
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 24, 2015

LEGEND INTERNATIONAL HOLDINGS, INC

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-32551
(Commission
File Number)

23-3067904
(I.R.S. Employer
Identification No.)

Level 8, 580 St Kilda Road, Melbourne, Victoria Australia 3004
(Address of Principal Executive Office) (Zip Code)

61-3-8532-2866
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

Legend International Holdings, Inc. advises that it has entered into a Convertible Bond and Subscription Agreement (“Bond Agreement”) and Security Bond Deed, both dated November 24, 2015 with Queensland Phosphate Pty Ltd (“QPL”) whereby QPL has agreed to subscribe for convertible bonds (“Bonds”) to a value of between A\$1million and A\$2.5 million. Each Bond has a price of A\$1,000 and under the Bond Agreement, QPL subscribe for 200 Bonds (A\$200,000) on completion date, 200 Bonds (A\$200,000) on 15 December 2015, 100 Bonds (A\$100,000) on 28 February 2016, 100 Bonds (A\$100,000) on 31 March 2016, 100 Bonds (A\$100,000) on 30 April 2016, 100 Bonds (A\$100,000) on 31 May 2016, 100 Bonds (A\$100,000) on 30 June 2016 and 100 Bonds (A\$100,000) on 31 July 2016. After the subscription for Bonds totaling A\$1.0 million, QPL will then determine whether it proceeds to purchase the remaining Bonds to the value of A\$1.5 million. The Bonds have a maturity date of 24 months from issue and can be converted into shares of common stock in Legend at any time prior to the maturity date at a price of A\$0.005. Interest is payable at 10% per annum, is paid annually and can be converted into shares of common stock. The funds from the Notes will be used for working capital purposes.

As part of the transaction, Legend has issued 25 million options to Gleneagle Securities (Aust) Pty Ltd who were the corporate advisor to the transaction. The options are exercisable at A\$0.01 each into shares of common stock and have a life of 2 years.

Legend has provided a charge over its entire shareholding in Paradise Phosphate Limited (“Paradise”) (a 100% owned subsidiary of Legend that holds the Australian phosphate assets) as security and Paradise has guaranteed the repayment of the face value of the Bonds and provided a charge over Paradise’s assets as security for the guarantee.

Legend has also agreed to restructure its and Paradise’s board of directors with the appointment of Mr Mordechai Gutnick, Mrs Pnina Feldman, and Mr Sholom Feldman as directors of both Legend and Paradise. Dr Allan Trench and Dr David Tyrwhitt have resigned as directors of Legend. Furthermore, Mr Mordechai Gutnick and Mr Sholom Feldman have been appointed joint Chief Executive Officers of both Legend and Paradise.

Mr Joseph Gutnick remains Chairman of Legend.

As part of the transaction, Legend has provided standard representations and warranties to QPL for this type of transaction and QPL have provided standard representations and warranties to Legend for this type of transaction

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

See item Item 1.01 - Entry into a Material Definitive Agreement

Item 5.02 Departure of Directors or Principal; officers, Election of Directors, Appointment of Principal Officers

Legend advises the appointment of Mr Mordechai Gutnick, Mrs Pnina Feldman and Mr Sholom Feldman as directors of both Legend. Dr Allan Trench and Dr David Tyrwhitt have resigned as directors of Legend. Mr Mordechai Gutnick and Mr Sholom Feldman have been appointed joint Chief Executive Officers of both Legend and Paradise.

Mr Joseph Gutnick remains Chairman of Legend.

Mr Mordechai Gutnick is a businessman and long-term investor in the mining industry. From April 2001 to June 2002, Mr Mordechai Gutnick is a businessman and long-term investor in the mining industry. He has served as a project advisor to the mining industry for over 10 years.

Mr Sholom Feldman has been Executive Director and Chief Executive Officer of Queensland Bauxite Ltd since he co-founded that Company in 2007. He has extensive experience in general commercial management, has performed advisory and company secretarial work for both listed and unlisted companies and has managed both private and listed exploration companies. Sholom was general manager of the publicly listed Diamond Rose NL between 1999 and 2005 and is a director and manager of a number of private companies. He has been instrumental in negotiating, financing, developing and managing many exploration projects internationally including the purchase of the Guanaco Mine in Chile from the Canadian Kinross Gold Corporation, and subsequently their Australian gold assets including the Broads Dam Gold Project. Sholom studied at the International MBA program at Bar Ilan University in Israel and has also completed a Company Secretarial Practice and Meetings course with the Chartered Institute of Company Secretaries Australia.

Mrs Pnina Feldman has been active in the mineral exploration industry for over 20 years, in which time she has shown much tenacity in sourcing, negotiating and developing exploration and resource projects across Australia, and internationally. She was the founder and executive chairperson of the publicly listed Diamond Rose NL, and was the first woman in Australia to achieve that milestone in the mining industry. Pnina has been successful in negotiating many joint ventures with major companies including BHP and De Beers. Pnina studied Law and Arts at Melbourne University before going to Gateshead, England where she studied teaching, religion and education. She has been the founder and driving force behind, and benefactor to, numerous communal, educational, charitable and women's awareness initiatives, and in 2007 received the Wentworth community award for outstanding community service.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

- 99.1 Convertible Bond and Subscription Deed dated November 24, 2015.
- 99.2 General Security Deed dated November 24, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Insert company name

By: s/s Peter Lee
PETER LEE
Secretary

Date: November 26, 2015

Queensland Phosphate Pty Limited
ACN 609 384 894
(QPL)

and

Legend International Holdings, Inc.
(Legend)

and

Paradise Phosphate Limited
ACN 154 180 882
(Paradise or Guarantor)

Convertible Bond and Subscription Deed

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THIS DEED is made on

2015

PARTIES

LEGEND INTERNATIONAL HOLDINGS, INC
ARBN 120 855 352
of Level 8, 580 St Kilda Road Melbourne VIC 3004
(**Corporation**)

and

QUEENSLAND PHOSPHATE PTY LIMITED
ACN 609 384 894
of 67 Penkivil Street, Bondi NSW 2026
(**QPL or the Bondholder**)

and

PARADISE PHOSPHATE LIMITED
ACN 154 180 882
of Level 8, 580 St Kilda Road Melbourne VIC 3004
(**Paradise or Guarantor**)

BACKGROUND

- A The Corporation wishes to issue the Bonds to the Bondholder on the terms and conditions of this Deed for the primary purpose of developing the assets of Paradise.
- B The Bondholder wishes to subscribe for the Bonds on the terms and conditions of this Deed.
- C Paradise is a wholly owned subsidiary of Legend and controls phosphate assets in Queensland, and under this agreement all of the shares that Legend holds in Paradise are provided as security for the repayment of the Bonds.
- D Paradise has agreed to guarantee the obligations of Legend under this Deed.
- E Paradise considers that by providing this guarantee there will be a commercial benefit flowing to Paradise.
- F The Corporate Advisor has assisted with negotiating this transaction and is being issued with Corporate Fee Options as part of this transaction.

AGREED TERMS

1 Definitions and interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

Additional Amount has the meaning given in clause 14.1.

Associate has the meaning given in the Corporations Act.

Authorised Officer means, in relation to a party:

- 1 a company or Corporation director or company or Corporation secretary of that party or any person whose title of office includes the words “Director”, “Manager” or other similar expression;
- 2 any person acting in any such office; or
- 3 any person nominated by that party as an authorised officer by notice in writing to the other parties.

Bank means a corporation authorised by law to carry on the general business of banking in Australia.

Bill means a bill of exchange as defined in the Bills of Exchange Act 1909 (Cth).

Bond means a convertible bond issued by the Corporation on the terms set out in this Deed.

Bond Certificate means a certificate in the form of Attachment 1.

Bond Default Interest Rate means 50% per annum.

Bond Interest Rate means 10% per annum.

Bond Register means the register of holders of Bonds maintained by the Corporation in accordance with this Deed.

Bondholder means:

- 1 each person in whose name a Bond is registered in the Bond Register after the date of this Deed; or
- 2 each person holding an Outstanding Conversion Right.

Bondholder Majority means Bondholders who on their own or together hold more than 50% of all the Bonds outstanding.

Bonus Date means in relation to a Bond, Interest Conversion Right and/or Bond Conversion Right, any date on which entitlements are determined for holders of Shares of Common Stock to participate in a bonus issue or rights issue of Shares of Common Stock.

Business Day means a day on which banks are open in Melbourne and Sydney, excluding a Saturday, Sunday or public holiday in that place.

Completion means the issue of the Initial Bonds to the Bondholder under this Deed.

Completion Date means the date that Completion occurs, which must take place in accordance with the time period set out in clause 3.1.

Consenting Party means the Bondholder Majority.

Control means having the direct or indirect power to control the affairs of a person or entity including by any of the following:

- 1 holding 50% or more of the voting shares or the economic interest in an entity;

- 2 having the right to elect or appoint the majority of the board of directors of that entity; or
- 3 having control within the meaning of section 50AA of the Corporations Act.

Controller means a controller as defined in section 9 of the Corporations Act.

Conversion Date means the date falling 3 Business Days after a Conversion Notice is received by the Corporation.

Conversion Notice means a notice substantially in the form of Attachment 3 to be issued by a Bondholder to the Corporation in respect of the exercise of Conversion Rights, Interest Conversion Rights and/or Outstanding Conversion Rights held by that Bondholder.

Conversion Price means \$0.005 as adjusted in accordance with clauses 10.2 and/or 10.3.

Conversion Property has the meaning given in clause 10.1.

Conversion Right has the meaning given in clause 10.1.

Corporate Advisor means Gleneagle Securities (Aust) Pty Ltd

Corporate Fee Options or **Options** are options in the Corporation granted to the Corporate Advisor under clause 3.2(e) in accordance with clause 11.

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

Dispute and **Disputant** have the meaning given to those terms in clause 18.1.

Dividend means any dividend, distribution or payment made in respect of the Corporation's Shares of Common Stock or to Shareholders as a class whether of cash, assets or other property, and however described and whether payable out of share capital, profits, retained earnings or any other capital or revenue reserve or account (and for these purposes a distribution of assets includes without limitation an issue of Shares of Common Stock, or other Marketable Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), including payment pursuant to a buy-back of Shares of Common Stock but excluding an issue of Shares of Common Stock to which clause 10.2 applies.

Early Repayment Notice has the meaning given to that term in clause 12.1.

Early Repayment Notice Period has the meaning given to that term in clause 12.1.

Encumbrance means an interest or power:

- 1 reserved in or over an interest in any asset, excluding any retention of title arising in the ordinary course of business; or
- 2 created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt or any other monetary obligation.

Event of Default means any Event of Default specified in clause 15.1.

Event of Default Fee means 50% of the amounts already advanced under this Deed.

Event of Default Redemption Date means the date set out in clause 12.2.

Event of Default Redemption Notice has the meaning given in clause 12.2.

Expert means a person appointed under this document to resolve a dispute between the parties.

Face Value means \$1,000 per Bond.

Financial Indebtedness means any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- 1 Bill, bond, debenture, note or similar instrument;
- 2 acceptance, endorsement or discounting arrangement;
- 3 Standard Guarantee in respect of any moneys borrowed or raised or any financial accommodation;
- 4 finance or capital lease;
- 5 agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service for more than 90 days;
- 6 obligation to deliver goods or provide services paid for in advance by any financier;
- 7 agreement for the payment of capital or premium on the redemption of any preference shares;
- 8 interest or currency swap or hedge arrangement, financial option, futures contract or analogous transaction (the amount of such Financial Indebtedness being the marked to market value of the relevant transaction); or
- 9 counter indemnity obligation in respect of a Standard Guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution,

and irrespective of whether the debt or liability:

- 10 is present or future;
- 11 is actual, prospective, contingent or otherwise;
- 12 is at any time ascertained or unascertained;
- 13 is owed or incurred alone or severally or jointly or both with any other person; or
- 14 comprises any combination of the above.

Government Agency means:

- 1 a government or government department;

- 2 a governmental, semi-governmental, regulatory or judicial entity or authority, including any self-regulatory organisation established under statute or any stock exchange; or
- 3 a person (whether autonomous or not) who is charged with the administration of a law.

Group means the Corporation and Paradise.

GST means the goods and services tax levied under the GST Act.

GST Act means *the A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

Guarantee means the guarantee provided by the Guarantor to the Bondholder set out in clauses 23 to 34.

Immediately Available Funds means bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account nominated by the payee at least 2 Business Days prior to drawdown.

Initial Bonds means the first 200 Bonds issued to the Bondholder in accordance with clause 2.1.

Initial Period has the meaning given to that term in clause 0.

Insolvency Event means the occurrence of any of the following events in relation to any entity within the Group:

- (a) the entity becomes insolvent as defined in the Corporations Act, states that it is insolvent or is presumed to be insolvent under an applicable law;
- (b) the entity is wound up or dissolved;
- (c) the entity becomes an insolvent under administration as defined in the Corporations Act;
- (d) a liquidator, provisional liquidator, Controller, administrator, trustee for creditors, trustee in bankruptcy or other similar person is appointed to, or takes possession or control of, any or all of the entity's assets or undertaking;
- (e) the entity enters into or becomes subject to:
 - (i) any arrangement or composition with one or more of its creditors or any assignment for the benefit of one or more of its creditors; or
 - (ii) any re-organisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (f) an application or order is made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken which is preparatory to or could result in any of (b), (c), (d) or (e) above;
- (g) the entity is taken, under section 459F(1) of the Corporations Act, to have failed to comply with a statutory demand;
- (h) the entity suspends payment of its debts, ceases or threatens to cease to carry on all or a material part of its business or becomes unable to pay its debts when they fall due; or
- (i) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the other paragraphs of this definition,

unless the event occurs as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved in writing by the Consenting Party.

Interest Conversion Right has the meaning given to that term in clause 9.2 (c).

Marketable Securities means any securities including, without limitation, Shares of Common Stock, options, warrants, convertible bonds or other securities with rights (either directly or indirectly) of conversion into, or exchange or subscription for, or to purchase or acquire or be issued or granted, Shares of Common Stock.

Material Adverse Change means a matter, event or circumstance that occurs, is announced or becomes known to a party (whether or not it becomes public) where that matter, event or circumstance has, has had, or could reasonably be expected to have, individually or when aggregated with all such matters, events or circumstances, the result that there is or would be reasonably likely to be a material adverse effect on the assets, liabilities, business, results, operations, trading, financial position or prospects of the relevant party (including any Subsidiary of that party) as a whole, other than an event or circumstance:

- 1 which is required to be done by the terms of this Deed or the Security;
- 2 which is, and to the extent that it is, fairly disclosed or otherwise known to the party alleging that a Material Adverse Change has occurred as at the date of this Deed (including in respect of the Corporation as a result of disclosures made to SEC);
- 3 which relates to changes in business conditions affecting the Australian phosphate industry generally or the financing of projects generally in the Australian phosphate industry;
- 4 which relates to interest rates, commodity prices or currency exchange rates; or
- 5 which is, and to the extent that it is, a consequence of losses covered by insurance which the insurers of the party alleging that a Material Adverse Change has occurred have agreed to pay.

Material Adverse Effect means a material adverse effect upon:

- 1 the Group's ability to perform any of its obligations under this Deed or the Security; and/or
- 2 the enforceability or priority of the Security or this Deed.

Material Asset means any asset of the Group which is material to the business conducted by the Group as at Completion, including:

- 1 any asset representing 5% or more of the total assets of the Group (recalculated on a rolling 6 month basis); and
- 2 any material intellectual property or database.

Material Contract means any contract of a party which is material to the business conducted by the party at Completion, including any contract with a value of 5% (recalculated on a rolling 6 month basis).

Maturity Date means in respect of each Bond (whenever issued) or Outstanding Conversion Right (whenever granted), 24 months from the Completion Date.

Option Certificate means a certificate in the form of Attachment 2.

Option Exercise Notice means a notice substantially in the form of Attachment 4 to be delivered by an Optionholder to the Corporation at any time in accordance with clause 11.2.

Option Exercise Price means \$0.01 per Share of Common Stock in the Corporation

Optionholder has the meaning given in clause 11.1 (b)

Shares of Common Stock means fully paid Shares of Common Stock in the capital of the Corporation.

Permitted Security means:

- 1 the General Security Deed and any other Security Interest permitted under this Deed;
- 2 any Security Interest arising solely by operation of generally applicable law and in the ordinary course of the Corporation's business and not in connection with the creation, extension or subsistence of any Financial Indebtedness and which does not (either alone or together with any one or more other such Security Interest) materially impair the operation of such business and which has not been enforced against the assets to which it attaches;
- 3 any Security Interest securing taxes not delinquent or being actively contested in good faith and by appropriate proceedings;
- 4 any Security Interest securing obligations under worker's compensation, social security or similar laws, or under unemployment insurance;
- 5 any Security Interest securing mechanic's or workmen's liens or other like liens arising in the ordinary course of the Corporation's business with respect to obligations which are not due or which are being actively contested in good faith and by appropriate proceedings;
- 6 a Security Interest provided for by one of the following transaction if the transaction does not secure payment or performance of an obligation:
 - (a) a transfer of an account or chattel paper;
 - (b) a commercial assignment;
 - (c) a PPS lease (as defined in the *Personal Property Securities Act 2009* (Cth));
- 7 such other Security Interests granted with the consent of the Consenting Party.

Permitted Share Issue has the meaning given to that term in clause 16.3.

Principal Sum means the amount of \$2,500,000.

Record Date means:

- 1 in relation to any payment, the second Business Day before the due date for the relevant payment, unless otherwise expressly provided for in this Deed; and

- 2 in relation to any other determination or exercise of voting rights in respect of a Bond, the second Business Day before the date for the relevant meeting.

Record Time means the close of business on the Record Date in the place where the Bond Register is kept.

Redemption Price means in respect of each Bond:

- 1 the Face Value of the Bond (or part thereof to the extent the Bond has not been converted in full); plus
- 2 the accrued and unpaid interest from time to time payable by the Corporation in respect of the Bond under this Deed; less
- 3 any early repayment under clause 12.1 applied against that Bond.

Relevant Exchange means the securities market on which the Shares of Common Stock are quoted.

Security means the General Security Deed between the Corporation, Paradise and QPL dated on or about the date of this Deed.

Security Interest means an interest or power:

- 1 reserved in or over any interest in any asset including, but not limited to, any retention of title; or
- 2 created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge (whether fixed or floating), hypothecation, lien, pledge, caveat, trust or power,

by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and includes, but is not limited to, any agreement to grant or create any of the above.

Securities means the Bonds and the Shares of Common Stock into which the Bonds may be converted.

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

Shareholders mean the holders of Shares of Common Stock.

Standard Guarantee means any guarantee, indemnity, suretyship, letter of credit, letter of comfort or any other obligation (whatever called and of whatever nature):

- 1 to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;
- 2 to indemnify any person against the consequences of default in the payment of; or
- 3 to be responsible for,

any debt or monetary liability or obligation (whether or not it involves the payment of money) of another person or the assumption of any responsibility or obligation in respect of an obligation or indebtedness, or the financial condition or solvency, of another person.

Subsidiary means Paradise Phosphate Limited.

Tax means:

- 1 any tax (including any goods and services tax), levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
 - 2 any income, stamp or transaction duty, tax or charge,
- which is assessed, levied, imposed or collected by any Government Agency.

Transfer Form means a document executed by a transferor and a transferee in respect of, and which constitutes, the transfer of a Marketable Security under this Deed and an agreement by the transferee to be bound by the terms of this Deed as applicable to the transferee.

1.2 Interpretation

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this Deed.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning.
- (e) This document includes all schedules and annexures to it.
- (f) The words “including”, “for example”, “such as” or other similar expressions (in any form) are not words of limitation.
- (g) A reference to “\$”, “A\$” or “dollar” is a reference to Australian currency.
- (h) An expression importing a person includes any Corporation, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (i) A reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(i) implies that performance of part of an obligation constitutes performance of the obligation.
- (j) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Deed.
- (k) A reference to any legislation includes all delegated and subordinated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (l) A reference to a document includes all amendments or supplements to, variations or replacements or novations of, that document.
- (m) A reference to a party to a document includes that party’s successors and permitted assignees, and persons substituted by novation.
- (n) A reference to an agreement other than this Deed includes a Deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (o) A reference to an asset includes all property of any nature, including a business, and all rights, revenues and benefits.

- (p) A reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death.
- (q) A reference to a document includes any agreement in writing, or any certificate, notice, Deed, instrument or other document of any kind.
- (r) No provision of this Deed will be construed adversely to a party because that party was responsible for the preparation of this Deed or that provision.
- (s) Where this Deed confers any power or authority on a person that power or authority may be exercised by that person acting personally or through an agent or attorney.
- (t) An Event of Default is 'continuing' or 'subsisting' if it has not been remedied to the reasonable satisfaction of the non-defaulting party before a power or right relating to that Event of Default is exercised.
- (u) References to any issue or offer or grant to Shareholders or existing Shareholders 'as a class' or 'by way of rights' shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or existing Shareholders, as the case may be, other than Shareholders or existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.
- (v) If the date on or which any act must be done under this document is not a Business Day, the act must be done by the next Business Day.

1.3 Heter Iska

This Deed is being entered into in accordance with the halachically accepted exemptions on the paying and receiving of interest payments in business transactions known as heter iska.

2 Terms and conditions of the Bonds

2.1 Issue

At Completion, the Corporation must issue to the Bondholder 200 Bonds (**Initial Bonds**) on the terms and conditions of this Deed, and then a further 100 bonds for each \$100,000 advanced by QPL to the Corporation as per the timetable set out in clause 3.3 up to a maximum of 2,500 Bonds.

2.2 General Terms

Each Bond:

- (a) is issued at Face Value and bears interest at the Bond Interest Rate in accordance with clause 9.2;
- (b) constitutes a separate and individual acknowledgement of the indebtedness of the Corporation to the Bondholder in respect of the Redemption Price for the Bond, and all other obligations of the Corporation in respect of each Bond as set out in this Deed; and
- (c) may be:

- (i) repaid early and/or redeemed in accordance with the provisions of clause 12; or
- (ii) converted into Shares of Common Stock in accordance with clause 10.

2.3 Consenting Party

Unless otherwise expressly provided for in this Deed, any matter under this Deed which requires the consent of or a decision to be made by the Bondholders (except for a decision to redeem, exercise or convert (as applicable) any Bonds, Options, Interest Conversion Rights or Outstanding Conversion Rights) will be made where such consent is given or decision is made by the Consenting Party.

2.4 Rights

The Bonds do not entitle Bondholders to have any right to vote at general meetings of the Corporation, to receive dividends or participate in any issue of securities other than in accordance with the terms of this Deed.

3 Completion

3.1 Time and place for Completion

Completion must take place:

- (a) as soon as practical, and in any event within 2 Business Days after the date of this Deed; and
- (b) at the office of the Corporation or at any other place the parties agree.

3.2 Corporation actions at Completion

At Completion, the Corporation must:

- (a) issue the Bondholder the number of Bonds set out in clause 2.1 free and clear from any Encumbrances or other third party rights; and
- (b) ensure that the current directors of the Corporation do not number more than 3 directors, one of them to be Joseph Gutnick as Chairman (without a casting vote), and one of them to be Mordechai Gutnick as joint chief executive officer;
- (c) appoint 3 directors at the direction of QPL upon receipt by the Corporation of consents to act as directors from the 3 proposed directors, one of them to be Sholom Feldman as joint chief executive officer;
- (d) ensure that the same board is mirrored in Paradise upon receipt by Paradise of consents to act as directors from the 3 proposed directors, except with Prina Feldman as Chairman (without a casting vote); and
- (e) grant 25,000,000 options in the Corporation (**Corporate Fee Options**) to the Corporate Advisor at 1c exercise price in accordance with clause 11. The options will have an exercise date of 2 years from date of issue.

3.3 Payment of the Principal Sum

- a) The Principal Sum is to be paid by QPL to the Corporation in tranches in accordance with the following timetable:
 - 1) On or prior to the Completion Date and at the same time as the delivery of the Initial Bonds, the Bondholder must pay, or cause to be paid, to the Corporation, \$200,000 in Immediately Available Funds.
 - 2) \$200,000 on 15 December 2015 to purchase a further 200 Bonds.
 - 3) \$100,000 on 28 February 2016 to purchase a further 100 Bonds; and

- 4) Five further payments of \$100,000 per month payable 31 March 2016, 30 April 2016, 31 May 2016, 30 June 2016 and 31 July 2016, to purchase five further parcels of 100 Bonds (up to 1,000 Bonds in total).
 - 5) QPL will then determine (in its sole discretion) whether to purchase further Bonds from the Corporation depending on the development of the Corporation at the time.
 - 6) Subject to 3.3(d) QPL may at any time during the period of 24 months following the Completion Date provide any amount up to the entire \$2.5M facility to purchase all 2,500 Convertible Bonds.
- b) The payment of any tranche is subject to no default occurring on this Deed or Event of Default occurring in the Corporation.
 - c) Following Completion, the amounts referred to in clauses 3.3(a)(1)-(6) above are debts due to the Corporation by QPL unless an Event of Default occurs, in which case the funds previously advanced and any accrued interest become immediately payable by the Corporation to the Bondholders.
 - d) Should QPL default on any of its required payments under this Deed and not remedy the default within 14 days of being notified by the Corporation of the default, then the Corporation will have the immediate right to Early Repayment either by way of cash of the amounts already advanced, or by way of shares at the Bond Conversion Price of the amounts already advanced, at the election of QPL. Upon repayment, the security will then be released, and QPL will not have any further rights to make payments as set out in clauses 3.3 (a) 1) to 6) to the Corporation under this Deed without further agreement with the Corporation. For the avoidance of doubt the required payments refer to the payments in clauses 3.3(a)(1)-(4) only and not any further payments which are to be made at the sole discretion of QPL,

3.4 Documents to be delivered at Completion

At Completion, the Corporation must:

- (a) **(Bond Certificate)** issue and deliver to the Bondholder a Bond Certificate in the name of the Bondholder;
- (b) **(Bond Register)** deliver to the Bondholder a certified copy of the Bond Register showing the Bondholder as the registered holder of the Bonds;
- (c) Deliver the General Security Deed signed by the Corporation and Paradise.

3.5 Completion simultaneous

- (a) Subject to clause 3.5(b), the actions to take place as contemplated by this clause 3 are interdependent and must take place, as nearly as possible, simultaneously and will be taken to have occurred simultaneously. If one action does not take place, 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) the parties must each return to the other all documents delivered to it under this clause 3 and must each repay to the other all payments received by it or made at its direction under this clause 3.
- (b) A party may, in its sole discretion, waive in writing any or all of the actions that another party is required to perform under this clause 3.

- (c) Completion is taken to have occurred when each party has performed its obligations under this clause 3.

3.6 Post Completion actions

Post Completion, and in accordance with the payment schedule set out in clause 3.3(a), the Corporation must:

- (a) **(Bond Certificate)** issue and deliver to the Bondholder a Bond Certificate in the form of Attachment 1 in the name of the Bondholder in respect of the Bonds purchased under each tranche (other than the Initial Bonds; and
- (b) **(Bond Register)** deliver to the Bondholder a certified copy of the Bond Register showing the Bondholder as the registered holder of the Bonds purchased under each tranche (other than the Initial Bonds).

4 Denomination and title

4.1 Denomination

The Bonds are denominated in Australian Dollars and are issued at Face Value or integral multiples thereof.

4.2 Title

- (a) Title to a Bond is vested absolutely in the person entered in the Bond Register as the holder of the Bond and passes by transfer and registration in accordance with clause 8, in each case subject to rectification of the Bond Register for fraud or error.
- (b) A Bond registered in the name of more than 1 person is held by those persons as joint tenants.
- (c) The Corporation is entitled to deal exclusively with a Bondholder as if they were (and it will be taken to be) the absolute beneficial owner of a Bond and is not obliged to enter in the Bond Register or otherwise recognise any right to or interest in a Bond other than the title of that Bondholder.

5 Status

The Bonds are direct, unsubordinated, secured obligations of the Corporation and shall rank:

- (a) equally among themselves; and
- (b) as first priority secured obligations ahead of any unsubordinated and unsecured obligations of the Corporation other than those mandatorily preferred by law.

6 Use of proceeds

The Corporation undertakes to the Bondholder that the Principal Amount will be applied for the general working capital purposes of the Corporation.

7 Representations and warranties

7.1 Warranties

- (a) The Corporation represents and warrants to each Bondholder and to QPL as to each of the matters specified in Part 1 of Schedule 1.

- (b) QPL represents and warrants to the Corporation as to each of the matters specified in Part 2 of Schedule 1 as at the date of this Deed and as at the Completion Date.
- (c) The Bondholder represents and warrants to the Corporation as to each of the matters specified in Part 2 of Schedule 1 as at the date of this Deed and as at the Completion Date.

7.2 Repetition of Warranties

The representations and warranties given under clause 7.1(a) by the Corporation are taken to be repeated (by reference to the then current facts and circumstances) on each day on and from the date of this Deed to and including the date on which all moneys owing by the Corporation to each Bondholder is irrevocably paid and satisfied in full to the satisfaction of the Bondholders.

7.3 Reliance

The Corporation acknowledges that the Bondholders have entered into this Deed and the Security in reliance on the representations and warranties given by the Corporation under this Deed.

8 Registration and transfer

8.1 Registration

The Corporation must ensure that a Bond Register is maintained at all times so as to show the names and addresses of each Bondholder, details of the Bonds held by each Bondholder, details of all transfers, redemptions and conversions of the Bonds and such other details as are required to be shown by law or which the Corporation determines should be recorded in the Bond Register.

8.2 Transferability

A Bond may be transferred by a Bondholder without the consent of the Corporation pursuant to this clause 8 provided that the transfer complies with the following provisions:

- (a) the Bondholder complies with all applicable laws and regulations, including the relevant provisions of the Corporations Act and US Law, any other relevant laws or the listing rules of any Relevant Exchange; and
- (b) the transfer is to a sophisticated investor or a professional investor (as those terms are defined in the Corporations Act).

8.3 Transfer procedures

- (a) A Bondholder may request the transfer of a Bond or Bonds by lodging with the Corporation a Transfer Form, together with the Bond Certificate (if any) for the Bonds to be transferred and a Deed of Acknowledgement from the Incoming Bondholder.
- (b) Subject to this clause 8, upon receipt by the Corporation of a properly completed Transfer Form together with the Bond Certificate (if any) for the Bonds to be transferred and a Deed of Acknowledgement from the Incoming Bondholder, the Corporation will:
 - (i) within 3 Business Days, enter the transferee's name in the Bond Register; and
 - (ii) within 5 Business Days, deliver a Bond Certificate to the transferee in respect of the Bond or Bonds transferred and, in the case of a transfer of only part of the Bond or Bonds represented by the existing Bond

Certificate, deliver a new Bond Certificate to the transferor for the untransferred balance of such Bonds.

- (c) The transferor of a Bond remains the holder of that Bond until the name of the transferee is recorded in the Bond Register as the holder of that Bond.

8.4 Estates

A person becoming entitled to a Bond as a consequence of the death or bankruptcy of a Bondholder or of a vesting order, or a person administering the estate of a Bondholder and entitled by law to do so, may apply for the transfer of the Bond as if it was the holder of the Bond or, if so entitled, become registered as the holder of the Bond upon producing such evidence as to that entitlement or status as the Corporation considers sufficient and complying with all applicable laws and regulations.

9 Maturity and Interest

9.1 Payment of Redemption Price on the Maturity Date

On the Maturity Date the Corporation must pay each Bondholder the Redemption Price in respect of each Bond not fully converted by the Maturity Date in Immediately Available Funds.

9.2 Interest

- (a) The Corporation agrees to pay interest on the Face Value of each Bond (or part thereof to the extent the Bond has not been converted or repaid in full) at the Bond Interest Rate, payable:
 - (i) on each anniversary of the Completion Date until the Maturity Date, the Conversion Date or the date of redemption of that Bond (whichever first occurs); and
 - (ii) on the earlier of:
 - (A) the Maturity Date;
 - (B) the Conversion Date in respect of each Bond;
 - (C) the date of any early repayment of each Bond in accordance with clause 12.1; or
 - (D) the date of redemption of each Bond in accordance with clause 12.2.
- (b) Interest accrues daily on the Face Value of each Bond (or part thereof if the Bond has not been converted or repaid in full) from the Completion Date until the date specified in clause 9.2(a)(ii), capitalises annually and is calculated on the actual number of days elapsed and on the basis of a 365 day year.
- (c) Each Bondholder is entitled at any time prior to the conversion or redemption of a Bond at its election to convert all or part of any outstanding accrued and unpaid interest into Shares of Common Stock at the Conversion Price (**Interest Conversion Right**). An Interest Conversion Right may only be exercised in accordance with clause 10.4.
- (d) If payment of the Face Value and all accrued and unpaid interest from time to time payable by the Corporation in respect of a Bond under this Deed is improperly withheld or refused on the required payment date, interest for the period commencing on the day upon which payment fell due will continue to accrue daily, capitalise and be payable in accordance with the provisions of this clause 9.2, but at the Bond Default Interest Rate until the day on which all sums due in respect of the Bond up to that day are received by or on behalf of the relevant holder of the Bond.

10 Conversion

10.1 Conversion Right

- (a) With effect from the Completion Date the Corporation irrevocably grants to each Bondholder the right (**Conversion Right**) to convert the whole or any part of each Bond held by them (**Conversion Property**) into a number of Shares of Common Stock determined by dividing the Face Value of the Bond, or part thereof, to be converted, by the Conversion Price.
- (b) A Conversion Right may only be exercised in accordance with clause 10.4.
- (c) Where the total number of Conversion Property calculated in accordance with clause 10.1(a) results in a fraction of a Share of Common Stock, that fraction will be rounded down and disregarded.

10.2 Conversion Price adjustment for reorganisation events

- (a) Subject to the Rules of any Relevant Exchange, the by-laws of the Corporation and law, if there is any reorganisation of the Shares of Common Stock (including any consolidation, subdivision, reduction, buy-back or return of capital) or bonus issue, the Conversion Property and/or the Conversion Price will be adjusted in the same manner as the Shares of Common Stock and in a manner which will not result in:
 - (i) any detriment being suffered by each Bondholder which is not suffered by the holders of Shares of Common Stock; and
 - (ii) any benefit being conferred on the holders of Shares of Common Stock which is not conferred on each Bondholder,subject to any reasonable provisions with respect to the rounding of entitlements as apply to Shares of Common Stock under the reorganisation or bonus issue.
- (b) The adjustment referred to in clause 10.2(a) shall become effective on the date of the relevant reorganisation of the Shares of Common Stock or bonus issue (as applicable).

10.3 Application of the adjustment provisions

- (a) The Corporation must make, and give notice of, any required adjustments to the Conversion Property and/or Conversion Price to the Bondholders within 3 Business Days of the occurrence of the relevant event described in clause 10.2. If a Bondholder disputes the adjustment to the Conversion Property and/or Conversion Price, the dispute is to be dealt with in accordance with clause 18.
- (b) All adjustment calculations to the Conversion Property and Conversion Price are to be made using figures to 4 decimal places.
- (c) In no event shall the Conversion Price be increased, or the Conversion Property decreased, under clause 10.2 except where required by the listing rules or law.
- (d) No adjustment will be made to the Conversion Property and/or Conversion Price under clause 10.2 that will adversely affect the rights or entitlements of a Bondholder and/or the economic benefit that a Bondholder is entitled to derive as at the date of this Deed and as contemplated by the transaction set out in this Deed, disregarding the operation of clause 10.2.
- (e) However, if following the occurrence of any of the events described in clause 10.2, and notwithstanding that an adjustment was not made to the Conversion Property and/or Conversion Price, if such an event adversely affects the rights or entitlements of a Bondholder and/or the economic benefit that a Bondholder is entitled to derive as at the date of this Deed and as contemplated by the transaction set out in this Deed (disregarding the operation of clause 10.2), an

adjustment must be made to the Conversion Property and/or Conversion Price to remove any such adverse effect.

- (f) Where there would otherwise be an adjustment to the Conversion Property and/or Conversion Price under clause 10.2 and any other adjustment provision in clause 10.2 would also apply, the relevant adjustment provision which applies is the provision which results in the greatest reduction to the Conversion Price and the greatest increase to the Conversion Property.
- (g) In the event of any adjustment to the Conversion Property and/or Conversion Price, the Corporation must issue and deliver to each Bondholder within 3 Business Days from the adjustment, a new Bondholder Certificate in the form of Attachment 1 in the name of each Bondholder in respect of the number of Bonds they hold clearly stating the adjusted Conversion Price and/or rights to Conversion Property.

10.4 Conversion procedures

- (a) A Bondholder may exercise the Conversion Rights, the Interest Conversion Rights and the Outstanding Conversion Rights (as applicable) held by them by delivering to the Corporation during normal business hours on any Business Day after the Completion Date but on or prior to the Maturity Date a Conversion Notice, together with the Bond Certificate for the Bonds relating to a Conversion Right or Interest Conversion Right or Outstanding Conversion Rights.
- (b) A Conversion Notice, once delivered, is irrevocable.
- (c) Upon receipt of the Conversion Notice, the Corporation must comply with the Conversion Notice by:
 - (i) redeeming the number of Bonds specified in the Conversion Notice for the Conversion Price;
 - (ii) applying the Conversion Price as subscription funds for the Conversion Property which is to be issued to the Bondholder at the Conversion Price on or before the Conversion Date in accordance with clause 10.4(d);
 - (iii) if in respect of the exercise of a Conversion Right and/or an Interest Conversion Right, the Bonds relating to that Conversion Right or Interest Conversion Right are to be cancelled or, if the exercise is in respect of only part of the Bonds, the Face Value of the Bonds shall be reduced by the amount in respect of which the Conversion Right or Interest Conversion Right is exercised.
- (d) Shares of Common Stock to be issued on exercise of Conversion Rights, Interest Conversion Rights or Outstanding Conversion Rights (as applicable) will be issued as specified in the Conversion Notice, either in the name of the relevant Bondholder (or as directed by the Bondholder in the relevant Conversion Notice) on or before the Conversion Date.
- (e) If the Bond Certificate delivered to the Corporation under clause 10.4(a) related to Bonds which have not been fully converted in accordance with this Deed, the Bond Certificate will be cancelled and a new Bond Certificate for the balance of the Bonds which are not converted will be issued and delivered to the relevant Bondholder at the address stipulated for that Bondholder in the Bond Register or as notified in writing by that Bondholder.

10.5 Shares of Common Stock to be fully paid and equal ranking

Shares of Common Stock to be issued as Conversion Property:

- (a) will be fully paid and free from Encumbrance; and

- (b) will in all respects rank pari passu with the Shares of Common Stock on issue on the relevant Conversion Date other than the Shares of Common Stock will only be able to be sold in compliance with US Law.

11 The Corporate Fee Options

11.1 The Corporate Fee Options

- (a) In consideration for the Corporate Advisor arranging the subscription of the Bonds by the Bondholder and the payment of the Principal Sum on the Completion Date, the Corporation irrevocably grants to the Corporate Advisor on the Completion Date 25,000,000 Corporate Fee Options free and clear from any Encumbrances or other third party rights.
- (b) An Option is only exercisable by the holder of those Options (**Optionholder**) in accordance with the provisions of this clause 11 and may only be exercised at anytime within the period commencing on the Completion Date and ending at 5pm Melbourne time on the date that is 2 years after that date (**Option Exercise Period**).

11.2 Exercise of the Corporate Fee Options

- (a) The Options may be exercised by an Optionholder delivering to the Corporation at any time within the applicable Option Exercise Period an Option Exercise Notice together with the Option Certificate relating to Options for which that Option Exercise Notice has been issued.
- (b) On or before the Option Exercise Date, the Corporation must issue to the relevant Optionholder (or its nominee) exercising any Options, all of the required Shares of Common Stock in respect of the Options being exercised free from Encumbrance. The Shares of Common Stock issued by the Corporation can only be sold in accordance with US Law.
- (c) The Corporation is not obligated to issue any Shares of Common Stock unless and until it receives from the Optionholder an amount in Immediately Available Funds equal to the Option Exercise Price multiplied by the number of Shares of Common Stock which the Optionholder calls to be issued in the Corporation as a result of the exercise of the Options in the Option Exercise Notice.

11.3 Terms of the Corporate Fee Options

- (a) If an Optionholder validly exercises an Option then on or before the Option Exercise Date the Corporation must:
 - (i) issue all of the required Shares of Common Stock in respect of the exercise of the Option to the Optionholder (or its nominee); and
 - (ii) Shares of Common Stock to be issued on exercise of an Option will be issued Corporation in the name of the relevant Optionholder or as directed in the relevant Option Exercise Notice on or before the Option Exercise Date.
- (b) If an Option Certificate delivered to the Corporation under clause 11.2(a) related to Options which have not been exercised in accordance with this Deed, the Option Certificate will be cancelled and a new Option Certificate for the balance of the Options which are not exercised will be issued and delivered to the relevant Optionholder at the address stipulated for that Optionholder in the option register for the Corporation (**Option Register**) or as notified in writing by that Optionholder.

11.4 Adjustment to the Option Exercise Price and exercise rights

Subject to any required action by the stockholders of the Corporation, the number of Shares of Common Stock covered by each outstanding Option, and the per Share of Common Stock exercise price of each such Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares of Common Stock resulting from a stock split, reverse stock split, recapitalization, combination, reclassification, the payment of a stock dividend on the Shares of Common Stock or any other increase or decrease in the number of such shares of Common Stock effected without receipt of consideration by the Corporation.

11.5 Transferability

An Option may be transferred by an Optionholder without the consent of the Corporation pursuant to this clause 11.5 provided that the transfer complies with the following provisions:

- (a) the Optionholder complies with all applicable laws and regulations; and
- (b) the transfer is to a sophisticated investor or a professional investor (as those terms are defined in the Corporations Act).

11.6 Transfer procedures

- (a) An Optionholder may request the transfer of an Option or Options held by them by lodging with the Corporation a Transfer Form, together with the Option Certificate (if any) for the Options to be transferred. A transfer of Options must comply with US Law.
- (b) Subject to this clause 11.6, upon receipt of the Transfer Form, the Corporation must:
 - (i) within 3 Business Days, enter the transferee's name in the Option Register; and
 - (ii) within 5 Business Days, deliver an Option Certificate to the transferee in respect of the Option or Options transferred and, in the case of a transfer of part only of the Options represented by the existing Option Certificate, deliver a new Option Certificate to the transferor for the untransferred balance of such Options.
- (c) The transferor of an Option remains the holder of that Option until the name of the transferee is recorded in the Option Register as the holder of that Option.

11.7 Estates

A person becoming entitled to an Option as a consequence of the death or bankruptcy of an Optionholder or of a vesting order, or a person administering the estate of an Optionholder and entitled by law to do so, may apply for the transfer of the Option as if it was the Optionholder or, if so entitled, become registered as the Optionholder upon producing such evidence as to that entitlement or status as the Corporation considers sufficient and complying with all applicable laws and regulations.

12 Early repayment, redemption and cancellation

12.1 Early repayment

- (a) If at any time following the date of this Deed, QPL or a Bondholder (as a result of QPL transferring its rights and obligations under this Deed) is in default in accordance with clause 3.3(d), the Corporation may elect to repay part of or all of the Bonds by giving each Bondholder 10 Business Days (**Early Repayment Notice Period**) notice in writing (**Early Repayment Notice**) and request of the

Bondholders to nominate whether it would like to be repaid in cash or in shares of the Corporation at the Conversion Price.

- (b) If the Corporation elects to repay part (but not all) of the Bonds in accordance with this clause 12.1, the Corporation must pay the amount of monies being repaid to the Bondholders in proportion to the number of Bonds they hold.
- (c) If the Corporation elects to repay all (but not part) of the Bonds in accordance with this clause 12.1, the Corporation may require any Security Interests held by the Bondholders to be discharged pursuant to the terms of the Security.
- (d) An Early Repayment Notice, once delivered, is irrevocable unless agreed otherwise with the Bondholder.
- (e) If the Corporation elects to repay part of or all of the Bonds early in accordance with this clause 12.1, the Corporation must on the next Business Day after the end of the Early Repayment Notice Period pay each Bondholder in Immediately Available Funds or Shares of Common Stock at the Conversion Price depending upon the election of the relevant Bondholder, the Redemption Price plus any interest due in respect of each Bond held by that Bondholder that is being repaid early by the Corporation, or the amount of each Bond being repaid plus any interest due in respect of each Bond being repaid if the Bond is not being repaid in full;
- (f) If the Bondholders fail to elect a repayment method within 10 business days of a Notice being sent to the Bondholders, then the Corporation may then make the election on behalf of the Bondholders, such election being final.

12.2 Redemption on an Event of Default

- (a) If an Event of Default is subsisting, the Corporation must immediately notify each Bondholder, and each Bondholder may require the Corporation to redeem any or all Bonds held by that Bondholder on the Event of Default Redemption Date by giving notice (**Event of Default Redemption Notice**) to the Corporation specifying that the Bondholder requires Bonds to be redeemed in accordance with this clause 12.2.
- (b) The Event of Default Redemption Date is the date 3 Business Days after the date the Corporation has received an Event of Default Redemption Notice from a Bondholder under this clause 12.2 (**Event of Default Redemption Date**).
- (c) A notice under this clause 12.2 is irrevocable and on the relevant Event of Default Redemption Date the Corporation must redeem the relevant Bonds the subject of the Bondholder's Event of Default Redemption Notice by paying in Immediately Available Funds the relevant Bondholder.
- (d) If the Corporation is required to redeem any Bonds held by a Bondholder in accordance with this clause 12.2, on the first Event of Default Redemption Date after the date of this Deed the Corporation must pay the Bondholder the Event of Default Fee in Immediately Available Funds.
- (e) The Bondholder may at its sole discretion and election to choose to be repaid wholly or partly by way of Shares of Common Stock at the Conversion Price.

12.3 Cancellation

- (a) Each Bond is cancelled and of no further force and effect upon:
 - (i) the Bond being repaid by the Corporation in accordance with clause 12.1;
 - (ii) the Bond being redeemed by the Corporation in accordance with clause 12.2; or
 - (iii) the Conversion Rights in respect of the whole (but not part of) the Bond having been exercised (save that the Corporation remains bound to fully

perform its obligations with respect to such exercise and conversion including in respect of all Interest Conversion Rights).

- (b) Bond Certificates presented or delivered for the repayment, redemption, conversion or transfer of a Bond are, subject to repayment, redemption, conversion or transfer being effected, taken to be surrendered and may be cancelled or destroyed by the Corporation.
- (c) For the avoidance of doubt, the cancellation of a Bond in accordance with this clause 12.3 is without prejudice to the rights attaching to, and the obligations of the Corporation in respect of any further Conversion Rights and/or Interest Conversion Rights granted to each outstanding Bondholder in accordance with this Deed (including in relation to all rights to the future adjustment of the Conversion Property and/or Conversion Price in respect of any outstanding Bonds.

13 Payments

13.1 Principal

Payment of Face Value and other amounts (including all accrued and unpaid interest from time to time payable by the Corporation) in respect of the Bonds must be made to the Bondholders shown in the Bond Register at the Record Time on the Record Date for such payment, unless otherwise expressly provided for in this Deed.

13.2 Other amounts

Payments of all amounts other than as provided in clause 13.1 must be made as provided in this Deed.

13.3 Payments

Each payment in respect of this Deed must be made by transfer to an Australian dollar account as notified to the Corporation by the relevant Bondholder (or as otherwise applicable) by no later than the relevant Record Date, unless otherwise expressly provided for in this Deed.

13.4 Fractions

Payments to Bondholders will be rounded down to the nearest cent and the remainder disregarded.

13.5 Adjustment of dates for payment

- (a) If a payment on a Bond is due to be made on a day which is not a Business Day, the due date for that payment will be the following Business Day but no adjustment will be made to the amount due.
- (b) If a payment on a Bond is due to be made to an account on a Business Day on which banks are not open for general banking business in the city in which the account is located, a Bondholder is not entitled to the payment until the next Business Day on which banks in such city are open for general banking business and is not entitled to any additional interest or other payment in respect of the delay.

13.6 Payments in gross

Subject to clause 14, all payments which the Corporation is required to make in respect of this Deed must be made without:

- (a) set-off or counterclaim; or

- (b) any deduction or withholding for any tax or any other reason unless the Corporation is required to make the deduction or withholding by applicable law.

14 Taxation

14.1 Required Deduction or Withholding

If the Corporation is required to make a deduction or withholding in respect of any tax assessed, levied, imposed or collected by a Government Agency of the Commonwealth of Australia (or any other jurisdiction in which it is domiciled or resident or to whose taxing authority it is subject) or any political subdivision therein or thereof (**Relevant Tax**), the Corporation must:

- (a) pay the amount deducted or withheld to the appropriate Government Agency as required by law; and
- (b) pay to the relevant Bondholder such additional amount (**Additional Amount**) as may be necessary to ensure that the relevant Bondholder receives when due a net amount (after any deduction or withholding of any Relevant Tax in respect of each Additional Amount) equal to the full amount it would have received if the deduction or withholding had not been made.

14.2 GST

- (a) Terms defined in the GST Act have the same meaning in this clause 14.2 unless provided otherwise.
- (b) Notwithstanding any other provision of this Deed or the Security, in the event that a Bondholder must pay any GST on any supply made by it to the Corporation under or in connection with this Deed or the Security, the relevant Bondholder may, in addition to any amount or consideration payable under this Deed or the Security, recover from the Corporation an additional amount on account of that GST, such amount to be calculated by multiplying the relevant amount or consideration payable by the recipient for the relevant supply by the prevailing GST rate.
- (c) Notwithstanding any other provisions of this Deed or the Security, in the event that a Bondholder must pay any GST in relation to a Taxable Supply that is made to it under or in connection with this Deed or the Security, the relevant Bondholder may in addition to any other amounts, recover from the Corporation that GST less the amount of any input tax credit to which the indemnitee is entitled in respect of that payment.
- (d) A Bondholder must issue a tax invoice to the recipient of a supply referred to in clause 14.2(b) no later than 10 Business Days after payment by the recipient of the GST inclusive consideration for that supply.
- (e) Any additional amount on account of GST recoverable from the Corporation pursuant to clause 14.2(b) or clause 14.2(c) shall be calculated without any deduction or set off of any other amount and is payable by the Corporation upon demand by the relevant Bondholder whether such demand is by means of an invoice or otherwise.

15 Events of Default

15.1 Specific Events of Default

A Bondholder may give notice to the Corporation that Bonds held by that Bondholder shall become due and repayable in accordance with clause 12.2 if any of the following events (each an **Event of Default**) is subsisting:

- (a) any material representation, warranty or statement made or repeated in or in connection with this Deed or the Security by the Corporation is untrue or misleading (whether by omission or otherwise) in any material respect when so made or repeated or becomes untrue or misleading (or, in the case of financial forecasts, unfair or unreasonable) in any material respect when taken as a whole;
- (b) the Corporation breaches any material term or any of its material obligations to a Bondholder under this Deed or the Security and:
 - (i) that breach in the reasonable opinion of the Consenting Party is not capable of remedy; or
 - (ii) if, in the reasonable opinion of the Consenting Party that failure is capable of remedy, it is not remedied within 15 days after the Consenting Party requests that it be remedied;
- (c) any litigation is commenced against the Corporation or any of its Subsidiaries which has, or is likely to have, a Material Adverse Effect or results, or is likely to result, in a Material Adverse Change not including current lawsuits disclosed to Noteholder prior to entering into this Deed;
- (d) a final judgment or judgments of an Australian or USA court or courts of competent jurisdiction for the payment of money aggregating in excess of \$1,000,000 (or its equivalent in the relevant currency of payment) are rendered against the Corporation or any Subsidiary and not stayed pending appeal within 21 days after entry thereof;
- (e) a material distress, attachment, execution or other legal process is levied or enforced on or against any of the property, assets or revenues of the Corporation or any Subsidiary (individually or in the aggregate) which is not discharged, removed, stayed or paid within 21 days or a receiver, receiver and manager, administrative receiver or similar officer is appointed to the Corporation or a Subsidiary or any of their respective assets of undertakings;
- (f) an Insolvency Event occurs in respect of the Corporation or any Subsidiary.
- (g) the Corporation or any Subsidiary fails to comply in a material manner with the provisions of the Corporations Act or the rules of any Relevant Exchange which has, or is likely to have, a Material Adverse Effect or results, or is likely to result, in a Material Adverse Change.
- (h) the Corporation does not adjust the Conversion Property, the Conversion Price, the Option Exercise Price and/or the number of Shares of Common Stock to be issued to a Bondholder, an Optionholder or their respective nominees upon the conversion and/or exercise of any Bonds, Options, Interest Conversion Rights and/or Outstanding Conversion Rights in accordance with the terms set out in this Deed (including under clauses 10.1, 10.2, 10.3 or **Error! Reference source not found.**;
- (i) a material exploration or mining licence or permit held by the Corporation or any Subsidiary is revoked, not renewed or otherwise ceases to be held by the Corporation or the Subsidiary (for whatever reason) which has, or is likely to have, a Material Adverse Effect or results, or is likely to result, in a Material Adverse Change;
- (j) a Material Adverse Change occurs in respect of the Corporation and/or any of its Subsidiaries as a whole; and
- (k) there is any change to the composition of the board of either Legend or Paradise as set out in clause 3.2 without the consent of the Bondholder;

15.2 Notice of Event of Default

The Corporation must give written notice to QPL and each Bondholder as soon as it becomes aware of any Event of Default occurring or being reasonably likely to occur.

16 Undertakings and special conditions

16.1 Affirmative undertakings

The Corporation must:

- (a) promptly notify each Bondholder and Optionholder (as applicable) of any adjustment or potential grounds for an adjustment to the Conversion Property, the Conversion Price, the Option Exercise Price and/or the number of Shares of Common Stock to be issued to each Bondholder, Optionholder and/or their respective nominees upon the conversion and/or exercise of any Bonds, Options, Interest Conversion Rights and/or Outstanding Conversion Rights in accordance with this Deed (including under clauses 10.2, 10.3 or **Error! Reference source not found.**); and
- (b) comply in all material respects with all laws and stock exchange requirements applicable to it or any of its Subsidiaries;

16.2 Negative undertakings

For so long as any Bond remains outstanding or any Conversion Right or Outstanding Conversion Right remains exercisable, the Corporation must not, and must procure that its Subsidiaries do not without the prior written consent of the Consenting Party:

- (a) sell, assign, transfer or otherwise dispose of or cease to hold, or part with possession of, or create a right to or an interest in:
 - (i) a Material Asset;
 - (ii) in any case where such transaction does not occur on arm's length terms and fair market terms, an asset which is not a Material Asset, including by way of creation of an Encumbrance or Standard Guarantee or indemnity over such asset other than on terms approved by the Consenting Party;
- (b) make or pay any Dividend unless:
 - (i) with the consent of the Consenting Party to the payment of such Dividend; and
 - (ii) a corresponding amount of interest is paid on the Bonds in accordance with clause 9.2; and
- (c) incur or permit to be outstanding Financial Indebtedness in aggregate in excess of \$1,000,000.

16.3 Other undertakings

For so long as any Bond remains outstanding or any Conversion Right or Outstanding Conversion Right remains exercisable, the Corporation, without the prior written consent of the Consenting Party:

- (a) must not issue or pay up any Marketable Securities;
- (b) must not modify the rights attaching to the Shares of Common Stock with respect to voting, dividends or liquidation nor issue any other class of share capital but so that nothing in this clause 16.3(b) shall prevent:

- (i) any consolidation, reclassification, reorganisation (including reconstructions and buy-backs) or subdivision of the Shares of Common Stock; or
- (ii) any modification of such rights which is not materially prejudicial to the interests of the holders of the Bonds;

where prior thereto the Corporation shall have determined that no adjustment to the Conversion Property, the Conversion Price, the Option Exercise Price and/or the number of Shares of Common Stock to be issued to each Bondholder, Optionholder and/or their respective nominees upon the conversion and/or exercise of any Bonds, Options and/or Interest Conversion Rights (as applicable) in accordance with the terms set out in this Deed (including under clauses 10.2, 10.3, or **Error! Reference source not found.**) is required;

- (c) must procure that no Marketable Securities (whether issued by the Corporation or any Subsidiary of the Corporation or procured by the Corporation or any Subsidiary of the Corporation to be issued or issued by any other person pursuant to any arrangement with the Corporation or any Subsidiary of the Corporation) issued without rights to convert into, or exchange or subscribe for, Shares of Common Stock shall subsequently be granted such rights;
- (d) must not make any issue, grant or distribution or any other action taken if the effect thereof would be that, on the exercise of any Conversion Rights and/or Interest Conversion Rights, Shares of Common Stock could not, under any applicable law then in effect, be legally issued as fully paid;
- (e) must not reduce its issued share capital, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
 - (i) pursuant to the terms of issue of the relevant share capital;
 - (ii) by way of transfer to reserves as permitted under applicable law;

provided that all the other requirements of the other provisions of this Deed are complied with;

- (f) must not sell, assign, transfer or otherwise dispose of or part with possession of any securities with a value of more than \$250,000 it holds in any other entity;
- (g) must not procure any other financing into the Corporation;
- (h) must not change the jurisdiction in which it is domiciled or resident or to whose taxing authority it is subject generally unless it would not thereafter be required pursuant to then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having power to tax in respect of any payment on or in respect of the Bonds;
- (i) must take commercially reasonable actions to ensure that its issued and outstanding Shares of Common Stock are quoted on the OTC markets; and
- (j) must not take any action, and must procure that no action is taken, that would otherwise result in the inability to issue Shares of Common Stock on conversion as fully paid or otherwise comply with this Deed.

17 Information

17.1 Confidentiality

Each party (recipient) must keep secret and confidential, and must not divulge or disclose any information relating to another party or its business (which is disclosed to the

recipient by the other party, its representatives or advisers), this Deed or the terms of the Bonds or Options other than to the extent that:

- (a) the information is in the public domain as at the date of this Deed (or subsequently becomes in the public domain other than by breach of any obligation of confidentiality binding on the recipient);
- (b) the recipient is required to disclose the information by applicable law, order of court of competent jurisdiction, order of Government Agency having the power to do so or the rules of any recognised stock exchange on which its shares or the shares of any of its related bodies corporate are listed, provided that the recipient has to the extent possible having regard to the required timing of the disclosure consulted with the provider of the information as to the form and content of the disclosure;
- (c) the disclosure is made by the recipient to its financiers or lawyers, accountants, investment bankers, consultants, investors, potential investors, or other professional advisers to the extent necessary to enable the recipient to properly perform its obligations under this Deed or to conduct their business generally, in which case the recipient must ensure that such persons keep the information secret and confidential and do not divulge or disclose the information to any other person;
- (d) the disclosure is required for use in legal proceedings regarding this Deed or the Bonds; or
- (e) the party to whom the information relates has consented in writing before the disclosure.

17.2 Extent of obligation

Each recipient must ensure that its directors, officers, employees, agents, investors, potential investors, representatives, financiers, advisers and related bodies corporate comply in all respects with the recipient's obligations under clause 17.1.

17.3 U.S. Securities Laws

Bondholder hereby acknowledges that the Bondholder is aware that United States securities laws prohibit any person who has material, non-public information about a company from purchasing or selling securities of such a company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

18 Disputes

18.1 No arbitration or court proceedings

If a dispute arises out of or in relation to this document (**Dispute**) no party to the Dispute (**Disputant**) will start arbitration or court proceedings (except proceedings seeking interlocutory relief) unless it has complied with this clause 18.

18.2 Notice

A party claiming that a Dispute has arisen must notify each other Disputant in writing giving details of the Dispute and its proposal for a resolution.

18.3 Initial Period

For a 7 day period after a notice is given (**Initial Period**) each Disputant must use all reasonable endeavours to resolve the Dispute and an Authorised Officer of each Disputant will meet within the first 5 days of that period with that aim.

18.4 Appointment of Expert

If the Dispute remains unresolved at the end of the Initial Period, it must be referred, by written notice from a Disputant to each other Disputant, to an Expert:

- (a) agreed on by the Disputants; or
- (b) if agreement is not reached within 7 days of the notice for referral, appointed by the then president of the Institute of Arbitrators & Mediators Australia or his or her duly appointed deputy.

18.5 Role of Expert

The Expert will act as an expert and not as an arbitrator. The decision of the Expert will be final and binding on all Disputants in the absence of manifest error.

18.6 Timeframe

Each Disputant will use all reasonable endeavours to ensure that the Expert is able to make a decision as soon as is practical, including, but not limited to, providing the Expert with all information relevant to the Dispute.

18.7 Confidentiality

Any information or documents disclosed by a Disputant under this clause must be kept confidential and may not be used except to attempt to resolve the Dispute.

18.8 Costs

Each party must bear their individual costs of complying with this clause 18 and the Expert's costs will be paid by the party that appointed the expert however if the expert is appointed as set out in clause 18.4 (b), the parties shall bear the cost of the expert in equal portions..

18.9 Breach of this clause

If, in relation to a Dispute, a Disputant breaches any provision of clauses 18.1 to 18.8, each other Disputant need not comply with those clauses in relation to that Dispute.

19 Amendments

19.1 Amendment with consent

This Deed may only be amended or varied with the consent of the Corporation and the Bondholder Majority in which case it shall be binding on all parties.

19.2 Notice of amendments

The Corporation must promptly give to each Bondholder and QPL a copy of any variation to this Deed as soon as reasonably practicable after that variation is made.

20 Notices

20.1 Method

All notices, requests, demands, consents, approvals, offers, agreements or other communications (**notices**) given by a party under or in connection with this document must be:

- (a) in writing;
- (b) signed by the party giving notice or a person duly authorised by that party;

- (c) directed to the recipient's address (as set out in clause 20.3 or as varied by any notice); and

hand delivered, sent by prepaid post or transmitted by facsimile to that address.

20.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post:
- (i) within Australia, on the second Business Day after the date of posting;
 - (ii) to or from a place outside Australia, on the seventh Business Day after the date of posting; or
- (c) if transmitted by facsimile, at the time recorded on the transmission report indicating successful transmission of the entire notice,

but if the delivery or transmission is not on a Business Day or is after 5.00pm (recipient's time) on a Business Day, the notice is taken to be received at 9.00am (recipient's time) on the next Business Day.

20.3 Address of Parties

Unless varied by notice in accordance with this clause 20, the parties' addresses and other details are:

Party: **QPL**
Attention: Company Secretary or Sholom Feldman
Address: 67 Penkivil Street, Bondi NSW 2026
Fax: 61 2 9291 9099
Email: sholomfeldman@gmail.com

Party: **Legend and Paradise**
Attention: Corporation Secretary or

By Hand
Address: Level 8, 580 St Kilda Road Melbourne VIC 3004

By Mail
Address: PO Box 6315, St Kilda Road central, Melbourne VIC 3004

Fax: 61 3 8532 2805
Email: legendinfo@axisc.com.au

20.4 Requirement for written notice

For the avoidance of doubt, the requirement in clause 20.1(a) applies to all notices unless expressly excluded and no implication to the contrary is to be drawn from the use of the expressions "written" or "in writing" in relation to some but not all notices.

21 Governing law and jurisdiction

- (a) The Bonds, the Options and this Deed are governed by the laws of Victoria.
- (b) The Corporation irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria.

- (c) The Corporation irrevocably waives any objection to the venue of any legal process in or of the courts of Victoria on the basis that the process has been brought in an inconvenient forum.

22 General matters

22.1 Costs and duties

- (a) The Corporation must bear all reasonable legal, accounting and other costs for the preparation and execution of this Deed, the Security and any instrument or transaction contemplated by this Deed, and indemnify each Bondholder against, and must pay on demand the amount of, any such costs or liabilities that are due and payable.
- (b) The Corporation must bear and is responsible for all Taxes, duties, stamp duties or other similar imposts on or in respect of this Deed, the Security and any instrument or transaction contemplated by this Deed, and indemnify each Bondholder against, and must pay on demand the amount of, any such costs or liabilities that are due and payable.

22.2 Waiver

No party to this Deed may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 22.2 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this Deed and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

22.3 Invalidity and enforceability

- (a) If any provision of this Deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 22.3(a) does not apply where enforcement of the provision of this Deed in accordance with clause 22.3(a) would materially affect the nature or effect of the parties' obligations under this Deed.

22.4 Severance

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

22.5 Further action to be taken at each party's own expense

Subject to clause 22.1, each party must, at its own expense, do all things and execute all documents necessary to give full effect to this Deed and the transactions contemplated by it.

22.6 Further Assurance

Each party must do or cause to be done all things necessary or reasonably desirable to give full effect to this Deed, the Security and the transactions contemplated by this Deed

and the Security (including, but not limited to, the execution of documents and effectiveness and perfection of the Security).

22.7 Cumulative rights

The rights, powers, authorities, discretions and remedies which arise out of or under this Deed are cumulative and do not exclude any other rights, powers, authorities, discretions and remedies of a party (including those which arise as a result of a breach of this Deed or of any other obligation).

22.8 Assignment

- (a) Each Bondholder and Optionholder may assign each of their rights under this Deed without the consent of the Corporation, subject to compliance with U.S. laws.
- (b) The Corporation must not assign any of its rights under this Deed without the prior written consent of the Consenting Party.

23 Guarantee

23.1 Obligations Guaranteed

The Guarantor unconditionally guarantees to the Bondholder:

- (a) the due and punctual payment by the Corporation of:
 - (i) all moneys due and payable or from time to time that become due and payable to the Bondholder by the Corporation pursuant to or in connection with this Deed; and
 - (ii) all other moneys which the Corporation either alone or jointly with any other person now or from time to time is or becomes actually or contingently liable to pay to the Bondholder pursuant to or in connection with this Deed; and
- (b) the due and punctual observance and performance by the Corporation of all its other liabilities, obligations and agreements (whether contingent, prospective or actual) to the Bondholder pursuant to or in connection with any other agreement.

23.2 Result of Non Payment

If the Corporation defaults in the due and punctual payment of the moneys referred to in clause 23.1(a), or any part of them, the Guarantor must pay those moneys to the Bondholder or as directed by the Bondholder, immediately on demand.

23.3 Result of Non-Performance

If the Corporation defaults or fails in the due and punctual observance and performance of any of its liabilities, obligations and agreements referred to in **clause 23.1**, the Guarantor must indemnify the Bondholder immediately against all losses, damages, costs and expenses which may be incurred, suffered or sustained by the Bondholder by reason of the default or failure on the part of the Corporation and must pay to the Bondholder immediately upon demand the amount of the losses, damages, costs and expenses which the Bondholder may incur, suffer or sustain as a result of the default or failure, whenever and as often as the default or failure occurs.

23.4 Continuing Guarantee

This Guarantee is a continuing guarantee and is irrevocable until discharged pursuant to the terms of this Deed.

23.5 Security

- (a) As security for the performance of the Guarantor's obligations under **clauses 23.1 to 23.3** and the due and punctual payment of all moneys due and payable under this Deed, the Guarantor charges in favour of the Bondholder by way of a General Security Deed, all the property it owns, including but not limited to, its phosphate project in Queensland (**Property**), with payment of monies due under this Deed, and the Guarantor:
- (i) if and when called upon by the Bondholder to do so must sign, seal and deliver, execute, perfect and give to the Bondholder at any time during the currency of this Deed all such security interest over the Property as the Bondholder may require from time to time (**Security Interest**). Such Security Interest to be approved, completed and registered by the Bondholder's appointed representative as notified in writing (**Authorised Representative**) and to contain such terms, covenants, conditions, stipulation, provisos and clauses as the Bondholder or its Authorised Representative may consider necessary or advisable;
 - (ii) authorises and consents to the registration by the Bondholder of caveats or like instruments over the Property, being a notification of the charge created by **clause 23.5(a)** and any Security Interest executed pursuant to **sub-clause 23.5 (a)(i)**; and
 - (iii) must pay or reimburse the Bondholder for all costs associated with the implementation of **sub-clauses 23.5(a)(i) and 23.5(a)(ii)**, including but not limited to the costs of the preparation, execution, stamping and registration of caveats and security documentation.
- (b) The Guarantor authorises and consents to the Bondholder taking all action necessary to give effect to **clause 23.5(a)** and irrevocably appoints the Bondholder its attorney pursuant to clause 11 to do all things, acts and attend to all matters necessary to give effect to **clause 23.5(a)**.

23.6 Joint and Several

Any condition or agreement under this Deed on the part or in favour of two or more persons is deemed to bind them or be in favour of them jointly and each of them severally, and if the Guarantor comprises more than one person the Bondholder may at any time, and from time to time, proceed against any or all of them in respect of the Guarantor's obligations as the Bondholder may choose in its absolute discretion.

24 Guarantor' obligations and their enforcement

24.1 Principal Obligations

The Guarantor's obligations are principal obligations and not ancillary or collateral to any other obligation.

24.2 No Requirement to Proceed

The Bondholder is not required to proceed against the Corporation, or exhaust any remedies it may have against the Corporation, or enforce any security it may hold with respect to the Corporation's obligations; but is entitled to demand and receive payment from the Guarantor when any payment is due under this Deed.

24.3 Obligations Absolute and Unconditional

The Guarantor's obligations are absolute and unconditional. The liability of the Guarantor under this Deed extends to, and will not be abrogated, prejudiced, affected or discharged (either in whole or in part) by any one or more of the following:

- (a) any modification of the liabilities of the Corporation under any transaction document including, without limitation; any increase or decrease of the financial accommodation provided under it, any variation in the time or method of payment of moneys under it, or any increase or decrease in the interest rate, costs, fees, expenses or other outgoings of the Corporation under it;
- (b) the release, amendment, variation, replacement or discharge (either in whole or in part) of; or an agreement to release, amend, vary, replace or discharge (either in whole or in part) the Corporation's obligations, whether or not these matters are formalised in writing and whether or not the Guarantor is aware of or consents to these matters;
- (c) the granting of time, credit or any other indulgence or concession to the Corporation, the Guarantor or any other person by the Bondholder with or without the knowledge or consent of the Guarantor;
- (d) any compounding, compromise, release, discharge, abandonment, assignment, transfer, waiver, exchange, relinquishment, variation or renewal of the Corporation's obligations or other arrangements now or from time to time in force between the Corporation and the Bondholder or any other persons, with or without the knowledge or consent of the Guarantor;
- (e) any judgment or rights which the Bondholder may have or exercise against the Corporation the Guarantor or any other person;
- (f) the Corporation's obligations or any part thereof or the Guarantor's obligations or any part thereof being or becoming wholly or partially illegal, void, voidable, defective, informal or unenforceable, whether by reason of any statute (including, without limitation, any statute of limitation) or for any other reason whatever by which the liability of the Corporation or the liability of the Guarantor would, but for this paragraph, have been discharged or otherwise adversely affected;
- (g) any other person becoming a Guarantor of the Corporation's obligations or part of them;
- (h) any other person who intended to be bound as a surety in respect of the Corporation's obligations not being bound as a surety;
- (i) where the Guarantor comprises more than one person, any of these persons being released or ceasing to be bound by this Deed;
- (j) the delay or failure by the Bondholder to enforce this Deed or the giving of any release or waiver by the Bondholder under this Deed or the making of any arrangement or compromise by the Bondholder with the Guarantor;
- (k) the Bondholder becoming a party to or becoming bound by; any compromise, assignment of property, scheme of arrangement, compromise of debts or scheme of reconstruction by or relating to the Corporation, or the Guarantor, or the acceptance by the Bondholder of any dividend, or sum of money thereunder;
- (l) the winding up or bankruptcy of the Corporation, the Guarantor or any other person or any of them;
- (m) the liability of the Guarantor ceasing for any cause whatever, including, without limitation, the Guarantor being or becoming incompetent to give this Guarantee;
- (n) any security now or in the future being held by the Bondholder for the Corporation's obligations, or any security being granted by the Guarantor or the Corporation to any other person, or any negotiable or other instrument issued by the Corporation being still in circulation, or outstanding, or being or becoming void, voidable, unenforceable or defective either in whole or in part;
- (o) the Bondholder failing or neglecting to recover by the realisation of any security or otherwise any moneys owing or to become owing to the Bondholder by the

- Corporation, or any laches, or mistake on the part of the Bondholder;
- (p) the Bondholder's action, omission or neglect taken or suffered in relation to any bills of exchange; or any person having any rights, or obligations, in relation to them;
 - (q) if the Guarantor is a trustee; any breach of trust by the Guarantor, any amendment or variation of the terms of any trust deed, declaration of trust or settlement pursuant to which the Guarantor is a trustee, or the determination of the trust;
 - (r) if the Corporation or the Guarantor is a member of any partnership or firm, any change in the membership of such partnership or firm;
 - (s) the fact that any transaction document or any security may be entered into after the execution of this Deed;
 - (t) the fact that the Corporation may enter into transactions with, or incur obligations to, the Bondholder without the knowledge, or consent of, or notice to the Guarantor; or
 - (u) any other fact, circumstance or thing whatever which, but for this provision, could or might operate to abrogate, prejudice, affect or discharge (either in whole or in part) this guarantee.

24.4 Additional Security

This Guarantee is in addition to, and not in substitution for, any other security or right which the Bondholder now has, or may afterwards take, in respect of the Corporation's obligations, or any part of them. This Guarantee may be enforced in the absolute discretion of the Bondholder against the Guarantor without first having recourse to any such security or right, and without taking any steps or proceedings against the Corporation, or any other surety, and notwithstanding that any other security may be, in whole or part, unenforceable by reason of any rule of law or equity.

24.5 No Obligation to Marshall

The Bondholder shall be under no obligation to marshal in favour of the Guarantor any security held by the Bondholder or any funds or assets that the Bondholder may be entitled to receive or have a claim upon.

24.6 No Obligation to Notify Default

The Bondholder is under no obligation to give notice to the Guarantor of any default by the Corporation or to include in any demand made under this Deed particulars of the default of the Corporation resulting in the demand.

24.7 Payments in Gross

All benefits, compositions and payments received by the Bondholder from, or on account of the Corporation or the Guarantor, including; any dividends upon the winding up or bankruptcy of the Corporation or the Guarantor, or from any other person, or from the realisation or enforcement of any security, Guarantee or indemnity capable of being applied by the Bondholder, will be applied as payments in gross.

24.8 Release of Security

The Bondholder may release or otherwise deal (either in whole or in part) with any and all security now or in the future held by the Bondholder for the Corporation's obligations and the Guarantor's obligations without releasing or affecting the liability of the Guarantor under this Deed. The Guarantor shall not hold the Bondholder responsible or liable for any loss, damage or expense suffered by the Guarantor as a result (either direct or indirect) of that release or dealing, including, without limitation, any prejudice to or loss of the Guarantor's rights of subrogation.

24.9 Payments Avoided or Recouped

This Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time the whole or any part of any payment or satisfaction of the whole or any part of the Corporation's obligations:

- (a) is avoided by the operation of any law: or
- (b) must be repaid or restored by the Bondholder or other recipient of that payment, or Bondholder of that satisfaction, to the Corporation by reason of preference or for any other reason whatever,

and that payment or satisfaction is deemed not to have discharged the Corporation's obligations, or the Guarantor's obligations or any part of them, as if that payment or satisfaction had not been made.

24.10 Retention of Security

If the Guarantor provides any security in support of this guarantee, the Bondholder may not retain that security after the Corporation's obligations and the Guarantor's obligations have both been fully satisfied.

24.11 No Merger

The rights of the Bondholder and the obligations of the Guarantor under this Deed will not merge in any bill of exchange whether or not the Guarantor is a party to any such bill.

24.12 Collateral Security

This Guarantee will not prejudicially affect or be prejudicially affected by any other security or guarantee held now or in the future by the Bondholder in respect of the Corporation's obligations but the other security or guarantee shall be deemed to be collateral herewith.

25 Bondholder's right of set off

The Guarantor authorises the Bondholder (but without any obligation on the part of the Bondholder) in the event of any non-payment of any amount when due under this Guarantee, and without notice to the Guarantor to combine, consolidate or merge, or to apply all or any part of any credit balance standing upon any account of the Guarantor with the Bondholder , or any amount available to the Bondholder by way of set off, lien or counterclaim in or towards satisfaction of any money at any time due and payable, or to become due and payable by the Guarantor to the Bondholder under, or in relation to, this Deed and for that purpose:

- (a) notwithstanding any prior agreement to the contrary to; redeem, vary the terms and conditions of, or appropriate all or any part of any account, deposit of funds, or other arrangement between the Bondholder and the Guarantor on or under which the Bondholder may be indebted to the Guarantor, notwithstanding that the balance of any account and the respective liabilities may not be expressed in the same currency;
- (b) to effect any currency conversion in the Bondholder considers necessary or desirable; and
- (c) in the name of the Guarantor to do all such acts and to execute all such documents as may be required to effect any combination, consolidation, merger or application under this clause.

26 Limitations on Guarantor' rights

26.1 Guarantor Generally Not to Recover

Until the whole of the Corporation's obligations have been paid or satisfied, the Guarantor shall not (except with the prior written consent of the Bondholder) either directly or indirectly, and either before or after the winding up or bankruptcy of the Corporation, or any person:

- (a) recover or claim to recover any sum paid under this Deed;
- (b) claim or receive the benefit of any distribution, dividend or payment arising out of, or relating to the winding up or bankruptcy of the Corporation, or any person liable jointly or severally with the Corporation or the Guarantor (including, without limitation, where the Guarantor comprises more than one person, any such person) to the Bondholder or liable under any security held now or in the future by the Bondholder as security for any moneys owing, or to become owing by the Corporation or the Guarantor to the Bondholder;
- (c) upon the winding up or bankruptcy of the Corporation or any person so liable:
 - (i) on any grounds whatever, claim to be subrogated to the Bondholder in respect of, or claim the benefit or the transfer of, or participate in, any security held now or in the future by the Bondholder for the Bondholder's obligations or any part of them; or
 - (ii) prove or claim in competition with the Bondholder so as to diminish any distribution, dividend or payment which, but for the proof or claim, the Bondholder would be entitled to receive pursuant to the winding up or bankruptcy; or
- (d) exercise or attempt to exercise any rights whatever (including, without limitation, any right of set off, counterclaim or subrogation) against or realise any security taken from the Corporation or any other person,

and the receipt of any distribution, dividend or other payment which the Bondholder may receive, whether before or after such winding up or bankruptcy, will not prejudice the right of the Bondholder to recover the whole of the Corporation's obligations from the Guarantor.

26.2 Guarantor to Act if Required by Bondholder

If required in writing by the Bondholder, the Guarantor shall forthwith prove or claim in the winding up or bankruptcy of the Corporation, or any other person liable as described in **clause 26.1(b)**, in the manner and to the extent required by the Bondholder for all moneys owing to the Guarantor.

26.3 Winding-Up or Bankruptcy of Corporation

If the Corporation is wound up or bankrupted, the Guarantor irrevocably authorise the Bondholder as its agent to:

- (a) prove for all moneys for which the Corporation is liable to the Guarantor; including any moneys which the Guarantor has paid under this Deed; and
- (b) retain and carry to a separate account and appropriate at the Bondholder's discretion any amounts received,

until the Bondholder has been paid in full in respect of the Corporation's obligations.

26.4 Receipts by Guarantor

Moneys received by the Guarantor from any winding up or bankruptcy of the Corporation, or any other person liable as described in **clause 26.1(b)** or pursuant to the realisation or enforcement of any security taken from the Corporation, or otherwise, will be received

and held in trust for the Bondholder to the extent of the unsatisfied liability of the Guarantor under this Deed.

27 Indemnities

27.1 Indemnity in Respect of Corporation's Obligations

Notwithstanding anything in this Deed, if the whole or any part of the Corporation's obligations are, or may be irrecoverable from the Corporation by the Bondholder for any reason whatever, including by reason of:

- (a) any legal limitation, disability or incapacity of or affecting the Corporation personally or in the capacity in which it is purporting to act;
- (b) any of the transactions relating to the Corporation's obligations being void from the beginning or being subsequently avoided (whether or not any of the matters or facts relating thereto have been, or ought to have been, within the knowledge of the Bondholder); or
- (c) any other fact, matter or thing, as a result of which the whole or any part of the Corporation's obligations are not recoverable from the Guarantor as surety, then, and in any such case, the Guarantor as a separate additional and severable liability under this Deed unconditionally and irrevocably indemnifies the Bondholder in respect of;
- (d) the amount of moneys (either actual or contingent) which, if the Corporation's obligations had not been irrecoverable as specified, would be due to the Bondholder by the Corporation; and
- (e) all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature (either actual or contingent) suffered, incurred or sustained by the Bondholder ;

and the Guarantor shall pay to the Bondholder immediately on demand the amount. The terms of this Deed apply as far as possible, with any necessary changes being made, to this indemnity.

27.2 Interpretation

The indemnity contained in **clause 27.1** will be construed and regarded as an indemnity notwithstanding that the party giving it is described as a 'Guarantor'.

27.3 Further Indemnity

The Guarantor indemnifies the Bondholder against all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature (either actual or contingent) which the Bondholder may suffer, incur or sustain in connection with or arising in any way whatever out of this Deed.

27.4 Judgment Currency Indemnity

If a judgment or order is rendered by a court or tribunal for the payment of:

- (a) any amounts owing to the Bondholder under this Deed;
- (b) damages in respect of this Guarantee; or
- (c) the amount payable under or in respect of a judgment or order of another court or tribunal for such amounts or damages,

and the judgment or order is expressed in a currency (the 'judgment currency') other than

the currency in which amounts are payable under this Deed (the 'contractual currency'), the Guarantor shall indemnify and hold harmless the Bondholder against any deficiency in terms of the contractual currency arising or resulting from any fluctuation in the rate of exchange occurring between the date on which any amount expressed in the contractual currency is converted for the purpose of the judgment or order into any equivalent amount in the judgment currency and the date or dates of receipt by the Bondholder in the judgment currency of the amount of the judgment or order.

28 Interest

28.1 Interest on Overdue Amounts

The Guarantor shall pay interest on amounts due and payable but unpaid under this Deed at the Default Rate. This interest will accrue on a daily basis and will be capitalised on the last day of each month.

28.2 Further Interest

If a liability under this Deed becomes merged in a judgment or order, or exists after the bankruptcy or winding up of the Guarantor, then the Guarantor, as an independent obligation, shall pay interest on the amount of that liability from the date the liability becomes payable both before and after the judgment, order, bankruptcy or winding up until it is paid at the higher of the rate payable under the judgment, order, bankruptcy or winding up and the Default Rate.

29 Payment and costs

29.1 Manner of Payment

All payments to be made by the Guarantor under this Deed shall be made in immediately available funds. Payments shall be made in full, free and clear of any deductions or withholdings, and without any set off or counterclaim whatever, as and where the Bondholder may from time to time direct on or before 11.00 am local time (as determined by the Bondholder) on the due date. Payments shall be credited to the Guarantor only when actually received by the Bondholder. The time for all payments will be of the essence of this Deed. The Bondholder will have an absolute discretion (without the need to communicate its election to any person) to apply any payment received by it in reduction of such part of the Corporation's obligations as it shall elect. This election may be made at any time notwithstanding any statement of account or other matter or thing.

29.2 Currency

Unless the Bondholder otherwise agrees, all payments to be made by the Guarantor will be made in the currency in which the Corporation's obligations are payable.

29.3 Withholdings

If at any time any applicable law, regulation or regulatory requirement of any government authority, monetary agency or central bank requires the Guarantor to make any deduction or withholding in respect of taxes (other than taxes in respect of the Bondholder's net income) from any payment due under this Deed for the account of the Bondholder:

- (a) the sum due from the Guarantor in respect of the payment will be increased to the extent necessary to ensure that, after the making of the deduction or withholding, the Bondholder receives a net sum equal to the sum which it would have received had no deduction or withholding been required to be made; and

- (b) the Guarantor shall indemnify the Bondholder against any losses or costs incurred by it by reason of any failure of the Guarantor to make any such deduction or withholding.

The Guarantor shall promptly deliver to the Bondholder any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any such deduction or withholding, together with any other information which the Bondholder may reasonably require.

29.4 Costs and Expenses

In addition to all other liabilities of the Guarantor under this Deed, the Guarantor shall also pay to the Bondholder immediately on demand all costs and expenses (including without limitation legal and out-of-pocket expenses) which may be incurred in, or in connection with, the negotiation, preparation, execution and stamping of this Deed and the exercise or purported or attempted exercise of any right, authority or remedy conferred on the Bondholder under or by virtue of this Deed and all stamp duty (including financial institutions duty, duty passed on to the Bondholder by any bank or financial institution and fines for late payment or non-payment) levied on or in connection with this Deed, any transaction contemplated by this Deed or any payment or the receipt of any payment under this Deed.

30 REPRESENTATIONS AND Warranties

30.1 Warranties by Guarantor

Except as may be otherwise disclosed in writing to the Bondholder at or prior to the date of this Deed, the Guarantor make the following representations and warranties for the benefit of the Bondholder:

- (a) **Legal Obligations:** this Deed constitutes a legally valid and binding obligation upon the Guarantor and enforceable against the Guarantor in accordance with its terms;
- (b) **Non-Default:** the Guarantor are not in default under any law, regulation, official directive, undertaking or agreement by which the Guarantor are bound; being a default which would be likely to have a material adverse effect on the Guarantor's ability to observe and perform the Guarantor's obligations under this Deed;
- (c) **Litigation:** no litigation, arbitration or administrative proceedings has been commenced or is pending or threatened before, and no judgment or award has been given or made by, any court or other tribunal or governmental agency involving the Guarantor which, if adversely determined, would be likely to have a material adverse effect on the Guarantor's ability to observe and perform the Guarantor's obligations under this Deed;
- (d) **Financial Position:** the most recent provided balance sheet of the Guarantor are a true, fair and accurate statement of the Guarantor's financial position as at the date to which they are prepared. Other than as disclosed in writing by the Guarantor to the Bondholder prior to the date of this Deed, there has been no change in the financial position of the Guarantor since the date to which the accounts of the Guarantor were last prepared before the date of this Deed which would be likely to have a material adverse effect on the Guarantor's ability to observe and perform the Guarantor's obligations under this Deed; and
- (e) **Trust:** in entering into this Deed the Guarantor is not acting as a trustee of any trust or settlement.
- (f) **Security:** the property which is the subject of the Security is not subject to any mortgages, charges, PPSA Security Interests, Security Interest or other

encumbrances and is owned by the Guarantor in its own right and not as a trustee of any trust.

- (g) Corporate benefit: **where the Guarantor is a Corporation, that Corporation warrants that the entry into and the performance of its obligations under this deed and each Transaction Document to which it is a party is in its best interests and for a proper purpose.**

30.2 No Security to Guarantor

The Guarantor represent and warrant that the Guarantor have not taken, and undertakes and agrees that it will not take, security from the Corporation for or in consideration of the Guarantor assuming the Guarantor's obligations or any part of them.

30.3 No Representations to Guarantor

The Guarantor is not executing this Deed a result of, by reason of or in reliance upon any promise, representation, statement or information of any kind or nature whatever given or offered to the Guarantor by or on behalf of the Bondholder whether in answer to any enquiry by or on behalf of the Guarantor or not.

30.4 No Duty to Disclose

The Bondholder (except as provided in this Deed) was not, prior to execution of this Deed by the Guarantor and is not in the future, under any duty or responsibility to disclose to the Guarantor or to do or execute any matter or thing relating to the affairs of the Corporation or any of the transactions of the Corporation with the Bondholder.

31 Guarantor'S undertaking

Until a full and final discharge of this Guarantee has been given to the Guarantor by the Bondholder, the Guarantor shall notify the Bondholder as soon as the Guarantor becomes aware of any breach or default by the Guarantor or of any fact or matter which would be likely to materially and adversely affect the Guarantor's ability to perform the Guarantor's obligations or the Bondholder's ability to enforce this Guarantee and indemnity against the Guarantor.

32 POWER OF ATTORNEY

32.1 Appointment and Powers

The Guarantor irrevocably appoints the Bondholder and each of the Bondholder's Authorised Representative severally as its Attorney with the right at any time to:

- (a) do all things and execute all documents which the Guarantor are obliged to do or execute pursuant to this Deed but fails to do or execute within the time period required by the Bondholder;
- (b) do everything which in the Attorney's opinion is necessary or expedient to enable the exercise of any right of the Bondholder's in relation to this Deed; and
- (c) appoint substitutes and otherwise delegate its rights (including this right of delegation).

32.2 General

- (a) Any Attorney may exercise its rights notwithstanding that the exercise of the right

constitutes a conflict of interest or duty.

- (b) The Guarantor shall ratify any exercise of a right by an Attorney.
- (c) The Power of Attorney is granted for valuable consideration (receipt of which is acknowledged by the Guarantor) and to secure the performance of the obligations of the Guarantor to the Bondholder under this Deed and any proprietary interests of the Bondholder under this Deed.

33 Assignment

The Bondholder may at any time during the currency of this Guarantee assign its rights or any part of them under this Deed without the prior consent of the Guarantor. For such purpose, the Bondholder may disclose to a potential assignee such information about the Guarantor as has been made available to the Bondholder. Where the Bondholder assigns its rights or any part of them, the Guarantor shall execute such documents as in the opinion of the Bondholder are reasonably necessary to effect the assignment. The Guarantor shall not assign or novate any of its rights or obligations under this Deed.

34 Discharge

34.1 Termination

This Guarantee will terminate, and the Guarantor will be released and discharged from all liability under this Deed, on the date on which a formal discharge of this Guarantee is given by the Bondholder to the Guarantor.

34.2 Entitlement to Discharge

The Guarantor will only be entitled to a formal discharge of this Guarantee upon the date on which:

- (a) all the Corporation's obligations have been finally paid and satisfied to the Bondholder in full; and
- (b) the obligations, if any, of the Bondholder to make advances or accommodation has forever ceased.

SCHEDULE 1 - WARRANTIES

Part 1 – Corporation Warranties

1 Authority

1.1 Authorisation

- (a) The Corporation has taken all necessary action to authorise the execution, performance and adoption of this Deed and the Security to authorise its compliance with its obligations and exercise its rights under this Deed and the Security and to allow them to be enforced.
- (b) The obligations of the Corporation under this Deed and the Security are valid and binding and are enforceable against it in accordance with its terms subject to any stamping and registration requirements, applicable equitable principles and laws generally affecting creditors' rights.

1.2 Power and title

- (a) The Corporation has the power to enter into and perform its obligations under this Deed, to own its own property and to carry on its business as it is now being conducted.
- (b) The Corporation has good title to and is the legal and beneficial owner of the property the subject of the Security free from any Security Interests.

1.3 No legal impediment

Each of the execution, performance, compliance with obligations, exercise of rights under and adoption of this Deed by the Corporation:

- (a) does not conflict with the constitution or other constituent documents (if any) of the Corporation; and
- (b) does not constitute a breach of any law or obligation by which it is bound or to which any of its assets is subject or cause a limitation on its powers or the powers of its directors to be exceeded.

1.4 Consents

- (a) All authorisations, approvals, consents, licences, exemptions, filings, registrations, notarisations and other requirements of governmental, judicial and public bodies and authorities required before the Corporation may enter into this Deed and the Security or which are necessary in connection with the performance by the Corporation of its obligations under this Deed and the Security have been obtained or effected and are in full force and effect.
- (b) All filings and registrations which are required to be effected, and all amounts which are required to be paid, to ensure that this Deed and the Security are legal, valid, binding and admissible in evidence and have the priority that they contemplate have been effected by the Corporation and paid or will be effected and paid within the time prescribed by law.

1.5 No breach of Laws

The Corporation has not committed any breach of, or otherwise failed to comply with the provisions of, any law of any Country, State or Territory (including any State or Territory of Australia) the consequences of which breach would be reasonably likely to affect its ability to comply with its obligations under this Deed and the Security.

1.6 No default

- (a) No event has occurred which constitutes an Event of Default.
- (b) The Corporation has not committed any breach of, or otherwise failed to comply with the provisions of any arrangement, contract, agreement, undertaking or document to which it is a party or by which it is bound the consequences of which default would be reasonably likely to affect its ability to comply with its obligations under this Deed and the Security.

1.7 General

- (a) No litigation, arbitration, mediation, conciliation, criminal or administrative proceedings against the Corporation or a Subsidiary are current, pending or (to the knowledge of any of its officers after due inquiry) threatened that involve a potential liability in excess of \$500,000 (excluding workers' compensation claims) or which, if adversely determined would be likely to have a Material Adverse Effect other than the litigation already disclosed to the Bondholder.
- (b) No representation, warranty or other information provided by the Corporation contains any untrue statement of material fact or omits to state a material fact necessary to ensure that the representation, warranty or information is not misleading.
- (c) The Corporation Controls and no other person has the capacity to Control, each Subsidiary.
- (d) The balance sheet of the Corporation as provided to Bondholder is accurate as of the date of execution of this Deed and other than the liabilities as detailed on the balance sheet, there are no further liabilities not disclosed to Bondholder by the Corporation, or any material agreements not disclosed to Bondholder including any other shareholder agreement that has not been disclosed to Bondholder.

2 Solvency

- (a) The Corporation is solvent and will not become insolvent by entering into and performing its obligations under this Deed and the Security.
- (b) No Controller (as defined in the Corporations Act) is currently appointed in relation to the Corporation's property or part thereof.

3 Corporate

The Corporation is:

- (a) duly incorporated or formed under the laws of the place of the place of its incorporation or formation and is validly existing under those laws; and
- (b) not a trust or nominee of another person or trust.

Part 2 – Bondholder Warranties

1 Authority

1.1 Authorisation

The Bondholder has taken all necessary action to authorise the execution, performance and adoption of this Deed.

1.2 Power

The Bondholder has the power to enter into and perform its obligations under this Deed.

1.3 No legal impediment

Each of the execution, performance and adoption of this Deed by the Bondholder:

- (a) complies with the constitution or other constituent documents (if any) of the Bondholder and any trust of which it is a trustee; and
- (b) does not constitute a breach of any law by the Bondholder or result in a default under any agreement or instrument to which the Bondholder is bound.

1.4 All authorisations, approvals, consents, licences, exemptions, filings, registrations, notarisations and other requirements of governmental, judicial and public bodies and authorities required before the Bondholder may enter into this Deed or which are necessary in connection with the performance by the Corporation of its obligations under this Deed have been obtained or effected and are in full force and effect.

2 Solvency

The Bondholder is solvent and will not become insolvent by entering into and performing its obligations under this Deed.

3 Status

The Bondholder is a sophisticated or professional investor (as defined under the Corporations Act).

4 U.S. Securities Law Representations

4.1 The Bondholder hereby represents and warrants to and covenants with the Corporation (which representations, warranties and covenants shall survive the Completion) that:

(a) the Bondholder is not a U.S. Person (as that term is defined in Regulation S under the Securities Act);

(b) the Bondholder is not acquiring the Securities for the account or benefit of, directly or indirectly, any U.S. Person;

(c) the Bondholder is acquiring the Securities for the Bondholder's own account, for investment purposes only, and not with a view to resale, distribution or fractionalization thereof, in whole or in part, and, in particular, the Bondholder has no intention to distribute either directly or indirectly any of the Securities in the United States or to U.S. Persons;

(d) the Bondholder was outside the United States when receiving and executing this Agreement;

(e) the Bondholder is aware that the Corporation is not current in its periodic reports and other filings under the U.S. securities laws and that there is material non-public information concerning the Corporation that has not been publicly disclosed as a result of the failure to make such filings;

(f) the Bondholder is aware that an investment in the Corporation is speculative and involves certain risks, including the possible loss of the investment;

(g) the Bondholder is not an underwriter of, or dealer in, the Shares of Common Stock of the Corporation, nor is the Bondholder participating, pursuant to a contractual agreement or otherwise, in the distribution of the Securities;

(h) the Bondholder understands and agrees not to engage in any hedging transactions involving any of the Securities unless such transactions are in compliance with the provisions of the Securities Act;

(i) the Bondholder understands that none of the Securities have been registered under the Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold by the Bondholder, except in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and that the certificates and/ or account statements for the Securities will include restrictive legends to that effect; and

(k) the Bondholder acknowledges that the Corporation has not undertaken, and will have no obligation, to register any of the Securities under the Securities Act.

EXECUTED as a DEED

Corporation

EXECUTED by Legend International)
Holdings Inc. in accordance with its by-)
laws)
)

.....
Signature of director

.....
Signature of director / Corporation secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / Corporation secretary
(print)

Bondholder

EXECUTED by Queensland Phosphate)
Pty Limited in accordance with section)
127 of the Corporations Act)
)

.....
Signature of director

.....
Signature of director / company secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / company secretary (print)

Paradise

EXECUTED by Paradise Phosphate)
Limited in accordance with section 127)
of the Corporations Act)
)

.....
Signature of director

.....
Signature of director / company secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / company secretary (print)

THE SECURITIES TO WHICH THIS CONVERTIBLE BOND CERTIFICATE RELATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS, AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

ATTACHMENT 1 - CONVERTIBLE BOND CERTIFICATE

Certificate Number: #[insert number]#

Legend International Holdings, Inc.

of Level 8, 580 St Kilda Road Melbourne

VIC 3004

(the Corporation)

Issue of [_____]¹ Bonds.

THIS IS TO CERTIFY that _____ of _____ (QPL) is the registered holder of [_____]² Bonds in the Corporation with a Face Value per Bond of \$1,000 each and a Conversion Price of \$0.005 (as may be adjusted) issued under the Convertible Bond and Subscription Deed dated #[insert date of signing of the Deed]# between the Corporation and QPL (**Convertible Bond and Subscription Deed**).

A term defined in the Convertible Bond and Subscription Deed has the same meaning when used in this certificate.

Each Bond entitles the holder to the rights and benefits described in the Convertible Bond and Subscription Deed which are incorporated in and form part of this certificate.

This Bond Certificate must be returned to the Corporation for cancellation on transfer, repayment, redemption or conversion in accordance with the Convertible Bond and Subscription Deed.

If this Bond Certificate is not cancelled on or before the Maturity Date, it must be returned to the Corporation on the Maturity Date.

Dated: #[insert Completion Date]#

¹ Or as applicable.

² Or as applicable.

EXECUTED by **Legend International Holdings, Inc. in accordance with its by-laws**)
)
)
)

.....
Signature of director

.....
Signature of director / company secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / company secretary (print)

THE SECURITIES TO WHICH THIS OPTION CERTIFICATE RELATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS, AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

ATTACHMENT 2 - OPTION CERTIFICATE

Certificate Number: #[insert number]#

Legend International Holdings Inc.

of Level 8, 580 St Kilda Road Melbourne

VIC 3004

(the Corporation)

Issue of 25,000,000 Options

THIS IS TO CERTIFY that Gleneagle Securities (Aust) Pty Limited ACN _____ of Level 10, 2 Blight Street, Sydney NSW 2000 is the registered holder of 25,000,000 Options in the Corporation, each to subscribe for 1 fully paid Share of Common Stock in the capital of the Corporation at an exercise price of \$0.01 (or as may be adjusted) exercisable within 2 years from the date of issue (Option Exercise Period), issued in consideration for corporate advisory work in relation to the Deed dated #[insert date of signing of the Deed]# (**Convertible Bond and Subscription Deed**) between the Corporation and QPL.

A term defined in the Convertible Bond and Subscription Deed has the same meaning when used in this certificate.

Each Option entitles the holder to the rights and benefits described in the Convertible Bond and Subscription Deed which are incorporated in and form part of this certificate.

This Option Certificate must be returned to the Corporation for cancellation on transfer or exercise in accordance with the Convertible Bond and Subscription Deed.

If this Option Certificate is not cancelled on or before the end of the relevant Option Exercise Period in respect of the Options, it must be returned to the Corporation at the end of the relevant Option Exercise Period in respect of the Options.

Dated: #[insert Completion Date]

EXECUTED by **Legend International Holdings, Inc. in accordance with its by-laws**)
)
)
)

.....
Signature of director

.....
Signature of director / company secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / company secretary (print)

ATTACHMENT 3 - CONVERSION NOTICE

#[Insert Name]#
#[Corporation Secretary]#
Legend International Holdings Inc.
Level 8, 580 St Kilda Road Melbourne
VIC 3004

#[By Courier/ By Facsimile]#

Dear Sir

Conversion Notice - #[Conversion Rights / Interest Conversion Rights]#

In accordance with the terms of the Convertible Bond and Subscription Deed dated #[insert date]# (the **Deed**) between Queensland Phosphate Pty Limited (**QPL**) and Legend International Holdings Inc. (Legend), _____ hereby gives notice to Legend of exercise of #[all / part]# of its #[Conversion Rights / Interest Conversion Rights]# and directs Legend to take all necessary action to convert the number of Bonds (in whole or part) equal to the dollar amount specified in Annexure A of this notice (**Conversion Amount**) into Shares of Common Stock at the Conversion Price of #[\$AUD0.005]#.

A term defined in the Deed has the same meaning when used in this notice.

In respect of this notice, _____:

- 1 confirms that the signatory of this notice has full power and authority to issue this notice on its behalf;
- 2 acknowledges that this notice is irrevocable once received by Legend; and
- 3 directs Legend to issue the number of Shares of Common Stock specified in Annexure A of this notice, together with the Statements for holdings of the Shares, to the #[individuals and/or entities]# specified in Annexure A of this notice.

We include with this notice the original Bond Certificate in respect of the Bonds being converted.

Dated: #[insert date]#

#[Insert Name]#
[insert title]
[insert name of company]

ANNEXURE A - CONVERSION DETAILS

1 Conversion Details

Conversion Amount	#[\$ insert Conversion Amount]#
Conversion Price	#[\$ \$0.005]#
Number of Shares of Common Stock required to be issued on Conversion	#[insert number of Shares of Common Stock to be issued]#

2 Details of persons to be issued Shares of Common Stock on Conversion

Name of Individual/Entity to be issued Shares of Common Stock on Conversion	Address of Individual/Entity to be issued Shares of Common Stock on Conversion	Proportion of the Conversion Amount attributable to the Individual/Entity	Number of Shares of Common Stock required to be issued on Conversion
#[insert name of the Individual/Entity including the ACN if it is a company]#	#[insert address of the Individual/Entity]#	#[\$ insert Conversion Amount in respect of the Individual/Entity]#	#[insert number of Shares of Common Stock to be issued to the Individual/Entity]#

ATTACHMENT 4 - OPTION EXERCISE NOTICE

#[Insert Name]#
#[Corporation Secretary]#
Legend International Holdings Inc.
Level 8, 580 St Kilda Road Melbourne
VIC 3004

#[By Courier/ By Facsimile]#

Dear Sir

Option Exercise Notice

In accordance with the terms of the Convertible Bond and Subscription Deed dated #[insert date]# (**the Deed**) between Queensland Phosphate Pty Limited (**QPL**) and Legend International Holdings Inc. (Legend), #[_____]# hereby gives notice to Legend of exercise of the number of Options specified in Annexure A of this notice (**Options**).

A term defined in the Deed has the same meaning when used in this notice.

In respect of this notice, #[_____]#:

- 1 confirms that the signatory of this notice has full power and authority to issue this notice on its behalf;
- 2 acknowledges that this notice is irrevocable once received by Legend; and
- 3 directs Legend to issue the number of Shares of Common Stock specified in Annexure A of this notice, together with the Statements for holdings of the Shares, to the #[individuals and/or entities]# specified in Annexure A of this notice.

In this regard:

- 1 the original Option Certificate in respect of the Options is attached to this notice;
- 2 as at the date of this notice the Option Exercise Price is #[\$0.01]#; and
- 3 #[Select either option (a) or (b)]#
 - (a) #[A bank cheque for the sum of #[\$insert amount]# (**Exercise Amount**) is being delivered together with this notice, being the amount equal to the Option Exercise Price multiplied by the number of Shares of Common Stock to be issued on exercise of the Options.]#
 - (b) #[We have transferred the sum of #[\$insert amount]# (**Exercise Amount**), being the amount equal to the Option Exercise Price multiplied by the number of Shares of Common Stock to be issued on exercise of the Options, to the following bank account of Legend: #[insert relevant account details]#.

Once the Exercise Amount has been received, could you please confirm receipt of payment of the Exercise Amount by email to [insert name] at [insert email address.]#

4.1. The Optionholder hereby represents and warrants to and covenants with Legend that:

(a) the Optionholder is not a U.S. Person (as that term is defined in Regulation S under the Securities Act);

(b) the Optionholder is not acquiring the Shares of Common Stock for the account or benefit of, directly or indirectly, any U.S. Person;

(c) the Optionholder is acquiring the Shares of Common Stock for the Optionholder's own account, for investment purposes only, and not with a view to resale, distribution or fractionalization thereof, in whole or in part, and, in particular, the Optionholder has no intention to distribute either directly or indirectly any of the Shares of Common Stock in the United States or to U.S. Persons;

(d) the Optionholder was outside the United States when receiving and exercising the Options;

(e) the Optionholder is aware that an investment in Legend is speculative and involves certain risks, including the possible loss of the investment;

(f) the Optionholder is not an underwriter of, or dealer in, the Shares of Common Stock, nor is the Optionholder participating, pursuant to a contractual agreement or otherwise, in the distribution of the Shares of Common Stock;

(g) the Optionholder understands and agrees not to engage in any hedging transactions involving any of the Shares of Common Stock unless such transactions are in compliance with the provisions of the Securities Act;

(i) the Optionholder understands that none of the Shares of Common Stock have been registered under the Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold, directly or indirectly, except in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and that the certificates and/ or account statements for the Shares of Common Stock will include restrictive legends to that effect and

(j) the Optionholder acknowledges that the Corporation has not undertaken, and will have no obligation, to register any of the Shares of Common Stock under the Securities Act.

Dated: #[insert date]#

#[Insert Name]#
[insert title]
[insert name of company]

ANNEXURE A - OPTION EXERCISE DETAILS

1 Exercise Details

Number of Options to be exercised	#[insert number]#
Option Exercise Price	#[\$\$0.01]#
Exercise Amount	#[\$ insert Exercise Amount]#
Number of Shares of Common Stock required to be issued on Exercise	#[insert number of Shares of Common Stock to be issued]#

2 Details of persons to be issued Shares of Common Stock on Exercise

Name of Individual/Entity to be issued Shares of Common Stock on Exercise	Address of Individual/Entity to be issued Shares of Common Stock on Exercise	Proportion of the Exercise Amount attributable to the Individual/Entity	Number of Shares of Common Stock required to be issued on Exercise
#[insert name of the Individual/Entity including the ACN if it is a company]#	#[insert address of the Individual/Entity]#	#[\$ insert Exercise Amount in respect of the Individual/Entity]#	#[insert number of Shares of Common Stock to be issued to the Individual/Entity]#

Legend International Holdings Inc
and Paradise Phosphate Ltd
("Grantor")

and

Queensland Phosphate Pty Limited ACN 609 384 894
("Secured Party")

General Security Deed

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THIS DEED is made on

2015

PARTIES

The parties set out in schedule 1 to this Deed
(the “Grantor”)

and

Queensland Phosphate Pty Limited ACN 609 384 894
67 Penkivil St, Bondi NSW 2026
 (“Secured Party”)

BACKGROUND

This Deed is given to secure payment of amounts owing by the Obligors to the Secured Party.

AGREED TERMS

1 Definitions and interpretation

1.1 Definitions

In this Deed, unless the context requires otherwise:

“**Attorney**” means any attorney appointed under this Deed or any Transaction Document.

“**Authorisation**” includes:

- (a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a Government Agency; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Government Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

“**Authorised Officer**” means:

- (a) in respect of the Grantor, any director or company secretary, or any person from time to time nominated as an Authorised Officer by it by a notice to the Secured Party accompanied by certified copies of signatures of all new persons so appointed; and
- (b) in respect of the Secured Party, any director or company secretary, or any person from time to time nominated as an Authorised Officer by it by a notice to the Grantor accompanied by certified copies of signatures of all new persons so appointed.

“**Collateral**” means the property subject to the security interest granted under this Deed.

“**Collection Account**” means any account opened with an authorised deposit-taking institution, in the name of the Grantor and the Secured Party and designated by the Secured Party as the collection account for the purposes of this Deed. If there is a

change of authorised deposit-taking institution at which the relevant account is held, it includes any account into which money credited to the Collection Account is transferred.

“Convertible Bond” means a convertible bond issued under and pursuant to the Primary Agreement.

“Enforcing Party” means the Secured Party, or any Receiver, agent, administrator, Attorney or Controller appointed under this Deed, any Transaction Document or any applicable law.

“Event of Default” has the meaning given to that term in the Primary Agreement.

“Excluded Tax” means a Tax imposed on the overall net income of the Secured Party.

“Intellectual Property” means all intellectual and industrial property rights of whatever nature (whether or not registered or registrable) including, but not limited to:

- (a) patents, copyright, designs, trade marks and the right to have confidential information kept confidential; and
- (b) any application or right to apply for registration of any of the rights in clause (a) and all renewals and extensions of those rights;

“Lease” means an agreement under which a person (other than the owner) may exclusively possess, use, exploit, manage and/or operate an asset, including without limitation a lease, licence, hire purchase, charter or other hiring arrangement.

“Liability” means any debt or other monetary liability or penalty, fine or payment or any damages, losses, costs, break costs, charges, outgoings or expenses of whatever description.

“Loss” means a loss, claim action, damage, Liability, compensation, outgoing or payment suffered, paid or incurred.

“Marketable Securities” has the meaning given to the term in section 9 of the Corporations Act.

“Material Documents” mean:

- (a) the Primary Agreement; and
- (b) each Convertible Bond.

“Non-PPSA Collateral” means Collateral in relation to which for any reason the PPSA does not apply to the security interest granted under this Deed.

“Obligor” means:

- (a) the Grantor; and
- (b) any other party which provides a Transaction Security.

“Power” means a power, right, authority, discretion or remedy which is conferred on the Secured Party, or any Controller or Attorney:

- (a) by this Deed or any other Transaction Security; or
- (b) by law in relation to this Deed or any other Transaction Security.

“PPSA” means the *Personal Property Securities Act 2009* (Cth).

“Primary Agreement” means the convertible bond and subscription deed dated on or about the date of this Deed and entered into between, amongst others, the Secured Party and the Grantor.

“Public Authority” means the Crown, any government and any governmental, semi governmental, public administrative regulatory or judicial entity. It includes a Minister, a statutory corporation, a self regulatory organisation or supervisory authority established by statute and any market licensee of a financial market (as defined in Chapter 7 of the Corporations Act) and any overseas stock or futures exchange.

“Receiver” means a receiver or receiver and manager appointed under this Deed or any other Transaction Security.

“Restricted Asset” means, at any time, all of the Grantor’s present and future right, title and interest in:

- (a) any freehold or leasehold property or any other interest in real property, including each fixture, structure or improvement on land or fixed to it;
- (b) any capital (including called or uncalled and paid or unpaid) or premiums of the Grantor;
- (c) any goodwill;
- (d) any Security Interest over any real or personal property or any Guarantee;
- (e) any plant, equipment and machinery with a value of \$5,000 or greater;
- (f) any insurance policies and the proceeds of any claim under those policies;
- (g) any book and other debts and any Collection Account;
- (h) any Marketable Securities;
- (i) any Intellectual Property;
- (j) any interest in a partnership in which the Grantor is a partner;
- (k) any interest in a joint venture in which the Grantor is a joint venturer;
- (l) any Material Documents;
- (m) any Title Document and any other documents evidencing a right to the possession of any real or personal property which the Grantor deposits with the Secured Party at any time and for any reason;
- (n) any securities and any other documents (whether or not negotiable), that the Grantor deposits with the Secured Party at any time and for any reason;
- (o) any books of account, invoices, statements, ledger cards, computer software and records and other media relating to the Grantor’s business transactions;
- (p) any legal or equitable interest (however arising) of the Grantor in any phosphate mining tenements, any related statutory grant or licence and any related right or licence; and
- (q) any other assets that are not acquired for disposal in the ordinary course of the Grantor’s business.

“Secured Moneys” means all debts and monetary Liabilities of each Obligor to the Secured Party under or in connection with any Transaction Document and in any capacity irrespective of whether the debts or liabilities:

- (a) are present or future;
- (b) are actual, prospective, contingent or otherwise;

- (c) are at any time ascertained or unascertained;
 - (d) are owed or incurred by or on account of an Obligor alone, or severally or jointly with any other person;
 - (e) are owed to or incurred for the account of the Secured Party alone, or severally or jointly with any other person;
 - (f) are owed to any other person as agent (whether disclosed or not) for or on behalf of the Secured Party;
 - (g) are owed or incurred as principal, interest, fees, charges, taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account;
 - (h) are owed to or incurred for the account of the Secured Party directly or as a result of:
 - (i) the assignment to the Secured Party of any debt or liability of an Obligor; or
 - (ii) any other dealing with any such debt or liability;
 - (i) are owed to or incurred for the account of the Secured Party before the date of this Deed, before the date of any assignment of this Deed to the Secured Party by any other person or otherwise; or
 - (j) comprise any combination of the above,
- other than debts or liabilities excluded by the Secured Party in writing.

“Security Interest” means an interest or power:

- (a) reserved in or over any interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge (whether fixed or floating), hypothecation, lien, pledge, caveat, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt or any other monetary obligation or the performance of any other obligation and includes, but is not limited to, any agreement to grant or create any of the above. It also includes a security interest within the meaning of s 12 of the PPSA.

“Specifically Identified Property” means the categories of property described in schedule 2 to this Deed.

“Title Document” means any present or future original, duplicate or counterpart:

- (a) certificate or document of title;
- (b) certificate or document relating to title; or
- (c) certificate or document relating to use, possession, disposition, devolution or acquisition of property,

including, but not limited to, any real property certificate of title, grant, conveyance, assurance, deed, map, plan, survey, will, probate, abstract of title, insurance policy, certificate of currency, valuation or report relating to the Collateral.

“Transaction Documents” means:

- (a) each Transaction Security;
- (b) each Material Document;

- (c) a document or agreement entered into or provided under or in connection with, or for the purpose of amending or novating, any of the above; and
- (d) any document which the Grantor and the Secured Party agree in writing is a Transaction Document.

“Transaction Security” means this Deed and any other document or agreement at any time created or entered into as security for any Secured Money.

“Unpaid Capital” means any uncalled or unpaid share capital or premiums of the Grantor.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a party, clause, paragraph, schedule or annexure is a reference to a party, clause, paragraph, schedule or annexure to or of this Deed;
- (e) a reference to this Deed includes any schedules or annexures;
- (f) headings are for convenience and do not affect interpretation;
- (g) a reference to any document or agreement includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (h) a reference to “\$”, “A\$” or “dollar” is a reference to Australian currency;
- (i) a reference to a time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate;
- (j) a reference to a party includes its executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (k) a reference to writing includes any method of representing words, figures or symbols in a permanent and visible form;
- (l) words and expressions denoting natural persons include bodies corporate, partnerships, associations, firms, governments and governmental authorities and agencies and vice versa;
- (m) a reference to any legislation or to any provision of any legislation includes:
 - (i) any modification or re-enactment of the legislation;
 - (ii) any legislative provision substituted for, and all legislation, statutory instruments and regulations issued under, the legislation or provision; and
 - (iii) where relevant, corresponding legislation in any Australian State or Territory;
- (n) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Deed or any part of it;
- (o) the words “including”, “for example”, “such as” or other similar expressions (in any form) are not words of limitation;
- (p) a reference to any act of a company includes an act performed in general meeting or on the company’s behalf by its directors, officers, employees, share registrars, accountants, solicitors or agents;

- (q) a reference to a body (including, but not limited to, an institute, association or authority) whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (r) an Event of Default is “subsisting” if it has not been waived in writing by, or remedied to the satisfaction of, the Secured Party.

1.3 Incorporation of other defined terms

Terms which are defined in the Primary Agreement have the same meaning when used in this Deed unless otherwise defined in this Deed, in which case the definition in this Deed prevails.

1.4 PPSA incorporated definitions

Unless the context otherwise requires, the following terms defined in the PPSA have the same meaning in this Deed:

- (a) Amendment Demand;
- (b) Chattel Paper;
- (c) Circulating Asset;
- (d) Financing Statement;
- (e) Financing Change Statement;
- (f) PPS lease; and
- (g) Serial Number.

1.5 Consents and Opinion

Except where expressly stated otherwise in this Deed, the Secured Party may (either wholly, partly and/or conditionally) give or withhold approvals and consents, may be satisfied or unsatisfied, may form opinions, and may exercise its Powers, at (or in) its absolute discretion.

1.6 Heter iska

Each party to this deed acknowledges that this deed is being entered into in accordance with the halachically accepted exemptions on the paying and receiving of interest payments in business transactions known as heter iska.

2 Grant of Security Interest

2.1 Security Interest

The Grantor grants a security interest to the Secured Party in all its present and after-acquired property, including:

- (a) its assets and undertaking and its Unpaid Capital;
- (b) without limiting clause 2.1(a), all Specifically Identified Property (if any); and
- (c) anything in respect of which the Grantor has a sufficient right or interest to grant a security interest under the PPSA or any other law.

2.2 Non-PPSA Collateral

- (a) Subject to clause 2.2(b) and 20.2, in relation to all Non-PPSA Collateral, the security interest granted under this Deed operates as a charge over all of the Grantor's present and future right, title and interest (legal and equitable) in and to all such Non-PPSA Collateral. The charge:
- (i) is a fixed charge over all the Grantor's present and future right, title and interest (legal and equitable) in any Non-PPSA Collateral which is a Restricted Asset; and
 - (ii) is a floating charge over all other Non-PPSA Collateral.
- (b) The security interest granted under this Deed operates as a mortgage over all the Grantor's present and future right, title and interest (legal and equitable) in real property.

2.3 Priority of Security Interest

Save and except as provided otherwise in any Transaction Document or save as agreed by the parties in writing, the parties intend that the security interest granted under this Deed takes priority over all other Security Interests over the Collateral.

2.4 Secured Money

The security interest granted under this Deed secures the due and punctual payment of the Secured Money.

2.5 Consideration

The Grantor enters into this Deed in consideration of the Secured Party entering into the Transaction Documents, and for other valuable consideration received.

2.6 Variations

The Grantor acknowledges that the Transaction Documents may be varied or replaced from time to time.

The Grantor confirms that the Secured Money includes any amount payable under any Transaction Document as varied or replaced regardless of:

- (a) the manner by which the Transaction Document is varied or replaced;
- (b) the reasons for the variation or replacement; and
- (c) whether the variation or replacement results in an increase or decrease in the Secured Money or otherwise makes the Transaction Documents more onerous.

3 Dealing with Collateral

3.1 Encumbering Collateral

- (a) Other than with the prior written consent of the Secured Party, the Grantor may not (and may not attempt to, agree to or otherwise take any step to) create or allow to exist any Security Interest over any Collateral except Permitted Securities.
- (b) Where by law a Secured Party may not restrict the creation of any Security Interest over an asset, clause 3.1(a) will not restrict that creation, but before creating that Security Interest the Grantor must use reasonable endeavours to ensure that the holder of that Security Interest enters into a deed of priority in form and substance specified by the Secured Party.

3.2 Restricted dealings with Collateral

Subject to clause 3.3, the Grantor may not in any way (and may not attempt to, agree to or otherwise take any step to):

- (a) create or allow any interest in any Collateral;
- (b) assign or otherwise deal in any way with the Collateral or any interest in it, or allow any interest in it to be varied;
- (c) dispose of or part with possession of any Collateral;
- (d) without limiting clauses (a) and (c), lease or licence the Collateral or any interest in it, or deal with any existing lease or licence (including allowing a surrender or variation); or
- (e) waive any of the Grantor's rights or release any person from its obligations in connection with the Collateral;

other than:

- (f) with the prior written consent of the Secured Party;
- (g) as expressly permitted by clause 3.3;
- (h) as expressly permitted by the Transaction Documents; or
- (i) pursuant to any Permitted Securities.

3.3 Disposal of Circulating Assets and Collateral which is not a Restricted Asset

Subject to the Transaction Documents and clause 3.4, the Grantor may dispose of or deal with:

- (a) any Circulating Asset; and
- (b) any Collateral which is not a Restricted Asset; and
- (c) any Non-PPSA Collateral subject to a floating charge pursuant to clause 2.2, in the ordinary course of its ordinary business.

3.4 Restrictions on rights to deal

- (a) Unless the Secured Party otherwise notifies the Grantor in writing, the rights of the Grantor to dispose of or deal with, for any purpose, any and all Collateral immediately cease upon:
 - (i) upon the occurrence of an Event of Default which is subsisting;
 - (ii) an order being made or a resolution being passed for the winding up of the Grantor; and/or
 - (iii) the security constituted by this Deed being enforced in any way.
- (b) Unless the Secured Party otherwise notifies the Grantor in writing, the rights of the Grantor to dispose of or deal with, for any purpose, any item of Collateral immediately cease upon (in relation to that item of Collateral):
 - (i) upon the occurrence of an Event of Default which is subsisting;
 - (ii) that item of Collateral becoming a Restricted Asset;
 - (iii) without the prior written consent of the Secured Party, the Grantor:
 - (A) creating or allowing any Security Interest over or interest in;
 - (B) selling, Leasing or otherwise disposing of; or
 - (C) parting with possession of,

- that item of Collateral, or agreeing or attempting to do so or taking any step towards doing so;
- (iv) any Security Interest is enforced or becomes enforceable in respect of that item of Collateral;
 - (v) any step being taken (including, without limitation, signing a notice) to create, issue, levy or enforce any distress, attachment, execution, statutory assignment, statutory charge or other similar right or process against or upon that item of Collateral; and/or
 - (vi) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth) or Subdivision 260-A of Schedule 1 of the *Taxation Administration Act 1953* (Cth) or under similar legislation in respect of the Grantor being signed by, or on behalf of, the Commissioner of Taxation or the Deputy Commissioner of Taxation.
- (c) In relation to Non-PPSA Collateral, clauses 3.4(a) and (b) will apply such that the security interest granted under this Deed will automatically and immediately crystallise and operate as a fixed charge.
 - (d) Except where expressly stated, no notice or action by the Secured Party is necessary for this clause 3.4 to apply.

4 Discharge

4.1 Discharge

Subject to clause 4.2, at the written request of the Grantor, the Secured Party must discharge the security interest granted under this Deed if:

- (a) the Secured Moneys have been paid in full; and
- (b) each Obligor has fully observed and performed its obligations under this Deed and each other Transaction Document.

4.2 Final discharge

- (a) The Secured Party is not obliged to discharge the security interest under clause 4.1 if, at the time of the request under clause 4.1, the Secured Party is of the reasonable opinion that:
 - (i) an Obligor owes further Secured Moneys contingently or otherwise to the Secured Party; or
 - (ii) an Obligor will owe further Secured Moneys to the Secured Party within a reasonable period of time after the date of the request under clause 4.1.
- (b) Clause 4.1 overrides the operation and effect of any other clause to the contrary in this Deed.
- (c) The parties intend that clause 4.2(a)(ii) be severed from this Deed if clause 4.2(a)(ii) is void or unenforceable under applicable law.
- (d) The parties do not intend clause 4.2(c) to exclude the general law of severance from applying to this Deed.

5 General representations and warranties

5.1 Representations and warranties

The Grantor represents and warrants in favour of the Secured Party that all its representations and warranties in each Transaction Document are true and correct or will be true and correct in all respects when made or regarded as having been made and further represents and warrants that:

- (a) **(maintenance of assets)** it is maintaining the Collateral and its assets in a good state of repair and in good working order consistent with the exercise of that degree of skill, prudence, and good operating practice that would reasonably be expected from a reputable operator of a business similar to the Grantor's business (other than in relation to fair wear and tear);
- (b) **(insurable assets)** as at the date of this Deed and on any later date to the extent not otherwise notified to the Secured Party having regard to the nature of the Grantor's assets, the value of the assets and the cost of insuring each asset, the Grantor does not own any assets which are insured or are otherwise of an insurable nature for the purposes of clause 6.5;
- (c) **(control)** no person other than the Secured Party has a Security Interest over any part of the Collateral which is perfected by control other than a Permitted Security;
- (d) **(priority)** without limiting clause 5.1(b), the security interest granted under this Deed is and will with respect to the Collateral, rank ahead of all other Security Interests (other than any Permitted Securities or as expressly permitted by this Deed or otherwise permitted by the Secured Party in writing);
- (e) **(serial numbers)**: as at the date of the Deed and on any later date to the extent not otherwise notified to the Secured Party in accordance with this Deed, all of its Collateral which comprises Specifically Identified Property is specified in schedule 2 to this Deed and that the information in that schedule is complete and accurate;
- (f) **(perfection by control)**: as at the date of the Deed and on any later date to the extent not otherwise notified to the Secured Party in accordance with this Deed, schedule 3 of this Deed details all of its Collateral with a combined value of greater than \$50,000 in relation to which this security interest may be perfected by control other than Marketable Securities issued by the Grantor; and
- (g) **(location of assets)**: as at the date of the Deed and on any later date to the extent not otherwise notified to the Secured Party in accordance with this Deed, schedule 4 of this Deed contains details of all of its Collateral with a value greater than \$50,000 located outside Australia.

5.2 Reliance

The Grantor acknowledges that:

- (a) it has not entered into this Deed or any Transaction Document in reliance on any representation, warranty, promise or statement made by the Secured Party or any person on behalf of the Secured Party (except as expressly provided for in any Transaction Document); and
- (b) the Secured Party enters into this Deed and each Transaction Document in reliance on the representations and warranties of the Grantor in this Deed.

5.3 Representations and warranties repeated

Each representation and warranty in this Deed:

- (a) is repeated with reference to the facts and circumstances at the relevant time, on each day until the Secured Money has been finally paid and each Obligor has fully observed and performed its obligations under this Deed and each other Transaction Document; and
- (b) applies in its current form when repeated despite any contrary disclosure by the person giving it or by any other person, unless the Secured Party agrees to waive it.

6 Undertakings

6.1 Performance under the Transaction Documents

- (a) The Grantor must fully and punctually perform its obligations under any Transaction Document to which it is a party.
- (b) The Grantor must duly and punctually pay the Secured Moneys when due in accordance with the Transaction Documents.

6.2 Default

The Grantor must immediately upon becoming aware, notify the Secured Party in writing of:

- (a) any Event of Default; or
- (b) any event of default (howsoever defined) under any other Transaction Document.

6.3 Information

The Grantor must promptly provide the Secured Party with such information relating to the Collateral and the Grantor's business, assets, liabilities, finances, operation and management which the Secured Party may from time to time require.

6.4 Rates and taxes

The Grantor must pay on time all amounts for which it is liable as owner of the Collateral, including rates, Taxes, registration and licence fees.

6.5 Insurance

Subject to the representation and warranty made in clause 5.1(b) to the extent that such representation and warranty is correct in all its particulars with reference to the current facts and circumstances, the Grantor must:

- (a) take out and keep in force insurance (with insurers or underwriters acceptable to the Secured Party) against loss or damage by fire, business interruption, loss of profits, professional indemnity and public liability and all other risks for which a person holding assets and carrying on a business or businesses in respect of property similar to that of the Grantor and the Collateral would prudently take out insurance or otherwise as required by the Transaction Documents;
- (b) note the interest of the Secured Party on each insurance policy required to be taken out and maintained pursuant to this clause 6.5(a) or any Transaction Document; and
- (c) if required by the Secured Party, use the proceeds of any insurance claim in respect of loss, theft of or damage to assets, to reinstate, or carry out work on, the affected assets.

6.6 Title Documents

- (a) Save to the extent required by any prior ranking Permitted Security, the Grantor must deposit with the Secured Party, or as the Secured Party directs, all the Title Documents in respect of any of the Collateral:
 - (i) immediately upon execution of this Deed; and
 - (ii) immediately upon the acquisition of any asset which forms part of the Collateral.
- (b) Subject to clause 6.6(c), the Secured Party may retain the Title Documents until the security interest granted under this Deed is discharged under clause 4.
- (c) If an Event of Default occurs and is subsisting, an Enforcing Party may:
 - (i) to deal with the Title Documents as if it was the absolute and unencumbered owner of the Collateral to which the Title Documents relate; and
 - (ii) in exercising a power of sale, to deliver any Title Document to a purchaser of the Collateral to which it relates.

6.7 Secured Property

The Grantor must, without limitation:

- (a) maintain the Collateral and its assets, which are necessary and material to the conduct of its business, in material good repair, working order and condition (except for fair wear and tear);
- (b) remedy every material defect in its title to any part of the Collateral;
- (c) not to do anything or permit anything to be done or fail to do anything which materially lowers or may materially lower the value of the Collateral;
- (d) not, without the Secured Party's prior written consent, allow any Collateral that is not a Circulating Asset to become an accession to, affixed to, or mixed with, any property that is not Collateral (or otherwise subject to a first-ranking Security Interest in favour of the Secured Party);
- (e) not to conduct any major works relating to or fixed to or forming part of the Collateral, or enter into any contract to carry out any such works, without the Secured Party's prior written consent;
- (f) take or defend all legal proceedings or other action necessary or desirable for the protection or recovery of any of the Collateral where a failure to do so would have or is likely to have a Material Adverse Effect;
- (g) fully and punctually comply with and observe all applicable laws, all requirements and orders of any Government Agency where non-compliance or non-observance would or might impose some Security Interest or material restriction, disability or material liability, on any of the Collateral or prejudicially affect in a material way any Power; and
- (h) keep the Collateral valid and subsisting and free from liability to forfeiture, cancellation, avoidance or material loss

6.8 After-acquired property

The Grantor must immediately notify the Secured Party (and provide any information that the Secured Party requires) on acquiring, or entry into an agreement to acquire:

- (a) any interest in real property;
- (b) any Marketable Securities or any other property in relation to which the security interest created by this Deed may be perfected by control;

- (c) any serial numbered Collateral with a value of \$50,000 or greater; and
- (d) any property with a value greater than \$50,000 which is situated outside Australia.

6.9 Control

The Grantor must not allow any person other than the Secured Party to have a Security Interest over any part of the Collateral which is perfected by control other than a Permitted Security.

6.10 Correct information

The Grantor must promptly notify the Secured Party where any data contained in a registration with respect to the security interest is or becomes incorrect or misleading.

6.11 Term of undertakings

Each of the Grantor's undertakings in this clause 6 continues in full force and effect from the date of this Deed until the security interest in respect of all the Collateral is discharged in full.

7 Collection Account

7.1 Collection Account

- (a) While an Event of Default is subsisting the Grantor agrees:
 - (i) if the Secured Party requests, to immediately open a Collection Account; and
 - (ii) unless the Secured Party otherwise agrees, that the signatories to the Collection Account are to comprise signatories nominated by the Secured Party and signatories nominated by the Grantor (which may include the Grantor).
- (b) The signatories nominated by the Secured Party must be removed as signatories of the Collection Account upon full and final discharge of the security interest under this Deed and repayment of the Secured Money.

7.2 Operation of Collection Account

The Grantor agrees that unless the Secured Party agrees otherwise in writing, a Collection Account may only be operated by two signatories at all times, being:

- (a) where no Event of Default is subsisting, a signatory nominated by the Grantor together with a signatory nominated by the Secured Party; and
- (b) where an Event of Default has occurred and is subsisting, two signatories nominated by the Secured Party.

7.3 Collection Account - further assurances

The Grantor undertakes to do anything reasonably requested by the Secured Party at any time to better secure the Collection Account, including without limitation providing notice to any party of this security interest over the Collection Account.

7.4 Collection of book debts

Not used

7.5 Collection of book debts following an Event of Default

Not used

8 Further Assurances

Whenever the Secured Party reasonably requests the Grantor to do anything:

- (a) to ensure that each of this Deed, each Transaction Security and each Security Interest granted under them is fully effective, enforceable and perfected with the stated priority;
- (b) for more satisfactorily assuring or securing the Collateral to the Secured Party in a manner not inconsistent with this Deed or any Transaction Document; or
- (c) for aiding the exercise of any Power,

the Grantor must do it immediately at its own cost. That may include, for that purpose:

- (d) doing anything reasonably necessary to make, procure or obtain any Authorisation (including registration) in respect of anything, or to facilitate it;
- (e) creating, procuring or executing any document, including any notice, consent or agreement, or legal or statutory mortgage or transfer;
- (f) enabling the Secured Party to apply for any registration or give any notification, in connection with this security interest so that it has the priority required by the Secured Party; and
- (g) delivering documents or evidence of title and executed blank transfers, or otherwise giving possession or control with respect to any Collateral.

9 Personal Property Securities Law

9.1 If:

- (a) the PPSA or any related regulation, statute or instrument applies or is introduced ("**PPS Law**"), or will at a future date apply to any of the Transaction Documents or any of the transactions contemplated by them, or the Secured Party determines that a PPS Law applies, or will at a future date apply, to any of the Transaction Documents or any of the transactions contemplated by them; and
- (b) in the opinion of the Secured Party, the PPS Law:
 - (i) adversely affects or would or may adversely affect the Secured Party's security position or the rights or obligations of the Secured Party under or in connection with the Transaction Documents; or
 - (ii) enables or would enable the Secured Party's security position to be improved without adversely affecting the Obligors in a material respect,

the Secured Party may from time to time give notice to the Grantor requiring the Grantor to do anything, including:

- (c) promptly providing all necessary information (including serial numbers) and taking all necessary action (including obtaining any consent or agreement or giving any notice) to enable the Secured Party to register fully valid and effective Financing Statements or Financing Change Statements with respect to any Security held or intended to be held by the Secured Party under the Transaction Documents at any time; or
- (d) amending any Transaction Document or executing any new Transaction Document,

that in the Secured Party's opinion is necessary to ensure that, to the maximum possible extent, the Secured Party's security position, and rights and obligations, are not adversely affected as contemplated by clause 9.1(b)(i) (or that any such adverse effect is overcome), or that the Secured Party's security position is improved as contemplated in

clause 9.1(b)(ii). The Obligors must comply with the requirements of that notice within the time stipulated in the notice.

10 Enforcement

10.1 Powers on enforcement

Upon or at any time after the occurrence of an Event of Default which is subsisting, the Secured Party or any Authorised Officer of the Secured Party may exercise any of the Powers set out in clause 10.6, without any need to take possession and without being liable as mortgagee in possession.

10.2 Receivership

Upon or at any time after the occurrence of an Event of Default which is subsisting, the Secured Party may:

- (a) appoint any person or any two or more persons jointly, or severally, or jointly and severally to be a Receiver of all or any part of the Collateral;
- (b) remove any Receiver and on the removal, retirement or death of any Receiver, appoint another Receiver; and
- (c) fix the remuneration and direct payment of that remuneration and any costs, charges and expenses of the Receiver out of the proceeds of any realisation of the Collateral.

10.3 Terms of Receivership

- (a) An appointment of a Receiver may be made on any terms the Secured Party thinks fit and whether or not the Secured Party or any Authorised Officer of the Secured Party at any time has exercised any Power described in clause 10.6.
- (b) Without limiting any other method of appointment permitted by law, an appointment may be made by an instrument signed by an Authorised Officer of the Secured Party or by, or on behalf of, the Secured Party.

10.4 Agency of Receiver

- (a) Subject to clause 10.5, the Receiver is the agent of the Grantor.
- (b) The Grantor is responsible for the acts, defaults and remuneration of the Receiver in respect of the Collateral.

10.5 Status of Receiver after commencement of winding-up

- (a) The power to appoint a Receiver under clause 10.2 may be exercised even if at the time an Event of Default occurs which is subsisting or if at the time a Receiver is appointed, an order has been made or a resolution has been passed for the winding-up of the Grantor.
- (b) If for any reason, including, but not limited to operation of law, a Receiver:
 - (i) appointed in the circumstances described in clause 10.5(a); or
 - (ii) appointed at any other time,
 ceases to be the agent of the Grantor upon or by virtue of, or as a result of, an order or a resolution being passed for the winding-up of the Grantor, then the Receiver immediately becomes the agent of the Secured Party.

10.6 Powers on Enforcement

Where an Event of Default has occurred and is subsisting, the Secured Party or (except to the extent specifically excluded by the terms of appointment) a Controller has, in

addition to any powers conferred on it by applicable law, power to do any of the following whether or not in possession of the Collateral or any part of it, in each case on any terms the Secured Party or Controller thinks fit:

- (a) **(manage, possession or control)** to seize, manage, enter into possession or assume control of any of the Collateral;
- (b) **(comply with obligations)** to comply or procure compliance with any obligations of the Grantor under the Transaction Documents.
- (c) **(lease or licence)** to accept the surrender of, determine, grant or renew any lease or licence in respect of the use or occupation of any of the Collateral:
 - (i) on any terms and special conditions that the Secured Party or Controller think fit; and
 - (ii) in conjunction with the sale, lease or licence of any other property by any person;
- (d) **(sale)** to sell or concur in selling any of the Collateral to any person:
 - (i) by auction, private treaty or tender;
 - (ii) on such terms and special conditions as the Secured Party or the Controller think fit;
 - (iii) for cash or for a deferred payment of the purchase price, in whole or in part, with or without interest or security;
 - (iv) in conjunction with the sale of any property by any other person; and
 - (v) in one lot or in separate parcels;
- (e) **(grant options to purchase)** to grant to any person an option to purchase any of the Collateral;
- (f) **(acquire property)** to acquire any interest in any property, in the name or on behalf of the Grantor, which on acquisition forms part of the Collateral;
- (g) **(carry on business)** to carry on or concur in carrying on any business of the Grantor in respect of the Collateral;
- (h) **(borrowings and security):**
 - (i) to raise or borrow any money, in its name or the Grantor's name or on behalf of the Grantor, from the Secured Party or any person approved by the Secured Party in writing; and
 - (ii) to secure money raised or borrowed under clause 10.6(h)(i) by a Security Interest over any of the Collateral, ranking in priority to, equal with, or after, this Deed or any other Transaction Security;
- (i) **(maintain or improve Collateral)** to do anything to maintain, protect or improve any of the Collateral including, but not limited to, completing, repairing, erecting a new improvement on, demolishing or altering any of the Collateral;
- (j) **(income and bank accounts)** to do anything to manage or obtain income or revenue from any of the Collateral including, but not limited to, operating any bank account which forms part of the Collateral or opening and operating a new bank account;
- (k) **(access to Collateral)** to have access to any of the Collateral, the premises at which the business of the Grantor is conducted and any of the administrative services of the business of the Grantor;
- (l) **(insure Collateral)** to insure any of the Collateral;
- (m) **(sever fixtures)** to sever fixtures or crops in respect of any of the Collateral;

- (n) (**compromise**) to make or accept any compromise or arrangement;
- (o) (**surrender Collateral**) to surrender or transfer any of the Collateral to any person;
- (p) (**exchange Collateral**) to exchange with any person any of the Collateral for any other property whether of equal value or not;
- (q) (**employ or discharge**) to employ or discharge any person as an employee, contractor, agent, professional advisor or auctioneer on any terms that it thinks fit;
- (r) (**delegate**) to delegate to any person any Power;
- (s) (**perform or enforce documents**) to observe, perform, enforce, exercise or refrain from exercising any right, power, authority, discretion or remedy of the Grantor under, or otherwise obtain the benefit of:
 - (i) any document, agreement or right which attaches to or forms part of the Collateral; and
 - (ii) any document or agreement entered into in exercise of any Power;
- (t) (**receipts**) to give effectual receipts for all moneys and other assets which may come into the hands of the Controller;
- (u) (**take proceedings**) to commence, discontinue, prosecute, defend, settle or compromise in its name or the name or on behalf of the Grantor, any proceedings including, but not limited to, proceedings in relation to any insurance in respect of any of the Collateral;
- (v) (**insolvency proceedings**) to make any debtor bankrupt, wind-up any company, corporation or other entity and do all things in relation to any bankruptcy or winding-up which the Controller thinks necessary or desirable including, but not limited to, attending and voting at creditors' meetings and appointing proxies for those meetings;
- (w) (**execute documents**) to enter into and execute any document or agreement in the name of the Controller or the name or on behalf of the Grantor including, but not limited to, bills of exchange, cheques or promissory notes for any of the purposes of this Deed;
- (x) (**make calls**) to make calls on any members of the Grantor in respect of Unpaid Capital;
- (y) (**vote**) to exercise any voting rights or powers in respect of any part of the Collateral;
- (z) (**collect called capital**) to collect or enforce payment of any called but Unpaid Capital whether or not the calls were made by it;
- (aa) (**ability of Grantor**) to do anything the Grantor could do in respect of the Collateral;
- (bb) (**lend**) to lend money or provide financial accommodation;
- (cc) (**vary and terminate agreements**) to vary, rescind or terminate any document or agreement;
- (dd) (**promote companies**) to promote the formation of companies with a view to purchasing any of the Collateral or assuming the obligations of the Grantor or otherwise;
- (ee) (**other outgoings**) to pay any outgoings or indebtedness of the Grantor or any other person;
- (ff) (**Security Interest**) to redeem any Security Interest or acquire it and any debt secured by it;

- (gg) **(insurance claims)** to make, enforce, compromise and settle all claims in respect of insurance;
- (hh) **(Authorisation)** to apply for, renew, obtain or surrender any Authorisation or vary any Authorisation; and
- (ii) **(incidental power)** to do anything necessary or incidental to the exercise of any Power.

10.7 Termination

The Secured Party may give up possession of any Collateral and terminate any receivership or agency at any time.

11 Power of Attorney

- (a) For valuable consideration and by way of security, the Grantor irrevocably appoints each Authorised Officer of the Secured Party severally its attorney whilst an Event of Default subsists to do anything which:
 - (i) the Grantor is obliged, but has failed, to do under or in relation to this Deed; or
 - (ii) the Secured Party or Receiver is authorised or empowered to do under this Deed or any law, but only at the times that the Secured Party or Receiver (if a Receiver had been appointed) would have been able to do it.
- (b) Without limitation, the Attorney may at any time whilst an Event of Default subsists:
 - (i) delegate the Attorney's powers (including delegation); and
 - (ii) do any thing which in the opinion of the Secured Party or the Attorney is necessary or expedient to secure, preserve, perfect or give effect to the security contained in this Deed (including anything under clause 8). For example, it may execute a legal mortgage, transfer, assignment or other assurance in favour of the Secured Party of any of the Collateral or give control (as defined in the PPSA).
- (c) No Attorney appointed under this Deed may act, nor has power to act, inconsistently with this Deed or any other Transaction Document.
- (d) A determination by the Secured Party that the Grantor has failed to do anything under or in relation to this Deed will be conclusive in the absence of manifest error, and, the time period in which the Grantor must perform, undertake, complete or satisfy anything under or in relation this Deed is 5 Business Days (or such longer period as provided for in the Transaction Documents).

12 Inspection

The Secured Party or any person it authorises may inspect and copy the records of the Grantor related to any Collateral and inspect the premises of the Grantor and inspect the Collateral at any time whilst an Event of Default subsists. The Grantor must do everything in its power to assist that inspection and copying and ensure that its employees and officers do the same.

13 Statutory Powers

13.1 Powers in augmentation

The powers conferred on a Secured Party or a Controller by law:

- (a) except as specified in clause 21.2, are in addition to the Powers conferred by this Deed or any Transaction Document;
- (b) to the extent permitted by law, may be exercised immediately upon an Event of Default that is subsisting; and
- (c) are excluded or varied only so far as they are inconsistent with the express terms of this Deed or any Transaction Document.

13.2 Notice not required

To the extent permitted by law (but without prejudice to any express lawful requirement in a Transaction Document):

- (a) the Grantor dispenses with or waives any notice or lapse of time required by law before enforcing this Deed or any Transaction Security or the exercise of any Power; but
- (b) if by law prior notice cannot be dispensed with or waived but the period of such notice can be agreed on, then period of that notice is the longer of one day or the minimum period that the law allows to be agreed,

and the Powers expressed in this Deed will be construed accordingly.

14 Application and receipts of money

14.1 Order of application

- (a) At any time after this Deed is enforceable, all money received by an Enforcing Party or any other person acting on their behalf under this Deed may be appropriated and applied in any order that the Enforcing Party or that other person determines in its absolute discretion, to the extent not prohibited by law.
- (b) Failing a determination under clause 14.1(a), the money must be applied in the following manner and order:
 - (i) **(first)** in payment of all amounts which, to the extent required by law, have priority over the payments specified in the balance of this clause 14.1(b);
 - (ii) **(second)** in payment of all costs, charges and expenses of the Enforcing Party incurred in or incidental to the exercise or performance or attempted exercise or performance of any Power;
 - (iii) **(third)** in payment of any other outgoings the Enforcing Party thinks fit to pay;
 - (iv) **(fourth)** in payment to the Receiver of his remuneration;
 - (v) **(fifth)** in payment and discharge, in order of their priority, of any Security Interests of which the Enforcing Party is aware and which have priority to this Deed;
 - (vi) **(sixth)** in payment to the Secured Party towards satisfaction of the Secured Money and applied against interest, principal, indemnity or any other amount the Enforcing Party thinks fit;
 - (vii) **(seventh)** in payment only to the extent required by law, in order of their priority, of other Security Interests in respect of the Collateral of the

Grantor of which the Enforcing Party is aware and which are due and payable in accordance with their terms; and

- (viii) **(eighth)** in payment of the surplus, if any, without interest to the Grantor. The Enforcing Party may pay the surplus to the credit of an account in the name of the Grantor in the books of any bank and having done so is under no further liability in respect of that surplus.

14.2 Amounts contingently due

- (a) If, at the time of a distribution of any money under clause 14.1, any part of the Secured Money is contingently owing, the Enforcing Party may retain an amount equal to the amount contingently owing or any part of it.
- (b) If an Enforcing Party retains any amount under clause 14.2(a), it must place that amount on short-term interest bearing deposit until the amount contingently owing becomes actually due and payable or otherwise ceases to be contingently owing at which time the Enforcing Party must:
- (i) pay to the Secured Party the amount which has become actually due to it; and
- (ii) apply the balance of the amount retained, together with any interest on the amount contingently owing, in accordance with clause 14.1.

15 Other Security Interests over Collateral

- (a) The Secured Party, Controller or Attorney may rely on the certificate of a holder of another Security Interest affecting or purporting to affect the Collateral as to the amount and property secured by that Security Interest.
- (b) While an Event of Default is subsisting, the Secured Party or any Controller may pay or agree to pay at any time the amount certified by the holder of a Security Interest or purported Security Interest to be necessary to discharge it or some of the indebtedness secured by it or to acquire it. From the date of payment that amount will be part of the Secured Money and the Grantor will indemnify the Secured Party and the Controller against that amount. This applies whether or not that Security Interest or purported Security Interest was valid or prior, equal or subsequent ranking or the property or moneys stated in the certificate was secured by it.

16 Protection

16.1 Protection of Enforcing Party

- (a) An Enforcing Party is not liable for any Loss including, but not limited to, consequential Loss arising directly or indirectly from:
- (i) any conduct, breach of duty, omission or delay in the exercise or non-exercise of any Power; or
- (ii) the neglect, default or dishonesty of any manager, Authorised Officer, employee, agent, accountant, auctioneer or solicitor of the Secured Party or any Enforcing Party.
- (b) Clause 16.1(a) does not apply in respect of an Enforcing Party to any Loss which arises from the wilful default, fraud, gross negligence of that Enforcing Party or its manager, Authorised Officers, employees, agents, accountants, auctioneers or solicitors.

16.2 Protection of third parties

- (a) No party to any Dealing (as defined in clause 16.2(c)) and no person asked to register a Dealing:
- (i) is bound to enquire:
 - (A) whether an Event of Default has occurred or whether this Deed has become enforceable;
 - (B) whether a person who is, or, purports or is purported to be, a Controller or Attorney is duly appointed;
 - (C) as to the amount of Secured Money and whether Secured Money is due and payable; or
 - (D) in any other way as to the propriety or regularity of the Dealing; or
 - (ii) is affected by notice that the Dealing is unnecessary or improper.

For the protection of any party to a Dealing or a person registering a Dealing, the Dealing will be taken to be authorised by this Deed and will be valid accordingly, even if there is any irregularity or impropriety in the Dealing.

- (b) The receipt of any Authorised Officer of the Secured Party, or any Controller or Attorney appointed under this Deed, (or person who purports, or is purported, to be such a Controller or Attorney) for any money or assets payable to or receivable or received by it exonerates the person paying that money or handing over that asset from being concerned as to their application, or from being liable or accountable for their loss or misapplication.
- (c) In this clause 16.2 a “**Dealing**” means:
- (i) any payment, or any delivery or handing over of an asset, to; or
 - (ii) any acquisition, incurring of debt, receipt, sale, Lease, disposal or other dealing, by,

the Secured Party, Controller or Attorney, or any person who purports or is purported to be a Controller or Attorney.

17 Indemnities

17.1 General indemnity

The Grantor indemnifies each Enforcing Party against any Loss which it pays, suffers, incurs or is liable for, in respect of any of the following:

- (a) the occurrence of any Event of Default;
- (b) an Enforcing Party exercising its Powers consequent upon or arising out of the occurrence of any Event of Default; or
- (c) any divestiture of the Collateral,

except to the extent caused by the Enforcing Party’s gross negligence, wilful misconduct or fraud or by an illegal act of the Enforcing Party.

17.2 Stamp duty indemnity

- (a) Without limiting the generality of clause 17.1, the Grantor indemnifies each Enforcing Party and each of its officers, employees and contractors (each an “**Indemnified Party**”) against any loss or liability which the Enforcing Party pays, suffers, incurs or is liable for in connection with:
- (i) the stamping of, or any stamp duty payable on, any of the following:

- (A) this Deed or any other Transaction Document;
 - (B) any agreement or document entered into or signed under, or the performance or exercise of any right or obligation under, this Deed or any other document referred to in sub-paragraphs (A) or (B) above; and
 - (C) any transaction contemplated under this Deed, any other Transaction Document or under any agreement or document described in clauses 17.2(a)(i)(B) or 18.2(a)(i)(C);
- (ii) any enquiry by a Public Authority (including any stamp duty or state revenue office) in connection with the assessment for stamp duty of the documents referred to in clause 17.2(a) involving the Indemnified Party;
 - (iii) any litigation or administrative proceedings (including any objection made to a stamp duty or state revenue office) taken against or involving the Indemnified Party in connection with the assessment for stamp duty of the documents or transactions referred to in clause 17.2(a); or
 - (iv) any future, or any change in any present or future, stamp duty law or regulation or stamp duty or state revenue office practice (with which, if not having the force of law, compliance is in accordance with the practice of responsible bankers and financial institutions in the jurisdiction concerned),

including any administration costs of an Indemnified Party in connection with the matters referred to above, any legal costs and expenses and any professional consultant's fees for any of the above on a full indemnity basis.

- (b) The Secured Party must give notice to the Grantor as soon as it becomes aware of any of the following events:
 - (i) any enquiry by a Public Authority referred to in clause 17.2(a)(ii) involving it; or
 - (ii) any litigation or administrative proceedings taken against or involving it as contemplated by clause 17.2(a)(iii).
- (c) The Secured Party agrees, at the cost of the Grantor, to assist the Grantor in responding to, and the Grantor's participation in, any enquiry by a Public Authority referred to in clause 17.2(a)(ii).

17.3 Continuing indemnities and evidence of loss

- (a) Each indemnity of the Grantor contained in this Deed is a continuing obligation of the Grantor, despite:
 - (i) any settlement of account; or
 - (ii) the occurrence of any other thing,
 and remains in full force and effect until:
 - (iii) the Secured Money is paid in full to the satisfaction of the Secured Party; and
 - (iv) each Transaction Security in respect of all the Collateral has been finally discharged.
- (b) Each indemnity of the Grantor contained in a Transaction Document is an additional, separate and independent obligation of the Grantor and no one indemnity limits the generality of any other indemnity.
- (c) Each indemnity of the Grantor contained in this Deed survives the termination of this Deed.

- (d) A certificate signed by an officer of the Secured Party detailing the amount of any loss covered by any indemnity in this Deed is conclusive evidence unless the contrary is proved.

18 Taxes, costs and expenses

18.1 Taxes

The Grantor:

- (a) must pay or reimburse the Secured Party on demand for any Tax, other than an Excluded Tax in respect of the Secured Party, in respect of the execution, delivery, performance, release, discharge, amendment, enforcement or attempted enforcement or otherwise in respect of any of the following:
- (i) this Deed or any other Transaction Document;
 - (ii) any agreement or document entered into or signed under this Deed; and
 - (iii) any transaction contemplated under this Deed or any agreement or document described in clause 18.1(a)(ii);
- (b) must pay any fine, penalty or other cost in respect of a failure to pay any Tax described in clause 18.1(a) except to the extent that the fine, penalty or other cost is caused by the Secured Party's failure to lodge money or documents received from that party within 10 Business Days before the due date for lodgement; and
- (c) indemnifies the Secured Party against any amount payable under clause 18.1(a) or 18.1(b) or both.

18.2 Costs and expenses

Unless otherwise agreed in writing, the Grantor must pay all reasonable costs and expenses of the Secured Party in relation to:

- (a) the negotiation, preparation, execution, delivery, stamping, registration, completion, variation and discharge of this Deed or any agreement or document described in clause 18.1(a);
- (b) the enforcement, protection or waiver, or attempted or contemplated enforcement or protection, of any rights under this Deed or any agreement or document described in clause 18.1(a);
- (c) any consent, approval, inspection, calculation, waiver, release or discharge given under this Deed or any agreement or document described in clause 18.1(a); and
- (d) any enquiry by any Government Agency involving the Grantor,

including any administration costs of the Secured Party in connection with the matters referred to in clauses 18.2(b) and 18.2(d) and any legal costs and expenses and any professional consultant's fees for any of the above on a full indemnity basis (on that double entity).

19 Saving provisions

19.1 Amounts payable on demand

If any amount payable by the Grantor under this Deed is not expressed to be payable on a specified date under any of the Transaction Documents that amount is payable by the Grantor on demand by the Secured Party.

19.2 Continuing security

This Deed is a continuing security notwithstanding any settlement of account or any other thing until the Secured Party has given a discharge of this Deed in respect of all the Collateral.

19.3 No merger of security

- (a) Nothing in this Deed merges, extinguishes, postpones, lessens or otherwise prejudicially affects:
- (i) any Security Interest in favour of the Secured Party at any time;
 - (ii) any indemnity in favour of the Secured Party contained in any Transaction Document; or
 - (iii) any right, power, authority, discretion or remedy which the Secured Party may have against the Grantor or any other person at any time.
- (b) No other Security Interest including, but not limited to, any Transaction Security held by the Secured Party in any way prejudicially affects any right, power, authority, discretion or remedy of the Secured Party under this Deed.

20 Severability and Collateral

20.1 Severability of provisions

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Deed nor affect the validity or enforceability of that provision in any other jurisdiction.

20.2 Restricted Collateral

- (a) If the security interest granted under this Deed with respect to any Collateral would:
- (i) otherwise be ineffective with respect to the Collateral; or
 - (ii) breach any law or (if that Collateral is a right under a document or agreement) that document or agreement,
- then if it would render the security interest with respect to that Collateral effective and not in breach, the security interest will operate as a fixed charge with respect to the Collateral, failing which, it will operate, to the extent the relevant Collateral is Non-PPSA Collateral, as a floating charge with respect to that Collateral, failing which it will not apply to that Collateral.
- (b) The Grantor must use its best efforts promptly to obtain any consents and do anything else needed to ensure the security interest can apply to that Non-PPSA Collateral and not operate as a floating charge.

21 Supervening Legislation

21.1 General

To the full extent permitted by law, all legislation which at any time directly or indirectly:

- (a) lessens, varies or affects in favour of the Grantor any obligation under this Deed; or
- (b) delays, prevents or prejudicially affects the exercise by the Secured Party, Controller or Attorney of any Power,

is excluded from this Deed.

21.2 Personal Property Securities Act

Without limiting clause 21.1, in respect of the PPSA:

- (a) to the extent permitted by law, the parties contract out of each of the following provisions:
 - (i) section 95 (notice of removal of accession);
 - (ii) section 121(4) (enforcement of liquid assets—notice to grantor);
 - (iii) section 125 (obligation to dispose of or retain collateral);
 - (iv) section 130 (notice of disposal), to the extent that it requires the secured party to give a notice to the grantor;
 - (v) paragraph 132(3)(d) (contents of statement of account after disposal);
 - (vi) subsection 132(4) (statement of account if no disposal);
 - (vii) section 142 (redemption of collateral);
 - (viii) section 143 (reinstatement of security agreement,

and any other section notified by the Secured Party to the Grantor in writing;
- (b) to the extent permitted by law, the Grantor waives each right to receive a notice which section 144 or 157(3) permits it to waive and any other notice required under any provision of the PPSA;
- (c) the Grantor and the Secured Party agree that neither party will, or is entitled to, disclose information of the kind specified in s 275(1);
- (d) the Grantor must not register a Security Interest against the Secured Party without its prior written consent; and
- (e) the Grantor agrees not to make any Amendment Demand.

22 Notices

22.1 Method

All notices, requests, demands, consents, approvals, offers, agreements or other communications (“**notices**”) given by a party under or in connection with this Deed must be:

- (a) in writing;
- (b) signed by a person duly authorised by the sender;
- (c) directed to the intended recipient’s address (as specified in clause 22.3 or as varied by any notice); and
- (d) hand delivered, sent by prepaid post or transmitted by facsimile to that address.

All notices given by Secured Party must be notarised as required by US Law and/or practice.

22.2 Receipt

A notice given in accordance with this clause is taken as having been given and received:

- (a) if hand delivered, on delivery;

- (b) if sent by prepaid post:
 - (i) within Australia, on the second Business Day after the date of posting;
 - (ii) to or from a place outside Australia, on the seventh Business Day after the date of posting; or
- (c) if transmitted by facsimile, at the time recorded on the transmission report indicating successful transmission of the entire notice,

but if the delivery or transmission is not on a Business Day or is after 5.00pm (recipient's time) on a Business Day, the notice is taken to be received at 9.00am (recipient's time) on the next Business Day.

22.3 Address of parties

Unless varied by notice in accordance with this clause 22, the parties' addresses and other details are:

Grantor:

Details as set out in Schedule 1.

Secured Party:

Attention: Sholom Feldman or Company Secretary
 Address: 67 Penkivil St Bondi NSW 2026
 Facsimile: 61 2 9291 9099

22.4 Requirement for written notice

For the avoidance of doubt, the requirement in clause 22.1(a) applies to all notices unless expressly excluded and no implication to the contrary is to be drawn from the use of the expressions "written" or "in writing" in relation to some but not all notices.

23 General

23.1 Governing law and jurisdiction

- (a) This Deed is governed by the laws of New South Wales.
- (b) Without limiting clause 23.1(a), for the purposes of section 237 of the PPSA, the law of the jurisdiction specified in clause 23.1(a) governs the security interest granted under this Deed to the extent it is permitted to apply to the Collateral under that section.
- (c) The Grantor irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.
- (d) The Grantor irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (e) The Grantor irrevocably waives any immunity in respect of its obligations under this Deed that it may acquire from the jurisdiction of any court or any legal process for any reason including, but not limited to, the service of notice, attachment before judgment, attachment in aid of execution or execution.

23.2 Reinstatement of Rights

If, under any law relating to Insolvency, a person claims that a transaction (including a payment) in connection with this Deed or the Secured Money is void or voidable and the claim is upheld, conceded or compromised, then:

- (a) the Secured Party is immediately entitled as against the Grantor to the rights in respect of the Secured Money to which it was entitled immediately before the transaction; and

- (b) on request from the Secured Party, the Grantor agrees to do anything (including signing any document) to restore to the Secured Party any Security held by it from the Grantor on account of the Secured Money immediately before the transaction.

23.3 Attorneys

Each person who executes this Deed on behalf of a party under a power of attorney warrants that he or she has no notice of the revocation of that power or of any fact or circumstance that might affect his or her authority to execute this Deed under that power.

23.4 Amendment

This Deed may not be amended or varied unless the amendment or variation is in writing signed by all parties.

23.5 Assignment

- (a) The Secured Party may assign or novate any or all of its rights and obligations under this Deed in accordance with the Transaction Documents.
- (b) The Grantor may not assign or novate any of its rights under this Deed without the prior written consent of the Secured Party.

23.6 Waivers

- (a) Waiver of any right arising from a breach of this Deed or of any Power arising upon default under this Deed or upon the occurrence of an Event of Default must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, by the Secured Party or any other Enforcing Party of:
 - (i) a right arising from a breach of this Deed or the occurrence of an Event of Default; or
 - (ii) a Power created or arising upon default under this Deed or upon the occurrence of an Event of Default,
 does not result in a waiver of that right or Power.
- (c) The Grantor is not entitled to rely on a delay in the exercise or non-exercise of a right or Power arising from a breach of this Deed or on a default under this Deed or on the occurrence of an Event of Default as constituting a waiver of that right or Power.
- (d) The Grantor may not rely on any conduct of an Enforcing Party as a defence to exercise of a right or Power by that Enforcing Party.
- (e) This clause may not itself be waived except by writing.

23.7 Further assurances

Each party must do or cause to be done all things necessary or reasonably desirable to give full effect to this Deed and the transactions contemplated by it (including, but not limited to, the execution of documents).

23.8 Counterparts

This Deed may be executed in any number of counterparts and all counterparts taken together will constitute one document.

23.9 Electronic delivery of document

If a party delivers an executed counterpart of this Deed or any other document executed in connection with it ("**Relevant Document**") by facsimile or other electronic means:

- (a) the delivery will be deemed to be an effective delivery of an originally executed counterpart; and
- (b) the party will still be obliged to deliver an originally executed counterpart, but the failure to do so will not affect the validity or effectiveness of the Relevant Document.

SCHEDULE 1: PARTY DETAILS**1 Grantor**

Name Legend International Holdings Inc

ACN

ABN

Address

Fax

Attention

and

Name Paradise Phosphate Ltd

ACN

ABN

Address

Fax

Attention

SCHEDULE 2: SPECIFICALLY IDENTIFIED PROPERTY

1 Goods: Motor Vehicles

Make, Model and year of manufacture	Vehicle identification number (if any)	Chassis number (if any)	Engine number	Manufacturer's number

2 Goods: Aircraft engine/ airframe/ helicopter

Description of Aircraft engine, airframe or helicopter	Manufacturer's name	Manufacturer's number	Manufacturer's generic model designator/ identification

Description of small aircraft	Nationality and registration marks assigned under Chicago Convention

3 Goods: watercraft

Description of watercraft	If an Outboard motor: manufacturer's number	If not an Outboard motor, then: <ul style="list-style-type: none"> • official number; or • if none, hull identification number

4 Intellectual Property Rights

Intellectual Property	Serial number or description
Designs	
Patents	
Trademarks	
Plant Breeder's Rights	

Design licences	
Patents licences	
Trademarks licences	
Plant Breeder's Rights licences	

SCHEDULE 3 - CONTROLLABLE PROPERTY

Entire Share Capital of Paradise Phosphate Ltd

Exploration and Mining Tenement Holdings in Queensland

SCHEDULE 4: PROPERTY LOCATED OVERSEAS

EXECUTED as a DEED

Secured Party

SIGNED SEALED AND DELIVERED by)
QUEENSLAND PHOSPHATE PTY)
LIMITED

.....
Signature of director

.....
Signature of director / company secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / company secretary (print)

Grantor

SIGNED SEALED AND DELIVERED by)
LEGEND INTERNATIONAL HOLDINGS)
INC

.....
Signature of director

.....
Signature of director / corporation secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / corporation secretary
(print)

SIGNED SEALED AND DELIVERED by)
PARADISE PHOSPHATE LTD)

.....
Signature of director

.....
Signature of director / company secretary
(delete as applicable)

.....
Name of director (print)

.....
Name of director / company secretary (print)