agreement whether before, on or after the date of this agreement and whether by the Disclosing Party or any other person,

and all notes, compilations, analyses, extracts, summaries and other records prepared by or for the benefit of the Recipient or any of its Related Persons based on or incorporating that information.

Confidential Information does not include information which is in or comes into the public domain otherwise than by disclosure in breach of this agreement or an obligation of confidence owed to a party.

Constitution means the constitution of the Company.

Consultant Options means 140,000,000 options to acquire Shares with each Option having the terms set out in the consultancy agreement between Bill Beament (or his nominee) and the Company dated on or about the date of this agreement.

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

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them or in respect of a lodgement in respect of any of them.

Entitlement Offer means a fully underwritten non-renounceable pro-rata entitlement offer by the Company to eligible investors of one (1) new Share for every seven (7) Shares on issue as at the record date and one (1) free attaching new Option for each new Share taken up under the entitlement offer, to raise approximately \$4.4 million.

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

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

General Meeting means the extraordinary general meeting of Shareholders convened by the Company for the purposes of obtaining the Shareholder approvals referred to in clause 3.1(a).

General Meeting Date means 14 May 2021 or such other date agreed by the parties.

Government Agency means any government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local.

Group means the Company and each entity which is a Related Body Corporate of the Company.

GST means goods and services tax, or a similar value added tax, levied or imposed in Australia under the GST Law.

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

Immediately Available Funds means cash, bank cheque or electronic funds transfer.

Independent Expert means the independent expert contracted by the Company to draft the independent expert's report to be included in the Notice of Meeting.

Investors means sophisticated and professional investors under sections 708(8) and 708(11) of the Corporations Act.

Investor Options means 32,118,644 Options.

Investor Securities means the Investor Shares and the Investor Options.

Investor Shares means 64,237,288 Shares.

Company Warranties means the representations and warranties set out in Schedule 3.

Material Adverse Effect means an event where individually, or when aggregated with all such other events, is likely to have a material adverse effect on the business, assets, condition (financial or otherwise), liabilities, results of operations or prospects of the Company *or the Group as a whole*.

Notice of Meeting means the notice of extraordinary meeting to be dispatched by the Company to Shareholders giving notice of the General Meeting.

Officer means, in relation to a body corporate, a director or secretary of that body corporate.

Official Quotation means quotation by ASX.

Options means options to acquire Shares with each Option having the terms set out in Schedule 4.

Placement means the private placement by the Company of the Placement Shares to raise the Placement Amount and the Placement Options.

Placement Amount means up to \$14,003,010 being the amount calculated by multiplying the number of Placement Shares by the Subscription Price, and for the avoidance of doubt, comprising the Subscription Amount payable by the Subscriber for the Subscriber Shares and up to \$5,138,983 payable by the Investors for the Investor Shares.

Placement Options means the Investor Options and the Subscriber Options.

Placement Shares means the Subscriber Shares and the Investor Shares, both to be issued at the Subscription Price.

PPS Act means the *Personal Property Securities Act 2009* (Cth).

PPS Law means:

- (a) the PPS Act;
- (b) any regulations made at any time under the PPS Act;
- (c) any legislative instrument made at any time under the PPS Act;
- (d) any amendment to any of the above, made at any time; or
- (e) any amendment made at any time to any other legislation as a consequence of a PPS Law referred to in paragraphs (a) to (d).

PPS Security Interest means a security interest as defined in the PPS Act.

Prescribed Occurrence means in relation to the Company, the events set out in section 652C of the Corporations Act but substituting 'target' with the Company provided that any issue of securities otherwise permitted by clause 6(i) of this agreement shall not constitute a Prescribed Occurrence.

Proposal has the meaning given to that term in paragraph A of the Background.

Prospectus has the meaning given to that term in clause 3.1(c).

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

Representative of a party includes an employee, agent, officer, director, adviser, financier, partner, joint venturer or sub-contractor of that party (or of a Related Body Corporate of that party) and in the case of advisers and financiers, includes employees, agents or officers of the adviser or financier, (as applicable).

Security Interest means:

- (a) any third party rights or interests including a mortgage, bill of sale, charge, lien, pledge, trust, encumbrance, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements or any arrangement having a similar effect; and
- (b) a PPS Security Interest,

and includes any agreement to create any of them or allow them to exist.

Share means an ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Subscriber Warranties means the representations and warranties set out in Schedule 2.

Subscription Amount means \$8,864,027 being the amount calculated by multiplying the number of Subscription Shares by the Subscription Price.

Subscription Options means 55,400,171 Options.

Subscription Price means \$0.08 for each Share.

Subscription Securities means the Subscription Shares and the Subscription Options.

Subscription Shares means 110,800,341 Shares.

Subsidiary has the meaning given to that term in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which in the determination of the Board acting in good faith and in order to satisfy what the Board reasonably considers to be its fiduciary or statutory duties would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Shareholders as a whole than the Proposal, having regard to matters including, without limitation, consideration, funding, proposed contribution to the management of the Company, certainty and timing.

2 Interpretation

In this agreement the following rules of interpretation apply unless the contrary intention appears.

- (a) headings are for convenience only and do not affect the interpretation of this agreement.
- (b) the singular includes the plural and vice versa.
- (c) words that are gender neutral or gender specific include each gender.
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation.
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
 - (ii) a thing (including but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this agreement;
 - (vi) this agreement includes all schedules and attachments to it;
 - (vii) a law includes:
 - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
 - (B) any order, direction, determination, approval, requirement, licence or licence condition made, granted or imposed under any of them;

(C) any judgment or enforceable decision of a Government Agency; and

(D) any rule or principle of common law or equity,

and is a reference to that law as amended, consolidated, replaced, overruled or applied to new or different facts;

(viii) an agreement other than this agreement includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and

(ix) a monetary amount is in Australian dollars;

(g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

(h) in determining the time of day, where relevant to this agreement, the relevant time of day is:

(i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or

(ii) for any other purpose under this agreement, the time of day in the place where the party required to perform an obligation is located.

(i) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement or any clause of it.

Schedule 2 Subscriber Warranties

1 Power and authority

- (a) The Subscriber has taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms.
- (b) The Subscriber has the power and capacity to enter into and perform its obligations under or in connection with this agreement.
- (c) This agreement constitutes valid and binding obligations upon the Subscriber enforceable in accordance with its terms by appropriate legal remedy.
- (d) The signing and delivery of this agreement and the performance by the Subscriber of his obligations under it complies with and will not breach:
 - (i) each applicable law and Authorisation;
 - (ii) a Security Interest or document binding on the Subscriber.
- (e) No meeting has been convened, resolution proposed, petition presented or order made for the bankruptcy of the Subscriber and trustee in bankruptcy or other officer of a court has been appointed in relation to any of its assets and no mortgagee has taken or attempted or indicated in any manner any intention to take possession of any of its assets.

2 Nature of Subscriber

- (a) At the time the offer was made and as at the date of this agreement, the Subscriber was a person or body referred to sections 708(8) or 708(11) of the *Corporations Act*.
- (b) As at the date of this agreement, the subscriber is not a Foreign Person or a Foreign Government Investor (as those terms are defined in the *Foreign Acquisition and Takeovers Act 1975 (Cth)* or *Foreign Acquisition and Takeovers Regulation 2015*).

3 Voting Power of Subscriber

- (a) To the best of the Subscriber's knowledge, having made reasonable enquiries, the Subscriber's Voting Power (as that term is defined in the *Corporations Act*) in relation to the Company at the date of this agreement is 4.77%.
- (b) The subscription for the Subscription Securities by the Subscriber under this agreement does not cause the Subscriber (or any Associate of the Subscriber) to violate section 606 of the *Corporations Act*.

4 Trustee warranties

- (a) The Subscriber:

- (i) has been validly appointed as, and is the sole trustee of, the Beament Family Trust; and
 - (ii) has full and valid power and authority under the trust deed of the Beament Family Trust to enter into and perform his obligations under this agreement and all necessary resolutions, consents, approvals and procedures have been obtained or duly satisfied to enter into this agreement.
- (b) No action has been taken, and the Subscriber is not aware of any action which is proposed to be taken:
- (i) to remove or replace him as the trustee of the Beament Family Trust by the valid appointer of the Beament Family Trust or otherwise;
 - (ii) to terminate or vest the Beament Family Trust; or
 - (iii) to release, abandon or restrict any power conferred on the Subscriber by the trust deed of the Beament Family Trust.
- (c) The Subscriber is not in breach of, or default under, the trust deed of the Beament Family Trust.
- (d) The execution, delivery and performance by the Subscriber of this agreement, and the subscription for the Subscription Shares and Subscription Options by the Subscriber:
- (i) will not violate:
 - (A) any legislation or rule of law or regulation, authorisation, consent or any order or decree of any governmental authority; or
 - (B) the trust deed of the Beament Family Trust or any legislation, rules or other document constituting that party or governing its activities (including, without limitation, the Superannuation Industry (Supervision) Act 1993 (Cth), the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth));
 - (ii) is part of the proper administration of the Beament Family Trust and does not conflict with the operation or terms of the Beament Family Trust;
 - (iii) is a proper exercise of its fiduciary duties as trustee of the Beament Family Trust; and
 - (iv) is for the benefit of the Beament Family Trust and the beneficiaries of the Beament Family Trust.

Schedule 3 Company Warranties

1 The Company's Incorporation and Existence

- (a) The Company is a body corporate validly existing under the laws of its place of incorporation.
- (b) The Company has the power and capacity to enter into and perform its obligations under or in connection with this agreement and to own its assets and to carry on its business as it is now being conducted.
- (c) The business and affairs of the Company have at all times been and continue to be conducted in accordance with:
 - (i) the Constitution;
 - (ii) the Corporations Act; and
 - (iii) the ASX Listing Rules.
- (d) No meeting has been convened, resolution proposed, petition presented or order made for the winding up of the Company (or any of its Subsidiaries) and no receiver, receiver and manager, provisional liquidator, liquidator or other officer of a court has been appointed in relation to any of its assets and no mortgagee has taken or attempted or indicated in any manner any intention to take possession of any of its assets;

2 Power and authority

- (a) The Company and its directors have taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms.
- (b) This agreement constitutes valid and binding obligations upon the Company enforceable in accordance with its terms by appropriate legal remedy.
- (c) The signing and delivery of this agreement and the performance by the Company of its obligations under it complies with and will not breach:
 - (i) each applicable law and Authorisation;
 - (ii) the Constitution;
 - (iii) the ASX Listing Rules; and
 - (iv) a Security Interest or document binding on the Company.
- (d) There is no restriction on the issue of the Subscription Securities and the issue and allotment of the Subscription Securities will not trigger any pre-emptive or similar right held by any person.
- (e) The Company is not in breach of any provision of:
 - (i) the Corporations Act;

- (ii) any other applicable laws materially relevant to the conduct of the Company's business;
- (iii) the ASX Listing Rules;
- (iv) the Constitution; or
- (v) any legally binding requirement of ASIC or ASX,

where such breach would have a Material Adverse Effect.

3 Disclosure

- (a) The Company is, and has been in the past, in full compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules and the Corporations Act, the Company is not withholding any excluded information for the purposes of sub-section 708A(6)(e) of the Corporations Act, other than in respect of the matters disclosed in the ASX Announcement.
- (b) All information in respect of the Company given by or on behalf of the Company or its Representatives to the Subscriber, or released to ASX, in relation to the Company and the Placement, is accurate and complete and is not misleading.
- (c) To the best of the knowledge of the Company, having made reasonable enquiries, the proforma accounts of the Company as at 21 February 2021:
 - (i) have been prepared in good faith and with reasonable care and attention; and
 - (ii) present fairly the financial position and affairs of the Group as at the date at which they were prepared, other than for off balance sheet contingent liabilities for an individual amount of \$100,000 or aggregate value of \$300,000.

4 Subscription Securities

- (a) When the Subscription Shares are issued they will constitute not less than 19.69% of the issued ordinary share capital of the Company and will, upon issue, be fully paid.
- (b) The following table contains a true, complete and accurate description of all the issued shares and options in the Company as at the date of this agreement:

Issued Capital	Number
Issued Shares	387,413,780
Issued Options	44,842,383

- (c) The Company is not obliged to issue or allot any Shares, options or other financial products or other equity interests in or of the Company, and the Company has not

granted any person the right to call for the issue or allotment of any Shares or other financial products or other equity interests in or of the Company, except as contemplated by the Proposal or disclosed to the ASX as at the date of this agreement.

- (d) The Subscription Securities will not be subject to any pre-emptive right or similar right.
- (e) Any necessary waivers and approvals (if any) from ASX have been obtained for the Placement.
- (f) The Company has not granted or created or agreed to grant or create any Security Interest in respect of the Subscription Securities.

Schedule 4 Option terms

The Options will entitle the holder to subscribe for fully paid ordinary shares in the Company (**Shares**) on the following terms:

1. Each Option entitles the holder to subscribe for and be allotted one Share.
2. The Options are exercisable at 13.5 cents each, payable in cash (**Exercise Price**).
3. The Options will vest immediately (**Vesting Date**).
4. The Options shall expire at 5.00pm (AWST) on the day which is two years after the date of issue of the Options (**Expiry Date**).
5. The Options may be exercised at any time after the Vesting Date and on or before the Expiry Date.
6. The Options not exercised on or before the Expiry Date will automatically lapse.
7. On an Option lapsing, all rights of the Option holder in respect of the Option cease and no consideration or compensation will be payable for or in relation to that lapse.
8. Following allotment of the Options, a Holding Statement will be issued by the Company for the Options.
9. Subject to these conditions, Options may be exercised at any time after the relevant Vesting Date and on or before the Expiry Date by the Option holder:
 - (a) lodging with the Company the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
 - (b) lodging with the Company a notice of exercise signed by the Option holder (**Notice of Exercise**) for a parcel of not less than one thousand (1,000) Options except that if the Option holder holds less than one thousand (1,000) Options then such Options may be exercised; and
 - (c) paying the Company the Exercise Price in respect of the Options exercised.

An exercise of Options will only be valid and effective once the Company has received, in cleared funds, the full amount of the Exercise Price payable and after the other matters have been complied with pursuant to this item 9.

10. A Notice of Exercise, once lodged with the Company, is irrevocable and by giving a Notice of Exercise the Option holder:
 - (a) agrees to subscribe for that number of Shares equivalent to the number of Options exercised in the Notice of Exercise;
 - (b) agrees to be bound by the Company's constitution on the issue of Shares; and
 - (c) without limiting any other clause in these conditions, must pay the Exercise Price in respect of the Options exercised at the time the Notice of Exercise is lodged with the Company.
11. The Options may be exercised in whole or in part, subject to the conditions in item 9.
12. For each Option that is exercised, the Company must issue to the Option holder one Share, credited as fully paid and, within 10 Business Days (or such other period as is required by the ASX Listing Rules) after the date of exercise of the Option, issue (or cause to be issued) to the

Option holder a Holding Statement or other appropriate evidence of title for each Share that is issued.

13. If an Option holder exercises only some of the Options held, the Company must issue (or cause to be issued) a Holding Statement or other appropriate evidence of title for each remaining Option held by the Option holder.
14. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Option holder will be treated in the manner prescribed by the ASX Listing Rules applying to reconstructions at that time.
15. If:
 - (a) a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder becomes entitled to compulsorily acquire Shares, any Options not exercised by the end of the bid period will lapse; or
 - (b) a court orders a meeting to be held in relation to a proposed scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Company, which, if implemented, would result in a person having a relevant interest in at least 90% of Shares, any Options not exercised during the period that ends seven days after the date of the court order will lapse.
16. The Company may seek to have the Options listed on the ASX, subject to the Company being able to satisfy the quotation requirements under the ASX Listing Rules.
17. All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares. The Company will apply for official quotation by the ASX of all Shares issued upon exercise of the Options.
18. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, if from time to time on or prior to the Expiry Date the Company makes an issue of new Shares to Shareholders, the Company will announce the issue to ASX prior to the record date in accordance with the requirements of the ASX Listing Rules. This will give holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
19. If the Company makes a pro rata issue (except a bonus issue), and that pro rata offer is announced by the Company after the date of grant of the Options, the Exercise Price of the Options will be reduced in accordance with the ASX Listing Rules according to the formula in Listing Rule 6.22.2 as follows:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

O' = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of Shares into which one Option is exercisable;

P = the volume weighted average market price per Share of the Shares during the five trading days ending on the day before the ex right date or the ex entitlements date for the relevant pro rata offer;

S = the subscription price for new Shares issued under the pro rata issue;

D = any dividends due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and

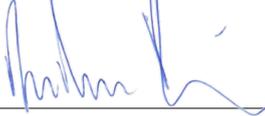
N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

20. There is no right to a change in the Exercise Price of the Options or to the number of Shares over which the Options are exercisable in the event of a bonus issue to shareholders during the currency of the Options.
21. The Options are transferrable.

Execution page

Executed as an agreement.

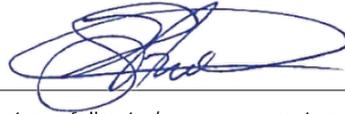
Executed by Venturex Resources Limited
ACN 122 180 205 in accordance with Section 127
of the *Corporations Act 2001*



Signature of director

Anthony Reilly

Name of director (print)



Signature of director/company secretary

(Please delete as applicable)

Trevor Hart

Name of director/company secretary (print)

**Signed by William James Beament as trustee
for the Beament Family Trust in the presence of**



Signature of witness

Rebecca Ciotti

Name of witness (print)



Subscriber