



20 June 2017

REVISED INITIAL SUBSTANTIAL HOLDER NOTICE AND CHANGE IN SUBSTANTIAL HOLDING NOTICE FILED

Deep Yellow Ltd (the **Company**) (ASX: DYL) advises that following the successful completion of its \$15.1M entitlement offer it has received the attached substantial holder notices for immediate release.

Revised Initial Substantial Holder Notice

Having taken advice the Initial Substantial Holder Notice (Form 603) lodged on 28 October 2016 has been revised and a correct version is attached for immediate release. *(Note the shareholding disclosed is pre capital consolidation)*

Change in Substantial Holding Notice

A Form 604 is also attached noting a change in holding resulting from participation in the entitlement issue and shortfall placement.

Yours faithfully

MARK PITTS
Company Secretary
Deep Yellow Limited

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Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Deep Yellow LimitedACN/ARSN ACN 006 391 948**1. Details of substantial holder (1)**Name Exploration Capital Partners 2014 Limited Partnership and its associated entities listed in Annexure A

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 28 / Oct / 2016**2. Details of voting power**

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

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Fully Paid	321,648,376	321,648,376	13.04%

3. Details of relevant interests

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

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Exploration Capital Partners 2014 Limited Partnership	Registered Holder	Ordinary // 321,648,376
Resource Capital Investment Corp.	Relevant interest under section 608(1)(b) of the Corporations Act having the power to exercise a right to vote on the securities?	Ordinary // 321,648,376

4. Details of present registered holders

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

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Exploration Capital Partners 2014 Limited Partnership	Merrill Lynch - Australia	Exploration Capital Partners 2014 Limited Partnership	Ordinary // 321,648,376

5. Consideration

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

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Exploration Capital Partners 2014 Limited Partnership	26 October 2016	1,415,252.85		Ordinary // 321,648,376
		(refer to Annexure B)		

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6. Associates

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

Name and ACN/ARSN (if applicable)	Nature of association
Resource Capital Investment Corp.	Resource Capital Investment Corp. controls Exploration Capital Partners 2014 Limited Partnership, and is therefore an associate of Explo under section 12(2)(a)(ii) of the Corporations Act.


7. Addresses

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

Name	Address
Exploration Capital Partners 2014 Limited Partnership	1910 Palomar Point Way, Suite 200, Carlsbad, CA 92008 USA
Resource Capital Investment Corp., & Spratt Global Resource Investments Ltd	1910 Palomar Point Way, Suite 200, Carlsbad, CA 92008 USA

Signature

print name Gretchen Carter capacity CFO, Resource Capital Investment Corp., General Partner

sign here  date June / 19 / 2017

DIRECTIONS

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

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

Annexure A to Revised Form 603 – Notice of initial substantial holder

Associates of Exploration Capital Partners 2014 Limited Partnership are:

Resource Capital Investments Corp.

Sprott Global Resource Investments Ltd.

Dated: June 19, 2017

Signed:



Gretchen Carter, CFO Resource Capital Investment Corp.

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Annexure B to Revised Form 603 – Notice of initial substantial holder

Subscription Agreement attached whereby Exploration Capital Partners 2014 Limited Partnership became a substantial shareholder

Dated: June 19, 2017

Signed:



Gretchen Carter, CFO Resource Capital Investment Corp.

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Subscription agreement

Deep Yellow Limited
Exploration Capital Partners 2014 Limited Partnership

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Contents

	Page	
1	Defined terms and interpretation	1
	1.1 Definitions in the Dictionary	1
	1.2 Interpretation	1
2	Placement	1
	2.1 Subscription	1
	2.2 Time and place for Completion	2
	2.3 Obligations prior to Completion	2
	2.4 Obligations at Completion	2
	2.5 Obligations immediately following Completion	3
	2.6 Constitution	3
	2.7 Equal ranking	3
	2.8 Participation in distributions	3
	2.9 Interdependence of Completion obligations	3
3	Issuer Warranties	4
	3.1 Giving of Issuer Warranties	4
4	Subscriber Warranties	4
	4.1 Giving of Subscriber Warranties	4
	4.2 Subscriber Warranties	5
	4.3 Subscriber acknowledgements	7
5	Undertakings by the Issuer	8
6	Termination Events	8
	6.1 Termination by the Issuer	8
	6.2 Termination by the Subscriber	9
	6.3 Material adverse effect	10
	6.4 Termination	10
	6.5 Effect of termination	10
7	Director appointment rights	11
	7.1 Right to appoint Director	11

7.2	Qualification of right to appoint ceases	11
7.3	Appointment at annual general meeting	11
8	Top up right	12
8.1	Top Up Right	12
8.2	Calculation of Securities the subject of the Top Up Right	12
8.3	Conditions of Top Up Right	12
8.4	Notice of proposed issue	12
8.5	Exercise of Top Up Right	12
8.6	Application of Top Up Right	13
8.7	Conditions to issue of Shares pursuant to Top Up Right	13
8.8	Obtaining ASX waiver	13
9	TSXV Acknowledgement	14
10	Right to lead	14
11	Confidentiality	14
11.1	Recipient must keep information confidential	14
11.2	Permitted disclosures	14
11.3	Survival of confidentiality obligations	15
12	Duty, costs and expenses	15
12.1	Duty	15
12.2	Costs and expenses	15
12.3	Costs of performance	15
13	GST	15
14	General	16
14.1	Notices	16
14.2	Notices sent by email	17
14.3	Certain Notices not to be sent by email	18
14.4	Governing law	18
14.5	Jurisdiction	18

14.6	Invalidity	18
14.7	Assignment, novation and other dealings	18
14.8	Variation	18
14.9	Waiver	19
14.10	Cumulative rights	19
14.11	Further assurances	19
14.12	Survival and merger	19
14.13	Entire agreement	19
14.14	Counterparts and Delivery	19
14.15	Relationship of the parties	19
14.16	Third party rights	19
	Schedule 1 Dictionary	20
	Schedule 2 Issuer Warranties	26
	Schedule 3 Disclosures (Clause 3.1(b))	30
	Execution page	31

Parties

- 1 **Deep Yellow Limited** ACN 006 391 948 of Unit 1, Spectrum Building, 100-104 Railway Rd, Subiaco, Western Australia, Australia (**Issuer**)
 - 2 **Exploration Capital Partners 2014 Limited Partnership** Delaware file number 5585590 of 1910 Palomar Point Way, Suite 200, Carlsbad, California 92008, United States of America (**Subscriber**)
-

Background

- A The Issuer is admitted to the official list of ASX and fully paid ordinary shares in the Issuer are quoted on the market conducted by ASX.
- B The Issuer proposes to raise the Placement Amount through the offer of the Placement Shares by way of placement to the Subscriber.
- C The Issuer has agreed to issue the Placement Shares to the Subscriber and the Subscriber has agreed to subscribe for the Placement Shares and pay the Placement Amount to the Issuer on the terms and conditions of this agreement.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter which is defined in:

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

1.2 Interpretation

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

2 Placement

2.1 Subscription

Subject to the terms and conditions of this agreement, the Issuer must allot and issue and the Subscriber must subscribe for, the Placement Shares:

- (a) for the Placement Amount;
- (b) on the Completion Date; and

- (c) free of any Security Interest.

2.2 Time and place for Completion

Completion will take place on the Completion Date at the offices of the Issuer or any other time and place agreed between the parties.

2.3 Obligations prior to Completion

Prior to Completion:

- (a) the Issuer must ensure that the Board holds a meeting at which the directors resolve, subject to Completion, to:
 - (i) allot and issue the Placement Shares to the Subscriber (or its nominee) in consideration of the Placement Amount;
 - (ii) terminate Mr Greg Cochran as the Managing Director of the Issuer;
 - (iii) appoint Mr John Borshoff as the Managing Director of the Issuer with effect from Completion;
 - (iv) appoint a nominee of the Subscriber to the Board with effect from Completion (subject to the nominee providing written consent to act and signing a letter of appointment acceptable to the Issuer acting reasonably); and
 - (v) authorise an officer to give an officer's certificate confirming that the Issuer has met all of its disclosure requirements under the ASX Listing Rules and that there is no material information which has not been announced to its shareholders and that the Issuer is otherwise in compliance with the laws in Australia; and
- (b) the Subscriber must give to the Issuer a written consent from its nominee (as contemplated in clause 2.3(a)(iv)) to act as a director of the Issuer with effect from Completion.

2.4 Obligations at Completion

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

- (a) the Issuer must give to the Subscriber a certified copy of the resolution referred to in clause 2.3(a) (**Obligations prior to Completion**);
- (b) the Subscriber must pay to the Issuer the Placement Amount in Immediately Available Funds; and
- (c) upon receipt of the Placement Amount, the Issuer must:
 - (i) issue and allot the Placement Shares to the Subscriber (or its nominee), it being understood that the Placement Shares will be restricted in accordance with U.S. securities laws; and
 - (ii) register the Placement Shares in the Issuer's register of members, or ensure that the Issuer's share registry does so, in the name of the Subscriber (or, if applicable, the Subscriber's nominee), free from any Security Interest but subject to transfer restrictions pursuant to U.S. securities laws.

2.5 Obligations immediately following Completion

Immediately following Completion, the Issuer must:

- (a) apply for and use its best endeavours to obtain Official Quotation of the Placement Shares;
- (b) notify ASX:
 - (i) that the Placement Shares were issued without disclosure to the Subscriber under Part 6D.2 of the Corporations Act;
 - (ii) that the notification is being given under sub-section 708A(5)(e) of the Corporations Act;
 - (iii) that, as at the date of the notice, the Issuer has complied with:
 - (A) the provisions of Chapter 2M of the Corporations Act as it applies to the Issuer; and
 - (B) section 674 of the Corporations Act; and
 - (iv) of any "excluded information" (within the meaning of sub-sections 708A(7) and (8) of the Corporations Act) as at the date of the notice;
- (c) make, within the prescribed times, all filings respecting the Placement required to be made with the Securities and Exchange Commission of the United States and the Secretary of State of the State of California; and
- (d) deliver to the Subscriber (or, if applicable, the Subscriber's nominee), the CHES holding statement for the Placement Shares.

2.6 Constitution

Upon the issue of the Placement Shares to the Subscriber, the Subscriber agrees to become a member of the Issuer and to be bound by the Constitution in respect of those Placement Shares.

2.7 Equal ranking

The Placement Shares will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as the other Shares subject to the transfer restrictions that apply pursuant to U.S. securities laws.

2.8 Participation in distributions

The Placement Shares will only carry the right to participate in a distribution which is declared by the Issuer in respect of the Placement Shares after the date on which the Placement Shares are registered in the Issuer's register of members in accordance with clause 2.4(c)(ii) (**Obligations at Completion**).

2.9 Interdependence of Completion obligations

- (a) The obligations of the Issuer and the Subscriber under clauses 2.1 (**Subscription**) and 2.4 (**Obligations at Completion**) are interdependent. Unless otherwise stated, all actions required to be performed by a party at Completion are taken to have occurred simultaneously on the Completion Date.

- (b) Completion will not occur unless all of the obligations of the Issuer and the Subscriber under clauses 2.1 (**Subscription**) and 2.4 (**Obligations at Completion**) are complied with and fully effective.
- (c) If one action does not take place under clauses 2.1 (**Subscription**) and 2.4 (**Obligations at Completion**), then without prejudice to any rights available to any party as a consequence:
- (i) there is no obligation on any party to undertake or perform any of the other actions;
 - (ii) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
 - (iii) each party must return to the other party all documents delivered to it under this clause 2 (**Placement**) and the Issuer must return, without interest or deduction, the Placement Funds to the Subscriber, without prejudice to any other rights any party may have in respect of that failure.

3 Issuer Warranties

3.1 Giving of Issuer Warranties

- (a) The Issuer represents and warrants to the Subscriber that each of the Issuer Warranties is true and accurate in all material respects as at:
- (i) the date of this agreement; and
 - (ii) Completion.
- (b) The Issuer Warranties are given subject to the specific disclosures contained in Schedule 3 (**Disclosures (Clause 3.1(b))**).
- (c) The Issuer acknowledges that it has made and given the Issuer Warranties with the intention of inducing the Subscriber to enter into this agreement and the Subscriber has entered into this agreement in reliance on the Issuer Warranties.
- (d) Each Issuer Warranty must be construed independently and the interpretation of any statement made is not to be limited by reference to another Issuer Warranty.
- (e) The Issuer Warranties shall survive the Completion.

4 Subscriber Warranties

4.1 Giving of Subscriber Warranties

- (a) The Subscriber represents and warrants to the Issuer that each of the Subscriber Warranties is true and accurate in all material respects as at:
- (i) the date of this agreement; and
 - (ii) Completion.
- (b) The Subscriber acknowledges that it has made and given the Subscriber Warranties with the intention of inducing the Issuer to enter into this agreement and

the Issuer has entered into this agreement in reliance on the Subscriber Warranties.

- (c) Each Subscriber Warranty must be construed independently and the interpretation of any statement made is not to be limited by reference to another Subscriber Warranty.
- (d) The Subscriber Warranties shall survive the Completion.

4.2 Subscriber Warranties

The Subscriber represents and warrants and covenants that:

- (a) **corporate existence:** it is a limited partnership validly existing under the laws of its place of formation;
- (b) **power and capacity:** it has the power and capacity to enter into and perform its obligations under or in connection with this agreement and to own its assets and to carry on its business as it is now being conducted;
- (c) **authority:** it and its general partner have taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms;
- (d) **validity of obligations:** this agreement constitutes valid and binding obligations upon it enforceable in accordance with its terms by appropriate legal remedy;
- (e) **no breach:** the signing and delivery of this agreement and the performance by the Subscriber of its obligations under it complies with and will not breach:
 - (i) each applicable law and Authorisation;
 - (ii) the Subscriber's constituent documents;
 - (iii) a Security Interest or document binding on the Subscriber;
- (f) **no Insolvency Event:** no Insolvency Event has occurred in relation to the Subscriber;
- (g) **accredited investor:** it is an "accredited investor" as defined in Section 501(a) of Regulation D of the U.S. Securities Act, in that it is a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000. It has: (i) made and relied entirely upon its own assessment of the Issuer and the Placement Shares; (ii) conducted its own independent investigation with respect to the Placement Shares and the Issuer, it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks (including for tax, legal, regulatory, accounting, currency, economic and other financial purposes) associated with, and other characteristics of, the Placement Shares, and it can afford a loss of its entire investment; and (iii) determined that the Placement Shares are a suitable investment for it, both in the nature and the number of the Placement Shares being acquired;
- (h) it has not relied on any investigation that the Issuer or any persons acting on the Issuer's behalf may have conducted with respect to the Placement Shares or the Issuer. None of such persons has made any representation to it, express or implied, with respect to the Placement Shares or the Issuer other than as expressly provided in this agreement;

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- (i) **related party:** it is not a Related Party of the Issuer;
 - (j) **acquisition for own account:** it is acquiring the Placement Shares for its own account only and it is not acquiring any Placement Shares as a fiduciary or agent for one or more accounts;
 - (k) **resale restrictions:** if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the Placement Shares, it will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act, and not in a pre-arranged transaction to a person in the United States, (ii) in a transaction exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144 or another exemption from the registration requirements of the U.S. Securities Act, if available, (iii) to the Issuer or an affiliate thereof, or (iv) pursuant to an effective registration statement under the U.S. Securities Act (which it acknowledges that the Issuer has no obligation to file or make available) and in each case in accordance with any applicable securities laws of any state or jurisdiction of the United States. It understands that any sale not made in accordance with the above may not be recognised by the Issuer, and it may need to hold the Placement Shares indefinitely;
 - (l) **no distribution of materials:** it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (or any part thereof) to or within the United States, nor will it do any of the foregoing, and it is not acquiring any Placement Shares for resale in the United States and it has not and will not deliver or forward any advertisement or other offering material in relation to the Placement Shares in or into the United States;
 - (m) **no general solicitation or general advertising:** it is not acquiring the Placement Shares as a result of or due to, and will not engage in, any “general solicitation” or “general advertising” (as defined in Rule 502 promulgated under the U.S. Securities Act) in the United States in respect of the Placement Shares, such as pursuant to any advertisement, article, notice or other communication published in any newspaper, magazine, the Internet or similar media or broadcast over television or radio or the Internet;
 - (n) **access to information:** it has had access to such financial and other information concerning the Issuer and the Placement Shares as it has deemed necessary or appropriate to make its own independent and informed decision to purchase the Placement Shares, including the opportunity, at a reasonable time prior to its purchase of the Placement Shares, to ask questions and receive answers from representatives of the Issuer concerning the Issuer, the Placement Shares and the terms and conditions of the placement;
 - (o) **sale:** the Issuer reserves the right to make inquiries of any holder of the Placement Shares at any time as to such person’s status under the federal U.S. securities laws and the Subscriber agrees that the Issuer may require any such person that has not satisfied the Issuer that the holding by such person will not violate or require registration under the U.S. securities laws to transfer such Placement Shares immediately at the direction of the Issuer;
 - (p) **no disqualification event.** none of the Subscriber, any general partner or managing member (or equivalent) of the Subscriber, any director or executive officer of any of the foregoing, any other officer of any of the foregoing participating in the Placement, or any officer or other employee of or 20% owner of the foregoing are subject to any Disqualifying Event and there were no events that would have been deemed a Disqualifying Event of any such persons but occurred before September 23, 2013; and

- (q) **no intent to distribute:** it does not have a present arrangement to effect any distribution of the Placement Shares to or through any person or entity.

4.3 Subscriber acknowledgements

By signing this agreement, the Subscriber acknowledges that:

- (a) no prospectus or other disclosure document has been prepared in connection with the Placement;
- (b) it is aware that publicly available information about the Issuer relating to the Placement can be obtained from ASX (including its website www.asx.com.au);
- (c) the Issuer may make further disclosures about information that may have a Material Adverse Effect on the price or value of the Placement Shares prior to the issue of the Placement Shares and its rights and obligations are not affected by any such disclosures;
- (d) the offer to subscribe for Placement Shares, and related discussions, does not constitute a securities recommendation and the Issuer and any person acting on its behalf has not had regard to the Subscriber's particular objectives, financial situation and needs;
- (e) the Issuer is relying on one or more exemptions from the registration requirements of the U.S. Securities Act and, as a consequence of acquiring the Placement Shares pursuant to such exemption(s), certain protections, rights and remedies provided by applicable securities laws will not be available to it, including an obligation on the Issuer to provide it with a prospectus or other disclosure document, and, save for this document, no offer document, admission document or prospectus has been, or is required to be, prepared by the Issuer;
- (f) no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Placement Shares or the fairness or suitability of the investment in the Placement Shares nor have such authorities passed upon or endorsed the merits of the placement of the Placement Shares;
- (g) the Placement Shares have not been and nor will they be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, into or within the United States absent registration under the U.S. Securities Act or an exemption or exclusion from the registration requirements of the U.S. Securities Act;
- (h) any holding statement or other document respecting the Placement Shares may bear legends relating to the U.S. Securities Act and other securities laws, stating that the securities have not been registered under the U.S. Securities Act and setting forth or referring to the restrictions on transferability and sale of the securities;
- (i) the Placement Shares will constitute "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and the Subscriber understands the resale limitations imposed thereby and the U.S. Securities Act; and

- (j) an investment in the Placement Shares involves a degree of risk and it has considered the risks associated with the Placement Shares in deciding whether to purchase any Placement Shares.

5 Undertakings by the Issuer

The Issuer agrees that it:

- (a) **notification of breach:** must at all times prior to Completion notify the Subscriber immediately:
- (i) if it becomes aware of anything (**Circumstance**) which would cause an Issuer Warranty to not be true and accurate in all material respects, detailing the nature and effect of the Circumstance; or
 - (ii) of any breach of any Issuer Warranty or undertaking given by it under this agreement or the occurrence of any event as set out in clauses 6.1 (**Termination by the Issuer**) and 6.2 (**Termination by the Subscriber**);
- (b) **constitution:** will not, before Completion, vary any term of the Constitution without the prior written consent of the Subscriber to the terms of the variation, such consent not to be unreasonably withheld or delayed;
- (c) **breach:** will not, before Completion, commit, be involved in or acquiesce in any activity which breaches in any material respect:
- (i) the Corporations Act;
 - (ii) any other applicable laws;
 - (iii) the ASX Listing Rules;
 - (iv) the Constitution; or
 - (v) any legally binding requirement of ASIC or ASX; and
- (d) **announcements:** will not make any public announcement or release in relation to the Placement or this agreement without consulting with, and obtaining the prior written consent of the Subscriber, such consent not to be unreasonably withheld or delayed unless the Issuer is required by law or the ASX Listing Rules to make an announcement and is unable to first consult with, and obtain consent from the Subscriber within the required timeframe, in which case, the Issuer must use its reasonable endeavours (having regard to its obligations under such law or the ASX Listing Rules) to provide the Subscriber with a copy of the statement before it is made.

6 Termination Events

6.1 Termination by the Issuer

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

- (a) **Subscriber Warranties:** any of the Subscriber Warranties cease to be true in any material respect;

- (b) **material breach:** the Subscriber commits a material breach of this agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Subscriber within 5 Business Days of receiving written notice from the Issuer specifying the breach and stating an intention to terminate the agreement; or
- (c) **unable to issue Placement Shares:** the Issuer is prevented from allotting the Placement Shares within the time required by this agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction, ASIC, ASX or any governmental or semi-governmental agency or authority.

6.2 Termination by the Subscriber

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

- (a) **Issuer Warranties:** any of the Issuer Warranties cease to be true in any material respect and in the reasonable opinion of the Subscriber, and after consultation with the Issuer, that failure has, or could reasonably be expected to have, a material adverse effect on the settlement of the Placement, or the price at which the Placement Shares will trade on ASX;
- (b) **material breach:** the Issuer commits a material breach of this agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Issuer within 5 Business Days of receiving written notice from the Subscriber specifying the breach and stating an intention to terminate the agreement;
- (c) **unable to issue Placement Shares:** the Issuer is prevented from allotting the Placement Shares within the time required by this agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction, ASIC, ASX or any governmental or semi-governmental agency or authority;
- (d) **removal from official list:** ASX announces that the Issuer will be removed from the official list or that any shares in the Issuer will be delisted or suspended from quotation by ASX for any reason;
- (e) **market fall:** the All Ordinaries Index as published by ASX is at any time after the date of this agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this agreement;
- (f) **Material Adverse Effect:** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change which is reasonably likely to occur after the date of this agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Issuer (other than changes to the Board of Directors of the Issuer as contemplated by this agreement);
- (g) **change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (h) **hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement directly

involving Australia and any one or more of New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, provided that such circumstance is not existing at the date of this agreement;

- (i) **litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of this agreement commenced or threatened against the Issuer;
- (j) **termination of Finder Agreement:** prior to the Closing, the Finder terminates its agreement with the Issuer pursuant to which the Finder agreed to locate and introduce the Subscriber to the Issuer; or
- (k) **Force Majeure:** a Force Majeure affecting the Issuer's business or any obligation under the Agreement lasting in excess of 7 days occurs.

6.3 Material adverse effect

The Subscriber may not exercise its respective rights under clauses 6.2(f) to 6.2(j) (inclusive) unless, in the reasonable opinion of the Subscriber reached in good faith, the occurrence of a termination event, or the occurrence of two or more termination events together, as set out in clause 6.2:

- (a) has or have or are reasonably likely to have a Material Adverse Effect; or
- (b) could reasonably be expected to give rise to a liability of the Subscriber under the Corporations Act or otherwise.

6.4 Termination

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

6.5 Effect of termination

- (a) A termination of this agreement will not affect any other rights the parties have against one another at law or in equity.
- (b) On termination of this agreement:
 - (i) the parts of this agreement specified in clause 14.12 (**Notices sent by email**) are not affected;
 - (ii) each party retains any rights it has against the other party in connection with any right or Claim which arises before termination; and
 - (iii) the Subscriber must return to the Issuer all documents and other materials in any medium in its possession, power or control which contain information relating to the Placement Shares or Issuer and which have been disclosed to or provided to the Subscriber by the Issuer.

7 Director appointment rights

7.1 Right to appoint Director

- (a) Subject to clause 7.2 (**Qualification of right to appoint ceases**), if the Subscriber holds more than:
- (i) 10% of the issued Shares it may, in its absolute discretion, nominate one person for appointment as a Director; and
 - (ii) 25% of the issued Shares it may, in its absolute discretion, nominate one person for appointment as a Director in addition to the Director referred to in clause 7.1(a)(i) (**Right to appoint Director**), and
- the Issuer shall take all reasonable endeavours to cause such person (or persons) to be appointed as a Director (or Directors).
- (b) For the purposes of this clause 7.1 (**Right to appoint Director**) all calculations in relation to Shares held must be done on an undiluted basis.
- (c) Any Director appointed pursuant to this clause 7.1 (**Right to appoint Director**) may not be appointed to be the Chairman of the Issuer.
- (d) None of the Directors (including Managing Directors) or any other person nominated or appointed to the Board or to any officer of the Issuer pursuant to this Agreement shall have been (whether in the past or in the future) subject to a Disqualifying Event. To the extent that any such person has undergone or in the future undergoes a Disqualifying Event, then the Subscriber shall promptly notify the Issuer and cause such person to resign (unless otherwise agreed between the parties hereto).

7.2 Qualification of right to appoint ceases

- (a) If the Subscriber's holding falls below 20%:
- (i) the right to appoint a Director under clause 7.1(a)(ii) ceases; and
 - (ii) the Subscriber must obtain the resignation of the Director it has previously appointed in accordance with clause 7.1(a)(ii).
- (b) If the Subscriber's holding falls below 10%:
- (i) the right to appoint a Director under clause 7.1(a)(i) ceases; and
 - (ii) the Subscriber must obtain the resignation of the Director it has previously appointed in accordance with clause 7.1(a)(i).

7.3 Appointment at annual general meeting

So long as the Subscriber holds at least 10% of the issued Shares, the Issuer must put to its shareholders at the Issuer's annual general meeting to be held following Completion and thereafter at subsequent annual general meetings (when, as required by the Issuer's Constitution and ASX Listing Rules), the nominee or nominees of the Subscriber must retire by rotation) and use reasonable endeavours to be passed, a resolution to reappoint a nominee of the Subscriber (or two nominees if the Subscriber holds at least 20% of the

issued Shares) to the Board in accordance with the Constitution, the ASX Listing Rules and any other applicable laws.

8 Top up right

8.1 Top Up Right

Subject to the Issuer obtaining a waiver from Listing Rule 6.18, or receiving written notice from ASX that Listing Rule 6.18 does not apply and to an exemption from all relevant securities laws being available, where the Issuer proposes to undertake any capital raising by way of the issue of Equity Securities (**Top Up Event**), the Issuer must at the same time as undertaking the Top Up Event permit the Subscriber to subscribe for such number and type of Equity Securities as are calculated under clause 8.2 (**Calculation of Securities the subject of the Top Up Right**) on terms no less favourable to the Subscriber than those under the Top Up Event (**Top Up Right**).

8.2 Calculation of Securities the subject of the Top Up Right

- (a) The number of Equity Securities to be offered to the Subscriber pursuant to clause 8.1 (**Top Up Right**) is such number as will ensure that the Subscriber has the same percentage interest in the capital of the Issuer as it held prior to the Top Up Event, calculated on an undiluted basis assuming the exercise or conversion of all Equity Securities which are on issue that are not Shares but disregarding any issues referred to in clause 8.6 (**Application of Top Up Right**) that occur in the meantime.
- (b) The Equity Securities to be issued to the Subscriber under the Top Up Right must be of the same type, and where more than one type in the same proportion, as are issued or offered under the Top Up Event. For the avoidance of doubt, it is intended that the exercise of the Top Up Right should not enable the Subscriber to disproportionately increase its percentage interest in Shares as compared to other Equity Securities but to maintain its percentage interest in Shares following a Top Up Event.

8.3 Conditions of Top Up Right

The Top Up Right will be subject to any conditions imposed by ASX as a condition for granting the Issuer a waiver from Listing Rule 6.18 in respect of the Top Up Right.

8.4 Notice of proposed issue

Where the Top Up Right arises pursuant to clause 8.1 (**Top Up Right**), the Issuer must give the Subscriber notice of the proposed Top Up Event as soon as reasonably practicable and in any event no later than 2 Business Days after the announcement of the Top Up Event, if the proposal to make the Top Up Event is announced, or , which notice must specify the number and type of Equity Securities that the Subscriber will be entitled to apply for under the Top Up Right (**Top Up Securities**), the issue price that the Subscriber must pay for those Top Up Securities and any other material terms and conditions of the Top Up Securities or their issue.

8.5 Exercise of Top Up Right

To exercise the Top Up Right, the Subscriber must complete and lodge with the Issuer an application form for the Top Up Securities within 10 Business Days of the receipt from the Issuer of the later of (i) notice under clause 8.4 (**Notice of proposed issue**), and (ii) the application form for the Top Up Securities, otherwise the Top Up Right in respect of the

particular Top Up Event will lapse. However, this does not affect the continued existence of the Top Up Right in respect of future Top Up Events.

8.6 Application of Top Up Right

For the avoidance of doubt, the Issuer and the Subscriber acknowledge that the Top Up Right only applies in the circumstances set out in clause 8.1 (**Top Up Right**), and does not apply in other circumstances including:

- (a) any issues of Equity Securities as consideration for the acquisition of an asset, business or security including but not limited to such an issue pursuant to:
 - (i) an off-market bid within the meaning of the Corporations Act made by the Issuer or any of its related bodies corporate; or
 - (ii) a scheme of arrangement under Part 5.1 of the Corporations Act;
- (b) any issues of Shares issued on the exercise or conversion of other Equity Securities in the Issuer that are existing prior to the date of this agreement;
- (c) an issue of any Equity Securities in the Issuer to employees, officers, consultants or directors of the Issuer pursuant to a compensation or incentive scheme for the benefit of employees, officers, director or consultants of the Issuer or otherwise as part of their reasonable remuneration for services to the Issuer; or
- (d) any issuances of Shares to the Investor for which there is no available exemption from the registration requirements of the U.S. Securities Act;
- (e) an issue of Shares under a dividend reinvestment plan or bonus share plan of the Issuer.

8.7 Conditions to issue of Shares pursuant to Top Up Right

- (a) The issue of Shares pursuant to the exercise by the Subscriber of the Top Up Right will be subject to and conditional on the Issuer obtaining all necessary Shareholder approvals. Where Shareholder approval is required pursuant to this clause, the Issuer will use reasonable endeavours to obtain such approval as soon as practicable, and those members of the Board who are not prevented from doing so will, subject to their fiduciary duties, unanimously recommend that Shareholders vote in favour of the such approvals. If Shareholder approval is obtained, the Issuer will issue the Shares pursuant to the Top Up Right as soon as practicable after Shareholder approval.
- (b) Notwithstanding anything in this clause, the Top Up Rights will cease to apply if the Subscriber ceases to hold at least 10% of the issued Shares.
- (c) The Subscriber acknowledges and agrees that any Top Up Securities may be “restricted securities” pursuant to the U.S. Securities Act, and shall have resale restrictions and, in order to receive the Top Up Securities, the Subscriber may be required to provide representations and warranties and covenants to the Issuer in order for the Issuer to comply with relevant U.S. securities laws.

8.8 Obtaining ASX waiver

The Issuer must use its best endeavours to obtain a waiver from Listing Rule 6.18, or seek a written confirmation from ASX that Listing Rule 6.18 does not apply, in respect of

the Top Up Right. For the avoidance of doubt, if ASX does not grant a waiver from Listing Rule 6.18, this clause 8 (**Top up right**) shall cease to apply.

9 TSXV Acknowledgement

- (a) If the Subscriber holds more than 25% of the issued Shares (calculated on a partially diluted basis), the Subscriber may request the Issuer to seek a listing on the TSX Venture Exchange (**Registration Right**).
 - (b) The Registration Right shall remain in place so long as the Subscriber holds more than 10% of the issued Shares (calculated on a partially diluted basis).
-

10 Right to lead

- (a) The Issuer agrees for so long as the Subscriber holds more than 10% of the issued Shares (calculated on an undiluted basis), it will provide the Finder and its affiliates with the right to bid to place or find subscribers for Shares or convertible notes of the Issuer which the Issuer may wish to place or issue from time to time, other than where that placement is to employees, officers or directors of or contractors to the Issuer.
 - (b) To discharge its obligation under clause 10(a), the Issuer shall invite the Finder, along with any other party to propose terms under which they will place or find subscribers for such Shares or convertible notes of the Issuer.
-

11 Confidentiality

11.1 Recipient must keep information confidential

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

- (a) use the Discloser's Confidential Information solely for the purposes of performing its obligations under this agreement; and
- (b) keep all the Discloser's Confidential Information confidential and not disclose it to any third party except as:
 - (i) otherwise permitted under this agreement; and
 - (ii) provided for in clause 11.2 (**Permitted disclosures**).

11.2 Permitted disclosures

The Recipient may disclose the Discloser's Confidential Information:

- (a) to the Recipient's Representatives provided that:
 - (i) those Representatives need to know that Confidential Information for the purpose of carrying out their responsibilities and duties (and only to the extent that each has a need to know);
 - (ii) those Representatives are under an obligation to the Recipient to keep the Discloser's Confidential Information confidential on terms similar in all

material respects to the terms set out in this clause 11 (**Confidentiality**); and

- (iii) the Recipient ensures that those Representatives keep the Discloser's Confidential Information confidential in accordance with this clause 11 (**Confidentiality**);
- (b) with the prior written consent of the Discloser; and
- (c) to the extent that the disclosure is required by applicable law, legal process, any order or rule of any Government Agency, the rules of a recognised stock exchange, or otherwise to comply with its regulatory obligations.

11.3 Survival of confidentiality obligations

The Recipient's obligations under this clause 11 (**Confidentiality**) continue 12 months from the date of this agreement.

12 Duty, costs and expenses

12.1 Duty

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

12.2 Costs and expenses

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

12.3 Costs of performance

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

13 GST

- (a) Any consideration or amount payable under this agreement, including any non-monetary consideration (as reduced in accordance with clause 13(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this agreement, an additional amount (**Additional Amount**) is payable by the party providing the Consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 13(b) is payable at the same time and in the same manner as the Consideration for the Supply but is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply made under or in connection with

this agreement (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 13(b):

- (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Notwithstanding any other provision in this agreement, if an amount payable under or in connection with this agreement (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause 13 (**GST**) to an Input Tax Credit to which a party is entitled includes, without limitation, an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of the GST Group of which that party is a Member is entitled.

14 General

14.1 Notices

- (a) Unless expressly stated otherwise in this agreement and subject to clause 14.2 (**Notices sent by email**), a notice or other communication given under this agreement including, but not limited to, a request, demand, consent or approval, to or by a party to this agreement:
- (i) must be in legible writing and in English;
 - (ii) must be addressed to the addressee at the address, facsimile number or email address set out below or to any other address, facsimile number or email address a party notifies to the other under this clause:
 - (A) if to the Issuer:

Address	Unit 1, Spectrum Building 100-104 Railway Rd Subiaco, Western Australia 6008 AUSTRALIA
Attention	Rudolf Brunovs
Facsimile	(+) 61 8 9286 6969
Email	rudolf.brunovs@iinet.net.au
 - (B) if to the Subscriber:

Address 1910 Palomar Point Way, Suite 200
Carlsbad, California 92008
UNITED STATES OF AMERICA
Attention Gretchen Carter, CFO
Facsimile (+) 1-760-683-6752
Email gcarter@sprottglob.com

- (iii) must be signed by an Officer or under the common seal of a sender which is a company; and
- (iv) is deemed to be received by the addressee in accordance with clause 14.1(b).
- (b) Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice is deemed to be received:
- (i) if sent by hand, when delivered to the addressee;
 - (ii) if by post, on delivery to the addressee;
 - (iii) if by facsimile transmission, on receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent, or
 - (iv) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) five hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,whichever happens first,
- but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time) it is deemed to be received at 9.00 am on the following Business Day.
- (c) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 12 hours after the transmission is received or regarded as received under clause 14.1(b)(iii) and informs the sender that it is not legible.
- (d) In this clause, a reference to an addressee includes a reference to an addressee's Officers, agents or employees or a person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

14.2 Notices sent by email

Notices sent by email need not be marked for attention in the way stated in clause 14.1 (**Notices**). However, the email must state the first and last name of the sender.

Notices sent by email are taken to be signed by the named sender.

14.3 Certain Notices not to be sent by email

Despite clauses 14.1 (**Notices**) and 14.2 (**Notices sent by email**), a Notice terminating this agreement under clause 6.4 (**Termination**) must not be sent by email.

14.4 Governing law

This agreement is governed by the laws of Western Australia.

14.5 Jurisdiction

Each party irrevocably and unconditionally:

- (a) submits to the exclusive jurisdiction of the courts of Western Australia;
- (b) waives any:
 - (i) claim or objection based on absence of jurisdiction or inconvenient forum; or
 - (ii) immunity in relation to this agreement in any jurisdiction for any reason; and
- (c) agrees that a document required to be served in proceedings about this agreement may be served:
 - (i) under clause 14.1 (**Notices**); or
 - (ii) in any other way permitted by law.

14.6 Invalidity

- (a) If a provision of this agreement or a right or remedy of a party under this agreement is invalid or unenforceable in a particular jurisdiction:
 - (i) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability; and
 - (ii) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (b) This clause 14.6 (**Invalidity**) is not limited by any other provision of this agreement in relation to severability, prohibition or enforceability.

14.7 Assignment, novation and other dealings

A party must not assign or novate this agreement or otherwise deal with the benefit of it or a right under it, or purport to do so, without the prior written consent of each other party.

14.8 Variation

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

14.9 Waiver

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

14.10 Cumulative rights

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

14.11 Further assurances

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

14.12 Survival and merger

- (a) No term of this agreement merges on completion of any transaction contemplated by this agreement.
- (b) Clause 11 (**Confidentiality**), clause 12 (**Duty, costs and expenses**) and this clause 14 (**General**) survive termination or expiry of this agreement together with any other term which by its nature is intended to do so.

14.13 Entire agreement

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

14.14 Counterparts and Delivery

This agreement may be executed in any number of counterparts and delivered electronically, each of which, when so executed and delivered, is an original. Those counterparts together make one instrument.

14.15 Relationship of the parties

Except as expressly provided in this agreement:

- (a) nothing in this agreement is intended to constitute a fiduciary relationship or an agency, partnership or trust; and
- (b) no party has authority to bind any other party.

14.16 Third party rights

Except as expressly provided in this agreement:

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

1 Dictionary

In this agreement:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691), which operates the Australian Securities Exchange.

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

Authorisation includes:

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

Board means the board of directors of the Issuer.

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

CHESS means Clearing House Electronic Subregister System.

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

Cleansing Notice means a notice that complies with clause 2.5 (**Obligations immediately following Completion**) of this agreement.

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

Completion Date means Friday, 28 October 2016.

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

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

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

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

Constitution means the constitution or constituent documents of the Issuer.

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

Disqualifying Event means any conviction, order, judgment, decree, suspension, expulsion, event or other matter set out in Rule 506(d)(1)(i) through (viii) of Regulation D promulgated under the U.S. Securities Act that is currently in effect or which occurred within the periods set out in Rule 506(d)(1)(i) through (viii) and, without limiting the foregoing, includes criminal convictions, court injunctions or restraining orders, final orders of any state or federal regulator, SEC disciplinary orders, SEC cease-and-desist orders, SEC stop orders or orders suspending the Regulation A exemption, suspension or expulsion from membership in, or association with a member of, a self-regulatory organization (such as FINRA) or United States Postal Service false representation orders.

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

Equity Security has the meaning given under the ASX Listing Rules.

Finder means Sprott Global Resource Investments, Ltd. a California limited partnership.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the reasonable control of the parties.

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

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

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

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

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

Insolvency Event means the occurrence of any one or more of the following events in relation to any person:

- (a) an application is made to a court for an order, or an order is made, that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed;
- (b) a liquidator or provisional liquidator is appointed;
- (c) an administrator is appointed to it under sections 436A, 436B or 436C of the Corporations Act;

- (d) a Controller (as defined in section 9 of the Corporations Act) is appointed to it or any of its assets;
- (e) a receiver is appointed to it or any of its assets;
- (f) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (g) it proposes a winding-up, dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (h) it is insolvent as disclosed in its accounts or otherwise, states that it is insolvent, is presumed to be insolvent under an applicable law (including under sub-section 459C(2) or section 585 of the Corporations Act) or otherwise is, or states that it is, unable to pay all its debts as and when they become due and payable;
- (i) it is taken to have failed to comply with a statutory demand as a result of sub-section 459F(1) of the Corporations Act;
- (j) a notice is issued under sections 601AA or 601AB of the Corporations Act and not withdrawn or dismissed within 21 days;
- (k) a writ of execution is levied against it which is not dismissed within 21 days;
- (l) it ceases to carry on business or threatens to do so; or
- (m) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition.

Issuer Warranties means the representations and warranties set out in Schedule 2 (**Issuer Warranties**).

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

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

Official Quotation means quotation by ASX.

Placement means the private placement by the Issuer of the Placement Shares to the Subscriber.

Placement Amount means \$1,415,252.85 being the amount calculated by multiplying the number of Placement Shares by the Subscription Price.

Placement Shares means 321,648,376 Shares issued under this agreement at the Subscription Price.

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

PPS Law means:

- (a) the PPS Act;

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

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

Registration Right has the meaning given in clause 9 (**TSXV Acknowledgement**).

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

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

Relevant Period means the 12 months before the Completion Date.

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

Security Interest means:

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

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

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

Subscriber Warranties means the representations and warranties set out in clause 3.1(e) (**Subscriber Warranties**).

Subscription Price means \$0.0044 for each Placement Share.

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

Tax means a tax, levy, charge, impost, fee, deduction, compulsory loan or withholding any nature, including, without limitation, any goods and services tax (including GST), value added tax or consumption tax, which is assessed, levied, imposed or collected by a Government Agency, except where the context requires otherwise. This includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts, but excludes Duty.

Top Up Event has the meaning given in clause 8.1 (**Top Up Right**).

Top Up Right has the meaning given in clause 8.1 (**Top Up Right**).

Top Up Securities has meaning given in clause 8.4 (**Notice of proposed issue**).

United States means the United States of America, its territories and possessions and the District of Columbia.

U.S. Securities Act means the United States Securities Act of 1933, as amended.

2 Interpretation

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

- (a) Headings are for convenience only and do not affect the interpretation of this agreement.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation.
- (f) A reference to:
 - (i) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
 - (ii) a thing (including but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this agreement;
 - (vi) this agreement includes all schedules and attachments to it;
 - (vii) a law includes:
 - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
 - (B) any order, direction, determination, approval, requirement, licence or licence condition made, granted or imposed under any of them;
 - (C) any judgment; and
 - (D) any rule or principle of common law or equity,and is a reference to that law as amended, consolidated, replaced, overruled or applied to new or different facts;
 - (viii) an agreement other than this agreement includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (ix) a monetary amount is in Australian dollars;

- (g) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (h) In determining the time of day, where relevant to this agreement, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this agreement, the time of day in the place where the party required to perform an obligation is located.
- (i) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement or any clause of it.
- (j) For the purposes of Parts 7 through 10 of this agreement, any reference to the percentage of Shares held by the Subscriber shall include all Shares over which ownership or control and direction is, directly or indirectly through its subsidiaries, affiliates and managed accounts, held or managed by Sprott Inc.

Schedule 2 Issuer Warranties

1 The Issuer's Incorporation and Existence

- (a) The Issuer is a body corporate validly existing under the laws of its place of incorporation.
- (b) The Issuer has the power and capacity to enter into and perform its obligations under or in connection with this agreement and to own its assets and to carry on its business as it is now being conducted.
- (c) The business and affairs of the Issuer have at all times been and continue to be conducted in accordance with:
 - (i) the Constitution;
 - (ii) the Corporations Act; and
 - (iii) the ASX Listing Rules.
- (d) No Insolvency Event has occurred in relation to the Issuer.
- (e) At the Completion, the Issuer will not have taken any steps to terminate its existence, to amalgamate or merge into another corporation, to continue into any other jurisdiction or to otherwise change its corporate existence and will not have received any notice or other communication from any person or governmental authority indicating that there exists any situation which could result in the termination of its existence.
- (f) The Issuer is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and no such actions, suits or proceedings have been threatened or, to the Issuer's knowledge, are pending, nor is there any basis therefor, except as has been publicly disclosed.

2 Power and authority

- (a) The Issuer and its directors have taken all necessary action to authorise the signing, delivery and performance of this agreement and the documents required under this agreement in accordance with their respective terms.
- (b) This agreement constitutes valid and binding obligations upon the Issuer enforceable in accordance with its terms by appropriate legal remedy.
- (c) The signing and delivery of this agreement and the performance by the Issuer of its obligations under it complies with and will not breach:
 - (i) each applicable law and Authorisation;
 - (ii) the Constitution;
 - (iii) the ASX Listing Rules; and
 - (iv) a Security Interest or document binding on the Issuer.

- (d) There is no restriction on the issue of the Placement Shares and the issue and allotment of the Placement Shares will not trigger any pre-emptive or similar right held by any person.
- (e) So far as the Issuer is aware, the Issuer is not in breach of any provision of:
- (i) the Corporations Act;
 - (ii) any other applicable laws;
 - (iii) the ASX Listing Rules;
 - (iv) the Constitution; or
 - (v) any legally binding requirement of ASIC or ASX,
- where such breach would have a Material Adverse Effect.

3 Disclosure

- (a) The Issuer is, and has been in the past, in full compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and it is not withholding any excluded information for the purposes of sub-section 708A(6)(e) of the Corporations Act, other than in respect of the Placement which is to be disclosed in the Cleansing Notice.
- (b) All information in respect of the Issuer given by or on behalf of the Issuer or its Representatives to the Subscriber, or released to ASX, in relation to the Issuer and the Placement, is accurate in all material respects and omit no fact, the omission of which would make the filings comprising its public disclosure or such representations misleading in light of the circumstances in which such statements or representations were made.

4 Placement Shares

- (a) The Placement Shares constitute not less than 15% of the issued Shares as at the date of this agreement and will, upon issue, be fully paid.
- (b) The following table contains a true, complete and accurate description of all the issued shares and options in the Issuer as at the date of this agreement:

Issued Capital	Number
Issued Shares	2,144,322,504
Issued performance rights	49,185,000

- (c) The Issuer is not obliged to issue or allot any Shares or other financial products or other equity interests in or of the Issuer, and the Issuer has not granted any person the right to call for the issue or allotment of any Shares or other financial products or other equity interests in or of the Issuer.

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- (d) The Placement Shares will not be subject to any pre-emptive right or similar right.
 - (e) The Issuer is permitted to issue the Placement Shares without the need for security holder approval under ASX Listing Rule 7.1 or otherwise.
 - (f) Any necessary waivers and approvals (if any) from ASX have been obtained for the Placement.
 - (g) The Issuer has not granted or created or agreed to grant or create any Security Interest in respect of the Placement Shares.
 - (h) None of the Issuer, its affiliates, or any person acting on their behalf (other than the Finder, as to whose activities no representations or warranties are made) has engaged or will engage in any form of “general solicitation” or “general advertising” (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in the United States in connection with the Placement.
 - (i) The Issuer has not, for a period of six months prior to the date hereof, sold, offered for sale or solicited, and will not for a period of six months after the Completion, offer, sell or solicit, any offer to buy any of its securities in a manner that would be integrated with the Placement and would cause the exemption from registration set forth in Rule 506(b) of Regulation D or Rule 903 of Regulation S to become unavailable with respect to the Placement.
 - (j) The Issuer is, and will be on the Completion, a “foreign private issuer”, as defined in Rule 405 of the U.S. Securities Act and, without limiting such definition, a “foreign private issuer” generally means any foreign issuer other than a foreign government except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (i) more than 50% of its outstanding voting securities are directly or indirectly owned of record by residents of the United States; and (ii) any of the following: (A) the majority of its executive officers or directors are United States citizens or residents; (B) more than 50% of its assets are located in the United States; or (C) its business is administered principally in the United States.

5 On-sale of Placement Shares in Australia

- (a) The Issuer’s sole purpose for making the Placement is for a recapitalisation and its purpose does not and will not include any or all of the Placement Shares being offered for the purpose of the Subscriber selling or transferring them or granting, issuing or transferring interests in, or options over, them.
- (b) The Placement Shares are in a class of securities:
 - (i) that were quoted securities (as defined in the Corporations Act) at all times in the 3 months before the Completion Date; and
 - (ii) in which trading on ASX has not been suspended for more than a total of 5 days during the shorter of the period during which the Shares have been quoted and the Relevant Period.

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- (c) No ASIC determination under sub-section 708A(2) of the Corporations Act is in force in respect of the Issuer for contravention by the Issuer during the Relevant Period of any of the provisions listed in sub-section 708A(2) of the Corporations Act.
 - (d) No exemption under sections 111AS or 111AT of the Corporations Act covered the Issuer, or any person as director or auditor of the Issuer at any time during the shorter of the period during which the Shares have been quoted and the Relevant Period.
 - (e) No order under sections 340 or 341 of the Corporations Act covered the Issuer, or any person as director or auditor of the Issuer during the shorter of the period during which the Shares have been quoted and the Relevant Period.
 - (f) Upon compliance by the Issuer with its obligations under clause 2.5(b), the offer for sale of the Placement Shares by the Issuer will not be an offer or sale to which sub-section 707(3) of the Corporations Act applies as to require the offeror or seller to prepare and lodge with ASIC a prospectus or other disclosure document relating to the sale.
-

6 Use of Proceeds

The net proceeds from the Placement will be used for an initial re-capitalization of the Issuer to enhance shareholder returns through creation of a uranium optionality company that controls multiple pre-development assets, has sufficient capital to survive the current uranium bear market and will be an attractive vehicle for equity investors seeking high leverage to stronger uranium prices and for general corporate purposes.

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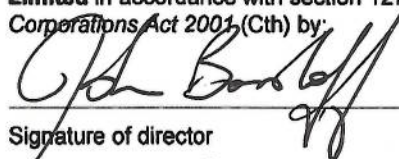
For personal use only

Execution page

Executed as an agreement.

Executed as a deed.

Signed, sealed and delivered by **Deep Yellow Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:



Signature of director

JOHN BORSHOFF

Name of director (print)



Signature of director/secretary

G SWABY

Name of director/secretary (print)

Signed, sealed and delivered by **Exploration Capital Partners 2014 Limited Partnership** by its general partner **Resource Capital Investment Corp.**:



Signature of director/officer

**Gretchen Carter, CFO
Resource Capital Investment Corp.
General Partner**

Name of director/officer (print)

Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**To: Company Name/Scheme Deep Yellow LimitedACN/ARSN ACN 006 391 948**1. Details of substantial holder(1)**Name Exploration Capital Partners 2014 Limited Partnership

ACN/ARSN (if applicable)

There was a change in the interests of the substantial holder on 16 /Jun/2017The previous notice was given to the company on 28 /Oct/2016The previous notice was dated 19 /Jun/2017**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Fully Paid	16,082,419	13.04%	30,198,645	15.89%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
05-May-2017	Exploration Capital Partners 2014 Limited Partnership	Entitlement Offering	\$1,876,282.00	7,505,128	7,505,128
15-June-2017	Exploration Capital Partners 2014 Limited Partnership	Private Placement	\$1,652,774.50	6,611,098	6,611,098

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Exploration Capital Partners 2014 Limited Partnership	Merrill Lynch - (Australia) Nominees Pty Ltd.	Exploration Capital Partners 2014 Limited Partnership	Registered Holder	335,764,602	335,764,602

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Resource Capital Investment Corp.	Relevant Interest under section 608(1)(b) of the Corporations Act having the power to exercise a right to vote on the securities

6. Addresses

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

Name	Address
Exploration Capital Partners 2014 Limited Partnership	1910 Palomar Point Way, Suite 200, Carlsbad, CA 92008 USA
Merrill Lynch	Level 19, 120 Collins Street, Melbourne VIC 3000

Signature

print name **Gretchen Carter**

CFO, Resource Capital Investment Corp.,
capacity **General Partner**

sign here

date **19 / June / 2017**


DIRECTIONS

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

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

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