

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme BMG Resources Limited

ACN/ARSN ACN 107 118 678

1. Details of substantial holder (1)

Name David Michael and St Barnabas Investments Pty Ltd

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 13 October 2020

2. Details of voting power

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

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Fully paid ordinary shares (Shares)	24,102,348	24,102,348	10.04%

3. Details of relevant interests

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

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
David Michael	Associate of St Barnabas Investments Pty Ltd and Payzone Pty Ltd	24,102,348 Shares
St Barnabas Investments Pty Ltd	Registered holder of fully paid ordinary as trustee for the Melvista Family Trust.	23,702,348 Shares
Payzone Pty Ltd	Registered holder of fully paid ordinary shares as trustee for the Barnabas Super A/C.	400,000 Shares

4. Details of present registered holders

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

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
David Michael	<ul style="list-style-type: none"> St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust Payzone Pty Ltd as trustee for the St Barnabas Super A/C 	<ul style="list-style-type: none"> St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust Payzone Pty Ltd as trustee for the St Barnabas Super A/C 	24,102,348 Shares
St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	23,702,348 Shares
Payzone Pty Ltd as trustee for the St Barnabas Super A/C	Payzone Pty Ltd as trustee for the St Barnabas Super A/C	Payzone Pty Ltd as trustee for the St Barnabas Super A/C	400,000 Shares

5. Consideration

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

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	12 June 2020	\$10,000 issued pursuant to share placement	Nil	500,000 Shares (stated on a post consolidation basis)
St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	13 October 2020	\$10,000 issued pursuant to share purchase plan	Nil	200,000 Shares
St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	13 October 2020	\$72,000 issued pursuant to share placement	Nil	1,440,000 Shares
St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	13 October 2020	Nil	Issued as consideration for acquisition of Oracle Mining Limited shares pursuant to acquisition agreement dated 14 August 2020. The form of acquisition agreement is set out in Annexure A to this form.	21,562,348 Shares
Payzone Pty Ltd as trustee for the St Barnabas Super A/C	13 October 2020	\$20,000 issued pursuant to share placement	Nil	400,000 Shares

6. Associates

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

Name and ACN/ARSN (if applicable)	Nature of association
Payzone Pty Ltd as trustee for the St Barnabas Super A/C	David Michael is a director of Payzone Pty Ltd
David Michael	David Michael is a director and controller of St Barnabas Investments Pty Ltd and Payzone Pty Ltd

7. Addresses

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

Name	Address
David Michael	C/- Hartleys Limited, GPO BOX 2777, Perth, WA, 6001
St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust	C/- Hartleys Limited, GPO BOX 2777, Perth, WA, 6001
Payzone Pty Ltd as trustee for the St Barnabas Super A/C	PO BOX 1305, West Leederville, WA, 6901

Signature

print name David Michael capacity Director

sign here



date 14 October 2020

DIRECTIONS


- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired

Annexure A

This is the annexure of 47 pages marked "A" mentioned in the ASIC Form 603 – Notice of Initial Substantial Holder signed by me and dated 13 October 2020. This Annexure contains a true copy of the original acquisition agreement.

Signed:

Name: David Michael Capacity: Individual
Signature:  Date: 14 October 2020

Deed of Variation

Date

2020

Parties

BMG	BMG Resources Limited (ACN 107 118 678) of Level 14, 225 St Georges Terrace, Perth Western Australia 6000
Oracle	Oracle Mining Limited (ACN 151 847 899) c/o- Marshall Michael Pty Ltd, Level 1 115 Cambridge Street, West Leederville Western Australia 6007
John Prineas	of 43 Badger Avenue, Homebush, New South Wales 2140
Impulzive	Impulzive Pty Ltd (ACN 105 733 953) as trustee for the Dawson Family Superannuation Fund of 21 Gardyne Street, Bronte, New South Wales 2024
St Barnabas	St Barnabas Investments Pty Ltd (ACN 088 998 387) as trustee for the for Melvista Family Trust c/o- Hartleys Ltd, GPO Box 2777, Perth Western Australia 6001
Sarah Jane Shipway	of 44 Dutton Crescent, Hammersley, Western Australia 6022

Recitals

- A. The parties are parties to the Original Agreement.
- B. The parties have agree to amend the Original Agreement on this terms set out in this deed.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

Original Agreement means an agreement to acquire 100% of the issued capital of Oracle from the shareholders of Oracle, between BMG, Oracle, John Prineas, Impulzive, St Barnabas and Sarah Jane Shipway dated 14 August 2020, a copy of which is attached to this deed.

Variation Date means the date of this deed.

1.2 Interpretation

In this deed, expressions defined in the Original Agreement and used in this deed have the meaning set out in the Original Agreement. The rules of interpretation set out in the Original Agreement apply to this deed.

2. Variation

- (a) With effect from the Variation Date, the parties agree the following amendments to the Original Agreement:

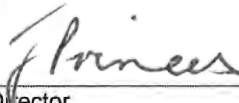
- (i) amending the definition of "Abercromby Mining Leases" by deleting the words "M53/105" and replacing it with the words "M53/1095".
- (b) The Original Agreement as varied in accordance with clause 2(a), continues in full force and effect.

3. General

The remaining clauses and schedules of the Original Agreement apply to, and are incorporated in, this deed with references in the Original Agreement to "this agreement" to be read, as "this deed".

Executed as a deed

Signed, sealed and delivered by Oracle
Mining Limited, ACN 151 847 899 in
accordance with section 127 of the
Corporations Act:)
)
)
)



Signature of Director

John PRINEAS

Full Name of Director

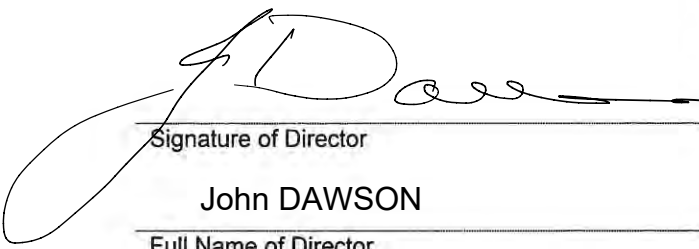


Signature of Director / Company Secretary

Sarah SHIPWAY

Full Name of Director / Company Secretary

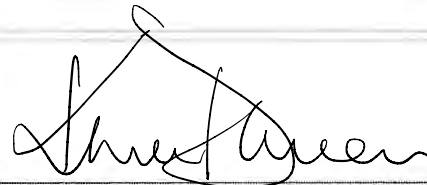
Signed, sealed and delivered by Impulzive
Pty Ltd, ACN 105 733 953 in the accordance
with section 127 of the Corporations Act:)
)
)
)



Signature of Director

John DAWSON

Full Name of Director



Signature of Director / Company Secretary

Karen DAWSON

Full Name of Director / Company Secretary

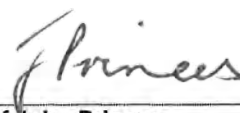
Signed, sealed and delivered by John
Prineas in the presence of:



Signature of Witness

Yen NGUYEN

Full Name of witness (print)



Signature of John Prineas

Signed, sealed and delivered by St
Barnabas Investments Pty Ltd, ACN 008
998 387 in the accordance with section 127 of
the Corporations Act:

Signature of Director

David MICHAEL

Full Name of Director

Signature of Director / Company Secretary

Full Name of Director / Company Secretary

Signed, sealed and delivered by Sarah Jane
Shipway in the presence of:

Signature of Witness

Signature of Sarah Jane Shipway

ANDREW SHIPWAY

Full Name of witness (print)

Signed, sealed and delivered by BMG
Resources Limited, ACN 107 118 678 in the
accordance with section 127 of the
Corporations Act:

Signature of Director

Bruce McCredden

Full Name of Director

Signature of Director / Company Secretary

Sean Meakin

Full Name of Director / Company Secretary

Signed, sealed and delivered by St
Barnabas Investments Pty Ltd, ACN 008
998 387 in the accordance with section 127 of
the Corporations Act:



Signature of Director

Signature of Director / Company Secretary

David MICHAEL

Full Name of Director

Full Name of Director / Company Secretary

Signed, sealed and delivered by Sarah Jane
Shipway in the presence of:

Signature of Witness

Signature of Sarah Jane Shipway

Full Name of witness (print)

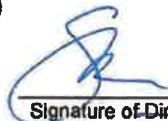
Signed, sealed and delivered by BMG
Resources Limited, ACN 107 118 678 in the
accordance with section 127 of the
Corporations Act:



Signature of Director

Bruce McCord

Full Name of Director



Signature of Director / Company Secretary

Sean Meakin

Full Name of Director / Company Secretary

BINDING HEADS OF AGREEMENT

PRIVATE AND CONFIDENTIAL

Acquisition of the entire issued share capital of Oracle Mining Limited (ACN 151 847 899) by BMG Resources Limited (ACN 107 118 678)

This binding Heads of Agreement sets out the terms upon which BMG Resources Limited (ACN 107 118 678) of Level 14, 225 St Gorges Terrace, Perth, Western Australia 6000 (**BMG** or **Buyer**) wishes to acquire the entire issued share capital of Oracle Mining Limited (ACN 151 847 899) of Level 1, 115 Cambridge Street, West Leederville, Western Australia 6007 (**Oracle** or **Target**) from each of the persons set out in Schedule 1 being all of the shareholders in the Target (**Target Shareholders**) (together the **Parties**).

This Heads of Agreement is intended to be legally binding and enforceable as between the Parties to it.

The Parties agree as follows:

1. Definitions and interpretation

- (a) In this Heads of Agreement, unless the context requires otherwise, the following expressions will have the following meanings:

Abercromby Consideration means the Purchase Price (as that term is defined in the Oracle Sale Agreement).

Abercromby Royalty Deed means a royalty deed between Oracle and Gold Growth in respect of the Non-Uranium Rights.

Abercromby Gold Project means the rights to explore and mine for all minerals other than uranium and thorium in the Abercromby Mining Leases pursuant to the Non-Uranium Rights Deed.

Abercromby Mining Leases means mining leases M53/105 and M53/336 granted under the Mining Act and held by Nova Energy.

Abercromby Royalties means:

- (a) the royalty payable to Outokumpu Mining pursuant to the terms of the MPI Share Sale Agreement, being:
- (i) a royalty of USD0.04 per pound of payable nickel or nickel equivalent produced from the Abercromby Mining Leases in favour of Outokumpu Mining;
 - (ii) a royalty of 2% of gold mined and removed from the Abercromby Mining Leases in favour of Outokumpu Mining; and
- (b) the royalty payable under the Abercromby Royalty Deed.

Askins means Paul Winston Askins <Askins & Ansell A/C> of 17 Browne Street, Subiaco WA 6008.

ASX means ASX Limited, or the financial market known as the Australian Securities Exchange (as the context requires).

Authorisation means any consent, authorisation, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption, by or from a Governmental Agency.

Business Day means a day which is not a Saturday, Sunday or holiday for Perth, Western Australia gazetted by the *Public and Bank Holidays Act 1972* (WA).

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

Capital Raising has the meaning given to that term in clause 5.

Capital Raising Price means the issue price of Buyer Shares issued after the Consolidation for the Capital Raising, the calculation of such price to be in accordance with clause 5.

Claim means, in relation to a person, any allegation, action, cause of action, claim, proceeding, suit or demand of any nature made or brought by or against a person, whether present, future, unascertained, contingent, immediate, fixed or actual and whether arising at law, in equity, under statute or otherwise.

Completion has the meaning given to that term in clause 7.

Completion Date means the date on which Completion occurs, which is to be 5 business days after the satisfaction or waiver of all Conditions Precedent, or such other date as the Parties agree in writing.

Conditions Precedent has the meaning given to that term in clause 6.

Consideration Shares means 89,843,117 Buyer Shares to be issued after the Consolidation at an issue price per Buyer Share equal to the Capital Raising Price.

Consolidation means a consolidation of the issued capital of the Buyer whereby every 20 (twenty) Buyer Shares are converted to 1 (one) Buyer Share on the consolidation taking effect on or before the Capital Raising.

Consultancy Services Agreement means the consultancy services agreement between Oracle and Askins dated 1 July 2018.

Consultancy Services Fee Cash means a payment of \$50,000 cash that Oracle is required to pay to Askins on Completion pursuant to the Consultancy Services Agreement.

Consultancy Services Fee Shares means that number of Buyer Shares determined by dividing sum of \$150,000 by the Capital Raising Price, and which is required to be issued to Askins under the Consultancy Services Agreement.

Corporations Act means the *Corporations Act 2011* (Cth).

Delphi Resources means Delphi Resources Pty Ltd (ACN 151 862 841) of Level 1, 115 Cambridge Street, West Leederville WA 6007, a wholly owned subsidiary of Oracle.

Disclosure Letter means a letter issued by each of the Target Shareholders for the purposes of the Warranties and Schedule 2B.

Disclosure Materials means the Information Memorandum dated 23 June 2020 issued by the Target to the Buyer, and any other materials relating to the Target or its assets provided to the Buyer by the Target and the provision of such materials has been substantiated in writing.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set off or any other security agreement or arrangement in favour of any person and includes any "security interest" as that term is defined in section 12 of the *Personal Property Securities Act 2009* (Cth).

Goulds means Glen Goulds of 1 Bamberly Street, Fingal Head NSW 2487.

Gold Growth means Gold Growth Pty Ltd (ACN 628 566 736) (formerly known as Credo Gold Pty Ltd) of Level 1, 115 Cambridge Street, West Leederville WA 6007.

Governmental Agency means:

- (a) any government (federal, state or local) or any governmental, administrative or judicial body, department, authority, commission, tribunal, delegate, instrumentality or agency; and
- (b) any person (including a minister of the Crown administering any legislation) acting on behalf of any entity or thing referred to in paragraph (a),

and any foreign entity, thing or person analogous to those referred to in paragraphs (a) and (b).

Invincible Gold Licence means exploration licence E45/4553 granted under the Mining Act and held by Delphi Resources.

Invincible Gold Royalty means the royalty payable under the Invincible Gold Royalty Deed.

Invincible Project Royalty Deed means a royalty deed between Gold Growth and Delphi Resources in respect of the Invincible Gold Licence.

Invincible Gold Sale Agreement means the sale agreement between Delphi Resources, Oracle and Cadre Resources Pty Ltd (ACN 152 050 103) dated 22 August 2018.

Lee means Joyce Shin Yu Lee, a lender to Oracle.

Listing Rules means the listing rules of ASX.

Loss means loss, damage, cost, liability charge or expense of any kind and however arising (including as a result of any Claim), including penalties, fines, advisor costs and expenses of whatsoever nature or description and interest and including any that are prospective or contingent and the amount of which for the time being are not ascertained or ascertainable and includes taxes and duties.

Material Agreements means the agreements identified in Schedule 4 to which a Target Group Member is a party.

Mining Act means the *Mining Act 1978* (WA).

MPI means MPI Nickel Pty Ltd (ACN 088 127 379) of Level 3, 88 Collin Street, West Perth WA 6005.

MPI Share Sale Agreement means the asset and share acquisition agreement between MPI, OMG Kokkola Chemicals Holding B.V, Mining Project Investors Pty Ltd (ABN 30 054 584 191), Outokumpu Mining, Outokumpu Exploration Ventures Pty Ltd (ABN 32 050 528 508) and Outokumpu Nickle B.V dated 1 July 2002.

Non-Uranium Rights has the meaning given in the Non-Uranium Rights Deed.

Non-Uranium Rights Deed means the deed dated 22 September 2011 between MPI and Nova Energy and entitled *Non-Uranium Rights Deed*.

Nova Energy means Nova Energy Pty Ltd (ACN 111 599 154).

Oracle Investors means Impulzive Pty Ltd, John Prineas, Goulds and St Barnabas Investments Pty Ltd.

Oracle Investors Shares means the 66,334,860 Buyer Shares held by the Oracle Investors as at the date of this Heads of Agreement.

Oracle Sale Agreement means the sale and purchase agreement dated 7 August 2020 between Oracle and MPI entitled *Sale and Purchase Agreement (Non-Uranium Rights)* pursuant to which Oracle agrees to acquire the Sale Interest from MPI.

Outokumpu Mining means Outokumpu Mining Australia Pty Ltd (ABN 75 009 639 598).

Party means each of the Buyer, the Target Shareholders and the Target, together the **Parties** (as the context requires).

Performance Rights means the following rights to Buyer Shares which the Buyer may issue or agree to issue under the Buyer's employee incentive plan and only permitted to be issued after the Consolidation, subject to the approval of the Buyer's shareholders in accordance with the Listing Rules:

- (a) 12,000,000 performance rights to the Buyer's Managing Director, or his nominee; and
- (b) 8,000,000 performance rights to the Buyer's Chairman, or his nominee,

as part of the incentive and remuneration arrangements of the Buyer's directors, and on terms whereby each such performance rights may entitle the holder to Buyer Shares on satisfaction of vesting conditions described in Schedule 6.

Performance Shares means 13,333,333 non-voting shares to be issued by the Buyer to the Target Shareholders at Completion on terms described in Schedule 6.

Permitted Liabilities means the following liabilities of Oracle that may remain payable by Oracle at Completion, plus any GST payable in respect of those liabilities, and may be subject to additional interest payable in respect of those sums and to be calculated 2 Business Days prior to Completion:

- (a) \$650,000 payable to MPI comprising the Abercromby Consideration;
- (b) \$200,000 payable to Askins comprising the Consultancy Services Fee Cash and Consultancy Services Fee Shares;
- (c) \$160,106 payable to Zeus pursuant to a commercial loan facility evidenced by Oracle's letter to Zeus dated 24 June 2020;
- (d) \$550,000 payable to Lee pursuant to a loan agreement dated 28 August 2018 between Oracle and Lee; and
- (e) liabilities to trade creditors incurred in the ordinary course of Oracle's business not exceeding a total of \$120,000 or such other amount as the Parties may agree in writing.

Projects means:

- (a) Abercromby Gold Project;
- (b) Invincible Gold Licence; and
- (c) South Boddington Licence Applications.

Purchase Price means the price payable by the Buyer for the Acquisition, to be satisfied by the Buyer issuing to the Target Shareholders the Consideration Shares at the Capital Raising Price and the Performance Shares.

Sale Interest means MPI's right, title and interest in:

- (a) the Non-Uranium Rights Deed (including the Non-Uranium Rights);
- (b) the contracts identified as the "Project Contracts" in the Non-Uranium Rights Deed; and
- (c) the mining information identified as the "Mining Information" in the Non-Uranium Rights Deed.

South Boddington Gold means South Boddington Gold Pty Ltd (ACN 151 862 707) of Level 1, 115 Cambridge Street, West Leederville WA 6007, a wholly owned subsidiary of Oracle.

South Boddington Licence Applications means the applications for exploration licences 70/4225 and 70/4590 applied for under the Mining Act.

South Boddington Royalties means:

- (a) a royalty deed between Askins and South Boddington Gold in relation to exploration licence 70/4225 (being a 1% net smelter return);
- (b) a royalty deed between Gold Growth and South Boddington Gold (being a 1% net smelter return royalty in regard to E70/4225 and a 2% net smelter return royalty in regard to E70/4590).

Target Group means the Target, Delphi Resources and South Boddington Gold.

Target Group Member means any of the Target Group companies.

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

Target Shareholder means the holder of a Target Share as set out in Schedule 1.

Zeus means Zeus Private Equity Pty Ltd (ACN 089 539 417) of 43 Badgery Avenue, Homebush NSW 2140, a lender to Oracle.

- (b) In this Heads of Agreement unless the context otherwise requires:
 - (i) a reference to the symbol "\$" or to dollars in this Heads of Agreement are to Australian dollars;
 - (ii) capitalised terms used in this Heads of Agreement have the definition ascribed above or otherwise in the terms of this Heads of Agreement;
 - (iii) headings are for convenience only and do not affect its interpretation;

- (iv) an obligation or liability assumed by, or a right conferred on, 2 or more Parties or persons binds or benefits all of them jointly and each of them severally;
- (v) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (vi) a reference to any Party includes that Party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (vii) a reference to any document (including this Heads of Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (viii) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (ix) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (x) reference to Parties, clauses, Schedules or paragraphs are references to Parties, clauses, Schedules and paragraphs to or of this Heads Agreement and a reference to this Heads Agreement includes any Schedule to this Heads Agreement; and
- (xi) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning.

2. Operative clauses

1.	Acquisition of Target	The Buyer will purchase the entire legal and beneficial right, title and interest to and in the Target Shares from the Target Shareholders, free and clear from any Encumbrances and third party rights of any nature or description, for the Consideration and on the terms and conditions of this binding Heads of Agreement (Acquisition).
2.	Details of Target Share holdings	Details of the Target Shares held by each Target Shareholder are set out in Schedule 1 of this Heads of Agreement.
3.	Purchase Price	<p>The total consideration for the Acquisition is the Purchase Price less the value of the Permitted Liabilities at Completion (Consideration).</p> <p>The Purchase Price is to be satisfied by the Buyer issuing the Consideration Shares and the Performance Shares to the Target Shareholders in proportion to their percentage holdings of Target Shares as stated in Schedule 1.</p> <p>The parties acknowledge that the number of Consideration Shares has been determined in accordance with the following formula:</p> $CS = ((2/3 \times (TS - OIS)) - OIS + PO$ <p>Where:</p> <p>CS is the Consideration Shares;</p> <p>TS is the total number of Buyer Shares that are or will be on issue after the Consolidation and the issue of Capital Raising Shares and the</p>

		<p>Consultancy Services Fee Shares, but before the issue of the Consideration Shares;</p> <p>OIS is the number of Oracle Investor Shares held by the Oracle Investors after the Consolidation; and</p> <p>PO is the sum of \$40,000 divided by the Capital Raising Price.</p>
4.	Due diligence	<p>(a) It is acknowledged that, within the period of 14 days after the execution of this Heads of Agreement (or such other date as agreed by the Parties in writing), the Buyer may undertake confirmatory financial, legal and technical due diligence review of the Target and its business, assets, operations, financial position and financial performance.</p> <p>(b) Each Target Shareholder and the Target will promptly make available to the Buyer copies of all information, materials, documentation, records and accounts as reasonably requested by the Buyer in writing in order to facilitate the due diligence review contemplated by clause 4(a).</p>
5.	Capital raising	<p>Contemporaneously with Completion of the Acquisition, the Buyer intends to raise approximately \$4 million (Capital Raising) by way of:</p> <p>(a) a placement of new Buyer Shares at the Capital Raising Price per new Buyer Share (Placement); and/or</p> <p>(b) either a rights issue of new Buyer Shares offered to holders of Buyer Shares on issue post the Consolidation at the Capital Raising Price per new Buyer Share (Rights Issue) or an offer of Buyer Shares under a share purchase plan offer to persons registered as holders of Buyer Shares on the Business Day immediately prior the date of the Buyer's announcement to the ASX of this Heads of Agreement (SPP Offer).</p> <p>The Capital Raising will also include a placement of any entitlements to new Buyer Shares to the extent not taken up in full by participants in the Rights Issue or the SPP Offer (Shortfall). The Shortfall may be placed at the discretion of the Buyer's Directors in consultation with the Target.</p> <p>The Capital Raising Price shall be the issue price of Buyer Shares determined by the Buyer, provided that the issue price must be no less than \$0.05 per Buyer Share.</p> <p>If the Capital Raising exceeds \$4 million, the quantum of the Consideration Shares will be revised in accordance with the formula set out in clause 3.</p>
6.	Conditions Precedent to Acquisition	<p>6.1 Conditions Precedent</p> <p>Completion of the Acquisition is conditional upon the satisfaction or waiver of the following conditions precedent (Conditions Precedent):</p> <p>(a) the Buyer notifying to the Target within the period of 14 days after the date of this Heads of Agreement (or such other date as agreed by the Parties in writing) that it has completed its due diligence in accordance with clause 4 and that the results of that due diligence are satisfactory to the Buyer;</p> <p>(b) the Buyer having obtained from the Buyer's shareholders all requisite approvals, waivers and consents for the Acquisition in accordance with the requirements of the Listing Rules, the Corporations Act and the Buyer's constitution, including but not limited to approval of the issue of the Consideration Shares and</p>

	<p>the Performance Shares and the completion of the Acquisition in accordance with the requirements of Listing Rule 7.1 and 7.3;</p> <p>(c) the Buyer having received approval from the Buyer's shareholders for the Consolidation and completing the Consolidation in accordance with the requirements of Chapter 7 of the Listing Rules and section 254H of the Corporations Act;</p> <p>(d) the Buyer having successfully completed the Capital Raising (on or before the Acquisition, including having received approval from the Buyer's shareholders in accordance with the requirements of Listing Rules 7.1, 7.3 and 10.11 for the issue of Buyer Shares under the Capital Raising to the extent required by the Listing Rules;</p> <p>(e) each holder of Target Shares has signed undated separate instruments of transfer in registrable form for the Target Shares in favour of the Buyer (as transferee) which have been duly executed by each holder of Target Shares or their duly authorised attorneys (as transferors) in relation to their respective Target Shares and has procured waivers of any pre-emptive rights or similar, to be held on trust by an agreed third party;</p> <p>(f) the following persons being appointed to the Board of Directors of the Buyer at Completion – John Prineas and John Dawson;</p> <p>(g) the following persons resigning from the Board of Directors of the Buyer at or before Completion – Malcolm Castle and Simon Trevisan;</p> <p>(h) the Target completing the acquisition of the Sale Interest under the Oracle Sale Agreement for the Abercromby Consideration and MPI assigning all of its rights under the Non-Uranium Rights Deed to Oracle on or before Completion;</p> <p>(i) Oracle discharging all liabilities owed by it other than the Permitted Liabilities;</p> <p>(j) the Parties shall execute all formal transactional documentation within 45 days of the execution of this Heads of Agreement to the satisfaction of the Parties; and</p> <p>(k) the Parties have procured all requisite Authorisations and any other stakeholder approvals and received written confirmation that no material legal claims have been lodged against either Party.</p> <p>6.2 Best endeavours</p> <p>Each Party must use its best endeavours to ensure that the Conditions Precedent are satisfied within a reasonable period and must provide all reasonable assistance to each other Party as is necessary to satisfy the Conditions Precedent.</p> <p>6.3 No Waiver of Certain Conditions Precedent</p> <p>The Conditions Precedent in clauses 6.1(b), (c), (d) and (e) above cannot be waived by any of the Parties.</p> <p>6.4 Waiver of Other Conditions Precedent</p> <p>A Condition Precedent, other than those referred to in clauses 6.1(b), (c), (d) and (e), may only be waived by the Party holding the benefit of the Condition Precedent.</p> <p>For the purposes of any such waiver, the Conditions Precedent in clause 6.1(a) is for the benefit of the Buyer only and all other Conditions</p>
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		<p>Precedent are for the benefit of both the Buyer and the Target Shareholders.</p> <p>6.5 Termination</p> <p>If by the date 90 days after date of execution of this Heads of Agreement or such other date as agreed in writing between the Buyer and the Target Shareholders (End Date) all Conditions Precedent are not satisfied or validly waived, this binding Heads of Agreement will be terminated and the Parties will be released from their obligations under this Heads of Agreement.</p> <p>6.6 Best Endeavours</p> <p>The Parties will use their respective best endeavours, and agree to cooperate and provide each other Party with all reasonable assistance, to ensure that the Conditions Precedent are satisfied before the End Date.</p> <p>6.7 Buyer to prepare ASX documents</p> <p>The Buyer will promptly prepare in accordance with the Listing Rules the necessary general meeting documents for the purpose of any ASX approvals referred to in clauses 6.1(b), (c) and (d) above.</p>
7.	Completion	<p>Completion of the Acquisition (Completion) will occur on the Completion Date at the offices of the Buyer or its solicitors at a time to be agreed in writing by the Buyer and the Target Shareholders.</p> <p>At or prior to Completion:</p> <ul style="list-style-type: none"> (a) the Buyer must issue the Consideration Shares and the Performance Shares in accordance with clause 3 and deliver holding statements to the holders of the Target Shares in relation to their respective entitlements to the Consideration Shares and the Performance Shares; (b) the Target must direct the Buyer to pay, and the Buyer must pay, the following amounts: <ul style="list-style-type: none"> (i) \$650,000 plus GST as directed by the Target to satisfy the Abercromby Consideration; (ii) \$50,000 plus GST to Askins to satisfy payment of the Consultancy Services Fee Cash; (c) the Target must direct the Buyer to issue, and the Buyer must issue the Consultancy Services Fee Shares to Askins; (d) the Target Shareholders and the Target must deliver, or cause to be delivered, to the Buyer: <ul style="list-style-type: none"> (i) share certificates in respect of all of the Target Shares; (ii) a separate instrument of transfer in registrable form duly executed by each Target Shareholder (as transferor) in favour of the Buyer (as transferee) in respect of the number of Target Shares held by that Target Shareholder (as set out in Schedule 1); (iii) evidence to the satisfaction of the Buyer acting reasonably that the Target has lodged with ASIC all annual financial statements required to be lodged by the Target in accordance with the requirements of the Chapter 2M of the Corporations Act; (iv) voluntary escrow deeds duly executed by each of the Target Shareholders in respect of 50% of the Consideration Shares to be issued to them restricting the

		<p>sale or disposal of such Consideration Shares for a period of 12 months from the Completion Date;</p> <p>(v) details of the current corporate keys issued by the Australian Securities and Investments Commission for the Target Group;</p> <p>(vi) all available copies of the constituent documents of the Target Group;</p> <p>(vii) the minute books and other records of meetings or resolutions of members and directors of the Target Group;</p> <p>(viii) all registers of the Target Group (including the register of members, register of directors, register of charges and all registers required by applicable laws) in proper order and condition and fully entered up to the Completion Date;</p> <p>(ix) all cheque books, financial and accounting books and records, copies of tax returns and assessments, mortgages, leases, agreements, insurance policies, title documents, licences, indicia of title, contracts, passwords to computers, certificates and all other records, papers, books and documents of the Target Group;</p> <p>(x) every current permit, approval, Authorisation, consent, exemption, filing, licence, notarisation, registration, password and waiver however described and any renewal or variation to any of them and all other documents issued to the Target Group under any legislation, ordinance or otherwise relating to the Target Group's business activities;</p> <p>(xi) all documents of right and/or title to the assets and undertakings of the Target Group; and</p> <p>(xii) the corporate records for the Target Group, including all information relating to the assets and undertakings of the Target Group and instruments of title for such assets and undertaking;</p> <p>(e) the Target must complete the purchase and assignment to the Target of the Sale Interest under the Oracle Sale Agreement;</p> <p>(f) the Target Shareholders must procure that a meeting of the directors of the Target is held to attend to the following matters (as applicable):</p> <p>(i) the approval of the registration (subject to payment of duty) of the transfers of the Target Shares and the issue of a new share certificate for the Target Shares in the name of the Buyer;</p> <p>(ii) recording the Buyer as the holder of the Target Shares, being all of the shares in the Target as evidenced by the Target's share register as at Completion;</p> <p>(iii) taking all other steps required under the Target's constituent documents and applicable laws to constitute and evidence the Buyer as the sole legal holder of the Target Shares;</p> <p>(iv) the resignation of all directors and other officers of the Target except those persons nominated by the Buyer who are to remain a director or officer at Completion; and</p>
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		<p>(v) such other business as may reasonably be required by the Buyer to give effect to the Acquisition.</p> <p>The Parties' obligations at Completion are interdependent and must take place simultaneously, as nearly as possible, unless otherwise agreed by the Buyer and the Target Shareholders, except that the Buyer may, in its sole discretion, waive any or all of the actions that the Target and/or the Target Shareholders are required to perform under this clause 7.</p> <p>If a Party (Defaulting Party) fails to satisfy its obligations under this clause 7 on the day and at the place and time for Completion then any other Party (Notifying Party) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of 10 Business Days from the date of the notice and declaring time to be of the essence. The Parties agree, however, that neither the Target nor the Target Shareholders can be a Notifying Party in the event that one or more of them is a Defaulting Party.</p> <p>If the Defaulting Party fails to satisfy those obligations within those 10 Business Days the Notifying Party may, without limitation to any other rights it may have, terminate this Heads of Agreement by giving written notice to the Defaulting Party.</p>
8.	Warranties	<p>(a) By execution of this Heads of Agreement, each of the Target Shareholders make all of the representations and warranties to the Buyer as set out in Schedule 2 (Target Shareholder Warranties) at the date of this Heads of Agreement and on the Completion Date, and subject to the provisions in Schedule 2B.</p> <p>(b) Each of the Target Shareholder Warranties is to be construed independently of the others and is not limited by reference to any other Target Shareholder Warranty.</p> <p>(c) The Target Shareholders acknowledge that the Buyer has entered into this Heads of Agreement and will complete this Heads of Agreement in reliance on the Target Shareholder Warranties.</p> <p>(d) The Target Shareholders must promptly notify the Buyer if at any time after the date of this Heads of Agreement it becomes aware that a Target Shareholder Warranty has ceased to be true, or an act or event has occurred that would or might reasonably be expected to result in a Target Shareholder Warranty ceasing to be true if it were repeated immediately at Completion.</p> <p>(e) The Target Shareholders agree that the supply of any information by or on behalf of the Target or any of its directors or officers to any Target Shareholder or any adviser in connection with the Target Shareholder Warranties or otherwise shall not constitute a warranty, representation or guarantee as to the accuracy of such information in favour of any Target Shareholder. The Target Shareholders unconditionally and irrevocably waive all and any rights and claims that they may have against the Target or its directors or officers on whom a Target Shareholder has, or may have, relied in connection with agreeing the terms of this Heads of Agreement, and further undertakes to the Buyer not to make any such claims.</p> <p>(f) Each of the covenants, warranties, representations and undertakings contained in this Heads of Agreement (including those set out in Schedule 2) will remain in full force and effect on and after the Completion Date notwithstanding Completion, and</p>

		<p>shall not be affected by Completion or any rescission or failure by the Buyer to rescind this Heads of Agreement.</p> <p>(g) The Target Shareholders agree to indemnify the Buyer and keep the Buyer indemnified from and against all Losses (including legal fees, costs and disbursements on the higher of a full indemnity basis and a solicitor and own client basis, determined without taxation, assessment, or similar process) of any kind suffered or incurred by the Buyer resulting from or in any way arising out of or in connection with any breach of any of the Target Shareholder Warranties.</p> <p>(h) The Buyer agrees to indemnify the Target Shareholders (on a joint and several basis) and keep the Target Shareholders indemnified from and against all Losses (including legal fees, costs and disbursements on the higher of a full indemnity basis and a solicitor and own client basis, determined without taxation, assessment, or similar process) of any kind suffered or incurred by the Target Shareholders resulting from or in any way arising out of or in connection with any breach of any of the Buyer Representations and Warranties.</p> <p>(i) The maximum aggregate amount recoverable by the Buyer from the Target Shareholders (in aggregate) in relation to all claims:</p> <p>(i) for breach of the Target Shareholder Warranties specified in sections 13, 23 and 27 of Schedule 2 (Title Warranties) is the Purchase Price; and</p> <p>(ii) for any other breach of this Heads of Agreement is the amount equal to 25% of the Purchase Price.</p> <p>(j) The Target Shareholders shall not be liable for any claim by the Buyer for breach of any of the Target Shareholder Warranties unless the claim is notified to the Target Shareholders within:</p> <p>(i) 5 years from the date of Completion in respect of any Target Shareholder Warranties specified in section 42 of Schedule 2 (Tax Warranties); and</p> <p>(ii) 2 years from the date of Completion in respect of any Target Shareholder Warranties other than the Tax Warranties.</p> <p>(k) By execution of this Heads of Agreement, the Buyer makes the representations and warranties to the Target Shareholders set out in Schedule 3 at the date of this Heads of Agreement at the date of this Heads of Agreement and on the Completion Date.</p>
9.	Maintaining Status Quo	<p>9.1 Target and Target Shareholder obligations</p> <p>Other than as contemplated in this Heads of Agreement, the Target must not and the Target Shareholders must use best endeavours to procure that the Target does not, during the term of this Heads of Agreement, without the prior written consent of the Buyer (acting in its sole and absolute discretion):</p> <p>(a) enter into any acquisition or consolidation with any other corporation or acquire all or substantially all of the shares of the business or assets of any other person, or enter into any agreement to do any of the foregoing;</p> <p>(b) other than as set out in this Heads of Agreement, issue, or agree to issue, any equity or debt securities or hybrid securities, or grant</p>

		<p>or agree to grant any rights over existing issued capital, or rights to be issued securities in the capital of the Target;</p> <p>(c) other than as set out in this Heads of Agreement, make any change to its constitution or any other constituent document;</p> <p>(d) dispose of any material asset;</p> <p>(e) dispose of any interest in a Project;</p> <p>(f) agree to, permit or procure the material variation, amendment, termination or rescission of any of its material contracts, except in the ordinary course of business;</p> <p>(g) breach in any material respect any term of a Material Agreement;</p> <p>(h) where applicable, fail to renew any material right under any Material Agreement;</p> <p>(i) create or permit the creation of any encumbrance over any the Projects, assets or undertaking of the Target, except for a Permitted Encumbrance in relation to a Licence;</p> <p>(j) declare, make or pay any dividends; and</p> <p>(k) except where the context otherwise permits, enter into any agreement or undertaking to do any of the foregoing actions.</p> <p>The Target must and the Target Shareholders must use their best endeavours to ensure:</p> <p>(l) Delphi Resources maintains the Invincible Gold Licence; and</p> <p>(m) the Target maintains the South Boddington Licence Applications and does all things reasonably necessary on the part of the Target to permit the grant of the South Boddington Licence Applications.</p> <p>The Target shall, prior to Completion, withdraw applications for exploration licences E70/4263 and E70/4264 and new applications for exploration licences for all or part of the same ground may be made by the Target Shareholders or a related party.</p> <p>9.2 Buyer obligations</p> <p>Other than as contemplated in this Heads of Agreement, the Buyer shall not during the term of this Heads of Agreement:</p> <p>(a) enter into any material contract or incur any material liability other than pursuant to a transaction contemplated by this Heads of Agreement;</p> <p>(b) make a significant change to the nature and/or scale of its activities;</p> <p>(c) grant any encumbrance or security interest involving a potential liability of greater than \$500,000;</p> <p>(d) declare or pay any dividend;</p> <p>(e) return any capital to its shareholders;</p> <p>(f) vary its capital structure or agree to vary its capital structure except for the Consolidation;</p> <p>(g) dispose of any material asset, without the prior written consent of the Target; or</p> <p>(h) issue or agree to issue any securities except for:</p>
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		<p>(i) the Consideration Shares, the Performance Shares and any other Buyer Shares required to be issued pursuant to a term of this Heads of Agreement; and</p> <p>(ii) the Buyer Shares under the Capital Raising; and</p> <p>(iii) the Performance Rights.</p>
10.	Formal Agreements	<p>Notwithstanding the fact that this Heads of Agreement is legally binding on each of the Parties, if requested by the Buyer:</p> <p>(a) the Parties agree to enter into a formal share purchase agreement (SPA) and any other agreement reasonably necessary to more fully document the terms of the Acquisition; and</p> <p>(b) the Target Shareholders agree to use best endeavours to procure that all other Target Shareholders enter into a share purchase agreement with the Buyer,</p> <p>in each case to be prepared by the Buyer's solicitors on terms acceptable to the Target, the Buyer and the relevant Target Shareholders (acting reasonably) and on terms consistent with the terms set out in this Heads of Agreement.</p>
11.	Confidentiality and Announcements	<p>This Heads of Agreement and all other information disclosed by the Parties to each other (Confidential Information) is confidential and each Party shall ensure that the Confidential Information remains confidential as between the Parties. The Buyer must consult, in writing, with the Target with regard to any announcement proposed to be made by the Target regarding this Heads of Agreement or the Acquisition.</p> <p>For the avoidance of doubt, the Buyer is required to comply with the continuous disclosure provisions of the Listing Rules and, following consultation with the Target, will make such ASX announcements as it reasonably determines necessary in order to comply with the Listing Rules, provided that if the Target delays considering a written proposed announcement sent to the Target by the Buyer and the Buyer considers (acting reasonably) that failing to release the announcement may result in a breach of the Listing Rules, the Buyer may make the announcement without the consent of the Target or the Target Shareholders.</p> <p>The Parties agree that damages may not be an adequate remedy for breach of this clause 11 and the non-disclosing Party may be entitled to equitable relief including temporary or permanent injunctive relief in the event of actual or threatened unauthorised disclosure of the Confidential Information in breach of this Clause.</p>
12.	Dispute Resolution	<p>Any conflict, dispute of any nature or controversy arising out of or in relation to the Acquisition contemplated herein will be referred to the Chairperson or Managing Director of the respective Parties who agree to negotiate in good faith to resolve such dispute.</p>
13.	GST	<p>All sums referred to in this Heads of Agreement are exclusive of GST. The formal transactional documentation will include provisions under which the Buyer must pay, in cash to the Parties, any GST which is payable in respect of any taxable supply made pursuant to the Acquisition and the Buyer must pay any fine or penalty or other cost incurred by any Party in respect of a failure to pay the GST in cash by the relevant due date.</p>
14.	Further Assurance	<p>Each Party must sign and execute and do all deeds, acts, documents and things as may reasonably be required by the other Parties to</p>

		effectively carry out and give effect to the terms and intentions of this Heads of Agreement.
15.	Governing Law	<p>The agreement constituted by this Heads of Agreement shall be governed by and construed in accordance with the law from time to time in Western Australia.</p> <p>The Parties agree to submit to the non-exclusive jurisdiction of the Courts of Western Australia and the Courts which hear appeals from those Courts.</p>
16.	Assignment	No Party may assign any of its rights or obligations conferred by this Heads of Agreement without the written consent of the other Party.
17.	Costs	<p>Each Party shall bear their own legal costs of and incidental to the preparation, negotiation and execution of this Heads of Agreement.</p> <p>The Buyer will pay any stamp duty or other tax or impost assessed on or in respect of this Heads of Agreement and any transfer, agreement or other document contemplated by this Heads of Agreement.</p>
18.	Notices	<p>Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed prepaid mail or email in each case addressed to the Party at its address or email address set out below.</p> <p>In the case of notices to be given to the Target and the Target Shareholders, notice given to John Prineas shall be deemed to have been given to the Target Shareholders and the Target.</p>
		<p>Buyer's notice details:</p> <p>Bruce McCracken Managing Director BMG Resources Limited Level 14, 225 St Georges Terrace PERTH WA 6000 Email: bmccracken@bmgl.com.au</p> <p>Target and Target Shareholders' notice details:</p> <p>John Prineas Suite 2, 28 Ord Street West Perth WA 6005 Email: john.prineas@gmail.com</p>
19.	Remedies	The rights, power and remedies provided in this Heads of Agreement are cumulative with and not exclusive to the rights, power or remedies provided by law independently of this Heads of Agreement.
20.	Entire Agreement	This Heads of Agreement, any formal agreement, and the other agreements envisaged by this Heads of Agreement, shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other previous correspondence, understanding and agreements between the Parties in relation to its subject matter.
21.	Variation	No modification or alteration of the terms of this Heads of Agreement shall be binding unless made in writing dated subsequent to the date of this Heads of Agreement and duly executed by all Parties.

22.	Severance	If any provision of this Heads of Agreement is invalid and not enforceable in accordance with its terms, all other provisions, which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.
23.	Counterparts	This Heads of Agreement may be executed in any number of counterparts, each of which when executed and delivered to the other Parties shall constitute an original, but all counterparts together shall constitute one and the same agreement.

Schedule 1 – Target Shareholders

The Target Shares, comprising the whole of the issued share capital of the Target, are owned by the Target Shareholders in the following proportions.

Target Shareholder name	Target Shareholder address	Number of Target Shares held	Consideration portion
John Prineas	GPO Box 5322 Sydney NSW 2001	120,000	48% of Consideration, to be satisfied by 43,124,696 Buyer Shares.
Impulzive Pty Ltd (ACN 105 733 953) <Dawson Superannuation A/C>	21 Gardyne Street Bronte NSW 2024	60,000	24% of Consideration, to be satisfied by 21,562,348 Buyer Shares.
St Barnabas Investments Pty Ltd (ACN 088 998 387) <Melvista Family A/C>	c/- Hartleys Ltd GPO Box 2777 Perth 6001 WA	60,000	24% of Consideration, to be satisfied by 21,562,348 Buyer Shares.
Sarah Jane Shipway	44 Dutton Crescent Hamersley WA 6022	10,000	4% of Consideration, to be satisfied by 3,593,725 Buyer Shares.
Total		250,000	100% of Consideration

Schedule 2 – Target Shareholder Warranties

The representations and warranties given by the Target and each Target Shareholder to the Buyer are as follows:

1. No legal impediment

The execution, delivery and performance by each Target Shareholder and the Target of their respective obligations under this Heads of Agreement complies with:

- (a) each law, regulation, Authorisation, ruling, judgement, order or decree of any Government Agency;
- (b) the constitution and other constituent documents of each Target Shareholder that is a company and the Target; and
- (c) any security interest or document,

which is binding on a Target Shareholder or the Target with respect to the Target Shares or the Acquisition.

2. Power and capacity

The Target and each of the Target Shareholders has full power and lawful authority to execute and deliver this Heads of Agreement and to observe and perform, or cause to be observed or perform, all of its obligations in and under this Heads of Agreement without breach or causing the breach of any applicable law.

3. Binding agreement

This Heads of Agreement constitutes a valid and legally binding obligation of each Target Shareholder in accordance with its terms.

4. No contravention

The execution, delivery and performance of this Heads of Agreement will not contravene:

- (a) any law, regulation, Authorisation, ruling, judgment, order or decree of any Governmental Agency; or
- (b) any other agreement, contract, undertaking or commitment to which a Target Shareholder is a party.

5. No Event of Insolvency

No event of insolvency has occurred in relation to a Target Group Member nor is there any act which has occurred or any omission made which may result in an event of insolvency occurring in relation to a Target Group Member.

6. Authorisations

The Target has taken all necessary action to authorise the execution of this Heads of Agreement in accordance with its terms.

7. Incorporation

Each Target Group Member is duly incorporated and registered, has full corporate power to own its assets and to carry on its business as now conducted.

8. No litigation

No Target Group Member is involved in any litigation, arbitration, mediation, conciliation, criminal or administrative proceeding relating to claims or amounts relating to the Target Group Member nor is any such litigation, arbitration or administrative proceeding pending or threatened. There are no unsatisfied or outstanding judgments, orders, decrees, stipulations, or notices affecting a Target Group Member or any person for whom a Target Group Member may be vicariously liable. No litigation, arbitration, mediation, conciliation, criminal or administrative proceedings are current, pending or (to its knowledge after due inquiry) threatened which, if adversely determined, could have a material adverse effect on the ability of either the Target or a Target Shareholder to perform its obligations under this Heads of Agreement.

9. Compliance with laws

Neither the Target nor its directors are in material breach of any provision of any relevant laws.

10. Consistency

The terms of this Heads of Agreement are not inconsistent with and do not contravene the provisions of any other agreement or contract to which a Target Group Member or the Target Shareholders are a party.

11. Constitution

Each of the Target Shareholders are bound by the Target's constitution.

12. Title to Target Shares

The Target Shareholders are the legal and beneficial owners of the Target Shares, being all of the issued share capital of the Target, and which are free of all encumbrances and other third party interests or rights.

13. Target issued securities

- (a) The Target has 250,000 fully paid ordinary shares on issue.
- (b) The Target Shares comprise 100% of the fully paid ordinary shares in the capital of the Target.
- (c) No equity securities, options, warrants, convertible notes, debt securities or hybrid securities are on issue in the Target, other than the Target Shares.
- (d) No person has any right or option to subscribe for or otherwise to acquire any further shares in the Target.
- (e) There are no options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of the Target.
- (f) All of the issued shares of the Target are owned by the Target Shareholders, are fully paid and no money is owing in respect of any of those issued shares.

14. No Prospectus

The Buyer is not required to provide any Target Shareholder with a prospectus or other disclosure document for the issue of the Consideration to each of the Target Shareholders as each Target Shareholder is an exempt investor under the Corporations Act.

15. Consents

Each Target Shareholder is able to sell and transfer its Target Shares without the consent of any other person and free of any pre-emptive rights or rights of first refusal.

16. Investigations

No Target Group Member nor any of their directors are the subject of any investigation by any regulatory body of any country nor is any such investigation pending or threatened.

17. No claims remain unpaid

There are no material (greater than \$10,000) claims made but unpaid under any existing or previous insurance policies held by the Target Group, and no material threatened or pending claims, and there are no events or circumstances which may give rise to any such claim.

18. No failure to claim

The Target Group has not failed to give any notice or to present any claim with respect to its assets, undertaking or business under any existing insurance policy.

19. Permits

- (a) The Target Group has all permits, licences, authorities, registrations, consents and approvals necessary for properly carrying on its business (**Permits**), unless otherwise notified to the Buyer in writing.
- (b) Each of the Permits is valid, binding and enforceable in accordance with its terms. The Target Group has complied at all times with the terms of the Permits, and no act or omission has occurred which would entitle a grantor of a Permit to terminate or revoke that Permit.

20. Insurance

All contracts of insurance and indemnity in force in respect of the Target Group (**Insurances**) are in force and there is no fact or circumstance known to any Target Shareholder which would lead to any of them being prejudiced or which would permit an insurer to refuse or reduce a claim or materially increase the premiums payable under the policies. None of the Insurances will be terminated or cease to have effect as a result of the Acquisition contemplated by this Heads of Agreement.

21. Related party contracts

No Target Group Member is party to any contract or arrangement in which any Target Shareholder is interested, directly or indirectly, nor has there been any such contract or arrangement at any time during the three years up to the date of this Heads of Agreement unless otherwise disclosed. No sums are now owing or will at Completion be owing by a Target Group Member to any of the Target Shareholders or to any company or person related to any of the Target Shareholders.

22. Subsidiaries

- (a) The Target has no subsidiaries other than Delphi Resources and South Boddington Gold.
- (b) The Target is the sole legal and beneficial holder of all of the issued shares in Delphi Resources and South Boddington Gold.

- (c) No person has any right any right or option to subscribe for or otherwise to acquire any other shares in Delphi Resources or South Boddington Gold.

23. Contracts

- (a) All Material Agreements, contracts, instruments or other commitment to which a Target Group Member is a party (**Contracts**) (copies of which shall be disclosed in full to the Buyer) are valid and binding according to their terms.
- (b) No party to any Contract has breached any Contract in any material respect or is material default of a Contract.
- (c) No Target Group Member is party to any agreement under which any person is entitled, upon a change in control of the Target Group Member, to terminate that agreement, impose or require the adoption of terms that are less favourable to the Target Group Member than the current terms, or that will or would reasonably be likely to have a material adverse effect on the Target.

24. Liabilities

- (a) As at the date of this Heads of Agreement, the Target Group does not have any liabilities other than as disclosed in the last accounts of the Target Group provided to the Buyer no later than 14 days after date of this Heads of Agreement (**Target Accounts**).
- (b) As at the time immediately prior to Completion the Target Group will not have any liabilities except for the Permitted Liabilities.

25. Accounts

The Target Accounts disclose a true and fair view of the state of the affairs, financial position and assets and liabilities of the Target Group as at the balance date disclosed in the Target Accounts (**Balance Date**) and:

- (a) include all such reserves and provisions for tax as are adequate to cover all tax liabilities (whether or not assessed and whether actual, contingent, deferred or otherwise) of the Target Group up to the Balance Date;
- (b) contain adequate provisions in respect of all other liabilities (whether actual, contingent, deferred or otherwise) of the Target Group as at the Balance Date and proper disclosure (in note form) of any contingent or other liabilities not included or provided therein; and
- (c) were prepared:
 - (i) in accordance with the relevant accounting standards prescribed by the jurisdiction(s) in which it operates and applied on a consistent basis and without making any revaluation of assets; and
 - (ii) in the manner described in the notes to them,
- (d) since the Balance Date, the business of the Target Group (**Business**) has been conducted in all material respects in the ordinary and usual course of business other than for the Acquisition and:
 - (i) there has not been any material change in the nature, amount, valuation or basis of valuation of the assets or in the nature or amount of any liabilities of the Target Group;

- (ii) there has not arisen since the Balance Date any item, transaction or event of a material or unusual nature likely to have a material adverse effect on the operations or results or state of affairs of the Target Group;
- (iii) no amount has been acquired or disposed of, no liability has been incurred except in the ordinary course of business as disclosed in writing to the Buyer, and no contingent liability has been incurred by the Target Group;
- (iv) none of the debts shown in the Target Accounts have been released or settled for an amount less than that reflected for such debts in the Target Accounts, and all such debts owing to and accounts receivable of the Buyer are now and on settlement will be good and collectable in the amount disclosed in the Target Accounts (other than for any allowance in the Target Accounts in respect of doubtful debts). All such accounts receivable and debts are not and will not be subject to any counterclaim or set-off;
- (v) all dividends declared by the Target Group have been properly and validly declared and no dividends have been declared by the Target Group since the Balance Date;
- (vi) no event of insolvency has occurred in respect of the Target Group nor has any act occurred or any omission been made which may result in an event of insolvency occurring in respect of the Target Group;
- (vii) the Target has not bought back any of its securities, has not converted its securities into a smaller or larger number nor entered into or resolved to approve a buy-back agreement; nor has any act occurred or any omission been made which may result in any of those events occurring in respect of the Target; and
- (viii) there has not been a change in the remuneration or benefits paid to or given or expected by any directors, managers, officers, consultants, contractors, agents or employees of the Target Group.

26. Records properly kept

All books of accounts and other records of any kind of each Target Group Member:

- (a) have been fully, properly and accurately kept on a consistent basis and completed in accordance with proper business and accounting practices and all applicable statutes;
- (b) have not had any material records or information removed from them;
- (c) do not contain or reflect any material inaccuracies or discrepancies;
- (d) give and reflect a true and fair view of the trading transactions, or the financial and contractual position of the Target Group Member and of its assets and liabilities; and
- (e) are in the possession of the Target Group.

27. Mining tenements and applications

- (a) Subject to the Permitted Encumbrances, Delphi Resources is sole legal and beneficial holder of the Invincible Gold Licence.
- (b) South Boddington Gold is the sole applicant of, and will be entitled to be the sole legal and beneficial holder of, each of the South Boddington Licence Applications (if granted).

- (c) To the best of their knowledge and belief, the South Boddington Licence Applications have been validly applied for in accordance with the Mining Act.
- (d) To the best of their knowledge and belief, each of the Invincible Gold Licence is, and the South Boddington Licence Applications will be on its grant be:
 - (i) in Good Standing;
 - (ii) not liable to forfeiture or cancellation; and
 - (iii) in full effect in accordance with its terms.
- (e) The South Boddington Licence Applications are not, and the Invincible Gold Licence is not or will not on its grant be, subject to any Encumbrance or any agreement, option, royalty, interest or right of any kind (including a right that is conditional, contingent or that may arise in the future) other than the Permitted Encumbrances.
- (f) To the best of their knowledge, no dispute, litigation, arbitration, mediation, conciliation or administrative proceeding is taking place, pending or threatened which could reasonably be expected to materially affect the Invincible Gold Licence and the South Boddington Licence Applications.
- (g) No process of any court that relates to the Invincible Gold Licence and the South Boddington Licence Applications has been received by the Target Group, nor has any writ of execution been levied, issued or enforced against the South Boddington Licence Applications or the Invincible Gold Licence.
- (h) To the best of their knowledge, there are no notices, orders or directions issued by any Government Authority under any Environmental Law in respect of the Invincible Gold Licence and the South Boddington Licence Applications that have not been completely satisfied, and no such notice, order or direction is pending or has been threatened by any Government Authority and they are not aware of any circumstance that would cause or might reasonably be expected to cause, or contribute to, the issue of such a notice, order or direction.
- (i) To the best of their knowledge, there are no proceedings taken by any Government Authority in respect of the Invincible Gold Licence and the South Boddington Licence Applications and no such proceedings are pending or have been threatened by any Government Authority, and they are not aware of any investigations being carried out or proposed by any Government Authority in respect of any breach or alleged breach of or non-compliance with any Environmental Law relevant to the South Boddington Licence Applications or the Invincible Gold Licence.
- (j) To the best of their knowledge, there are no Environmental Liabilities relating to or affecting the Invincible Gold Licence and the South Boddington Licence Applications, nor are there any circumstances relating to the Invincible Gold Licence and the South Boddington Licence Applications which may reasonably be expected to give rise to future Environmental Liabilities, except to the extent of any report, study or assessment required to be lodged pursuant to the Invincible Gold Licence and the South Boddington Licence Applications.
- (k) Other than has been disclosed by the Target to the Buyer before the date of this Heads of Agreement, there is not in existence any current compensation agreement with the owner or occupier of any land which is subject to the Invincible Gold Licence and the South Boddington Licence Applications.
- (l) Other than has been disclosed by the Target to the Buyer before the date of this Heads of Agreement, the Target and the Target Shareholders have not received any verbal or written advice or notice of any potential native title claims which may be lodged in

respect of any of the Invincible Gold Licence and the South Boddington Licence Applications.

- (m) To the best of their knowledge, each of the warranties given by Gold Growth to the Target pursuant to the Invincible Gold Licence Agreement in respect of the Invincible Gold Licence is true and correct and the Target and the Target Shareholders are not aware of any facts or circumstances which might result in such warranties being incorrect.

For the purposes of this clause 27, capitalised terms have the following definitions:

Contamination means a solid, liquid, gas, odour, heat, sound, vibration, radiation, substance or matter present in, on or under land, air or water at a concentration above the concentration at which it is normally present in, on or under land, air or water (as the case may be) in the same locality, that presents a risk of harm to human health or to any other aspect of the Environment, or could give rise to a risk of non-compliance with any Environmental Law or Environmental Permit.

Department has the meaning given to it in section 8 of the Mining Act.

Environment means all components of earth, including:

- (a) land, air and water;
- (b) any layer of the atmosphere;
- (c) any organic or inorganic matter;
- (d) any living organism; and
- (e) natural, man-made or modified features or structures,

and includes ecosystems and all elements of the biosphere.

Environmental Law means any law (including statutes, regulations, by-laws, ordinances and other delegated legislation and any rule of common law, contract, tort or equity and their enforcement and administration) relating to the Environment or its protection including those relating to:

- (a) the discharge or emission of substances;
- (b) the generation of odour, heat, sound, vibration, or radiation;
- (c) Contamination;
- (d) the production, use, handling, storage, disposal or transport of waste, hazardous substances or dangerous goods;
- (e) the presence of asbestos;
- (f) threatened or endangered flora or fauna; or
- (g) environmental heritage.

Environmental Liabilities means any liabilities, obligations, damage, loss or costs arising under Environmental Law.

Environmental Permit means any permit, licence, authority, approval, consent, Authorisation, registration, concession or agreement that is required, obtained or entered into under an Environmental Law.

Good Standing in relation to the Invincible Gold Licence (and to the extent that a South Boddington Licence Application is granted) means that the Invincible Gold Licence and a South Boddington Licence Application (to the extent applicable) is and remains in full force and effect and is and remains not liable to cancellation, forfeiture, or non-renewal for any reason other than compulsory partial surrenders under the Mining Act and the non-renewal of such mining tenement other than by reason of default by the holder of that mining tenement.

Government Authority means any governmental, semi-governmental, administrative, judicial or quasi-judicial body or tribunal, department, public authority, agency or statutory authority or person vested with functions in respect of the Mining Act and any Environmental Law.

Mining Act means the *Mining Act 1978* (WA).

Permitted Encumbrance means:

- (a) the Invincible Project Royalty Deed;
- (b) the Invincible Gold Sale Agreement;
- (c) the South Boddington Royalties;
- (d) caveats in favour of Gold Growth registered against the Invincible Gold Licence, if permitted;
- (e) any encumbrances registered on the Mineral Titles register of the Department;
- (f) any rights reserved to or vested in any Governmental Authority by the terms of any instrument or grant affecting the Invincible Gold Licence and South Boddington Licence Applications;
- (g) taxes or royalties imposed by, and all applicable laws, rules and orders of, any Governmental Authority in respect of the Invincible Gold Licence and South Boddington Licence Applications (if applicable);
- (h) reservations, limitations, provisos and conditions contained in any original grant of the Invincible Gold Licence and South Boddington Licence Applications (if applicable) and statutory exceptions to title in respect of such mining tenements; and
- (i) easements, rights-of-way, restrictions, servitudes, permits, conditions, covenants, exceptions, reservations and other similar encumbrances, reserved or granted within the area of the Invincible Gold Licence and South Boddington Licence Applications (if applicable).

28. Abercromby Gold Project

- (a) The Abercromby Gold Project is subject to the following Encumbrances:
 - (i) the Oracle Sale Agreement;
 - (ii) the Abercromby Royalties;
 - (iii) MPI Share Sale Agreement; and
 - (iv) the Contracts (as that term is defined in the Oracle Sale Agreement).

- (b) To the best of their knowledge, each of the warranties given by MPI to the Target pursuant to the Oracle Sale Agreement in respect of the Abercromby Gold Project is true and correct and the Target and the Target Shareholders are not aware of any facts or circumstances which might result in such warranties being incorrect.

29. Assets owned by Target

All the fixed assets, current assets and other assets and property owned by the Target Group are:

- (a) legally and beneficially owned by the Target Group free of encumbrances (and, in particular, no such assets are the subject of any hire purchase agreement or credit purchase agreement or any agreement for payment of deferred terms); and
- (b) not used by any person, other than the Target Group.

30. Intellectual Property

All intellectual property owned by or licensed to the Target Group including, inter alia, relevant mastheads, trademarks, business names, copyright material and patents owned or applied for are in good standing, are not subject to any third party claims, disputes, cancellation or forfeiture and are free from all liens, mortgages, charges and other encumbrances of whatsoever nature and can be transferred to the Buyer if required by the Buyer.

31. Premises

Save as fully disclosed in writing to the Buyer on or prior to the date of this Heads of Agreement, the Target Group does not own, lease or occupy any interest in land or property.

32. All material information

Any information known to the Target or its directors or any Target Shareholder concerning the Target which might reasonably be regarded as material to a purchaser for value of the Target Shares has been disclosed to the Buyer and is true and accurate in all material respects.

33. Not misleading or deceptive

No information relating to the Target or the Acquisition that has been provided to the Buyer by the Target or any Target Shareholder is misleading or deceptive in any respect.

34. Employees and contractors

- (a) The Target Group does not have any employees, agents, consultants or contractors and no claim or obligations exists or will exist at Completion in relation to any existing, proposed or previous employees, agents, consultants or contractors of the Target Group except as disclosed to the Buyer.
- (b) The Target Group has paid all amounts due and payable to each officer (and each former employee and officer) of the Target Group, except as disclosed to the Buyer.
- (c) The Target Group has duly made all necessary payments on behalf of current and former employees and officers (as that term is defined in the Corporations Act) of the Target Group and any other relevant persons in order to avoid incurring any liability to pay the superannuation guarantee charge under the *Superannuation Guarantee Charge Act 1992* (Cth).
- (d) Except as disclosed to the Buyer or as contemplated by a term of this Heads of Agreement, the Target has not made any contract, arrangement, understanding or representation (whether written or oral) under which one or more employees,

contractors or agents will or may be entitled to any benefit (monetary or otherwise) if ownership (direct or indirect) of the Target changes, as will occur on completion of the Acquisition, except in their capacity as a shareholder of the Target.

35. **Financings**

There are no:

- (a) financing arrangements entered into by or on behalf of a Target Group Member for the borrowing of money;
- (b) debentures, bonds, notes or similar debt instruments issued by a Target Group Member;
- (c) guarantees given by a Target Group Member, or to which a Target Group Member is otherwise subject, in relation to a Target Group Member or any other person;
- (d) encumbrances over the assets or undertaking of a Target Group Member, or its business or securities; or
- (e) financing arrangements that restrict the disposal of any of the Target Shares,

other than those items included in the Permitted Liabilities.

36. **No competing interests**

No Target Shareholder or any director of the Target has any interest in any company or business which has a close trading relationship with or which is in competition with a business conducted by the Target.

37. **Target Shareholder (trusts)**

To the extent that a Target Shareholder (herein referred to as a **Shareholder Trustee**) holds its Target Shares as trustee of a trust (herein referred to as a **Shareholder Trust**) each Shareholder Trustee warrants in respect of that Shareholder Trust that:

- (a) it is trustee of a trust which has been validly created and is in existence at the date of this Heads of Agreement;
- (b) it is empowered by the terms of the trust deed constituting the Shareholder Trust to enter into and perform this Heads of Agreement and to carry on the transactions contemplated by this Heads of Agreement including the power to sell its Target Shares and transfer legal and beneficial title in those Target Shares to the Buyer;
- (c) all necessary resolutions have been duly passed and all consents, approvals and other matters have been obtained or attended to as required by the trust deed constituting the Shareholder Trust for the entry into and performance by the Target Shareholder of this Heads of Agreement;
- (d) it has been validly appointed as trustee, is the sole trustee of the Shareholder Trust and no action has been taken or is proposed to remove or replace the Shareholder Trustee as the trustee of the Shareholder Trust;
- (e) it has not, and has never been, in default under the terms of the Shareholder Trust;
- (f) the Shareholder Trust has not been terminated and no other person has taken or proposes to take any action to terminate the Shareholder Trust, nor has the date or any event for the vesting of the assets of the Shareholder Trust occurred;

- (g) it has carefully considered the purpose of this Heads of Agreement and considers that entry into this Heads of Agreement is for the benefit of the beneficiaries of the Shareholder Trust, whose consents (if necessary) have been obtained;
- (h) it has a right to be indemnified out of the assets of the Shareholder Trust in respect of all of its obligations and liabilities incurred by it under this Heads of Agreement and the Shareholder Trust's right of indemnity out of, and lien over, the assets of the Shareholder Trust has not been limited in any way and there exists no obligation which may be set off against its right of indemnity;
- (i) the trust deed constituting the Shareholder Trust complies with all applicable laws; and
- (j) has, in its own right and as trustee of the Shareholder Trust, complied with its obligations and duties under the trust deed constituting the Shareholder Trust and all other applicable laws.

38. Target Shareholder (corporate)

- (a) Each Target Shareholder that is not a natural person (including any Target Shareholder acting in its capacity as trustee of a trust) (**Corporate Shareholder**) is a body corporate duly incorporated under the laws of the place of its incorporation.
- (b) Each Corporate Shareholder has full legal capacity and power to:
 - (i) own property and carry on its business; and
 - (ii) enter into and perform its obligations under this Heads of Agreement.
- (c) Each Corporate Shareholder has taken all corporate and other action required and obtained or been granted all consents, approvals, permissions and Authorisations, whether internal or external, necessary to enable it to enter into and perform its obligations under this Heads of Agreement.
- (d) The execution, delivery and performance of this Heads of Agreement will not contravene any provision of each Corporate Shareholder's constitution or equivalent documents.
- (e) Each Corporate Shareholder is not:
 - (i) wound up, nor has a resolution for its winding up been passed and no meeting of members or creditors has been convened for that purpose;
 - (ii) the subject of a winding up application which has been made to a court, and no event has occurred which would entitle any person to apply to a court to wind up a Target Shareholder;
 - (iii) a party to a composition or arrangement with any of its creditors;
 - (iv) the recipient of a demand under section 459E of the Corporations Act;
 - (v) in receivership and none of its assets are in the possession of or under the control of a mortgagee or chargee;
 - (vi) subject to administration under Part 5.3A of the Corporations Act
 - (vii) insolvent as defined in section 95A of the Corporations Act; or
 - (viii) subject to anything that has a substantially similar effect to any of these things under the law of any jurisdiction.

39. No sums owing

No sums are now owing or will at Completion be owing by the Target Group to the Target Shareholders or to any company or person related to the Target Shareholders except as listed in the Permitted Liabilities.

40. Capital expenditure

Except as disclosed to the Buyer in writing before the date of this Heads of Agreement, there are no outstanding commitments of the Target Group for capital expenditure.

41. No profit sharing

No Target Group Member is party to any agreement, arrangement or understanding where it is or will be bound to share profits or waive or abandon any rights.

42. No Power of Attorney

There are no powers of attorney given by a Target Group Member in favour of any person which may come into force in relation to the business, assets or undertaking of the Target.

43. Tax

- (a) All Tax and Duty arising under any Tax Law for which a Target Group Member is liable to account has been duly paid or accrued (in so far as such Tax or Duty ought to have been paid or accrued).
- (b) The Target Group is not, nor will it in the future become, subject to any Tax or Duty on or in respect of or by reference to its profits, gains, income, sales, disposals of or transactions in relation to assets, inventory, or other property for any period up to and including Completion in excess of the provision for Tax and Duty included in the Target Accounts.
- (c) The Target Group has not done anything which has or would give rise to a liability to Tax under the *Taxation (Unpaid Company Tax) Assessment Act 1982* (Cth), whether or not that liability has been discharged.
- (d) Any obligation on the Target under any Tax Law to withhold amounts at source has been complied with.
- (e) No tax return, election or notice lodged or filed by a Target Group Member contains either of the following:
 - (i) a false or misleading statement or omits to refer to a matter which is required to be included or without which the statement is false or misleading; or
 - (ii) a material error or a material omission relating to the assessment of Tax of the Target Group.
- (f) The Target Group has maintained proper and adequate records to enable it to comply in material respects with its obligations to:
 - (i) prepare and submit any information, notices, computations, payments and returns required in respect of any Tax Law;
 - (ii) prepare any accounts necessary for compliance with any Tax Law; and
 - (iii) retain necessary records as required by any Tax Law,

and such records are accurate in all material respect.

- (g) The Target Group is not liable to pay, nor are there any circumstances by reason of which the Target is likely to become liable to pay any fine, penalty, surcharge or interest whether charged by virtue of the provisions of any Tax Law.
- (h) No Target Group Member has made a false or misleading statement to a taxation officer within the meaning of any Tax Law in relation to any income or franking year and there is no unresolved dispute with any revenue authority involving the Target Group.
- (i) No Target Group Member is the subject of any investigation or audit by the tax office of any country or state nor is any such investigation or audit pending or threatened.
- (j) No Target Group Member has been a party to, nor has it participated in, transactions or arrangements that could give rise to the exercise by the relevant authority of its powers under the Tax Law in relation to losses and outgoings incurred under tax avoidance schemes or in relation to international agreements or schemes to reduce income tax, or any other discretionary powers of the relevant revenue authority under the Tax Law by virtue of which transactions or arrangements entered into by the Target Group may be reopened, revised or given an interpretation different from that adopted by Target Group Member.
- (k) Any GST required to be paid by the Target has been imposed, obtained and remitted to the correct revenue authority in accordance with its commitments under the GST legislation. The Target Group has complied with all of its obligations under the GST legislation and other legislation associated with the introduction of the GST.
- (l) If under or by virtue of any agreement to which a Target Group Member is a party, any GST is liable to be paid in connection with any Taxable Supply made by the Target Group Member under that agreement, the Target Group Member will be entitled to recover from the party required to pay for the Taxable Supply an amount so that after meeting any liability to pay GST, the Target Group Member retains the same amount as if GST was not payable in connection with the Taxable Supply.

For the purposes of this clause 43, capitalised terms have the following definitions:

Duty means any stamp, transaction or registration duty or similar charge imposed by any Governmental Authority and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.

GST has the meaning given to it in the GST Act.

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and any regulations thereto or such other act or regulations of equivalent effect.

Tax Law means any law relating to either Tax or Duty as the context requires.

Tax means any tax, levy, charge, impost, duty, fee, deduction, compulsory loan, withholding, stamp, transaction, registration, duty or similar charge which is assessed, levied, imposed or collected by any government agency and includes, but is not limited to, any interest, fine, penalty, charge, fee or any other accounting imposed on, or in respect of any of the above but excludes Duty.

Schedule 2B - Interpretation of Target Warranties

1.1 Matters disclosed

Each Warranty is to be read down and qualified by any information:

- (a) provided for or described in this Heads of Agreement;
- (b) fairly disclosed in the Disclosure Materials (including Supplementary Disclosure);
- (c) which is otherwise within the actual knowledge of the Buyer or its officers, directors or employees as at the date of this Heads of Agreement;
- (d) fairly disclosed in writing to the Buyer or its Representatives prior to the execution of this Heads of Agreement during the course of the Due Diligence; or
- (e) that would have been disclosed to the Buyer had the Buyer conducted searches 5 Business Days prior to the date of this Heads of Agreement of:
 - (i) the PPS Register in respect of the Target;
 - (ii) the Australian Securities and Investments Commission in respect of the Seller in the public records maintained by it;
 - (iii) records open to public inspection maintained by Government Agencies including DMP, Western Australian Land Information Authority (Landgate), the National Native Title Tribunal, the Commonwealth Department of the Environment and the Western Australian Environmental Protection Authority; and
 - (iv) the public records maintained by the High Court, the Federal Court and the Supreme Court in Western Australia in respect of the Seller,

which is or may be inconsistent with that Warranty and, to the extent that any Warranty is incorrect or misleading having regard to any such information, that Warranty is deemed not to have been given. No amount will be recoverable by the Buyer in respect of any breach of Warranty to the extent that the breach arises by reason of or in relation to any such information.

1.2 Buyer's acknowledgment

The Buyer acknowledges and agrees that:

- (a) the purchase of the Target and the investment in the ownership of mining assets owned by the Target is highly speculative and subject to substantial risks;
- (b) in entering into this agreement and in proceeding to Completion, the Buyer does not rely on any statement, representation, warranty, condition, forecast or other conduct which may have been made by or on behalf of the Target, except the Warranties;
- (c) under the Oracle Sale Agreement, the Target is not entitled to a legal interest in the Abercromby Mining Leases;
- (d) it has received and understood the Disclosure Letter;
- (e) before entering into this Heads of Agreement:
 - (i) it has had the opportunity to conduct Due Diligence and has satisfied itself in relation to matters arising from the Due Diligence;

- (ii) irrespective of whether or not the Due Diligence was as full or exhaustive as the Buyer would have wished, it has nevertheless independently and without the benefit of any inducement, representations or warranty (other than the Warranties) from the Target or its Representatives determined to enter into this Heads of Agreement;
- (f) neither the Target nor any of its Representatives has made or makes any representation or warranty as to the accuracy or completeness of any disclosures regarding any Project (including, the information, forecasts and statements of intent contained in material provided to the Buyer and made in management presentations), other than as expressly set out in the Warranties;
- (g) no representation or warranty (and no Warranty) is given by or on behalf of Target relating to:
 - (i) the grant of the South Boddington Licence Applications;
 - (ii) the resources and/or reserves within any Project or the prospectivity of any Project;
 - (iii) the activities which have taken place or which are taking place upon or in connection with any Project;
 - (iv) the costs and profits or losses resulting from such activities;
 - (v) the likely costs of or returns from a Project including development of the Project;
 - (vi) the economic viability of a Project or the prospects for the successful development of any Project;
 - (vii) any geological, geophysical, engineering, economic or other interpretations, forecasts or evaluations; or
 - (viii) the current or future environmental or rehabilitation obligation or liabilities in respect of the Projects;
- (h) save as provided for in the Warranties, neither the Target nor any of its Representatives:
 - (i) accepts any duty of care in relation to the Buyer in respect of any disclosure or the provision of any information referred to in this clause; nor
 - (ii) is to be liable to the Buyer if, for whatever reason, any information described in this clause is or becomes inaccurate, incomplete or misleading in any particular way;
- (i) save as provided for by any Warranty, the sale of the Target including the Projects is on an "as is where is basis" in the condition they are in;
- (j) no representation or warranty is given as to whether:
 - (i) native title exists over any part of the Projects or the areas of land relating to them;
 - (ii) whether native title has been claimed or will be claimed to exist over any part of the Projects or the areas of land relating to them;
 - (iii) the potential impact upon the Projects of any present or future native title claim; or

- (iv) any Aboriginal Sites exist within the Projects;
- (k) the Buyer is aware of the terms and conditions of the Tenements and the expenditure commitments relating to them (and of the terms of any joint venture agreement disclosed by the Target to the Buyer pursuant to which any interest in a Project is held and the terms of the Non-Uranium Rights Deed);
- (l) the Buyer is aware of the terms and conditions of the arrangements in respect of the third party royalties in connection with the Projects;
- (m) the Buyer has, and is taken to have, fully satisfied itself:
 - (i) as to the suitability and fitness for purpose of the Projects;
 - (ii) as to the suitability of the services and utilities (if any) provided to the Projects (including any water on or access to the Projects); and
 - (iii) by enquiry of the appropriate authorities, the activities which may be carried out on the Projects including the manner in which those activities may be carried out, any developments which may take place on the Projects and any restrictions on the activities or developments which may be carried out;
- (n) subject to any Law to the contrary and except as provided in the Warranties, all warranties and representations, whether express, implied, written, oral, collateral, statutory or otherwise, are excluded and the Target disclaims all Liability in relation to these to the maximum extent permitted by Law; and
- (o) to the maximum extent permitted by Law, it will not make and waives any right it may have to make any Claim against the Target or any of its Representatives under any provision of the *Australian Competition and Consumer Act 2010* (Cth) or the corresponding provision of any other Commonwealth, state or territory enactment, for any statement or representation concerning the Target or any Project but this clause does not affect any contractual Claim available to the Buyer under, and subject to the limitations set out, in this Heads of Agreement, in respect of the Warranties.

1.3 Buyer's representation

The Buyer represents and warrants that, on the basis of the Due Diligence and other information within the knowledge of the Buyer at the date of this Heads of Agreement, it does not have knowledge or belief of any matter which is or would with the passage of time become a material breach of any Warranty, other than any potential breaches of a Warranty disclosed in the Disclosure Materials (including the Disclosure Letter).

1.4 Target's acknowledgment

The Target acknowledges that the representation given by the Buyer in this does not give the Target a cause of action against the Buyer and may only be raised by the Target as a defence to any Claim by the Buyer.

Schedule 3 – Buyer representations and warranties

The representations and warranties given by the Buyer to the Target Shareholders are as follows:

1. Consideration

Subject to satisfaction of the Conditions Precedent, the Buyer has the power to enter into this Heads of Agreement, issue the Consideration Shares, issue the Performance Shares and complete the Acquisition.

2. No legal impediment

The execution, delivery and performance by the Buyer of this Heads of Agreement complies with:

- (a) each law, regulation, Authorisation, ruling, judgement, order or decree of any Government Agency;
- (b) the constitution or other constituent documents of the Buyer; and
- (c) any security interest or document.

3. No Event of Insolvency

No event of insolvency has occurred in relation to the Buyer nor is there any act which has occurred or any omission made which may result in an event of insolvency occurring in relation to the Buyer.

4. Authorisations

Subject to satisfaction of the Conditions Precedent, the Buyer has taken all necessary action to authorise the execution, delivery and performance of this Heads of Agreement in accordance with its terms.

5. No litigation

The Buyer is not involved in any litigation, arbitration or administrative proceeding relating to claims or amounts relating to the Buyer nor is the Buyer aware that any such litigation, arbitration or administrative proceeding is pending or threatened.

6. Compliance with laws

Neither the Buyer nor its directors are in material breach of any provision of any relevant laws, including the Listing Rules of the ASX.

7. Consistency

The terms of this Heads of Agreement are not inconsistent with and do not contravene the provisions of any other agreements or contract to which the Buyer is a party.

8. Issued securities of Buyer

- (a) As at the date of this Heads of Agreement the securities of the Buyer comprise:
 - (i) 671,483,898 Buyer Shares; and
 - (ii) 3,000,000 options to subscribe for Buyer Shares exercisable at \$0.025 each on or before 31 January 2022.

- (b) Subject to satisfaction of the Conditions Precedent, immediately following Completion, the issued Buyer Shares will be as stated in Schedule 6.

9. No right to subscribe

Other than as set out in this Heads of Agreement or as otherwise disclosed to the Target or announced to ASX, no person has any right or option to subscribe for or otherwise to acquire any further shares in the Buyer.

10. No options

Other than as announced to ASX, there are no outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the securities of the Buyer.

11. No other allotments

Other than as set out in this Heads of Agreement or as otherwise disclosed to the Target or announced to ASX, the Buyer is not under any obligation to allot or issue any shares to any person or persons, or otherwise to alter the structure of any part of its unissued share capital other than disclosed, and the Buyer is not under any obligation to give any option over any part of its unissued share capital nor has the Buyer offered to do any of the matters stated in this sub-paragraph.

12. Consents

The Buyer will follow due process to obtain all necessary shareholder and regulatory consents and approvals required for implementation of the Acquisition.

13. Fully paid

All of the issued shares of the Buyer as per the Buyer's share registry represent the share capital of the Buyer and are fully paid with no amounts owing on them.

14. Investigations

Neither the Buyer nor its directors are the subject of any investigation by any regulatory body of any country nor is any such investigation pending or threatened.

15. Tax Investigations

Neither the Buyer nor its directors are the subject of any investigation or audit by the tax office of any country or state nor is any such investigation or audit pending or threatened.

16. Employees and contractors

- (a) The Buyer does not have any employees, agents, consultants or contractors and no claim or obligations exists or will exist at Completion in relation to any existing, proposed or previous employees, agents, consultants or contractors of the Buyer other than Bruce McCracken (employed as Managing Director) and Tribis Pty Ltd (a contractor) for the provision of administration services to the Buyer.
- (b) The Buyer has paid all amounts due and payable to each employee and officer (and each former employee and officer) of the Buyer.
- (c) The Buyer has duly made all necessary payments on behalf of current and former employees and officers (as that term is defined in the Corporations Act) of the Buyer and any other relevant persons in order to avoid incurring any liability to pay the superannuation guarantee charge under the *Superannuation Guarantee Charge Act 1992* (Cth).

17. Subsidiaries

Other than as disclosed to the Target Shareholders, the Buyer does not have any subsidiaries.

18. Contracts

All material contracts, instruments or other commitment to which the Buyer is a party, are valid and binding according to its terms and no party to any such commitment or contract is in material default under the terms of that commitment or contract.

19. Liabilities

Other than as set out in its most recent audited accounts disclosed to ASX (**Buyer Accounts**), the Buyer does not have any other liabilities as at the balance date of those accounts.

20. Buyer Accounts

The Buyer Accounts:

- (a) disclose a true and fair view of the state of the affairs, financial position and assets and liabilities of the Buyer as at the balance date disclosed in the Buyer Accounts (**Balance Date**);
- (b) includes all such reserves and provisions for tax as are adequate to cover all tax liabilities (whether or not assessed and whether actual, contingent, deferred or otherwise) of the Buyer up to the Balance Date;
- (c) contain adequate provisions in respect of all other liabilities (whether actual, contingent, deferred or otherwise) of the Buyer as at the Balance Date and proper disclosure (in note form) of any contingent or other liabilities not included or provided therein; and
- (d) were prepared:
 - (i) in accordance with the relevant accounting standards prescribed by the jurisdiction(s) in which it operates and applied on a consistent basis and without making any revaluation of assets; and
 - (ii) in the manner described in the notes to them.

21. Records properly kept

All books of accounts and other records of any kind of the Buyer:

- (a) have been fully, properly and accurately kept on a consistent basis and completed in accordance with proper business and accounting practices and all applicable statutes;
- (b) have not had any material records or information removed from them;
- (c) do not contain or reflect any material inaccuracies or discrepancies;
- (d) give and reflect a true and fair view of the trading transactions, or the financial and contractual position of the Buyer and of its assets and liabilities; and
- (e) are in the possession of the Buyer.

22. Assets owned by Buyer

All the fixed assets, current assets and other assets and property owned by the Buyer (which are to be disclosed to the Target) are:

- (a) legally and beneficially owned by the Buyer free of encumbrances (and, in particular, no such assets are the subject of any hire purchase agreement or credit purchase agreement or any agreement for payment of deferred terms); and
- (b) not used by any person, other than the Buyer.

Schedule 4 – Target Material Agreements

Agreement Title	Date	Parties
Sale and Purchase Agreement (Non-Uranium Rights)	7 August 2020	Oracle MPI
Non-Uranium Rights Deed	22 September 2011	MPI Nova Energy
MPI Share Sale Agreement	1 July 2002	MPI OMG Kokkola Chemicals Holding B.V Mining Project Investors Pty Ltd (ABN 30 054 584 191) Outokumpu Mining Outokumpu Exploration Ventures Pty Ltd (ABN 32 050 528 508) Outokumpu Nickel B.V
Abercromby Royalty Deed	August 2020	Oracle Gold Growth
Invincible Gold Sale Agreement	22 August 2018	Oracle Delphi Resources Cadre Resources Pty Ltd
Invincible Project Royalty Deed	August 2020	Delphi Resources Gold Growth
South Boddington Royalty Deed	August 2020	South Boddington Gold Askins
South Boddington Royalty Deed	August 2020	South Boddington Gold Gold Growth
Loan Agreement	28 August 2018	Lee Oracle
Loan Agreement	10 July 2011	Zeus Oracle
Heads of Agreement – Provision of Consultancy Services	1 July 2018	Oracle Askins

Schedule 5 – Buyer Capital Structure

	Shares	Options	Performance Shares	Performance Rights
Existing	671,483,898	3,000,000 ¹	-	
Existing (after Consolidation)	67,148,390	300,000²	-	
Consideration Shares	89,843,117	-	13,333,333	
Consultancy Services Fee Shares	3,000,000	-	-	
Buyer Managing Director and Chairman	-	-		20,000,000
Capital Raising Shares	80,000,000	-	-	
Total	239,991,507	300,000	13,333,333	20,000,000

Notes:

1. Ex. \$0.025 each, exp. 31/1/2022
2. Ex. \$0.25 each, exp. 31/1/2022

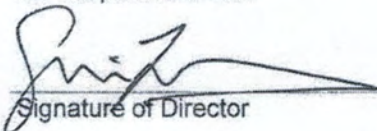
Schedule 6 – Terms of Performance Rights and Performance Shares

Tranche	Measure	Vesting Condition	Performance Rights		Performance Shares	Total
			Managing Director	Chairman	Vendor	
1	JORC Resource	250k oz gold resource at a minimum cut-off grade of 0.5g/tonne as defined under the JORC Code	3,000,000	2,000,000	6,666,667	11,666,667
2	JORC Resource	500k oz gold resource at a minimum cut-off grade of 0.5g/tonne as defined under the JORC Code	3,000,000	2,000,000	6,666,666	11,666,666
3	Market Value	VWAP of at least \$0.15 per share (post-Consolidation) for at least 15 business days	3,000,000	2,000,000	-	5,000,000
4	Market Value	VWAP of at least \$0.25 per share (post-Consolidation) for at least 15 business days	3,000,000	2,000,000	-	5,000,000
			12,000,000	8,000,000	13,333,333	33,333,333
	<p>Key terms:</p> <ol style="list-style-type: none"> 1. Each Performance Right and Performance Share converts to one fully paid ordinary Buyer Share on satisfaction of the vesting condition. 2. No Performance Rights or Performance Shares to vest in the first 12 months following Completion. 3. Performance Shares are non-voting. 4. Performance Shares are not quoted on ASX. 5. Performance Rights and Performance Shares which do not vest within 5 years of issue automatically expire. 					

Dated 14 August 2020

Executed as an agreement


Executed by BMG Resources Limited ACN
107 118 678 in accordance with section 127 of
the Corporations Act:



Signature of Director

SIMON TREVISAN

Print name in full



Signature of ~~Director~~/Company Secretary
(Delete title which does not apply)

SEAN MEAKIN

Print name in full


Executed by Oracle Mining Limited ACN 151
847 899 in accordance with section 127 of the
Corporations Act:



Signature of Director

John PRINEAS

Print name in full




Signature of Director/Company Secretary
(Delete title which does not apply)

Sarah SHIPWAY

Print name in full

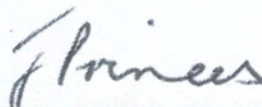
Signed by John Prineas:



Signature of Witness

Yen NGUYEN

Name of witness in full



Signature of John Prineas

Executed by Impulzive Pty Ltd ACN 105 733)
953 in accordance with section 127 of the)
Corporations Act:)
)

Signature of Director

Signature of Director/Company Secretary
(Delete title which does not apply)

Print name in full

Print name in full

Executed by St Barnabas Investments Pty)
Ltd ACN 088 998 387 in accordance with)
section 127 of the Corporations Act:)
)

Signature of Director

Signature of Director/Company Secretary
(Delete title which does not apply)

Print name in full

Print name in full

Signed by Sarah Jane Shipway:)
)
)
)

Signature of Witness

WILLIAM SHIPWAY
Name of witness in full

Signature of Sarah Shipway

Executed by Impulzive Pty Ltd ACN 105 733)
953 in accordance with section 127 of the)
Corporations Act:)
)

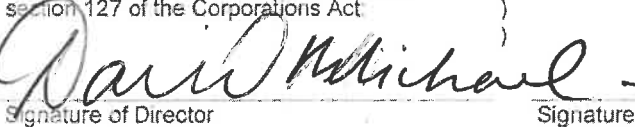
Signature of Director

Signature of Director/Company Secretary
(Delete title which does not apply)

Print name in full

Print name in full

Executed by St Barnabas Investments Pty)
Ltd ACN 088 998 387 in accordance with)
section 127 of the Corporations Act)
)



Signature of Director

Signature of Director/Company Secretary
(Delete title which does not apply)



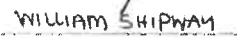
Print name in full

Print name in full


Signed by Sarah Jane Shipway:)
)
)
)
)



Signature of Witness



Name of witness in full




Signature of Sarah Shipway

Executed by Impulsive Pty Ltd ACN 105 733 953 in accordance with section 127 of the Corporations Act.


Signature of Director

John Dawson
Print name in full


Signature of Director/Company Secretary
(Delete title which does not apply)

KAREN Dawson
Print name in full

Executed by St Barnabas Investments Pty Ltd ACN 088 998 387 in accordance with section 127 of the Corporations Act.

Signature of Director

Print name in full

Signature of Director/Company Secretary
(Delete title which does not apply)

Print name in full

Signed by Sarah Jane Shipway:


Signature of Witness

William Shipway
Name of witness in full


Signature of Sarah Shipway