

## ASX ANNOUNCEMENT

24 March 2023

# BEACON ACQUIRES THE LADY IDA GOLD PROJECT

## HIGHLIGHTS

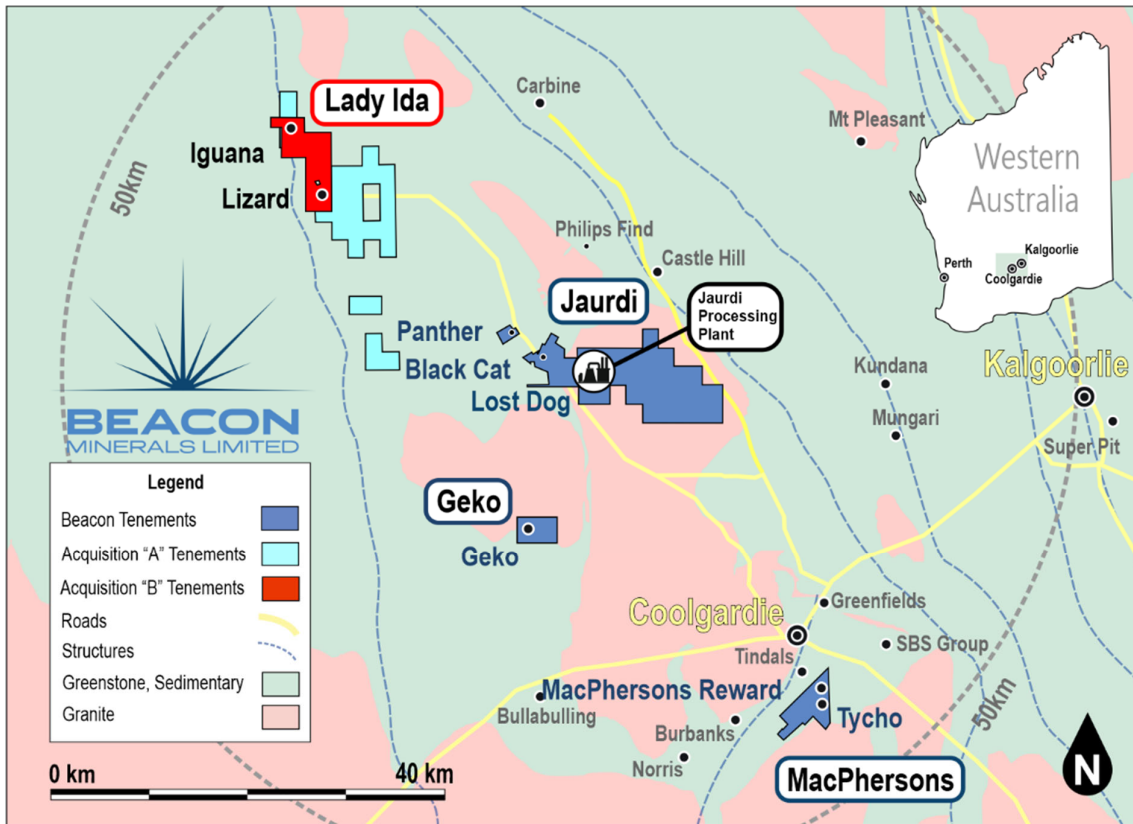
- **Beacon agrees to acquire the Lady Ida Gold Project and four additional Exploration Licences, all within close proximity to the Company's Jaurdi Gold Processing Plant located circa 50kms West of Kalgoorlie**
- **The acquisitions equate to over 100km<sup>2</sup> of tenure and significantly expands Beacon's footprint in the well renowned gold district, with Lady Ida being only 29kms from the Jaurdi Mill**
- **The acquisitions are expected to increase the Company's existing mine life**
- **Significant exploration upside also exists on the exploration licences acquired including a number of walk-up gold targets the Company plans to follow up on in the near term**
- **\$20 million in debentures to be issued to fund the acquisition and development**

Beacon Minerals Limited (ASX: **BCN**) ("**Beacon**" or "**the Company**") is pleased to advise that its wholly-owned subsidiary, Beacon Mining Pty Ltd ("**Beacon Mining**") has executed a binding tenement sale agreement with Siberia Mining Corporation Pty Ltd (ABN 97 097 650 194) ("**Siberia**") and Carnegie Gold Pty Ltd (ACN 117 116 097) ("**Carnegie**"), both of which are wholly owned subsidiaries of Ora Banda Mining Ltd (ASX: OBM) ("**Ora Banda Mining**"), for Beacon Mining to acquire tenements E16/475, E16/483, E16/484 and E 16/486 (the **Tenements**) which are 100% owned by Siberia and Carnegie ("**Acquisition A**").

The Company is also pleased to advise that it has agreed offer terms to acquire M16/262, M16/263, M16/264, L15/224, L16/58, L16/62, L16/103 and applications L16/138 and L16/142 which together form the "**Lady Ida Project**" from Lamerton Pty Ltd and Geoda Pty Ltd ("**Acquisition B**").

The acquisition of the above Lady Ida Project and Tenements is part of the Company's strategy of increasing the mine life at the Jaurdi Gold Project by acquiring projects proximal to existing assets that build mine Reserves and compliment the current operations. This follows the recent acquisitions of the Geko Tenements located circa 15kms from the Jaurdi Mill (refer announcement 16 December 2022) and the MacPhersons Reward Project located circa 45kms from the Jaurdi Mill (refer announcement 24 August 2021), which were both funded out of the Company's existing cash reserves.

The Tenements are located 60 kms NW of the township of Coolgardie in the Eastern Goldfields of Western Australia, with the Lady Ida Project located 29kms NW of Beacon's Jaurdi Gold Processing Plant (refer Figure 1). Lady Ida in particular has significant strategic value to Beacon given it is situated on Mining Leases and the due diligence completed by the Company has indicated it could be brought into production by Q4 2023.



**Figure 1: Location of the Jaurdi Gold Project and the Lady Ida Tenements**

In 2022, Ora Banda Mining released a JORC 2012 compliant resource and reserve on the Lady Ida Project. Readers wishing to view the original announcement can refer to Ora Banda Mining’s ASX announcement titled “Mineral Resource and Reserve Statement” dated 1 August 2022, available on Ora Banda Mining’s market announcements platform – ASX: OBM.

PROJECT	CUT OFF	MEASURED		INDICATED		INFERRED		TOTAL MATERIAL			
		(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	('000t)	(g/t Au)	('000oz.)	
IGUANA	OP	0.5	148	1.9	3,847	1.7	146	1.7	4,141	1.7	226
	U/G	2.0	-	-	357	3.5	314	2.7	671	3.1	68
	TOTAL	-	-	-	4,204	1.8	460	2.4	4,812	1.9	294
LIZARD	-	0.5	106	4.0	75	3.7	13	2.8	194	3.8	24
TOTAL	-	-	254	2.8	4,279	3.7	473	4.8	5,006	2.0	318

**Table 1: Mineral Resource Estimation**

PROJECT AREA	DEPOSIT	PROVED		PROBABLE		TOTAL MATERIAL		
		('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
LADY IDA TOTAL	Iguana	100	2.0	1,800	1.7	1,910	1.7	107

**Table 2: Ore Reserves**

**Cautionary Statement - Beacon notes that:**

- It is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012;
- that after review of the original Ora Banda Mining resource report and accompanying tables that nothing has come to the attention of Beacon that causes it to question the overall materiality of Ora Banda Mining's estimates;
- Beacon has not independently validated Ora Banda's estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates;
- In addition, the Mineral Resource has been estimated using a wet-in-situ density which is unusual for this type of deposit. Density is derived from down hole gamma readings which measures total density inclusive of moisture. It is reported that no moisture adjustments have been made in the model, leading to a likely over-estimation of contained tonnes and ounces by the percentage of contained natural moisture in the rock. Any future resource estimation completed by Beacon would be using dry tonnes.

In relation to the Mineral Resource and Ore Reserve estimates referred to in this announcement:

- (i) Beacon notes that the Mineral Resource and Ore Reserve estimates have been reported by Ora Banda Mining, not Beacon.
- (ii) The source of the Mineral Resource and Ore Reserve estimates is Ora Banda Mining's ASX announcement entitled "Mineral Resource and Reserve Statement" dated 1 August 2022 which can be viewed by interested readers on the market announcements platform of Ora Banda Mining – ASX: OBM.
- (iii) The Mineral Resource and Ore Reserve estimates released by Ora Banda Mining were reported under JORC Code 2012.
- (iv) The Ora Banda Mining Ore Reserve estimate was an update for the Davyhurst operation and was considered by Ora Banda Mining to be at a pre-feasibility level of confidence or better. Ora Banda Mining utilised costs based upon existing realised costs, current and recent hard dollar contract costs or FY23 budget estimates in addition to appropriate mining dilution and recovery parameters, geotechnical parameters and metallurgical recovery factors in conjunction with Whittle pit optimisation software as the basis for the creation of technically achievable mine plan. This plan, coupled with practical mining envelopes and the application of mining dilution and ore loss were then utilised as the basis for the determination of the Ore Reserve. For Ore Reserve estimation purposes Inferred Resource was considered to have zero value and was therefore considered to be waste. This technically achievable mine plan was determined to be economically viable following the application of appropriate modifying factors and practical mining programmes.

Beacon will as part of due course will validate the Mineral Resource and Ore Reserve estimates using parameters applicable to BCN mining operations. If applicable, alterations to the mining plan will be made and the Ore Reserve re-estimated.

- (v) Beacon's view on the reliability of the estimates is as follows:
  - Beacon believes that the ore reserve statement is reliable as they were prepared by a publicly listed company and reported under the JORC Code (2012).

- JORC 2012 Table 1 Section 4 which comprises part of the August 2022 Ora Banda Mining Mineral Resource and Reserve Statement states: -
  - o The Competent person is satisfied the parameters and modifying factors used to determine the Ore Reserve are appropriate.
  - o The Ore Reserve estimate is an update for the Davyhurst operation.
  - o Mining costs specific to the locations have been considered.
  - o The evaluation of the Ore Reserve is considered to be at a pre-feasibility level of confidence or better.
  - o A technically achievable mine plan has been developed.
  - o This technically achievable mine plan was determined to be economically viable following the application of the appropriate Modifying Factors and practical mining programmes with the costs and parameters used being based upon existing realised costs and current or recent hard dollar contracts for the project.
  - o Cut-off grades were determined using realised costs from existing or recent project specific hard dollar contracts, as well as realised internal costs for Ora Banda Mining labour plant and equipment. Ore haulage costs are based upon existing contracts. Processing costs are based on an assessment of released costs to date and forward projections. Site general costs and administration overheads are based upon realised costs specific to the mining operations. Selling costs are based upon standard State Royalties. Metallurgy was based upon metallurgical testwork.

For the reasons listed above it is reasonable for BCN to consider the Ora Banda Mining August 2022 Mineral Resource and Reserve Statement to be reliable.

- (vi) The estimates are based on work programs from the companies set out below.

Ora Banda Mining prepared the JORC Resource statement that the Company is reporting on today which was issued on 1 August 2022. As stated in the JORC table under 'Exploration done by other parties' Ora Banda was confident that previous completed work was to standards considered acceptable at the time. Below is the list of companies who has completed work program on the tenements.

- Monarch Gold Mining Company Ltd,
- Riverina Resources Pty Ltd,
- Barra Resources Ltd,
- Carpentaria Exploration Company Pty Ltd,
- Malanti Pty Ltd,
- Riverina Gold Mines NL,

- (vii) A summary of the key assumptions, mining and processing parameters and methods used to prepare the estimates is as follows:

**a. Assumptions:**

- i. The Mineral Resource estimate uses wet tonnes, with no assumptions made for moisture.
- ii. Open Pit and Underground resources are reported above and below a \$2,100 conceptual optimised pit shell.

**b. Mining and processing parameters:**

- i. Conventional open pit and underground mining methods assumed.

- ii. 120t Class Excavator and 90t Rigid body trucks for open pits.
- iii. 5% Ore loss and 42% Dilution.
- iv. Metallurgical recovery averaged 92%.
- v. Revenue calculated with a \$2,400 Gold Price.
- vi. Measured and Indicated material used to calculate Ore Reserve.
- vii. Reserves calculated to a pre-Feasibility level.

**c. Mining and processing parameters:**

- i. Open pit mining blocks were diluted by applying a dilution skin of waste at zero grade. The dilution skin thickness was dependent on weathering and varied between 0.3m and 0.5m. This methodology resulted in an average, global dilution factor of 42% being applied.
- ii. Open pit mining recovery was 95% with this figure being based upon the application of a nominal 5% ore loss factor.
- iii. It is considered that these factors are relevant to the style of mineralization exhibited by the Lady Ida gold deposits.

**d. Methods:**

- i. Ordinary Kriging estimation method.
- ii. 0.5g/t cut-off grade for Open Pit MRE reporting.
- iii. 2.0g/t for Underground MRE reporting.
- iv. Deposit wireframes were constrained using a 0.5g/t nominal grade boundary.
- v. Mineralisation geometry is confirmed by pit wall mapping.

There are no recent estimates or data relevant to the reported mineralisation available to Beacon.

Beacon will obtain a considerable suite of Ora Banda Mining's historical data. Beacon will interrogate, update and release a resource and ore reserve statement. Depending on the integrity of the data, Beacon will release a resource and ore reserve statement, which is expected to be completed by June 2023. The Company will use current cash reserves to perform this work.

## Key Terms and Conditions of Acquisition A

Beacon Mining ("**Purchaser**") has entered into a tenement sale agreement with Siberia and Carnegie (together, the "**Seller**") ("**Tenement Sale Agreement**") to acquire the Tenements and mining information held by the Seller and rights and interests under certain third-party agreements ("**Third Party Agreements**") with the following key terms and conditions:

The consideration payable by Beacon for Acquisition A is a cash payment totalling \$2,500,000 (plus GST) payable as follows:

- (i) \$1,000,000 paid on the execution date of the Tenement Sale Agreement ("**Initial Payment**"); and
- (ii) \$1,500,000 payable on completion of the Acquisition.

The sale and purchase will occur in two stages:

- (i) the grant of rights in respect of gold minerals in respect of the Tenements granted to the Purchaser on the Execution Date and, if Completion occurs, as continued to be held by the Purchaser on or from Completion ("**Gold Rights**") to be governed by a mineral sharing agreement and the provision of the mining information on the date the Tenement Sale Agreement was executed; and
- (ii) the transfer of the Tenements (including the continuation of the Gold Rights) and the other sale assets on Completion,

and in all cases, subject to the "**Other Minerals Rights**" (being the rights in respect of all minerals other than the gold minerals (including non-auriferous gravel on the Tenements retained by the Seller).

Completion of the Acquisition ("**Completion**") is subject to satisfaction (or waiver) of the following conditions precedent:

- (i) consent of Hawke's Point Holdings L.P. ("**Hawke's Point**") to the sale of the sale assets;
- (ii) variation or other amendment necessary to ensure that the Hawke's Point royalty does not apply to the Tenements and, to the extent required, the shareholders of Ora Banda Mining approving the variation and related arrangements;
- (iii) to the extent that the Third-Party Agreements are signed, the entry into deeds of covenant in relation to those Third-Party Agreements under which the Purchaser agrees to be bound by and perform the Seller's obligations under those Third-Party Agreements and which recognise the mineral sharing arrangements contemplated by the Tenement Sale Agreement;
- (iv) if the heritage agreement between Ora Banda Mining (including as agent for the Seller) and the Marlinyu Ghoorlie Native Title Claimant Group ("**MG Agreement**") is signed, execution of a deed poll relating to the MG Agreement or other documents necessary to enable sale of the Tenements under that MG Agreement.

The condition precedent in (iii) above is for the benefit of the Seller and may be waived by notice in writing from the Seller. The remaining conditions precedent are for the benefit of both parties and may only be waived by the written consent of both parties.

If the conditions precedent are not satisfied or waived (by the party or parties entitled to waive a particular Condition) on or before 5.00 pm (Perth Time) on the date that is 90 days after execution of the Tenement Sale Agreement (**End Date**), or if a condition precedent becomes incapable of being satisfied,

either party may terminate the Tenement Sale Agreement by notice in writing to the other in which case, for no consideration:

- (i) the Gold Rights will expire;
- (ii) the Purchaser must return all mining information to the Seller;
- (iii) the Seller must refund to the Purchaser the Initial Payment; and
- (iv) each party will be released from its obligations and liabilities under the Tenement Sale Agreement except for any obligations or liabilities due for performance or incurred prior to the date of termination and any obligations expressed to, or by their nature which are intended to, survive termination.

Completion will occur no later than five business days after the satisfaction or waiver of the last of the conditions precedent.

Beacon will fund the costs of Acquisition A using its current cash reserves.

### **Key Terms and Conditions of Acquisition B**

On 16 March 2023, Lamerton Pty Ltd ("**Lamerton**") and Geoda Pty Ltd ("**Geoda**") entered into an agreement with Siberia for the sale of the Lady Ida Project for total consideration of \$10,000,000 (plus GST) cash.

The agreement between Lamerton, Geoda and Siberia is for the initial grant of gold and silver rights in respect of, and, the subsequent sale of the tenements contemplated in Acquisition B.

Beacon has entered into an agreement with Lamerton and Geoda (together, the "**Vendors**") to purchase the Lady Ida Project to be acquired from OBM.

Lamerton and Geoda are related parties of Beacon as Lamerton is controlled by Managing Director, Graham McGarry and Geoda is controlled by Non-Executive Director, Geoff Greenhill. Acquisition B is therefore subject to, amongst other matters, all related party shareholder approvals being obtained by the Company.

The consideration payable by Beacon for Acquisition B is:

- pay \$10,000,000 (plus GST) cash;
- reimbursement of up to \$1,000,000 cash for verified expenses in relation to the acquisition from Siberia;
- repayment of stamp duty of approximately \$600,000 cash incurred in relation to the acquisition from Siberia; and
- entry into a royalty agreement with the Vendors in relation to the Lady Ida Project pursuant to which Beacon will pay a 4% net smelter royalty on gold and silver recovered from the Lady Ida Project ("**Royalty Agreement**").

Completion of Acquisition B is subject to satisfaction (or waiver by Beacon) of the following conditions precedent:

- (i) execution of a formal sale and purchase agreement ("**Formal Agreement**") by the parties which shall contain representations and warranties given by the Vendors which are usual for transactions such as the Acquisition;



- (ii) execution of the Royalty Agreement by the parties;
- (iii) the Vendors acquiring 100% of the legal and beneficial title to the sale assets from Siberia;
- (iv) the Company obtaining all necessary shareholder approvals required to lawfully complete Acquisition B, including ASX Listing Rule 10.1 approval, Listing Rule 10.11 approval, approval pursuant to section 208 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and any approvals required by the Company's constitution; and
- (v) the Company raising not less than \$15,000,000 by way of the issue of debentures and free-attaching options, with the issue of the free attaching options to be subject to receipt of shareholder approval ("**Debenture Raising**").

If the conditions precedent are not satisfied (or waived by Beacon) on or before 16 December 2023 or such other date to be agreed by the parties (**End Date**) any party may terminate the agreement notice in writing to the other parties, in which case, the agreement constituted will be at end and the parties will be released from their obligations (other than in respect of any breaches that occurred prior to termination). The parties will use their commercial best efforts to ensure that the conditions precedents are satisfied before the End Date.

Completion of Acquisition B will occur on that date which is 5 business days after the satisfaction (or waiver) of the last of the conditions precedent or such other date agreed in writing between the parties.

Beacon will fund the costs of Acquisition B using the funds raised pursuant to the Debenture Raising, please see below for details in relation to the debentures.

#### **Debentures to be issued to fund acquisition**

Beacon wishes to advise that it has received firm commitments to raise \$20 million via a debenture issue to professional and sophisticated investors ("**Debenture Issue**"). The Company is now completing the relevant documentation in relation to the debenture issue.

Directors Graham McGarry, Geoff Greenhill and Sarah Shipway and persons associated with them ("**Related Parties**") have committed to subscribe for \$5.2 million of the Debenture Issue. The participation of the Related Parties in the Debenture Issue is subject to the Company obtaining shareholder approval in accordance with sections 195(4) and section 208 of the Corporations Act, together with ASX Listing Rules 10.1 and 10.11, at a general meeting to be convened shortly.

Subject to obtaining the necessary approvals at the general meeting, the proposed \$20 million Debenture Issue will provide the Company with funding to acquire the Lady Ida Project and also bring the Project into Production in Q4 2023. The proposed debentures will be secured by a mortgage against all the leases and fixed assets of the Company.

Details in relation to the proposed debenture issue will be contained in the Company's notice of meeting which will be sent to shareholders in due course. However, a summary of the key terms of the proposed debenture issue is set out in the Annexure to this announcement.

The Directors of the Company caution that although the proposed debenture issue is in its final transactional documentation stage and a portion of the Issue is subject to shareholder approval, there is no guarantee that the raising of funds under the proposed Debenture Issue will be successful.

Beacon wishes to further advise that it had approached two banks in relation to providing funding for the Company. There are many aspects considered by the banks when reviewing and assessing funding for a



gold producing Company and Beacon was unable to meet the criteria, as a result the Board determined that debentures would be the best funding option available.

Authorised for release by the Board of Beacon Minerals Limited.

For more information contact:

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### **Competent Person's Statement**

Mr Zane Padman B.Sc. MAusIMM confirms that the information in this announcement relating to Mineral Resource estimates is an accurate representation of the available data and studies for the Lady Ida Project. Mr Padman is a Member of the Australian Institute of Mining and Metallurgy. Mr Padman is a full-time employee of Beacon Minerals Ltd. Mr Zane Padman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Padman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Gary McCrae B.Eng. MAusIMM confirms that the information relating to Ore Reserves in this announcement is an accurate representation of the available data and studies for the Lady Ida Project. Mr McCrae is a Member of the Australian Institute of Mining and Metallurgy. Mr McCrae is a full-time employee of Minecomp Pty Ltd. Mr McCrae has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McCrae consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Disclaimer**

This ASX announcement (Announcement) has been prepared by Beacon Minerals Limited ("Beacon" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Beacon, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Beacon.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Beacon's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Beacon and of a general nature which may affect the future operating and financial performance of Beacon and the value of an investment in Beacon including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks, and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Beacon and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social, and other conditions.
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Beacon, are inherently subject to significant technical, business, economic, competitive, political, and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Beacon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.

## **ANNEXURE – KEY TERMS OF PROPOSED DEBENTURE ISSUE**

The key terms of the proposed Debenture Issue are as follows:

- (a) the Company will issue debentures (**Debentures**) with a principal amount outstanding not exceeding \$20,000,000;
- (b) the face value of each Debenture will be \$1.00 and each Debenture Holder must subscribe for a minimum of 100,000 Debentures which will have a total face value of \$100,000 (**Minimum Subscription**);
- (c) the Company may invite a Debenture Holder to purchase Debentures in excess of the Minimum Subscription in \$50,000 increments;
- (d) for every one Debenture that is issued to a Debenture Holder, subject to receipt of shareholder approval, the Company will grant that Debenture Holder 20 Options exercisable at \$0.0375 each on or before 4 years from the date of issue and on further terms and conditions to be set out in the notice of meeting. The maximum number of Options to be issued under the Debenture Issue is 400,000,000;
- (e) the Debentures will not be listed on the ASX;
- (f) the term of the Debentures is 36 months from the date of issue (**Term**), and the Company holds the right to exercise an early repayment option which may be exercised no less than 18 months from the date of issue (**Early Repayment**);
- (g) the interest rate payable on the Debentures is 12% per annum. Interest will be payable on the paid-up face value of the Debentures and calculated on a daily basis. Interest will be payable to the Debenture Holders every 3 months until the end of the Term, or upon Early Repayment (together the **Record Dates**);
- (h) Interest will be paid no later than 7 days after the relevant Record Date;
- (i) the Debentures will be secured by the Company granting a mortgage against the Company, including all leases and fixed assets.
- (j) the Debentures will not entitle a Debenture Holder to any voting rights in the Company;
- (k) the Company must repay the subscription price in full in relation to any Debenture Issue, including accrued but unpaid interest, on the earlier of the following:
  - (i) the end of the Term;
  - (ii) Early Repayment; or
  - (iii) within 30 days on the occurrence of an event of default that has not been remedied;
- (l) events of default (**Event of Default**) include (but are not limited to) the following:
  - (i) an external administrator being appointed over any of the assets of the Company and not being removed;

- (ii) the Company being in liquidation or under administration;
  - (iii) a material change being made to the Constitution of the Company;
  - (iv) a failure to pay interest owed to a Debenture Holder occurring within 20 days of its due date;  
and
  - (v) other events of default typical of this type of transaction occurring;
- (m) the Company has 30 days to remedy any Event of Default which occurs pursuant to the Debenture Issue; and
- (n) the Company will pay a fee of 4% on the Debentures.

All of the Debenture Holders will be sophisticated or professional investors and as such the Company will not be preparing a disclosure document or appointing a security trustee in accordance with Part 2L.1 of the Corporations Act in relation to the Debenture Issue. The Debentures will not be quoted on ASX.