

## ASSET PURCHASE AND SALE AGREEMENT

**THIS AGREEMENT** (“Agreement”) is dated for reference the 26<sup>th</sup> day of February, 2019

**BETWEEN:**

**DOUGLAS HAYNES DISCOVERY PTY LTD.** having an address at [Redacted: Confidential address information]

AND:

**MAREKO PTY LTD. ATF GOLD INVESTMENT TRUST** having an address at [Redacted: Confidential address information]

AND:

**ROBERT HENRICK SKRZECZYNSKI** having an address at [Redacted: Confidential address information]

(herein called the “Vendors”)

OF THE FIRST PART

**AND:**

**ROMARDO COPPER (NSW) PTY LIMITED** having an address at [Redacted: Confidential address information]

(herein called “Romardo”)

OF THE SECOND PART

**AND:**

**INFLECTION RESOURCES LIMITED**  
Suite 1100 - 595 Howe Street  
Vancouver, British Columbia, V6C 2T5;

(herein called the “Purchaser”)

OF THE THIRD PART

**WHEREAS** the Vendors hold a 100% ownership interest in Romardo Copper (NSW) Pty Limited (“Romardo”), a private Australian registered holding company;

**WHEREAS** Romardo owns 100% right, title and interest in and to two exploration licences, EL 8421 and EL 8422 (the “Exploration Licences”) that are under reapplication to be renewed anticipated to be completed mid-April 2019;

**AND WHEREAS** the Purchaser is desirous of acquiring 100% interest in Romardo and the Exploration Licences (the “Asset”), and the Vendors have agreed to sell the Asset to the Purchaser, subject to the Net Smelter Royalty and Success Payments (as hereinafter defined) reserved to the Vendors, on the terms and conditions contained in this Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT** in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. Definitions

The following words, phrases and expressions shall have the following meanings:

- (a) “Asset” means Romardo Copper (NSW) Pty Limited including the Exploration Licences;
- (b) “Australian dollars, dollars, A\$ or \$” is a reference to the lawful currency of Australia;
- (c) “Exploration Licences or EL” means Exploration Licence 8421 and Exploration Licence 8422 as more particularly described in Schedule “A” attached hereto;
- (d) “Net Smelter Royalty (“NSR”) means that royalty as defined in Section 3.

2. Acquisition of Asset

The Vendors hereby agree to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase and acquire from the Vendors, an undivided 100% right, title and interest in the Asset, subject to the NSR and Success Payments, in consideration of the Purchaser paying to the Vendors A\$30,000 in cash upon successful completion of the Due Diligence Period outlined in Section 5 and renewal of the Exploration Licences.

3. NSR Royalty

The transfer of the Asset by the Vendors is subject to the Vendors retaining a 2.0% NSR with respect to any potential production from within the two Exploration Licences outlined in Schedule A and having the following attributes:

- (a) the terms and conditions of the NSR shall be set forth in Schedule B hereto;
- (b) the NSR is payable to the following payees:
  - (i) Douglas Haynes Discovery Pty Ltd. as to 1/3;
  - (ii) Mareko Pty Ltd. ATF Gold Investment Trust as to 1/3; and
  - (iii) Robert Henrick Skrzeczynski as to 1/3;
- (c) the Purchaser shall have the right to repurchase one percent (1%) of the NSR on the Exploration Licences for A\$2,000,000 at any time; and
- (d) the Purchaser shall have the right of first refusal to purchase any royalty interest offered for sale by consideration paid in cash by the Vendors. Such right must be exercised by the Purchaser within 90 days after the Vendors have been provided

with a notarized copy of an arms length bona fide offer to purchase any royalty interest by consideration paid in cash from the Vendors.

4. Success Payments

The Purchaser agrees to pay the following success payments to the Vendors within 60 days upon the achievement of certain events:

- (a) A\$500,000 payable in cash or common shares of the Purchaser upon completion of a NI 43-101 compliant positive Scoping or Pre-Feasibility Study on the Project;
- (b) A\$2,000,000 payable in cash or common shares of the Purchaser upon completion of a positive Feasibility Study; and
- (c) A\$6,000,000 payable in cash upon a commercial decision to commence construction of a mine.
- (d) The common shares referenced in Sections 4(a) and 4(b) are payable at the option of the Purchaser in lieu of cash should the Purchaser be a publicly traded company, and shall be calculated at a deemed price of the greater of \$0.05 per common share or the 30 day weighted average closing price of the share.
- (e) The common shares to be issued under Sections 4(a) and 4(b) are subject to the acceptance of the regulatory authorities having jurisdiction.

5. Closing

Closing of the transactions contemplated hereby (the "Closing") is subject to the following conditions:

- (a) Following execution of this Agreement, the Purchaser has a 30 day due diligence period (the "DD Period") and has the right during such DD Period to abandon or terminate the Agreement at any time by notice in writing to the Vendors with no obligation to make any payments to the Vendors.
- (b) During the DD Period, the Vendors will provide to the Purchaser in a timely fashion, all such information about the Asset as may be reasonably requested by the Purchaser, including information about the underlying agreements and encumbrances impacting the Asset, access to the Minute Book and other corporate records of Romardo and financial information including audited financial statements.

Provided that if any of the conditions set out herein are not satisfied, this Agreement shall terminate and be of no further force and effect.

6. Completion

Closing of the purchase and sale of the Asset shall occur within 15 business days after successful completion of the DD Period. The Vendors shall deliver or cause to be delivered to the Purchaser, in the form designated by the Purchaser, the following:

- (a) a share certificate(s) representing all of the outstanding shares of Romardo issued with the name and address shown below in the Central Securities Register of the Subsidiary:

Inflection Resources Ltd.  
1100 – 595 Howe Street  
Vancouver, British Columbia, V6C 2T5  
Canada

- (b) evidence of title to the Exploration Licences held by Romardo;
- (c) the intellectual property that comprises the Exploration Targets;
- (d) representation, warranty and covenant that no liabilities or encumbrances of any kind exist in or related to the Exploration Licences, Romardo or the securities of Romardo at the Closing of this transaction;
- (e) all corporate and financial records of Romardo; and
- (f) the undated resignation letters of all directors and officers of Romardo.

Upon the delivery of the aforementioned by the Vendor and the successful renewal of the Exploration Licences, the Purchaser shall within 10 days pay the A\$30,000 cash purchase price outlined in Section 2 to have acquired 100% interest in the Asset.

7. Transfer of Data

Forthwith after the Closing of this Agreement, the Vendors shall deliver to the Purchaser copies of all maps, reports, sample results, and other data and documentation relating to the Asset in the possession of the Vendors relating to previous work on the interests comprising the Asset conducted by the Vendors or obtained from third parties.

8. Representations, Warranties and Covenants of the Vendors and Romardo

The Vendors and Romardo hereby represent and warrant that:

- (a) the Vendors hold a 100% interest in the outstanding common shares of Romardo and there are no other securities outstanding including stock options, share purchase warrants or other convertible securities;
- (b) Romardo is the legal and beneficial owner of the Exploration Licences, and no such rights are held by or on behalf of any other party; and there are no adverse claims

or challenges against or disputes over or to the ownership or recording of or title to the Licences or other interests comprising the Asset, nor to the best of the Vendors' or Romardo's knowledge is there any basis therefor;

- (c) there is no legal, administrative, or other proceeding, arbitration, claim or action of any nature or investigation pending or, to the best of the Vendors' or Romardo's knowledge after reasonable inquiry, threatened against or involving the Asset or which questions or challenges the validity of this Agreement or any action taken or to be taken by the Vendors or Romardo pursuant to this Agreement or any other agreement or instrument to be executed and delivered by the Vendors or Romardo in connection with the transactions contemplated hereby and the Vendors and Romardo do not know or have any reason to know of any valid basis for any such legal, administrative or other proceeding, arbitration, claim, action of any nature or investigation, and the Vendors and Romardo are not subject to any judgment, order or decree entered in any lawsuit or proceeding which has had or may be expected to have an adverse effect on the Asset;
- (d) the Vendors and Romardo have not received notice of the existence of any condemnation, expropriation or similar proceedings affecting Romardo or the Exploration Licences;
- (e) to the best of the Vendors' and Romardo's knowledge after reasonable inquiry, no Hazardous Substance has been placed, held, located, used or disposed of, on, under or at interests comprising the Asset by any person and to the best of the Vendors' and Romardo's knowledge after reasonable inquiry, no claim has ever been asserted and there are no present circumstances which could reasonably form the basis for the assertion of any claim against the Vendors or Romardo for losses of any kind as a direct or indirect result of the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from interests comprising the Asset of any Hazardous Substance;
- (f) there are no outstanding work orders or actions required or reasonably anticipated to be required to be taken in respect of the rehabilitation or restoration of interests comprising the Asset or relating to environmental matters in respect of the Asset or any operations thereon, nor have the Vendors or Romardo received notice of same;
- (g) to the best of the Vendors' and Romardo's knowledge after reasonable inquiry, all previous exploration on interests comprising the Asset has been carried out in accordance with applicable law in a sound and workmanlike manner and in compliance with sound geological and geophysical exploration and mining, engineering and metallurgical practices, and the Vendors and Romardo have not received notice of any breach, violation or default with respect to the Asset;
- (h) the Licences and other interests comprising the Asset (i) have been duly and validly made, recorded and filed by the Vendors or Romardo pursuant to all applicable laws and regulations; (ii) are accurately described in Schedule A hereto; and (iii)

are free and clear of any liens, charges, royalty interests and encumbrances of any nature or kind whatsoever (other than as disclosed herein);

- (i) the Vendors and Romardo have not done anything whereby the Licences or other interests comprising the Asset may in any way be or become encumbered hereafter other than as disclosed herein;
- (j) the Vendors and Romardo are not aware of any circumstance whatsoever that would prevent the Purchaser from receiving a 100% unencumbered right, title and interest in and to Romardo and the underlying Exploration Licences and the other interests comprising the Asset, as a result of the completion of the sale and purchase contemplated herein, subject only to such encumbrance as may be constituted by the Royalty and the Success Payments;
- (k) the Vendors and Romardo have made available to the Purchaser all material information in its possession or control relating to the Asset and the Vendors and Romardo shall continue to make available to the Purchaser all information in its possession or control relating to the Asset;
- (l) the Vendors and Romardo do not have any information or knowledge of any facts pertaining to the Asset or substances thereon or therefrom not disclosed in writing to the Purchaser, which if known to the Purchaser might reasonably be expected to deter the Purchaser from completing the transactions contemplated hereby;

9. Mutual Representations, Warranties and Covenants

Each party hereby represents and warrants to each other party that:

- (a) it is an individual or a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party;
- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents;
- (e) this Agreement constitutes a legal, valid and binding obligation of the party;
- (a) all shares, as and when issued in accordance with the terms of this Agreement, will be issued as fully paid and non-assessable;

- (b) to the best of its knowledge, information and belief there are no actions, suits, proceedings or governmental investigations or enquiries pending or threatened, and no judgements or awards made against it which might delay, prevent or hinder the completion of its Obligations under this agreement;
- (c) it has not gone into liquidation, made an assignment for the benefit of creditors, declared or been declared bankrupt or insolvent by a competent court or had a receiver appointed in respect of the whole or any part of its assets; and
- (d) it enters into and performs this agreement on its own account and not as trustee for or nominee of any person.

10. Indemnity and Survival of Representations

The representations and warranties set out herein shall survive the Closing and are conditions on which the parties have relied in entering into this Agreement and will survive any disposition of the Asset to any third party, and each of the parties will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.

11. General Terms and Conditions

- (a) This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date of this Agreement. A facsimile transcribed copy of this Agreement, signed by a Party in counterpart or otherwise, shall be deemed to be and to constitute a properly executed, delivered and binding document of the Party so signing, notwithstanding any variation in the dates of execution.
- (b) The parties hereby covenant and agree that they will execute such further agreements, conveyances and assurances as may be requisite, or which counsel for the parties may deem necessary to effectually carry out the intent of this Agreement.
- (c) This Agreement shall constitute the entire agreement between the parties with respect to the Purchaser, the Vendors, Romardo, the Exploration Licences and other interests comprising the Asset. No representations or inducements have been made save as herein set forth. No changes, alterations or modifications of this Agreement shall be binding upon either party until and unless a memorandum in writing to such effect shall have been signed by the parties hereto. This Agreement shall supersede all previous written, oral or implied understandings between the parties or between the Vendors and the Purchaser with respect to the matters covered hereby.
- (d) Time shall be of the essence of this Agreement.

- (e) The titles to the sections in this Agreement shall not be deemed to form part of this Agreement but shall be regarded as having been used for convenience of reference only.
- (f) Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be prohibited by or be invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- (g) The Schedules to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein. Defined terms contained in this Agreement shall have the same meanings where used in the Schedules.
- (h) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia.
- (i) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**IN WITNESS WHEREOF** the Parties hereto have duly executed this Agreement effective as of the 26<sup>th</sup> day of February, 2019.

**DOUGLAS HAYNES DISCOVERY PTY LTD.**

“Douglas Haynes”

Per: \_\_\_\_\_  
Douglas Haynes

**MAREKO PTY LTD. ATF GOLD  
INVESTMENT TRUST**

“Mark Dugmore”

Per: \_\_\_\_\_  
Mark Dugmore

**ROBERT HENRICK SKRZECZYNSKI**

“Robert Henrick Skrzeczynski”

Per: \_\_\_\_\_  
Authorized Signatory

**ROMARDO COPPER (NSW) PTY LIMITED**

“Mark Dugmore”

Per: \_\_\_\_\_  
Mark Dugmore

**INFLECTION RESOURCES LTD.**

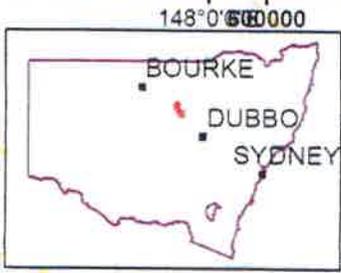
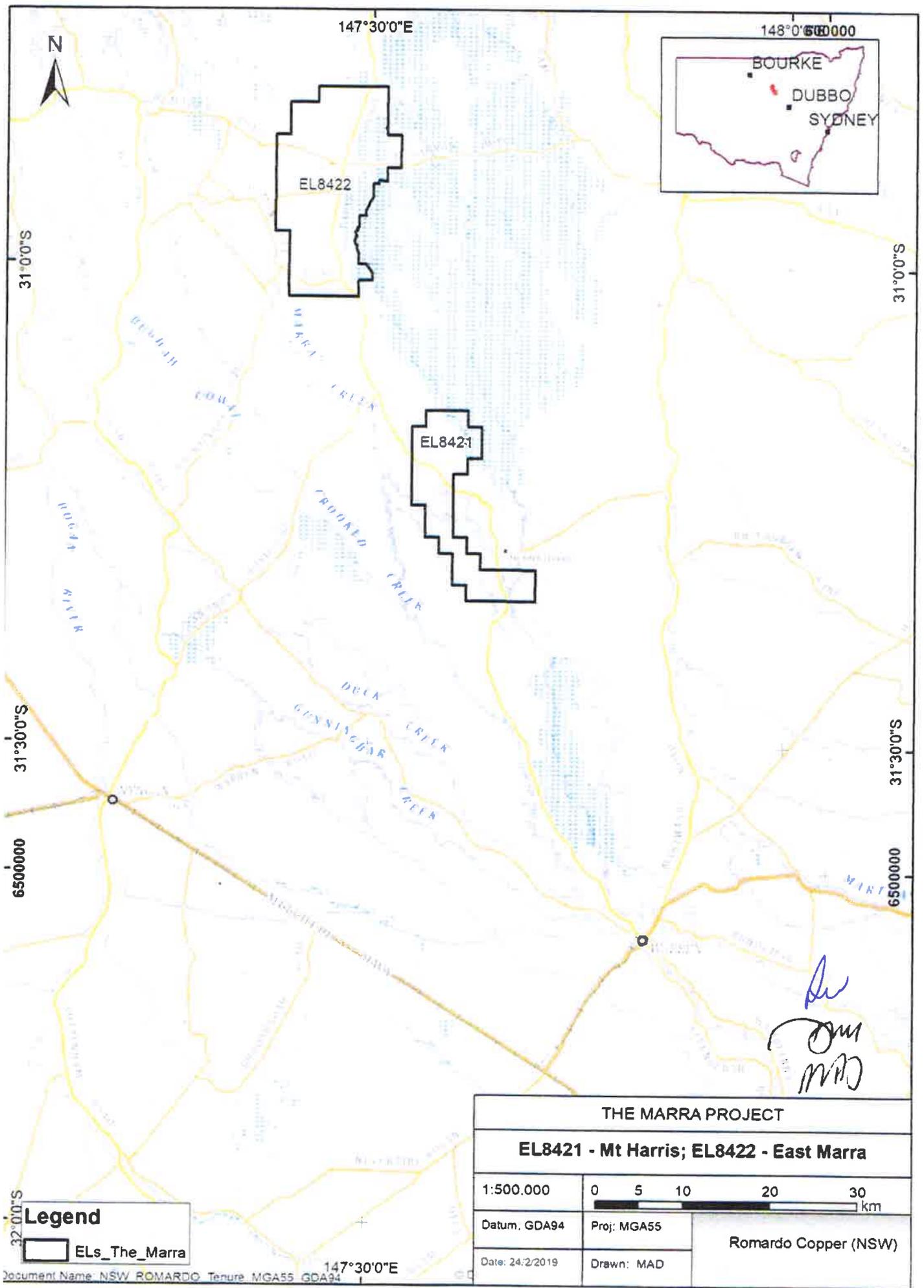
“Alistair Waddell”

Per: \_\_\_\_\_  
Alistair Waddell

## **SCHEDULE A**

To the Asset Purchase and Sale Agreement dated February 26, 2019 between Douglas Haynes Discovery Pty Ltd, Mareko Pty Ltd, ATF Gold Investment Trust, Robert Henrick Skrzeczynski, Romardo Copper (NSW) Pty Limited and Inflection Resources Ltd.

(Insert Map of Geographic Locations of Exploration Licences)



*Handwritten signature and initials: JMD*

<b>THE MARRA PROJECT</b>		
<b>EL8421 - Mt Harris; EL8422 - East Marra</b>		
1:500,000		
Datum: GDA94	Proj: MGA55	<b>Romardo Copper (NSW)</b>
Date: 24/2/2019	Drawn: MAD	

**Legend**

ELs\_The\_Marra

**SCHEDULE B**

To the Asset Purchase and Sale Agreement dated February 26, 2019 between Douglas Haynes Discovery Pty Ltd, Mareko Pty Ltd. ATF Gold Investment Trust, Robert Henrick Skrzeczynski, Romardo Copper (NSW) Pty Limited and Inflection Resources Ltd.

(Insert Minerals Royalty Deed)



HopgoodGanim

LAWYERS

# Minerals Royalty Deed

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Inflection Resources Ltd.

Douglas William Haynes, Robert Henrick Skrzeczynski and Mareko Pty Ltd ACN 098  
027 475 ATF Gold Investment Trust

Contact - Brian Moller, Partner, [b.moller@hopgoodganim.com.au](mailto:b.moller@hopgoodganim.com.au)

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## Date

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## Parties

Inflection Resources Ltd. (**Payer**)

Douglas William Haynes, Robert Henrick Skrzeczynski and Mareko Pty Ltd ATF Gold Investment Trust (together the **Payees**)

## Background

- A. Douglas Haynes Discovery Pty Ltd ACN 094 652 516 (**DHD**), Mareko Pty Ltd ACN 098 027 475 ATF Gold Investment Trust and Robert Henrick Skrzeczynski (**Vendors**) and the Payer are parties to the Asset Purchase and Sale Agreement entered into on or about 26 February 2019 (**Purchase Agreement**), pursuant to which the Vendors agreed to sell to the Payer, and the Payer agreed to purchase from the Vendors, the outstanding share capital of Romardo Copper (NSW) Pty Ltd (**Company**).
- B. The Company is the holder of the Tenements.
- C. The sale of the Company was subject to, amongst other things, the Vendors retaining a 2% Royalty on all Minerals extracted from the Tenements and recovered from the smelter as set out in Clause 3 of the Purchase Agreement.
- D. The Payer and Payees are parties to the Transfer Agreement which will be entered into contemporaneously with this deed. Under the Transfer Agreement, Douglas William Haynes will replace DHD as if Douglas William Haynes had originally been a party to the Purchase Agreement in place of DHD.
- E. The Payer has agreed to pay the Payees a Royalty on all Minerals extracted from the Tenements and recovered from the smelter.
- F. The parties have agreed to enter into this deed to record the terms of the Royalty and the basis on which it is to be paid to the Payees.

## It is agreed

In consideration of, among other things, the mutual promises contained in this deed:

### 1. Definitions and interpretation

---

#### 1.1 Definitions

Unless the context otherwise requires, the following expressions have the respective meanings in this deed (including the Recitals):

**Accounting Standards** means the accounting standards required to be complied with under the Corporations Act and any other relevant accounting standards approved by the Australian Accounting Standards Board and generally accepted accounting principles applied from time to time in Australia.



**ADI** has the meaning given in section 5 of the *Banking Act 1959* (Cth).

**Adjustment** means any adjustment that may be made by the Payer to the Royalty Records and a Statement:

- (a) which arise from a subsequent adjustment to the amount paid to a Payer based on the actual Products recovered after refining;
- (b) to correct any accounting or recording errors from previous Quarters;
- (c) which are otherwise made in accordance with this deed; or
- (d) which are agreed by the parties.

**Allowable Deductions** means all costs actually paid or incurred by the Payer, in Australian dollars, or in the Australian Dollar Equivalent, in relation to the sale of Products extracted and recovered from the Mining Area after mining and milling or other initial processing within or adjacent to the Tenements, and includes:

- (a) all costs of smelting and refining and retorting the Ores and Minerals, including metal losses and Penalties for impurities and all umpire charges and other processor deductions;
- (b) all road, sea and rail freight, transportation, security and incidental costs and expenses, including forwarding, shipping, demurrage, delay and insurance costs, incurred between the outer boundary of, or adjacent to, the Tenements and the point of delivery of the Products into a Refinery, including the cost of transport to and between any Refinery or other places of treatment;
- (c) all handling and incidental costs and expenses including agency, banking, assaying, sampling, weighing, loading, unloading, stockpiling and storage;
- (d) actual sales costs, and reasonable marketing, representation, agency and brokerage costs of the Products subject to the Royalty;
- (e) Carried Forward Deductions;
- (f) all taxes (excluding taxes based on the income of the Payer), royalties, duties, levies and charges lawfully imposed by an Authority, including carbon emission licence fees, charges, fuel excise (net of any fuel tax credits), carbon trading taxes and imposts, value added taxes or energy consumption taxes, in any way connected with the transportation or sale of the Products from the Mining Area, including GST (but not if subject to an input tax credit, which is actually claimed and received); and
- (g) any other incidental charge or expense incurred between the outer boundary of, or adjacent to, the Mining Area up to the point of delivery of the Products into a Refinery, including on-site transport and storage;

but does not include:

- (h) any exploration, development, construction, mining, crushing, treatment or concentrating costs incurred by the Payer within or adjacent to the Tenements; and
- (i) where Products are loaded, treated, milled, processed, transported or unloaded outside the Tenements in a Refinery wholly or partially owned by the Payer or a shareholder, Related Body Corporate or Related Entity of the Payer, any costs and expenses that are in excess of those which would be paid or incurred by the Payer on



Arm's Length Terms, or which would not be Allowable Deductions if those Products were processed by a Third Party.

**Arm's Length Terms** means, for the purposes of calculating the Royalty, prices and terms no less favourable to the Payer than those which would be paid and agreed to by a Third Party in an arm's length transaction under similar circumstances.

**Assumption Deed** means a deed in such form as may be reasonably required by the party for whose benefit the deed is to be made (acting in a timely and prompt manner) whereby the assignee (or, if applicable other recipient of an interest in the Tenements or any rights in relation to Products extracted and recovered from the Mining Area) agrees to assume, be bound by and perform the obligations in this deed of the party from which it acquires its interest and rights.

**Australian Dollar Equivalent** means, where a sum to which this deed relates is not stated in Australian dollars, the amount determined by converting the amount in foreign currency into Australian dollars at the Exchange Rate existing when the relevant revenue was earned or receivable, or the relevant expenditure was incurred, by the Payer.

**Authority** is any government department, local government council, government or statutory authority or any other person under a Law which has a right to impose a requirement or whose consent is required with respect to any matter or thing arising under, or affected by, this deed.

**Average Spot Price for a Quarter** means the arithmetic average of the price of a Product, on each Business Day of the Quarter, where such price is arrived at using the Reference Price for the Product.

**Bank Cheque** means a cheque drawn by an ADI on itself.

**Business Day** means a day on which trading banks are open for business in the capital city of the Nominated State.

**Carried Forward Deduction** means the amount of Allowable Deduction that exceeds the Gross Revenue in a Quarter, which may then be carried forward and deducted from Gross Revenue in subsequent Quarters.

**Commencement Date** means the later of the Execution Date and the date on which the extraction and recovery of any Product commences from the Mining Area.

**Concentrate** means Ore in which particular Minerals are the principal components having commercial value.

**Confidential Information** means all confidential, non-public or proprietary information of a party regardless of how the information is stored or delivered, which is exchanged between the parties before, on or after the Execution Date in connection with this deed, and expressly include the terms of this deed, other than information:

- (a) which is in or becomes part of the public domain other than through breach of this deed or an obligation of confidence owed to the disclosing party; or
- (b) which the recipient can prove by contemporaneous written documentation was already known by it at the time of disclosure to it (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality).

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



**Dispute** means a dispute or difference between 2 or more of the parties in relation to the rights or obligations of the parties under, or in relation to, this deed, including the calculation and payment of the Royalty.

**Dispute Notice** means a written notice given by one party to all of the other parties that a Dispute has arisen, which requires resolution in accordance with this deed.

**Encumbrance** means any:

- (a) Security Interest or other form of security for the payment of money or performance of Obligations, including a mortgage, charge, lien, pledge, trust, power or title retention arrangement;
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off;
- (c) right that a person (other than the owner) has to remove something from land (including a profit à prendre), easement, public right of way, restrictive or positive covenant, lease or licence to use or occupy; or
- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

including an agreement to create any of them or allow any of them to exist.

**Encumbrancee** means a person who is entitled to the benefit of an Encumbrance over the Tenements, the Royalty or over a party's rights under this deed.

**Exchange Rate** means, in respect of any foreign currency:

- (a) the average of the buy and sell rates for the foreign currency in Australian dollars, as quoted in The Australian Financial Review; or
- (b) if those rates are not quoted, then the average of the buy and sell rates for the foreign currency as quoted by any two major Australian trading banks selected by the Payer in good faith and on a consistent basis,

on the day on which the Exchange Rate is to be determined (or, if the Exchange Rate is to be determined on a day that is not a Business Day, then on the immediately preceding Business Day).

**Execution Date** means the date of this deed.

**Expert** means a person to be selected under clause 14, who must be a suitably qualified person who has no direct or indirect personal interest in the outcome of the decision he or she is required to make.

**Gross Revenue** means the gross proceeds actually received by the Payer or applied to its benefit, in Australian dollars, or in Australian Dollar Equivalent, from the sale or other disposal of Products including to the owner or operator of a Refinery, or in relation to the Products, including the proceeds received from an insurer in the case of loss of, or damage to, the Products (net of any excess paid in respect of that loss), less any applicable Penalties, refunds, claims or discounts.

**GST** has the same meaning as in the GST Law.



**GST Law** has the meaning given to that term in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) and any other Act or regulation relating to the imposition or administration of GST.

**Immediately Available Funds** means:

- (a) cash;
- (b) Bank Cheque; or
- (c) electronic transfers of cleared funds.

**Law** is Commonwealth and State legislation including regulations, by laws, and other subordinate legislation and guidelines, and common law and equity, which applies to any matter or thing arising under, or affected by, this deed.

**Minerals** means any and all minerals, as defined by or prescribed for the purposes of the Mining Act, in, under or upon the surface or sub-surface of the Tenements.

**Mining Act** means the mining legislation described in Schedule 1.

**Mining Area** means the area of land from time to time the subject of the Tenements.

**Net Smelter Return** means, for a Quarter, Gross Revenue and Adjustments (whether plus or minus) minus Allowable Deductions for that Quarter.

**Nominated State** is the State or Territory of Australia described in Schedule 1.

**Obligation** means any commitment, covenant, duty, obligation or undertaking whether arising by operation of law, in equity or by statute and whether express or implied.

**Ore** means any Mineral or mixture of Minerals of intrinsic economic interest located in or on the Earth's crust at a concentration above background level.

**Penalty** means a charge made by a Refinery, in addition to normal refining costs, for removing from the Product Minerals or other substances where the cost of the removal exceeds the value of those Minerals or other substances.

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

**Product** means a Mineral or metallic product extracted and recovered from Ore extracted from the Tenements which is capable of being sold or otherwise disposed of.

**Quarter** means a period of 3 consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year, other than the first Quarter which commences on the Commencement Date and expires on the date immediately preceding the next to occur of 1 January, 1 April, 1 July or 1 October.

**Reference Price, for a Business Day,** means:

- (a) in respect of gold, the price quoted in the Australian Financial Review newspaper as being the "Gold Perth Mint" price for that Business Day;
- (b) in respect of silver, the price quoted in the Australian Financial Review newspaper as being the "Silver Perth Mint" price for that Business Day;



- (c) in respect of copper, the price quoted in the Australian Financial Review newspaper as being the "London Copper (LME)" last sale price for that Business Day; and
- (d) for each Product not specified in paragraph (a), (b) or (c), the price quoted for that Product for that Business Day by a reference source:
  - (1) agreed between the Payer and the Payees; or
  - (2) failing agreement between the Payer and the Payees, determined by the Expert at the request of any party, as representing an industry standard source in Australia for establishing the spot price of such Product

provided that, if any source specified in paragraphs (a), (b) (c) or (d) ceases at any time to publish a Reference Price for the relevant Product:

- (e) the Payer and the Payees must endeavour to agree a replacement source; and
- (f) if the Payer and the Payees are unable to agree a replacement source, a replacement source may be determined by the Expert at the request of either party, as representing an industry standard source in Australia for establishing the spot price of such Product and the price as published by that replacement source for that Business Day will be the Reference Price for the relevant Product for that Business Day.

**Related Body Corporate** has the same meaning that the term "related body corporate" in the Corporations Act.

**Related Entity** has the same meaning as "related entity" in the Corporations Act.

**Refinery** means a smelter, refinery or other processing facility.

**Representative** of a party includes an employee, agent, officer, director, auditor, advisor, partner, consultant, joint venturer or sub-contractor of that party.

**Royalty** means the royalty payable by the Payer to the Payees under this deed calculated by multiplying the Royalty Percentage by the Net Smelter Return.

**Royalty Percentage** means the royalty percentage as set out in Schedule 1.

**Royalty Records** means the books, accounts and records maintained by or on behalf of the Payer showing reasonable detail in relation to:

- (a) the quantity of Products produced in each Quarter;
- (b) the calculation of each component of the Royalty for each Quarter;
- (c) the payment of the Royalty in each Quarter; and
- (d) where there is any commingling of Products in a Quarter with materials from areas extracted outside the Mining Area, the measures, moistures and assays of the Minerals and substances in the Products extracted and recovered from the Mining Area prior to the commingling, including those substances which attract a Penalty.

**Security Interest** means:

- (a) an interest in or right:



- (1) reserved over property (including any retention of title to property or any right to set off or withhold payment of any deposit or other money);
  - (2) created or otherwise arising over property under a mortgage, charge, bill of sale (as defined in any relevant statute), lien, pledge, trust or right; or
  - (3) by way of security for the payment of a debt or other monetary Obligation or the performance of or compliance with any other Obligation;
- (b) any instrument or transaction which reserves, constitutes or evidences the interests and rights referred to in paragraph (a); and
- (c) any other interest which constitutes a security interest as that term is defined in the PPS Act.

**Statement** means, for a Quarter, a statement setting out in reasonable detail:

- (a) the quantities and grades of Products recovered and sold during the Quarter;
- (b) the individual elements which make up the royalty calculation, being the Gross Revenue, Adjustments, Allowable Deductions, and Carried Forward Deductions (if any) for the Quarter;
- (c) the Royalty payable for that Quarter; and
- (d) any other material information which is relevant in explaining the calculation of the Royalty payment.

**Statutory Tenement Expenditure** means the minimum expenditure which the holder of a Tenement is required by the Mining Act to incur in respect of that Tenement in any given Tenement year.

**Tailings** includes tailings, residues, waste rock, spoiled leach materials and other materials resulting from mining operations and activities conducted on or adjacent to the Mining Area, whether such operations and activities took place before or after the Commencement Date.

**Tenement** means the mineral titles listed in Schedule 2, and includes any application for a mineral title, and any extension, renewal, variation, conversion, amalgamation, replacement or substitution of a mineral title, which is granted in respect of the whole or part of the area of a mineral title on the application of a Payer or on the authority of a Payer.

**Third Party** means a person not a party, or the Related Body Corporate or Related Entity of a party, to this deed.

**Trading Arrangements** means forward sale and/or purchase contracts, spot deferred contracts, futures trading, and commodity option contracts and/or other price hedging and price protection arrangements and mechanisms and speculative purchases and sales of forward, futures and option contracts, both on and off commodity exchanges and does not include physical sales of Products with delivery.

## 1.2 Interpretation

In this deed, unless the context otherwise requires:

- (a) the singular includes the plural and vice-versa;
- (b) headings do not affect the interpretation of this deed;



- (c) a reference to a party means a party to this deed as listed on page 1 of this deed and includes that party's executors, administrators, substitutes, successors and permitted assigns;
- (d) references to a part, clause, schedule, exhibit and annexure refers to a part, clause, schedule, exhibit or annexure of, in or to this deed;
- (e) a reference to this deed includes all schedules, exhibits and annexures to this deed;
- (f) a reference to an agreement, deed, instrument or other document includes the same as amended, novated, supplemented, varied or replaced from time to time;
- (g) a reference to a court is to an Australian court;
- (h) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued under, that legislation or legislative provision;
- (i) a reference to a day, month or year is relevantly to a calendar day, calendar month or calendar year;
- (j) a reference to \$, AUD or dollars is to the lawful currency of the Commonwealth of Australia;
- (k) the expressions "including", "includes" and "include" have the meaning as if followed by "without limitation"; and
- (l) no rule of construction is to apply to the disadvantage of a party on the basis that that party drafted the whole or any part of this deed.

## 1.3 Accounting matters

Unless otherwise agreed by the parties, all accounting matters are to be determined in accordance with sound accounting practices customary in the mining industry which are generally accepted and consistently applied in Australia.

## 2. Respective Payees' interests and obligations

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### 2.1 Payees' Interests

The Payees are entitled to any Royalty payable in accordance with clause 3 or any amount payable in accordance with clause 10 to the Payees in the following proportions:

- (a) 1/3 of the amount due and owing, to Douglas William Haynes; and
- (b) 1/3 of the amount due and owing, to Mareko Pty Ltd ATF Gold Investment Trust; and
- (c) 1/3 of the amount due and owing, to Robert Henrick Skrzeczynski.

### 2.2 Payees' Obligations

The Payees are liable in respect of any obligations owed by the Payees under this deed in the following proportions:

- (a) 1/3 of the liability, by Douglas William Haynes; and

- (b) 1/3 of the liability, by Mareko Pty Ltd ATF Gold Investment Trust; and
- (c) 1/3 of the liability, by Robert Henrick Skrzeczynski.

### **3. Royalty**

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#### **3.1 Royalty obligation**

- (a) As from the Commencement Date, for each Quarter in which any Product is produced and sold, removed or otherwise disposed of, the Payer agrees to pay to the Payees the Royalty calculated in accordance with this deed.
- (b) The obligation to pay the Royalty accrues upon the receipt by a Payer of revenue received from the sale or other disposal of Products, or as otherwise set out in this deed.

#### **3.2 Calculation and payment of Royalty**

Within 30 days after the end of each Quarter, each Payer, must:

- (a) calculate the Royalty payable for that Quarter, if any;
- (b) give to the Payees a Statement in respect of that Quarter, even if there is no Royalty payable in respect of that Quarter; and
- (c) if the Royalty is payable, pay to the Payees the Royalty due by it for that Quarter, in Immediately Available Funds without demand, reduction or set-off (except any deduction or withholding required by law):
  - (1) by direct deposit to the bank account nominated by the Payees, which the Payees may, by notice to the Payer, change from time to time; or
  - (2) if no bank account is nominated, by bank cheque payable to the Payees.

#### **3.3 Adjustment of Royalty**

- (a) The parties recognize that a period of time exists between the extraction and recovery of Ore, the production of Concentrates from Ore, the production of Products from Concentrates, and the receipt by a Payer of the Products or the revenue from the sale or other disposal of the Products.
- (b) Accordingly, the payment of Royalty in a Quarter may not coincide exactly with the actual amount of Products produced during the Quarter. The Payers may make Adjustments to the Royalty Records and the Statement following determination of an Adjustment, and must provide a final Statement of the Royalty due for a Quarter within 30 days of determination of the final Adjustment.

#### **3.4 Deduction from Royalty and other payments**

- (a) If a party making a payment to another party under this deed is legally required to deduct any tax, duty, levy, impost, deduction, charge or withholding from that payment, the deduction is for the account of the party receiving the payment.
- (b) The Payer must make any payment due to the Payees under this deed in Australian dollars and without deduction of any commission or expense relating to any necessary foreign currency conversion or any other related bank charge.



- (c) If a Payer is required by law to deduct any tax, duty, impost, charge or withholding from a payment of Royalty (**Tax Deduction**), the Payer must:
- (1) promptly, upon becoming aware that it is required to make the Tax Deduction, or if there is any change in the rate or the basis of the Tax Deduction, notify the Payees of the amount, date and proposed recipient of the required Tax Deduction;
  - (2) make the Tax Deduction and pay the minimum amount required by law to the relevant Authority within the time allowed; and
  - (3) within 30 days of making either the Tax Deduction or any payment required in connection with that Tax Deduction, deliver to the Payees evidence satisfactory to the Payees, acting reasonably, that the Tax Deduction has been made and paid as required.

### 3.5 Interest and costs

- (a) Without limiting the rights of the Payees in relation to any breach of this deed by a Payer, if a Payer fails to pay the Royalty due under this deed on or before the due date for payment, then the Payer must also pay to the Payees immediately on demand:
- (1) interest on the amount due from due date up to and including the date upon which the moneys are paid, calculated on a daily basis and compounded with monthly rests; and
  - (2) all costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by the Payees which are attributable to the Payer's failure to pay by due date.
- (b) The rate of interest is the Reserve Bank Cash Rate plus 8 percent calculated on a daily basis and compounded with monthly rests, or such other similar rate of interest as the parties may agree.

### 3.6 Finality of Statement

A Statement for a Quarter and payment of the Royalty in accordance with that Statement is final and in full satisfaction of all obligations of the Payer with respect to and payment of the Royalty for that Quarter unless:

- (a) the Payees does not agree with the Statement, in which case the Payees may, within 12 months of receiving the Statement or the report of an auditor appointed in accordance with this deed (whichever is the later), give the Payer a Dispute Notice in which case the dispute resolution procedures in this deed apply; or
- (b) there has been any fraud, deliberate miscalculation, or reckless calculation of the Royalty by the Payer.

### 3.7 Royalty a continuing obligation

Unless otherwise provided for in this deed, the obligation to pay the Royalty continues, with respect to each Tenement, for the full term of the Tenement, including any successor Tenement and throughout the period that any Product can lawfully be extracted and recovered, unless this deed is previously determined in accordance with its terms.



## 3.8 Cessation of Royalty

The obligation of the Payer to pay the Royalty to the Payees ceases when the total weight of Product produced from the Tenements after the Execution Date exceeds the amount (if any) in the Royalty Cap at Schedule 1.

## 3.9 No interest in Tenements

Without derogating from their entitlement to the Royalty under this deed and except as may be required in support of any caveat lodged pursuant to clause 8, the Payees have no legal or equitable interest in the Tenements or in the Mining Area.

## 3.10 Perpetuity period

If the vesting of any interest under this deed would, but for this clause, be void under the rule against perpetuities at common law or under any statute imposing perpetuity periods, then that interest terminates one day before the end of the maximum time from the Execution Date permitted by the law of the Nominated State for that interest to be valid.

## 3.11 Further assurance

If a Payer extends, renews, converts or substitutes any Tenement described in Schedule 2 for a new Tenement, the Payees may require the Payer to execute an Assumption Deed and any other document that the Payees reasonably consider necessary to confirm that this deed applies to the new Tenement.

## 4. Mining operations

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### 4.1 Maintenance of Tenements in good standing

The Payer acknowledges and agrees that the Payer is responsible, at the Payer's cost, for keeping the Tenements valid and in full force and effect under the Mining Act for the duration of this deed, including:

- (a) observing the provisions of the Mining Act and all other legislation affecting the Tenements and mining operations and activities conducted by the Payer on or about the Mining Area, including lodging in good time all required reports and;
- (b) paying annual claim fees;
- (c) paying all fees, rates, royalties, taxes and rental payments due in respect of all of the Tenements;
- (d) ensuring all Statutory Tenement Expenditure conditions are met or exemptions obtained; and
- (e) making all necessary applications and paying any relevant fees for renewals or extensions of the Tenements.

### 4.2 Payer to determine Tenement operations

The Payees acknowledges and agrees that each Payer:

- (a) owes the Payees no duty to explore, develop or mine any of the Tenements, or to do so at any rate or in any manner other than that which the Payer may determine in its sole and unfettered discretion;



- (b) has complete discretion concerning the nature, timing and extent of all exploration, development, mining, treating, milling and other operations conducted on the Tenements and may suspend operations and production on the Tenements at any time it wishes to do so;
- (c) may, but is not obliged to, treat, mill, sort, concentrate, refine, or otherwise process, beneficiate or upgrade Ores, Concentrates, and Products extracted from the Tenements; and
- (d) is not liable for any Mineral of commercial value lost in processing Ores, Concentrates, and Products extracted from the Tenements under sound mining practices and procedures, and no Royalty is due on any such lost value.

#### 4.3 Commingling

- (a) A Payer may commingle Products extracted from the Tenements prior to being dispatched with other Ores, Concentrates or products produced elsewhere in accordance with customary good mining and metallurgical practice in Australia applied reasonably.
- (b) Each Payer must establish, and record in the Royalty Records, the methods and practices adopted by the Payer necessary to weigh, sample, assay and perform other measuring or testing necessary to fairly allocate to each party the valuable minerals and metals contained in the Products extracted and recovered from the Tenements prior to being dispatched from the Mining Area.

#### 4.4 Tailings

If any Tailings held under or pursuant to, or derived from Ore mined from within, any Tenement are processed or reprocessed in the future and result in Products, those Products are subject to payment of the Royalty. The Payer must not deposit or store any Tailings on any land that is not the subject of a Tenement without the Payees' prior written consent.

#### 4.5 Samples

The Payer may, without being liable to pay Royalty under this deed, mine, remove and supply small amounts of Minerals reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the Mineral potential of the Tenements.

### 5. Trading Arrangements

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#### 5.1 Acknowledgement by the parties

Each party acknowledges that:

- (a) the Payer may engage in Trading Arrangements which may involve the delivery, or possible delivery, of any Products whether from the Mining Area or otherwise; and
- (b) the sale of any Product pursuant to any Trading Arrangements will be deemed not to be on Arm's Length Terms for the purposes of determining Gross Revenue; and
- (c) apart from clause 5.1(b) above and except as otherwise provided in this deed, a Payer has no obligation to account to the Payees for, and the Payees have no interest or right to participate in, any profits or incur any losses of Trading Arrangements engaged in by a Payer.



## 5.2 Sales to Related Parties

If, in any Quarter, the Payer sells, assigns or otherwise disposes of Products derived from the Tenements to a Related Body Corporate, or a Related Entity of the Payer, or a company in which the Payer has a beneficial interest on terms that are not Arm's Length Terms, the Payer is deemed to have received revenue equivalent to the Average Spot Price multiplied by the quantity of the Products so sold or assigned by the Payer during that Quarter and such deemed revenue must be included in the calculation of the Royalty payable for the relevant Quarter.

## 5.3 Royalty on material not sold

If a Payer produces and disposes of material from the Mining Area or Products derived from that material which are not sold or for which revenue is not derived, the Payer is deemed to have received revenue equivalent to the Average Spot Price multiplied by the quantity of the Products so sold or assigned by the Payer during that Quarter and such deemed revenue must be included in the calculation of the Royalty payable for the relevant Quarter.

## 5.4 Waiver and acknowledgement

- (a) The Payees waives any claim for additional Royalty arising from the Payer realising more proceeds of sale of Products from its Trading Arrangements than is properly utilised in the Royalty calculation.
- (b) The Payer acknowledges that the Payees are not obligated to share in any losses generated by any of the Payer's Trading Arrangements with respect to any Products and any such losses must not be reflected in the Royalty calculation.

## 6. Information and audit

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### 6.1 Royalty Records

Each Payer must keep, or cause to be kept, true and accurate Royalty Records in accordance with the Accounting Standards and generally accepted Australian mining industry practice.

### 6.2 Inspection and audit of Royalty Records

- (a) The Payees may, upon reasonable notice to a Payer and at reasonable times and at its own cost, within 60 days of receiving a Statement in respect of a Quarter, appoint an independent, registered company auditor under the Corporations Act (**Auditor**) to inspect, audit and report on the Royalty Records of a Payer to the Payees in respect of that Quarter.
- (b) Each Payer must give the Auditor appointed by the Payees full and free access to the Royalty Records of the Payer at its offices, or elsewhere as agreed, in respect of the payment of the Royalty for that Quarter.

### 6.3 Access, inspection and technical audit

- (a) The Payees may, upon reasonable notice to the Payer and at reasonable times but not more frequently than once in every 6 months and at its own cost and risk, inspect any operations carried on within and adjacent to the Mining Area, provided that the Payees must ensure that they do not unduly interfere with the operations or with the general conduct by a Payer of its business and complies with the reasonable requirements of the Payer and their safety officers.



- (b) This clause also applies to the Payer's operations outside of the Mining Area where the Payer is commingling Products extracted from the Tenements prior to being dispatched from the Mining Area with other Ores, Concentrates, Mineral products, metals and Minerals produced elsewhere. In that event, the Payees may, at reasonable times and at its own cost and risk and not more than once in every 6 months upon reasonable notice to the Payer, by itself or by a qualified and recognised mining engineer appointed by it, inspect and conduct a technical audit on the methods and practices used by the Payer in weighing, sampling, assaying or other measuring or testing extracted from the Tenements and elsewhere, and in doing so must comply with the reasonable requirements of the Payer and their safety officers.
- (c) The Payer must provide, at the Payees' cost, all reasonable access to the Payees and to the mining engineer appointed by the Payees sufficient and necessary to reasonably carry out such technical audit.
- (d) The Payees must ensure that any audit undertaken by, or on behalf of, the Payees is conducted and concluded promptly and diligently.

## 6.4 Consequences of financial audit

- (a) If the Payees notify a Payer of any underpayment or overpayment of the Royalty which the Payees or the Auditor, in their reasonable opinion, considers exists, or the audit determines that any Royalty paid has been calculated in error, the Payer must, on being provided with a copy of the report of the Payees or the Auditor, make an Adjustment of the Royalty due for the next Quarter accordingly, unless the Payer gives a Dispute Notice under this deed in relation to the relevant Statement within 3 months of receiving the report.
- (b) If the Royalty properly payable under clause 6.4(a) is either:
  - (1) agreed between the Payer and the Payees; or
  - (2) determined by the Expert appointed under clause 14.2 to resolve the Dispute,

to be more than 5% more than the Royalty set out in the original Statement provided by the Payer, the Payer must refund to the Payees forthwith the costs of the audit.

## 6.5 Consequences of technical audit

- (a) The Payees may give the Payer a copy of any technical report arising from a technical audit conducted under this clause which raises, as a matter of concern, any matter concerning the weighing, sampling, assaying or any other measuring or testing practice which is not consistent with good mining and metallurgical practice in Australia applied reasonably.
- (b) If the Payer does not accept that there is a matter of mining and metallurgical practice which it is prepared to, and does, correct, either party may give a Dispute Notice under this deed in relation to that matter within 3 months of receiving the technical report.

## 7. Relinquished Tenements

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### 7.1 Notice of relinquishment of Tenements

The Payer must give the Payees at least 30 days prior notice of its intention for any reason (including being compelled or required by Law) to relinquish, surrender or not renew or extend the whole or any part of a Tenement (**Relinquished Tenement**).



## 7.2 Payees right of conveyance of Relinquished Tenement

- (a) Within 21 days of receiving a notice of intention to relinquish, surrender or not renew or extend the Relinquished Tenement, the Payees may, if the Relinquished Tenement is capable of being conveyed to the Payees, give notice to the Payer requiring it to convey the Relinquished Tenement to the Payees, free of Encumbrances for a consideration of \$1.00, and the Payer must do so forthwith, together with all material information and data which the Payer has within its possession or control relating to the Relinquished Tenement.
- (b) Upon the Payer conveying the Relinquished Tenement to the Payees under this clause, then from the date of conveyance the Payer has no further obligation to pay the Royalty to the Payees under this deed in relation to that Relinquished Tenement.

## 7.3 Surrender of Relinquished Tenement

If the Payees do not exercise their right to acquire the Relinquished Tenement, then the Payer may proceed to relinquish, surrender or not renew or extend the Relinquished Tenement and, subject to the rights arising on Revival (as defined below), this deed no longer applies to the Relinquished Tenement.

## 7.4 Compulsory surrender of Relinquished Tenement

Subject to giving prior notice under clause 7.1, if the Payer is required by law to relinquish or surrender part of a Tenement and that part of the Tenement is not capable of being conveyed to the Payees, then the Payer may relinquish or surrender that part of the Tenement and upon relinquishment or surrender, but subject to the rights arising on Revival (as defined below), this deed no longer applies to the part of the Tenement relinquished or surrendered.

## 7.5 Total abandonment or surrender of Tenements

Subject to the rights arising on Revival, if the Payer relinquishes, surrenders or conveys to the Payees all of the Tenements, then this deed terminates on the latest of the date of the relinquishment, expiry or surrender of the last of the Tenements or the date of the last conveyance to the Payees.

## 7.6 Revival of obligations under a Relinquished Tenement

If any part of the area of any Relinquished Tenement is granted to or acquired by a Payer or a Related Entity or Related Body Corporate of a Payer within 3 years of its relinquishment or surrender (**Revival**), then upon such Revival the area of the Relinquished Tenement again becomes subject to this deed and the obligation to pay the Royalty by the Payer as part of the Mining Area.

## 8. Caveat and registration of interest in Royalty

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### 8.1 Registration

As soon as practicable after the Execution Date, if the Law of the relevant Nominated State so permits or the practice allows, the Payer must do all things reasonably necessary to register, or procure the registration of, this deed and the Payees' Royalty interest, as granted pursuant to this deed, on the Tenement register.



## 8.2 Assistance

The Payees must give to the Payer all assistance that the Payer may reasonably require in carrying out the Payer's obligations to register this deed (if any). The Payer must pay all costs associated with such registration.

## 8.3 Lodgement and withdrawal of caveat

- (a) The Payer acknowledges that the Payees may lodge a caveat under the Mining Act to protect their respective interests under this deed, if the Law of the relevant Nominated State so permits or the practice allows, and hereby consents to any such lodgement.
- (b) The Payer covenants that it will not take any steps to seek the removal of any caveat lodged by the Payees.
- (c) The Payees must promptly either file a notice of continuation of caveat having the effect of allowing the dealing to proceed or withdraw its caveat:
  - (1) upon an assignee or Encumbrancee executing an Assumption Deed; or
  - (2) at the request of a Payer where the transfer or assignment is between the Payees and the Payer; or
  - (3) where the dealing or the result of it would not adversely affect the Payees' interests under this deed.
- (d) In the case of an Encumbrancee, the Assumption Deed must include assurances to the satisfaction of the Payees (acting reasonably) that the rights of the Payees to the Royalty take priority over the interests of the Encumbrancee and the Encumbrancee can only exercise any power of sale subject to those rights.
- (e) In the Assumption Deed, the assignee or Encumbrancee must agree to provide its written consent to, and do all other acts reasonably requested by the Payees, to facilitate the lodgement of a subsequent caveat by the Payees.
- (f) The Payees may re-lodge their caveat or lodge another caveat immediately after the transfer or Encumbrance is registered and the Payer must, and must procure that the assignee or Encumbrancee must, provide their prior written consent to, and do all other acts reasonably requested by the Payees, to facilitate the lodgement of a subsequent caveat by the Payees.

## 9. Right of first refusal

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### 9.1 No Transfer

If an existing Payee (**Existing Payee**) wishes to sell all, part of, or any of its interest in the Royalty, the Existing Payee must not grant any rights to a Third Party or other Payee to purchase the Royalty unless it complies with this clause.

### 9.2 Existing Payee's Third Party Notice

No less than 30 Business Days before the grant of any rights to a Third Party or other Payee to purchase the Royalty, the Existing Payee must give written notice to the Payer setting out the terms on which it intends to enter into an arrangement with the Third Party or other Payee for the sale of the Royalty (**Third Party Notice**).



## 9.3 Payer's offer

- (a) Within 14 Business Days of receipt of the Third Party Notice, the Payer may, by written notice to the Existing Payee, offer to purchase the Royalty from the Existing Payee on terms no less favourable to the Payer than those contained in the Third Party Notice.
- (b) If the Payer makes an offer under clause 9.3(a), the offer is deemed to be accepted by the Existing Payee three Business Days after the Existing Payee's receipt of the offer.

## 9.4 No offer by Payer

If:

- (a) the Existing Payee gives a Third Party Notice under clause 9.2; and
- (b) the Payer does not make a written offer under subclause 9.3(a),

the Existing Payee may enter into arrangements for the sale of the Royalty with a Third Party or other Payee on terms no less favourable to the Payer than those contained in the Third Party Notice.

## 10. Repurchase of Royalty by Payer

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Notwithstanding anything else contained in this deed, the Payees grant to the Payer the option to purchase 50% of the Royalty for an amount of \$2,000,000 payable in Immediately Available Funds, exercisable at any time after the date of the Transfer Agreement. For the avoidance of doubt following the completion of such a purchase the Payees will only be entitled to a Royalty calculated on a Royalty Percentage of 1%.

## 11. Assignment and Encumbrances

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### 11.1 Assignment by Payer

The Payer may not sell, assign, transfer, novate, grant, declare, create or otherwise dispose of (**Transfer**) all, part of, or any interest in any of the Tenements, or any rights in relation to Products extracted and recovered or to be extracted and recovered from the Mining Area to a Third Party or a Related Body Corporate or a Related Entity except:

- (a) by an Encumbrance which is expressly subject to the Royalty; or
- (b) by the sale of Products in the ordinary course of business; or
- (c) with the prior consent of the Payees, the Payer first having executed and delivered to the Payees an Assumption Deed in favour of the Payees executed by the Payer and the assignee or other recipient of the interest and rights being the subject of the Transfer.

### 11.2 Payer release and survival

- (a) The Payer may be released from its obligations under this deed in respect of the interest the subject of the Transfer as from the date of the Transfer, but only if a Transfer is completed strictly in accordance with this deed, but without affecting its obligations arising prior to that date.



- (b) The rights of the Payees survive the Transfer and do not merge on or by virtue of completion and registration of the Transfer.

## 11.3 Indemnity and damages

A Payer may not make or attempt to make a Transfer of any interest or rights that does not comply strictly with the requirements of this deed and agrees to fully indemnify the Payees from all loss, damage, claims and expenses (including solicitors costs on a full indemnity basis) resulting from any breach by the Payer of this deed in relation to the Transfer. The Payees are not to be taken to have provided their approval or acceptance of any purported Transfer that does not comply strictly with the requirements of this deed and any such purported Transfer is void.

## 11.4 Assignment by the Payee

- (a) A Payee may not Transfer all, part of, or any interest under or relating to this deed except with the prior consent of the Payer, the Payee first having executed and delivered to the Payer an Assumption Deed in favour of the Payer executed by the Payee and the assignee or other recipient of the interest and rights being the subject of the Transfer.
- (b) An Assumption Deed executed in accordance with clause 11.4(a) will only be valid if the assignee or other recipient of the interest and rights being the subject of the Transfer agrees that the Transfer is subject to:
  - (1) the Payer's right to, at any time, repurchase up to 50% of the Royalty for \$2,000,000 as set out in clause 10; and
  - (2) the Payer's right of first refusal as set out in clause 9 to purchase all, part of, or any interest in the Royalty.

## 11.5 Grant of Encumbrance

The Payer covenants in favour of the other parties that it will not grant any Encumbrance over the Tenements or this deed unless the Encumbrancee executes a deed of covenant to which the other parties are parties under which the Encumbrancee agrees to be bound by the terms of this deed in exercising the Encumbrancee's powers or remedies under the Encumbrance, as if it was a party to this deed.

## 12. Confidentiality

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### 12.1 Disclosure of Confidential Information

A party must not disclose Confidential Information except:

- (a) if the disclosure is expressly permitted by this deed; or
- (b) to its Representative, or the Representative of a Related Body Corporate, who requires the information for the purposes of or related to this deed, the Tenements or the Royalty; or
- (c) with the written consent of the party who supplied the Confidential Information, which consent may be given or withheld in its absolute discretion; or



- (d) if the party, or a Related Body Corporate of the party, holding the Confidential Information is required to do so by Law, including by a recognised stock exchange, or in connection with legal proceedings relating to this deed; or
- (e) to its employees, accountants, auditors, financial advisers or legal advisers with the prior requirement that they keep the disclosed information confidential in accordance with this clause; or
- (f) in order to comply with the listing rules of a recognised stock exchange in the event that the Payer is listed, in which case the Parties will consult in good faith with a view to agreeing the form of the proposed disclosure; or
- (g) if disclosure is made on a confidential basis to a prospective farminee or assignee of the party's rights and obligations under this deed or prospective financier of the party or its Related Bodies Corporate, or to another Third Party which proposes to enter into contractual relations with the party provided the farminee, assignee, financier or other Third Party agrees to keep the disclosed information confidential in accordance with this clause.

## 12.2 Disclosure by recipient of Confidential Information

- (a) To the extent permitted by section 275 of the Personal Property Securities Act 2009 (Cth), the parties agree to keep all information of the kind mentioned in section 275(1) of that Act confidential and to not disclose that information to any other person, except as permitted by this deed.
- (b) A party disclosing Confidential Information as permitted by this deed must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the Confidential Information except as permitted by this deed.

## 12.3 Return of Confidential Information

A party who has disclosed Confidential Information to a prospective farminee, assignee, financier or other Third Party as provided for by this deed must obtain from that person prior to disclosure an undertaking that, on the request of the disclosing party, it will immediately deliver or re-deliver to that party all documents or other materials containing or referring to the Confidential Information in its possession, power or control.

## 12.4 Survival of termination

This confidentiality clause continues to bind a person notwithstanding that that person ceases to be a party to this deed or this deed is terminated for any reason, for a period of 5 years from the date of cessation or termination.

## 12.5 Announcements and press releases

A party must not make press or other announcements or releases relating to this deed and the transactions the subject of this deed without the approval of the other parties to the form and manner of the announcement or release unless and to the extent that the announcement or release is required to be made by the party, or a Related Body Corporate of the party, by Law, including by a recognised stock exchange.

## 13. Goods and services tax

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### 13.1 GST exclusive amounts

All amounts payable under or in connection with this deed are exclusive of GST unless indicated otherwise.

### 13.2 Payment of GST

- (a) A Recipient of a Taxable Supply under or in connection with this deed:
- (1) must pay to the Supplier, in addition to the Consideration for the Taxable Supply, an amount equal to any GST paid or payable by the Supplier in respect of the Taxable Supply; and
  - (2) must make such payment to the Supplier as and when the Consideration or part of it is provided, except that the Recipient need not pay unless the Recipient has received a Tax Invoice (or an Adjustment Note) for that Taxable Supply.
- (b) Any additional amount of Consideration payable under this clause is payable at the same time, to the same extent, and in the same manner as the Consideration for the Taxable Supply and only in exchange for a Tax Invoice.

### 13.3 GST Adjustments

If a party becomes aware that the actual amount of GST payable on a Supply made in connection with this deed is more or less than the amount paid by the Recipient of the Supply, the difference on the amount payable must be paid or refunded, as applicable, by or to the relevant party promptly after the actual amount of GST on the Supply is paid or can be clearly ascertained, and an Adjustment Note is issued as required by the GST Law.

### 13.4 Definitions

In this clause, the following terms have the same meaning as in the GST Law:

**Adjustment Note, Consideration, GST, Recipient, Supplier, Supply, Tax Invoice and Taxable Supply.**

## 14. Resolution of disputes

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### 14.1 Dispute Resolution Process

- (a) Except where a time limitation is stated, and subject to the terms of this deed, a party may give a Dispute Notice to the other parties at any time.
- (b) A Dispute Notice must:
- (1) describe the nature of the Dispute; and
  - (2) nominate a Representative of the party who is authorised to negotiate and settle the Dispute on the party's behalf.
- (c) Each other party must within 7 days after receipt of a Dispute Notice nominate in writing to the other parties a Representative authorised to negotiate and settle the Dispute on its behalf.

- (d) The nominated Representatives must negotiate in good faith with a view to resolving the Dispute within 21 days after the receipt of the Dispute Notice, (or such longer period as those Representatives agree), failing which the Dispute may, if the Dispute relates to the calculation of the Royalty or any component of it or a matter arising out of a technical audit conducted in accordance with this deed, be immediately referred by a party by notice to Expert determination under this deed.

## 14.2 Expert determination

Where a Dispute is permitted or required by this deed to be determined by an Expert, or the parties agree that a Dispute should be determined by an Expert, the following provisions apply:

- (a) the reference to the Expert is made in accordance with, and subject to, The Institute of Arbitrators & Mediators Australia Expert Determination Rules;
- (b) the Expert determination must be conducted by a person or body agreed to by the parties or failing agreement within 14 days by the person or body nominated by the Institute of Arbitrators & Mediators Australia; and
- (c) in making a determination:
  - (1) the Expert must act in that capacity and not as an arbitrator;
  - (2) the Expert's finding is final and binding upon the parties in the absence of manifest error;
  - (3) the Expert must determine which party or parties should bear the costs of any such determination and in what proportion. In making this decision, the Expert must consider the degree to which he or she considers such party was unreasonable in failing to agree to the matter; and
  - (4) the Expert may employ consultants to carry out his or her duties.

## 14.3 Parties to continue to perform

Prior to resolution of the Dispute, the parties must continue to perform their respective obligations under this deed including all pre-existing obligations the subject of the Dispute, except only to the extent that lack of resolution of the Dispute prevents such performance.

## 14.4 Condition precedent to Litigation

A party must not commence proceedings in any court in respect of a Dispute:

- (a) that this deed requires to be referred to an Expert; or
- (b) in all other cases, unless a Dispute Notice has been given and the Representatives do not resolve the Dispute within 21 days after the receipt of the Dispute Notice (or such longer period as those Representatives agree).

Nothing in this clause prevents a party from commencing proceedings in any court where proceedings are required to obtain urgent interlocutory relief



**15. Notices**

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**15.1 Initial details**

The addresses and numbers for service are initially:

**Payer**

Address: Suite 1100 – 595 Howe Street, Vancouver, BC, Canada, V6C 2T5

Electronic Mail: alistair@inflectionresources.com

Attention: Alistair Waddell

**Douglas William Haynes**

Address: [Redacted: Confidential address information]

Electronic Mail: [Redacted: Confidential address information]

Attention: Douglas Haynes

**Mareko Pty Ltd ACN 098 027 475 ATF Gold Investment Trust**

Address: [Redacted: Confidential address information]

Electronic Mail: [Redacted: Confidential address information]

Attention: Mark Dugmore

**Robert Henrick Skrzeczynski**

Address: [Redacted: Confidential address information]

Electronic Mail: [Redacted: Confidential address information]

Attention: Bob Skrzeczynski

**15.2 Change of address**

A party may from time to time change its address or numbers for service by notice to each other party.

**15.3 Form of Notice**

Unless expressly stated otherwise in this deed, any notice, certificate, consent, approval, waiver or other communication in connection with this deed (**Notice**) must be in writing or given by electronic transmission, signed by the sender (if an individual) or an Authorised Officer of the sender and marked for the attention of the person identified in clause 15.1 if any, or, if the recipient has notified otherwise in accordance with clause 14.2, then marked for attention in the last way notified.

**15.4 When Notices are taken to have been given and received**

(a) A Notice is regarded as given and received:



- (1) if delivered by hand, when left at the address given in clause 15.1 or notified in accordance with clause 15.2 as the case maybe;
  - (2) if sent by pre-paid post, on the fifth day following the date of postage, if posted to an addressee in the same country or seven days following the date of postage if posted to an addressee in a different country;
  - (3) if given by fax, on production of a transmission report by the machine from which the fax was sent which indicates that the fax was sent in its entirety to the recipient's fax number, unless the recipient informs the sender that the Notice is illegible or incomplete within 4 hours of it being transmitted; and
  - (4) if sent by email, at the time shown in the delivery confirmation report generated by the sender's email system which indicates that the email was sent to the recipient's email address.
- (b) A Notice delivered or received other than on a Business Day or after 5.00pm (recipient's time) is regarded as received at 9.00am (recipient's time) on the following Business Day. A Notice delivered or received before 9.00am (recipient's time) is regarded as received at 9.00am.

## **16. Ancillary provisions**

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### **16.1 Entire agreement**

This deed contains everything the parties have agreed in relation to the subject matter it deals with. The parties agree that there are no implied covenants in or with respect to this deed, other than those of good faith and fair dealing.

### **16.2 No reliance or inducement**

Each party warrants and agrees that when entering into this deed it relied exclusively on the terms expressly contained in this deed and on:

- (a) its own inspections, investigations, skill and judgement; and
- (b) opinions and advice obtained by it,

and did not rely on any statements, inducements, undertakings, representations or advice given or made, whether orally or in writing, by or on behalf of any other party, including without limitation by any officer, employee, agent or adviser of any other party.

### **16.3 Enurement**

The provisions of this deed enure for the benefit of and are binding on each party and their respective successors and permitted assigns.

### **16.4 No partnership**

Nothing contained or implied in this deed constitutes a party the partner, agent, or legal representative of another party for any purpose or creates any partnership, agency or trust, and no party has any authority to bind another party in any way.



## 16.5 **Amendment**

No modification, variation or amendment of this deed is of any force unless it is in writing and has been signed by each of the parties.

## 16.6 **Prompt performance**

If this deed specifies when the party agrees to perform an obligation, the party agrees to perform it by the time specified. Each party agrees to perform all other obligations promptly.

## 16.7 **Severability**

If any provision of this deed is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this deed.

## 16.8 **Waiver**

A waiver of any right, power or remedy under this deed must be in writing signed by the party granting it. A waiver is only effective in relation to the particular right, power or remedy in respect of which it is given. It is not to be taken as an implied waiver of any other right, power or remedy or as an implied waiver of that obligation or breach in relation to any other occasion.

## 16.9 **Remedies cumulative**

The rights and remedies provided in this deed are in addition to other rights and remedies given by law independently of this deed, except to the extent that they are expressly excluded.

## 16.10 **Indemnities**

The indemnities in this deed are continuing obligations, independent from the other obligations of the parties under this deed and continue after this deed terminates.

## 16.11 **Applicable law**

- (a) This deed is governed by and must be construed in accordance with the laws of the Nominated State.
- (b) The parties submit irrevocably to the non-exclusive jurisdiction of the Courts of the Nominated State and all Courts competent to hear appeals from those Courts.

## 16.12 **Further assurances**

Each party must execute all documents and do all things reasonably necessary or desirable to give full effect to this deed and to any matter or thing contemplated pursuant to this deed.

## 16.13 **Fees and charges**

- (a) Each party must bear its own costs for the preparation, execution, delivery and performance of this deed.
- (b) All stamp duties and registration fees relating to the execution, registration and performance of this deed, and of all other documents arising out of this deed, must be paid by the Payer.



## 16.14 Counterparts

This deed may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed is deemed an original but all of which together constitute one and the same instrument.



## Schedule 1 - Basic particulars

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<b>Mining Act:</b>	in respect of any Tenement in New South Wales, the <i>Mining Act 1992</i> (NSW) (see Clause 1.1).
<b>Nominated State</b>	in respect of any Tenement in New South Wales, New South Wales (see Clause 1.1)
<b>Royalty Percentage</b>	2%
<b>Royalty Cap (clause 3.8)</b>	Not applicable
<b>Right of first-refusal</b>	The Royalty is subject to the right of first refusal set out in clause 9
<b>Repurchase of Royalty</b>	The Royalty is subject to the Payer's right to purchase set out in clause 10



**Schedule 2 - List of Tenements as at the Execution Date**

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In respect of the Marra Copper Projects (New South Wales):

EL's	Target #	Size Ha	Grant date	Expiry date	Company	Area - Units
EL8421	Marra Porph				Romardo Copper (NSW) Pty Limited	
EL8422	Marra				Romardo Copper (NSW) Pty Limited	



Signing page

Executed by Inflection Resources Ltd.:

"Alistair Waddell"

Director

Alistair Waddell

Print full name of Director

"Sandra Wong"

Director/Secretary

Sandra Wong

Print full name of Director/Secretary

Executed by Mareko Pty Ltd ACN 098 027 475 ATF Gold Investment Trust in accordance with s127 of the Corporations Act:

"Mark Dugmore"

Sole Director and Secretary

Sole Director

Signed, sealed and delivered by Douglas William Haynes in the presence of

"Estelle Haynes"

Signature of Witness

"Estelle Haynes"

Print full name of Witness

"Douglas William Haynes"

Douglas William Haynes

Signed, sealed and delivered by Robert Henrick Skrzeczynski in the presence of:

"Christine Skrzeczynski"

Signature of witness

Christine Skrzeczynski

Name of witness

"Robert Henrick Skrzeczynski"

Robert Henrick Skrzeczynski

**TRANSFER AND ASSIGNMENT**  
**(Romardo Copper (NSW) Pty Ltd ACN 605 976 565, Queensland Australia)**

This TRANSFER AND ASSIGNMENT (the “Transfer”) is made and entered into effective November 22, 2019, between:

DOUGLAS WILLIAM HAYNES, of [Redacted: Confidential address information], MAREKO PTY LTD. ACN 096 027 475 ATF GOLD INVESTMENT TRUST, of [Redacted: Confidential address information], and ROBERT HENRICK SKRZECZYNSKI, of [Redacted: Confidential address information] (collectively the “**Transferors**”); and

INFLECTION RESOURCES LTD., a British Columbia company, with an address at Suite 1100 – 595 Howe Street, Vancouver, B.C. V6C 2T5 (the “**Transferee**”) and

DOUGLAS WILLIAM HAYNES DISCOVERY PTY LTD ACN 094 652 516 (“**DWHD**”)

**Recitals**

- A. The Transferors are the registered and/or beneficial owners of a 100% undivided ownership interest in and to all the issued and outstanding shares of Romardo Copper (NSW) Pty Ltd ACN 605 976 565 (the “Company”) as more particularly described in Schedule “A” attached to and by this reference incorporated in this Transfer (the “Shares”).
- B. DWHD, Mareko Pty Ltd ATF Gold Investment Trust and Robert Henrick Skrzeczynski (the “Vendors”) and the Transferee are parties to that certain Asset Purchase and Sale Agreement dated for reference February 26, 2019 (the “Purchase Agreement”), pursuant to which, among other things, the Vendors agreed to sell to the Transferee, and the Transferee agreed to purchase from the Vendors, a 100% undivided ownership interest in and to all the outstanding shares of the Company, subject to a retained 2% Net Smelter Royalty and retained Success Payments as set out in the Purchase Agreement.
- C. The Purchase Agreement was subject to:
1. completion of satisfactory due diligence by the Transferee;
  2. renewal of the Exploration Licences; and
  3. payment by the Transferee to the Transferors A\$30,000 in cash.
- D. The Transferee and the Transferors acknowledge that:
1. the Transferee has completed its due diligence of the Company and is satisfied that, save for as set out in this Transfer, the Company is as represented in the Purchase Agreement; and
  2. the Exploration Licences have been renewed.
- E. The Transferors represent, warrant and covenant that no Liabilities or Encumbrances of any kind will exist in or related to the Company, the Exploration Licences held by the Company, or the Shares at Closing.

F. Pursuant to the terms of the Purchase Agreement, the Transferors hereby enter into this Transfer to sell, transfer, assign and convey to the Transferee a 100% undivided ownership interest in and to the Shares.

NOW THEREFORE, in consideration of payment of \$30,000.00 in lawful money of Australia, paid to the Transferors by the Transferee, and other good and valuable consideration as set out in the Purchase Agreement, the receipt and sufficiency of which is hereby acknowledged, the Transferors do hereby absolutely and forever sell, transfer, assign and convey to the Transferee an undivided 100% right, title and interest in and to the Shares, subject only to the Royalty and Success Payments reserved in the Purchase Agreement.

## 1. Definitions

Unless the context otherwise permits or requires, any term used in this Transfer which is not defined in this Transfer will have the meaning given to that term in the Purchase Agreement.

(a) **Accounting Principles** means

- (1) the applicable accounting standards and practices required by the Corporations Act;
- (2) the Australian equivalent to the International Financial Reporting Standards;
- (3) the statements of accounting standards issued by or on behalf of the Australian Society of Accountants and the Institute of Chartered Accountants in Australia; and
- (4) if there are no applicable accounting principles or statements of those types described in this definition, accounting standards and practices generally accepted in Australia.

(b) **Business Day** means:

- (1) if determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (2) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Brisbane.

(c) **Claim** means, in relation to a person, any action, allegation, claim, demand, judgment, liability, proceeding, remedy, right of action or right of set-off made against the person concerned however it arises whether:

- (1) it is present, unascertained, immediate, future or contingent;
- (2) it is based in contract, tort, statute or otherwise; or
- (3) it involves a third party or a party to this Transfer.

(d) **Closing** means two Business Days after the Condition Precedent has been satisfied or waived.

(e) **Company** means Romardo Copper (NSW) Pty Ltd ACN 605 976 565.

(f) **Condition Precedent** means the condition precedent set out in clause 6.

- (g) **Constitution** means the constitution of the Company.
- (h) **Deed of Forgiveness** means a deed of forgiveness to be in a form satisfactory to the Transferee and to be prepared by the solicitors for the Transferee.
- (i) **Effective Date** means the date of execution of this Transfer.
- (j) **Encumbrance** means, in relation to any property:
- (1) a Security Interest over the property;
  - (2) a profit à prendre, easement or restrictive covenant affecting the property;
  - (3) a caveat, writ of execution or monetary claim affecting the property;
  - (4) a lease or licence in respect of the property;
  - (5) an estate, interest, claim or arrangement affecting the property;
  - (6) a contract of sale or option to purchase or acquire the property; or
  - (7) an agreement to grant, create, allow or register any of these,
- whether the Encumbrance is registered or unregistered, statutory, legal or equitable.
- (k) **IPO** means an initial public offering.
- (l) **Liability** means a debt, liability or obligation, whether:
- (1) actual, contingent or prospective;
  - (2) present or future;
  - (3) qualified or unqualified; or
  - (4) incurred jointly or severally with any other person.
- (m) **Listing** means the Company listing on a Recognised Stock Exchange either:
- (1) directly by way of an IPO by the Company; or
  - (2) indirectly by way of the Company being acquired by another company already listed on a Recognised Stock Exchange.
- (n) **Obligation** means any commitment, covenant, duty, obligation or undertaking whether arising by operation of law, in equity or by statute and whether express or implied.
- (o) **Power** means any power, right, authority, discretion or remedy conferred on a party to the Purchase Agreement whether by the Purchase Agreement or by law.
- (p) **PPS Act** means the *Personal Property Securities Act 2009* (Cth).

- (q) Recognised Stock Exchange means any of:
- (1) ASX;
  - (2) CSE;
  - (3) TSX-V; and
  - (4) TSX.
- (r) **Security Deposits** means the sum of \$A10,000 each paid for and on behalf of the Company in respect of Exploration Licence No. 8421 and Exploration Licence No. 8422.
- (s) **Security Interest** means:
- (1) an interest in or right:
    - (i) reserved over property (including any retention of title to property or any right to set off or withhold payment of any deposit or other money);
    - (ii) created or otherwise arising over property under a mortgage, charge, bill of sale (as defined in any relevant statute), lien, pledge, trust or right; or
    - (iii) by way of security for the payment of a debt or other monetary Obligation or the performance of or compliance with any other Obligation;
  - (2) any instrument or transaction which reserves, constitutes or evidences the interests and rights referred to in paragraph (1); and
  - (3) any other interest which constitutes a security interest as that term is defined in the PPS Act.
- (t) **Success Payments** means the payments to be paid by the Transferee to the Transferors as set out in clause 4 of the Purchase Agreement.

## 2. Novation of Purchase Agreement

The Transferors, the Transferee and DWHD novate the Purchase Agreement on and from the Effective Date so that an agreement exists between the Transferors and the Transferee on the terms of the Purchase Agreement in which:

- (a) Douglas William Haynes (**Substitute Party**) replaces DWHD (**Retiring Party**) as if the Substitute Party had originally been a party to the Purchase Agreement in place of the Retiring Party; and
- (b) the Purchase Agreement is to be read as though any reference to the Retiring Party was a reference to the Substitute Party.

### **3. Compliance with Purchase Agreement**

On and from the Effective Date:

- (a) the Substitute Party obtains the Powers and assumes the Obligations of the Retiring Party under the Purchase Agreement; and
- (b) the Transferors and the Transferee must comply with the Purchase Agreement on the basis that the Substitute Party has replaced the Retiring Party under the Purchase Agreement in accordance with this Transfer.

### **4. Indemnities**

- (a) The Retiring Party must indemnify the Substitute Party and keep the Substitute Party indemnified from and against all Claims and Liabilities arising from any default by the Retiring Party in the observance or performance of the Retiring Party's Obligations under the Purchase Agreement up to the Effective Date.
- (b) The Substitute Party must indemnify the Retiring Party and keep the Retiring Party indemnified from and against all Claims and Liabilities arising from any default by the Substitute Party in the observance or performance of the Substitute Party's Obligations under the Purchase Agreement on and from the Effective Date.

### **5. Releases**

#### 5.1. Transferee releases Retiring Party

- (a) On and from the Effective Date, the Transferee releases the Retiring Party from:
  - (1) all Obligations and Liabilities under and in respect of the Purchase Agreement; and
  - (2) any Power or Claim the Transferee has, or but for this clause 5 would have had, against the Retiring Party under or in respect of the Purchase Agreement.
- (b) The Transferee gives the release in sub clause 5.1 regardless of:
  - (1) when the Obligation, Liability, Power or Claim arises; and
  - (2) whether or not the Transferee is aware or in the future becomes aware of any facts and circumstances relevant to any Obligation, Liability, Power or Claim.

#### 5.2. Retiring Party releases Transferee

- (a) On and from the Effective Date, the Retiring Party releases the Transferee from:
  - (1) any Obligation and Liability under and in respect of the Purchase Agreement; and
  - (2) any Power and Claim the Retiring Party has, or but for this clause 5 would have had, against the Transferee under or in respect of the Purchase Agreement.
- (b) The Retiring Party gives the release in this sub clause 5.2 regardless of:
  - (1) when the Obligation, Liability, Power or Claim arises; and

- (2) whether or not the Retiring Party is aware or in the future becomes aware of any facts and circumstances relevant to any Obligation, Liability, Power or Claim.

## **6. Condition Precedent**

This Transfer is conditional upon the Minister for Resources providing his or her written approval to:

- (a) the change in effective control of the Company as the licence holder of Exploration Licence No. 8421 and Exploration Licence No. 8422; and
- (b) the foreign acquisition of substantial control in the Company as the licence holder of Exploration Licence No. 8421 and Exploration Licence No. 8422,

by no later than 31 December 2019 or such other date as may be agreed by the parties.

## **7. Closing**

### **7.1 Transferor's Obligations on Closing**

On Closing, the Transferors must:

- (a) deliver to the Transferee duly executed transfers of the Shares in favour of the Transferee or its nominee;
- (b) either:
  - (1) deliver to the Transferee evidence, in a form acceptable to the Transferee, that all current and non-current Liabilities owed by the Company have been discharged prior to Closing; or
  - (2) if any Liabilities owed by the Company have not been discharged prior to Closing, deliver to the Transferee duly executed Deeds of Forgiveness for all remaining Liabilities;
- (c) deliver to the Transferee evidence, in a form acceptable to the Transferee, that all Security Interests granted by the Transferors or the Company, are released;
- (d) cause the transfer of the Shares to be approved by the directors of the Company for the registration by the Company, in the name of the Transferee or its nominee;
- (e) provide evidence, satisfactory to the Transferee, that all Encumbrances over the Shares are discharged on and from the date of Closing and deliver to the Transferee all documents necessary to reflect such discharges;
- (f) provide evidence, satisfactory to the Transferee that the Security Deposits are in full force and effect and are the absolute property of the Company;
- (g) execute any transfer or other document reasonably required under this Transfer to give effect to its terms;
- (h) deliver to the Transferee the original share certificates for the Shares for cancellation by the Company; and

- (i) deliver or cause to be delivered to the Transferee such other documents as are reasonably requested by the Transferee in order to carry out the transactions contemplated by this Transfer effectively, duly executed by the Transferors.

## 7.2 Transferee's Obligations on Closing

On Closing, the Transferee must pay to the Transferors the sum of \$A30,000.

## 8. Waiver

The Transferors and the Company waive all rights of pre-emption on transfer of Shares conferred by the Constitution or any other document.

## 9. Exploration Licence No. 8421 and Exploration Licence No. 8422

The Transferors warrant that:

- (a) the Company is the legal and beneficial owner of Exploration Licence No. 8421 and Exploration Licence No. 8422, free of all Encumbrances;
- (b) the Security Deposits have been lodged by the Company with the Department of Mining and Energy in relation to the grant to the Company of Exploration Licence No. 8421 and Exploration Licence No. 8422; and
- (c) the Security Deposits shall at all times remain the property of the Company.

## 10. 30 June 2019 Accounts

- (a) The Transferors have provided the Transferee with the 30 June 2019 financial statements for the Company (the "Accounts");
- (b) The Transferors, will prior to Closing, cause the Accounts to be adjusted to reflect:
  - (1) ownership of Exploration Licence No. 8421 and Exploration Licence No. 8422 by the Company; and
  - (2) the provision by the Company of the Security Deposits,with a view to ensuring that the Accounts are correct and complete in all material respects and fairly and accurately reflect the income, expenses, assets, Liabilities and financial position of the Company as at the respective dates of them and the notes to them are true, complete and accurate in all material respects and fairly represent the results of operations for the periods in them referred to in accordance with the Accounting Principles.

## 11. Acknowledgements

The Transferee acknowledges that the transfer of the Company is subject to:

- (a) the Transferors retaining a 2.0% NSR as set out in clause 3 of the Purchase Agreement;
- (b) the Transferee agreeing to pay the Success Payments to the Transferors; and
- (c) upon Listing, the Security Deposits will be refunded to the Transferors.

## **12. Further Assurances**

The Transferors and the Transferee shall execute and deliver such additional instruments, forms, transfers, assignments and other documents and take such further actions as may be reasonably necessary from time to time to fully accomplish and complete the transfer of the interest in the Company from the Transferors to the Transferee contemplated herein.

## **13. Inconsistency**

To the extent that there is an inconsistency between a provision in this Transfer and a provision in the Purchase Agreement, the provision in this agreement will prevail to the extent of the inconsistency.

## **14. Proper Law**

This Transfer shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

## **15. Counterparts**

This Transfer may be executed in any number of counterparts, each of which is deemed to be an original, and all such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is effective as a manually executed counterpart of this Transfer.

IN WITNESS WHEREOF, the Parties have executed this Transfer as of the date first above written.

**TRANSFERORS:**

**Executed** by Mareko Pty Ltd ACN 098 027 475

“Mark Dugmore”

\_\_\_\_\_  
Sole Director and Secretary

Mark Dugmore

\_\_\_\_\_  
Print full name of Sole Director and Secretary

**Signed** by Douglas William Haynes in the presence of

“Alwyn Stanley Joyce”

\_\_\_\_\_  
Signature of Witness

Alwyn Stanley Joyce

\_\_\_\_\_  
Print full name of Witness

“Douglas William Haynes”

\_\_\_\_\_  
Douglas William Haynes

**Signed** by Robert Henrick Skrzeczynski in the presence of

“Stephen Janz”

\_\_\_\_\_  
Signature of Witness

Stephen Janz

\_\_\_\_\_  
Print full name of Witness

“Robert Henrick Skrzeczynski”

\_\_\_\_\_  
Robert Henrick Skrzeczynski

**TRANSFeree:**

**Executed** by Inflection Resources Ltd

“Alistair Waddell”

\_\_\_\_\_  
Director

Alistair Waddell

\_\_\_\_\_  
Print full name of Director

“Sandra Wong”

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

Sandra Wong

\_\_\_\_\_  
Print full name of Director/Secretary

**Schedule "A"**  
**Register of Members and Share Certificates**  
(Romardo Copper (NSW) Pty Ltd ACN 605 976 565, Queensland Australia)

See attached.

**AMENDMENT TO ASSET PURCHASE AND SALE AGREEMENT AND TRANSFER AND  
ASSIGNMENT AGREEMENT**

THIS AMENDMENT AGREEMENT (“Agreement”) is dated for reference the 31<sup>st</sup> day of December, 2019

BETWEEN:

**DOUGLAS WILLIAM HAYNES**, of [Redacted: Confidential address information],  
**MAREKO PTY LTD.** ACN 096 027 475 ATF GOLD INVESTMENT TRUST, of  
[Redacted: Confidential address information], and **ROBERT HENRICK  
SKRZECZYNSKI**, of [Redacted: Confidential address information] (collectively the  
“**Transferors**”); and

**INFLECTION RESOURCES LTD.**, a British Columbia company, with an address at  
Suite 1100 – 595 Howe Street, Vancouver, B.C. V6C 2T5 (the “**Transferee**”)

WHEREAS:

- A. The Transferors and Transferee are party to an Asset and Purchase Agreement dated February 26, 2019 and a Transfer and Assignment Agreement dated November 22, 2019 whereby the Transferee agreed to purchase 100% undivided ownership interest in and to all the issued and outstanding shares of Romardo Copper (NSW) Pty Ltd ACN 605 976 565 (the “**Company**”) for consideration of A\$30,000 in cash (the “**Cash Consideration**”).
- B. As at the date hereof, the Company has loans payable to certain creditors (the “**Creditors**”) totaling A\$16,766.86 (the “**Loans**”) as follows:
- |                             |             |
|-----------------------------|-------------|
| Mark Dugmore                | A\$5,885.17 |
| Robert Henrick Skrzeczynski | A\$4,351.03 |
| Douglas William Haynes      | A\$6,530.66 |
- C. The Transferors and Transferee agree to cause the Loans to be repaid by the Company and to deduct the amount of the Loans from the Cash Consideration.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. The Cash Consideration for acquisition of 100% undivided ownership interest in and to all the issued and outstanding shares of Romardo Copper (NSW) Pty Ltd ACN 605 976 565 shall be amended from A\$30,000 to A\$13,233.12 payable as follows:

Mareko Pty Ltd.	A\$4,411.04
Robert Henrick Skrzeczynski	A\$4,411.04
Douglas William Haynes	A\$4,411.04

2. The Cash Consideration shall be payable by electronic transfers of cleared funds to such bank accounts as may be advised by the Transferors.

3. On Closing, the Transferee shall advance A\$16,766.86 to the Company and the Company shall repay the Loans which total A\$16,766.86 to the Creditors.

4. The definition of “Closing” in the Transfer and Assignment Agreement is deleted and replaced with the following:

“**Closing** means 6 February 2020 or such other date as the parties may agree in writing.”

5. All other terms of the Asset and Purchase Agreement dated February 26, 2019 and the Transfer and Assignment Agreement dated November 22, 2019 remain the same.

6. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia.

7. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date of this Agreement. A facsimile transcribed copy of this Agreement, signed by a Party in counterpart or otherwise, shall be deemed to be and to constitute a properly executed, delivered and binding document of the Party so signing, notwithstanding any variation in the dates of execution.

8. The parties hereby covenant and agree that they will execute such further agreements, conveyances and assurances as may be requisite, or which counsel for the parties may deem necessary to effectually carry out the intent of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**TRANSFERORS:**

**Executed** by Mareko Pty Ltd ACN 098 027 475

“Mark Dugmore”

\_\_\_\_\_  
Sole Director and Secretary

Mark Dugmore

\_\_\_\_\_  
Print full name of Sole Director and Secretary

**Signed** by Douglas William Haynes in the presence of

“Estelle Haynes”

“Douglas William Haynes”

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Douglas William Haynes

Estelle Haynes

\_\_\_\_\_  
Print full name of Witness

**Signed** by Robert Henrick Skrzeczynski in the presence of

“Christine Skrzeczynski”

“Robert Henrick Skrzeczynski”

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Robert Henrick Skrzeczynski

Christine Skrzeczynski

\_\_\_\_\_  
Print full name of Witness

**TRANSFEEE:**

**Executed** by Inflection Resources Ltd.

“Alistair Waddell”

“Sandra Wong”

\_\_\_\_\_  
Director

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

Alistair Waddell

Sandra Wong

\_\_\_\_\_  
Print full name of Director

\_\_\_\_\_  
Print full name of Director/Secretary