

Explanatory Statement

Aeon Metals Limited (Subject to Deed of Company Arrangement)
ACN 121 964 725 (Company)

Application for Court approval for a transfer of your Shares for nil consideration

14 February 2025

On 19 December 2024, the Group, the Administrators and OL Master Limited (**DOCA Proponent**) entered into a deed of company arrangement (**DOCA**).

The primary objectives of the DOCA are to:

- maximise the chances as much as possible of the Group's business continuing in existence;
- subject to various conditions, provide for the restructure of the Group, including by the transfer of all of the fully paid ordinary shares in the Company (**Shares**) to the DOCA Proponent (or its nominee); and
- administer the business, property and affairs of the Group in a way that results in a better return for the creditors than would result from an immediate winding up of the Group.

It is a Condition to completion and effectuation of the DOCA that, amongst other things, the Deed Administrators obtain a Court order pursuant to section 444GA(1)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**) granting leave to the Deed Administrators to transfer all of the Shares to the DOCA Proponent (or its nominee) (**Section 444GA Order**). On or around 11 February 2025, the Deed Administrators made an application for the Section 444GA Order (**Section 444GA Application**) in the Court.

This Explanatory Statement provides information to the Shareholders about:

- the Section 444GA Application;
- the right of the Shareholders to object to the Section 444GA Application; and
- the requirement for relief from section 606 of the Corporations Act granted by ASIC to enable the transfer of all of the Shares to the DOCA Proponent or its nominee in accordance with the Section 444GA Order.

Enclosed with this Explanatory Statement are copies of:

- an Independent Expert's Report prepared by KordaMentha which concludes that the residual equity value of the Shares in the Company is nil; and
- the originating process and supporting affidavit of Vaughan Strawbridge filed by the Deed Administrators in support of the Section 444GA Application.

A Directions Hearing relating to the Section 444GA Application has been listed for hearing commencing at 10 am on Monday, 24 February 2025.

As a Shareholder of the Company, you are entitled to oppose the Section 444GA Application. If you wish to appear at the Directions Hearing to make submissions and/or if you intend to oppose the Section 444GA Application at the Final Hearing, you must do so by filing with the Court, and serving on the Deed Administrators and ASIC, an appearance in the Court's prescribed form indicating the grounds of opposition by no later than 21 February 2025.

If you do not enter an appearance by the deadline of 21 February 2025, the Court may determine that you are not entitled to be heard at any subsequent hearings.

We expect the Final Hearing for the Section 444GA Application will be listed for hearing at the Court in March 2025 (subject to Court availability).

The Deed Administrators will release announcements on their website (<https://www.fticonsulting.com/creditors/aeon-metals-group>) and the ASX Company Announcements Platform if there is a change to the scheduled dates for the deadline for filing an appearance and when the date for the Final Hearing has been confirmed.

This is an important document. Shareholders (and their advisors and any other interested parties) should read this Explanatory Statement and accompanying Independent Expert's Report and Court documents in their entirety before making a decision regarding whether or not to take any action in respect of the Section 444GA Application. If you have any questions on the information in this document, you should consult your legal or other professional advisor.

A copy of this Explanatory Statement has been provided to ASIC for the purposes of the application for ASIC Relief. Neither ASIC nor any of its officers takes any responsibility for its contents.

1. Important information

1.1 Purpose of this Explanatory Statement

This document is an Explanatory Statement for Shareholders issued by the Company in connection with the Section 444GA Application.

If the Section 444GA Order is made and the DOCA is effectuated, all of your Shares will be transferred to the DOCA Proponent pursuant to the terms of the DOCA for no consideration. You will not receive any money and you will cease to own your Shares.

Section 4 of this Explanatory Statement contains further information regarding the DOCA.

This Explanatory Statement has been provided to you by the Company to assist you to understand:

- the proposed restructure and its effect on you as a Shareholder;
- the Section 444GA Application;
- the steps which you need to take if you wish to appear at and/or oppose the Section 444GA Application, including that you must file with the Court and serve on the Deed Administrators a notice of appearance before the Directions Hearing by 21 February 2025;

- the requirement for the ASIC Relief to enable the transfer of all of the Shares to the DOCA Proponent or its nominee in accordance with the Section 444GA Order; and
- the information which is, and will be, available to assist you in deciding whether to appear at the Directions Hearing.

The Independent Expert's Report prepared by KordaMentha, which contains its valuation of the Shares on the basis of the Company in a liquidation scenario, is **attached** to this document. The opinion set out in the Independent Expert's Report is that the residual equity value of Shares in the Company is nil.

1.2 *Effect of the DOCA on Shareholders*

If the DOCA is effectuated, your shareholding in the Company will be transferred to the DOCA Proponent for nil consideration to you.

However, through implementation of the DOCA, the Group will avoid liquidation and continue as a going concern.

Further information regarding the consequences of the successful effectuation of the DOCA on the Group and Shareholders is set out in Section 4.4.

1.3 *Status of this document*

This document is not a prospectus or other disclosure document under Chapter 6D of the Corporations Act.

A copy of this Explanatory Statement has been given to ASIC for the purpose of obtaining the ASIC Relief referred to in Section 6 below. Neither ASIC nor any of its officers takes any responsibility for its contents.

1.4 *Defined terms*

Capitalised terms used in this Explanatory Statement have the meanings defined in the Glossary in Section 8, unless the context otherwise requires, or a term has been defined in the text of the Explanatory Statement. All time references in this Explanatory Statement are to Australian Eastern Daylight Time (AEDT).

2. Background

2.1 *Administration of the Group*

Prior to the Group being placed into voluntary administration, it was a mineral exploration and development business. The Group's flagship project is the Walford Creek Copper-Cobalt Project in Northwest Queensland. The Group is the holder of tenements in the Mount Isa mineral province in Northwest Queensland and the Rawbelle district in South East Queensland.

On 26 July 2024, Vaughan Strawbridge, Kathryn Evans and Ben Campbell were appointed as Joint and Several Administrators of the Group pursuant to section 436A of the Corporations Act.

The Administrators investigations identified that the primary drivers for the Group's difficulties were external, being:

- Delays in executing an Aboriginal Heritage Protection Agreement with the Waanyi Native Title Aboriginal Corporation which forced the Group to abandon the 2023 drilling program.
- This led to an inability to raise equity financing which resulted in an over reliance on funding from its secured creditors and the facility becoming fully drawn.

Although there were indicia of insolvency prior to the appointment of the Administrators, ongoing financial support was available to the Group from the DOCA Proponent (as secured creditor to the Company) and the Group had intended on completing a further equity raise to secure additional financing. Upon being advised that an equity raise could not occur and the secured creditor was not going to extend the maturity of the facility in place (set to mature in December 2024), the directors of the Group appointed the Administrators.

In the Administrators' Section 75-225 Report, the Administrators concluded that the Group was likely insolvent around 26 July 2024, when the advisers assisting with the preparation of the equity raise notified the directors of the Group that the chances of a successful raising were highly unlikely, at which time the directors took steps to immediately appoint the Administrators.

As you would be aware, the Shares have been suspended from trading on ASX since 26 July 2024.

Please refer to section 4 of the Administrators' 75-225 Report, which provides an overview of the Company's historical financial position.

2.2 *Sale process and formulation of the DOCA*

Following their appointment, the Administrators took immediate steps to safeguard the Group's assets and continued to trade the Group on a business-as-usual basis whilst exploring a sale/recapitalisation campaign. This resulted in:

- (a) two non-binding indicative offers being submitted in relation to the Group as a whole. One offer was submitted by the DOCA Proponent, and the other offer was submitted by a third party;
- (b) six offers in relation to individual tenements. Ultimately, however, the sale process was concluded with no binding offers received with respect to the individual tenements.

The third party offer for the Group referred to at (a) above consisted of a low cash consideration component paid over a period of 18 months, with the balance payable by way of non-cash financial instruments. The DOCA Proponent (in its capacity as secured creditor of the Company) did not agree to release its security on the basis of the offer made by the third party, and ultimately this offer was not taken forward.

Following further due diligence, the DOCA Proponent submitted a final proposal for the purchase of the Group via the DOCA. The proposal put forward by the DOCA Proponent was considered to be in the best interests of creditors as a whole, having regard to the sales process that had been undertaken post appointment of the Administrators, the fact that all remaining staff would continue employment with the Company with their entitlements preserved, the business of the Group would continue as a going concern largely in the same position as it did before it entered into administration and the liabilities of a material portion of creditors critical to the ongoing operation of the Group would become assumed and paid by the DOCA Proponent. On this basis, the Administrators recommended that creditors approve the DOCA being executed.

Please refer to section 5.5 of the Administrators' 75-225 Report, which provides an overview of the sale/recapitalisation campaign conducted by the Administrators.

At a meeting of creditors held on 29 November 2024, the Group's creditors resolved that the Group enter into the DOCA proposed by the DOCA Proponent. On 19 December 2024, the DOCA was executed by the Administrators, the DOCA Proponent and the Group, and the Administrators became the Deed Administrators.

An overview of the DOCA is provided in Section 4.

3. Independent expert's report

The Section 444GA Application has been commenced by the Deed Administrators in the Court to seek the leave of the Court pursuant to section 444GA(1)(b) of the Corporations Act to transfer the Shares to the DOCA Proponent.

Under section 444GA(3) of the Corporations Act, the Court may only grant leave to transfer the Shares to the DOCA Proponent if it is satisfied that the transfer would not unfairly prejudice the interests of the Shareholders. The Deed Administrators intend to rely on the Independent Expert's Report when addressing the issue of unfair prejudice before the Court.

The Independent Expert's Report was also prepared for the purpose of applying to ASIC for technical relief from Chapter 6 requirements of the Corporations Act. Please see Section 6 for more information in relation to the ASIC Relief.

To assist the Independent Expert to prepare the report, the Administrators engaged Behre Dolbear as independent technical expert to provide an independent opinion on the market valuation of the mining tenements held by the Group.

As concluded in the Independent Expert's Report, and subject to the assumptions listed at section 7 of the Independent Expert's Report, the value range of the Group's assets in an assumed liquidation scenario is \$18.3 million to \$34.9 million. The Group's total indebtedness in an assumed liquidation scenario is estimated to be approximately \$45 million.

Consequently, KordaMentha has concluded in its report that the residual equity value of Shares in the Company is nil.

This deficiency is shown as follows:

Table 1: Estimated surplus / (deficiency) to Shareholders

(\$'000s)	Low	High
Total realisable assets	18,267	34,916
Total claims against assets	(45,096)	(44,911)
Surplus / (deficiency) available to meet claims	(26,829)	(9,995)
Net equity value	Nil	Nil

A copy of the Independent Expert's Report appends as **Annexure A** to this Explanatory Statement.

4. **What is the DOCA?**

4.1 *Overview*

At the second creditors meeting held pursuant to section 439A of the Corporations Act on 29 November 2024, the creditors of the Group resolved that the Group execute the DOCA proposed by the DOCA Proponent. The DOCA was executed by all parties on 19 December 2024 following the meeting of creditors.

As a consequence of the execution of the DOCA, the Group has exited voluntary administration and is subject to the DOCA on and from 19 December 2024. The Administrators have been appointed as the Deed Administrators of the DOCA.

4.2 *Key features of the DOCA*

The purpose of the DOCA is to facilitate a sale of the Group. Under the DOCA, the DOCA Proponent (or its nominee) will acquire all of the shares in the Company. The consideration is approximately \$34.55 million, comprising:

- (a) a credit bid of secured debt in the amount of \$32.8 million (plus accrued interest and fees since 26 July 2024) with the balance of the DOCA Proponent's secured debt of \$10 million to be left in place following completion of the DOCA; and
- (b) a Deed Contribution Amount of up to \$1,998,276 payable in cash by the Deed Proponent.

Should the DOCA be effectuated:

- The DOCA Proponent will obtain a 100% shareholding in the Company and control over the Subsidiaries.

- The claims of certain creditors against the Group will be extinguished and released, in exchange for a claim against, and right to participate in, a distribution from the Creditors' Trust. Claims against the Creditors' Trust will be subject to adjudication by the trustees of the Creditors Trust.
- The deed administration of the Group will end and control of the entities will transfer to the new directors, to be appointed by the DOCA Proponent.

4.3 *Conditions*

The effectuation of the DOCA is conditional upon the satisfaction or waiver of the following Conditions:

- execution of the Creditors' Trust Deed by all parties to it. This Condition has been satisfied;
- ASIC issuing or providing such consents or approvals or done such other acts which the DOCA Proponent and the Deed Administrators agree in writing are reasonable or necessary or desirable to implement the transactions contemplated by the DOCA, including the ASIC Relief;
- the Deed Administrators obtaining the Section 444GA Order;
- the DOCA Proponent being reasonably satisfied on completion of the DOCA, all claims to be released under the DOCA will be fully and effectively released under all applicable laws;
- the Company and AWCL confirm in writing by deed that each Aeon Note Security Document and each Aston Metals Security Document to which they are party secure and continue to secure, respectively, the Aeon Note Secured Debt (in an amount equal to the Aeon Note Parties Balance) and the Aston Metals Secured Debt notwithstanding the entry into and effectuation of the DOCA;
- as at the date by which all of the conditions precedent set out above are satisfied:
 - there has been no material adverse change in respect of the assets or the business of the Group;
 - the Group has continued to carry on its business in the ordinary course,in each case since the date the DOCA is executed by the Deed Administrators, the Group and the DOCA Proponent.

The sunset date for satisfaction or waiver of these conditions is 19 June 2025 (being six months from the date of execution of the DOCA), unless extended by mutual agreement between the Deed Administrators and the DOCA Proponent.

4.4 *Effect of the DOCA on Shareholders*

If the Section 444GA Order is made and the DOCA is effectuated, you will not receive any consideration for the transfer of your Shares to the DOCA Proponent (or its nominee), and you will cease to hold any Shares.

Any claims you have against the Group in your capacity as a Shareholder will be extinguished when the DOCA is effectuated. This will not affect any claims you may have against third parties.

5. Section 444GA Application – what you need to know

5.1 Overview

In accordance with the terms of the DOCA, an application has been made by the Deed Administrators to the Supreme Court of New South Wales seeking leave under Section 444GA of the Corporations Act to transfer of all of the Shares to the DOCA Proponent (or its nominee) pursuant to the DOCA.

A copy of the originating process and supporting affidavit of Vaughan Strawbridge were filed by the Deed Administrators on 11 February 2025. Copies of these documents are appended as **Annexure B** to this Explanatory Statement.

A Directions Hearing on that application has been set at 10 am on 24 February 2025 at the Court. The Deed Administrators expect that the Final Hearing, at which the Court will decide whether or not to make orders sought in the Section 444GA Application, will be held in or around March 2025 (subject to Court availability).

The Court is located at 184 Phillip Street, Sydney, New South Wales 2000.

5.2 What must the Court be satisfied of before making the Section 444GA Order?

The Court may only grant the Deed Administrators leave to transfer of all of the Shares to the DOCA Proponent if it is satisfied that the transfer would not unfairly prejudice the interests of Shareholders.

As noted in Section 3, the Deed Administrators intend to rely on the Independent Expert's Report when addressing the issue of unfair prejudice before the Court.

The Independent Expert's Report provides a valuation of the Shares on the basis of the Company in a liquidation, and concludes that the residual equity value of Shares in the Company is nil.

Please refer to Section 3 for more information about the Independent Expert's Report. A full copy of the Independent Expert's Report is at Annexure A to this Explanatory Statement. Shareholders (and their advisors and any other interested parties) should read the Independent Expert's Report carefully and in its entirety.

5.3 What is the timetable for the Section 444GA Application?

The following is a summary of the key dates and activities relating to the Section 444GA Application:

Key step	Estimated completion date
DOCA approved at second creditors' meeting	29 November 2024
Execution of DOCA	19 December 2024
Provision of the draft Explanatory Statement and Annexures (excluding Annexure B) to ASIC	4 February 2025
Originating process in relation to the Section 444GA Application filed with the Court	11 February 2025
Explanatory Statement (including Independent Expert's Report and the originating process and supporting affidavit filed with the Court) published	14 February 2025
Public announcement for Section 444GA Application	14 February 2025
Advertisement in relation to the Section 444GA Application placed into national papers	Following the Explanatory Statement being published
Deadline for any party to enter an appearance if they wish to be heard in relation to the Section 444GA Application	21 February 2025
Directions Hearing	24 February 2025
Final Hearing (anticipated, though subject to change following the Directions Hearing)	March 2025 (subject to Court availability)
Transfer of Shares (if Section 444GA Order is made, and other Conditions satisfied) (anticipated)	Shortly after the Court granting the Section 444GA Order in accordance with the DOCA

The dates, including the proposed hearing date, are subject to any directions made by the Court.

The Deed Administrators will release announcements on their website (<https://www.fticonsulting.com/creditors/aeon-metals-group>) and the ASX Company Announcements Platform setting out any changes or updates to the timetable, as well as the orders made by the Court at the Directions Hearing and Final Hearing.

5.4 How can you appear at and/or oppose the Section 444GA Application?

As a Shareholder of the Company, you are entitled to oppose the Section 444GA Application. You should seek independent legal, financial and taxation advice before making a decision on whether to take any action in relation to the Section 444GA Application.

If you wish to appear at and/or oppose the Section 444GA Application, you must file with the Court and serve on the Deed Administrators a notice of appearance, in the Court's prescribed form. The notice of appearance is a document that contains the person's address and service details. It puts the Court and the Deed Administrators on notice that a person wishes to participate in the Final Hearing. The person does not need to provide substantive submissions and affidavit evidence at the time of entering an appearance.

The current deadline for filing an appearance is 21 February 2025. The Deed Administrators will accept service of any appearance at: (a) by post: c/- Ashurst, Level 11, 5 Martin Place, Sydney, NSW 2000 Australia or (b) by email: camilla.clemente@ashurst.com / melissa.fung@ashurst.com.

At the Directions Hearing currently scheduled to take place at 10 am on 24 February 2025 (or at a subsequent directions hearing), the Court may make procedural orders setting down a timetable for Shareholders who have filed an appearance to file detailed submissions and affidavits upon which they wish to rely at the Final Hearing. The Deed Administrators will release an announcement on their website (<https://www.fticonsulting.com/creditors/aeon-metals-group>) and the ASX Company Announcements Platform if and when any such procedural orders are made by the Court in relation to the deadline for such submissions and affidavits.

5.5 *What additional information is available to you?*

To assist you in deciding whether to take any action in relation to the Section 444GA Application, in addition to this Explanatory Statement the following are made available to you:

- the Independent Expert's Report at **Annexure A** of this Explanatory Statement;
- the interlocutory process and supporting affidavit of Vaughan Strawbridge for the Section 444GA Application filed on 11 February 2025, at **Annexure B** of this Explanatory Statement; and
- the Section 75-225 Report to Creditors dated 21 November 2024 is available on the FTI Consulting website at <https://www.fticonsulting.com/creditors/aeon-metals-group> in the Public Documents section.

Alternatively, you can request copies of these documents from FTI Consulting and they can be emailed to you. Please contact the FTI Consulting team via james.macreddie@fticonsulting.com if you would like copies of these documents.

5.6 *What do you need to do now?*

Shareholders (and their advisers and any other interested parties) should read this Explanatory Statement (including the documents referred to in this Explanatory Statement) in its entirety before making a decision regarding whether or not to take any action in relation to the Section 444GA Application.

Please note that this Explanatory Statement does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, taxation position or particular needs of any and every Shareholder. Whether or not to take any action in relation to the DOCA or in respect of the Section 444GA Application is a decision for each individual Shareholder and will depend on, amongst other things, an assessment of the relevant Shareholder's individual financial circumstances.

Accordingly, as the financial, legal and taxation consequences of such a decision may be different for each particular Shareholder, each Shareholder should seek professional financial, legal and taxation advice before making a decision.

5.7 *What if I do nothing?*

If you take no action in respect of the Section 444GA Application, and the Conditions to the DOCA are satisfied or waived, all of your Shares will be transferred pursuant to the Section 444GA Order to the DOCA Proponent (or its nominee) and you will cease to own those Shares. You will not receive any money, or other form of consideration, for your Shares being transferred.

5.8 *What will happen if the Section 444GA Order is not made?*

If the Section 444GA Order is not made, the Deed Administrators may appeal the Court's decision.

Should the Deed Administrators elect not to appeal or should an appeal fail, then the Deed Administrators must convene a meeting of creditors of the Group to determine the future of the Group. In the absence of a suitable alternate transaction, the Group will be placed into liquidation.

As outlined in the Independent Expert's Report, it is expected that there would be no value for Shareholders in the event of liquidation of the Company.

5.9 *Australian tax consequences*

This general information is for Shareholders who are Australian resident taxpayers holding their Shares on capital account, not as trading stock, and who are not subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) for the purposes of calculating any gains or losses arising from financial arrangements. It does not take account of the circumstances of any individual Shareholders. You should seek your own tax advice on the consequences for you of the DOCA being effectuated.

The transfer of Shares on effectuation of the DOCA will give rise to a capital gains tax event for Shareholders because it will trigger a CGT event and will crystallise a capital loss. Depending on each individual taxpayer's financial position, this capital loss may be available to offset against the taxpayer's capital gains thereby potentially reducing the amount of tax otherwise payable by the taxpayer.

The Australian Shareholders who hold their Shares on capital account will incur a capital loss to the extent of the reduced cost base of the Shares being transferred exceeds the market value of the Shares.

The reduced cost base in the Shares includes:

- the acquisition cost of the Shares;
- incidental acquisition costs incurred to acquire and hold the Shares;
- expenditure incurred to increase or preserve the value of the Shares; and/or
- capital expenditure incurred to establish, preserve or defend their title to the Shares.

Given the transfer will occur by way of Court order, and not a contract, the time of the CGT Event for Shareholders will be when the transfer of Shares takes effect in accordance with the DOCA.

A non-Australian resident Shareholder may also make a capital loss if its Shares in the Company are "taxable Australian property". In broad terms, Shares are taxable Australian property when they satisfy both:

- a "non-portfolio interest test", which is met if the Shareholder, together with associates, has an interest in the Company of 10% or more at the time of the Share transfer (or for any 12-month period in the 24 months before the transfer); and
- a "principal asset test", which is met if the Company's underlying value is principally derived from Australian real property (including certain mining, quarrying, or prospecting rights).

Shareholders should obtain their own tax advice in relation to whether they make a capital loss on the transfer of Shares.

6. ASIC relief

Section 606 of the Corporations Act relevantly prohibits a person from acquiring a relevant interest in a listed company if, as a result of that acquisition, that person's, or someone else's, voting power in the entity increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%, unless the acquisition falls within one of the exceptions set out in section 611 of the Corporations Act.

The DOCA Proponent currently holds approximately 46.24% of the Shares in the Company and has the equivalent voting power. If the DOCA is effectuated, it will acquire 100% of the Shares. As the Company is a listed public company and the transfer of Shares under the DOCA does not fall under any exceptions set out in section 611 of the Corporations Act, ASIC Relief from section 606 of the Corporations Act will be required to enable completion of the transfer of Shares to the DOCA Proponent.

The Deed Administrators have applied for ASIC Relief in relation to the prohibition in section 606 of the Corporations Act, and has provided ASIC with a copy of this Explanatory Statement along with additional information relevant to the relief being sought.

The Deed Administrators will update Shareholders appropriately in relation to the ASIC Relief application as developments occur, via the ASX Company Announcements Platform and the FTI Consulting website.

7. Further information

If you have further questions, it is recommended that you:

- contact your stockbroker, bank manager, solicitor, accountant and/or other professional adviser; and
- read all reports/notifications issued (past and future) by the Deed Administrators relating to the Group which are available for download from:
<https://www.fticonsulting.com/creditors/aeon-metals-group>.

8. Glossary

In this Explanatory Statement, capitalized terms have the meanings set out in the following table:

Administrators	Vaughan Strawbridge, Kathryn Evans and Ben Campbell in their capacities as the joint and several voluntary administrators of the Group from 26 July 2024.
Aeon Note and Security Trust Deed	The note and security trust deed dated 17 June 2014 (as amended, varied and amended and restated from time to time) between the Company and the Secured Creditor.
Aeon Note Parties Balance	Has the meaning given in the DOCA.
Aeon Note Secured Debt	Has the meaning given in the DOCA.
Aeon Note Security Document	Has the meaning given in the DOCA.
ASIC	Australian Securities and Investments Commission.
ASIC Relief	Relief from section 606 of the Corporations Act granted by ASIC.
Aston Metals Secured Debt	Has the meaning given in the DOCA.
Aston Metals Security Document	Has the meaning given in the DOCA.
ASX	Australian Securities Exchange.
ASX Company Announcements Platform	The public company announcements platform maintained by ASX.
AWCL	Aeon Walford Creek Limited (Subject to Deed of Company Arrangement) ACN 121 478 993.
Cash Contribution Amount	Has the meaning given in the DOCA.

Aeon Metals Limited (Subject to Deed of Company Arrangement) ACN 121 964 725

Company	Aeon Metals Limited (ACN 121 964 725) (Subject to Deed of Company Arrangement).
Conditions	The conditions precedent to the DOCA as set out in clause 4.1 of the DOCA.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Court	Supreme Court of New South Wales
Creditors' Trust	The trust to be established by the Creditors' Trust Deed.
Creditors' Trust Deed	The creditors' trust deed dated 19 December 2024 between the Deed Administrators (as deed administrators of the Group and trustees of the Creditors' Trust), the Group and the DOCA Proponent.
Deed Administrators	Vaughan Strawbridge, Kathryn Evans and Ben Campbell in their capacity as administrators of the DOCA from 19 December 2024 to present.
Directions Hearing	The Court hearing scheduled to be held at 10 am on 24 February 2025 in relation to the 444GA Application
DOCA	Deed of Company Arrangement dated 19 December 2024 between the Administrators, the Group and the DOCA Proponent.
DOCA Proponent	OL Master Limited.
Final Hearing	The final Court hearing to be held on a date to be determined by the Court in relation to the Section 444GA Application.
Group	The Company and each of its Subsidiaries.
Independent Expert's Report	Independent Expert's Report prepared by KordaMentha, which contains a valuation of the Shares on the basis that the Company is in liquidation.
KordaMentha	KordaMentha Pty Ltd.
Section	A section of this Explanatory Statement
Section 75-225 Report	The report prepared by the Administrators in accordance with section 75-225 of the <i>Insolvency Practice Rules (Corporations) 2016</i> dated 21 November 2024 which is available on FTI Consulting's website here: https://www.fticonsulting.com/creditors/aeon-metals-group .

Aeon Metals Limited (Subject to Deed of Company Arrangement) ACN 121 964 725

Section 444GA Application	An application to the Court under section 444GA(1)(b) of the Corporations Act for leave to be granted to the Deed Administrators to transfer all of the Shares in the capital of the Company to the DOCA Proponent.
Section 444GA Order	An order of the Court granting the leave sought in the Section 444GA Application
Secured Creditor	Madison Pacific Trust Limited in its capacity as note and security trustee under the Aeon Note and Security Trust Deed.
Share	A fully paid ordinary share in the Company.
Shareholder	A holder of Shares.
Subsidiaries	The subsidiaries of the Company, being: • Aussie NQ Resources Pty Ltd (Subject to Deed of Company Arrangement) ACN 140 072 680; • AWCL; • Aeon Isa Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 630 455 373; • Aeon Monto Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 629 298 273; and • Aeon Walford Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 634 353 610



**Aeon Metals Limited
(ACN 121 964 725)**

(Subject to Deed of Company Arrangement)

Independent Expert Report of Jennifer Nettleton

16 January 2025

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Glossary

Abbreviation	Definition
~	Approximately
\$	Currency in Australian Dollars unless otherwise stated
1H24	The period from 1 July 2023 to 31 December 2023
444GA Application	Court application pursuant to section 444GA of the Act, which allows a deed administrator under a DoCA to seek leave of the Court to compulsorily transfer the shares in a company
Aeon Isa	Aeon Isa Exploration Pty Ltd
Aeon Monto	Aeon Monto Exploration Pty Ltd
Aeon Walford Exploration	Aeon Walford Exploration Pty Ltd
Aeon Walford Creek	Aeon Walford Creek Ltd
ALLPAAP	All Present and After-Acquired Property
Aussie NQ	Aussie NQ Resources Pty Ltd
Act	<i>Corporations Act 2001 (Cth)</i>
Administrators	Ben Campbell, Kathryn Evans and Vaughan Strawbridge of FTI Consulting in their capacity as Voluntary Administrators of the Company and the Subsidiaries, or as Administrators of the DoCA (as the case requires)
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
BDA	Behre Dolbear Australia Pty Ltd
Company	Aeon Metals Limited
Court	The Supreme Court of New South Wales
CuEq	Copper equivalent, megatonnes
Directors	The directors of the Company, being Paul Harris, Ivan Wong and Fred Hess
DoCA	Deed of company arrangement
EPM	Exploration permit for minerals
Excluded Employee	A director (including a former director within the previous 12 months) of a company in external administration, including a partner or relative of a director
Fair Work Act	<i>Fair Work Act 2009 (Cth)</i>
FEG	Fair Entitlements Guarantee Scheme
FRF	Fish River Fault
FY	Financial year
Group	The Company and the Subsidiaries
GSD	General Security Deed
IER	Independent Expert Report
ISR	Independent Specialist Report prepared by BDA, dated 12 December 2024
Km	Kilometre
Liquidators	The Administrators in the event of liquidation, or any other party appointed as liquidators of the Company and/or the Subsidiaries
Management	Senior employees of the Company
MDL	Mineral Development Licence
MT	Megatonne, i.e. one million tonnes

Abbreviation	Definition
NBIO	Non-binding indicative offers
NDA	Non-disclosure agreement
PEM	Prospectivity enhancement multiplier
PP&E	Property, plant & equipment
PPSR	Personal Property Securities Register
Projects	Geographically grouped tenements of the Group, as defined in section 3.1 of the Report
Regulatory Guide 111	Regulatory Guide 111 Content of Expert Reports published by ASIC in October 2020
Report	This independent expert report
Second Meeting	Second meeting of creditors of the Company held on 29 November 2024
SLW Queensland	SLW Queensland Pty Ltd
SLW Minerals	SLW Minerals Corporation Pty Ltd
Second Report to Creditors	The report of the Administrators pursuant to section 75-225 of the <i>Insolvency Practice Rules (Corporations) 2016</i> dated 21 November 2024
Secured Creditor	OL Master Limited, which is managed by OCP Asia
Subsidiaries	Wholly owned subsidiaries of the Company, namely: • Aeon Monto • Aeon Isa • Aussie NQ • Aeon Walford Creek • Aeon Walford Exploration
US\$	United States dollars

N.B. Numbers in tables may be presented in thousands, and totals may be subject to rounding.

1 Background

On 26 July 2024, Ben Campbell, Kathryn Evans and Vaughan Strawbridge of FTI Consulting were appointed Administrators of the Group pursuant to section 436A(1) of the Act.

On 16 August 2024, the Court made orders extending the convening period within which the Administrators were to convene the second meetings of creditors from 23 August 2024 to 22 November 2024.

Following a sale and recapitalisation process, the Administrators received two non-binding indicative offers in relation to the Group as a whole and six offers in relation to individual tenements. Ultimately, the Administrators accepted a DoCA proposal from OL Master Limited ('Secured Creditor'), being the Company's secured financier and largest shareholder.

The Administrators issued their Second Report to Creditors on 21 November 2024 and the second meetings of creditors were held on 29 November 2024 for all Group companies. At these meetings and as per the recommendation of the Administrators, creditors of the Company and each of the Subsidiaries resolved that the Group execute a DoCA as proposed by the Secured Creditor. The DoCA and Creditors' Trust Deed were executed on 19 December 2024, and copies are attached as Appendix K.

1.1 DoCA

A DoCA is a formal framework for a company in voluntary administration to restructure its affairs, repay its debts usually through a compromise of creditors' claims, and potentially continue operations, offering a better outcome than an immediate liquidation.

The Secured Creditor's DoCA provides for the acquisition of the entire business and assets of the Group through the acquisition of the shares of the Company by the Secured Creditor, to be facilitated through a DoCA followed by a Creditors' Trust. The consideration comprises a credit bid in respect of part of the existing debt (~\$32.8 million) and a Deed Contribution Amount (~\$2.0 million). For further information on the terms of the DoCA, please refer to section 5 of this Report.

The Secured Creditor will acquire the Company by way of a transfer of shares from existing shareholders, which will occur subject to the Deed Administrators obtaining an order from the Court pursuant to section 444GA(1)(b) of the Act. The DoCA requires the Deed Administrators to make an application to Court to allow the share transfer.

Section 444GA of the Act provides as follows:

1. *The administrator of a deed of company arrangement may transfer shares in the company if the administrator has obtained:*
 - a. *the written consent of the owner of the shares; or*
 - b. *the leave of the court.*
2. *A person is not entitled to oppose an application for leave under subsection (1) unless the person is:*
 - a. *a member of the company; or*
 - b. *a creditor of the company; or*
 - c. *any other interested person; or*
 - d. *ASIC.*
3. *The court may only give leave under subsection (1) if it is satisfied that the transfer would not unfairly prejudice the interests of members of the company."*

The transfer of the shares in the Company also requires ASIC to grant relief from the takeover provisions contained in section 606 of the Act. ASIC has set out in "Regulatory Guide 6 Takeovers: Exceptions to the general prohibition" that it will generally grant relief where:

1. explanatory materials have been provided to shareholders at least 14 days before the s444GA hearing including an independent expert report prepared consistent with the guidance contained in Regulatory Guide 111
2. the IER is prepared by an expert other than the administrator or a member from the same firm as the administrator
3. the IER concludes that there is no residual equity value in the company for shareholders
4. the Court grants leave under s444GA.

1.2 Scope of this Report

I have been instructed by Ashurst Australia, legal advisors acting on behalf of the Administrators, to prepare IER for the purposes of:

- a prospective application by the Administrators pursuant to section 444GA of the Act to implement the proposed DoCA in respect of the Company
- ASIC granting relief from section 606 of the Act
- inclusion in the explanatory statement to be made available to shareholders of the Company as part of the proposed sale and recapitalisation.

Copies of the letters of instruction from Ashurst Australia dated 11 November 2024 and 16 January 2025 are attached as Appendix I and Appendix J, respectively.

1.3 Requirements of Regulatory Guide 111

In accordance with ASIC Regulatory Guide 111 Content of Expert Reports, I am required to provide an independent opinion “of the value, if any, of shareholders’ residual equity.”¹ The residual value to shareholders is to be derived by “assessing the value of the company’s assets and/or business operations, less borrowings, other liabilities and creditor claims.”² In accordance with ASIC’s guidance, experts should generally value “shareholders’ residual equity in a company under administration on a ‘winding up’ or ‘liquidation’ basis where that is the likely or necessary consequence of the transfer of shares not being approved.”³

1.4 Independence of expert and compliance with professional standards

I have read ASIC Regulatory Guide 112 Independence of Experts and am of the opinion that:

- there is no actual, or perceived, conflict of interest
- there is no actual, or perceived, threat to independence
- there is no other reason for which the engagement could not be accepted.

I have complied with the requirements of APES 225 – Valuation Services, the professional code of practice of CPA Australia and the Institute of Chartered Accountants Australia and New Zealand.

1.5 Limitations, restrictions and reliance

This Report has been prepared, and may be relied on, solely for the purposes contemplated in section 1.2 of this Report. This Report, or any part of it, may only be published or distributed:

- as an annexure to the explanatory statement to be provided to the Company's shareholders and others (including ASIC as part of the evidence in support of the 444GA Application)
- for use in the proceedings before the Court relating to the 444GA Application
- in accordance with any law or by order of a court of competent jurisdiction.

My express written consent, and the express written consent of KordaMentha, must be obtained prior to relying upon, publishing or distributing this Report, or part of it, for any purpose other than that detailed above. Neither I nor KordaMentha accept responsibility to anyone if this Report is used for any other purpose.

My opinion is based on economic, market and other external conditions prevailing at the date of this Report. Such conditions can change over relatively short periods of time, and these changes can be material.

The information used in this Report has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to the value of the assets and liabilities of the Company. While I do not warrant that my enquiries have identified all of the matters that an audit, or due diligence and/or tax investigation might disclose, I believe that the information is

¹ ASIC Regulatory Guide 111 at RG 111.70

² ASIC Regulatory Guide 111 at RG 111.71

³ ASIC Regulatory Guide 111 at RG 111.73

reasonable for the scope of my work set out in section 1.2 and that there are reasonable grounds for determining the residual value of the equity in the Company as set out in section 2.2.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading.

This Report should be read in the context of the full qualifications, limitations and consents set out in this Report.

1.6 Curriculum vitae

I am a Partner with KordaMentha, a registered liquidator and have over 30 years' experience across all aspects of corporate turnaround and restructuring. I am a Chartered Accountant and member of the Australian Restructuring Insolvency and Turnaround Association.

My curriculum vitae is attached at Appendix A.

1.7 ISR

Given the technical nature of valuing mining tenements, a specialist was retained, as provided for in ASIC Regulation RG 111.136. The Administrators engaged BDA to act as Independent Technical Specialist and prepare an ISR providing an opinion on the value of the Subsidiaries' mineral assets, namely the market value of the tenements. BDA has advised the ISR has been prepared in accordance with Australian industry standards. The details of the ISR are set out in section 6.2.

1.8 Assistance by colleagues

I have selected colleagues to assist me to arrive at my opinions in this matter. My colleagues carried out the work that I decided they should perform. I have reviewed their work and original documents to the extent considered necessary to form my opinions. The opinions expressed in this Report are my own.

1.9 Information

In the preparation of this Report, I have utilised information in respect of the Company from a variety of sources, including the Group's books and records made available by the Administrators, information prepared by the Administrators as well as public sources. Documents utilised to support my opinions in this Report are noted in text or by way of footnote.

I have not conducted an audit of any information supplied to me. My colleagues and I have reviewed and made sufficient enquiries of the information made available to us and based on that review, believe that the information is reasonable for the scope of my work set out in section 1.2 and that there are reasonable grounds for the values set out in the Report.

This Report has been prepared without any consultation, instruction, collaboration or input from the Directors of the Company. I have not relied on any information, representation or opinion expressed by the Directors of the Company on or after the date of the Administrators' appointment on 26 July 2024 in the preparation of this Report and have relied solely on information provided by the Administrators and Management.

A glossary of terms is set out at the beginning of this Report.

1.10 Statement regarding expert witness code

I am aware that this Report will be tendered to the Court as part of the evidence in support of the 444GA Application, which is a condition of the DoCA. I have read the Expert Witness Code of Conduct (Code), set out in Schedule 7 of the Uniform Civil Procedure Rules 2005 (NSW) and have prepared this Report on the basis that I am bound by the Code of Conduct.

1.11 Cost of this Report

KordaMentha will be remunerated \$80,000 (excluding GST and disbursements) for the time spent preparing this Report. The fees payable to KordaMentha are not contingent on the conclusions of this Report, the outcome of the DoCA, or obtaining approval from ASIC or the Court.



2 Summary of findings

2.1 Opinion on the value of the shares in the Company

Based on my assessment that there is a material deficit of assets available to meet the claims against the Company, it is my opinion that the shares in the Company have nil value as at the date of this Report.

2.2 Residual equity value

The table below summarises the value of the Company's assets, claims against those assets and the resulting negative equity position of between \$26.8 million (low case) and \$10.0 million (high case).

Company net equity value

(\$'000s)	Section reference	Low Case Scenario	High Case Scenario
Realisable assets	7.0	18,267	34,916
Claims against the assets	8.0	(45,096)	(44,911)
Surplus/(deficiency) of assets available to meet claims		(26,829)	(9,995)
Net equity value		Nil	Nil

My analysis of the Company's realisable assets and claims against the assets is included in sections 7 and 8 of this report.

3 Company overview

3.1 Company overview

Aeon Metals Limited is the holding company of a mineral exploration and development business listed on the ASX. The Group's flagship project, the Walford Creek Copper-Cobalt Project in Northwest Queensland, contains one of Australia's highest grade substantial copper and cobalt deposits.⁴ The Company has five wholly owned subsidiaries and one entity in which it holds a controlling interest, all of which are incorporated in Australia. The Company was registered in 2006 and was listed on the ASX in 2007 (ticker AML).

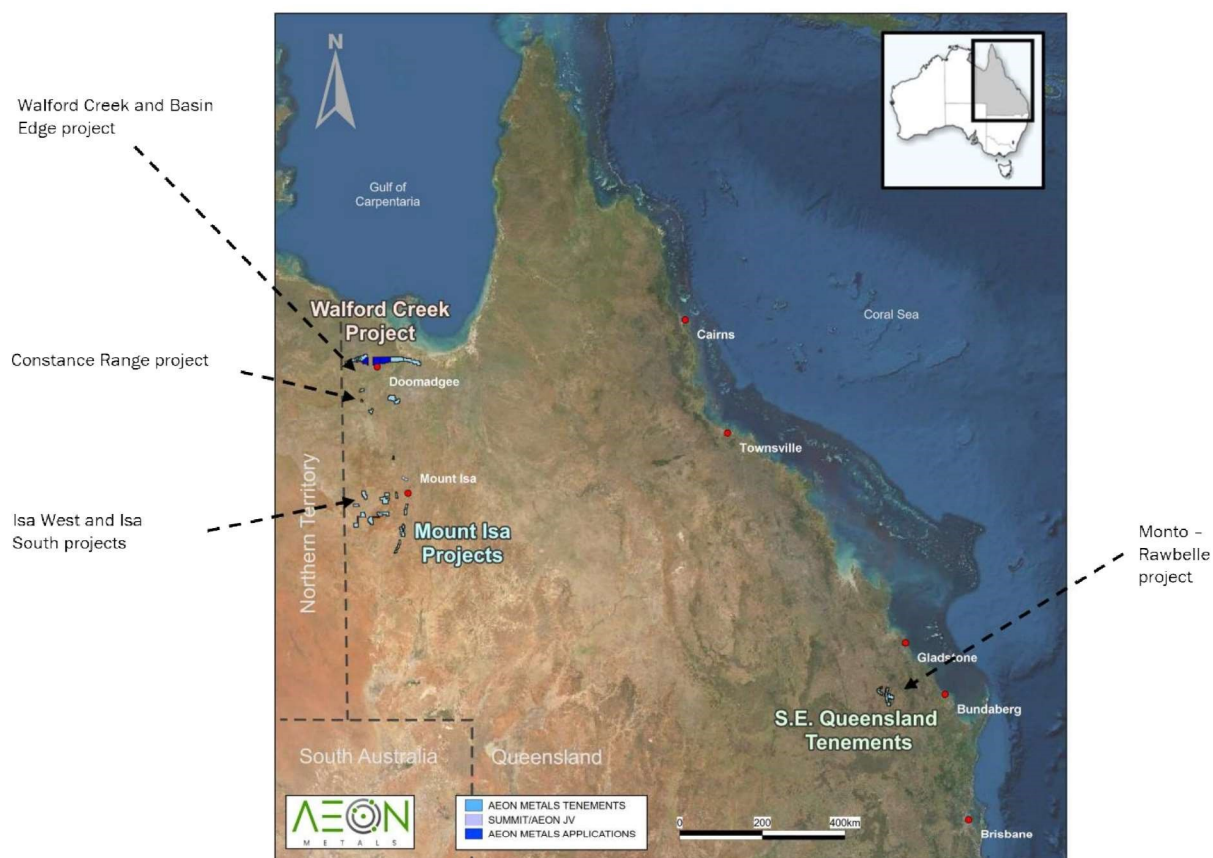
The Group has five main project areas:

- Walford Creek and Basin Edge (Northwest Queensland)
- Constance Range (Mt Isa region)
- Isa West (Mt Isa region)
- Isa South (Mt Isa region)
- Monto Rawbelle (Southeast Queensland)

A full list of tenements by Project and by entity is included in Appendix E.

⁴ The Administrators, 'Information Memorandum', 19 August 2024

Map of the Group's projects



Source: Company ASX announcements and information from the Administrators

The Company has three Directors: Paul Harris, Ivan Wong and Fred Hess. Lucy Rowe is the Company Secretary.

Shareholders

As disclosed in the most recent Company annual report, at 19 September 2023 the largest shareholder of ordinary shares was OL Master Limited (47.072%). These shares are held on OL Master Limited's behalf by Citicorp Nominees Pty Limited. Details of the top 20 shareholders can be found in Appendix G.

3.1.1 Company Timeline

The timeline below shows the history of the Company and the Projects based on information provided by the Administrators and sourced from ASX announcements.

Company and Projects Timeline



3.1.2 Reasons given for the appointment of the Administrators

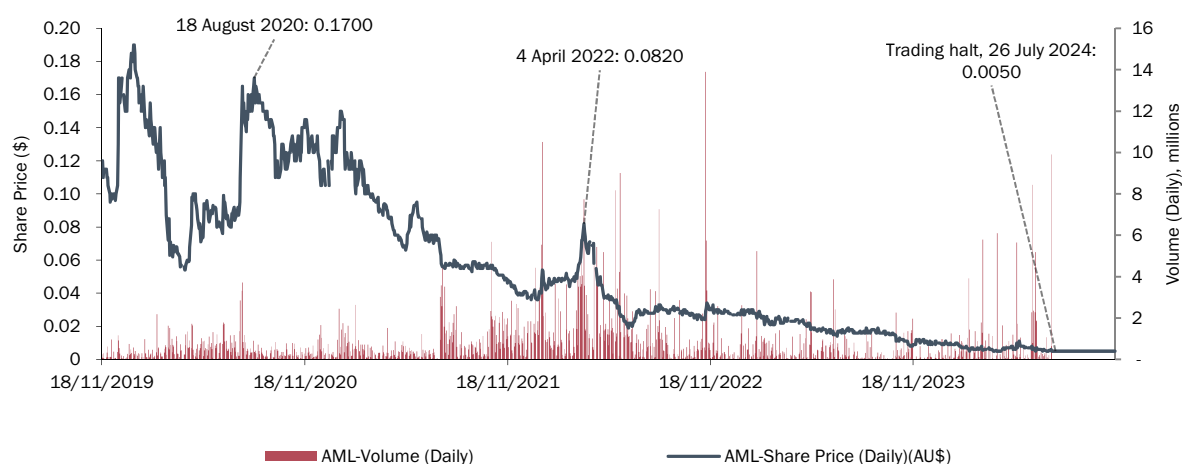
The Directors gave the Administrators the following reasons for the circumstances faced by the Group:

- under-capitalisation, leading to cash flow issues and an inability to meet all obligations
- overleveraging
- inability to raise equity financing and hence an increasing reliance on funding from the Secured Creditor
- abandonment of the drilling program at Walford Creek in 2023 (due to delays in executing an Aboriginal Heritage Protection Agreement with the Waanyi Native Title Aboriginal Corporation) which adversely impacted the business
- over-reliance on funding from the Secured Creditor for its long-term support. With drilling abandoned at the Walford Creek tenements, the Group's main source of liquidity has been its loan facility with the Secured Creditor which was fully drawn at appointment and was set to mature in December 2024.

The Second Report to Creditors also noted that the Group's inability to raise funds through additional equity capital or realise non-core tenements contributed to the cash flow deficit. Ultimately, when advised that equity raising was unlikely to be successful, the Directors appointed the Administrators.

3.1.3 Historic share price

ASX:AML: Daily share price and volume (November 2019 onwards)



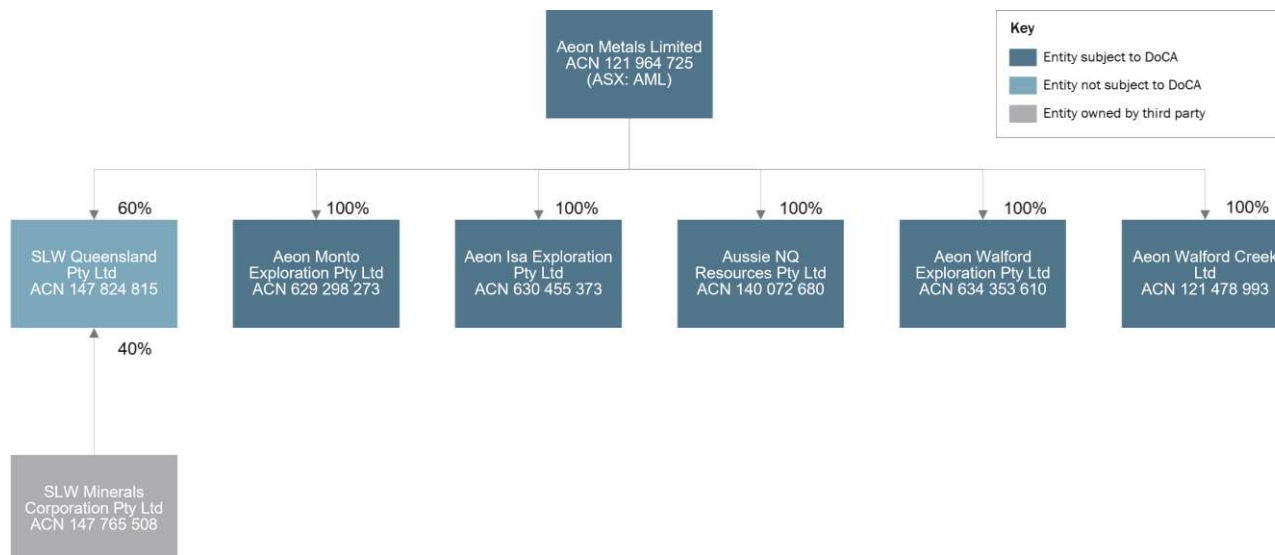
Source: S&P Capital IQ, 'ASX:AML – Stock Chart', 19 November 2024

The Company's share price has seen a pattern of decline over the last five years. On the appointment of the Administrators on 26 July 2024, the Company's stock was placed under a trading halt with the share price at \$0.005 and was subsequently suspended from quotation.

3.1.4 Corporate structure

The corporate structure of the Group is set out below, with notation regarding which of the entities are subject to the DoCA.

Group corporate structure



Source: ASIC Company Searches, July 2024

A brief overview of each company is provided below, including the key assets and liabilities it holds and any secured creditors. Further information can be found in Appendix D and a list of tenements held by each Subsidiary is available in Appendix E.

Aeon Metals (ASX:AML)

Aeon Metals is the ultimate holding company of the Subsidiaries and, until the appointment of the Administrators, was an ASX-listed entity. It wholly owns each of the Subsidiaries except for SLW Queensland, of which it holds 60%.

The Company's largest assets (by book value) comprise intercompany loans receivable from the Subsidiaries and SLW Queensland, and a promissory note receivable from Aeon Walford Creek.

The largest claims against the Company comprise tranche notes payable to the Secured Creditor.

Aeon Walford Creek

Aeon Walford Creek is a wholly owned subsidiary of the Company. It holds the tenements for the Group's flagship project at Walford Creek. Its primary liabilities are an intercompany loan and a promissory note both payable to the Company. The Company is a secured creditor of Aeon Walford Creek, through a GSD supporting part of the intercompany loan (see section 3.1.5 for further information).⁵

Other subsidiaries

The other wholly owned subsidiaries all hold various mining tenements for different projects, and all have intercompany loans payable to the Company.

SLW Queensland Pty

SLW Queensland is 60% owned by the Company, and 40% by SLW Minerals. SLW Minerals is a related entity to Ivan Wong, a Director of the Company.

⁵ The Second Report to Creditors (dated 21 November 2024) issued by the Administrators stated that the GSD supports the promissory note payable to the Company. The Administrators have advised that further investigation has revealed that the GSD supports part of the intercompany loan payable to the Company, not the promissory note

3.1.5 Lenders

PPSR searches provided information regarding claims against entities in the Group. Further, Ashurst Australia has provided a letter of instruction in relation to loans provided by the Secured Creditor and the Company, and the security held for these loans. This letter of instruction dated 16 January 2025 is included as Appendix J.

Secured Creditor

OL Master Limited is a secured lender to the Company, with approximately \$42.8 million owed as at 26 July 2024. The loan is secured by a Specific Security Agreement dated 22 July 2015 granted by the Company which is held by Madison Pacific Trust Limited as note and security trustee for OL Master Limited as the beneficiary.

By the letter of instruction from Ashurst Australia, I have been instructed that Madison Pacific Trust Limited's (as note and security trustee) security over the assets of the Company is limited to the following assets:

- The Company's shares held in Aeon Walford Creek
- The promissory note of \$38.2 million owed by Aeon Walford Creek to the Company
- The intercompany loan owed by Aeon Walford Creek to the Company, to the extent of approximately \$41.3 million. The remaining balance of \$21.2 million is unsecured.

Aeon Metals

Aeon Walford Creek owes the Company \$100.7 million, comprised of:

- an intercompany loan of \$62.5 million
- a promissory note of \$38.2 million.

I am further instructed that Madison Pacific Trust Limited, as security trustee, holds an ALLPAAP with exceptions pursuant to a GSD dated 6 August 2012 granted by Aeon Walford Creek for the Company as beneficiary. The GSD supports \$41.3 million of the intercompany loan. The remaining indebtedness is unsecured.

4 Industry

The primary industries in which the Group operates are copper and cobalt exploration. The Administrators noted in the Information Memorandum (dated 19 August 2024) that the Group's flagship project at Walford Creek is one of the highest-grade deposits of both copper and cobalt in Australia.

4.1 Copper

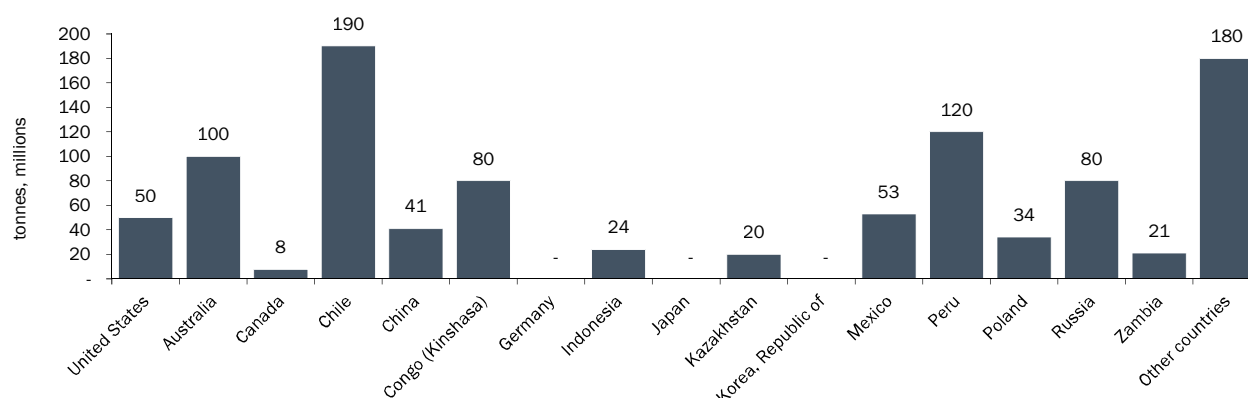
The worldwide usage of copper across various industries is estimated to have reached 26.5 million tonnes in 2023.⁶ Copper is used extensively in wiring, machinery and electronic motors. The global market for copper was valued at ~US\$269 billion in 2023 and is forecast to grow to ~US\$369 billion by 2030.⁷ The largest copper reserves in the world are found in Chile, Peru and Australia, with the United States and China both also having major deposits.⁸

⁶ World Copper Market Report 2024

⁷ World Copper Market Report 2024

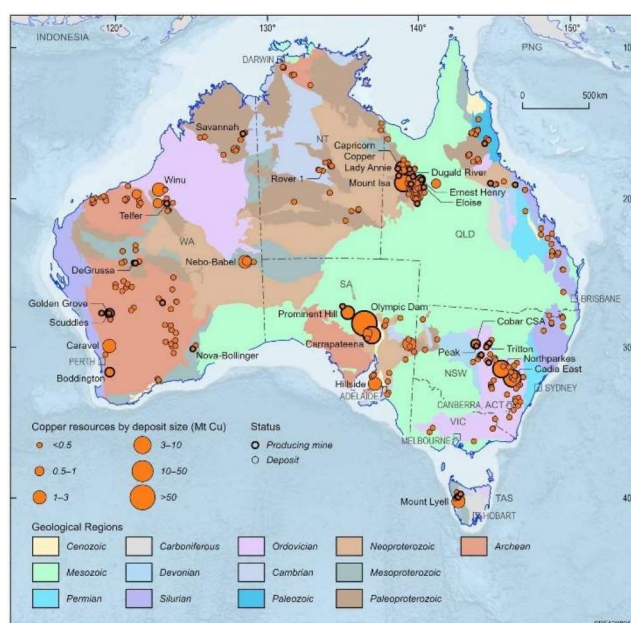
⁸ U.S. Geological Survey, Mineral Commodity Summaries, January 2024, Online Document, Page 65

Global copper reserves



Source: U.S. Geological Survey, 'Mineral Commodity Summaries', January 2024

Map of Australia's copper deposits and operating mines



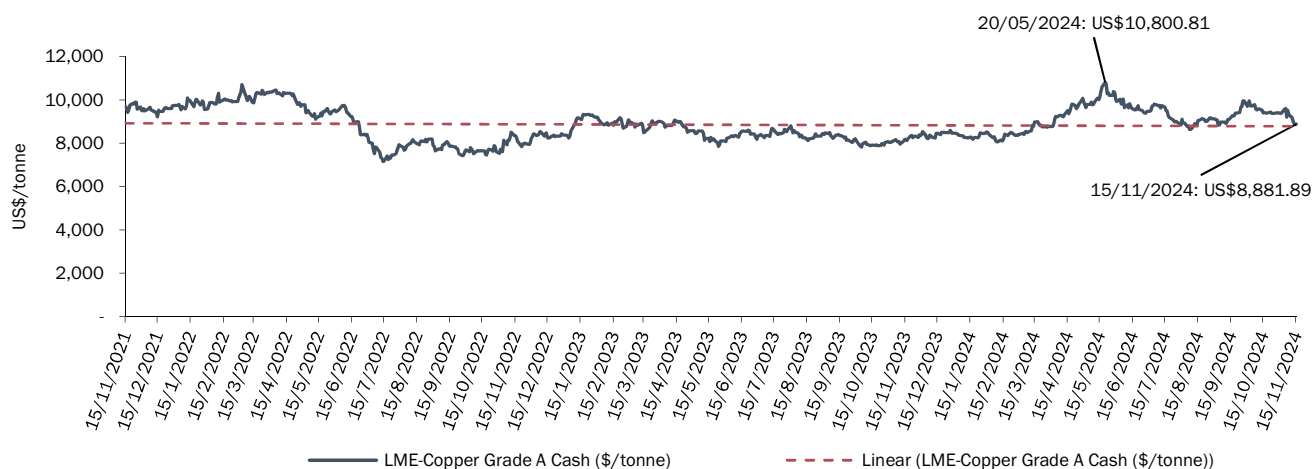
Source: Geoscience Australia, 'Australia's Identified Mineral Resources 2023 – Copper', 2022

The price of copper has declined from a high of US\$10,800 per tonne in May 2024 to US\$8,881 per tonne as at 15 November 2024.⁹ However, year-on-year the price has increased from US\$8,172 as at 15 November 2023 by 5.1%. On a longer-term view, the price (November 2021 through November 2024) has been relatively steady, averaging US\$8,848. In mid-November 2024, Citigroup lowered its short-term price target for copper from US\$9,500 to US\$8,500.¹⁰

⁹ S&P Capital IQ, 'Price Chart – Copper', 19 November 2024

¹⁰ Australian Financial Review, 'Copper drops below US\$9,000 as Citi slashes forecast', 14 November 2024, available online

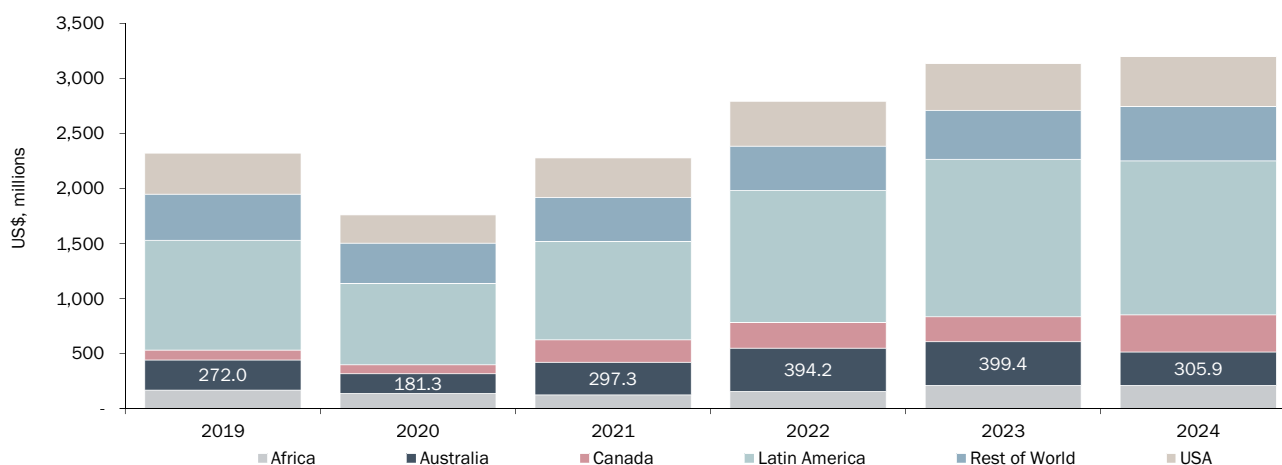
LME-Copper Grade A Cash



Source: S&P Capital IQ, 'Price Chart – Copper', 19 November 2024

Copper exploration budgets grew marginally (2.0%) from 2023 to 2024, with over \$3.2 billion being invested worldwide. However, in Australia, where the Company operates, budgets fell 23.4% from \$399 million to \$305 million.¹¹

Copper exploration budgets (2019-2024)



Source: S&P Capital IQ, 'exploration budget trends – copper', November 2024

According to Geoscience Australia, Australia has 36 operating copper mines with total export income in 2023 of \$12.4 billion.¹² Mining Technology reports that the five largest mines in the country are operated by BHP Group (which operates three of the five), Newmont and Glencore Plc.¹³

¹¹ CapitalIQ, SPGlobal, Exploration Budget Trends, Copper, Web page

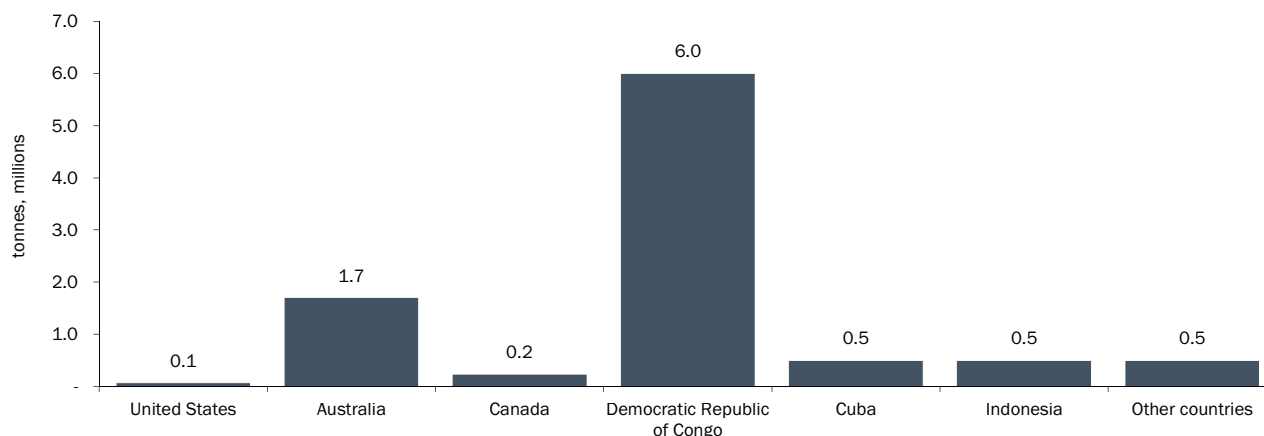
¹² Geoscience Australia, 'Australia's Identified Mineral Resources 2023 – Copper', updated 22 March 2024, available online

¹³ Mining Technology, 'The five largest copper mines in operation in Australia', updated 18 June 2024, available online

4.2 Cobalt

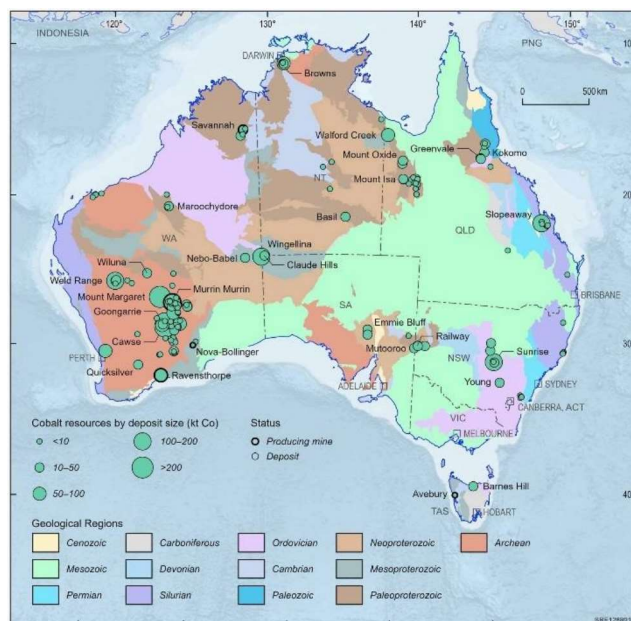
Global supply of cobalt, a metal used in rechargeable battery electrodes, exceeded 200,000 tonnes for the first time in 2023. Demand was just below 200,000 tonnes with 45% coming from the electric vehicle sector.¹⁴ The Democratic Republic of the Congo has the largest reserves in the world, followed by Australia.

Global Cobalt Reserves



Source: U.S. Geological Survey, 'Mineral Commodity Summaries', January 2024

Map of Australia's cobalt deposits and operating mines

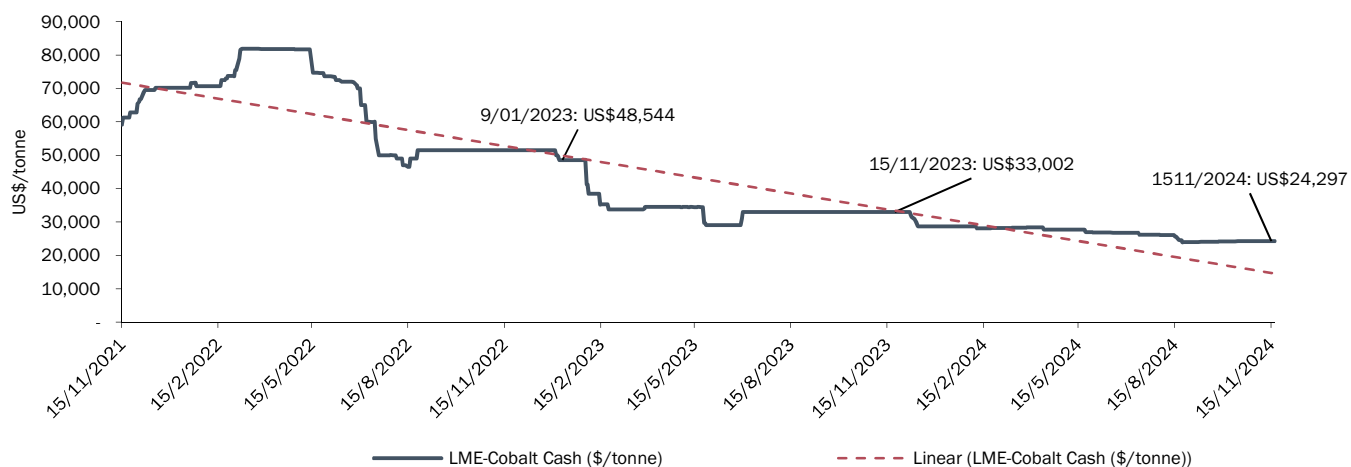


Source: Geoscience Australia, 'Australia's Identified Mineral Resources 2023 – Cobalt', 2022

The spot price of cobalt has fallen from being consistently over US\$50,000 per tonne in 2022 to US\$24,297 per tonne as at 15 November 2024. Year-on-year the price has decreased 26.3% from US\$33,002 as at 15 November 2023.

¹⁴ Cobalt Institute, 'Cobalt Market Report 2023', online document

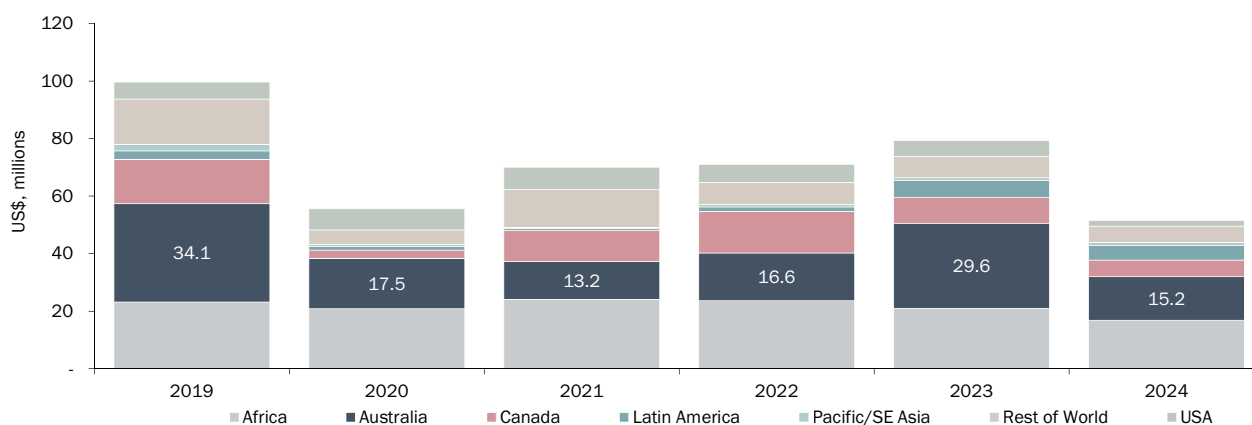
LME-Cobalt Cash



Source: S&P Capital IQ, 'Price Chart – Cobalt', 19 November 2024

Cobalt exploration budgets fell in 2024, with a total fall of 35.1% from \$79.3 million in 2023 to \$51.5 million in 2024. In Australia, where the Company operates, budgets fell 48.6% from \$29.6 million in 2023 to \$15.2 million in 2024.¹⁵

Cobalt exploration budgets (2019-2024)



Source: S&P Capital IQ, 'exploration budget trends – cobalt', November 2024

Geoscience Australia reports that there are six operating cobalt mines in Australia, with total export income of \$528 million in 2023.¹⁶ BHP and Glencore both report significant cobalt mining operations in Australia.¹⁷

¹⁵ CapitalIQ, SPGlobal, Exploration Budget Trends, Cobalt, Web page

¹⁶ Geoscience Australia, 'Australia's Identified Mineral Resources 2023 – Cobalt', updated 22 March 2024, available online

¹⁷ BHP Group, 'Annual Report 2023', available online; Glencore Plc, 'Murrin Murrin Operations', available online

4.3 Financial performance and position

4.3.1 Group consolidated profit and loss

The annual consolidated profit and loss statements for the Group for FY19 to FY23, plus half year performance up to December 2023, based on audited financial statements, are summarised in the table below. Group consolidated financial statements have not been prepared for FY24.

Group consolidated statements of profit and loss

(\$'000s)	FY19	FY20	FY21	FY22	FY23	1H24
Revenue	-	-	-	-	-	-
Other income/(expenses)	-	102	2	7	-	21
Administrative expenses	(1,248)	(1,318)	(2,156)	(1,835)	(1,978)	(558)
Impairment loss	(1,711)	(3,150)	(1,144)	(366)	(528)	(5,120)
Other expenses	(1,155)	(1,074)	(2,765)	(1,261)	(935)	(615)
Results from operating activities	(4,114)	(5,440)	(6,063)	(3,455)	(3,441)	(6,272)
Finance income	99	38	6	1	2	1
Loss before income tax	(4,015)	(5,402)	(6,057)	(3,454)	(3,439)	(6,271)
Income tax expense	-	-	-	-	-	-
Loss for the period	(4,015)	(5,402)	(6,057)	(3,454)	(3,439)	(6,271)

The Group's performance can be summarised as follows:

- the Group's operations are in the exploration and evaluation phase. The Group does not derive any revenue and does not provide any services, resulting in a loss in each year since it commenced operations
- in comparison to prior years, the loss for the period decreased in FY22 and FY23 due to a decrease in recorded impairment loss and lack of share-based payments (i.e. incentive shares and shares issued as payment for services). In 1H24, the loss for the period increased as a result of an increase in recorded impairment loss
- the impairment losses of \$366,000 in FY22 and \$528,000 in FY23 relate to the write down of the value of the Group's exploration and evaluation assets, noting no write down was recorded for the Walford Creek's assets. In 1H24, the Group recognised an impairment of \$5.0 million in relation to Walford Creek as a result of deterioration in commodity prices, and changes in market conditions and their impact on future commodity prices¹⁸
- no interest expense is recorded as interest is added to the cost of the exploration and evaluation assets¹⁹.

The Group's trading losses were funded through debt and equity financing.

¹⁸ The Company, 2023 Interim Report

¹⁹ The Company, 2023 Annual Report

4.3.2 Group consolidated statement of financial position

The consolidated statements of position for the Group are shown in the table below, based on audited financial statements for FY19 to FY23, and 1H24. Unaudited management accounts as at 26 July 2024 were provided by the Administrators for each entity in the Group, and the statements of financial position as at that date are discussed in later sections of this Report.

Group consolidated statements of financial position

(\$'000s)	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Dec-23
<i>Current assets</i>						
Cash and equivalents	6,980	2,425	527	2,000	1,217	1,215
Trade and other receivables	232	264	183	224	92	34
Other investments	51	52	53	53	54	55
Prepayments	72	73	89	95	95	43
Total current assets	7,335	2,814	852	2,372	1,458	1,347
<i>Non-current assets</i>						
Net property, plant & equipment	413	334	270	319	368	409
Exploration and evaluation assets	75,445	79,953	84,180	96,515	104,377	102,432
Other assets	53	38	46	35	35	35
Total non-current assets	75,911	80,325	84,496	96,869	104,780	102,876
Total assets	83,246	83,139	85,348	99,241	106,238	104,223
<i>Current liabilities</i>						
Trade and other payables	2,105	754	1,702	1,374	730	476
Employee benefits	226	256	262	213	284	279
Loans and borrowings	-	-	24,758	-	-	39,432
Provisions	50	50	50	50	50	50
Total current liabilities	2,381	1,060	26,772	1,637	1,064	40,237
<i>Non-current liabilities</i>						
Loans and borrowings	12,790	19,044	-	27,991	34,943	-
Total non-current liabilities	12,790	19,044	-	27,991	34,943	-
Total liabilities	15,171	20,104	26,772	29,628	36,007	40,237
Net assets	68,075	63,035	58,576	69,613	70,231	63,986
<i>Equity</i>						
Share capital	108,465	108,465	108,465	122,956	127,013	127,013
Accumulated losses	(42,564)	(47,939)	(53,318)	(56,767)	(59,614)	(63,411)
Translation reserves	2,169	2,531	3,453	3,453	2,866	420
Minority interest	5	(22)	(24)	(29)	(34)	(36)
Total equity	68,075	63,035	58,576	69,613	70,231	63,986

As at 31 December 2023, the Group recorded net assets of \$64.0 million.

Assets

As at 31 December 2023, the Group's assets totalled \$104.2 million, and primarily comprised:

- \$102.4 million in exploration and evaluation assets, noting the following:
 - the notes to the financial statements record that the recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploration, or sale, of these assets
 - these assets increased by more than 35% from June 2019 to December 2023
 - the book value of these assets includes capitalised interest and finance fees of \$2.5 million incurred from July 2023 to December 2023

- \$1.2 million in cash and cash equivalents
- \$409,000 of property, plant and equipment.

Liabilities

As at 31 December 2023, the Group's liabilities totalled \$40.2 million, and primarily comprised:

- Loans and borrowings of \$39.4 million, noting the following:
 - the loan represents limited recourse note facilities with the Secured Creditor, secured over certain assets as set out in section 3.1.5 of this Report
 - accrued interest is recorded as an increase of exploration and evaluation assets and an increase in the loans and borrowings balance (i.e. there is no cash payment of interest)
 - loans and borrowings increased by approximately 208% from \$12.7 million in June 2019 to \$39.4 million as at December 2023, which is in part how the Group funded its operations
- trade and other payables of \$476,000
- employee benefits of \$279,000.

Equity

As at 31 December 2023, the Group's equity was \$64.0 million, and primarily comprised:

- share capital of \$127.0 million with 1.1 billion issued shares
- accumulated losses of \$63.4 million.

4.3.3 Group consolidated statements of cash flows

The audited annual consolidated cash flow statements for the Group for the period FY19 to FY23, and 1H24 are set out below.

Cash flow – Group consolidated

(\$'000s)	FY19	FY20	FY21	FY22	FY23	1H24
Net cash flows from operating activities	(1,753)	(1,871)	(2,367)	(3,117)	(2,436)	(1,026)
Net cash flows from investing activities	(11,954)	(6,684)	(2,531)	(9,724)	(5,319)	(976)
Net cash flows from financing activities	8,033	4,000	3,000	14,314	6,972	2,000
Net increase (decrease) in cash and cash equivalents	(5,674)	(4,555)	(1,898)	1,473	(783)	(2)
Cash and cash equivalents at the beginning of the year	12,654	6,980	2,425	527	2,000	1,217
Cash and cash equivalents at the end of the year	6,980	2,425	527	2,000	1,217	1,215

The Group recorded a net decrease in cash and cash equivalents of \$2,000 in 1H24 due to the following:

- the operating activities net cash outflow related to payments to suppliers and employees
- the investing activities net outflow was a result of acquisition of property, plant and equipment (\$99,000), exploration activities payments (net of grants received) (\$902,000) and receipts from sale of property, plant and equipment (\$25,000)
- the cash inflow from financing activities related to proceeds from additional borrowings (\$2.0 million).

The Group required additional capital to be raised or additional funds from borrowings in order to fund its loss-making operations.

5 DoCA

5.1 Process undertaken by the Voluntary Administrators

Following their appointment, the Administrators undertook a sale and recapitalisation campaign that spanned from 5 August 2024 to 24 October 2024.

The Administrators sought expressions of interest through an advertisement placed in The Australian (a daily newspaper published nationally). In addition, expressions of interest were sought from parties who were identified through consultation with Management.

As a result of the above, 24 parties expressed interest of whom 15 signed an NDA. The interested parties who signed an NDA were provided an information memorandum and given access to an online data room containing information and documents of the Group to enable them to conduct due diligence.

Seven parties submitted NBIOS. Two offers were received for the acquisition of the Group's business and assets as a whole, one from the Secured Creditor and the second from a third party. Attributes that made the offer from the third party less attractive included a low cash consideration to be paid over 18 months as well as a non-cash financial instruments component. The Secured Creditor did not agree to release its security on the basis of the offer made by this party, and therefore this offer was not advanced any further by the Administrators.

From the NBIOS for the individual tenements, the Administrators progressed one offer, however the process concluded without a binding offer being received.

The Administrators continued negotiations with the Secured Creditor and on 20 November 2024, a DoCA proposal (incorporating a creditors' trust) was submitted to the Administrators. The Administrators recommended the DoCA proposal to the creditors of each of the Group companies in their Second Report to Creditors, and at the Second Meetings of creditors of each Group company, creditors voted in favour of executing the DoCA. The DoCA was executed on 19 December 2024.

I note the sale and recapitalisation campaign was undertaken in the context of a Voluntary Administration process, which was funded by the Secured Creditor and the Secured Creditor was required to approve any sale transaction. This requirement was communicated to interested parties.

5.2 DoCA Overview

The DoCA and the Creditors' Trust are in relation to all the entities within the Group.

The purpose of the DoCA is to facilitate a sale of the Group's business and assets by way of the acquisition of all of the Company's shares.

In summary, the DoCA provides for the following:

- the business of the Group and employee engagement to continue whilst preserving employee entitlements
- the Voluntary Administrators to become the Deed Administrators
- the consideration comprises a credit bid in respect of part of the Secured Creditor's debt (approximately \$32.8 million) and a Deed Contribution Amount (approximately \$2.0 million):
 - Credit bid amount – existing debt of approximately \$32.8 million (plus accrued interest and fees since 26 July 2024). The balance of debt of \$10.0 million is to remain post DoCA
 - Deed Contribution Amount is the amount of \$2.0 million comprised of:
 - a. the continuing employee entitlements (\$233,897)
 - b. \$82,356 of certain liabilities of the Company and Subsidiaries to be assumed
 - c. trading losses net of cash at appointment (\$640,787)
 - d. remuneration and costs (\$1.0 million)
- the Secured Creditor is required to pay a Cash Contribution Amount of \$250,000 no later than 31 December 2024, \$250,000 no later than 31 January 2025 and the balance once the conditions precedent (see section 5.3 below) have been met

- the Cash Contribution Amount is defined as the lower of:
 - the Deed Contribution Amount minus the continuing employees' liabilities and minus the amounts drawn by the Administrators from an interim funding facility, or
 - approximately \$1.8 million
- certain claims are Non-Participating Claims and include the credit bid of secured debt, claims from members, any superannuation debt owing and the Excluded Claims
- Excluded Claims in turn are defined as the following:
 - the balance owed to the Secured Creditor of \$10 million
 - 'Aston Metals Beneficiary claim' which is a reference to the secured claim the Company holds in Aeon Walford Creek of approximately \$41.3 million
 - the continuing employee liabilities (\$233,897)
 - the amount of \$82,356 of certain liabilities of the Company and the Subsidiaries to be assumed, any liabilities under any indigenous land owner or native title agreements in relation to the tenements, and any liabilities under certain property leases
 - any claims for which a Group company is insured under a contract of insurance
 - the intercompany debts
- following the Secured Creditor's payment of the Cash Contribution Amount, the Deed Administrators may proceed to apply the funds in payment of certain assumed liabilities and the remuneration, costs and expenses of the Voluntary Administrators and Deed Administrators
- any amount which remains following the payment of the amounts referred to in the above bullet point, is to be transferred into the Creditors' Trust upon effectuation of the DoCA
- upon satisfaction of the conditions precedent (refer to section 5.3), the DoCA will effectuate and the deed fund will be transferred to the Creditors' Trust to enable payment of the Trustees' remuneration and costs, and distribution to all creditors other than the Non-Participating Claims (if there are sufficient funds). It should be noted, it is not expected there will be sufficient funds to enable a dividend distribution to those creditors. All claims against the Company other than the Excluded Claims will be extinguished and released on completion.

5.3 Conditions precedent

The following are conditions precedent to the completion of the DoCA:

- the DoCA and the Creditors' Trust Deed must be executed by all parties (I note this occurred on 19 December 2024)
- ASIC relief from Chapter 6 of the Act and all other required approvals
- a Court order is made pursuant to section 444GA of the Act granting the Deed Administrators leave to transfer all of the shares in the Company to the Secured Creditor or its nominee
- all claims required to be released will be fully and effectively released
- all security providers in relation to the existing secured debt facilities (including the Company and Aeon Walford Creek) confirming that the security provided continues to secure (including indirectly) the balance of secured debt
- the Group continuing to carry on the business as a going concern in the ordinary course
- there being no material adverse change in the assets or the business of the Group.



5.4 Waterfall of payments under the terms of the Creditors' Trust

Subject to the availability of funds and to the extent the Voluntary Administrators' and Deed Administrators' fees, costs and expenses are not paid during the DoCA period, the Creditors' Trust will be distributed in the following order of priority with each category to be paid in full before the next category is paid.

Waterfall of payments

Priority	Payment of:
1	any unpaid remuneration, costs and expenses of the Administrators and Deed Administrators (expected to be nil as all amounts expected to be paid in DoCA period)
2	the Trustees' remuneration, costs and expenses
3	payment of claims of eligible employee creditors in accordance with the priorities in section 556 of the Act (expected to be nil as all employees are expected to remain in employment and their entitlements will remain as liabilities of the Company)
4	payment of claims other than Non-Participating Claims on a pari-passu basis (to the extent funds are available)

6 Valuation of residual equity

6.1 Valuation approach

I am required to assess the residual equity value in the Company on a liquidation basis in accordance with Regulatory Guide 111. Where there is a residual business that could be sold, I am to consider the value of that business and not just the assets and other undertakings that comprise that business interest.

In addition, liquidators have the ability to challenge transactions that were entered into prior to the commencement of an administration that were detrimental to the financial position of the Company and the outcome for creditors. Such claims, if successful, can void transactions and result in returns to the Company in liquidation. Any returns from claims that could be brought by a liquidator are also to be considered in the assessment of the residual equity value in the Company in accordance with Regulatory Guide 111.

The Company and the Subsidiaries have not entered into a deed of cross guarantee in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. On this basis, the value of equity in the Company is comprised of the value of the Company's assets including shares held in its subsidiaries and its claim against the Subsidiaries for intercompany debts owing, less the debts due by the Company.

Regulatory Guide 111 requires that I "*consider valuation evidence provided by the sales process conducted by the administrator (if any)*". In forming my opinion, I have given consideration to the results of the Administrators' sale process, which is discussed in section 5.1. Where the sale process provides guidance on the realisable value of assets of the Company, I have included commentary in my analysis.

Regulatory Guide 111 lists the following methodologies as appropriate methodologies for an expert to consider:

- the discounted cash flow method and the estimated realisable value of any surplus assets
- the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets
- the amount that would be available for distribution to security holders on an orderly realisation of assets
- the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale
- any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets.

In assessing the value of the Company on a liquidation basis, I have considered the realisable value of the Company's assets, having regard to the outcome of the Administrators' sale process, and the ISR prepared by BDA (see section 6.2) less the Company's borrowings and other claims. Further details of the approach I have taken is set out in section 7.1. As the Group does not generate any income or cashflow, the discounted cash flow and maintainable earnings valuation methodologies are not appropriate. Further, the Company's securities were placed in a trading halt on the appointment of the Administrators, hence the quoted price of securities is not an appropriate method to use.

6.2 Tenement valuation

On 31 October 2024, the Administrators engaged BDA to provide an ISR on the market valuation of the mining tenements held by the Group. BDA was instructed, as far as possible, to use a variety of valuation methods to arrive at its opinion as to the most likely value and determine the range of values assigned from its consideration of the available data.

The ISR was issued on 12 December 2024. BDA noted that the ISR had been prepared:

- in keeping with industry standards in Australia
- in compliance with the Code and Guidelines for Reporting of Identified Mineral Resources and Ore Reserves – Joint Ore Reserve Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia - December 2012 (the JORC Code)
- in keeping with the VALMIN Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 and 2015
- in compliance with ASIC Regulatory Guide 111 Content of Expert Reports. BDA advises that it has prepared its ISR in compliance with the Expert Witness Code of Conduct contained in Schedule 7 of the *Uniform Civil Procedure Rules 2005 (NSW)*.

BDA also noted:

- the associates engaged in preparing the valuation of the assets have read the Code
- BDA meets the requirements of a 'specialist' under section 2 of the VALMIN Code
- BDA has the required competency to report on the assets that are the subject of this engagement.

I am satisfied that the professionals involved in preparing the ISR are appropriately qualified, with the BDA ISR noting each professional having extensive experience of resource/reserve estimation and independent engineering roles with careers spanning more than 45 years per person. BDA's Senior Associate who undertook the tenement valuation has visited the Walford Creek project and many of the tenements in the Mt Isa region as recently as 2021 and has completed other projects involving valuing tenements held by the Company, the Subsidiaries and previous owners of the same tenements.

The ISR provides a valuation of the Group's tenements on a project basis. No valuation was provided for the tenement held by Aussie NQ Resources (EPM 18359) and the tenements in the Constance Range project (EPMs 14712, 14935 and 27535). The Administrators have advised that the Company has stated there has been no expenditure completed at these tenements and they have no value. On this basis, I have adopted a nil value for these tenements.

A copy of the BDA ISR is attached to this Report as Appendix H.

6.2.1 Valuation overview

BDA notes in the ISR that none of the Projects represent near-term development. The Walford Creek sub-project is the most advanced project in the Group with significant defined resources and some scoping and pre-feasibility work carried out. While there are defined Measured and Indicated Mineral Resources, BDA notes the lack of Ore Reserves and concludes that near-term development is not realistic. All other projects in the Group are significantly less developed:

- Basin Edge project has only undergone preliminary evaluation of historic information, and no specific targets have been identified
- Mt Isa West and Mt Isa South projects are mature exploration projects but remain underexplored and without the definition of Mineral Resources
- Monto project contains some mineral deposits with historical resource estimates which indicate the deposits as defined are not economic and do not represent potential reserves
- Constance Range is held for limestone and no significant exploration has been undertaken to date.

6.2.2 Valuation Approaches

BDA employed three different valuation approaches to provide a value range for the tenements. These were conducted on a 'willing buyer-willing seller' basis. BDA notes that in the case of an 'anxious seller', values could be as low as 30-50% of the valuation. The valuation was conducted with an effective date of 12 November 2024. The methods used for calculating valuations were as follows:

- multiple of past expenditure
- comparable transactions – CuEq yardstick
- comparable transactions – area yardstick.

Multiple of past expenditure

This methodology applies a prospectivity enhancement multiplier ('PEM') to the effective expenditure. Each tenement being valued under this method was assigned a PEM range according to the judgement and experience of BDA. The top and bottom of the PEM range are multiplied by the reported expenditure for a given tenement to produce a valuation range.

Comparable transactions – CuEq yardstick

This methodology considers recent comparable transactions to produce a range of Copper Equivalent ('CuEq') yardsticks, which are multiplied by the reported CuEq for the relevant projects to produce several valuations cases. The average of these is taken to be a potential point in the valuation range for the projects.

Comparable transactions – area yardstick

This methodology considers recent comparable transactions to produce a range of area yardsticks, which are multiplied by the reported tenure area for the relevant projects to produce several valuation cases. The average of these is taken to be a potential point in the valuation range for the projects.

6.2.3 Valuation

The tenement valuation approaches set out above have been used to produce a valuation range for each of the Projects. Where tenements are jointly held, the proportion of the tenement held by the Group is used to weight the Project value.

Having obtained the valuation range for each project, BDA has assigned 'tenement rankings', ascribing the proportion of the project's value attributable to each tenement. This is then used to calculate a value range for each tenement by multiplying the relevant project valuation range by the tenement ranking. Details of the valuation of each tenement is available in Appendix E. To construct a valuation range for each entity, I have aggregated the value ranges provided for each tenement in a given entity.

Tenement valuations by entity

Entity	Valuation (\$'000s)		
	Low	Preferred	High
Aeon Walford Creek	12,600	17,800	29,200
Aeon Isa Exploration	2,500	3,700	4,800
Aeon Monto	3,000	4,000	5,000
Aeon Walford Exploration	1,200	1,500	1,800
Aussie NQ	-	-	-
	19,300	27,000	40,800

Source: BDA ISR, 12 December 2024

In circumstances where the 444GA Application fails I would not expect the tenement values to materially change from the date of the valuation to the date the tenements are realised.

The valuation report prepared by BDA is included in Appendix H.

6.3 Value of residual equity

I have assessed the value of residual equity between negative \$26.8 million (low case) and negative \$10.0 million (high case), as set out in the table below. I have provided detailed analysis in sections 7 and 8 of this Report.

Value of residual equity

(\$'000s)	Section Reference	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Realisable value of non-circulating assets				
Value of shares in the Subsidiaries and SLW Queensland	7.2	(14,467)	5,284	8,119
Intercompany loans from related Company to be paid in priority	7.3	134,450	12,963	26,371
Fixed assets	7.4	383	15	383
Prepayments and deposits	7.5	21	6	21
Tenancy bonds	7.6	22	-	22
Claims available to a liquidator	7.7		-	-
Total realisable value of non-circulating assets		120,409	18,267	34,916
Less: Secured Creditor's claim	8.2	(41,209)	(11,922)	(25,331)
Surplus/(deficiency) from non-circulating assets		79,200	6,345	9,585
Realisable value of circulating assets				
Cash at bank	7.8	76	-	-
Total realisable value of circulating assets		76	-	-
Total realisable value of assets		79,276	6,345	9,585
Trading and professional costs				
Administrators' net trading loss	8.1		(641)	(641)
Administrators', Deed Administrators' and additional remuneration and expenses	8.1		(646)	(646)
Legal fees and expert costs	8.1		(469)	(469)
Total trading and professional costs			(1,756)	(1,756)
Surplus/ (deficiency) for priority employee creditors			4,589	7,829
Priority employee creditors				
Priority employee creditors		(254)	(182)	(108)
Return – cents in \$			100	100
Total priority employee creditors	8.3	(254)	(182)	(108)
Surplus/ (deficiency) for unsecured creditors			4,407	7,722
Unsecured Creditors				
Balance of Secured Creditor's claim			(30,875)	(17,467)
Return - cents in \$			14	43
Trade and other payables (Assumed Liabilities)		(45)		(45)
Return - cents in \$				100

Trade and other payables (Others)		(333)	(157)	(112)
Return - cents in \$			14	43
Unsecured employee entitlements			(204)	(92)
Return - cents in \$			14	100
Total unsecured creditors	8.4	(378)	(31,236)	(17,716)
Surplus/ (deficiency) for shareholders		78,644	(26,829)	(9,995)

7 Value of assets

I have assessed the value of realisable assets at between \$18.3 million (low case) and \$34.9 million (high case) as set out in the table below.

Assets

(\$'000s)	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Value of shares in the Subsidiaries and SLW Queensland	(14,467)	5,284	8,119
Intercompany loans	134,450	12,963	26,371
Fixed assets	383	15	383
Prepayments and deposits	21	6	21
Tenancy bonds	22	-	22
Claims available to a Liquidator	-	-	-
Cash at bank	76	-	-
Total realisable assets	120,485	18,267	34,916

7.1 Likely scenarios in the event the 444GA Application is not approved

If the terms of the DoCA are not implemented because the conditions precedent cannot be achieved (including the transfer of the shares in the Company pursuant to section 444GA of the Act), then the DoCA provides as follows:

4.4 Consequence of non-satisfaction of the Conditions

(a) If:

- (i) each of the Conditions is not satisfied or waived by the Sunset Date; or
- (ii) each of the Deed Proponent and the Deed Administrators form the opinion (acting reasonably) that one or more of the Conditions is incapable of being satisfied by the Sunset Date,

then:

- (iii) the parties must, only if the Deed Proponent elects to do so by notice in writing to the Deed Administrators on or prior to the Sunset Date, negotiate in good faith to agree and execute an agreement ("ASA") for the acquisition of the business and assets of the Deed Companies, which will provide the Deed Proponent with the same economic outcome (including in respect of the tax losses of the Deed Companies that will not be available to the Deed Companies under such an arrangement and taking into account the Deed Proponent's increased costs in agreeing such an arrangement) as if Completion had occurred under this Deed; and
- (iv) this Deed will automatically continue in operation until completion of the ASA.

- (b) Following completion of the ASA, the Deed Administrators will convene a meeting to consider the future of the Deed Companies pursuant to Clause 16.

I have considered three scenarios as the options available if the 444GA Application fails. For my assessment of the value of equity, I have assumed the sale outcome in Scenario 1, being an alternative sale transaction with the Secured Creditor (as provided for in clause 4.4 of the DoCA) equal to the offer under the DoCA. I note this likely overstates the realisable value of assets of the Company, and is a conservative assessment of the value of equity. I have assumed Scenario 3 to be the low case scenario in liquidation.

Scenario 1: in one line sale of the assets of the Company, and the shares in the Subsidiaries and SLW Queensland, to the Secured Creditor

Clause 4.4 of the DoCA provides for an alternative sale transaction structure (at the election of the Secured Creditor), which is not reliant on a 444GA Application being approved. I have assumed that a sale would be structured by way of a sale of the assets of the Company, including the shares in the Subsidiaries and SLW Queensland, to the Secured Creditor (or its nominee), which would achieve a structural outcome substantially similar to the Secured Creditor's DoCA, however the economic outcome might be reduced. Potential differences may include:

- the inability to realise benefits from acquiring the business and assets of the Group as a whole (i.e. accumulated tax losses may not be realised to the same degree), however there is no visibility of the value placed on tax losses by the Secured Creditor
- incurrence of additional transaction costs.

It is highly unlikely that the consideration in this scenario will be higher than what was offered as part of the DoCA, and it would likely be lower due to the issues outlined above. For the purpose of my analysis, I have assumed an offer price of \$34.9 million, being the value attributed to the DoCA consideration with minor adjustments (noting \$2.1 million of this amount represented a contribution amount, and \$32.8 million represented a credit bid of the existing debt, with approximately \$10.0 million of existing debt remaining outstanding). Refer to Appendix C for further information with respect to how the DoCA consideration has been calculated in the DoCA proposal, the DoCA and my high case scenario.

My analysis in this scenario assumes:

- All assets of the Company will be acquired by the Secured Creditor, primarily comprising fixed assets, the intercompany receivables and the shares in the Subsidiaries and SLW Queensland
- The employment of employees of the Company will be continued by the Secured Creditor, such that their entitlements transfer
- The value adopted for the tenements is the preferred value included in the BDA ISR. I have not adopted the high value included in the BDA ISR, given the transaction would not be on a 'willing buyer, willing seller' basis, and note that the preferred value adopted by BDA may also exceed the realisable value given the Company is an anxious seller
- The consideration would be allocated as follows:
 - \$1 for each of the Subsidiaries where the subsidiary is balance sheet insolvent (having considered the value of tenements based on BDA's valuation), noting in each instance the negative equity arises as a result of an intercompany liability
 - The value of net equity for the shares in any of the Subsidiaries where there is balance sheet equity (having considered the value of tenements based on BDA's valuation)
 - The balance of the consideration is allocated to the assets of the Company (primarily the intercompany receivables)
- The DoCA would operate as proposed (though potentially with some changes to reflect the change in transaction structure), such that the payment of third party creditors and professional fees and costs continued to be achieved.

For the purpose of my analysis, I have assumed the costs of liquidation estimated by the Administrators would also reflect the cost of implementing a transaction as set out above.

Scenario 2: in one line sale of the assets of the Company and the shares in the Subsidiaries and SLW Queensland, to a third party

During the Administrators' sale campaign, one other party submitted a NBIO for all of the business and assets of the Group. The Administrators have advised that the Secured Creditor did not approve this NBIO due to value considerations. In my view, based on the NBIO submitted, this bidder would be unlikely to make an offer higher than the Secured Creditor's offer. A second offer could be discounted from the original offer due to the passage of time and the loss of competitive tension. Any offer received that is less than the value of the Secured Creditor's debt will require the Secured Creditor's approval.

It is unlikely additional parties will come forward to purchase the assets of the Company and the shareholdings of the Subsidiaries and SLW Queensland given only two parties were interested in purchasing the whole of the business and assets of the Group during the Administrators' sale campaign.

Scenario 3: Sale of the Company's assets and the assets of each of the Subsidiaries

In the absence of a transaction being agreed with the Secured Creditor or a purchaser who wishes to acquire the business and assets of the Group as a whole, the DoCA will likely fail and be terminated, the effect of which is the appointment of Liquidators to the Company (and the Subsidiaries). The Liquidators will attempt to realise the assets of the Group (primarily the tenements) on a piecemeal basis. I have assumed this would be by way of asset sales (i.e. it would not involve the sale of shares in the Subsidiaries), and hence to the extent there are available assets in each of the Subsidiaries, the Company will receive a dividend as a creditor of each of the Subsidiaries and potentially an equity return.

With respect to the value of each tenement in a low case scenario, I have adopted the low value of each tenement as estimated by BDA. I note that this low value is considerably higher than the NBIOS received for the individual tenements during the Administrators' sale campaign.

7.2 Value of shares in the Subsidiaries and SLW Queensland**Value of shares held by the Company**

Shares in (\$'000s)	Book Value as at 26 July 2024	Low Case Scenario	High Case Scenario
Aeon Walford Creek	(15,459)	-	-
Aeon Walford Exploration	-	943	1,303
Aeon Monto	-	2,401	3,551
Aussie NQ	-	-	-
Aeon Isa	-	1,939	3,264
SLW Queensland	992	-	-
Total	(14,467)	5,284	8,119

The entity management accounts for the Company record a value of (\$15.5) million for shares in Aeon Walford Creek. Management was unable to provide an explanation for this balance.

I have assessed the realisable value of the shares the Company holds in each of the Subsidiaries and SLW Queensland, and my analysis is set out in Appendix D.

My high case scenario assumes a sale of the equity in each of the Subsidiaries and SLW Queensland to the Secured Creditor. The Secured Creditor's consideration has been assumed to be allocated to the shares in each of the Subsidiaries and SLW Queensland as follows:

- The value of net equity for the shares in any of the Subsidiaries where there is balance sheet equity (having considered the preferred value of the tenements as determined by BDA)
- \$1 for each of the Subsidiaries where the subsidiary is balance sheet insolvent (having considered the preferred value of the tenements as determined by BDA).

In the low case scenario, I have assumed third parties would purchase the tenements owned by each Subsidiary on a piecemeal basis. Realisations for the Company from the shareholdings is contingent on an equity distribution of any surplus funds (after the sale of the individual tenements and payment of liabilities) in each Subsidiary.

SLW Queensland is not in external administration, therefore, the Liquidators can only realise the shares held in this entity. This entity is partially owned and balance sheet insolvent, therefore I have assumed nil realisable value from the sale of equity in this entity.

7.3 Intercompany loans

The Company's books and records disclose loans totalling \$134.5 million due from Subsidiaries and SLW Queensland as at 26 July 2024, as detailed in the table below:

Intercompany loans

(\$'000s)	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Aeon Walford Creek (secured loan)	41,315	11,922	25,331
Aeon Walford Creek (promissory note)	38,200	-	-
Aeon Walford Creek (unsecured loan)	21,218	-	-
Aeon Walford Creek (unreconciled loan)	32,495	-	-
Aeon Walford Exploration	189	189	189
Aeon Monto	423	423	423
Aussie NQ	119	-	-
Aeon Isa	428	428	428
SLW Queensland	63	-	-
Total	134,450	12,963	26,371

The Company's books and records record an intercompany loan receivable from Aeon Walford Creek in the amount of \$95.0 million. In the books and records of Aeon Walford Creek, this is offset by a receivable from the Company in the amount of \$31.0 million, which does not appear in the Company's records. The Administrators have advised the reason for this is unclear. I have adopted \$62.5 million as the amount owed by Aeon Walford Creek to the Company but I note that only \$41.3 million is subject to the Company's security interest (as per the instructions received from Ashurst Australia, see Appendix J). The adoption of the lower balance does not have any bearing on the outcome of my analysis.

Total consideration paid by the Secured Creditor in the high case scenario is assumed at \$34.9 million. Of this, \$9.6 million has been allocated to shares held in Subsidiaries, fixed assets, prepayments and deposits, and tenancy bonds. The remaining \$26.4 million is allocated to intercompany receivables.

I have assumed the following with respect to the allocation of the \$26.4 million to specific intercompany receivables:

- receivables owed by a balance sheet solvent subsidiary will be valued at book value (total of \$1.0 million)
- the secured receivables owed by Aeon Walford Creek will be valued as follows:
 - based on the return in the estimated outcome statement, being \$17.8 million (as set out in Appendix D.1), plus
 - the balance of the consideration of \$7.5 million is also assumed to be allocated to the secured loan
 giving a total consideration allocated to the Aeon Walford Creek secured loan of \$25.3 million.

In the low case scenario, the recoverability of any funds from intercompany receivables is contingent on dividend distributions to creditors in each Subsidiary. SLW Queensland is not in external administration but does not have sufficient assets to repay the intercompany payable and therefore it is unlikely any recoveries will be made.

Please refer to Appendix D for detailed calculations with respect to the high and low case estimated returns to creditors and shareholders in each Subsidiary.

7.4 Fixed assets

The book value of the Company's fixed assets was \$383,137 as at 26 July 2024 as summarised in the table below:

Fixed assets

(\$'000s)	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Office equipment	9	1	9
Leasehold improvements	40	-	39
Plant and equipment	136	14	136
Mining exploration	77	-	77
Motor vehicles	3	-	3
Fixtures and fittings	118	-	118
Total	383	15	383

The Company's fixed assets have not been valued by a valuer as part of the Administration process.

In the high case scenario, I have assumed that the in-one-line acquisition by the Secured Creditor would include the fixed assets of the Company, to enable the continued operations of the Subsidiaries. Without a valuation, it is difficult to estimate what value from the total consideration should be attributed to the fixed assets of the Company. I have allocated the Secured Creditor's consideration for fixed assets to be equivalent to the book value.

In the low case scenario, the Liquidators would seek to realise the fixed assets of the Company in an auction (unless they could be sold to the purchaser of one of the Projects). In this regard, I note:

- leasehold improvements and fixtures and fittings are likely to form part of the lessor's property and would not be available to the Liquidators
- mining exploration costs are costs associated with a refurbishment of a leased exploration camp which also would not be available for realisation by the Liquidators.

I have adopted the Administrators' realisable value estimated at 10% of the book value of office equipment and plant and equipment, considering such factors as location and realisation costs (i.e. auctioneer costs and transportation costs).

7.5 Prepayments and deposits

The book value of the Company's prepayments and deposits was \$21,172 as at 26 July 2024, as set out in the table below:

Prepayments and deposits

(\$'000s)	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Prepayments	15	-	15
Deposits	6	6	6
Total	21	6	21

In the high case scenario, I have assumed that the in-one-line acquisition by the Secured Creditor would include the prepayments and deposits and have allocated an amount from the total consideration to the above assets based on the book value.

In the low case scenario, I note the following:

- Prepayments - as a result of the passage of time and expenses being applied against the prepayments. I have assumed no recoveries would be made
- Deposits - these are deposits related to the EPMs owned by the Subsidiaries. In the low case scenario, the Liquidators would seek to realise the deposits when the tenements are sold, or alternatively surrender the EPMs in which case I have assumed the deposits would be recoverable.

7.6 Tenancy bonds

The book value of the Company's tenancy bonds was \$21,615 as at 26 July 2024, as set out in the table below:

Tenancy bonds

(\$'000s)	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Rental bonds	13	-	13
Other (undetermined)	9	-	9
Total	22	-	22

The Company has paid a rental bond in the amount of \$13,000 with respect to the rental of a warehouse located at 51 Commercial Road, Mount Isa.

In the high case scenario, I have assumed that the in-one-line acquisition by the Secured Creditor would include the tenancy bonds and have allocated an amount from the total consideration to attribute to the above assets based on the book value.

In the low case scenario, the Liquidators are likely to disclaim the lease as it is uncertain any buyer of the tenements would retain the lease, in which case the landlord may have rent and make good claims against the bond, making it unlikely to be recoverable.

Additional information is required with respect to the recoverability of the balance of the tenancy bonds, however, for the purpose of my analysis, I have assumed these will not be recoverable in the low case scenario.

7.7 Claims available to a Liquidator

Voluntary Administrators are required to investigate the Company's business, property, affairs and financial circumstances and report whether there are any transactions that may be recoverable by a Liquidator under Part 5.7B of the Act. If the Company is placed into liquidation, the Liquidators will be required to undertake further investigations into the affairs and business of the Company and the Subsidiaries. In certain circumstances, those investigations might give rise to claims available to the Liquidators.

The Second Report to Creditors included an opinion by the Administrators that there is unlikely to be any recoveries from claims available to a Liquidator. Based on the below, I have not attributed any amounts to claims that would be available to the Liquidators, should the Company be placed into liquidation. I note as the high case scenario assumes the DOCA continues, these claims would not be relevant.

The Administrators' comments about recovery actions were made with respect to the Group as a whole given the way operations were conducted. Please see below a summary of the Administrators' investigations into possible claims for the Company if placed into liquidation.

7.7.1 Offences committed by officers

The Administrators have not identified any offences committed under the Act by the Company's officers or the officers of the Subsidiaries.

7.7.2 Voidable transactions

The Administrators have not identified any voidable transactions for the Company or its Subsidiaries such as unfair preferences, unfair loans, uncommercial transactions, arrangements to avoid employee entitlements, or unreasonable director related transactions.

7.7.3 Insolvent Trading

Directors have a duty to prevent insolvent trading, and a director may be personally liable for continuing to incur debts whilst a company is insolvent. A company is insolvent when it cannot pay its debts when they are due and payable.

The insolvency of the Company and the Subsidiaries was assessed by the Administrators on a consolidated basis because the Subsidiaries were dependent on the Company for funding and for the payment of their liabilities.

The Administrators determined that there is no claim for insolvent trading for the Company and the Subsidiaries for the following reasons:

- up to the appointment of the Administrators, based on discussions held with their advisors, the Directors believed they would be able to successfully undertake an equity raising
- based on discussions held with the Secured Creditor, the Directors held the view the maturity date (December 2024) of the loan would be extended.

In addition to the above, the Administrators have formed a preliminary view that Safe Harbour protection may be available to the Directors from April 2024 onwards. Safe Harbour is a legislative provision under the Act that provides directors with protection from personal liability for insolvent trading, as long as they are actively taking steps to improve the company's financial situation. The Directors have advised that legal and third-party advice was sought in relation to the financial circumstances of the Group and the Safe Harbour protection.

7.8 Cash at bank

On appointment, the Administrators wrote to all major banking institutions to notify them of the appointment and to confirm the bank accounts and balances held by the Company. The amount of \$45,833 was realised from cash at bank and an additional \$13,233 was realised from a term deposit. These amounts were utilised in the trading of the Company in the Voluntary Administration period. Therefore, no realisable value has been allocated to cash at bank.

8 Claims

Total claims are estimated at approximately \$45.0 million as outlined below. I have used the Company's statement of financial position as at 26 July 2024, information provided by the Administrators and the Second Report to Creditors to estimate the claims against the Company.

Summary of claims in the event of liquidation

(\$'000s)	Section reference	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Total trading and professional costs	8.1	-	1,756	1,756
Creditor claims				
Secured creditor	8.2	41,209	11,922	25,331
Priority creditors	8.3	254	182	108
Balance of Secured Creditor's claim	8.4	-	30,875	17,467
Trade and other payables	8.4	378	157	157
Unsecured employee entitlements	8.4	-	204	92
Total creditor claims		41,841	43,340	43,155
Total claims against the assets of the Company		41,841	45,096	44,911

8.1 Trading and professional costs

I have adopted the Administrators' low case estimates of trading and professional costs and expenses as detailed in the Second Report to Creditors, unless advised in the notes to the table below.

Trading and professional costs

(\$'000s)	Notes	Low Case Scenario	High Case Scenario
Net trading loss	1	641	641
Administrators' remuneration and expenses	2	391	391
Deed Administrators' remuneration and expenses	3	141	141
Legal fees	4	331	331
Expert costs	5	138	138
Additional remuneration and expenses	6	114	114
Total trading and professional costs		1,756	1,756

Notes:

1. Estimated net trading loss (incurred by the Voluntary Administrators and Deed Administrators) to continue operating the Group's business. I note the trading loss could be higher than the amount provided by the Administrators in their Second Report to Creditors as a result of the likely longer period of ongoing business operations of the Group
2. The Administrators' low case estimated remuneration and expenses for conducting the Voluntary Administration
3. In the event that the DoCA does not complete, and the Company is placed into liquidation, the Deed Administrators' will have a claim for their fees and expenses incurred during the DoCA period. I have assumed the Deed Administrators' remuneration and expenses would have substantially been incurred by the time the 444GA Application fails
4. Legal fees incurred in relation to the services provided by the Administrators' solicitors during the Voluntary Administration and DoCA periods
5. Fees incurred by the Administrators in relation to the preparation of this Report and the BDA ISR
6. Estimated remuneration and expenses in the event the Company is placed into liquidation (low case scenario) or the DoCA continues to operate through an alternate sale transaction (high case scenario).

In the high case scenario, the Secured Creditor's consideration includes funds to cover the trading and professional costs. Refer to Appendix C of this Report for further information.

In the low case scenario, there will be sufficient asset realisations to cover these costs.

8.2 Creditors with secured claims

A search conducted on the PPSR as at 14 October 2024 confirms the following parties hold registered security interest over the Company and/or its assets:

Creditors' with secured claims

Secured Party	Date Registered	Registration Number	Collateral Class
Rio Tinto Exploration Pty Ltd	25 January 13	201301250067148	ALLPAP With Except
Madison Pacific Trust Limited	16 June 2014	201406160100342	ALLPAP With Except
	22 July 2015	201507220037847	
Madison Pacific Trust Limited	17 June 2014	201406170069843	Negotiable Instrument
	22 July 2015	201507220037852	

The Administrators and their solicitors have advised the following with respect to the security interest registered against the Company:

- The secured interest held by Rio Tinto Exploration Pty Ltd has lapsed and has been discharged
- Madison Pacific Trust Limited in its capacity as note and security trustee holds security over certain assets of the Company for the Secured Creditor, securing an indebtedness of \$42.8 million as at 26 July 2024. The assets subject to the security are set out in section 3.1.5.

The security held by the Secured Creditor includes the intercompany loan owed by Aeon Walford Creek. The assumed recovery of this loan in my high case scenario is \$25.3 million. This recovery results in the balance of the secured debt being \$17.5 million. In the low case scenario, the recovery is assumed to be \$11.9 million. This recovery results in the balance of the secured debt being \$30.9 million.

8.3 Employee entitlements

As at the date of the appointment of the Administrators, the Company had three full time employees, one of whom was also a Director.

In the high case scenario, I have assumed all employees will be transferred as part of the acquisition and the Secured Creditor will assume all outstanding liabilities, therefore payment in lieu of notice would not be payable.

In the low case scenario, there will be sufficient asset realisations to enable a dividend distribution to priority creditors of 100c/\$.

The Administrators have estimated outstanding employee entitlements in the sum of \$385,525. I have adopted the Administrators' estimates of employee claims.

Employee entitlements

(\$'000s)	Low Case Scenario	High Case Scenario
Priority employee entitlements		
Leave entitlements	108	108
Payment in lieu of notice	74	-
Total priority employee entitlements	182	108
Unsecured employee entitlements		
Annual leave	92	92
Payment in lieu of notice	112	-
Total unsecured employee entitlements	204	92
Total employee entitlements	386	200

Employee entitlements are afforded a priority over:

- secured creditors in a distribution of circulating assets such as debtors and stock
- unsecured creditors in any distribution of the assets of the Company.

In the event that the Company is placed into liquidation, employees may be eligible to claim for financial assistance under FEG. FEG does not provide financial assistance for outstanding superannuation. In the event FEG does assist employees, the employee claims are replaced with a claim from FEG, entitled to the same priority. Accordingly, FEG's involvement does not impact the overall priorities to distributions. Pursuant to the Fair Work Act and the Administrators' investigations, payment of redundancy is not required due to the Company having fewer than fifteen employees.

A director, or a spouse or relative of a director, are classified as excluded employees and are limited to a maximum priority claim of:

- \$2,000 in relation to outstanding wages, superannuation contributions (including SGC)
- \$1,500 in respect of outstanding leave of absence
- nil in respect of retrenchment.

In the high case scenario \$92,000 of excluded employee entitlements will be classified as unsecured employee entitlement claims and in the low case scenario \$203,984 of excluded employee entitlements will be classified as unsecured employee entitlement claims.

8.4 Unsecured claims

Based on the Administrators' assessment of claims and the books and records of the Company, the unsecured creditors' claims and estimated returns are as follows:

Unsecured claims (\$'000s)	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Balance of Secured Creditor's claim	-	30,875	17,467
Trade and other payables (assumed liabilities)	45	45	45
Trade and other payables (Others)	333	112	112
Unsecured employee entitlements	-	204	92
Total unsecured claims	378	31,236	17,716

I have adopted the Administrators' assessment of claims as the most up-to-date information of the outstanding unsecured creditors' claims as it is based on formal proofs of debt received from creditors, the Company's books and records and I have taken into consideration payments made to creditors during the administration period to enable ongoing business operations.

In the high case scenario, I have assumed liabilities in the amount of \$45,000 will be assumed by the Secured Creditor to enable the continued trading operations of the business. In addition, the Secured Creditor will assume the unsecured employee entitlements of \$92,000. It is estimated that the balance of the ordinary unsecured creditors will receive a dividend distribution of 43c/\$.

In the low case scenario, there will be sufficient assets to enable a dividend distribution to the ordinary unsecured creditors of the Company of 14c/\$. I have assumed creditor claims as per the Administrators' analysis.

It is possible further claims may eventuate in a liquidation, however, these cannot be estimated.

9 Declaration

All facts, matters, working papers and calculations upon which I have relied have been disclosed and no relevant material has been omitted.

I have made all the inquiries that I believe are desirable and appropriate and that no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Court.

Dated: 16 January 2025



Jennifer Nettleton
Partner

Level 5, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Appendix A Curriculum vitae of Jennifer Nettleton



Jennifer Nettleton

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Jennifer is motivated to help clients solve problems. She thrives on taking a hands-on approach, working as a team with the client and other stakeholders to achieve the best possible outcome.

Jennifer has over 30 years' experience in the restructuring sector, working with Australia's major financiers and other stakeholders in formal insolvencies, financial review engagements and preparing expert's reports.

Jennifer's strong attention to detail, project management skills and her passion for the technical aspects of restructuring mean that success can be achieved in the most complex of situations.

Expertise

- Financial reviews
- Business restructuring
- Formal insolvencies.

Education and accreditation

- Bachelor of Accounting (UNSW)
- Masters in Management (MGSM)
- Registered liquidator.

Significant engagements

- Skyview Development Castle Hill
- Ten Network
- Boart Longyear – Scheme expert report
- Quintis Limited
- Arrium
- K Care Group
- Springsure Creek Coal
- Chassis Brakes
- Confidential consulting engagements.

Memberships

- Chartered Accountants Australia and New Zealand
- Australian Restructuring Insolvency and Turnaround Association.

Appendix B Entity searches results

Entity	Commencement	Registered office and principal place of business	Directors	Share structure	Ultimate Holding Company
Aeon Metals Limited	28 September 2006	AUTOMIC PTY LTD LEVEL 5 126-130 PHILLIP STREET SYDNEY NSW 2000	Directors: Harris, Paul Andrew Hess, Frederick William Wong, Ivan Chi Hung Secretary: Rowe, Lucy Nicolson	Listed public company. 1,110,500,622 ordinary shares ²⁰	n/a
Aeon Monto Exploration Pty Ltd	10 October 2018	LEVEL 7 88 PITT STREET SYDNEY NSW 2000	Directors: Hess, Frederick William Collins, Hamish Secretary: Lonergan, Stephen	1 ordinary share issued to Aeon Metals Limited	Aeon Metals Limited
Aeon Isa Exploration Pty Ltd	6 December 2018	LEVEL 7 88 PITT STREET SYDNEY NSW 2000	Directors: Hess, Frederick William Collins, Hamish Edmund Secretary: Lonergan, Stephen John	1 ordinary share issued to Aeon Metals Limited	Aeon Metals Limited
Aussie NQ Resources Pty Ltd	19 October 2009	LEVEL 7 88 PITT STREET SYDNEY NSW 2000	Directors: Hess, Frederick William Collins, Hamish Edmund Goody, John Leslie Gardiner, Frank Reid Secretaries: Lonergan, Stephen John Gardiner, Frank Reid	100 ordinary shares issued to Aeon Metals Limited	Aeon Metals Limited

²⁰ This figure differs from the one shown in Appendix G. This difference is not material and is of no consequence to this report.

Entity	Commencement	Registered office and principal place of business	Directors	Share structure	Ultimate Holding Company
Aeon Walford Exploration Pty Ltd	24 June 2019	SUITE 32 LEVEL 7 88 PITT STREET SYDNEY NSW 2000	Directors: Hess, Frederick William Collins, Hamish Edmund Secretary: Lonergan, Stephen John	1 ordinary share issued to Aeon Metals Limited	Aeon Metals Limited
Aeon Walford Creek Ltd	29 June 2006	SUITE 32 LEVEL 7 88 PITT STREET SYDNEY NSW 2000	Directors: Harris, Paul Andrew Hess, Frederick William Wong, Ivan Chi Hung Secretary: Rowe, Lucy Nicolson	2 ordinary shares issued to Aeon Metals Limited	Aeon Metals Limited
SLW Queensland Pty Ltd	13 December 2010	AEON METALS LIMITED LEVEL 7 88 PITT STREET SYDNEY NSW 2000	Directors: Shi, Yuan Hess, Frederick William Wong, Ivan Chi Hung (Alternate Director)	195 ordinary shares issued to Aeon Metals Limited 130 ordinary shares issued to SLW Minerals Corporation Pty Ltd	Aeon Metals Limited, SLW Minerals Corporation Pty Ltd

Source: ASIC Company Searches, July 2024

Appendix C Contribution calculation

(\$'000s)	DoCA proposal ²¹	DoCA ²²	High Case Scenario
Credit Bid			
Secured Creditor's claim as at 26 July 2024	42,797	42,797	42,797
Less: Secured Creditor's liability to remain	(10,000)	(10,000)	(10,000)
Total Credit Bid	32,797	32,797	32,797
Deed contribution amount			
Assumed employee entitlements			
Assumed employee entitlements	234	234	200
Total assumed employee entitlements	234	234	200
Cash contribution			
Net trading loss – net of cash at bank	640	640	641
Assumed liabilities	77	82	83
Administrators' remuneration and expenses	406	406	406
Deed Administrators' remuneration and expenses	141	141	141
Trustees' remuneration and expenses	26	26	-
Additional remuneration and expenses	-	-	180
Expert fees	138	138	138
Legal fees	331	331	331
Total cash contribution	1,759	1,764	1,919
Total deed contribution	1,993	1,998	2,119
Total contribution	34,790	34,795	34,916

²¹ Second Report to Creditors, 21 November 2024

²² DoCA dated 19 December 2024

Appendix D Realisable value in the Subsidiaries

Overview

As previously stated at section 7.1 of this Report, my high case scenario assumes a sale of the equity in each of the Subsidiaries and SLW Queensland to the Secured Creditor, with consideration allocated as follows:

- the value of net equity for the shares in any of the Subsidiaries where there is balance sheet equity (having considered the preferred value of the tenements as determined by BDA)
- \$1 for each of the Subsidiaries where the subsidiary is balance sheet insolvent (having considered the preferred value of the tenements as determined by BDA).

In the low case scenario, I have assumed third parties would purchase the tenements owned by each Subsidiary on a piecemeal basis. Realisation for the Company from the shareholdings is contingent on an equity distribution of any surplus funds (after the sale of the individual tenements and payment of liabilities) in each Subsidiary. In the low case scenario, the adopted value of the realisable value of each tenement, is the low value as determined by BDA.

The tenement owned by SLW Queensland was not valued by BDA. SLW Queensland is not in external administration, therefore the Liquidators can only realise the shares held in this entity. This entity is partially owned and balance sheet insolvent, therefore I have assumed nil realisable value from the sale of equity in this entity.

Detailed analysis with respect to each Subsidiary and SLW Queensland is provided below.

D.1 Aeon Walford Creek

Aeon Walford Creek – Estimated outcome

Aeon Walford Creek (\$'000s)	Notes	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Realisable value				
Tenements (value)	1	103,604	12,600	17,800
Tenements (impairments)		(33,365)		
Other realisation costs	2		(630)	-
Fixed assets	3	1	-	-
Deposit	4	2	2	2
Claims available to a liquidator	5		-	-
Administrators' remuneration and expenses	6		(8)	(8)
Additional remuneration and expenses	6		(42)	(42)
Surplus/ (deficiency) for creditors' claims		70,242	11,922	17,752
Secured creditors				
The Company's secured claim		(41,315)	(41,315)	(41,315)
Total secured creditors		(41,315)	(41,315)	(41,315)
Return - cents in \$ to secured creditor	7		29	N/A
Surplus/ (deficiency) for unsecured creditors' claims		28,927	(29,393)	(23,563)
Unsecured creditors				
Trade and other payables		(4,807)	(19)	(19)
Related party creditor		(59,418)	(59,418)	(59,418)
Total unsecured creditors		(64,225)	(59,437)	(59,437)

Aeon Walford Creek (\$'000s)	Notes	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Return - cents in \$ to unsecured creditors	8		Nil	N/A
Surplus/ (deficiency) for shareholders	9	(35,298)	(88,829)	(83,000)

Notes:

1. The high case and low case scenario values assumed for the tenements are the preferred and low realisable values as estimated by BDA and detailed in Appendix F.
2. In the high case scenario, the Secured Creditor will acquire the shares in the entity and no further realisation costs are anticipated to be incurred by Aeon Walford Creek. In the low case scenario, the Voluntary Administrators have estimated other realisation expenses (i.e. marketing, legal and regulatory fees) associated with realisation of the tenements as 5% of the value of the tenements. I have adopted the estimate for the purpose of this Report.
3. The book value represents office furniture and equipment. The Administrators have advised all fixed assets are held by the Company, therefore coupled with the minimal value, no amount has been attributed to fixed assets.
4. The deposit is associated with the EPMs owned by the entity. In the high case scenario, the assumption is that the deposit will continue to be of value. In the low case scenario, the Liquidators would seek to realise the deposits when the tenements are sold, in which case I have assumed the deposit would be recoverable.
5. Based on the Administrators' investigations, there are no claims that will be available to the Liquidators. For more information, please refer to section 7.7 of this Report.
6. These values were adopted from the Administrators' low case estimates for the Voluntary Administrators' and Liquidators' remuneration and expenses. In my high case scenario, I have assumed these costs will be paid by the Secured Creditor and have been factored when calculating the total consideration. For the purpose of my analysis, I have assumed the costs of liquidation estimated by the Administrators would also reflect the cost of implementing the alternative transaction. In the low case scenario, I have assumed these costs would be paid in priority to the secured claim of the Company, as they are assumed to be costs of preserving and realising assets.
7. As previously noted at section 3.1.5 of this Report, Aeon Walford Creek owes the Company \$100.7 million, of which \$41.3 million is secured. In the high case scenario, the Company's secured claims will continue. In the low case scenario, the Company is expected to receive partial return in the amount of \$11.9 million (29c/\$).
8. In the high case scenario, the Secured Creditor's consideration includes funds for third-party creditors, which I have assumed would be funded to Aeon Walford Creek post settlement. In the high case scenario, related party creditors will continue. In the low case scenario, unsecured creditors are not expected to receive a dividend distribution.
9. In the high case scenario, the Secured Creditor will acquire the shares in the entity for a \$1. In the low case scenario, no funds will be available for a dividend distribution to the Company as a shareholder.

D.2 Aeon Walford Exploration

Aeon Walford Exploration – Estimated outcome

Aeon Walford Exploration (\$'000s)	Notes	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Realisable value				
Tenements (value)	1	188	1,200	1,500
Tenements (impairments)	1	(179)	-	-
Other realisation costs	2		(60)	-
Claims available to a liquidator	3		-	-
Total realisable value		9	1,140	1,500
Professional fees				
Administrators' remuneration and expenses	4		(1)	(1)
Additional remuneration and expenses	4		(6)	(6)
Total professional fees			(7)	(7)
Surplus/ (deficiency) for creditors' claims			1,133	1,493
Unsecured creditors				
Related party creditor claim		(189)	(189)	(189)
Total unsecured creditors		(189)	(189)	(189)
Return - cents in \$ to unsecured Creditors	5		100	N/A
Surplus/ (deficiency) for shareholder	6	(180)	943	1,303

Notes:

1. The high case and low case scenario values assumed for the tenements are the preferred and low realisable values as estimated by BDA and detailed in Appendix F.
2. In the high case scenario, the Secured Creditor will acquire the shares in the entity and no further realisation costs are anticipated to be incurred by Aeon Walford Exploration. In the low case scenario, the Voluntary Administrators have estimated other realisation expenses (i.e. marketing, legal and regulatory fees) associated with realisation of the tenements as 5% of the value of the tenements. I have adopted the estimate for the purpose of this Report.
3. Based on the Administrators' investigations, there are no claims that will be available to the Liquidators. For more information, please refer to section 7.7 of this Report.
4. These values were adopted from the Administrators' low case estimates for the Voluntary Administrators' and Liquidators' remuneration and expenses. In my high case scenario, I have assumed these costs will be paid by the Secured Creditor and have been factored when calculating the total consideration. For the purpose of my analysis, I have assumed the costs of liquidation estimated by the Administrators would also reflect the cost of implementing the alternative transaction. In the low case scenario, it is estimated there will be sufficient funds to cover these costs from the realisation of the tenements.
5. In the high case scenario, the related party creditor will continue and in the low case scenario, unsecured creditors are anticipated to receive a dividend distribution of 100c/\$.
6. The Company is estimated to receive residual equity of \$1.3 million in a high case scenario and \$943,000 in a low case scenario as a result of the shareholdings held in this entity.

D.3 Aeon Monto

Aeon Monto– Estimated outcome

Aeon Monto (\$'000s)	Notes	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Realisable value				
Tenements (value)	1	422	3,000	4,000
Tenements (impairments)	1	(420)	-	-
Other realisation costs	2		(150)	-
Claims available to a liquidator	3		-	-
Total realisable value		2	2,850	4,000
Professional fees				
Administrators' remuneration and expenses	4		(1)	(1)
Additional remuneration and expenses	4		(6)	(6)
Total professional fees			(7)	(7)
Surplus/ (deficiency) for creditors' claims			2,843	3,993
Unsecured creditors				
Trade and other payables			(18)	(18)
Related party creditor		(423)	(423)	(423)
Total unsecured creditors		(423)	(441)	(441)
Return - cents in \$ to unsecured creditors	5		100	N/A
Surplus/ (deficiency) for shareholder	6	(421)	2,401	3,551

Notes:

1. The high case and low case values assumed for the tenements are the preferred and low realisable values as estimated by BDA and detailed in Appendix F.
2. In the high case scenario, the Secured Creditor will acquire the shares in the entity and no further realisation costs are anticipated. In the low case scenario, the Voluntary Administrators have estimated other realisation expenses (i.e. marketing, legal and regulatory fees) associated with realisation of the tenements as 5% of the value of the tenements. I have adopted the estimate for the purpose of this Report.
3. Based on the Administrators' investigations, there are no claims that will be available to the Liquidators. For more information, please refer to section 7.7 of this Report.
4. These values were adopted from the Administrators' low case estimates for the Voluntary Administrators' and Liquidators' remuneration and expenses. In my high case scenario, I have assumed these costs will be paid by the Secured Creditor and have been factored when calculating the total consideration. For the purpose of my analysis, I have assumed the costs of liquidation estimated by the Administrators would also reflect the cost of implementing the alternative transaction. In the low case scenario, it is estimated there will be sufficient funds to cover these costs from the realisation of the tenements. In the high case scenario, the Secured Creditor's consideration includes funds to cover the above trading and professional costs.
5. In the high case scenario, the Secured Creditor's consideration includes funds for third-party creditors. In addition, in a high case scenario, the related party creditor will continue. In the low case scenario, unsecured creditors are expected to receive a dividend distribution of 100c/\$.
6. The Company is estimated to receive residual equity of \$3.6 million in a high case scenario and \$2.4 million in a low case scenario.

D.4 Aussie NQ Resources

Aussie NQ Resources – Estimated outcome

Aussie NQ Resources (\$'000s)	Notes	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Realisable value				
Cash at bank	1	0	-	-
Tenement (value)	2	109	-	-
Tenement (impairments)	2	(109)	-	-
Prepayments and deposits	3	3	3	3
Claims available to a liquidator	4		-	-
Total realisable value		3	3	3
Professional fees				
Administrators' remuneration and expenses	5		(2)	(2)
Additional remuneration and expenses	5		(6)	(6)
Total professional fees			(8)	(8)
Surplus/ (deficiency) for creditors' claims			(5)	(5)
Unsecured creditors				
Related party creditor		(119)	(119)	(119)
Total unsecured creditors		(119)	(119)	(119)
Return - cents in \$ to unsecured creditors	6		Nil	N/A
Surplus/ (deficiency) for shareholder	7	(116)	(124)	(124)

Notes:

1. The Administrators did not realise any cash at bank upon their appointment.
2. No value has been attributed to the tenement by BDA as no expenditure has been incurred with respect to this project.
3. The deposit is associated with the EPM owned by the entity. In the high case scenario, the assumption is that the deposit will be transferred to the Secured Creditor as part of the purchase of the shares in the entity. In the low case scenario, the Liquidators may not be able to realise the tenement and may therefore surrender the EPM in which case I have assumed the deposit would be recoverable.
4. Based on the Administrators' investigations, there are no claims that will be available to the Liquidators. For more information, please refer to section 7.7 of this Report.
5. These values were adopted from the Administrators' low case estimates for the Voluntary Administrators' and Liquidators' remuneration and expenses. In my high case scenario, I have assumed these costs will be paid by the Secured Creditor and have been factored when calculating the total consideration. For the purpose of my analysis, I have assumed the costs of liquidation estimated by the Administrators would also reflect the cost of implementing the alternative transaction. In the low case scenario, there are insufficient funds to cover these costs.
6. In the high case scenario, the related party creditor will continue and in the low case scenario, the related party creditor is not expected to receive a dividend distribution.
7. In the high case scenario, the Secured Creditor will acquire the shares in the entity for a \$1. In the low case scenario, no funds will be available for a dividend distribution to the Company as a shareholder.

D.5 Aeon Isa Exploration

Aeon Isa Exploration – Estimated outcome

Aeon Isa Exploration (\$'000s)	Notes	Book value as at 26 July 2024	Low Case Scenario	High Case Scenario
Realisable value				
Tenements (value)	1	427	2,500	3,700
Tenements (impairments)		(419)	-	-
Other realisation costs	2		(125)	-
Claims available to a liquidator	3		-	-
Total realisable value		8	2,375	3,700
Professional fees				
Administrators' remuneration and expenses	4		(2)	(2)
Additional remuneration and expenses	4		(6)	(6)
Total professional fees			(8)	(8)
Surplus/ (deficiency) for creditors' claims			2,367	3,692
Unsecured creditors				
Trade and other payables	5	(1)	-	-
Related party creditor		(428)	(428)	(428)
Total unsecured creditors		(429)	(428)	(428)
Return - cents in \$ to unsecured creditors	6		100	N/A
Surplus/ (deficiency) for shareholder	7	(421)	1,939	3,264

Notes:

1. The high case and low case values assumed for the tenements are the preferred and low realisable values as estimated by BDA and detailed in Appendix F.
2. In the high case scenario, the Secured Creditor will acquire the shares in the entity and no further realisation costs are anticipated to be incurred by Aeon Isa Exploration. In the low case scenario, the Voluntary Administrators have estimated other realisation expenses (i.e. marketing, legal and regulatory fees) associated with realisation of the tenements as 5% of the value of the tenements. I have adopted the estimate for the purpose of this Report.
3. Based on the Administrators' investigations, there are no claims that will be available to the Liquidators. For more information, please refer to section 7.7 of this Report.
4. These values were adopted from the Administrators' low case estimates for the Voluntary Administrators' and Liquidators' remuneration and expenses. In my high case scenario, I have assumed these costs will be paid by the Secured Creditor and have been factored when calculating the total consideration. For the purpose of my analysis, I have assumed the costs of liquidation estimated by the Administrators would also reflect the cost of implementing the alternative transaction. In the low case scenario, it is estimated there will be sufficient funds to cover these costs from the realisation of the tenements.
5. The trade creditor of \$755 as per the book value has been paid by the Administrators in the ordinary course of business during their appointment.
6. In the high case scenario, the related party creditor will continue and in the low case scenario, the related party creditor is expected to receive a dividend distribution of 100c/\$.
7. The Company is estimated to receive residual equity of \$3.3 million in the high case scenario and \$1.9 million in the low case scenario from realisations of the shareholdings in this entity.

D.6 SLW Queensland

Background

The Company holds a 60% interest of 195 shares in SLW Queensland. SLW Queensland is not in an external administration.

I have been provided with unaudited management accounts as at 21 November 2024, summarised below:

Profit and Loss for the period from 1 July 2024 to 21 November 2024

The only item on the Profit and Loss statement for the period from 1 July 2024 to 21 November 2024 is an expense for filing fees in the amount of \$310.

Statement of financial position as at 21 November 2024

SLW Queensland (\$'000s)	Total
<i>Current assets</i>	
Cash and equivalents	5
GST receivable	-
Security deposit	3
Total current assets	8
<i>Non-current assets</i>	
Tenement	17
Less: Tenement (impairment)	(16)
Total non-current assets	1
Total assets	9
<i>Current liabilities</i>	
Trade and other payables	-
Total current liabilities	-
<i>Non-current liabilities</i>	
Loans and borrowings	100
Total non-current liabilities	100
Total liabilities	100
Net assets	(91)
<i>Equity</i>	
Share capital	0
Retained earnings	(91)
Total equity	(91)

Value of shareholding

- In the high case scenario, as per my assumptions and as a result of the net equity position of SLW Queensland, the shares will be sold to the Secured Creditor for \$1
- In the low case scenario, the Liquidators will attempt to realise the shareholding. I have formed the view that no value should be attributed to the shares held in SLW Queensland for the reasons provided below:
 - SLW Queensland has a negative net asset position
 - SLW Queensland has only one asset being EPM 19029. I note that the tenement of SLW Queensland has not been valued. I have been advised by the Administrators that there are no exploration plans for this tenement
 - No revenue has been derived resulting in a loss in each year since it commenced operations.

Value of payable to the Company

Given the financial position of SLW Queensland, I have assumed there would be no value to the Company from the receivable due to the Company.

Appendix E Tenement details

Tenement Details

Tenement	Entity	Project	Grant Date	Expiry Date	Renewal Status	Sub-blocks	Area (km ²)	Location	Ownership ²³
14220	Aeon Walford Creek	Walford Creek	8/03/2004	7/03/2027	Current	41	131.2	Northwest QLD	100%
14854	Aeon Walford Creek	Walford Creek	22/11/2005	21/11/2025	Current	6	19.2	Northwest QLD	100%
18552	Aeon Walford Creek	Walford Creek	30/11/2012	29/11/2027	Current	7	22.4	Northwest QLD	100%
26906	Aeon Walford Creek	Walford Creek	18/12/2018	17/12/2023	Renewal Lodged	12	38.4	Northwest QLD	100%
26316	Aeon Walford Exploration	Walford Creek	29/05/2017	28/05/2027	Current	60	192	Northwest QLD	100%
27512	Aeon Walford Creek	Walford Creek	9/07/2020	27/08/2025	Current	4	12.8	Northwest QLD	100%
28402	Aeon Walford Creek	Walford Creek	Application in process			49	156.8	Northwest QLD	100%
27311	Aeon Walford Creek	Basin Edge	1/06/2020	31/05/2025	Current	99	316.8	East of Walford Creek	100%
27312	Aeon Walford Creek	Basin Edge	1/06/2020	31/05/2025	Current	100	320	East of Walford Creek	100%
27314	Aeon Walford Creek	Basin Edge	Application in process			93	297.6	East of Walford Creek	100%
27315	Aeon Walford Creek	Basin Edge	Application in process			100	320	East of Walford Creek	100%
18769	Aeon Walford Creek	Mt Isa West	23/05/2017	22/05/2027	Current	50	160	West of Mt Isa City	100%
27435	Aeon Isa Exploration	Mt Isa West	27/07/2020	26/07/2025	Current	95	304	West of Mt Isa City	100%
27436	Aeon Isa Exploration	Mt Isa West	2/07/2020	1/07/2025	Current	40	128	West of Mt Isa City	100%
27743	Aeon Isa Exploration	Mt Isa West	19/07/2021	18/07/2026	Current	88	281.6	West of Mt Isa City	100%
27744	Aeon Isa Exploration	Mt Isa West	19/07/2021	18/07/2026	Current	22	70.4	West of Mt Isa City	100%
27745	Aeon Isa Exploration	Mt Isa West	19/07/2021	18/07/2026	Current	77	246.4	West of Mt Isa City	100%
15911	Aeon Walford Creek	Mt Isa South	15/11/2007	14/11/2024	Current	16	51.2	South of Mt Isa City	100%
13412	Aeon Walford Creek	Mt Isa South	16/12/2011	15/12/2026	Current	20	64	South of Mt Isa City	80%
13413	Aeon Walford Creek	Mt Isa South	16/12/2011	15/12/2026	Current	9	28.8	South of Mt Isa City	80%
13682	Aeon Walford Creek	Mt Isa South	16/12/2011	15/12/2026	Current	22	70.4	South of Mt Isa City	80%

²³ The Administrators have informed me that the tenements listed as jointly held (i.e. all but one of the Mt Isa South project tenements) form part of a joint venture between Aeon Walford Creek and a subsidiary of Paladin Energy.

Tenement	Entity	Project	Grant Date	Expiry Date	Renewal Status	Sub-blocks	Area (km ²)	Location	Ownership ²³
14233	Aeon Walford Creek	Mt Isa South	20/04/2005	19/04/2025	Current	15	48	South of Mt Isa City	72%
14821	Aeon Walford Creek	Mt Isa South	8/01/2007	7/01/2026	Current	20	64	South of Mt Isa City	80%
15156	Aeon Walford Creek	Mt Isa South	22/03/2007	21/03/2027	Current	38	121.6	South of Mt Isa City	80%
14628	Aeon Monto	Monto	24/08/2005	23/08/2026	Current	32	102.4	Southeast QLD	100%
15921	Aeon Monto	Monto	8/01/2007	7/01/2025	Current	4	12.8	Southeast QLD	100%
17060	Aeon Monto	Monto	26/05/2007	25/06/2026	Current	18	57.6	Southeast QLD	100%
17002	Aeon Monto	Monto	20/02/2008	19/02/2026	Current	14	44.8	Southeast QLD	100%
17001	Aeon Monto	Monto	21/02/2008	20/02/2026	Current	27	86.4	Southeast QLD	100%
27604	Aeon Monto	Monto	15/03/2021	14/03/2026	Current	59	188.8	Southeast QLD	100%
14712	Aeon Walford Creek	Constance Range	21/08/2006	20/08/2024	Current	21	67.2	Northwest QLD	100%
14935	Aeon Walford Creek	Constance Range	21/08/2006	20/08/2024	Current	20	64	Northwest QLD	100%
27535	Aeon Walford Exploration	Constance Range	21/12/2020	20/12/2025	Current	91	291.2	Northwest QLD	100%
18359	Aussie NQ Resources	Tenement information unknown							100%

Source: Information Memorandum (dated 19 August 2024) provided by the Administrators, further information and clarifications regarding tenement ownership provided by the Administrators

Appendix F ISR valuation details

Tenement valuation by entity

Entity	Valuation (\$'000s)		
	Low	Preferred	High
Aeon Walford Creek	12,600	17,800	29,200
Aeon Isa Exploration	2,500	3,700	4,800
Aeon Monto	3,000	4,000	5,000
Aeon Walford Exploration	1,200	1,500	1,800
Aussie NQ Resources	-	-	-
Total	19,300	27,000	40,800

Source: BDA /SR, 12 December 2024

Tenement valuation by entity-project

Entity	Project	Low	Preferred	High
Aeon Walford Creek	Walford Creek	10,980	13,590	16,110
Aeon Walford Creek	Basin Edge	100	2,000	10,200
Aeon Walford Creek	Mt Isa South	1,099	1,598	2,098
Aeon Walford Creek	Mt Isa West	389	576	750
Aeon Walford Creek	Constance Range	-	-	-
Aeon Isa Exploration	Mt Isa West	2,511	3,724	4,850
Aeon Monto	Monto	3,000	4,000	5,000
Aeon Walford Exploration	Walford Creek	1,220	1,510	1,790
Aeon Walford Exploration	Constance Range	-	-	-
Aussie NQ Resources	unlisted	-	-	-
Total		19,300	27,000	40,800

Source: BDA /SR, 12 December 2024

Individual tenement valuation

Tenement	Entity	Project	Ownership	Project Valuation (\$'000s)			Tenement Ranking (%)	Tenement Valuation (\$'000s) ²⁴		
				Low	Preferred	High		Low	Preferred	High
14220	Aeon Walford Creek	Walford Creek	100%	12,200	15,100	17,900	50.0%	6,100	7,600	9,000
14854	Aeon Walford Creek	Walford Creek	100%	12,200	15,100	17,900	10.0%	1,200	1,500	1,800
18552	Aeon Walford Creek	Walford Creek	100%	12,200	15,100	17,900	10.0%	1,200	1,500	1,800
26906	Aeon Walford Creek	Walford Creek	100%	12,200	15,100	17,900	5.0%	600	800	900
26316	Aeon Walford Exploration	Walford Creek	100%	12,200	15,100	17,900	10.0%	1,200	1,500	1,800
27512	Aeon Walford Creek	Walford Creek	100%	12,200	15,100	17,900	15.0%	1,800	2,300	2,700
28402	Aeon Walford Creek	Walford Creek	100%	12,200	15,100	17,900	-	-	-	-
27311	Aeon Walford Creek	Basin Edge	100%	100	2,000	10,200	50.0%	100	1,000	5,100
27312	Aeon Walford Creek	Basin Edge	100%	100	2,000	10,200	50.0%	100	1,000	5,100
27314	Aeon Walford Creek	Basin Edge	100%	100	2,000	10,200	-	-	-	-
27315	Aeon Walford Creek	Basin Edge	100%	100	2,000	10,200	-	-	-	-
18769	Aeon Walford Creek	Mt Isa West	100%	2,900	4,300	5,600	13.4%	400	600	800
27435	Aeon Isa Exploration	Mt Isa West	100%	2,900	4,300	5,600	25.5%	700	1,100	1,400
27436	Aeon Isa Exploration	Mt Isa West	100%	2,900	4,300	5,600	10.8%	300	500	600
27743	Aeon Isa Exploration	Mt Isa West	100%	2,900	4,300	5,600	23.7%	700	1,000	1,300
27744	Aeon Isa Exploration	Mt Isa West	100%	2,900	4,300	5,600	5.9%	200	300	300
27745	Aeon Isa Exploration	Mt Isa West	100%	2,900	4,300	5,600	20.7%	600	900	1,200
15911	Aeon Walford Creek	Mt Isa South	100%	1,100	1,600	2,100	11.4%	100	200	200
13412	Aeon Walford Creek	Mt Isa South	80%	1,100	1,600	2,100	14.3%	200	200	300
13413	Aeon Walford Creek	Mt Isa South	80%	1,100	1,600	2,100	6.4%	100	100	100
13682	Aeon Walford Creek	Mt Isa South	80%	1,100	1,600	2,100	15.7%	200	300	300
14233	Aeon Walford Creek	Mt Isa South	72%	1,100	1,600	2,100	10.7%	100	200	200
14821	Aeon Walford Creek	Mt Isa South	80%	1,100	1,600	2,100	14.3%	200	200	300

²⁴ Tenement valuation values are presented to the nearest \$100,000

Tenement	Entity	Project	Ownership	Project Valuation (\$'000s)			Tenement Ranking (%)	Tenement Valuation (\$'000s) ²⁴		
				Low	Preferred	High		Low	Preferred	High
15156	Aeon Walford Creek	Mt Isa South	80%	1,100	1,600	2,100	27.1%	300	400	600
14628	Aeon Monto	Monto	100%	3,000	4,000	5,000	45.0%	1,400	1,800	2,300
15921	Aeon Monto	Monto	100%	3,000	4,000	5,000	30.0%	900	1,200	1,500
17060	Aeon Monto	Monto	100%	3,000	4,000	5,000	5.0%	200	200	300
17002	Aeon Monto	Monto	100%	3,000	4,000	5,000	5.0%	200	200	300
17001	Aeon Monto	Monto	100%	3,000	4,000	5,000	5.0%	200	200	300
27604	Aeon Monto	Monto	100%	3,000	4,000	5,000	10.0%	300	400	500
14712	Aeon Walford Creek	Constance Range	100%	-	-	-	-	-	-	-
14935	Aeon Walford Creek	Constance Range	100%	-	-	-	-	-	-	-
27535	Aeon Walford Exploration	Constance Range	100%	-	-	-	100.0%	-	-	-
18359	Aussie NQ Resources	n/a	100%	-	-	-	-	-	-	-
Total				19,300				19,300	27,000	41,000

Source: BDA /SR, 12 December 2024

Appendix G Top 20 shareholders

The top 20 holders of ordinary shares of the Company, at 19 September 2023, were as follows:

Top 20 shareholders of the Company (19 September 2023)

Shareholder	Shares	Percentage ²⁵
CITICORP NOMINEES PTY LIMITED	516,092,780	47.072%
BLISS INVESTMENT MANAGEMENT PTY LTD	46,885,910	4.276%
L&M GROUP LIMITED	22,053,559	2.011%
SLW MINERALS CORPORATION PTY LIMITED	16,000,000	1.459%
SOSAWILL PTY LTD <SOSAWILL SUPER FUND A/C>	12,100,140	1.104%
BACK9 INVESTMENT MANAGEMENT PTY LTD <SANTANA NO 2 INVESTMENTS A,'C>	8,172,431	0.745%
MOYA PTY LTD <JAAM A/C>	8,045,195	0.734%
BACK9 INVESTMENT MANAGEMENT PTY LTD <SANTANA NO 1 INVESTMENTS A,'C>	7,841,000	0.715%
AVERILL HOLDINGS PTY LIMITED CAVERILL SUPER FUND A/C>	7,082,077	0.646%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOM'S RETAILCLIENT DRP>	6,830,805	0.623%
MR SIMON HANNES & MRS MIGNON CATHERINE BOOTH <SGH SUPER FUND A/C>	6,800,000	0.620%
BACCHUS CAPITAL ADVISORS LIMITED	6,760,696	0.617%
HEZI INVESTMENTS PTY LTD <HEZI INVESTMENTS A/C>	6,750,000	0.616%
MR DEVIN WESLEY HALL	6,719,726	0.613%
MISS LYNETTE KARI	6,012,500	0.548%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,452,237	0.497%
SHAREHOLDERS MUTUAL ALLIANCE PTY LTD <SHMA SUPER FUND A,'C>	5,000,000	0.456%
CLAWSON HOLDINGS PTY LTD CNO 4 A'C>	5,000,000	0.456%
KORN ENTERPRISES PTY LTD <THE G & C KORN FAMILY A,'C>	5,000,000	0.456%
KBR CAPITAL PTY LTD	5,000,000	0.456%
SPRINGWOOD HOLDINGS (QLD) PTY LTD <HUNG FAMILY DT NO 5 A/C>	5,000,000	0.456%
Top 20 holders	714,599,056	65.177%
Total shares outstanding²⁶	1,065,639,926	

Source: The Company, 2023 Annual Report

²⁵ I note the percentage figures included in the Company's 2023 Annual Report, do not reconcile to the values given for individual shareholdings as compared to the total shares outstanding. I have adopted these figures without edit from the Company's 2023 Annual Report

²⁶ This figure does not match the one recorded in the entity search included in Appendix B. This difference is not material and is of no consequence to this report

Appendix H BDA ISR





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12 December 2024

Mr James Macreadie
Director, Corporate Finance & Restructuring
FTI Consulting
Level 22, Gateway, 1 Macquarie Place
Sydney NSW 2000

james.macreadie@fticonsulting.com

Dear James

**INDEPENDENT TECHNICAL SPECIALIST REVIEW AND VALUATION OF
AEON METALS LIMITED AND ITS SUBSIDIARIES (ALL ADMINISTRATORS APPOINTED)
BEHRE DOLBEAR AUSTRALIA PTY LIMITED**

1.0 INTRODUCTION

The Administrator of Aeon Metals Limited (Administrators Appointed) (referred to herein as “Aeon”, Aeon Metals Ltd (Administrators Appointed)” or “the Company”) and its subsidiaries (All Administrators Appointed) plans to conduct a sale of business campaign of the tenements held by the Company. Although the sale process has not concluded, the Administrator considers that the sale of the tenements may be completed via a transfer of shares in Aeon Metals Ltd (Administrators Appointed) to a new owner. The voluntary administration regime, which is governed by the Corporations Act, permits a voluntary Administrator to transfer shares in a company with the leave of the court. This requires an application to the court, including an Independent Expert’s opinion of the value, if any, of the shareholders’ residual equity in Aeon Metals Ltd (Administrators Appointed), assessed on the basis that the entity is in voluntary administration and on a ‘winding up’ or ‘liquidation’ basis. The Administrator would expect that the Independent Expert may require an Independent Technical Specialist (“ITS”) to provide an Independent Specialist Report (“ISR”) that provides an opinion as to the market value of the tenements.

The Administrator has invited Behre Dolbear Australia Pty Ltd (“BDA”) to act as the ITS in relation to the mineral assets of Aeon Metals Ltd (Administrators Appointed) and to prepare an ISR, to be addressed to the Administrator and to be referred to in the Voluntary Administrator’s application to the court. As the ISR will be a public document, BDA will prepare, and provide its consent to the use of, the ISR, in the form and context in which it will be published.

The Administrator requires that BDA provide an independent opinion on the market valuation of the mining tenements held by Aeon Metals Ltd (Administrators Appointed) and its wholly-owned subsidiaries (also in administration), identified as follows:

- Aussie NQ Resources Pty Ltd (Administrators Appointed) (ACN 140 072 680)
- Aeon Walford Creek Ltd (Administrators Appointed) (ACN 121 478 993)
- Aeon Isa Exploration Pty Ltd (Administrators Appointed) (ACN 630 455 373)
- Aeon Monto Exploration Pty Ltd (Administrators Appointed) (ACN 629 298 273)
- Aeon Walford Exploration Pty Ltd (Administrators Appointed) (ACN 634 353 610).

BDA’s initial valuation report, dated 25 November 2024, focussed on a valuation of the various Aeon projects. The Administrator has requested that BDA breakdown the project valuations, assigning a valuation to each tenement and to Aeon’s specific interest in each tenement where this is less than 100%. This 12 December 2024 report addresses these requests. BDA notes that standard valuation procedure has been followed in valuing the tenements on a “willing buyer-willing seller” basis. In the circumstances of a “distressed sale” BDA notes that

values could be as low as 30-50% of the valuation otherwise applying to a competitive bidding process without an “anxious seller”.

In this ISR, resources and reserves have been reviewed in accordance with Australian industry standards and for compliance with the Code and Guidelines for Reporting of Identified Mineral Resources and Ore Reserves - Joint Ore Reserve Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia - December 2012 (“the JORC Code”). The report has been prepared in keeping with the VALMIN Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 and 2015, and in compliance with the ASIC Regulatory Guide 111 Content of Expert Reports (“RG 111”).

BDA confirms that it has prepared its report in compliance with the Expert Witness Code of Conduct contained in Schedule 7 of the Uniform Civil Procedure Rules 2005 (NSW) and acknowledges that the BDA Associates engaged in preparing the valuation of the assets have read the Code.

BDA confirms that it meets the requirements of a Specialist under Section 2 of the VALMIN Code and has the required competency to report on the assets that are the subject of this engagement.

BDA’s Senior Associate who has undertaken the valuation assessment has visited the Walford Creek project and many of the other Aeon Mt Isa region tenements in recent years, most recently in 2021, and completed an independent review and valuation for the application of stamp duty on a transaction between Aeon-related parties. In addition, an independent valuation of the Northwest Queensland minerals assets was undertaken in 2014 for the Receivers and Managers of Aston Metals (Qld) Limited (Receivers and Managers Appointed).

BDA understands that, with respect to the principal asset (Walford Creek), while there has been extensive drilling and exploration since that time (including off-site metallurgical testwork and an uncompleted prefeasibility study), there have been no material changes observable on site; the only additional data available relates to drill core from the site, held in Mt Isa, plus the results from metallurgical testwork, updated resource estimates and pre-feasibility studies. At its current stage of evaluation, Walford Creek would still be considered an advanced exploration project and under the VALMIN Code, would not be valued on the basis of discounted cash flows and net present value calculations, but rather on the basis of exploration type assessments. This is the approach that BDA has adopted.

Behre Dolbear Australia Pty Limited

Behre Dolbear Australia (BDA) is a mineral industry consulting group, specialising in independent due diligence reviews, valuations and technical reviews of resources and reserves, mining and processing operations, environmental and social aspects, project feasibility studies, and Independent Engineer work on project development, construction, and certification. BDA specialises in review and due diligence work for companies and financial institutions.

BDA is typically engaged to undertake independent expert reviews and valuations, to provide advisory services and to monitor a company’s or financial institution’s interests through the design, construction, commissioning, ramp-up and operational phases of a project and to undertake Completion Test certification on their behalf.

The parent company, Behre Dolbear and Company Inc. has operated continuously as a mineral industry consultancy since 1911, and has offices or agencies in Denver, Chicago, New York, Toronto, Vancouver and London, as well as Sydney. Behre Dolbear has over 60 Associates and Consultants covering a wide range of technical expertise and with experience in most parts of the world. BDA is the Australian affiliate and was founded in 1994. BDA operates independently, using primarily Australian-based consultants, but using overseas specialists and engineers from other Behre Dolbear offices where appropriate.

BDA’s expertise covers geology, resources, reserves, mining, processing, infrastructure, environmental and community, operating and capital costs and financial studies. BDA has undertaken numerous mining-related studies, valuations, and Independent Engineer assignments in recent years.

In preparing this ITSR, BDA has used a senior experienced team of specialists, as detailed in Section 10 of this report. The BDA Associates listed have extensive experience in geology, resources, reserves, mining, processing, infrastructure and environmental aspects and have worked previously on copper, gold, base metal, iron ore, coal, speciality/strategic metals and industrial minerals projects. BDA has wide experience of similar reviews for corporate transactions and is well-qualified to undertake the work required and has no conflict of interest in undertaking the assignment.

Methodology and Approach

All five of Aeon's exploration projects are located in Queensland and for this review and valuation BDA has reviewed the annual reports for each project tenement prepared by Aeon and submitted to the Queensland Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development. BDA's valuation is primarily based on the Comparable Transaction Method, based on the information in these annual technical reports. As a secondary valuation approach, BDA has used the Multiple of Past Expenditure methodology, based on Aeon's reported expenditure on each of the tenements in combination with BDA's assessment of the prospectivity of each tenement.

2.0 EXECUTIVE SUMMARY

2.1 Overview

All the Aeon projects are exploration projects at various stages of investigation and at this stage none of the projects represents a near-term development.

The Walford Creek sub-project is by far the most advanced project in the Aeon portfolio, with significant resources defined and some scoping or pre-feasibility studies undertaken. While Aeon has defined Measured and Indicated Mineral Resources, there are no Ore Reserves and in BDA's opinion near-term development is not a realistic option.

All the other Aeon projects are at a significantly less advanced stage of evaluation:

- The Basin Edge sub-project, to the east of Walford Creek, has only undergone preliminary evaluation of historical information and no specific targets have been identified; the prospective basement units are obscured by younger cover sequences making exploration difficult and expensive.
- The Mt Isa West and Mt Isa South projects, despite being mature exploration projects, remain under-explored and although the exploration to date has indicated the presence of mineralisation at various prospects, no Mineral Resources have been defined.
- The Monto project contains some porphyry copper/molybdenum ("Cu/Mo") deposits with historical resource estimates, indicating that the deposits as defined are sub-economic and do not represent potential reserves.
- The single Contance Range EPM is held for limestone with no significant exploration by Aeon undertaken to date.

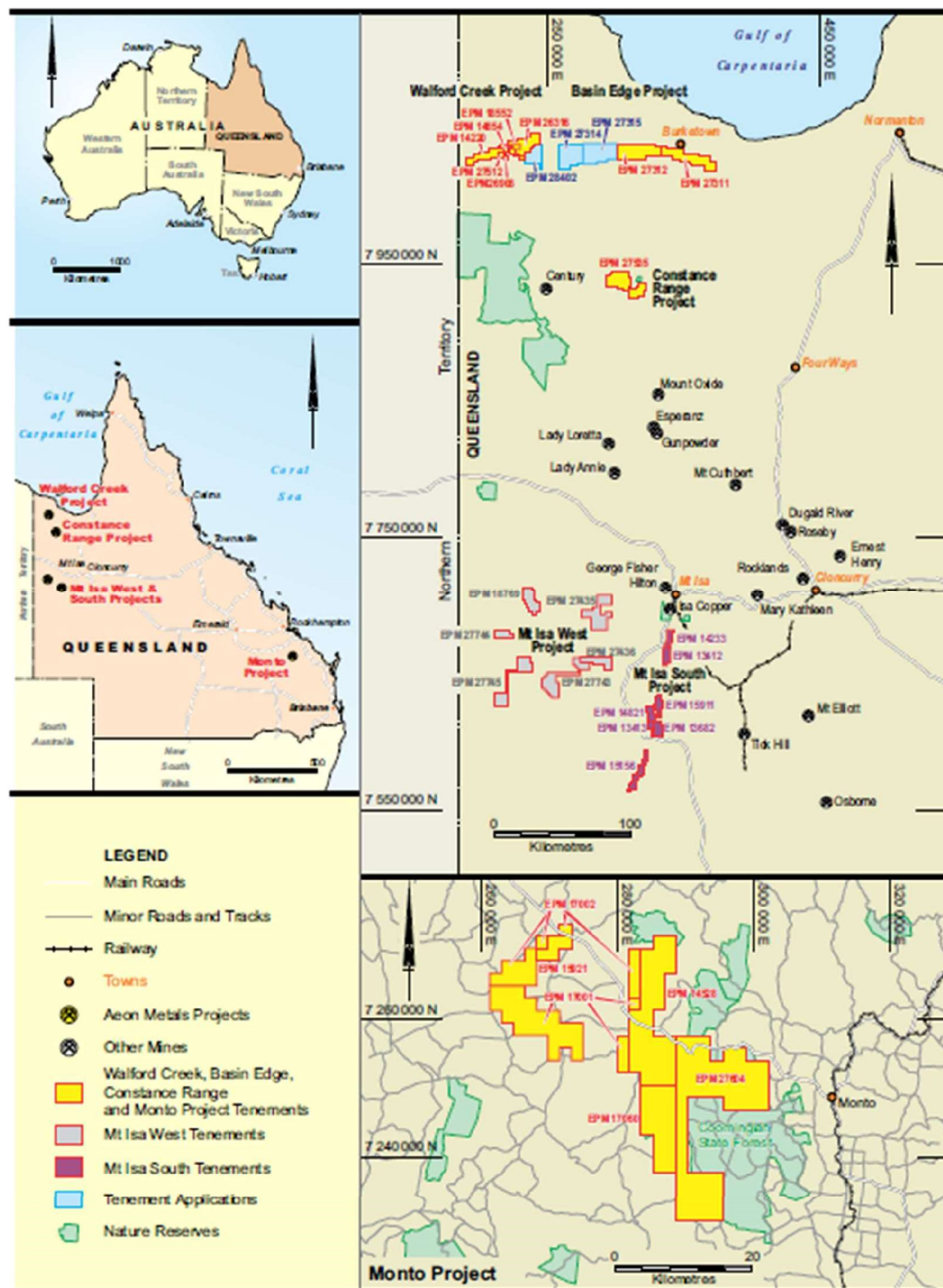
2.2 Valuation Summary

Details of the valuation methodologies considered are discussed in Section 3 of this report, Valuation Methodology; details of the valuations adopted are provided in Section 6, Valuation Discussion.

BDA has considered the exploration potential of the Aeon tenements and what value might be ascribed to this potential by a willing and knowledgeable buyer. BDA has valued the exploration tenements on a tenement area and expenditure basis with consideration of any comparable transactions.

Table 2.1
Valuation Summary of the Aeon Metals Exploration Project Interests

Project	Low (A\$M)	Preferred (A\$M)	High (A\$M)	Comment
Walford Creek	12.2	15.1	17.9	Preferred average of Comparable Transaction CuEq and Area calculations
Basin Edge	0.1	2.0	10.2	Preferred value recognises no significant exploration to date (Low), but significant area along potentially mineralised structure (High) with Preferred value tending towards lower range.
Mt Isa West & South	4.0	5.9	7.7	Preferred average of Comparable Transactions and Expenditure calculations
Monto	3.0	4.0	5.0	Preferred average of Comparable Transactions and Expenditure calculations
Contance Range	0	0	0	Negligible expenditure and limited prospectivity.
Total	19.3	27.0	40.8	



Aeon Metals Group

Figure 1

BDA-25161 (November 2024)

PROJECT LOCATIONS

Behre Dolbear Australia Pty Ltd

3.0 VALUATION METHODOLOGY

3.1 Effective Date

As advised by FTI Consulting, the effective date for the valuation is the date of this report, being 12 November 2024.

3.2 Standards and Procedures

This report has been prepared in keeping with the VALMIN Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 and 2015. Mineral Resource and Ore Reserve estimation procedures and categorisations have been reviewed in terms of the JORC Code, 2012.

3.3 Valuation Principles

As a general principle, the fair value of a property as stated in the VALMIN Code is the amount a willing buyer would pay a willing seller in an arm's length transaction, wherein each party acted knowledgeably, prudently and without compulsion.

3.4 Valuation Methods

There is no single method of valuation which is appropriate for all situations. Rather, there are various methods, all of which have some merit and are more or less applicable depending on the circumstances. The following are appropriate items to be considered:

- discounted cash flow
- amount an alternative acquirer might be willing to offer
- the amount which could be distributed in an orderly realisation of assets
- the most recent quoted price of listed securities
- the current market price of the asset, securities or company.

The *discounted cash flow* or net present value method is generally regarded as the most appropriate primary valuation tool for operating mines or mining projects close to development. Valuing properties at an earlier stage of exploration where Ore Reserves, mining and processing methods, and capital and operating costs, are yet to be fully defined, often involves the application of alternative methods. The methods generally applied to exploration properties or projects at an early stage of development are the *comparable transaction* method, the value indicated by *alternative offers* or by *joint venture terms*, the *past expenditure* method and the *Geoscientific or Kilburn* method. *Yardstick values* based on metal in resources or reserves can be derived and used for both mining and exploration properties. *Yardsticks* based on tenement areas can be used for earlier stage exploration prospects. Under appropriate circumstances values indicated by *stock market valuation* should be taken into account as should any *previous independent valuations* of the property.

The valuation methods considered are briefly described below.

Net Present Value (NPV)

If a project is in operation, under development, or at a final feasibility study stage, and Mineral Resources and/or Ore Reserves, mining and processing recoveries and capital and operating costs are well defined, it is generally accepted that the net present value of the project cash flows is a primary component of any valuation study. This does not imply that the fair value of the project necessarily is the NPV, but rather that the value should bear some defined relationship to the NPV.

If a project is at the feasibility study stage, additional weight has to be given to the risks related to uncertainties in costs and operational performance, risks related to the ability to achieve the necessary finance for the project, risks related to granting of licences or permits, environmental and community aspects, political or sovereign risk and sometimes a lower degree of confidence in the reserves and recoveries. In an ongoing operation, many of these items are relatively well defined.

The NPV provides a technical value as defined by the VALMIN Code, based on stated technical factors and financial assumptions, whereas a prospective buyer, when assessing value, may apply discounts (or premiums) to allow for additional perceived risk factors or for different technical/financial assumptions. The fair value could be determined to be at a discount or a premium to the NPV due to other market or risk factors.

None of the Aeon tenements have any defined Ore Reserves, though Mineral Resources have been defined for the Walford Creek project and historical (pre-JORC) resources have been estimated for the Monto project. None of

the Aeon projects or tenements under consideration are at a stage where discounted cash flow methods can be applied or would be appropriate. BDA has therefore considered other valuation methodologies as described below.

Alternative Valuation Methods

Comparable Transactions

Recent comparable transactions can be relevant to the valuation of projects and tenements. While it is acknowledged that it can be difficult to determine to what extent the properties and transactions are indeed comparable, unless the transactions involve the specific parties, projects or tenements under review, this method can provide a useful benchmark for valuation purposes. The timing of such transactions must also be considered as there can be substantial change in value with time.

BDA has considered whether, in recent years, there have been any comparable relevant transactions that could be used as a basis for estimation of value of any of Aeon's mineral assets or exploration prospects, specifically the advanced Walford Creek project as well as the other exploration projects in northwest Queensland and the Monto project in southeast Queensland.

Rules of Thumb or Yardsticks

Certain industry ratios are commonly applied to mining projects to derive an approximate indication of value. The most commonly used ratios relate to gold projects and comprise dollars per ounce of gold in resources or dollars per ounce of gold in reserves, but similar ratios are also estimated and quoted for other metals or per hectare or square kilometre ("km²") of prospective ground. The ratios used commonly cover a substantial range which is generally attributed to the 'quality' of the potential resource or reserve or the prospectivity of the ground. Contained metal which can be produced at low cost is clearly worth more than a high-cost source. Where a project has substantial future potential not yet reflected in the quoted resources or reserves, a ratio towards the high end of the yardstick range may be justified.

BDA has considered whether relevant copper yardstick values and dollar per hectare or square kilometre yardsticks provide a guide to the value of Aeon's exploration tenements and projects.

Alternative Offers and Joint Venture Terms

If discussions have been held with other parties and offers have been made on the projects or tenements under review, then these values are certainly relevant and worthy of consideration. Similarly, joint venture terms where one party pays to acquire an interest in a project or spends exploration funds in order to earn an interest, may also provide an indication of value. BDA has considered whether there are any relevant recent offers or joint ventures which might provide a guide to assessing a value for Aeon's exploration properties and BDA has also considered the extent to which such transactions are at arm's length, or whether some involve related parties.

Past Expenditure

Past expenditure, or the amount spent on exploration of a tenement is commonly used as a guide in determining the value of exploration tenements, and 'deemed expenditure' is frequently the basis of joint venture agreements. The assumption is that well directed exploration has added value to the property. This is not always the case and exploration can also downgrade a property and therefore a 'prospectivity enhancement multiplier' ("PEM"), which commonly ranges from 0.5-3.0, is applied to the effective expenditure or to the original acquisition cost or deemed valuation. The selection of the appropriate multiplier is a matter of experience and judgement. To eliminate some of the subjectivity with respect to this method, BDA typically applies a scale of PEM ranges as follows to the exploration expenditure:

- PEM 0.5 - 0.9 Previous exploration indicates the area has limited potential
- PEM 1.0 - 1.4 The existing (historical and/or current) data consists of pre-drilling exploration and the results are sufficiently encouraging to warrant further exploration
- PEM 1.5 - 1.9 The prospect contains one or more defined significant targets warranting additional exploration
- PEM 2.0 - 2.4 The prospect has one or more targets with significant drill hole intersections
- PEM 2.5 - 2.9 Exploration is well advanced and infill drilling is required to define a resource
- PEM >3.0 A resource has been defined but a (recent) pre-feasibility study has not yet been completed.

BDA has considered whether exploration expenditure is relevant in determining a value for Aeon's exploration prospects.

Geoscientific Method

In an attempt to introduce a more systematic way of valuing exploration properties, the Kilburn or Geoscientific method was developed, which commences with the base acquisition cost ("BAC") being the cost to acquire and maintain a unit area (square kilometre or hectare) for one year including statutory fees and minimum expenditure

commitments. The base cost is then factored sequentially by four technical factors, Off-Property, On-Property, Anomaly and Geological, with factors for each ranging from 0.1 to 5.0. BDA has considered whether the Geoscientific method is relevant in assessing a value for Aeon's exploration prospects.

Prospectivity

Over-riding any mechanical or technical valuation method for exploration ground must be recognition of prospectivity and potential, which is the fundamental value in relation to exploration properties, and this has been considered in BDA's valuation of the exploration prospects.

Market Valuation

On the fundamental definition of value, being the amount a knowledgeable and willing buyer would pay a knowledgeable and willing seller in an arm's length transaction, it is clear that due consideration has to be given to market capitalisation or enterprise value ("EV"). In the case of a one-project company or a company with only one major asset, the market capitalisation gives some guide to the value that the market places on that asset at that point in time, (with suitable adjustments for a control premium and other assets and liabilities), although certain sectors may trade at premiums or discounts to net assets, reflecting a view of future risk or earnings potential. Commonly however a company has several projects at various stages of development, together with a range of assets and liabilities, and in such cases, it is difficult to define the value of individual projects in terms of the share price and market capitalisation.

Other Expert Valuations

Where other independent experts or analysts have made recent valuations of the same or comparable properties these opinions clearly need to be reviewed and to be taken into consideration.

Special Circumstances

Special circumstances of relevance to mining projects or properties can have a significant impact on value and modify valuations which might otherwise apply. Examples could be:

- *environmental risks* - which can result in a project being subject to extensive opposition, delays and possibly refusal of development approvals
- *local population or indigenous peoples/land rights issues* - projects in areas subject to claims from indigenous peoples or traditional landowners can experience prolonged delays, extended negotiations or veto
- *country issues* - the location of a project can significantly impact on the cost of development and operating costs and has a major impact on perceived risk and sovereign risk
- *technical* - issues peculiar to an area or orebody such as geotechnical or hydrological conditions, or metallurgical difficulties could affect a project's economics.

BDA has considered whether any special circumstances impact the value of any of Aeon's tenements under consideration.

4.0 SOURCES OF INFORMATION

BDA associate, Mr Peter Goldner, has previously visited the Walford Creek project as part of former project valuations and reviews, inspected core from the Walford Creek deposit stored in Mt Isa and has visited a number of the prospects in the Mt Isa West and Mt Isa South Project areas. In the course of these earlier reviews and valuations, meetings were held with Aeon, its precursor companies and previous technical and management staff and consultants.

The primary documentation reviewed for this report is the material made available on the Ansarada website and largely consisting of Annual Technical Reports (“ATR”) and exploration expenditures for each tenement prepared as part of the Company’s statutory reporting obligations to the Queensland government. Further to this information, at BDA’s request, Aeon’s current Mt Isa office provided additional reports and available information.

The principal reports and documents reviewed are listed below:

Aeon Metals Tenement and Exploration Reports

- The most recent ATRs for each Aeon tenement and prior year ATRs as required
- Exploration Expenditure spreadsheets prepared by Aeon
- Updated Resource Estimates for the Amy and Le Mans Deposits, Walford Creek Project NW Queensland. H&S Consultants Pty Ltd (“H&SC”) - 14 March 2023
- Resource Estimate for the Vardy and Marley Deposits, Walford Creek Project NW Queensland. H&SC – March 2022
- Independent Technical Review and valuation of Nominated NW and SE Queensland Exploration Tenement Interests Held by Aeon Metals Limited. Goldner & Associates - September 2018
- Independent Subjective Assessment of Aeon Metals Limited’s Isa North, Isa West and Isa South Project Tenements NW Queensland. Goldner & Associates – 24 November 2016

General Data

- Australasian Code for Reporting Identified Mineral Resources and Ore Reserves – Report of the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code)
- Australasian Code for the Public Reporting of Technical Assessments and valuations of Mineral Assets – The VALMIN Code 2015 Edition
- ASIC Regulatory Guide 111 – Content of Expert Reports
- Expert Witness Code of Conduct contained in Schedule 7 of the Uniform Civil Procedure Rules 2005 (NSW)

5.0 AEON METALS LIMITED CORPORATE STRUCTURE AND PROJECTS

5.1 Background to Aeon Metals Involvement in Northwest Queensland

An approximate timeline of Aeon's corporate evolution and its involvement in the Queensland projects valued in this report is summarised below:

- MM Mining Limited ("MM Mining"), a precursor company to Aston Metals Limited ("Aston"), itself a precursor to Aeon, was a private company controlled by Mr Nathan Tinkler. MM Mining commenced investing in the Western Succession of the Mt Isa Inlier in about 2007, through joint venture arrangements negotiated with Summit Resources Limited ("Summit") that covered most of the original tenements in the three Mt Isa district project areas (Mt Isa North, Mt Isa South, and Mt Isa West) and the Constance Range project.
- In 2009, MM Mining negotiated a farm-in Arrangement with Red Metal Limited on EPM 12653 which was included in the Isa South Project; this tenement has since been relinquished.
- In January 2010 MM Mining entered into a JV agreement with Copper Strike Limited ("Copper Strike") on EPMs 14220 and 14854 in the Walford Creek project area and also applied for the area now covered by EPM 18552. An attempt to publicly list MM Mining was unsuccessful.
- In July 2010, MM Mining entered into a binding term sheet with Glencore Xstrata with respect to EPMs 15911 and 17297. The latter tenement has been relinquished, while EPM 15911 remains part of the Mt Isa South project.
- In late 2010/early 2011, MM Mining changed its name to Aston Metals Limited and in May 2011 purchased Copper Strike's remaining 30% interest in EPMs 14220 and 14584, thus obtaining 100% interest in the Walford Creek project tenements. A further attempt at a public listing, this time as Aston, was unsuccessful.
- In 2013 Aston went into receivership.
- In April 2014 Aeon acquired Aston.

Through the remainder of this report, MM Mining and Aston are referred to as Aeon precursor companies.

5.2 Aeon Projects and Ownership

Aeon has interests in five separate project areas in Queensland; four project areas are in northwest Queensland, while one project is located in southeast Queensland. All project tenure (in the form of granted Exploration Permits for Minerals ("EPM") or EPM applications ("EPMA")) is held in a series of wholly-owned unlisted Aeon subsidiaries. While most of the tenements are owned 100% by the Aeon, a number are subject to joint ventures with other parties. The tenure and ownership of each project is summarised below and detailed in the project descriptions in Sections 5.3 to 5.6.

- **Walford Creek and Basin Edge Projects**
 - Eight granted EPMs and three EPMA's, totalling 1,827.2km² in far northwest Queensland, south of the Gulf of Carpentaria.
 - The tenements are all 100% owned by Aeon subsidiaries, Aeon Walford Creek Limited and Aeon Walford Exploration Pty Ltd.
- **Constance Range Project**
 - EPM 27535 covering 291.2km², taken out as a potential source of limestone for Walford Creek, is the only remaining tenement in this project area included in this valuation. Other tenements, previously held for base metals have either been, or are in the process of being, relinquished.
 - Aeon Walford Exploration Pty Ltd has a 100% interest in EPM 27535.
- **Mt Isa West Project**
 - Six EPMs in five separate blocks totalling 1,190.4km² located west and southwest of Mt Isa
 - All six EPMs are owned 100% by Aeon subsidiaries, five in the name of Aeon Isa Exploration Pty Ltd and one in the name of Aeon Walford Creek Ltd.

- **Mt Isa South Project**
 - Seven granted EPMs, in three separate blocks, totalling 448.0km² south of Mt Isa.
 - EPM 15911 is owned 100% by Aeon Walford Creek Limited and this subsidiary has an 80% interest in five of the remaining EPMs and a 72% interest in one EPM.
- **Monto Project**
 - Six granted EPMs totalling 492.8km² located west of Bundaberg in southeast Queensland.
 - All EPMs are owned 100% by Aeon Monto Exploration Pty Ltd.

5.3 Walford Creek and Basin Edge Projects

The Walford Creek tenements and Basin Creek tenements occur in two separate blocks (Figures 1 and 2) and are at very different levels of evaluation. The Walford Creek project is Aeon's most advanced project with JORC 2012 resources defined, mineralogical and metallurgical and other scoping studies undertaken. In comparison, the Basin Edge project is at an early stage of evaluation.

Location and Current Tenure

The Walford Creek and Basin Edge project areas are located about 340km northwest of Mount Isa. Road access is available via the Burketown road and then, for the Walford Creek project tenements, along the Doomadgee – Hells Gate road. The Basin Edge project tenements are accessible from the Burketown road by a series of station tracks.

During the wet season the area can become inaccessible for lengthy periods.

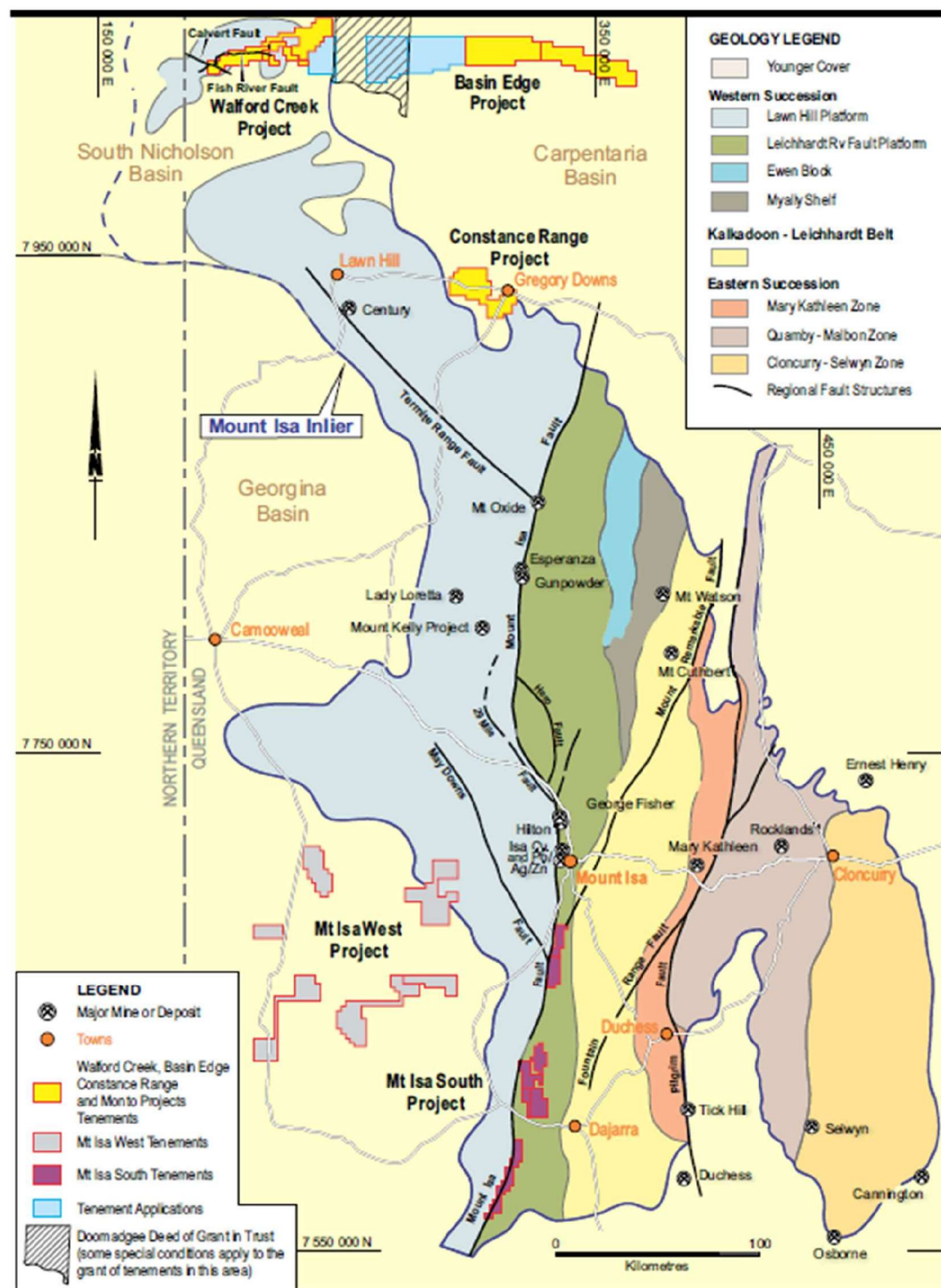
The Aeon tenure is in two blocks of contiguous tenements, the western tenement block covering the Walford Creek deposit and potential extensions to the east and west (the Walford Creek project) while the eastern tenement block (known as the Basin Edge project) extends some 100km from approximately 15km east of the Walford Creek project block (Figure 2). The tenements in both blocks are 100% owned by Aeon subsidiaries as detailed in Table 5.1 below.

Table 5.1
Walford Creek and Basin Edge Tenure

Tenement	Holder	Expiry	Area (km ²)	Comments
Walford Creek Project				
EPM 14220	Aeon Walford Creek Limited	07/03/2027	131.2	
EPM14854	Aeon Walford Creek Limited	21/11/2025	19.6	
EPM 18552	Aeon Walford Creek Limited	29/11/2027	22.4	
EPM 26906	Aeon Walford Creek Limited	17/12/2023	38.4	Renewal lodged
EPM 26316	Aeon Walford Creek Pty Ltd	28/05/2027	192.0	
EPM 27512	Aeon Walford Creek Limited	08/07/2025	12.8	
EPMA 28402	Aeon Walford Creek Limited		156.2	Application in progress
Total			572.6	
Basin Edge Project				
EPM 27311	Aeon Walford Creek Limited	31/05/2025	316.2	
EPM 27312	Aeon Walford Creek Limited	31/05/2025	320.0	
EPMA 27314	Aeon Walford Creek Limited		297.6	Application in progress
EPMA 27315	Aeon Walford Creek Limited		320.0	Application in progress
Total			1,253.8	

As can be seen on Figure 2, EPMA 27314 and EPMA 28402 overlap or intersect with the Doomadgee Deed of Grant in Trust ("DOIGT") and can only be granted with the approval of the Governor in Council. The trustee is the Doomadgee Aboriginal Shire Council ("DASC") who reportedly advised that it had no objection to the grant providing a number of special conditions were met. The objections to the grant of EPMA 28402 have been withdrawn and it is understood the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development ("DoR") is following up with respect to granting this tenement.

BDA has not investigated this situation further but points out that there could be a delay in granting EPMA 27314 until negotiations and clarifications of the special conditions is obtained.



Aeon Metals Group

Figure 2

PROJECT TENEMENTS AND REGIONAL SETTING

BDA- 251/01 (November 2024)

Behre Dolbear Australia Pty Ltd

Regional Geology

The Walford Creek and Basin Edge project areas are situated on the northern faulted contact of the Mount Isa Inlier and the east-west trending Proterozoic Murphy Tectonic Ridge. Within the Walford Creek project tenements the basement sequence is overlain by a 10km wide on-lapping stratigraphic package of basic to acidic lavas, pyroclastics and sediments belonging to the Wire Creek Sandstone and the Peters Creek Volcanics. The latter unit is overlain by the Fickling Group, a sequence of sulphide-rich and weakly metamorphosed dolomitic and carbonaceous sediments.

The east northeast to east-west trending Fickling Group is largely confined between the Fish River Fault Zone in the north and the Nicholson River Fault in the south. Other cross-cutting faults, including the northwest trending Calvert and Dividing Faults, were active during the accumulation of the basement Peters Creek Volcanics and Fickling Group. EPM 14220 lies along the northern margin of the Fickling Group straddling the Fish River Fault Zone.

In the Basin Edge project, the prospective basement units are largely obscured by younger sequences.

5.3.1 Walford Creek Project

Project History

The general exploration history of the Walford Creek project area, prior to Aeon and its precursor companies' involvement, is summarised in Table 5.2 below.

Table 5.2
Prior Base Metal Exploration in the Walford Creek District

Date	Company	Exploration Undertaken	Significant Results	Drilling within EPM 14220
1961/65	MIM	IP, soil geochemistry, 9 DDH	24 base metal occurrences identified within the Fickling Group	3 DDH
1979/80	Eso Exploration	Geophysics, 3 DDH		1 DDH
1982/83	ELF Aquitane	Airborne magnetic survey, 2 DDH		2 DDH
1985/87	WMC	Soil and rock chip sampling, ground magnetics, EM survey, 9 DDH	Coincident EM and geochemical anomalies tested by drilling; best intersection - 6m at 1.1% Pb, 0.6% Zn, 9.5g/t Ag	9 DDH
1987/88	CRA	Rock chip sampling, ground magnetics, gravity, 2 DDH	Exploration mainly outside current project area	2 DDH
1989/96	WMC	Grid-based mapping, rock-chip and soil sampling, EM surveys, 51 DDH and 42 percussion holes	Numerous isolated base metal intersections	62 holes
1992/93	Pasminco	Soil and stream sediment sampling, detailed air photography, drilling		51 DDH 42 percussion
2004/06	Copper Strike	30 RCP holes, diamond tails on 4 holes	Four adjacent mineralised lenses outlined and an Inferred Resource estimated	30 RCP holes

Note: DDH = diamond drill hole; RCP = reverse circulation percussion drill hole; EM = electromagnetic

Western Mining Corporation ("WMC") mainly focused its exploration programme on the sub-horizontal stratabound mineralisation in an attempt to define a large sediment-hosted base-metal deposit. During its core drilling, WMC intersected copper mineralisation associated with the fault-related breccias but only limited drill testing of these sub-vertical copper zones was undertaken. All drilling by WMC was by diamond drilling ("DDH") and two thirds of the WMC holes were vertical or very steeply dipping and would not have effectively tested any steeply-dipping mineralised zones. WMC did not analyse for cobalt.

Copper Strike reinterpreted the geology and the likely model for the mineralisation and focused its exploration on the dolomitic breccia and steep dipping fault-controlled mineralisation with the objective of outlining a near-surface deposit that could be mined by open cut methods. All Copper Strike drilling was by reverse circulation percussion ("RCP") methods. Copper Strike included cobalt in its base metal suite assayed.

Prospect Geology

The Walford Creek prospect, which includes the currently defined resource, occurs as discontinuous mineralisation generally abutting the steeply dipping, east-west to east northeast-trending Fish River Fault Zone. The known mineralisation parallels the fault over a distance of approximately 10km with base metal geochemical anomalism extending over a strike distance of at least 15km (Figure 3).

The mineralisation is stratabound and spatially related to the downthrow side of the steep, south-dipping Fish River Fault. Host sediments comprise massive bedded pyrite, black siltstones, micritic dolomite and dolomitic siltstones with varying amounts of syn-sedimentary, tectonic and hydrothermal brecciation.

The Fish River Fault is a complex arrangement of normal faults with some step-down faulting (up to 30m of throw) to the south and extending up to 30-40m into the hanging wall of the main fault contact. The mineralisation, which is generally hosted in the Mount Les Siltstone member of the Fickling Group, may be associated with a flexure in the Fish River Fault Zone in a region where it intersects the Dividing Fault.

The poorly exposed Mount Les Siltstone is of variable thickness along strike, ranging from about 300m thick in the eastern portion of the prospect area to less than 150m east and west of the prospect. It consists of siltstones and shales that are often black, variably carbonaceous and frequently dolomitic.

Mineralisation

Mineralisation consists of chalcopyrite, galena, sphalerite and cobaltiferous (and nickeliferous) pyrite and there is a wide diversity of mineralisation styles indicating multiple mineralising events in a long-lived reactivated structural setting.

Three pyrite-rich stratigraphic units with associated base metal mineralisation have been delineated from geological interpretation, namely the PY1 Unit, the Dolomite (DOL) Unit and the PY3 Unit with the former two now combined for resource estimation purposes into a single unit. There are strong indications of metal zonation within both mineralised bodies.

The Walford Creek deposit has been subdivided into four separate zones (see Figure 3) which from east to west are:

- Vardy (~0.8km strike length)
- Marley (~2.9km strike length)
- Le Mans (~3.4km strike length)
- Amy (~2.7km strike length).

Down dip extensions are generally limited to between 40m and 150m depending on the stratigraphic host unit including levels of brecciation and penetrative capacity of the mineralisation. Thickness of the mineralisation varies from a few metres to tens of metres.

Higher grade copper ("Cu") zones, with significant cobalt ("Co") mineralisation, have been recognised for the PY1 and DOL units in the Vardy Zone whilst higher grade Cu mineralisation in the PY3 unit has been interpreted over the whole length of the deposit.

The following mineralisation styles are recognised:

- Stratabound early lead-zinc-silver ("Pb-Zn-Ag") $\pm$ Cu within three pyrite lenses in the Mount Les Siltstone
- Late epigenetic and structurally controlled Cu mineralisation with minor Pb-Zn-Ag in sedimentary and hydrothermal dolomite breccias within and adjacent to the fault and within stacked massive pyrite lenses proximal to the fault
- Minor Cu replacement and cavity-fill mineralisation on the northern side of the Fish River Fault
- Co mineralisation within pyrite and as overgrowths or replacements; the Co (and Ag) enrichments may reflect a mineralisation event that precedes the base metal mineralisation.

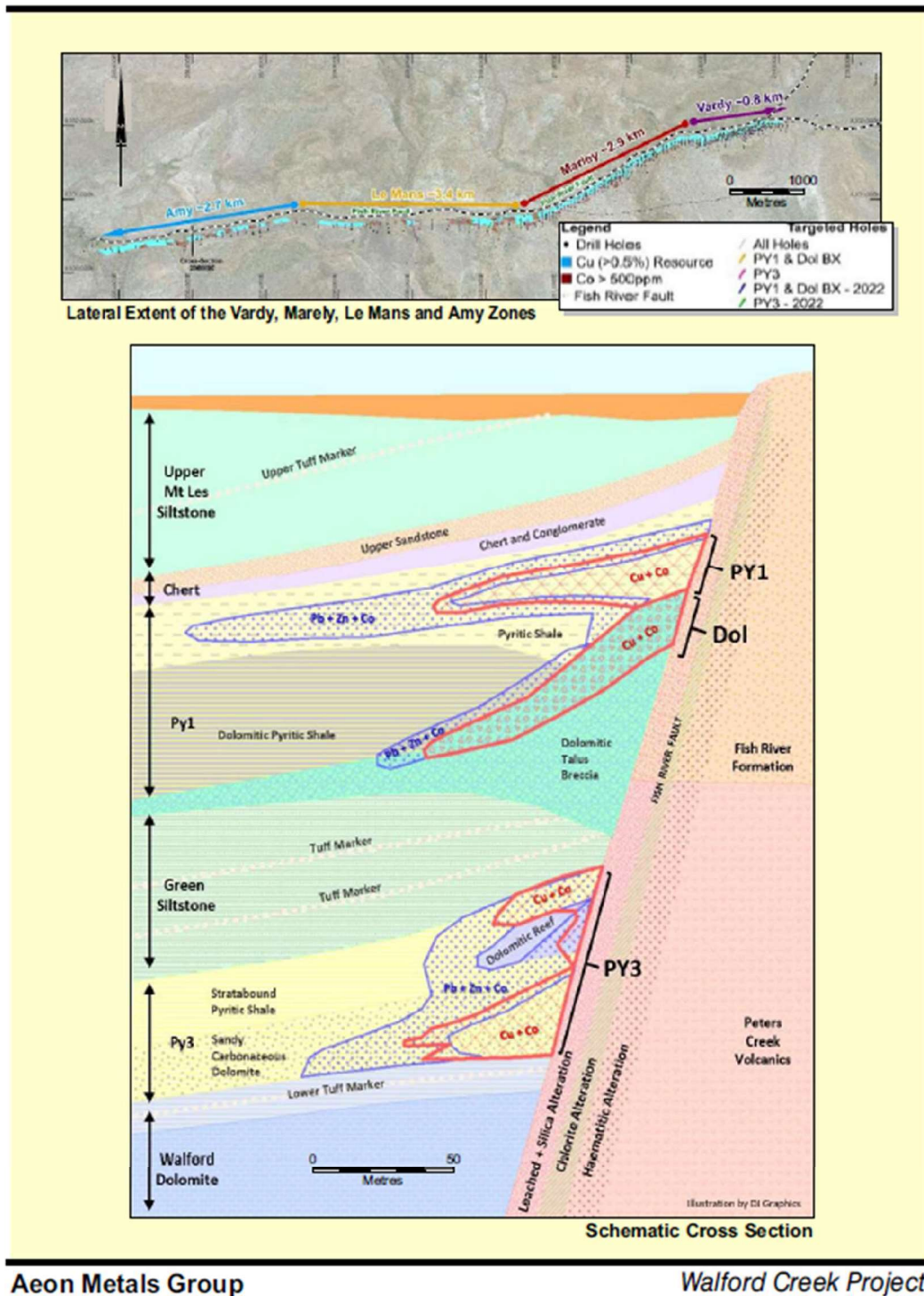
Higher grade Cu zones with significant Co mineralisation have been recognised for the PY1 and DOL Units in the Vardy Zone whilst higher grade Cu mineralisation in the PY3 Unit has been interpreted over the whole length of the deposit.

Mineralogical studies indicate substantial tectonic brecciation and pyritic replacement of dolomite with some minor association with trace hydrocarbons.

A slightly lower grade Cu zone has been interpreted in the Marley zone as an extension of the Vardy PY1/DOL zone. The Le Mans section lies immediately west of Marley and links the latter with Amy, which occurs further to the west.

At Amy, recent drilling in the area indicated low potential for the upper PY1/DOL unit and exploration has focussed on the PY3 Unit.

Overall the Walford Creek mineralisation characteristics are analogous to those present in other sediment-hosted deposit such as Red Bed Copper, Irish and Mississippi Valley-type Pb-Zn-Ag deposits.



Aeon Metals Group

Walford Creek Project

Figure 3

BDA - 251/01 (November 2024)

SCHEMATIC PLAN AND SECTION

Behre Dolbear Australia Pty Ltd

Resource Estimation

Standards and Definitions

A Mineral Resource is defined in the Australasian Joint Ore Reserve Committee (JORC) Code, 2012 as a concentration or occurrence of material of economic interest in the Earth's crust in such form, grade and quantity that there are reasonable prospects for eventual economic extraction. Mineral Resources are classified as Measured, Indicated or Inferred according to the degree of confidence in the estimate. A Measured Resource is one which has been intersected and tested by drill holes or other sampling procedures at locations which are close enough to confirm continuity and where quantities, grades and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors to support detailed mine planning and evaluation and to estimate Ore Reserves. Similar criteria apply to Indicated Resources except that the sampling is at locations too widely spaced to ensure continuity, but close enough to allow a reasonable assumption of continuity; the quantities, grade, and physical characteristics are still considered to be estimated with sufficient confidence to allow the application of Modifying Factors to support detailed mine planning and evaluation and estimation of Ore Reserves. An Inferred Resource is one where quantity and grade estimates are based on limited geological evidence and where sampling is sufficient to imply but not to verify continuity.

The Walford Creek resource figures represent the total tonnage of in-situ mineralisation delineated within the drilled areas and above the defined cut-offs.

An Ore Reserve is defined in the Australasian JORC Code as the economically mineable part of a Measured or Indicated Resource. An Ore Reserve is defined by studies at the Pre-Feasibility or Feasibility level which demonstrate that the extraction of the reserve is economically justified under conditions reasonably assumed at the time of reporting. Proved and Probable Ore Reserves are typically based on Measured and Indicated Resources respectively unless other relevant factors dictate a lowering of the Measured Resource category to Probable Ore Reserves. Under the Australasian JORC Code, Inferred Resources are deemed to be too poorly delineated to be transferred into a reserve category.

At this stage there are no Ore Reserves defined at Walford Creek

Walford Creek Deposit Mineral Resource Estimate

H&SC has, since about 2011, undertaken a series of continually updated resource estimates, in accordance with the JORC code, as detailed infill and extension drilling has progressed at Walford Creek.

BDA reviewed the most recent H&SC resource reports representing Aeon's currently published resources as follows:

- Amy and Le Mans deposits - March 2023
- Vardy and Marley deposits - March 2022

The resource estimates are based on drilling undertaken by Aeon and its precursor company Aston as well as historical drilling undertaken by WMC and Copper Strike. Resource estimation parameters used by H&SC are summarised in Table 5.3 below.

Table 5.3
H&SC Walford Creek Resources Estimates

Parameter	Vardy & Marley Deposits (2022) / Amy & Le Mans (2023)
Dimension	Vardy – ~0.8km strike, 30-60m down dip. Marley – ~2.9km strike, 30-60m down dip Amy – ~3.7km strike, 40-150m down dip depending on host stratigraphy Le Mans – ~2.1km strike, 40-150m down dip depending on host stratigraphy The thickness of the mineralisation varies from a few metres to tens of metres.
Drilling	Vardy/Marley – 490 holes totalling 92,500m (some of these holes may have been into the Amy zone) Amy/Le Mans - 131 holes (predominantly DDH core) totalling 46,550m and approximately 18,400 assays.
Hole Spacing	Drillhole section spacing 25m at Vardy, to 50m at Marley broadening to 100m or greater around Amy. On section spacing is approximately 20m to 80m for Vardy/Marley and 30-60m for Amy Le Mans.
Core recovery	No records available for WMC and Copper Strike drilling. Aeon and precursors – generally >90% recovery for core holes. WMC drilled diamond core holes while Copper Strike drilling was open hole RCP.
Sampling	WMC – 1m for RC and typically 1m half core sampled with geological control. Copper Strike - 1m dry RC riffle split samples. Aeon and precursors – 1m half sawn core and riffle split 1m RC samples.
Geological logging	WMC and Copper Strike – geological logging. Aeon and precursors - geological logging of all holes, geotechnical logging of core holes.
Sample Preparation	Aeon and precursors – dry crushed and pulverised to appropriate levels.
Assaying	WMC – in house analysis by AAS spectrometry. Copper Strike 4 acid digest with ICP finish with ore grade analyses, by ALS. Aeon and Precursors – 4 acid digest with ICP finish, ore grade analyses where appropriate.
QA/QC	WMC – not reported. Copper Strike did not use duplicates or standards. Aeon and precursors – standards, blanks inserted and secondary lab checks. WMC did not assay for Co.
Collar Surveying	WMC – collar locations by EDM tied to a datum grid point to ± 100 mm. Copper Strike surveying not recorded. Aeon and precursors – DGPS on all holes and also validated WMC holes.
Downhole Surveying	WMC and Copper Strike not recorded. Aeon and precursors – generally every 30m by Reflex Ezi-shot.
Geological Interpretation	Several different mineralisation styles depending on the host rock and stratigraphic inter relationships. Primary base metal mineralisation is hosted in relatively flat lying sedimentary units. The resource estimate is primarily focussed on higher grade copper and cobalt mineralisation related to specific stratigraphic host rocks and proximal to the Fish River Fault.
Cut-off grade	Vardy/Marley resource estimate – 0.5% Cu cut-off; peripheral cobalt resource estimate – 0.06% Co cut-off for copper grades of <0.5% Cu. Amy/Le Mans, 0.5% Cu cut-off, 0.05% Co cut-off for peripheral cobalt resource.
Estimation and Modelling	3D mineral wireframes and geological interpretations completed on section. Surpac used for interpretation and block modelling and Micromine for block grade interpolation. Geostatistics performed for Cu, Pb, Zn, Ag, Co, Ni and some additional elements. Parent block sizes for Vardy and Marley 10m (east), 5m (north) and 5m (RL) with no sub-blocking. Amy/Le Mans block sizes 20m by 5m by 5m with no sub-blocking. Ordinary Kriging used for the estimation. No top cutting applied.
Bulk Density	10,661 samples generated from 10-15cm pieces of core using the Archimedes Principal on a dry weight basis.
Resource Classification	Mineral Resources classification based on the estimation search pass category subject to assessment of other impacting factors such as drill hole spacing, core handling and sampling procedures, QA/QC, density measurements, geological modelling and previous resource estimates. The Amy and Le Mans zones are classified as Inferred due to the wide drill spacing, poddy nature of the mineralisation, poor variography and lack of comprehensive QA/QC data. Mineral Resources have been classified for Vardy and Marley using search pass category – Pass 1 = Measured, Pass 2 = Indicated and Pass 3 = Inferred. For Amy all passes were Inferred.

The current published Walford Creek Mineral Resources are shown in Table 5.4 below.

Table 5.4
Walford Creek Mineral Resources (Marley, Vardy, Le Mans and Amy Lodes)

Category	Grade					Metal Content					
	Mt	Cu %	Pb %	Zn %	Ag ppm	Co %	Cu kt	Pb kt	Zn kt	Ag Moz	Co kt
Vardy, Marley and Peripheral Cobalt Resources											
PY3 Lode											
Measured	5.2	0.87	1.34	0.72	32	0.13	45.1	69.5	37.3	5.3	6.7
Indicated	15.0	0.82	1.14	0.70	33	0.13	122.8	171.7	105.2	16.1	20.0
Inferred	1.0	0.77	1.22	0.73	37	0.12	7.4	11.8	7.0	1.2	1.2
PY1+DOL Lode											
Measured	12.0	0.50	0.75	1.17	19	0.11	60.2	89.5	139.7	7.4	13.1
Indicated	12.4	0.31	0.70	1.00	15	0.08	38.8	86.6	124.1	6.2	10.2
Inferred	0.9	0.22	1.12	0.70	25	0.07	2.0	10.1	6.3	0.7	0.6
Total Vardy and Marley											
Measured	17.1	0.61	0.93	1.03	23	0.12	105.3	159.0	177.0	12.7	19.8
Indicated	27.5	0.59	0.94	0.83	25	0.11	161.6	258.3	229.3	22.3	30.2
Inferred	1.9	0.50	0.05	0.72	31	0.10	9.3	21.8	13.3	1.9	1.8
Sub Total	46.5	0.59	0.90	0.90	25	0.11	276.2	439.1	419.6	36.9	51.8
Amy and Le Mans Copper and Peripheral Cobalt											
PY3 Lode											
Inferred	19.3	0.85	1.65	0.74	41	0.15	164.3	319.0	143.6	25.6	28.2
PY1+DOL Lode											
Inferred	6.8	0.31	1.39	1.05	18	0.07	21.2	94.9	71.9	4.0	4.9
Sub Total	26.2	0.71	1.58	0.82	35	0.13	185.4	413.9	215.5	29.6	33.1
Total Walford Creek Project (All Lodes)											
Measured	17.1	0.61	0.93	1.03	23	0.12	105.3	159.0	177.0	12.7	19.8
Indicated	27.5	0.59	0.94	0.83	25	0.11	161.6	258.3	229.3	22.3	30.2
Inferred	28.0	0.70	1.48	0.82	35	0.12	30.5	435.8	228.8	31.5	34.9
Total	72.6	0.64	1.15	0.87	28	0.12	297.3	853.0	635.1	66.5	84.9

Note: Nickel has been excluded from the above table; the average nickel grade for the Walford Creek project is 0.04% Ni.

Exploration Potential

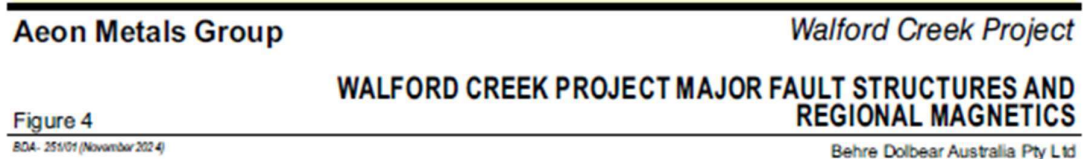
There is potential for a resource increase in the Amy and Le Mans zones within the PY3 unit as 50% of the blocks had no interpolated grades. H&SC assessed that there was potential for a further 2 to 4Mt of material above a cut-off grade of 0.5% Cu, but emphasised that this was a conceptual estimate. Aeon planned to infill drill gaps in the Amy resource and to drill out the Le Mans resource to increase resource confidence, i.e. to define resource categories above Inferred.

Aeon has explored areas of EPM 14220 to the south, north and northeast using the available airborne magnetics and grid lag sampling. Samples were initially assessed with a hand-held portable XRF ("pXRF") which identified zones of anomalous copper, zinc, lead and arsenic. Further follow up exploration was planned.

There is potential for the Fish River Fault and the Fickling Group to occur in the other Walford Creek project tenements east of EPM 14220 (Figure 4). Outcrop in much of this area is obscured by younger sediments and the exploration to date has involved a significant remote sensing component. Aeon has conducted a number of geophysical surveys (2D Seismic, detailed ground magnetics, detailed gravity and heliTEM) with some geological mapping. The area to the east of the Walford Creek resource remains prospective and is still under-explored and additional exploration was planned including ground reconnaissance, soil sampling and follow up drill testing of identified targets.

Advanced Studies

Aeon has undertaken a variety of scoping and prefeasibility style studies which were ongoing when the company went into administration. These studies have not been reviewed by BDA.



Conclusions

BDA considers the Walford Creek project to be an advanced exploration project with a significant and laterally extensive mineral deposit. The geological and structural controls to the mineralisation are well understood. Metal zonation within the Walford Creek deposit is complex but the interpretation of this zonation and the continuity of the combined PY1 and DOL lode by H&SC appears appropriate.

The main potential for extending the current resource lies within the Amy and Le Mans zones.

There appears to be potential for extending the known mineralisation along strike to the west of the currently defined Amy zone. A number of previously drilled holes intersected mineralisation.

Aeon also identified a number of other exploration targets within EPM 14220 (Walford Northeast and Walford North), based on the results of detailed grid based sampling, and follow-up work is warranted.

At this stage, Aeon has undertaken only limited exploration within the other EPMs comprising the Walford Creek project, as most work has concentrated on drilling out and extending the Walford Creek deposit resources. In BDA's opinion further exploration of these other tenements is justified.

The multi-element style of mineralisation (copper, lead, zinc, silver, cobalt) introduces significant metallurgical recovery problems compared with a simple copper deposit; in a bulk concentrate some of the metals would not be payable and some could be considered deleterious. Producing separate copper, zinc and lead concentrates results in a relatively complex flowsheet with impact on recoveries. BDA understands that cobalt is principally associated with pyrite requiring flotation of a fourth pyrite concentrate (if the contained cobalt values prove sufficiently economic).

In BDA's opinion, barriers and potential risks to the further development of the Walford Creek project include its remote location, modest grade, complex mineralogy, problematic metallurgical characteristics and poor logistics. During the summer wet season access to the project area is problematic.

5.3.2 Basin Edge Project

Location

The Basin Edge project ("BEP") tenements, consisting of two granted EPMs and two EPMA's. The BEP block covers an area of approximately 1,254km², with the western boundary of the BEP block located about 15km east of the Walford Creek project block and extending over an east-west distance of some 140km (Figure 1 and 2). Tenement details are provided in Table 5.1.

Geology

The BEP block was acquired by Aeon to explore for stratabound mineralisation similar in style to the Walford Creek deposit on the basis that the prospective basement stratigraphy and the Fish River Fault may extend into the BEP.

The majority of the BEP block is covered by colluvium and alluvium consisting of sandy and silty soils, sand, gravel, silt and clay. The Fickling Group, including the Mount Les Siltstone, host to the Walford Creek mineralisation, as well as the Fish River Fault, have been identified in prior company drilling.

Prior Company Exploration

Exploration for both oil and gas and base metals has been undertaken by numerous prior companies since the late 1960s and has variously included airborne and ground geophysics (magnetic, gravity and seismic surveys) and some deep stratigraphic drilling.

Aeon Exploration

Due to Aeon's focus on the Walford Creek project, work on the BEP has been limited to desktop studies and interpretation of prior company exploration data. Some re-processing of historical magnetic surveys, as well as compilation and 3D modelling of available seismic data has been undertaken. Apart from some site visits no field work has been undertaken.

Exploration Potential

The BEP block tenements cover the northern basin boundary as well as structures and stratigraphy that host the Walford Creek deposit. On this basis there is potential for similar style mineralisation to occur within the BEP block, albeit under younger cover.

Conclusions

The BEP block remains at a very early stage of investigation. The prospective basement sequence is extensively covered by younger sediments, however prior company exploration has identified both structures and host rocks similar to those that host the Walford Creek mineralisation. On this basis, further investigation of this block is justified although detailed investigation under cover will be both time consuming and expensive.

5.4 Mt Isa West and Mt Isa South Projects

Location and Current Tenure

Aeon and its precursors initially held three project areas (Mt Isa South, Mt Isa North and Mt Isa West) in the Mt Isa region. The Mt Isa North project tenements have all been relinquished and some tenement relinquishments and reductions have also occurred in the Mt Isa West project area, with three new EPMs acquired in 2021. Some relinquishments and reductions have also occurred in the Mt Isa South project area.

The current tenure is shown in Table 5.5 and in Figures 1 and 2.

Due to the overall similarities in the underlying geology and exploration targets, BDA has combined the review and description of Mt Isa West and Mt Isa South projects.

Table 5.5
Mt Isa West and Mt Isa South Project Tenure

Tenement	Holder	Aeon Equity	Expiry Date	Area (km ²)
Mt Isa West Project				
EPM 18769	Aeon Walford Creek Ltd	100%	22/05/2027	160.0
EPM 27435	Aeon Isa Exploration Pty Ltd	100%	26/07/2025	304.0
EPM 27436	Aeon Isa Exploration Pty Ltd	100%	01/07/2025	128.0
EPM 27743	Aeon Isa Exploration Pty Ltd	100%	18/07/2026	281.6
EPM 27744	Aeon Isa Exploration Pty Ltd	100%	18/07/2026	70.4
EPM 27745	Aeon Isa Exploration Pty Ltd	100%	18/07/2026	246.4
Total				1,190.4
Mt Isa South Project				
EPM 15911 ¹	Aeon Walford Creek Limited	100%	14/11/2024	51.2
EPM 13412 ²	Aeon Walford Creek Limited	80%	15/12/2026	64.0
EPM 13413 ²	Aeon Walford Creek Limited	80%	15/12/2026	28.8
EPM 13682 ²	Aeon Walford Creek Limited	80%	15/12/2026	70.4
EPM 14233 ³	Aeon Walford Creek Limited	72%	19/04/2025	48.0
EPM 14821 ²	Aeon Walford Creek Limited	80%	07/01/2026	64.0
EPM 15156 ²	Aeon Walford Creek Limited	80%	21/03/2027	121.6
Total				448.0

Notes:

1. This tenement is due to expire in November 2024; an application for renewal has been lodged
2. These tenements are jointly held with Summit Resources Limited (20%)
3. This tenement is jointly held with Summit Resources (Aust) Pty Ltd (18%) and Centaurus Metals Limited (10%)

Geological Setting and Prior Exploration

The exploration focus in the Mt Isa West and Mt Isa South project areas is primarily directed at discovering structurally-controlled copper-dominant deposits which are closely associated with major regional fault zones.

The tenements in the Mt Isa West project are in the proximity of the May Downs and Yaringa Faults and potentially prospective rock types within the project tenements include the McNamara Group (analogous to the Mt Isa Group) and sediments and volcanics of the Haslington Group. These units are known to host copper mineralisation in the Mt Isa district.

Mineralisation styles being targeted by Aeon include breccia- and sediment-hosted copper and iron oxide copper gold ("IOCG") mineralisation. Additional targets include nickel-copper mineralisation associated with layered intrusives as well as potential lead-zinc-silver, cobalt and gold.

In the Mt Isa West project area, EPM 18769 covers some large gravity anomalies with initial drill testing confirming the potential for IOCG mineralisation.

In the Mt Isa South project area, tenements are located on, or proximal to, the southern extensions of the Mt Isa Fault which hosts the major base metal deposits of Mt Isa (copper) and Hilton/George Fisher (lead-zinc-silver) at and immediately north of Mt Isa.

Extensive prior company exploration has been undertaken throughout the two project areas by prior explorers and subsequently by Aeon and its precursor companies. This work has typically included geological mapping and regional and prospect scale geochemical sampling programs. Ground geophysical programmes have been

completed in some areas and limited drill testing has been undertaken by both prior explorers and/or by Aeon precursor companies.

Aeon and Precursor Companies Exploration and Identified Prospects

Although Aeon and its precursors have held some of the tenements in the Mt Isa West and Mt Isa South areas for over 10 years, exploration has been somewhat sporadic due to limited funding and, in recent years, the focus and exploration effort placed on the Walford Creek project.

The level of exploration by Aeon and its precursors, on a tenement by tenement basis, has varied and ranged from analysis and interpretation of historical open file exploration data to geological mapping, geochemical sampling and both airborne and ground geophysics. Limited drill testing has been undertaken on selected prospects such as in the Mt Isa West project area where a gravity anomaly in EPM 18769 was investigated with three drill holes which intersected alteration suggesting the potential for IOCG mineralisation.

Conclusions

In BDA's opinion, Mt Isa West and Mt Isa South are mature exploration projects having been explored by Aeon and its precursor companies, in many cases, for well over ten years. However, corporate issues and funding constraints have had a significant impact on the consistency of the exploration effort. In recent years Aeon's focus and expenditure has been largely directed towards the Walford Creek project with little work being undertaken on the Mt Isa West and Mt Isa South EPMs.

Although results to date have been generally disappointing and no significant mineralisation identified, each of the tenements retain sufficient potential to warrant further exploration, although in BDA's opinion some further rationalisation of the current tenements would be prudent.

5.5 Monto Project

Location and Tenure

The Monto project (previously known as the Rawbelle project), consists of six granted EPMs located in Central Queensland, approximately 500km west of Brisbane between Monto and Biloela.

Tenement details are shown in Table 5.6 below.

Table 5.6
Monto Project Tenure

Tenement	Holder	Aeon Equity	Expiry Date	Area (km ²)
EPM 14628	Aeon Monto Exploration Pty Ltd	100%	23/08/2026	102.4
EPM 15921	Aeon Monto Exploration Pty Ltd	100%	07/01/2025	12.8
EPM 17060	Aeon Monto Exploration Pty Ltd	100%	25/06/2026	57.6
EPM 17001	Aeon Monto Exploration Pty Ltd	100%	20/02/2026	86.4
EPM 17002	Aeon Monto Exploration Pty Ltd	100%	19/02/2026	44.8
EPM 27604	Aeon Monto Exploration Pty Ltd	100%	14/03/2026	188.8
Total				492.8

Note: EPM 15921 expires in January 2025.

The Monto project tenements were initially held by Goody Investments Pty Ltd ("GI") and in May 2007 were assigned to Aussie Q Resources Limited ("Aussie Q") which in October 2020 changed its name to Aeon Metals Limited.

Geological Setting

The Monto project, is situated within the New England Orogen which extends from northern NSW into Queensland. The project tenements are underlain by intrusive phases of the Late Permian to Triassic Rawbelle Batholith. A number of porphyry copper (Cu) and/or molybdenum (Mo) prospects in the area were identified and explored by a variety of companies prior to the current tenements being acquired by Aeon.

Prior Exploration

Porphyry Cu-Mo mineralisation was discovered at the Whitewash prospect in the 1960s and was explored by Kennecott Exploration (Australia) between 1972 and 1974. Exploration consisted of stream sediment, rock chip and grid soil sampling, and geophysical surveys. Nineteen percussion holes and one diamond core hole outlined sub-economic grade porphyry copper-molybdenum mineralisation at areas known as Kiwi Carpet and Whitewash.

In the early 1980s, Amoco Minerals Australia explored the area which included drilling 12 vertical percussion holes to test coincident IP and copper-molybdenum-tungsten anomalies at Whitewash. Narrow polymetallic mineralisation was intersected at shallow depths.

In 2005, prior to the projects acquisition by Aussie Q, GI estimated a conceptual mineralisation target at Whitewash based on the earlier historical drilling.

Numerous mineralised prospects have been identified within the Monto project tenements (see Figure 5) and include, Kiwi Carpet, Ben Hur (also known as John Hill), Whitewash, Oaky Creek, 7B and Grevillia Fault.

Aeon Exploration

Within the Monto project area, Aeon has primarily targeted porphyry copper-molybdenum associated with granitoid intrusives with a secondary target of volcanogenic massive sulphides (“VMS”) hosted in volcanic units.

The tenements are considered to have potential to host Cu-Mo mineralisation, demonstrated by the previous exploration results from exploration within EPM 14628. Aeon considered there is potential for the discovery of further mineralisation both along strike and at depth particularly within EPM 14628. Aeon also investigated the possibility of defining higher-grade zones at the Ben Hur and Greater Whitewash deposits.

Work to date, largely by the precursor company Ausie Q, consisted of extensive drilling (RC and diamond), ground and airborne geophysical data collection and assessment (magnetics, gravity and IP), regional and prospect scale surface sampling (soil, stream sediment and rock chip), geochemical analysis, metallurgical test-work, resource modelling and estimation and several project reviews by consultants.

A number of mineralised prospects occur throughout the project area (see Figure 5) in addition to the prospects for which resources have been reported.

Desktop studies by Aeon indicate the potential within the northeast block of EPMs for volcanogenic style base metal and gold mineralisation, in and around the 7B prospect. To the west of 7B there are indications of a copper-gold target centred on a magnetic high along a shear zone.

Given the Company’s focus in recent years on the Walford Creek project, work on the Monto project has been largely limited to desktop reviews of earlier work to identify and rank targets for follow-up drill testing. The main effort has been directed to the John Hill and Kiwi Carpet prospects (jointly referred to as the Ben Hur copper project). An initial reconnaissance survey was planned to optimise the soil sampling and ground radiometric surveys, and to identify the best drill targets.

Resource Estimates

Historical resources have been estimated for the Whitewash and Ben Hur prospect.

The porphyry style mineralisation at the Greater Whitewash prospect is hosted by a granitoid intrusive with a number of mineralised zones occurring over a north-south distance of about 5km.

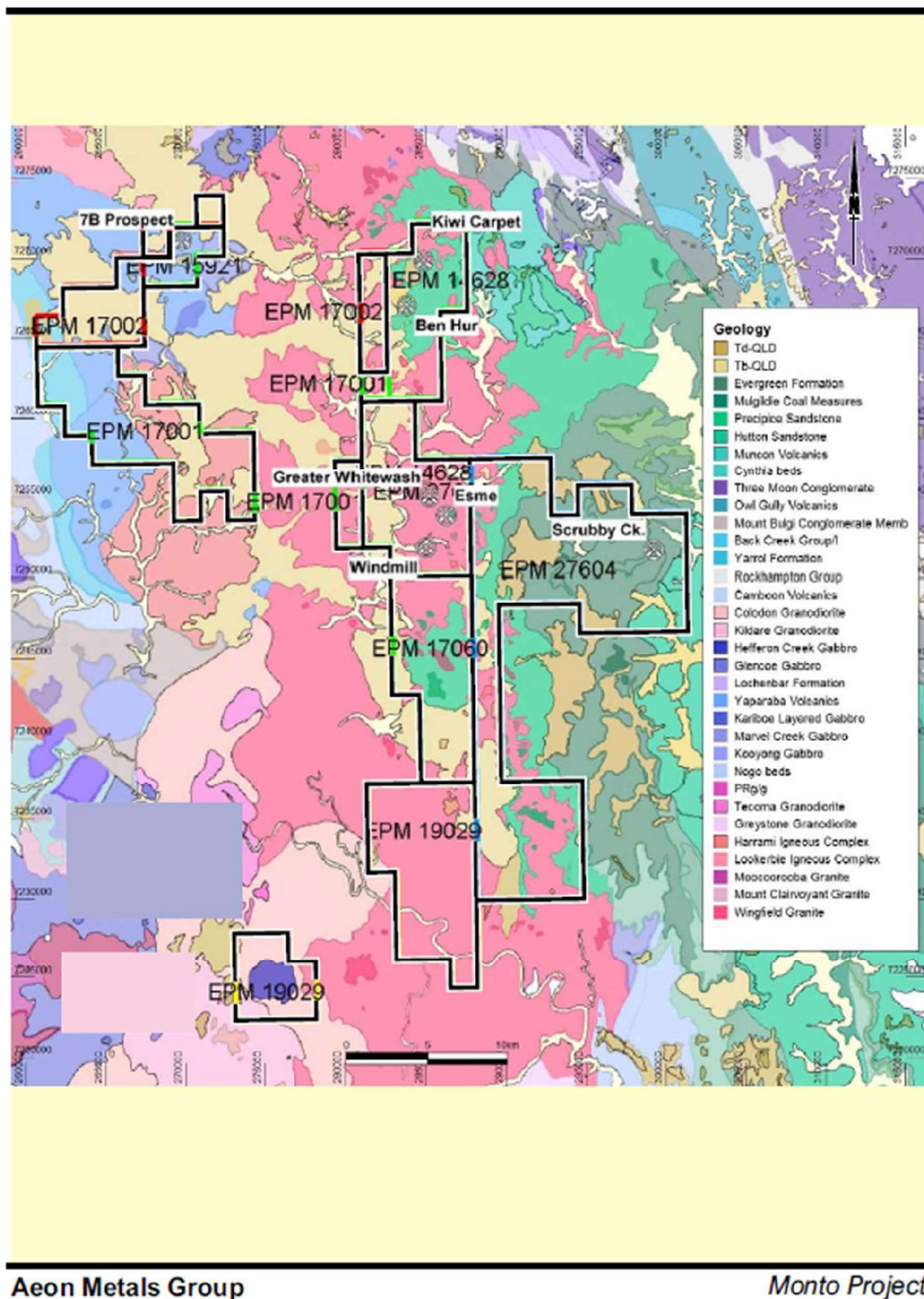
Aeon has reported resources for the Monto project as detailed in Table 5.8 below. These are historical resource estimates, Whitewash in 2011 and Gordons in 2009, preceding the 2012 JORC Code. The Gordons resource is both small and low grade.

BDA has not reviewed the resource estimates but they are noted in Table 5.7 for completeness.

Table 5.7
Monto Project Area Historical Mineral Resources (Pre JORC 2012)

Deposit	Category	Cut off	Mt	Cu (%)	Grade Mo (%)	Ag (g/t)
Whitewash	Indicated	425ppm MoEq	185	0.12	0.03	1.6
	Inferred	425ppm MoEq	56	0.11	0.02	1.5
Total			241	0.12	0.03	1.6
Gordons	Inferred	0.02% Mo	3	0.07	0.05	1.0
John Hill	Inferred	0.24% Cu	62	0.30	0.10	1.3

Ben Hur, located in the north of EPM 14628, is described as a large mineralised copper system occurring as a halo of disseminated sulphides and quartz veins hosted by a series of granodiorite bodies surrounding a central, largely unmineralized quartz-feldspar intrusive.



Aeon Metals Group

Monto Project

Figure 5

BDA- 25/01 (November 2024)

REGIONAL GEOLOGY

Behre Dolbear Australia Pty Ltd

Conclusions

In BDA's opinion the current resource estimates do not represent potentially economic viable deposits. The known deposits are low grade and are merely an indication of porphyry-style mineralisation present within the Monto project area.

The Monto project has been held by Aeon and its precursor company Aussie Q for well over 10 years and in recent times has not progressed significantly due the Company's focus on the Walford Creek project. The project has suffered from a sporadic exploration effort and in recent years almost no field work has been undertaken.

BDA considers the Monto project to be an interesting but early stage porphyry copper-molybdenum exploration project with known mineralisation occurrences within the project area warranting follow-up investigation.

5.6 Constance Range

Location and Current Tenure

The Constance Range project area previously consisted of three EPMs, however BDA has been advised that two tenements, EPM 14712 and EPM 14935, are being relinquished. These two EPMs will not be discussed further in this report and are excluded from BDA's valuation.

The current project now consists of a single tenement, EPM 27535, located near Gregory Downs (Figures 1 and 2) which was acquired as a potential source of limestone for a future processing operation at Walford Creek.

EPM 27535 is located around the township of Gregory in northwest Queensland, 220km north of Mt Isa. Access is via the Gregory Downs to Camooweal Road, the Wills Developmental Road and various station tracks. Parts of the tenement are often inaccessible during the wet season which extends from November to April each year. The Constance Range project tenure being valued in this report is summarised in Table 5.8 below.

Table 5.8
Current Constance Range Tenure

Tenement	Holder	Aeon Equity	Expiry Date	Area (km ²)
EPM 27535	Aeon Walford Exploration Pty Ltd	100%	20/12/2025	291.2
Total				291.2

Geological Setting and Prior Exploration

The original Constance Range project tenements were initially acquired for their potential to host base metal deposits along or adjacent to the regional northwest-trending Termite Range Fault and are predominantly underlain by McNamara Group units. All the tenements with assessed base metal potential have been (or are being) relinquished, and the remaining tenement EPM 27353 was primarily explored for its potential as a source of limestone for the Walford Creek project. EPM 27535 does not have any identified potential for base metal mineralisation.

The Miocene-aged Gregory Downs limestone is described as calcirudite and calcarenite. The limestone horizon is laterally extensive (>500km²) relatively flat-lying and outcrops as white, massive or thick-bedded, fine to coarsely crystalline limestone with small pale green clay shards in some beds. The Gregory Downs limestone has a maximum recorded thickness of 12m.

Aeon Exploration

Aeon has compiled the data in the Gregory area that relates to occurrences of the Gregory Downs limestone which is largely based on holes drilled for water sources for agriculture. All available drill holes have been logged and input into 3D software. While the focus currently is on the top 20m, the available drill holes lack assays for this upper portion. Historical gravity, magnetic and a government VTEM survey data has been compiled to assist in understanding the underlying geology. To date no drill testing by Aeon has been undertaken.

Site visits to the area have been undertaken and two outcrops sampled and assayed with results indicating that the limestone is of potential interest and that trenching and drill testing is warranted.

Conclusions

Work to date has been limited to desk top studies of available open file data and initial field reconnaissance. Although exploration expenditure to date has been minimal the Gregory Downs limestone remains of interest for potential use in a future processing operation at Walford Creek.

6.0 VALUATION OF AEON'S MINERAL EXPLORATION PROJECTS

6.1 Valuation Principles

As a general principle, the fair value of a property as stated in the VALMIN Code is the amount a willing buyer would pay a willing seller in an arm's length transaction, wherein each party acted knowledgeably, prudently and without compulsion.

6.2 Standards and Procedures

This report has been prepared in keeping with the VALMIN Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 and 2015.

The effective date for this valuation is 12 November 2024.

6.3 Valuation Methods

As all the Aeon projects are considered to be exploration projects, they have been valued using exploration-type methodologies. BDA has used the Comparable Transaction ("CT") method as the principal valuation methodology and the Multiple of Past Expenditure ("PEM") approach as a second method.

6.4 Effective Date of Valuation, Metal Prices and Copper Equivalents

For valuation purposes the effective date is 12 November 2024.

The metal prices in Table 6.1 are used in the valuation section of this report. The metal prices used are the price on the date concerned reported on www.tradingeconomics.com/commodity. Prices based on US\$/lb have been converted to US\$/t by multiplying the per pound figure by 2,204.62. Where relevant, metal contents and prices have been converted to copper equivalents using the metal prices at the effective date.

The Walford Creek deposit mineralogy is complex and some of the metals may not be payable in a copper concentrate and could incur penalties. Production of multiple concentrates (copper, lead, zinc and pyrite) adds significant complexity (and cost) to the flowsheet, and the presence of multi-elements will also have an impact on recovery. In light of these factors, BDA considers that an adjustment to a simple calculation of copper equivalent value based just on relative metal prices shown in Table 5.4 is required to allow for these factors and to reflect what a willing and knowledgeable buyer might apply to such a multi-element deposit.

Table 6.1 below shows the calculation of copper equivalent values for the various metals contained in the Walford Creek deposit using the effective date metal prices of Cu = US\$9,060/t, Pb = US\$2,019/t, Zn = US\$2,947, Ag = US\$30.34/oz and Co = US\$24,292/t resulting in a conversion formula:

$$\text{CuEq} = \text{Cu t} + \text{Pb t} \times 0.22 + \text{Zn t} \times 0.33 + \text{Co t} \times 2.68 + \text{Ag Moz} \times 0.003.$$

To account for metallurgical complexity factors, including recovery, payability and costs, BDA has adjusted the basic CuEq data to reflect the factors that BDA considers a willing and knowledgeable buyer might apply to the subsidiary elements.

Table 6.1
Walford Creek Deposit Contained CuEq Adjusted for Metal Factors

	Cu	Pb	Zn	Ag	Co	Total CuEq
Contained Metal (Table 5.4)	297.3kt	853.0kt	635.1kt	66.5Moz	84.9kt	
Contained CuEq	297.3kt	187.7kt	209.6kt	199.5kt	227.5kt	1.12Mt
BDA Applied Factors	100%	20%	70%	60%	20%	
Adjusted CuEq	297.3kt	37.5kt	146.7kt	119.7kt	45.5kt	0.65Mt

6.5 Comparable Transaction Valuations for the Aeon Projects

Recent comparable transactions can be relevant to the valuation of projects and tenements. The best transactions for the Comparable Transaction methodology are previous transactions on the same project, as they relate to the actual project under consideration and reflect the actual time-related prices paid. The only prior suitable transaction on the Walford Creek project was the acquisition by Aston (Aeon precursor) when the project was acquired in stages from Copper Strike. BDA has also identified various transactions on other copper-dominant deposits considered as possible comparable transactions, including a number of farm-in arrangements.

The timing of these transactions is also taken into consideration, as there can be substantial changes in value with time. An underlying assumption when using the Comparable Transaction methodology is that the transaction

terms are linked to the metal prices at the time of the transaction. Therefore, to compare any project transaction with the projects currently being valued, it is necessary to establish what the likely transaction value would have been at the metal prices as at the current valuation date. This is accomplished by applying a ‘normalising factor’ (“NF”) to the transaction parameters based on the relative metal prices at the date of the transaction, compared with the metal price as at the effective date of the current valuation (12 November 2024).

It is acknowledged that there could be debate as to whether the appropriate prices on which to base the NF are the relevant spot prices or the long-term prices. Apart from the difficulty of determining which commodity expert’s long term price projection should be adopted (given typically significant variations in forecasts), BDA considers that sentiment at the time of a transaction is generally more influenced by the spot price rather than the predicted long term price, and BDA has thus used the historical metal prices available on the Trading Economics website <https://tradingeconomics.com/commodity>, in determining the NF.

The metal prices and Normalising Factors (NF) used for the Aeon projects are shown in Table 6.2 below.

Table 6.2
Metal Prices and Normalising Factors used for the Comparable Transaction Valuations

Date	Cu Price US\$/t	NF	Comment
12/11/2024	9,060	1.00	Effective date
<i>Walford Creek Sub-Project</i>			
14/05/2011	9,229	0.98	Walford Creek acquisition from Copper Strike.
04/01/2018	7,091	1.28	Traka acquisition of area east of Walford Creek
16/05/2023	9,985	0.91	Fetch acquisition of the White Range project
<i>Basin Edge-Subproject</i>			
13/11/2019	5,842	1.55	Carawine farm-in with FMG in the Paterson Province
22/06/2021	9,451	0.96	Battery Minerals purchase of the Russell project
24/01/2022	9,518	0.95	ActivEx’s sale of Cloncurry project to Fetch
<i>Mt Isa West & South Projects</i>			
03/06/2024	10,281	0.88	Sale of two Aeon Mt Isa tenements to Ironbark
05/07/2024	10,270	0.88	Red Hill Farm-in to the Cumamona project
28/08/2024	9,137	0.99	Acquisition of Mt Isa projects by Nickel Search
<i>Monto Project</i>			
30/06/2014	6,997	1.29	ActivEx purchase of Coalstoun from Newcrest
26/09/2019	5,675	1.60	Krakatoa purchase of the Belgravia NSW project
09/03/2023	8,852	1.02	Alkane purchase of two NSW copper projects from Sandfire

6.5.1 Walford Creek Project Valuation

Within the Walford Creek project, significant base metal resources have been defined over an east-west strike length of about 10km adjacent to the Fish River Fault. There is good potential to increase the resources by infill drilling within the Le Mans and Amy zones and geochemical sampling to the west of the Amy zone suggests there is potential to discover additional resources in this area. Elsewhere within EPM 14220 further base metal anomalies have been identified.

The Fish River Fault has been extended into EPMs 14854, 26906, 26316 based on interpretation of airborne magnetics (Figure 4), and in other areas within the Walford Creek project initial geochemical sampling has highlighted areas warranting follow-up investigation. In BDA’s opinion, outside of the Walford Creek resource area, the Walford Creek project area is prospective for further base metal discoveries and remains under-explored.

In order to compare the Walford Creek project with other comparable projects with resource estimates, the Walford Creek deposit contained metal has been converted to an adjusted copper equivalent (as discussed above in Section 6.4 and shown in Table 6.1).

Comparable Transactions – Copper Dominant Resources

(a) *Aston Acquisition of Walford Creek from Copper Strike*

On 14 January 2010, MM Mining entered into a farm-in arrangement with Copper Strike whereby Aston could earn a 51% interest in EPMs 14220 and 14854 (at that stage the only tenements at Walford Creek) by spending A\$2M over two years and could earn an additional 19% interest for an expenditure of A\$2M over a further two years. These terms were significantly modified when on 14 May 2011, Copper Strike agreed to sell Walford Creek to Aston for A\$2.5M after it had spent A\$815,000 on exploration. EPMs 14220 and 14854 covered a total area of 150.4km².

For the purposes of this valuation, BDA has used the 14 May 2011 purchase amount plus the prior exploration expenditure as the total cost of the acquisition of 100% of the Walford Creek project (ie. A\$3.315M) . At that

stage, the Walford Creek project consisted of granted tenements covering 150.4km² and Inferred Resources estimated by H&SC (using a 1.0% CuEq cut-off grade) of 173,000t CuEq. H&SC applied the following factors to its CuEq calculation: Cu - 95%, Pb - 75%, Zn - 75%, Ag - 75%.

Valuation Parameters

- Transaction date - 14 January 2010
- Purchase price - A\$3.313M
- Percentage acquired - 100%
- Tenure area - 150.4km²
- Inferred resources - 173,000t CuEq
- NF - 0.98 (Table 6.2)
- Adjusted purchase price - A\$3.247M
- Yardstick
 - A\$18.8/t CuEq
 - A\$21,587/km²

(b) Traka Resources Limited (“Traka”) Gorge Creek Joint Venture

On 4 January 2018, Traka announced an option to farm into EPM 26264, covering an area of approximately 70.4km² and located along strike of, and some 30km west, of the Walford Creek deposit. The area covered the western extension of the Fish River Fault Zone and the Fickling Group sequence hosting the Walford Creek deposit.

The farm-in terms included the payment of a A\$40,000 option fee, a A\$300,000 expenditure commitment in the first year and a further A\$700,000 in the following two years to earn a 51% interest.

Valuation Parameters

- Transaction date - 4 January 2018
- Farm-in Terms - A\$1.04M
- Tenure Area - 70.4km²
- Percentage acquired - 51%
- Implied price for 100%
 - A\$2.039M
- NF - 1.28 (Table 6.2)
- Adjusted purchase price - A\$2.61M
- Yardstick
 - A\$37,077/km²

BDA Comment

There are no reported resources in EPM 26264; however BDA considers it is an appropriate comparative transaction to establish a value of the Walford Creek project tenements on a \$/km² basis.

(c) Fetch Metals Pty Ltd (“Fetch”) purchase of the White Range Project from QMC

On 16 May 2023, Fetch finalised an agreement to purchase 100% of Young Australia Mines Pty Ltd which in turn controlled a 96% interest in the White Range copper project near Cloncurry in northwest Queensland. The total purchase price was A\$52M of which A\$25M was paid in February 2022 when Fetch paid A\$25M for 55% of the holding company. For the purposes of this valuation, BDA has elected to use the total purchase of A\$52M which was finalised on 16 May 2023.

At the time of the finalised purchase, the White Range project was stated to have a resource of 40Mt at 0.7% Cu (280,000t contained Cu) and a 15,000 tonnes per annum (“tpa”) heap leach electrowinning (“SX/EW”) operation was contemplated. The total tenure of the White Range project was stated to be in excess of 1,400km².

There are at least five separate deposits of oxide copper mineralisation within the White Range project, some of which also contain cobalt and gold. However, it is uncertain whether the cobalt and gold would be successfully recovered in the SX/EW operation and, for the purposes of this comparative transaction valuation, BDA has elected to only consider the copper content.

Valuation Parameters

- Transaction date - 16 May 2023
- Purchase price - A\$52M
- Project equity acquired - 96%
- Implied price for 100% - A\$54.167M
- Tenure area - 1,400km²
- Resources (no category stated) - 40Mt at 0.7% Cu
 - 280,000t contained Cu
- NF - 0.91 (Table 6.2)
- Adjusted purchase price - A\$49.29M
- Yardstick
 - A\$176.0/t Cu
 - A\$35,208/km²

BDA Comment

The Young Australia White Range copper project is an oxide copper deposit, amenable to heap leaching and production of EW copper, very different from the potential production of copper (and other) concentrates subject to smelter treatment charges etc at the polymetallic Walford Creek project. BDA does not consider that the contained copper yardstick provides an appropriate comparable transaction for the Walford Creek project.

Table 6.3
Walford Creek Project Comparable Transaction Valuation

Comparable Transaction	Yardstick (A\$/t CuEq)	Yardstick (A\$/km ²)	Walford Creek Project	
			0.65Mt CuEq (Table 6.1) A\$M	572.6km ² (Table 5.1) A\$M
Aston/Copper Strike	18.8	21,587	12.2	12.36
Traka Gorge Creek JV	NA	37,077	NA	21.23
Fetch/QMC	176.0	35,208	Not considered comparable	20.16
<i>Average</i>			<i>12.2</i>	<i>17.92</i>

6.5.2 Basin Edge Project Valuation

The Basin Edge project tenements are essentially unexplored, although some stratigraphic holes by prior explorers have intersected the Walford polymetallic deposit host sequence and airborne and gravity data suggests that the Fish River Fault zone or related structures extend into this area. At this stage, Aeon's work has largely consisted of re-processing the available historical data.

Comparable Transactions

(a) Carawine Resources Limited ("Carawine") Paterson Province Farm-in with FMG

On 13 November 2019, Carawine announced a farm-in arrangement whereby FMG could earn a 75% interest in three exploration licences, covering approximately 600km², in the Paterson Province in WA. The terms of the agreement involved an initial payment of A\$125,000 and then an expenditure of A\$500,000 in the first 18 months. FMG could then earn a 51% interest for an expenditure of A\$1.5M (inclusive of the initial A\$500,000) over three years and an additional 24% by spending A\$4.5M over four years. The project tenements lie within 30km of the Telfer gold mine. It appears the tenements are essentially unexplored although airborne geophysical data would be available.

Valuation Parameters

- Transaction date - 13 November 2019
- Farm-in terms - A\$1.625M (only the first earn-in phase considered)
- Tenure area - 600km²
- Percentage sold - 51%
- Implied cost for 100%
 - A\$3.186M
- NF - 1.55 (Table 6.2)
- Adjusted purchase price - A\$4.939M
- Yardstick
 - A\$8,232/km²

(b) Battery Mineral Limited (“Battery”) Purchase of the Russell Copper Project by Battery

On 23 June 2021, Battery announced it had purchased the Russell Copper project located near Halls Creek WA, from a private syndicate. The poorly explored project area covering 258km² is located adjacent to the Savannah nickel-copper-project. The purchase consisted of A\$100,000 cash and the issuing of A\$1.0M in Battery shares plus a further A\$1.5M in cash and shares after one year. Prior exploration of the area consisted of an airborne electromagnetic survey and 13 RCP holes (no results provided).

Valuation Parameters

- Transaction date - 23 June 2021
- Acquisition cost - A\$2.6M
- Tenure area - 258km²
- Percentage acquired - 100%
- NF - 0.96 (Table 6.2)
- Adjusted price - A\$2.496M
- Yardstick
 - A\$9,674/km²

(c) ActivEx Limited (“ActivEx”) Sale of Cloncurry Copper Project to Fetch

On 24 January 2022, ActivEx announced the sale of a portfolio of eight granted EPMS totalling 432km² to Fetch for A\$3M consisting of A\$1.5M cash and A\$1.5M in Fetch shares. The ActivEx tenements were located over a distance of about 140km from just south of Cloncurry to the east of the Selwyn/Osborne project and were considered to have potential for oxide copper deposits as well as for deposits similar to those in the Selwyn/Osborne area.

Valuation Parameters

- Transaction date - 24 January 2022
- Acquisition cost - A\$3.0M
- Tenure area - 432km²
- Percentage acquired - 100%
- NF - 0.95 (Table 6.2)
- Adjusted price - A\$2.850M
- Yardstick
 - A\$6,597/km²

Table 6.4

Basin Edge Project Comparative Transaction Valuation

Comparable Transaction	Yardstick (A\$/km ²)	Basin Edge Project 1,253.8km ² (Table 5.1) A\$M
ActivEx Cloncurry project sale	6,597	8.27
Battery purchase of Russel project	9,674	12.13
Carawine farm-in to FMG Paterson Province project	8,232	10.32
Average		10.24

6.5.3 Mt Isa West and Mt Isa South Valuation

(a) *Sale of EPMs 11898 and 14964 by Aeon to Ironbark Zinc Limited ("Ironbark")*

On 3 June 2024, Aeon sold its 80% interest in EPM 11898 and EPM 14964 to Ironbark. The former tenement was part of the Mt Isa West project, and the latter, part of the previous Mt Isa North project. Both tenements contained a number of known copper prospects. In total the two areas covered an area of approximately 64km² and the total sale price was A\$100,000.

Valuation Parameters

- Transaction date - 3 June 2024
- Sale price - A\$100,000
- Tenure area - 64km²
- Percentage earned - 80%
- Implied cost for 100%
 - A\$125,000
- NF - 0.88 (Table 6.2)
- Adjusted purchase price - A\$110,000
- Yardstick
 - A\$1,719/km²

(b) *Red Hill Limited ("Red Hill") Farm-in to Peel Mining Limited's ("Peel") Curnamona Project*

On 5 July 2024, Peel announced a farm-in arrangement with Red Hill whereby the latter could earn a 75% interest in the Curnamona project consisting of tenements located in the Broken Hill province in New South Wales ("NSW") and a second block of tenements in South Australia ("SA") with the area of the two blocks totalling 1,460km².

The farm-in terms required Red Hill to spend a minimum of A\$1.5M within the first two years and a total of A\$6.5M within five years. Limited historical drilling within the NSW tenement block intersected occurrences of Broken Hill style Pb-Zn-Ag mineralisation and in the SA block a small resource of 4.2Mt at 0.52% Cu had been estimated by a prior explorer. The SA block was considered to have potential for large-scale open-pit Cu (Au, Co) deposits.

Valuation Parameters

- Transaction date - 3 July 2024
- Farm-in terms - A\$6.5M over 5 years
- Tenure area - 1,460km²
- Percentage earned - 75%
- Implied cost for 100%
 - A\$8.67M
- NF - 0.88 (Table 6.2)
- Adjusted purchase price - A\$7.63M
- Yardstick
 - A\$5,224/km²

(c) *Nickel Search Limited ("NIS") Purchase of Mt Isa tenements from Capella Metals Limited ("Capella") and Bacchus Resources Pty Ltd ("Bacchus")*

On 28 August 2024, NIS announced the purchase of 100% interest in a package of tenements covering a total area of 2,003km² located to the north of Mt Isa. NIS is mainly focussing on the copper and uranium potential and a large part of the area acquired was previously held by Aeon as part of its Mt Isa North project.

The Capella portion of the acquisition (consisting of one EPM and three EPMA's) was by way of an option to acquire 100% of the issued shares in Capella for 88,419,220 shares (valued at A\$0.015/share) and 15,829,526 options to acquire NIS shares at A\$0.030/share, with the options expiring in 2027.

The Bacchus portion of the acquisition was in the form of an option to acquire 100% interest in five granted EPMs by the issue of 27,136,331 shares (valued at A\$0.015/share) and the same number of options exercisable at A\$0.030, with the options expiring in 2027. Performance rights were also part of the arrangement.

Valuation Parameters

- Transaction date - 28 August 2024
- Sale price - A\$1,733,333 (115,555,551 shares at A\$0.015/share), disregarding options and performance rights
- Tenure area - 2,003km²
- Percentage earned - 100%
- NF - 0.99 (Table 6.2)
- Adjusted purchase price - A\$1,715,999
- Yardstick
 - A\$857/km²

Table 6.5
Mt Isa West and Mt Isa South Comparable Transaction Valuation

Comparable Transaction	Parameter (A\$/km ²)	Mt Isa West (1,190.4km ²)	Mt Isa South (448.0km ²)				Mt Isa West + Mt Isa South
			EPM 15911 (51.2km ²)	EPM 13412 13413/13682 14821/15156 (348.8km ²)	EPM 14233 (48km ²)	Aeon Equity Total	Aeon Equity
		100% Aeon	100% Aeon	80% Aeon	72% Aeon		
Aeon's sale of EPMs 11898 and 14964	1,719	2.05	0.09	0.48	0.06	0.63	2.68
Red Hill farm-in to Peel's Curnamona Project	5,224	6.21	0.27	1.46	0.18	1.91	8.12
NIS purchase of Mt Isa tenements	857	1.02	0.04	0.24	0.03	0.31	1.33
Average							4.04

6.5.4 Monto Project

The Monto project consists of two blocks of contiguous tenements in the Monto district in SE Queensland. The project tenements are underlain by intrusive phases of Rawbelle Batholith, and a number of porphyry copper and/or molybdenum prospects within the Monto project have been explored by a variety of prior explorers. Small and sub-economic resource estimates have been published by Aeon and there are a number of other identified but poorly explored prospects within the project area.

Comparable Transactions

(a) ActivEx purchase of the Coalstoun project from Newcrest

On 30 June 2014, ActivEx announced the purchase of the Coalstoun project, near Briggenden in SE Queensland, for A\$200,000. The project consisted of a single EPM covering 176.5km² and was described as a porphyry Cu-Au system hosted by the Coalstoun Porphyry within the north-northeast trending Perry Fault. Using historical drilling data, ActivEx published a JORC 2012 Inferred Resource of 26.9Mt at 0.38% Cu and included a higher-grade supergene resource of 7.7Mt at 0.47% Cu.

Valuation Parameters

- Transaction date - 30 June 2014
- Sale Price - A\$200,000
- Tenure area - 176.5km²
- Percentage purchased - 100%
- NF - 1.29 (Table 6.2)
- Adjusted purchase price - A\$258,000
- Yardstick
 - A\$1,462/km²

(b) Krakatoa Resources Limited (“Krakatoa”) acquisition of the Belgravia Porphyry Copper Project from Locksley Holdings Pty Ltd (“Locksley”)

On 26 September 2019, Krakatoa announced agreed terms to acquire 100% of EL 8153, covering 80km² located approximately 7km east of Molong in NSW. The Belgravia project covers parts of the igneous complex that hosts the nearby Copper Hill deposit. Locksley had identified six targets using stream sediment sampling.

The terms of the acquisition consisted of the payment of A\$10,000 cash for a 21-day due diligence period, followed by the issue of 10 million Krakatoa shares, the payment of a further A\$300,000 and a 1% NSR royalty. The Krakatoa shares were trading at A\$0.02/share.

Valuation Parameters

- Transaction date - 26 September 2019
- Purchase Price - A\$510,000 (cash plus value of 10M Krakatoa shares at A\$0.02/share)
- Tenure Area - 80km²
- Percentage purchased - 100%
- NF - 1.60 (Table 6.2)
- Adjusted purchase price - A\$816,000
- Yardstick
 - A\$10,200/km²

(c) Alkane Resources Limited (“Alkane”) Purchase of Two NSW Projects from Sandfire Resources Limited (“Sandfire”)

On 9 March 2023, Alkane agreed to a share-based purchase of 100% of two projects (Comobella North and Southern Junee Porphyry) from Sandfire for A\$1.9M in Alkane shares. Both projects are considered prospective for copper-gold porphyry deposits.

The Comobella North project, totalling 64km² is adjacent to and north of Alkane’s North Molong porphyry project and covers the same volcanics and intrusives that host Alkane’s Boda and Kaiser deposits.

The Southern Junee Porphyry project consists of a group of tenements totalling 235km² covering the southern extension of the Junee-Narromine Volcanic Belt of the Macquarie Arc consisting of buried intrusive complexes in a similar setting to the North Parkes copper-gold mine.

Acquisition Parameters

- Transaction date - 9 March 2023
- Purchase amount A\$1.9M (2,781,438 Alkane shares)
- Area - 299km²
- Percentage acquired - 100%
- NF - 1.02 (Table 6.1)
- Adjusted Purchase price - A\$1.938M
- Yardstick
 - A\$6,482/km²

Table 6.6

Monto Project Comparative Transaction Valuation

Comparative Transaction	Parameter (A\$/km ²)	Monto Project 492.8km ² (Table 5.5) A\$M
ActivEx acquisition of the Coalstoun project	1,462	0.72
Krakatoa acquisition of the Belgravia project	10,200	5.03
Alkane acquisition of two NSW copper projects	6,482	3.19
Average		2.98

6.5.5 Constance Range

No comparable transactions could be located for limestone projects, so the Constance Range Project will be valued solely by the Multiple of Past Expenditure Method in Section 6.6

6.6 Multiple of Past Expenditure Valuation of the Aeon Projects

BDA has considered exploration expenditure data provided by Aeon as a means of valuing each of the projects using the Multiple of Past Expenditure (“PEM”) method. As discussed in Section 3.4, this method requires the application of subjectively chosen multiplying factors to the reported expenditures to arrive at a valuation of each of the projects. The PEM factors chosen are based on an assessment of the stage of exploration and prospectivity of each of the projects based on the technical information provided by Aeon.

This valuation method is generally appropriate for projects still in the exploration phase but less appropriate for projects such as Walford Creek, where resources have been defined and significant advanced scoping and pre-feasibility studies are in progress.

The assessed PEM valuation ranges are shown in Table 6.7 below.

Table 6.7
Valuation Based on Past Expenditure

Project EPM	Expenditure ASM	PEM Range From	PEM Range To	Valuation Range (100%) ASM		Aeon (%)	Valuation Range ASM	Valuation Range ASM
Walford Creek								
14220	58.13	<i>Not applicable – based on Comparable Transactions</i>						
14854	0.90	1.8	1.9	1.62	1.71	100	1.62	1.71
18552	0.30	1.2	1.4	0.36	0.42	100	0.36	0.42
26906	0.13	1.2	1.4	0.16	0.18	100	0.16	0.18
26316	1.11	1.2	1.4	1.33	1.55	100	1.33	1.55
27512	0.05	1.2	1.4	0.06	0.07	100	0.06	0.07
Total (excl. EPM 14220)	2.49			3.53	3.93		3.53	3.93
Basin Edge								
27311	0.05	1.00	1.1	0.05	0.06	100	0.05	0.06
27312	0.04	1.00	1.1	0.04	0.04	100	0.04	0.04
Total	0.09			0.09	0.10		0.09	0.10
Mt Isa West								
18769	1.36	1.2	1.3	1.63	1.77	100	1.63	1.77
27435	0.26	1.1	1.2	0.29	0.31	100	0.29	0.31
27436	0.04	1.1	1.2	0.04	0.05	100	0.04	0.05
27743	0.01	1.1	1.2	0.01	0.01	100	0.01	0.01
27744	0.01	1.1	1.2	0.01	0.01	100	0.01	0.01
27745	0.01	1.1	1.2	0.01	0.01	100	0.01	0.01
Total	1.68			1.85	2.18		1.85	2.18
Mt Isa South								
15911	0.58	1.1	1.3	0.64	0.75	100	0.64	0.75
13412	0.26	1.1	1.2	0.29	0.31	80	0.23	0.25
13413	0.25	1.2	1.3	0.30	0.33	80	0.24	0.26
13682	0.26	1.1	1.2	0.29	0.31	80	0.23	0.25
14233	2.21	1.1	1.2	2.43	2.65	72	1.75	1.91
14821	1.22	1.1	1.2	1.34	1.46	80	1.07	1.17
15156	0.97	1.1	1.2	1.07	1.16	80	0.86	0.93
Total	5.75			6.36	6.97		5.02	5.52
Monto								
14628	16.29	<i>Not applicable – based on Comparable Transactions</i>						
15921	2.19	1.3	1.4	2.85	3.07	100	2.85	3.07
17060	0.50	1.1	1.2	0.55	0.60	100	0.55	0.60
17001	0.44	1.1	1.2	0.48	0.53	100	0.48	0.53
17002	0.37	1.1	1.2	0.41	0.44	100	0.41	0.44
27604	0.26	1.1	1.2	0.29	0.31	100	0.29	0.31
Total (excl. EPM 14628)	3.76			4.57	4.95		4.57	4.95
Constance Range								
27535	0.03	1.0	1.1	0.03	0.03	100	0.03	0.03
Total	0.03			0.03	0.03		0.03	0.03

On both the Walford Creek project and the Monto project, high expenditures have been incurred on one of the project EPMs. In the case of the Walford Creek project, EPM 14220 covers the Walford Creek deposit on which Aeon has concentrated its effort in drilling the deposit to Measured, Indicated and Inferred Mineral Resource status and in undertaking extensive scoping and prefeasibility studies with expenditure on this EPM exceeding A\$58M. Given that project economics are still to be confirmed, and no Ore Reserves have been defined to date, BDA considers that the level of past expenditure is not indicative of the value that would be placed on this exploration tenement by a willing and knowledgeable buyer.

In the case of the Monto project, the expenditures incurred on EPM 14628 between 2008 and 2011 were focussed on drilling the Whitewash and John Hill deposits to allow the estimation of resources, however the resources

defined are of questionable economic potential and in BDA's opinion, the past exploration expenditure is not indicative of the value that would be placed on this exploration tenement by a willing and knowledgeable buyer.

In BDA's opinion, multiples of past expenditure do not provide a realistic value for these two EPMs and the potential value is better reflected by the Comparable Transaction method.

6.7 Summary Valuation - Aeon Metal Limited Queensland Exploration Projects

A summary of BDA's assessment of Aeon's exploration properties is shown in Table 6.8.

Table 6.8
Valuation Summary of the Aeon's Mineral Exploration Assets

Project	Comparable Transaction ASM		Past Expenditure Multiple ASM Range	Comments
	Based on \$/Cont CuEq	Based on \$/km ²	Based on \$/km ²	
Walford Creek	12.2	17.9	3.53 - 3.93	PEM excludes EPM 14220
Basin Edge	NA	10.2	0.09 - 0.10	Comparable Transaction value heavily weighted by project size
Mt Isa West & South	NA	4.0	6.87 - 7.70	
Monto	NA	3.0	4.57 - 4.95	
Constance Range	NA	NA	0.03 - 0.03	Held as a potential source of limestone, no significant work to date

Discussion/Conclusions

Walford Creek Project

- The early Walford Creek transactions between Aston and Copper Strike, on the same project, but with a smaller tenure size and at an earlier stage of evaluation, is considered a reasonable transaction on which to base a current value for the Walford Creek project, utilising both CuEq and area yardsticks
- The Multiple of Past Expenditure method provides a reasonable value for the tenements excluding EPM 14220 which covers the Walford Creek deposit. However, the Walford Creek Comparable Transaction \$/km² calculation includes the total Walford Creek EPM area and is considered a reasonable guide to the value of the total project area.
- BDA recognises that significant expenditure has been committed to the Walford Creek project over a number of years, but this has still not resulted in an established Ore Reserve or a final determination as to the optimum processing flowsheet. The polymetallic nature of the deposit introduces significant complexity. Overall BDA considers a willing and knowledgeable buyer would be unlikely to give full credit for the past levels of expenditure in valuing the project, given these material issues, and BDA has therefore focussed on Comparable Transactions rather than past expenditure in determining its Preferred Value. BDA's Preferred Value in Table 6.9 below is based on the Comparable Transaction CuEq and Area yardstick calculations.

Basin Edge Project

- The large tenure size has significantly impacted the relatively high Comparable Transaction value even though there has been little expenditure by Aeon on this project.
- Nevertheless, this project, while poorly explored, might be rated as an attractive acquisition by a willing and knowledgeable buyer.
- The low expenditure to date and lack of specific exploration targets is reflected in BDA's Preferred Valuation in Table 6.9 below.

Other Project Areas

- Generally, the range of values between Comparable Transactions and Past Expenditure multiples is considered to provide a reasonable guide to value.

Based on the foregoing analyses and considerations, BDA's opinion regarding the value of Aeon's assets, including those held by Aeon Metals Ltd (Administrators Appointed) and its wholly-owned subsidiaries (All Administrators Appointed), may be summarised as set out in Table 6.9.

Table 6.9
Valuation of Aeon's Project Interests

Project	Low (A\$M)	Preferred (A\$M)	High (A\$M)	Comment
Walford Creek	12.2	15.1	17.9	Preferred average of Comparable Transaction CuEq and Area calculations
Basin Edge	0.1	2.0	10.2	Preferred value recognises no significant exploration to date (Low), but significant area along potentially mineralised structure (High) with Preferred value tending towards lower range.
Mt Isa West & South	4.0	5.9	7.7	Preferred average of Comparable Transactions and Expenditure calculations
Monto	3.0	4.0	5.0	Preferred average of Comparable Transactions and Expenditure calculations
Contance Range	0	0	0	Negligible expenditure and limited prospectivity.
Total	19.3	27.0	40.8	

To assist in determining valuations of each of the Aeon corporate entities Korda Mentha and FTI, requested BDA to include the table in Appendix A which provides BDA's assessment and opinion of the likely contribution of each tenement to the overall project values in Table 6.9.

7.0 ASSOCIATES/CONSULTANTS - QUALIFICATIONS AND EXPERIENCE

BDA Review Team

BDA has a team of dedicated consultants and a wide range of specialists that it can call upon. In all cases BDA aims to use the best qualified and most experienced consultants for the job. The qualifications and experience of the principals of BDA and the associates who contributed to this review are summarised below.

Mr Peter Goldner, BDA Senior Associate, undertook the project and tenement valuation assessment. Mr Goldner is a geologist with extensive valuation experience.

Mr Hancock and Mr McIntyre (BDA Executive Directors) provided project direction and participated in the technical review and reporting. Mr Hancock is a geologist and Mr McIntyre a mining engineer; both have extensive project review, due diligence, and evaluation experience.

Mr Malcolm Hancock (BA, MA, FGS, FAusIMM, MIMM, MMICA, CP (Geol), MAIMVA) is a Principal and Executive Director of BDA. He is a geologist with more than 45 years of experience in the areas of resource/reserve estimation, reconciliation, exploration, project feasibility and development, mine geology and mining operations. Before joining BDA, he held executive positions responsible for geological and mining aspects of project acquisitions, feasibility studies, mine development and operations. Mr Hancock has been involved in the feasibility, construction, and commissioning of several mining operations. He has worked on both open pit and underground operations, on gold, copper, base metal, uranium, light metal and industrial mineral projects, and has undertaken the management and direction of many of BDA's independent engineer operations in recent years. Mr Hancock provided project direction, review of the project and tenement valuation, report management and editing.

Mr John McIntyre (BE (Min) Hon., FAusIMM, MMICA, CP (Val), MAIMVA) is a Principal and Managing Director of BDA. He is a mining engineer who has been involved in the Australian and international mining industry for more than 45 years, with operational and management experience in copper, lead, zinc, nickel, gold, uranium and coal in open pit and underground operations. He has been involved in numerous mining projects and operations, feasibility studies and technical and operational reviews in Australia, West Africa, New Zealand, North and South America, PNG and Southeast Asia. Mr McIntyre has been a consultant for more than 30 years and has been Managing Director of BDA since 1994, involved in the development of the independent engineering and technical audit role. Mr McIntyre provided project direction and project management review.

Mr Peter Goldner (BSc. (Hon) Geology, FAusIMM, FAIG, CPGeo) is a Senior Associate of BDA with more than 45 years of experience in the management, exploration, project evaluation, mine development, mine operations and general management of geological services. He has worked in both surface and underground operations in a range of commodities, including gold and precious metals, copper, lead/zinc, base metals, nickel and uranium. He has extensive experience in resource/reserve estimation, reconciliation procedures and the audit and review of estimates and in project and tenement valuation. Mr Goldner has worked in Australia, PNG, USA, the Philippines, Indonesia and Alaska. Mr Goldner undertook the geological and valuation assessment of the Aeon Metals tenements and projects.

8.0 STATEMENT OF INDEPENDENCE

Neither the Principals nor Associates of BDA have any material interest or entitlement in the securities or assets of Aeon Metals, or any associated companies. BDA will be paid a fee for this report comprising its normal professional rates and reimbursable expenses. The fee is not contingent on the conclusions of this report.

9.0 LIMITATIONS AND CONSENT

BDA consents to making this report available to the Directors of FTI Consulting and the Administrator of Aeon Metals Limited (Administrators Appointed) (referred to herein as “Aeon Metals Ltd (Administrators Appointed)” or “the Company”) and its subsidiaries (All Administrators Appointed) on the understanding that all parties are aware of and understand the scope of BDA’s engagement as set out in the Scope of Work. Neither the whole nor any part of this report nor any reference thereto may be included in or with or attached to any document or used for any other purpose without written consent from BDA as to the form and context in which it appears.

This report does not constitute a technical or legal audit. The assessment in this report has been based on data, reports and other information made available to BDA by FTI Consulting and the Administrator and referred to in this report. BDA has been advised that all relevant documentation relating to the projects has been provided, that the information is complete as to material details and is not misleading.

BDA has reviewed the data, reports and information provided and has used consultants with appropriate experience and expertise relevant to the various aspects of the projects. The opinions stated herein are given in good faith. BDA considers that the basic assumptions are factual and correct, and the interpretations are reasonable.

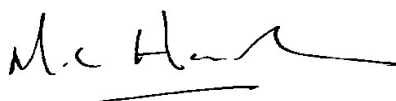
BDA has independently analysed the data provided, but the accuracy of the conclusions of the review largely relies on the accuracy of the supplied data. BDA does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from third party use of it. BDA reserves the right to change its opinions on the valuations of the exploration properties expressed in this report should any of the fundamental information provided be significantly or materially revised.

BDA warrants that its activities have followed accepted engineering standards through the use of professionally qualified engineers and the adoption of standards as specified by the appropriate professional Associations. BDA takes no responsibility for any loss or damage arising from the use of this report or information, data or assumptions contained therein, except for where loss or damage results from the bad faith, wilful misconduct or negligence on the part of BDA.

In commissioning BDA for this report, FTI Consulting has indemnified BDA for any liability resulting from BDA’s reliance on information provided that is materially inaccurate or incomplete. This indemnity does not absolve BDA from critically examining the information provided.

Yours faithfully

BEHRE DOLBEAR AUSTRALIA PTY LTD



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Appendix A

BDA's Opinion of the Contribution of Each Tenement to the Values Attributed to the Individual Aeon Projects in Table 6.9

The table below has been included at the request of Korda Mentha and FTI as it may be useful in attributing individual values to each of the Aeon Metals various corporate entities.

BDA has used the Low, Preferred and High project values in Table 6.9 in BDA's report dated 13 December 2024 and then attributed these values to each tenement as briefly described in the righthand column on the Table A below. These values represent BDA's opinion of the likely contribution of each tenement to the projects in which it the tenement is included.

The proportion of the Low, Preferred and High Values attributed to each tenement in Basin Edge, Mt Isa West and Mt Isa South projects is based on the contribution of each tenement to the total project area, while for the Walford Creek and Monto projects the allocation is based on the subjective assessment of the ranked prospectivity of each tenement.

Table A
Valuation Allocation for Aeon Metal's Tenements Based on Prospectivity Assessment and Proportional Value

Project/EPM	Reference Tables	Low ASM	Preferred ASM	High ASM	Tenement Ranking	Ranking Basis
Walford Creek	6.9	12.2	15.1	17.9		
14220		6.1	7.6	9.0	50%	Contain Walford Creek Deposit
14854		1.2	1.5	1.8	10%	Potential Eastern Extension of FRF
18552		1.2	1.5	1.8	10%	Potential Eastern Extension of FRF
26906		0.6	0.8	0.9	5%	South of FRF, other magnetic structure
26316		1.2	1.5	1.8	10%	Possible extension to FRF
27512		1.8	2.3	2.7	15%	FRF possibly within the northern part of EPM
Total		12.2	15.1	17.9	100%	
Basin Edge	6.9	0.1	2.0	10.2		
27311		0.1	1.0	5.1	50%	Equal split on tenement size basis
27312		0.1	1.0	5.1	50%	Equal split on tenement size basis
Total		0.1	2.0	10.2		
Mt Isa West	6.5 & 6.9	2.9	4.3	5.6		73% (by area) of Mt Isa West and Mt Isa South
18769		0.4	0.6	0.8	13.4%	Proportion of Project area (Table 5.5)
27435		0.7	1.1	1.4	25.5%	Proportion of Project area (Table 5.5)
27436		0.3	0.5	0.6	10.8%	Proportion of Project area (Table 5.5)
27743		0.7	1.0	1.3	23.7%	Proportion of Project area (Table 5.5)
27744		0.2	0.3	0.3	5.9%	Proportion of Project area (Table 5.5)
27745		0.6	0.9	1.2	20.7%	Proportion of Project area (Table 5.5)
Total		2.9	4.3	5.6	100%	
Mt Isa South	6.5 & 6.9	1.1	1.6	2.1		27% (by area) of Mt Isa West and Mt Isa South
15911		0.1	0.2	0.2	11.4%	Proportion of Project area (Table 5.5)
13412		0.2	0.2	0.3	14.3%	Proportion of Project area (Table 5.5)
13413		0.1	0.1	0.1	6.4%	Proportion of Project area (Table 5.5)
13682		0.2	0.3	0.3	15.7%	Proportion of Project area (Table 5.5)
14233		0.1	0.2	0.2	10.7%	Proportion of Project area (Table 5.5)
14821		0.2	0.2	0.3	14.3%	Proportion of Project area (Table 5.5)
15156		0.3	0.4	0.6	27.1%	Proportion of Project area (Table 5.5)
Total		1.1	1.6	2.1	100%	
Monto	6.9	3.0	4.0	5.0		
14628		1.4	1.8	2.3	45%	Five prospects and subeconomic resources
15921		0.9	1.2	1.5	30%	One prospect
17060		0.2	0.2	0.3	5%	
17001		0.2	0.2	0.3	5%	
17002		0.2	0.2	0.3	5%	
27604		0.3	0.4	0.5	10%	One mineralised prospect
Total		3.0	4.0	5.0	100%	
Constance Range	6.8					
27535		0.0	0.0	0.0	100%	Held for Limestone, no significant work to date
Total		0.0	0.0	0.0	100%	

Appendix I Letter of instruction dated 11 November 2024



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11 November 2024

Ms Jenny Nettleton
KordaMentha
Level 5, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

Dear Ms Nettleton

Letter of instruction for preparation of independent expert report in support of an application under section 444GA(1)(b) of the Corporations Act 2001 (Cth) in respect of the shares in Aeon Metals Limited (Administrators Appointed) (ACN 121 964 725)

1. **Introduction**

1.1 We act for Vaughan Strawbridge, Kathryn Evans and Benjamin Campbell in their capacities as the joint and several voluntary administrators (**Administrators**) of Aeon Metals Limited (ACN 121 964 725) (Administrators Appointed) (**Aeon**) and certain of Aeon's subsidiaries, being:

- (a) Aussie NQ Resources Pty Limited (Administrators Appointed) ACN 140 072 680;
- (b) Aeon Walford Creek Limited (Administrators Appointed) ACN 121 478 993;
- (c) Aeon Isa Exploration Pty Ltd (Administrators Appointed) ACN 630 455 373;
- (d) Aeon Monto Exploration Pty Ltd (Administrators Appointed) ACN 629 298 273; and
- (e) Aeon Walford Exploration Pty Ltd (Administrators Appointed) ACN 634 353 610,

(together, the **Subsidiaries** and collectively with Aeon, the **Group Companies**).

- 1.2 On 26 July 2024, the Administrators were appointed as voluntary administrators of the Group Companies.

2. **Background**

- 2.1 Aeon is the ultimate parent company of the Group Companies. A structure chart is set out in **Annexure A**.

- 2.2 Aeon is a Australian public company, which is listed on the Australian Securities Exchange (**ASX**). On 26 July 2024, Aeon was placed in a trading halt and on the same day, following the appointment of the Administrators, was suspended from trading by the ASX.

- 2.3 The Group Companies are directly and indirectly the holders of various tenements (see a complete listing contained at **Annexure B**) including:

- (a) for the Walford Creek Copper-Cobalt Project in North West Queensland, the Aeon's flagship project, which hosts one of Australia's highest grade cobalt deposits and a mineral resource estimate of 72.6 million tonnes;
- (b) in the Mt Isa region of Queensland, where Aeon has the following four main project areas, extending approximately 500kms from north to south:
 - (i) Constance Range (EPM 14712, EPM 14935 and EPM 27535);
 - (ii) Isa North (EPM 14694);
 - (iii) Isa West (comprising six granted EPMs); and
 - (iv) Isa South (comprising nine granted EPMs covering 162 sub-blocks, which are current and solely held by the Group Companies); and
- (c) in South East Queensland, where the Group Companies have seven separate exploration permits which are at different stages of project life, all of which have been granted and are current. Six of those exploration permits are solely held by the Group Companies, with one (EPM 19029, held by SLW Queensland Pty Ltd) which is a joint venture between Aeon Metals (with a 60% interest) and SLW Minerals Corporation Pty Ltd (with a 40% interest).

- 2.4 On 16 August 2024, the Administrators obtained orders extending the convening period within which they must convene the second meeting of creditors from 23 August 2024 to 22 November 2024.

- 2.5 In their report to creditors and at the second meeting of creditors (**Second Meeting**), the Administrators may recommend that the Group Companies'

creditors vote in favour of execution of a deed of company arrangement (**DOCA**)
proposed by OL Master Limited or its nominee (**Bidder**).

3. **The proposed deed of company arrangement**

3.1 Effectuation of the DOCA will be conditional on, among other things:

- (a) Australian Securities and Investments Commission (**ASIC**) granting relief for the purposes of section 606 of the *Corporations Act 2001* (Cth) (**Corporations Act**); and
- (b) the court granting leave to the Administrators to transfer the shares in Aeon to the Bidder (or its nominee) pursuant to section 444GA of the Corporations Act in consideration for the payment by the Bidder of certain amounts under the DOCA.

3.2 The Bidder's DOCA proposal contemplates that:

- (a) the Administrators will be appointed as deed administrators of the Group Companies; and
- (b) shortly after execution of the DOCA, the Administrators will apply to the Supreme Court of New South Wales (**Court**) for leave to transfer the share capital in Aeon to the Bidder's nominee pursuant to section 444GA(1) of the Corporations Act (**Application**).

4. **Instructions**

4.1 The Court may only give leave to the Administrators to transfer the shares in Aeon pursuant to section 444GA(1) of the Corporations Act if it is satisfied that the proposed transfer would not unfairly prejudice the interests of the members of Aeon.

4.2 For the purposes of the Administrators' application pursuant to section 444GA of the Corporations Act, you are instructed to provide an independent expert report (**Report**) setting out your opinion on the following question:

Please provide an independent opinion of the value, if any, of shareholders' residual equity in Aeon on a liquidation basis.

- 4.3 The Report will be provided to the Court to assist it to determine whether the proposed transfer of Aeon's shares to the Bidder would unfairly prejudice the interests of Aeon's members for the purposes of the Application.
- 4.4 The Report will also be provided to ASIC, and will be made available to shareholders of Aeon and any other interested party in relation to the Application.
- 4.5 We request that you please provide your Report as soon as possible. We would be grateful if you could please share with us a draft of your Report prior to finalisation so that we may check it for factual accuracy.

5. **Preparing your Report**

- 5.1 Please prepare your Report in accordance with the the Expert Witness Code of Conduct (**Code**), set out in Schedule 7 of the *Uniform Civil Procedure Rules 2005* (NSW). A copy of the Code is contained in **Annexure C** to this letter.
- 5.2 Your duty as an expert witness is to assist the Court impartially on matters relevant to your area of expertise. Your overriding duty is to the Court and not to the party retaining you or any other person.
- 5.3 In accordance with the Code, your Report should:
- (a) include an acknowledgement that you have read the Code and agree to be bound by it, provided this is, in fact, the case;
 - (b) include a statement that you are independent from the parties to the Application, or, if you are not independent from any party to the Application, set out details of your association or connection to that party;
 - (c) identify and state your qualifications to prepare the report;
 - (d) identify the questions that you have been asked to address;
 - (e) identify and attach the documents and other materials that you have been instructed to consider;
 - (f) summarise each of your opinions;
 - (g) set out the reasons for, and any literature or other material utilised in support of, each of your opinions;
 - (h) set out separately each of the assumptions and material facts on which each of your opinions is based;
 - (i) distinguish between your opinion and any fact or assumption upon which your opinion is based;

- (j) identify whether any opinion expressed in the report is not a concluded opinion because of insufficient research or insufficient data or for any other reason;
- (k) make it clear when a particular question, issue or matter falls outside your relevant field of expertise;
- (l) set out the extent to which any opinion which you have expressed involves the acceptance of another person's opinion, and identify who that other person is and the opinion expressed by that person;
- (m) include any calculations, analyses or other extrinsic matter referred to in your Report;
- (n) at the end of your Report:
 - (i) confirm that all facts, matters, working papers and calculations upon which you have relied have been disclosed and no relevant material has been omitted; and
 - (ii) declare (if it is, in fact, the case) that: "I have made all the inquiries that I believe are desirable and appropriate and that no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Court".

5.4 We also enclose at **Annexures D and E** copies of ASIC Regulatory Guide 111 ("Content of Expert Reports") (**RG 111**) and ASIC Regulatory Guide 112 ("Independence of Experts") (**RG 112**). Please prepare your Report in compliance with RG 111 and RG 112.

5.5 If there are any other guides or industry codes that you consider to be relevant to the preparation of your Report, please identify those and ensure that your Report complies with them.

5.6 If you have any questions about the Code, RG 111, RG 112 or the preparation of your Report, please contact us.

6. **Technical specialist reports**

6.1 It is proposed that Behre Dolbear Australia be appointed to prepare an independent valuation of the mineral assets of the Group Companies to assist you in the preparation of your Report.

6.2 In this regard, RG 111.136 provides:

For technical matters beyond the expert's expertise, an expert should retain a specialist to advise them (e.g. a geologist to provide an opinion on recoverable

ore the subject of mining tenements, or a traffic forecast report in relation to a toll road): see RG 112.67-RG 112.70.

6.3 In RG 112 ASIC recommends, among other things:

- (a) the expert should engage, liaise and be satisfied with the specialist providing the report (RG 112.67);
- (b) the expert should review, consider and have reasonable grounds for believing in the specialist report (RG 112.71); and
- (c) the specialist report should, timing wise, be dated close enough to the report to ensure that any assumptions applied have not expired (RG 112.72).

6.4 If there are any other technical specialist reports you require for the preparation of your Report, please contact us or the Administrators to discuss this further.

7. **Confidentiality**

7.1 In your role as an independent expert, you may receive confidential and/or proprietary information or property of the Group Companies. You agree to maintain all documents, information and things obtained in connection with this matter in strict confidence. You agree to maintain any reports, work papers, memoranda or summaries which may be prepared in connection with the engagement by you or personnel assisting you in strict confidence. You agree not to disclose these things to any person or use them for any purpose apart from assisting the Court, Ashurst, the Administrators and the Group Companies in relation to this matter. You agree to ensure your personnel are obliged to do the same. You agree to retain all such material, subject to our instructions.

7.2 Except to the extent that you are engaging with us, the Administrators, the Group Companies and their authorised personnel or consultants, and for the purpose of giving evidence in the Application:

- (a) you must keep all communications between us confidential (including the contents of this letter). It is a condition of this engagement that you take all reasonable measures to protect the confidentiality of, and any privilege attaching to, these communications;
- (b) you must not disclose to anyone the content of any confidential oral or written communication relating to this engagement;
- (c) you are not to make any other use, disclosure or dissemination of such materials or information gained in connection with this engagement without our or the Administrators' prior written consent, except as may be required by law; and

- (d) you must not discuss any aspect of this matter with any other person, or inform them of your involvement in this matter, without our prior written consent.

- 7.3 Any communications between us, including this letter and other materials or information provided in connection with this engagement, are confidential and currently subject to legal professional privilege. Accordingly, please mark any written communications (including emails) and reports involving this matter "Confidential and Privileged".
- 7.4 In the course of the Application, there may be a point in time at which legal professional privilege no longer applies, whether by law or because our clients have voluntarily elected to waive that privilege.
- 7.5 If at any time you, or any of your authorised personnel, are served with any court process which requires you, or if you are otherwise compelled by law, to produce documents recording communications between you and us, please contact us before producing those documents. This will give us an opportunity to consider whether our client can maintain a claim to privilege or whether any claim to privilege has been waived and, if it has not, to make an appropriate application to the Court to oppose production of the privileged material.
- 7.6 All documents obtained in the course of this engagement must be returned to us upon request.

8. **Fees**

- 8.1 Your engagement is subject to the terms of this letter of instruction.
- 8.2 You propose to charge \$80,000 (excluding GST and disbursements) for the preparation of your Report.
- 8.3 Please issue your invoices monthly during the term of your engagement to Ashurst to the attention of Camilla Clemente. However, the Administrators will be responsible for paying your fees

Please contact us if you have any questions.

Yours faithfully

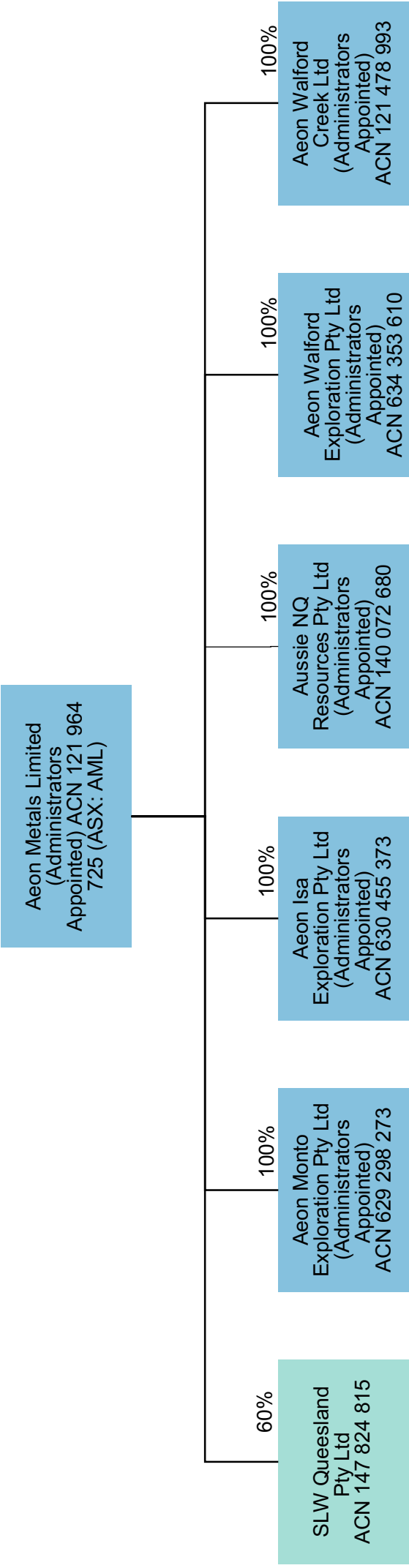


Ashurst

INDEX

Annexure	Document Description	Date
A	Aeon Group Structure Chart	N/A
B	Register of Mining Tenements	N/A
C	Expert Witness Code of Conduct — Schedule 7 to the <i>Uniform Civil Procedure Rules 2005</i> (NSW)	N/A
D	ASIC Regulatory Guide 111 — Content of Expert Reports	22 October 2020
E	ASIC Regulatory Guide 112 — Independence of Expert	30 March 2011

Annexure A – Group Structure Chart



Key

- Entity in voluntary administration
- Entity not in voluntary administration

Annexure B – Tenement Listing

Tenement schedule – Aeon Metals Limited

Entity	EPM Identifier	Percentage Interest
Aeon WC	EPM 14712	80%
	EPM 14935	80%
	EPM 14694	80%
	EPM 13412	80%
	EPM 13413	80%
	EPM 13682	80%
	EPM 14233	72%
	EPM 14821	80%
	EPM 15156	80%
	EPM 15911	100%
	EPM 11898	100%
	EPM 18769	100%
	EPM 14220	100%
	EPM 14854	100%
	EPM 18552	100%
	EPM 26906	100%
	EPM 27311	100%
	EPM 27312	100%
	EPM 27314	100%
	EPM 27315	100%
	EPM 27512	100%
	EPM 28402	100%
Aeon WE	EPM 27535	100%
	EPM 26316	100%
Aussie NQ	EPM 18359	100%

Aeon IE	EPM 27435	100%
	EPM 27436	100%
	EPM 27743	100%
	EPM 27744	100%
	EPM 27745	100%
Aeon ME	EPM 14628	100%
	EPM 15921	100%
	EPM 17001	100%
	EPM 17002	100%
	EPM 17060	100%
	EPM 27604	100%
SLW Queensland	EPM 19029	100%

Annexure C – Expert Witness Code of Conduct

Uniform Civil Procedure Rules 2005

Current version for 4 October 2024 to date (accessed 11 November 2024 at 15:56)

Schedule 7

Schedule 7 Expert witness code of conduct

(Rule 31.23)

1 Application of code

This code of conduct applies to any expert witness engaged or appointed—

- (a) to provide an expert's report for use as evidence in proceedings or proposed proceedings, or
- (b) to give opinion evidence in proceedings or proposed proceedings.

2 General duties to the Court

An expert witness is not an advocate for a party and has a paramount duty, overriding any duty to the party to the proceedings or other person retaining the expert witness, to assist the court impartially on matters relevant to the area of expertise of the witness.

3 Content of report

Every report prepared by an expert witness for use in court must clearly state the opinion or opinions of the expert and must state, specify or provide—

- (a) the name and address of the expert, and
- (b) an acknowledgement that the expert has read this code and agrees to be bound by it, and
- (c) the qualifications of the expert to prepare the report, and
- (d) the assumptions and material facts on which each opinion expressed in the report is based (a letter of instructions may be annexed), and
- (e) the reasons for and any literature or other materials utilised in support of each such opinion, and
- (f) (if applicable) that a particular question, issue or matter falls outside the expert's field of expertise, and

- (g) any examinations, tests or other investigations on which the expert has relied, identifying the person who carried them out and that person's qualifications, and
- (h) the extent to which any opinion which the expert has expressed involves the acceptance of another person's opinion, the identification of that other person and the opinion expressed by that other person, and
- (i) a declaration that the expert has made all the inquiries which the expert believes are desirable and appropriate (save for any matters identified explicitly in the report), and that no matters of significance which the expert regards as relevant have, to the knowledge of the expert, been withheld from the court, and
- (j) any qualification of an opinion expressed in the report without which the report is or may be incomplete or inaccurate, and
- (k) whether any opinion expressed in the report is not a concluded opinion because of insufficient research or insufficient data or for any other reason, and
- (l) where the report is lengthy or complex, a brief summary of the report at the beginning of the report.

4 Supplementary report following change of opinion

- (1) Where an expert witness has provided to a party (or that party's legal representative) a report for use in court, and the expert thereafter changes his or her opinion on a material matter, the expert must forthwith provide to the party (or that party's legal representative) a supplementary report which must state, specify or provide the information referred to in clause 3(a), (d), (e), (g), (h), (i), (j), (k) and (l), and if applicable, clause 3(f).
- (2) In any subsequent report (whether prepared in accordance with subclause (1) or not), the expert may refer to material contained in the earlier report without repeating it.

5 Duty to comply with the court's directions

If directed to do so by the court, an expert witness must—

- (a) confer with any other expert witness, and
- (b) provide the court with a joint report specifying (as the case requires) matters agreed and matters not agreed and the reasons for the experts not agreeing, and
- (c) abide in a timely way by any direction of the court.

6 Conferences of experts

Each expert witness must—

- (a) exercise his or her independent judgment in relation to every conference in which the

expert participates pursuant to a direction of the court and in relation to each report thereafter provided, and must not act on any instruction or request to withhold or avoid agreement, and

- (b) endeavour to reach agreement with the other expert witness (or witnesses) on any issue in dispute between them, or failing agreement, endeavour to identify and clarify the basis of disagreement on the issues which are in dispute.

Annexure D – ASIC Regulatory Guide 111, Content of Expert Reports



ASIC
Australian Securities &
Investments Commission

REGULATORY GUIDE 111

Content of expert reports

October 2020

About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It provides guidance on the content of an expert report and how an expert can help security holders make informed decisions about transactions.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This version was issued in October 2020 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Superseded Regulatory Guide 111, issued October 2007, reissued March 2011

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

This guide gives ASIC's views on how an expert can help security holders make informed decisions about transactions.

It gives guidance to experts on how to draft an expert report that satisfies the requirements of the *Corporations Act 2001* (Corporations Act).

This guide outlines our views on:

- how experts should analyse a proposed transaction (see Section B);
- the different valuation methodologies used by experts and the treatment of assumptions (see Section C);
- general requirements for all expert reports (see Section D); and
- the regulatory action we might take against an expert (see Section E).

Reports covered by this guide

- RG 111.1 This guide focuses on reports prepared for transactions under Chs 2E, 5, 6 and 6A of the Corporations Act, whether the reports are required by the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geologist reports or traffic forecast reports for inclusion in Ch 6D disclosure documents and Ch 7 product disclosure statements.
- RG 111.2 This guide does not apply to independent or investigating accountant reports.
- RG 111.3 Examples of transactions for which entities are required to commission an independent expert report or may do so voluntarily to assist security holders to make an informed choice are takeover bids, compulsory acquisitions and buy-outs, schemes of arrangement, related party transactions and capital reorganisations: see Table 1.
- RG 111.4 Where the Corporations Act or Australian Securities Exchange Limited (ASX) Listing Rules require an entity to commission an independent expert report, this is generally to ensure that shareholders receive an independent analysis of transactions involving related parties or other persons of influence. For example, s640 of the Corporations Act requires an independent expert report where the bidder has a 30% voting power in the target company or the bidder and target have common directors. It is important that an expert applies close scrutiny to a transaction involving a related party or other person of influence and critically analyses the information provided to it.

Table 1: Examples of transactions for which entities commission an independent expert report

Transaction	Circumstances
Takeover bids	- The target must commission an expert report when the bidder's voting power in the target is at least 30% of the target or when the bidder and the target have common directors: s640. - The bidder must commission an expert report when the consideration paid by the bidder for acquiring a pre-bid stake includes unquoted securities: s636(1)(h)(iii) and 636(2). - Targets often commission expert reports to assist security holders, even if there is no requirement to do so. - In joint bids the bidders must use their best endeavours to have the target engage an independent expert to prepare a report on whether the joint bid is fair and reasonable to target shareholders who are not associates of the bidders: see Table 9 in Regulatory Guide 9 Takeover bids (RG 9) and RG 9.649.
Schemes of arrangement	- The scheme company must commission an expert report when the other party to the scheme holds at least 30% of the voting shares of the scheme company or when they have common directors: reg 5.1.01 and Sch 8, cls 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations). - Scheme companies often commission an expert report when transactions are complex or effect a takeover.
Compulsory acquisitions or buy-outs	The bidder in a compulsory acquisition must commission an expert report under s663B, 664C, 665B and 667A.
Acquisitions approved by security holders under item 7 of s611	The company commissions an expert report (or, if it has the expertise, a director's report to the same standard) to discharge the requirement to disclose all material information on how to vote on the resolution: item 7(b) of s611.
Selective capital reductions	An expert report should usually accompany the explanatory memorandum to satisfy the information requirements of fairness under s256C(4).
Related party transactions	An expert report may be supplied to members as part of the material to accompany the notice of meeting: s218, 219, 220 and 221.
Transactions with persons in a position of influence	Notices of meeting for approvals under ASX Listing Rule 10.10 must be accompanied by an expert report: ASX Listing Rule 10.10.2.
Demutualisations of financial institutions	An expert report must accompany a notice of meeting for a demutualisation of a financial institution or friendly society: Sch 4, cl 29(4).
Buy-backs	If a company proposes to buy-back a significant percentage of securities or the holdings of a major shareholder, it should consider providing an independent expert report with a valuation of the shares: Regulatory Guide 110 Share buy-backs (RG 110) at RG 110.18 and RG 110.20.

Transaction	Circumstances
Share transfers under s444GA	Share transfers under s444GA that require relief from s606 will generally require an expert report to help: • ASIC in determining whether to grant relief from s606; • members, creditors, interested persons and ASIC in their decision to oppose leave of the court; and • the court in its decision to grant leave.

B Analysing a transaction

Key points

An expert should focus on the issues facing the security holders for whom the report is being prepared: see RG 111.5–RG 111.7.

An expert should focus on the substance of the transaction rather than the legal mechanism used to achieve that purpose: see RG 111.8–RG 111.34.

Some transactions will require a different form of analysis, particularly:

- demergers and demutualisations (see RG 111.35–RG 111.40);
- approval of a sale of securities under item 7 of s611 (see RG 111.41–RG 111.46);
- compulsory acquisitions and buyouts (see RG 111.47–RG 111.51); and
- share transfers under s444GA (see RG 111.64–RG 111.80).

When assessing whether a related party transaction is ‘fair and reasonable’, an expert should consider the overall effect of the transaction: see RG 111.53–RG 111.63.

A recommended approach

- RG 111.5 In deciding on the appropriate form of analysis for a report, an expert should bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the proposed transaction. An expert should focus on the purpose and outcome of the transaction, that is, the substance of the transaction, rather than the legal mechanism used to effect the transaction.
- RG 111.6 The Corporations Act requires an expert to express the opinion using particular language depending on the type of transaction. For example:
- (a) whether a takeover bid is ‘fair and reasonable’ under s640;
 - (b) whether a scheme of arrangement is in ‘the best interests of the members of the company’ under Sch 8, cl 8303 of the Corporations Regulations; and
 - (c) whether the proposed terms in the buy-out or acquisition notice give a ‘fair value’ for the securities under s667A(1).
- RG 111.7 Nevertheless, the form of analysis an expert uses to evaluate a transaction should address the issues faced by security holders. The rest of this section sets out our guidance on the form of analysis an expert should use for particular types of transactions.

Control transactions

RG 111.8 A control transaction, when a person acquires, or increases, a controlling stake in a company, can be achieved by way of a number of different legal mechanisms, including, for example:

- (a) a takeover bid under Ch 6;
- (b) a scheme of arrangement under Pt 5.1;
- (c) approval of an issue of shares using item 7 of s611; and
- (d) a selective capital reduction or selective buy-back under Ch 2J.

Note 1: Ch 6 extends to listed managed investment schemes and listed bodies that are not companies. For the purposes of this regulatory guide, references to a 'company' in the context of Ch 6 takeovers can be read as references to these bodies or schemes, when appropriate.

Note 2: Not all transactions under item 7 of s611 involve the issue of shares. For those transactions that do not involve the issue of shares, see RG 111.41–RG 111.46.

RG 111.9 It is important for an expert to focus on the substance of a control transaction, rather than the legal mechanism used to effect it.

Takeover bids

RG 111.10 It has long been accepted in Australian mergers and acquisitions practice that the words 'fair and reasonable' in s640 establish two distinct criteria for an expert analysing a control transaction:

- (a) is the offer 'fair'; and
- (b) is it 'reasonable'?

That is, 'fair and reasonable' is not regarded as a compound phrase.

RG 111.11 Under this convention, an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made:

- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and

Note: Any special value of the 'target' to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under this comparison, but see RG 111.13(e).

- (b) assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.

- RG 111.12 An offer is ‘reasonable’ if it is fair. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- RG 111.13 When deciding whether an offer is reasonable, an expert might consider:
- (a) the bidder’s pre-existing voting power in securities in the target;
 - (b) other significant security holding blocks in the target;
 - (c) the liquidity of the market in the target’s securities;
 - (d) taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
 - (e) any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc;
 - (f) the likely market price if the offer is unsuccessful; and
 - (g) the value to an alternative bidder and likelihood of an alternative offer being made
- RG 111.14 For example, a bidder who controls a target and makes a takeover bid may offer a price which is ‘not fair’ as it includes a minority discount. The offer price may, however, be greater than the price at which the securities were trading before the takeover bid was made. In such circumstances, it is appropriate for the expert to consider whether the market price may fall if the offer is unsuccessful: see RG 111.13(f). It would also be appropriate for the expert to consider the matters set out in RG 111.13(d) and RG 111.13(f) in assessing the likelihood that the bidder would increase its offer price, including to a price that an expert would assess as ‘fair’.
- RG 111.15 A bidder may also offer a price which is ‘not fair’ where the target is in financial distress. This is because the fair value of the target securities should be determined on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid (e.g. an orderly realisation of the target’s assets). Such an offer may nonetheless be reasonable if the alternative methods of remedying the financial distress are likely to be less attractive to security holders than a successful offer.

Note: For the avoidance of doubt, funding requirements for a target that is not in financial distress (e.g. capital that is required to develop a project) should generally be taken into account when determining the fair value of target securities: see *Northern Energy Corporation Limited* [2011] ATP 2. Such funding requirements will generally be relevant to determining the value of the target securities assuming knowledgeable and willing, but not anxious, parties. These funding requirements will often be implicitly reflected in certain methodologies (e.g. the quoted price for listed securities). The expert may need to expressly determine to take funding requirements into account when using other methodologies (e.g. the discounted cash flow methodology).

- RG 111.16 An expert concluding that an offer is not fair, but reasonable, should clearly explain the meaning of this opinion, why the expert has reached this conclusion and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holder's decision making). Otherwise, depending on the circumstances, the report might be misleading or deceptive. In describing the factors that are relevant to a conclusion that an offer is reasonable, an expert should generally only include the factors that are material to this conclusion.
- RG 111.17 To the extent reasonably practicable, and where it can do so with sufficient precision to assist security holders, the expert should quantify the reasonableness factors it considers to be material. For example:
- (a) if the expert comments that the share price may fall if the bid is unsuccessful, the expert should consider providing quantitative information such as the pre-announcement share price (or volume weighted average price) and the liquidity profile of the target's shares; and
 - (b) if the bidder controls the target, the expert should consider quantifying the size of the minority discount.

Control transactions by way of a scheme of arrangement

- RG 111.18 Schemes of arrangement can be used as an alternative to a Ch 6 takeover bid to achieve substantially the same outcome. In these circumstances, we expect the form of analysis to be substantially the same as for a takeover bid, even though the wording of the opinion will also be whether the proposed scheme is 'in the best interests of the members of the company'. This reflects that the legislative test for schemes of arrangement differs from that applicable to a Ch 6 takeover bid.
- RG 111.19 When an expert report is required in a scheme of arrangement involving a change of control, the expert is expected to apply the analysis and provide an opinion as to whether the proposal is 'fair and reasonable' as set out in RG 111.10–RG 111.17 as if:
- (a) the 'bidder' was the 'other party'; and
 - (b) the 'target' was the company that is the subject of the proposed scheme.
- RG 111.20 If an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.
- RG 111.21 If an expert would conclude that the proposal was 'not fair but reasonable' if it was in the form of a takeover bid using the analysis described in RG 111.10–RG 111.17, it is still open to the expert to also conclude that the scheme is 'in the best interests of the members of the company'. The expert

should clearly say that the consideration is not equal to or greater than the value of the securities the subject of the scheme, but there are sufficient reasons for security holders to vote in favour of the scheme in the absence of a higher offer.

- RG 111.22 If an expert concludes that a scheme proposal is ‘not fair and not reasonable’, then the expert would conclude that the scheme is not in the best interests of the members of the company.
- RG 111.23 When a scheme of arrangement is used to acquire or increase a party’s control, the report should address the interests of members who are bound to give up rights under the scheme. The expert should separately consider the interests of each class of those members under the scheme.

Other control transactions

- RG 111.24 An issue of shares by a company otherwise prohibited under s606 may be approved under item 7 of s611 and the effect on the company’s shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of s611 that are comparable to takeover bids under Ch 6 include:
- (a) a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged businesses. The vendor could have achieved the same or a similar outcome by launching a scrip takeover for the company; and
 - (b) a company issues securities in exchange for cash and, as a consequence, the allottee acquires over 20% of the company. The allottee could have achieved the same or a similar outcome by using a cash-rich entity to make a scrip takeover bid for the company.
- RG 111.25 If this is the case, an expert should apply the analysis outlined in RG 111.10–RG 111.17—that is, the transaction should be analysed as if it was a takeover bid under Ch 6. However, references to, for example, the ‘bidder’ and the ‘target’ should be taken to mean the ‘allottee’ and ‘company’ respectively.
- RG 111.26 An issue of shares for cash may have other benefits that should be considered in deciding whether the transaction is reasonable. These benefits may include:
- (a) the provision of new capital to exploit business opportunities;
 - (b) a reduction in debt and interest payments; or
 - (c) a needed injection of working capital.
- RG 111.27 There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the allotment

or increase an existing holding of 20% or more, but does not obtain a practical measure of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this outcome into account in assessing whether the issue price is ‘reasonable’ if it has assessed the issue price as being ‘not fair’ applying the test in RG 111.11.

RG 111.28 A transaction otherwise prohibited under s606 for which approval is sought under item 7 of s611 will not always involve the issue of shares. For the analysis of other transactions under item 7 of s611, see RG 111.41–RG 111.46.

RG 111.29 Similar considerations apply in relation to control transactions by way of a selective capital reduction or selective buy-back under Ch 2J.

Assessing non-cash consideration in control transactions

RG 111.30 If the bidder is offering non-cash consideration in a control transaction, the expert should examine the value of that consideration and compare it with the valuation of the target’s securities, whether the transaction is effected by a takeover bid, a scheme of arrangement or an issue of shares.

RG 111.31 The comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity’s securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

- (a) the acquirer is obtaining or increasing control of the target; and
- (b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the ‘bidder’ and the ‘target’. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the ‘bidder’ and the ‘target’.

RG 111.32 If the expert uses the market price of securities as a measure of the value of the offered consideration, the expert should consider and comment on:

- (a) the depth of the market for those securities;
- (b) the volatility of the market price; and
- (c) whether or not the market value is likely to represent the value if the takeover bid is successful.

- RG 111.33 For example, trading after a bid is announced may reflect some of the benefits of the combined entity, depending on whether the market has confidence that the transaction will proceed.
- RG 111.34 If, in a scrip bid, the target is likely to become a controlled entity of the bidder, the bidder's securities can also be valued assuming a notionally combined entity. However, the expert should still allow for the fact that accepting holders are likely to hold minority interests in that combined entity. The comparison should include the assets and liabilities of the target and the dilution effect of the acquisition on the target's earnings, asset backing and dividends. The expert should also discuss the bases for calculating the dilutions.

Note: Reverse takeovers (either by takeover bid or scheme of arrangement) can raise special issues: see [Regulatory Guide 60 Schemes of arrangement](#) (RG 60) at RG 60.35–RG 60.37.

Demergers and demutualisations

- RG 111.35 Demergers and demutualisations might not involve:
- (a) a change in the underlying economic interests of security holders;
 - (b) a change of control; or
 - (c) selective treatment of different security holders.
- RG 111.36 In the absence of these factors, the issue of 'value' may be of secondary importance (particularly in demutualisations). The expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. In some cases, it might still be appropriate to carry out a valuation. In a demerger, the expert may still choose to value the demerged businesses to test whether the value of the sum of the parts (the demerged entities) is greater or less than the whole (the existing entity). If the expert does not undertake such a valuation, to the extent reasonably practicable, and where it can do so with sufficient precision to assist security holders, the expert should quantify the advantages and disadvantages that it considers to be material. For example, the expert may comment on the likelihood of a 'market re-rating' by analysing the post-transaction performance of other demergers.
- RG 111.37 If the demerger or demutualisation involves a scheme of arrangement and the expert concludes that the advantages of the transaction outweigh the disadvantages, the expert should say that the scheme is in the best interests of the members.
- RG 111.38 In a demerger, security holders will typically have to balance issues such as the benefits of a greater focus afforded to the demerged entities against increased costs and reduction in diversified earnings streams.

- RG 111.39 In a demutualisation, the advantages and disadvantages to be considered might include questions of unlocking value for members and greater management accountability as reasons to demutualise, as compared to the loss of the benefits of being a mutual organisation.
- RG 111.40 An expert might need to consider whether using the form of analysis described at RG 111.10–RG 111.17 is appropriate when demergers and demutualisations involve one or more of:
- (a) a change in the underlying economic interests of security holders;
 - (b) a change of control; or
 - (c) selective treatment of different security holders.

Approval of a sale of securities under item 7 of s611

- RG 111.41 Approval for a sale of securities that would otherwise contravene s606 may be sought under item 7 of s611. Item 7 of s611 envisages that security holders not associated with such a transaction may approve it. In doing so, these security holders may be forgoing:
- (a) the opportunity of receiving a takeover bid; and
 - (b) sharing in any premium for control.
- RG 111.42 The expert should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction. In contrast with the analysis for an issue of shares approved under item 7 of s611, the expert should provide an opinion either:
- (a) that the advantages of the proposal outweigh the disadvantages; or
 - (b) that the disadvantages of the proposal outweigh the advantages.
- RG 111.43 A specific issue the expert should determine is whether the vendor is to receive a premium for control.
- RG 111.44 The greater the control premium, the greater the advantages of the transaction to the non-associated holders would need to be to support a finding that the advantages of the proposal outweighed the disadvantages. These other advantages may come, for example, from a better long-term profit outlook as the incoming security holder offers superior management skills.
- RG 111.45 The expert should also inquire whether further transactions are planned between the entity, the vendor or any of their associates. If any are contemplated, the expert should determine whether those transactions would be on an arm's length basis. If not, an implication arises that they may compensate a vendor for a price that is too low.
- RG 111.46 An expert should also consider whether any proposed acquisition by way of sale, if approved, might deter the making of a takeover bid for the entity.

Compulsory acquisitions and buy-outs

- RG 111.47 Chapter 6A prescribes the steps an expert must take in reaching an opinion for compulsory acquisitions and buy-outs. Section 667A(1) requires an expert to:
- (a) provide an opinion on whether the proposed terms in the buy-out or acquisition notice give a ‘fair value’ for the securities; and
 - (b) set out the reasons for its opinion.
- RG 111.48 To determine what is ‘fair value’, s667C requires that an expert:
- (a) first assess the value of the entity as a whole;
 - (b) then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk and the voting and distribution rights of the classes); and
 - (c) then allocate the value of each class pro rata among the securities in that class (without allowing any premium or applying a discount for particular securities or interest in that class).
- RG 111.49 In determining the fair value for securities, an expert must also take into account the prices paid for securities in that class in the previous six months: s667C(2).
- RG 111.50 The weight of judicial authority is that an expert should not reflect ‘special value’ that might accrue to the acquirer (e.g. *Capricorn Diamonds Investments Pty Ltd v Catto* (2002) 41 ACSR 376 at 431; *Winpar Holdings Ltd v Austrim Nylex Ltd* [2005] VSCA 211 at [11]–[37]; *Teh v Ramsay Centauri* (2002) 42 ACSR 354 at 359). In practice, the issue of ‘special value’ might not be a critical issue. Special value might not be material once it has been allocated pro rata to each security in the class, including the securities of the party seeking to make the compulsory acquisition. An expert should not add any premium for forcible divestment: see *Capricorn* at 432.
- Note: Similar considerations apply as to whether consideration under a capital reduction ‘is fair and reasonable to the company’s shareholders as a whole’: see s256B(1)(a) and *Re Goldfields Kalgoorlie*; *Winpar Holdings Ltd v Goldfields Kalgoorlie Ltd* (2000) 34 ACSR 737 at [69].
- RG 111.51 Our approach to nominating experts to provide valuations under Ch 6A is set out in [Regulatory Guide 10](#) *Compulsory acquisitions and buyouts* (RG 10) at RG 10.173–RG 10.178.

Related party transactions

- RG 111.52 Experts who are asked to prepare a report for the following transactions should comply with RG 111.53–RG 111.63:
- (a) a transaction with a related party that requires member approval under Ch 2E (including as modified by Pt 5C.7 for registered managed investment schemes); or
 - (b) a transaction with a person in a position of influence that requires member approval under ASX Listing Rule 10.
- RG 111.53 When analysing related party transactions, it is important that an expert focuses on the substance of the related party transaction, rather than the legal mechanism. For example, where a related party transaction is made up of a number of separate components, the expert should consider the overall effect of the related party transaction.
- RG 111.54 Where the related party transaction is one component of a broader transaction or a series of transactions involving non-related parties (such as a control transaction), the expert should carefully consider what level of analysis of the related party aspect is required: see also RG 111.4. In this consideration, the expert should bear in mind whether the report has been sought to ensure that members are provided with sufficient information to decide whether to approve giving a financial benefit to the related party as well as the broader transaction.

‘Fair’ and ‘reasonable’ test

- RG 111.55 Generally, ASIC expects an expert who is asked to analyse a related party transaction to express an opinion on whether the transaction is ‘fair and reasonable’ from the perspective of non-associated members. This analysis is specifically required where the report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.
- RG 111.56 Where an expert assesses whether a related party transaction is ‘fair and reasonable’ (whether for the purposes of Ch 2E or ASX Listing Rule 10.1), this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’, as in a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal, as we do not consider this provides members with sufficient valuation information. See [Regulatory Guide 76](#) *Related party transactions* (RG 76) at RG 76.105–RG 76.112 for further details.

- RG 111.57 A proposed related party transaction is ‘fair’ if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made:
- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length; and
- Note: This is a separate test to the consideration of relevant factors and circumstances when determining whether the transaction is on ‘arm’s length’ terms for the purposes of s210: see Section C of RG 76.
- (b) for control transactions, on the basis referred to in RG 111.11.
- RG 111.58 Where the proposed transaction consists of an asset acquisition by the entity, it is ‘fair’ if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity’s securities should be compared to the value of the securities it is purchasing. If the expert uses the market price of either of the securities as a measure of their value, it should consider, among other things, the factors set out in RG 111.32(a)–RG 111.32(b).
- RG 111.59 In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transactions.
- RG 111.60 A proposed related party transaction is ‘reasonable’ if it is ‘fair’. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes there are sufficient reasons for members to vote for the proposal.
- RG 111.61 If an expert concludes that a related party transaction is not fair, but reasonable, it should clearly explain the meaning of this opinion, why the expert has reached this conclusion, and the significance of the conclusion to the decision to be made by security holders (e.g. what it might mean for the security holders’ decision-making): see also RG 111.16–RG 111.17.
- RG 111.62 When deciding whether a proposed transaction is ‘reasonable’, factors that an expert might consider include:
- (a) the financial situation and solvency of the entity, including the factors set out in RG 111.26, if the consideration for the financial benefit is cash;
 - (b) opportunity costs;
 - (c) the alternative options available to the entity and the likelihood of those options occurring;
 - (d) the entity’s bargaining position;

- (e) whether there is selective treatment of any security holder, particularly the related party;
- (f) any special value of the transaction to the purchaser, such as particular technology or the potential to write off outstanding loans from the target; and
- (g) the liquidity of the market in the entity's securities.

RG 111.63 Generally an expert need only conduct one analysis of whether the transaction is 'fair and reasonable', even if the report has been prepared for a reason other than the transaction being a related party transaction (e.g. if item 7 of s611 approval is also required).

Transfer of shares under s444GA

RG 111.64 Section 444GA allows shares of a company in administration to be transferred by an administrator as part of a deed of company arrangement (DOCA). The transfer may only occur if shareholders consent or when the court is satisfied that the transfer would not 'unfairly prejudice' the interests of shareholders.

RG 111.65 Where a transfer under s444GA will result in a person acquiring a relevant interest in voting shares in a company subject to Ch 6 above 20%, relief from s606 must be granted by ASIC.

RG 111.66 ASIC generally requires an expert's report to be prepared for s444GA transactions to assist in determining whether to grant relief from s606. The expert's report is also included as part of an explanatory statement to:

- (a) assist members, creditors, interested persons and ASIC in determining whether to oppose the application for leave of the court under s444GA; and
- (b) provide further evidence to assist the court in its assessment of granting leave under s444GA.

Note: [Regulatory Guide 6](#) *Takeovers: Exceptions to the general prohibition* (RG 6) at RG 6.202(b) provides more information on the requirements for the explanatory statement.

RG 111.67 In exceptional circumstances, where a company clearly holds assets of negligible value and/or has no business, there may be limited benefit in providing an expert's report. In these circumstances, you should approach ASIC early in the process to discuss whether or not an expert's report is required.

RG 111.68 Provided the requirements in RG 6.202(b) are met, ASIC will generally grant relief from s606 where the expert's report concludes that shareholders' equity has no residual value. This aligns with the position of the courts when

considering whether unfair prejudice exists. The courts consider that the possibility of prejudice to a shareholder only arises if there is some residual equity in the company: see Martin CJ in *Weaver v Noble Resources Ltd* [2010] WASC 182 and White J in *Lewis, In the matter of Diverse Barrel Solutions Pty Ltd (subject to a Deed of Company Arrangement)* [2014] FCA 53.

- RG 111.69 Experts who are asked to prepare a report for share transfers using s444GA should generally comply with RG 111.70–RG 111.80.

Form and content of report

- RG 111.70 An expert's report should provide an independent opinion of the value, if any, of shareholders' residual equity. The expert is not required to form a view on the 'fairness' or 'reasonableness' of the transaction.
- RG 111.71 Shareholders' residual equity should be derived by assessing the value of the company's assets and/or business operations, less borrowings, other liabilities and creditors' claims.
- RG 111.72 The value of shareholders' residual equity should be assessed on the basis that the company is in administration.
- RG 111.73 Consistent with the approach of the courts, an expert should generally value shareholders' residual equity in a company under administration on a 'winding up' or 'liquidation' basis where that is the likely or necessary consequence of the transfer of shares not being approved: see *Re Mirabela Nickel Ltd (subject to deed of company arrangement)* [2014] NSWSC 836 at [42]; *Re Nexus Energy Limited* (2014) 105 ACSR 246 at 254 [24].
- RG 111.74 Experts should:
- (a) value any underlying assets, and where necessary business(es), using the guidance in Part C, including crosschecks;
 - (b) consider valuation evidence provided by the sales process conducted by the administrator (if any) as well as the value (if any) of potential recoveries for voidable transactions; and
 - (c) seek specialist technical assistance, where relevant, consistent with the requirements in Section E of [Regulatory Guide 112 Independence of experts](#) (RG 112).
- RG 111.75 The selection of the appropriate approach and methods to value company assets and/or businesses will depend on the facts and circumstances involved, available data and the professional judgement of the expert. The rationale for the selection of the approach and method used should be fully disclosed in the report.

Asset and business valuations

- RG 111.76 We expect in many cases that it will be clear from the administration process whether the company under administration holds a business (or businesses) capable of sale or, rather, a series of assets that, but for the proposed DOCA, would otherwise be sold on a piecemeal basis to realise value (if any).
- RG 111.77 Where a company under administration holds assets that form a business, the expert should generally base the assessment on the higher of;
- (a) the sum of liquidation value of the underlying business assets; and
 - (b) the value of the business as a whole.
- RG 111.78 A business will likely be subject to various constraints associated with the company being under administration. These may affect the expected performance of the business directly and/or perceptions of business risk to potential acquirers. These should be considered by the expert in deriving the expected sale value of the business and should be disclosed in the report.
- RG 111.79 Any assets that do not form part of the business may be valued assuming liquidation value. Liquidation value is defined by the International Valuation Standard 104: *Bases of Value* (effective 31 January 2020) at paragraph 80.1 as:
- the amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value:
 - (a) an orderly transaction with a typical marketing period, or
 - (b) a forced transaction with a shortened marketing period.
- RG 111.80 Valuations of residual company assets should generally be determined using the premise of, ‘... an orderly transaction with a typical marketing period’. The marketing period assumption should be disclosed by the expert.

C Methodologies and assumptions

Key points

An expert should:

- if possible use more than one valuation methodology and compare the values derived from using different methodologies to minimise the risk that the opinion is unreliable; and
- justify its choice of methodologies and describe the methods used: see RG 111.81–RG 111.90.

An expert's opinion should be based on reasonable assumptions and all material assumptions should be disclosed: see RG 111.91–RG 111.94.

An expert should usually give a range of values and that range should be as narrow as possible: see RG 111.95–RG 111.96.

An expert might need to value individual assets in certain circumstances: see RG 111.97–RG 111.100.

Choice of methodology

RG 111.81 An expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or tenable) basis for choosing its valuation methodologies: *Re Matine* (1998) 28 ACSR 268 at 290–291. An inappropriate choice might be misleading: *Re EPHS Ltd* [2002] ATP 12. It might also lead to liability because the expert did not take sufficient care and skill in the preparation of the report: *Duke Group Ltd v Pilmer* (1999) 31 ACSR 213.

RG 111.82 We consider that an expert should, when possible, use more than one valuation methodology. We consider that this reduces the risk that the expert's opinion is distorted by its choice of methodology. We also consider that an expert should compare the figures derived from using the different methodologies and comment on any differences. Further, if the expert's valuation of a company's securities differs materially from the price of the company's securities in the period leading up to the announcement of the proposed transaction (together with a typical premium for control for such a transaction), the expert should comment on this difference and the factors underlying it. The expert should also comment if its valuation is less than the price of the company's securities in the period leading up to the announcement of the transaction.

Note: The expert should also consider whether the price of the company's securities is an appropriate valuation methodology: see RG 111.86(d).

- RG 111.83 However, we will not prescribe the valuation methodologies that an expert should use in preparing its report since an expert should exercise its own skill and judgment to choose methodologies that are appropriate in the circumstances of the entity or the asset being valued.
- RG 111.84 An expert should justify its choice of methodology or methodologies (including when the expert has used only one methodology, the basis for doing so) and describe the method or methods used in the report. We consider that an expert report that does this allows security holders to better understand the expert report and determine the weight to be attached to the report. It also allows another expert, professional adviser or institutional investor to replicate the expert's work and assess the valuation.
- RG 111.85 An expert should discuss how much weight is being placed on each methodology used in the valuation. For instance, one methodology may be identified as the primary methodology whereas another is used to provide a cross-check to the valuation.
- RG 111.86 It is generally appropriate for an expert to consider using the following methodologies:
- (a) the discounted cash flow method (see also RG 111.112–RG 111.118) and the estimated realisable value of any surplus assets;
 - (b) the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
 - (c) the amount that would be available for distribution to security holders on an orderly realisation of assets;
 - (d) the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale; and
 - (e) any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets.
- Note: Some valuation methodologies include a premium for control while others do not. An expert needs to ensure that the choice of methodology or methodologies is appropriate for the circumstances of the transaction.
- RG 111.87 The amount an alternative bidder might be willing to offer if all the securities in the target were available for purchase may provide a useful framework for the application of methodologies (e.g. in selecting earnings multiples) and in underpinning any overall judgment as to value.

- RG 111.88 An expert should not take into account highly speculative alternative proposals which are so unformulated that no sensible value could be placed on them.
- RG 111.89 If an entity has recently conducted a sale process without success or has been ‘in play’ for some period without an alternative bid emerging, it may be possible to comment that no alternative acquirer appears likely to offer a higher price.

Option valuations

- RG 111.90 The most commonly used methodologies for valuing unlisted or thinly traded options are the Binomial Model and the Black–Scholes Model. In selecting an approach, an expert should assess whether the assumptions used in the methodology are appropriate for the options being valued.

Assumptions

- RG 111.91 An expert’s opinion should be based on reasonable assumptions. This reduces the risk that the report will be misleading: s670A(2); s12DA of the *Australian Securities and Investments Commission Act 2001* (ASIC Act); *MGICA (1992) Ltd v Kenny & Good Pty Ltd* (1996) 140 ALR 313 at 356; *RAIA Insurance Brokers v FAI General Insurance Co Ltd* (1993) 112 ALR 511 at 522.
- RG 111.92 An expert should disclose all material assumptions on which its report is based. This allows security holders to assess the reasonableness of the report and its main uncertainties: *Re BNQ Sugar Pty Ltd and Others* (1994) 12 ACSR 695 at 702; *GIO Australia Holdings Pty Ltd v AMP Insurance Investment Holdings Pty Ltd* (1998) 29 ACSR 584 at 621–622.
- RG 111.93 The material assumptions disclosed should be specific and definite. All-embracing assumptions of no specific relevance to the entity being valued should not be included (e.g. the continued absence of war or the non-occurrence of natural disasters). However, assumptions concerning specific future economic conditions (such as assumed interest rates, exchange rates and commodity prices) and the assessment of their impact on the report should be disclosed.
- RG 111.94 If changes in material assumptions are likely to materially impact on a report’s valuation (e.g. changes in the exchange rate or interest rate assumptions), an expert should consider including a sensitivity analysis which sets out the impact of such changes.

Note: See [Regulatory Guide 170](#) *Prospective financial information* (RG 170) at RG 170.65–RG 170.66.

Value ranges

- RG 111.95 An expert should usually give a range of values. The value of securities is typically subject to uncertainty and volatility. Placing a precise dollar value on them is likely to imply a misleading accuracy to a valuation.
- RG 111.96 Nevertheless, the range of values should be as narrow as possible. If an expert cannot give a narrow range because of uncertainty (e.g. start-up companies), the expert should prominently explain in its report what factors create this uncertainty and how the expert is able to justify its findings despite the uncertainty. In our view, a broad range of values undermines the usefulness of the report.

Valuing assets

- RG 111.97 An expert might need to value individual assets in undertaking the analysis required to prepare its report, for example, if the assets are considered 'surplus' to other business activities being valued. In valuing individual assets, an expert may need to quantify and discuss any material differences between its valuation and the market value of the asset used for accounting purposes.
- RG 111.98 An expert may also need to assess the carrying value of an entity's assets if the primary valuation methodology it has employed results in a value that is less than the entity's reported net assets (after allowing for reasonable realisation costs).
- RG 111.99 In such circumstances, the expert should ensure that it has the expertise to value the assets (e.g. to value real property or exploration mining tenements) or retain a specialist to do so.
- RG 111.100 Real property assets that are planned or are in the process of development should be valued on the basis of their current market value rather than on an 'as complete' basis.

D Other key requirements

Key points

An expert report should help security holders make their decision by clearly disclosing key information: see RG 111.101–RG 111.106.

An expert's opinion should be based on reasonable grounds. These grounds should be discussed in the report: see RG 111.107–RG 111.118.

An expert might need to act on changes in circumstances after issuing its report: see RG 111.119–RG 111.121.

Particular considerations apply to the inclusion of certain information (e.g. disclaimers): see RG 111.122–RG 111.133.

An expert should have the relevant expertise to prepare the expert report: see RG 111.134–RG 111.139.

An expert should maintain adequate records of the work undertaken to prepare the expert report: see RG 111.140–RG 111.144.

Clear, concise and effective communication

RG 111.101 An expert report should help security holders make their decision. The report should:

- (a) address the varying information needs of a report's audience;
- (b) clearly explain the meaning of the expert's opinion and the significance of that opinion to the decision to be made by security holders;
- (c) highlight key information;
- (d) be easy to navigate and understand (e.g. through including an up-front summary of the expert's opinion and the reasons for the opinion, the use of content tables, signposting, cross-references, numbered sections, sub-sections and the avoidance of jargon); and
- (e) be as brief as possible.

RG 111.102 An expert report should only contain information that relates directly to the decision to be made by security holders. Including extraneous information in an expert report undermines the effectiveness of that report. Santow J dealt with this issue in *Re Australian Co-operative Foods Ltd* (2001) 38 ACSR 71 at 77 in the following terms:

Experts are responsible for what they say in their reports. They must ensure that their reports deal adequately with the kind of concerns that could reasonably be anticipated from those affected by the scheme, in reporting

on whether the relevant scheme proposal is fair and reasonable from their viewpoint ... This is so those members can then make an informed decision with the benefit of a report that is as simple, clear and useful as possible. A plethora of peripheral information is more likely to distract than illuminate.

- RG 111.103 For example, an analysis of the industry in which the company (i.e. the subject of the opinion) operates might be useful. However, copying material out of an industry research database may merely add to the length of reports. An expert should include an analysis of the material and relate the material directly to its opinion.

Technical terms

- RG 111.104 Technical terms should be avoided when possible. If the expert uses technical terms, it should use them consistently in a report and consistently with the way they are used in the relevant industry. When appropriate, the expert should provide a glossary, especially when the definition or interpretation of specific terms is central to its report.

Concise or short form expert report

- RG 111.105 We encourage an expert to consider preparing a concise or short form expert report. The commissioning party would make a longer expert report containing additional, more technical or detailed information available on request free of charge or ensure it is accessible online. This reflects a developing market practice.

Note: See RG 60.84 for information about the use of concise expert reports in schemes of arrangement.

- RG 111.106 The concise report would still need to contain sufficient information to help security holders make their decision. The concise report should include the information that we emphasise in the rest of this guide and in RG 112 (e.g. material assumptions). If the longer report contained any ‘surprises’ for the security holder who only read the concise report, this would indicate the concise report was inadequate or misleading. Table 2 contains examples of types of information that an expert might consider including and leaving out of the concise report. Determining what information to include in the concise report and what to leave out is a matter for the expert’s professional judgment in the particular circumstances of the report. However, we are happy to work with experts on these issues.

Table 2: Examples of information that an expert might consider putting in and leaving out of a concise expert report

Include in the concise expert report	• Expert's conclusion • Meaning of conclusion and significance for the decision to be made • Summary of reasons for conclusion • Summary of valuation including: – methodologies used; – material assumptions; and – a justification of these • Financial Services Guide
Leave out of the concise expert report	• Industry overview • Disclaimers • Detailed financial information • Detailed profile of parties to the transaction • Qualifications, declarations (e.g. indemnities) and consents • Detailed share price analysis • Details of capital structure (e.g. shareholder spread and directors' relevant interests if not linked to the expert's analysis) • List of previous ASX announcements • List of sources of information

Statements should be supportable

Reasonable grounds

- RG 111.107 An expert's opinion should be based on reasonable grounds. These grounds should be set out in the report.
- RG 111.108 We consider that setting out the reasons for the opinion will assist security holders to understand the expert's opinion, to assess the weight to attach to that opinion and to evaluate the validity of the expert's conclusions: s636(2); 640(1); 667A(1)(c); Sch 8, cl 8303 of the Corporations Regulations and *Makita (Australia) Pty Ltd v Sprowles* (2001) 52 NSWLR 705 at 729 and following. Further, security holders cannot make an informed decision without the benefit of 'sufficient supporting information': *Australian Co-operative Foods* at 77.

Review of information

- RG 111.109 We expect an expert to:
- critically evaluate the information provided to it; and
 - take note of any grounds held for questioning the truth, accuracy and completeness of the information.

- RG 111.110 An expert should conduct such critical analysis of the information on which it relied to prepare the report as is reasonable in the circumstances and as the law requires: *Australian Co-operative Foods* at 77. The more material the information is to the conclusions reached by the expert, the greater the responsibility on the expert to be satisfied that the information is not materially inaccurate. If there are indications suggesting that the information in question may not be reasonably relied on, then the expert should make additional enquiries. We do not expect an expert to conduct an audit of the subject matter of the report.
- RG 111.111 For example, the expert must review directors' valuations and management accounts, partly to detect changes in the way those valuations and accounts have been prepared from period to period: see RG 111.113. If there are no indications of irregularities or omissions, an expert will ordinarily be entitled to take at face value valuations previously prepared by outside experts, audited financial statements and the accounting records of the company. An expert may also rely on management accounts if it has established reasonable grounds: see RG 111.113.

Forward-looking information and use of the discounted cash flow methodology

- RG 111.112 An expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. Otherwise the opinion will be misleading under s670A(2) of the Corporations Act or s12DA of the ASIC Act.
- RG 111.113 An expert should make sufficient inquiries to satisfy itself that forward-looking information on which it has relied was prepared on a reasonable basis. It is important that those producing such information to the expert have used methods of analysis and presentations previously used by the company (unless there is a sound reason to use a different approach), and have not used new systems or approaches which favour their objectives. If there are any material variations in method or presentation, the expert should adjust for or comment on them in the report.
- RG 111.114 RG 170 gives detailed guidance on what we consider is a reasonable basis for stating prospective financial information. While RG 170 is expressed to apply to fundraising documents under Chs 6D and 7, it provides useful guidance for inclusion of prospective financial information in expert reports. We also consider that RG 170 provides useful guidance for inclusion of forward-looking information that does not fall within the definition of 'prospective financial information'.

- RG 111.115 However, we recognise that using the discounted cash flow (DCF) methodology will involve the use of forward-looking information and assumptions over a longer period than the two-year period in RG 170: see RG 170.39–RG 170.41. As long as the focus of the disclosure in the expert report is on the valuation rather than forward-looking information that supports it, the expert does not need to commission an independent accountant report for the DCF methodology: see RG 170.41. However, the expert should undertake a critical analysis of the forward-looking information used in applying the DCF methodology to ensure it is based on reasonable grounds.
- RG 111.116 ASIC recognises that there may be a reasonable basis for the use of DCF methodologies before a project generates cash flows as long as, at the date of reporting, the expert has reasonable grounds for the forward-looking information. Where the expert does not have reasonable grounds, other valuation methodologies should be used.
- RG 111.117 When an expert includes forward-looking information in its report, the report should include all information that may be required for users of the report to assess the reasonableness of the methodology and assumptions used, including:
- (a) the nature of the information, its limitations and the reason for its inclusion in the report;
 - (b) the material inputs and assumptions used and the reason for using those assumptions;
 - (c) if applicable, the discount rate selected and rationale;
 - (d) the extent and nature of the adjustments made to the DCF (if any) to allow for the development stage risks attaching to these cash flows (whether through risk weighting cash flows, adjustments to discount rates or other methods);
 - (e) the extent of inquiries and research undertaken by the expert and the compiler of that information;
 - (f) the technical and financial qualifications of the expert and the compiler in relation to the relevant industry and asset; and
 - (g) the specific period to which the information relates and the reason for the use of that period.
- RG 111.118 Full disclosure of the types of matters raised in RG 111.117 and any other risk disclosure, warnings or cautionary language does not affect the requirement for forward-looking information to be based on reasonable grounds. It will also not prevent particular information from being misleading.

Changes in circumstances

- RG 111.119 An expert who has delivered its report to the commissioning party should notify that party as soon as possible if the expert becomes aware of a significant change affecting the information in its report or if the expert believes that a material statement in the report is misleading or deceptive. The commissioning party should also notify the expert if that party becomes aware of a significant change affecting the information in the expert report prior to a meeting being held or during the offer period.
- RG 111.120 When a material change in circumstances has arisen since a report was prepared, a failure by the expert to provide a supplementary report to its client may constitute misleading or deceptive conduct. Security holders will rely on an expert report when making their decision, not when they first receive the report: *ASIC v Solution 6 Holdings Ltd* (1999) 30 ACSR 605 at 611. If an expert becomes aware of a material change in circumstances, then depending on the circumstances, it may be appropriate for a commissioning party to send a supplementary report, even if security holders would receive the report:
- (a) shortly before a meeting is held; or
 - (b) towards the end of an offer period.

See *Troy Resources NL v Taipan Resources NL* (2000) 36 ACSR 197.

Note: Commissioning parties should consider what period is appropriate for security holders to have to consider any supplementary information: see also RG 60.92–RG 60.93.

- RG 111.121 Changes affecting valuations in reports are more likely to trigger the supplementary report obligation than tactical events in the progress of transactions, for example, the level of acceptances in a bid.

Inclusion of other information

Confidential information

- RG 111.122 While an expert should not omit material information from its report merely because it is confidential, the expert may be able to adequately support an opinion by careful disclosure without revealing confidential information.

Disclaimers

- RG 111.123 The purpose of an expert report is to give security holders an assessment on which they can rely. A disclaimer defeats this purpose.
- RG 111.124 An expert cannot limit its statutory liability for the report through disclaimers (e.g. that the expert will not be liable for any loss incurred through reliance on its report). An expert report that purports to exclude the expert from liability may be misleading.

- RG 111.125 An expert should consider refusing to give a report when it has not been given:
- (a) sufficient information or unimpeded access to an entity's records; or
 - (b) enough time to prepare the report.
- RG 111.126 When an expert decides that its report will assist security holders despite limitations that the expert cannot resolve (e.g. because the expert does not have time to investigate the reliability of certain information), the expert should prominently explain the nature of the uncertainties and the impact on its opinion so that security holders can assess what weight to attach to the opinion.
- RG 111.127 When an expert is retained to provide a report on a limited matter, the expert may disclaim responsibility for matters outside the scope of its retainer.

Indemnities

- RG 111.128 An expert may take an indemnity from the commissioning party (or any other person) under which it is to be compensated for certain liability. An acceptable indemnity would cover liability that arises because:
- (a) the expert relied on information provided by the person; or
 - (b) the person did not provide the expert with material information.
- RG 111.129 Such an indemnity will not diminish the liability of an expert to security holders. Nor will it reduce the expert's responsibility to ensure that it has reasonable grounds for its opinion and that the report is not misleading or deceptive.
- RG 111.130 An expert report that implies that an indemnity relieves the expert from liability to security holders is potentially misleading. ASIC expects reports to explain the effect of any indemnity.

Additional disclosures

- RG 111.131 Security holders will generally expect that an expert report will have been prepared on the following basis:
- (a) the expert has made all the inquiries that it believes are desirable and appropriate in order to prepare the report; and
 - (b) the report has not omitted any matter that the expert regards as material to security holders' assessment of the expert's conclusions.

Note: To the extent that there are any normally applicable standards and guidelines for valuing a particular class of assets (e.g. the Valmin Code for valuations involving mineral and hydrocarbon assets), security holders will generally expect that these have been complied with. The report should disclose if that is not the case as that will be a matter that is relevant to security holders' assessment of the expert's conclusions.

- RG 111.132 If an expert report has not been prepared on this basis, the report should prominently explain why this is the case and the impact of this on the report. If the report is unable to be prepared on such a basis, the expert may need to consider refusing to give the report: see RG 111.125–RG 111.126.
- RG 111.133 An expert should also disclose to security holders, to the extent necessary to help them assess what weight to give to reports:
- (a) the source of material used in the reports;
 - (b) the inquiries made by the expert;
 - (c) any unacceptable or unusual time constraints the expert worked under;
 - (d) whether the expert is dissatisfied with the quality of the information used for the report; and
 - (e) whether any concerned party to the relevant transaction has refused to provide adequate:
 - (i) access to information; or
 - (ii) explanations;
 if the information or the explanations might have impacted on the report's conclusions.

Expertise

- RG 111.134 ASIC expects an expert preparing an expert report to be, in fact, an expert in the relevant field. Section 9 defines an expert as 'a person whose profession or reputation gives authority to a statement made by him or her'. To this end, we expect an expert and the commissioning party to ensure that:
- (a) the expert's profession or reputation is relevant to the matters upon which the expert is to report;
 - (b) the expert holds the licences or authorities necessary for providing the type of advice sought; and
 - (c) the expert states in the report its qualifications and experience or, if the report is made by a corporation or firm, the qualifications and experience of the individuals responsible for preparing the report.
- RG 111.135 Gyles J observed in *Reiffel v ACN 075 839 266 Ltd* (2003) 45 ACSR 67 at 87:
- It is implicit ... that such an expert will exercise the care, skill and judgment appropriate to the relevant field of expertise in forming and expressing the opinion.
- RG 111.136 For technical matters beyond the expert's expertise, an expert should retain a specialist to advise them (e.g. a geologist to provide an opinion on recoverable ore the subject of mining tenements, or a traffic forecast report in relation to a toll road): see RG 112.67–RG 112.70.

RG 111.137 An expert should ensure that staff preparing and supervising the preparation of the report have sufficient skill, knowledge and experience to perform the expert's role.

RG 111.138 Expert reports typically constitute the giving of financial product advice so an expert must hold an Australian financial services (AFS) licence. An AFS licensee should have sufficient human and technological resources to provide the services specified in its licences and should ensure its staff are adequately trained and competent to provide those services: s912A(1).

Note: ASIC has taken action against an expert when the expert lacked the expertise to complete the task, failed to comply with the law and did not meet standards of good practice.

RG 111.139 Detailed guidance on how we consider these licence obligations can be met are contained in [Regulatory Guide 104](#) *AFS licensing: Meeting the general obligations* (RG 104), [Regulatory Guide 105](#) *AFS licensing: Organisational competence* (RG 105) and [Regulatory Guide 146](#) *Licensing: Training of financial product advisers* (RG 146).

Working papers

RG 111.140 In preparing an expert report, an expert should document its work and maintain adequate working papers that record the basis of the report. The expert should be able to readily draw on its working papers to demonstrate that its opinion is reasonably based.

Note: Much of the expert's analysis will be described in the report. The requirement to document and maintain adequate working papers does not detract from the obligations of an expert with respect to the contents of an expert report.

RG 111.141 Maintaining adequate working papers is an important aspect of an expert's quality control and review process. In our view, the duties imposed by the Corporations Act on AFS licensees require licensees to keep adequate records about their financial services business: see [Regulatory Guide 175](#) *Licensing: Financial product advisers—Conduct and disclosure* (RG 175) at RG 175.97 and RG 175.145.

RG 111.142 Maintaining adequate working papers will also assist the expert in demonstrating compliance with its legal obligations (including the obligations described in this guide and RG 112 and its obligations as an AFS licensee) and its internal procedures and processes.

RG 111.143 Working papers should be compiled so that someone with no prior involvement with the transaction can review them and understand the major issues. They should include, for example:

- (a) documents supporting the expert's choice of methodology;
- (b) documents supporting significant assumptions underpinning the expert's opinion;

- (c) factual information relied on, or used by, the expert in preparing the report and material documenting the inquiries made by the expert in relation to that information;
- (d) analysis of any financial models that the expert has relied on. Where the expert has relied on a financial model, the expert should undertake a review of the model and document its analysis, including which aspects of the model have been reviewed by the expert and the extent of the review. We do not expect an expert to conduct an audit of the model; and
- (e) file notes of discussions and correspondence between the expert and the commissioning party: see RG 112.47.

RG 111.144 All records relevant to the preparation of an expert report may be subject to review by ASIC. Even where we do not have any particular concerns about an expert report, we may review the report, the working papers and the independence of the expert as part of our regular review of the independent expert sector.

E Regulatory action

Key points

We will consider regulatory action if we consider there are material issues with the content of an expert report or have concerns about the independence of an expert.

- RG 111.145 We will consider regulatory action if we consider that there are material issues with the content of the report (e.g. as to the adequacy and the completeness of the expert's analysis) or if we have concerns about the independence of an expert.
- RG 111.146 We might write to the expert or the commissioning party or both to raise concerns or request changes to an expert report. However, when delay might prejudice the interests of security holders or the market, we might take enforcement action without consulting the expert or the commissioning party.
- RG 111.147 The action we might take could be one or more of the following:
- (a) in a takeover bid, an application to the Takeovers Panel for a declaration of unacceptable circumstances;
 - (b) in a scheme of arrangement, opposition to the scheme at a court hearing;
 - (c) action for contravention of misleading or deceptive conduct provisions;
 - (d) action by us to revoke, suspend the expert's licence or add a condition after a hearing: s915C; or
 - (e) action by us to cease or suspend nominating the expert to prepare reports in compulsory acquisitions: s667AA and RG 10.173.

Key terms

Term	Meaning in this document
administrator	Has the meaning given in s9 of the Corporations Act Note: The definition in s9 includes both deed administrators and voluntary administrators.
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services Note: This is a definition contained in s761A of the Corporations Act.
AFS licensee	A person who holds an Australian financial services licence under s913B of the Corporations Act Note: This is a definition contained in s761A of the Corporations Act.
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASX	Australian Securities Exchange Limited
bidder	Has the meaning given in s9 of the Corporations Act
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
DOCA	A deed of company arrangement
DOCA proposal	A proposed DOCA or proposed variation of a DOCA
DOCA proponent	A person who advocates for the DOCA proposal
expert	Has the meaning given in s9 of the Corporations Act
prospective financial information	Financial information of a predictive character based on assumptions about events that may occur in the future and on possible actions by an entity
related party	Has the meaning given in s228 of the Corporations Act
reg 5.1.01 (for example)	A regulation of the Corporations Regulations (in this example numbered 5.1.01)
RG 175 (for example)	An ASIC regulatory guide (in this example numbered 175)
s648A (for example)	A section of the Corporations Act (in this example, numbered 648A), unless otherwise specified
Sch 4 (for example)	A schedule of the Corporations Act (in this example numbered 4), unless otherwise specified

Term	Meaning in this document
scheme of arrangement	A scheme of arrangement conducted under Pt 5.1
securities	Has the meaning given in s9 of the Corporations Act
security holder	The holder of interests or securities
target	Has the meaning given in s9 of the Corporations Act
Valmin Code	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports

Related information

Headnotes

experts, expert report, analysis of control transactions, substance of transaction not legal mechanism used, assumptions, methodology, valuing assets, clear communication, incorporation by reference, supportable statements, prospective financial information, disclaimers, indemnities, expertise, related party transactions

Regulatory guides

[RG 6](#) *Takeovers: Exceptions to the general prohibition*

[RG 9](#) *Takeover bids*

[RG 10](#) *Compulsory acquisitions and buyouts*

[RG 60](#) *Schemes of arrangement*

[RG 74](#) *Acquisitions agreed to by shareholders*

[RG 76](#) *Related party transactions*

[RG 104](#) *AFS licensing: Meeting the general obligations*

[RG 105](#) *AFS licensing: Organisational competence*

[RG 110](#) *Share buy-backs*

[RG 112](#) *Independence of experts*

[RG 146](#) *Licensing: Training of financial product advisers*

[RG 170](#) *Prospective financial information*

[RG 175](#) *Licensing: Financial product advisers—Conduct and disclosure*

Legislation

ASIC Act, s12DA

Corporations Act, Chs 2E, 2J, 6 and 7; Pt 5.3A; s9, 210, 218, 219, 220, 221, 256C(4), 444GA, 606, item 7(b) of 611, 636(1)(g), 636(1)(h)(iii), 636(2), 640, 663B, 664C, 665B, 667A, 667C, 670A(2), 766B(3), 766(4), 912A(1) and Sch 4, cl 29(4)

Corporations Regulations, reg 5.1.01, Sch 8, cls 8303 and 8306

Cases

ASIC v Solution 6 Holdings Ltd (1999) 30 ACSR 605

Re Australian Co-operative Foods Ltd (2001) 38 ACSR 71

Re BNQ Sugar Pty Ltd and Others (1994) 12 ACSR 695

Capricorn Diamonds Investments Pty Ltd v Catto (2002) 41 ACSR 376

Duke Group v Pilmer (1999) 31 ACSR 213

Lewis, In the matter of Diverse Barrel Solutions Pty Ltd (subject to a Deed of Company Arrangement) [2014] FCA 53

Re EPHS Ltd [2002] ATP 12

Re Goldfields Kalgoorlie; Winpar Holdings Ltd v Goldfields Kalgoorlie Ltd (2000) 34 ACSR 737

Re Mirabela Nickel Ltd (subject to a Deed of Company Arrangement) [2014] NSWSC 836

Re Nexus Energy Limited (2014) 105 ACSR 246

GIO Australia Holdings Pty Ltd v AMP Insurance Investment Holdings Pty Ltd (1998) 29 ACSR 584

Makita (Australia) Pty Ltd v Sprowles (2001) 52 NSWLR 705

Re Matine (1998) 28 ACSR 268

MGICA (1992) Ltd v Kenny & Good Pty Ltd (1996) 140 ALR 313

Northern Energy Corporation Limited [2011] ATP 2

RAIA Insurance Brokers v FAI General Insurance Co Ltd (1993) 112 ALR 511

Reiffel v ACN 075 839 266 Ltd (2003) 45 ACSR 67

Teh v Ramsay Centauri (2002) 42 ACSR 354

Troy Resources NL v Taipan Resources NL (2000) 36 ACSR 197

Weaver v Noble Resources Ltd [2010] WASC 182

Winpar Holdings Ltd v Austrim Nylex Ltd [2005] VSCA 211

Consultation papers and reports

[CP 62](#) *Better experts' reports*

[CP 142](#) *Related party transactions*

[CP 143](#) *Expert reports and independence of experts: Updates to RG 111 and RG 112*

[CP 326](#) *Chapter 6 relief for share transfers using s444GA of the Corporations Act*

[REP 233](#) *Response to submissions on CP 142 Related party transactions*

[REP 234](#) *Response to submissions on CP 143 Expert reports and independence of experts*

[REP 670](#) *Response to submissions on CP 326 Chapter 6 relief for share transfers using s444GA of the Corporations Act*

Miscellaneous

ASX Listing Rule 10

International Valuation Standard 104: Bases of Value (effective 31 January 2020)

Annexure E – ASIC Regulatory Guide 112, Independence of Experts



ASIC

Australian Securities & Investments Commission

REGULATORY GUIDE 112

Independence of experts

March 2011

About this guide

This is a guide for any person who commissions, issues or uses an expert report.

It explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties.

Note: An interested party is a person with an interest in the outcome of the transaction different from the interest of the general body of security holders.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This version was issued on 30 March 2011 and is based on legislation and regulations as at 30 March 2011. The reference to the relief instrument in RG 112.37 was updated in August 2015 because this instrument was reviewed as part of the sunseting of legislative instruments under the *Legislative Instruments Act 2003*.

Previous versions:

- Superseded Regulatory Guide 112, issued 30 October 2007

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

This guide gives ASIC's view on:

- the need for an expert to be independent (see Section B);
- how previous and existing relationships with commissioning and other interested parties may affect the independence of an expert (see Section C);
- how an expert should deal with the commissioning party and other interested parties to maintain its independence (see Section D); and
- when and how an expert should use a specialist when preparing an expert report (see Section E).

Reports covered by this guide

- RG 112.1 This guide focuses on reports prepared for transactions under Chs 2E, 5, 6 and 6A of the *Corporations Act 2001* (Corporations Act), whether the reports are required in the Corporations Act or are commissioned voluntarily. The principles in this guide may also be relevant to independent expert reports commissioned for other purposes—for example, specialist reports like geologist reports or traffic forecast reports (see Section E) for inclusion in Ch 6D disclosure documents and Ch 7 Product Disclosure Statements (PDSs).
- RG 112.2 We consider that security holders regard an expert report as being prepared by an independent expert irrespective of whether the report has been prepared voluntarily or because it is required under statute.
- RG 112.3 This approach is consistent with the obligations on the holder of an Australian financial services licence (AFS licensee) to manage conflicts of interest. An AFS licensee's obligation to manage conflicts of interest applies to all of its activities as an AFS licensee and, as such, an expert who holds an AFS licence needs to manage conflicts of interest in respect of all expert reports it prepares.
- RG 112.4 This guide does not apply to independent or investigating accountant reports.

Underlying principles

- RG 112.5 An expert report that is biased frustrates rather than assists informed decision-making. Security holders will assume that an expert report is an independent opinion and will be misled if the opinion is not.

RG 112.6 Brooking J described the role of an expert in *Phosphate Co-operative v Shears (No 3)* (1988) 14 ACLR 323 (*Pivot*) at 339 in the following terms:

Those who prepare experts' reports in company cases carry a heavy moral responsibility, whatever their legal duties may be. These reports are either required by the [Corporations Act] or provided by way of analogy with those requirements. In either case, they are supposed to be for the protection of individuals who are being invited to enter into some kind of transaction. Unless high [independence] standards are observed by those who prepare these reports, there is a danger that systems established for the protection of the investing public will, in fact, operate to their detriment through reliance on these reports and on the reputations of those who furnish them. In lending his name, the expert will often, as in this case, be lending a name to conjure with ... The expert's integrity and freedom from baneful influences are essential.

RG 112.7 The Corporations Act indicates the need for an expert to be independent:

- (a) an expert must not be associated with certain interested parties, and must disclose certain interests and relationships, when preparing reports required by the Corporations Act for:
 - (i) a takeover bid under Ch 6 (s648A);
 - (ii) a scheme of arrangement (reg 5.1.01 and Sch 8, cls 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations)); and
 - (iii) a compulsory acquisition or buy-out under Ch 6A (s667B); and
- (b) as an AFS licensee, an expert needs to establish and maintain systems to comply with its obligations to manage conflicts of interest.

B Expert needs to be independent

Key points

An expert should be, and should appear to be, independent: see RG 112.8–RG 112.15.

An expert should give an opinion that is genuinely its own opinion: see RG 112.16–RG 112.20.

Independence

- RG 112.8 The Corporations Act contains indicators that an expert must be, and must appear to be, independent in the provisions requiring an expert report for certain takeover bids, schemes of arrangement, for any compulsory acquisition and in the AFS licensee conflicts management provisions.
- RG 112.9 The need for an expert to be, and to appear to be, independent is also indicated in case law establishing that the independence of an expert is critical for the protection of security holders. Mullighan J observed in *Duke Group v Pilmer* (1998) 27 ACSR 1 at 268:
- It may be seen that a true state of independence on the part of the expert is crucial to the efficacy of the [takeover] process and for the protection of the public generally and the company and its members in particular.
- RG 112.10 We will consider regulatory action if we have concerns about the independence of an expert: see Regulatory Guide 111 *Content of expert reports* (RG 111) at RG 111.128–RG 111.130.
- Note: In addition to the term ‘independence’, language also used by the courts, our policies and commentators include: ‘impartial judgment’; ‘disinterested’; ‘objective’; ‘unbiased’; ‘genuine expression of opinion’; ‘integrity’ and, negatively: ‘conflict of interest’; ‘compromised’; ‘collusion’ and ‘acting in a partisan capacity’.

AFS licensee obligations to manage conflicts

- RG 112.11 An expert report typically includes a statement of opinion or recommendation intended to influence investors in making a decision on a financial product: s766B(1). This means the expert report usually constitutes financial product advice, triggering the need for an AFS licence: s766A and 911A(1). Accordingly, in most cases, an expert who prepares an independent expert report that will be made available to retail investors will hold an AFS licence.
- RG 112.12 Under s912A(1)(aa), an AFS licensee must:
- have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities

undertaken ... in the provision of financial services as part of the financial services business of the licensee or the representative ...

- RG 112.13 This conflicts management obligation applies irrespective of:
- (a) whether the expert states that it is independent of the commissioning party;
 - (b) any requirement that the expert not be an associate of the commissioning party or any other interested party to a transaction (e.g. s648A); or
 - (c) whether the expert report has been prepared to meet a statutory obligation.
- RG 112.14 Whether an expert's conflicts management arrangements (i.e. measures, processes and procedures) are adequate will depend on the nature, scale and complexity of the expert's business and the circumstances of the expert's engagement. The expert should document its conflicts management policies and procedures. The expert should keep records demonstrating how it has complied with those procedures. General guidance on these obligations is provided in Regulatory Guide 181 *Licensing: Managing conflicts of interest* (RG 181) at RG 181.10–RG 181.11.
- RG 112.15 Expert reports are exempt from the licensing regime (reg 7.6.01(u)) when the advice is an opinion on matters other than financial products (e.g. a geologist report) and:
- (a) it does not include advice on a financial product;
 - (b) the document includes a statement that the person is not operating under an AFS licence when giving the advice; and
 - (c) the expert discloses remuneration, interests and relationships.

Genuine opinion

- RG 112.16 The courts have required the opinion of an expert to be genuine and a product of the expert's professional judgment. An expert's opinion that is tailored to support the views of the commissioning party or any other interested party is not a genuine opinion. It may also be misleading or deceptive.
- RG 112.17 A court found that a commissioning party's active role in shaping an expert report meant that the expert report was not the product of 'an exercise of judgment' by the expert 'uninfluenced by pressure brought to bear by or on behalf of [the commissioning party]' and was not 'a genuine expression of opinion ... but was the result of an exercise carried out for the purpose of arriving at a desired result': *Pivot* at 340 and 342 per Brooking J.
- RG 112.18 An expert is subject to statutory obligations to avoid making misleading or deceptive statements and engaging in misleading or deceptive conduct.

Note: See, for example, s412(8), 670A(1)(h), 1041E, 1041F and 1041H and s12DA of the *Australian Securities and Investments Act 2001* (ASIC Act).

- RG 112.19 An expert has been found to have engaged in misleading or deceptive conduct when the expert did not hold the opinions expressed in the expert report: *MGICA v Kenny & Good* (1996) 140 ALR 313 at 356–357 (a case involving a property valuation).
- RG 112.20 Similarly in *Reiffel v ACN 075 839 226* (2003) 45 ACSR 67 at 92–93, the court held that the expert report was misleading and deceptive in circumstances when ‘there was no reasonable basis for the [expert’s] statement in the report’ and the expert ‘did not hold the opinion it expressed’. The court held that the expert should have disclosed that it disagreed with the methodology used by a promoter in its forecasts and disclosed the methodology that the expert in fact used.

C Relationship between the expert and the commissioning party

Key points

An expert should identify relationships and interests that may affect, or may be perceived to affect, the expert's ability to prepare an independent report: see RG 112.21–RG 112.24.

The expert should then consider whether, on the basis of that relationship or interest:

- it should decline the engagement (see RG 112.25–RG 112.27); or
- the relationship or interest can be adequately dealt with by way of disclosure in the expert report (see RG 112.28–RG 112.37).

The expert may also need to take other actions to manage a conflict of interest: see RG 112.38.

Before engaging an expert, a commissioning party should be satisfied that the expert is independent and has sufficient expertise and resources to provide a thorough report: see RG 112.39–RG 112.41.

Note: A reference to expert in this guide is to the person or entity that issues the report. In most cases, this will be a corporate entity holding an AFS licence, even though a senior director or employee may sign the report in the name of the corporate entity and be principally responsible for preparing the report.

Identifying relationships

- RG 112.21 Previous and existing relationships may threaten, or appear to threaten, the independence of an expert. The objectivity of an expert may also be compromised, or called into question, if the expert has an interest in the outcome of the transaction that is the subject of its report.
- RG 112.22 The closer the relationship between the expert and a commissioning party or any other interested party, the greater the onus on the expert to demonstrate the absence of bias.
- RG 112.23 In identifying relationships and interests that may affect, or may be perceived to affect, the expert's ability to prepare an independent report, the expert should not only identify relationships with, and interests of, the expert but also of:
- (a) the expert's associates;
 - (b) those directors and senior employees who are principally responsible for preparing and issuing the expert report; and
 - (c) the spouse, children and associates of the directors and senior employees who are principally responsible for preparing and issuing the expert report.
- RG 112.24 The need to undertake this identification process also arises from the obligation to manage conflicts of interest if the expert is an AFS licensee.

Declining the engagement

- RG 112.25 An expert should seriously consider declining an engagement when:
- (a) a person to be involved in preparing the expert report is an officer of the commissioning party or an interested party;
 - (b) the expert, a director or a senior employee who is involved in preparing the expert report has a substantial interest in or is a substantial creditor of the commissioning party or has other material financial interests in the relevant transaction;
 - (c) the expert has participated in strategic planning work for the commissioning party as a lawyer, financial consultant, tax adviser or accountant, whether in connection with the relevant transaction or generally (e.g. advising on possible takeovers or takeover defences); or
 - (d) the expert has acted as a lawyer, financial consultant, tax adviser or accountant to the commissioning party (other than providing professional services strictly for compliance purposes rather than strategic or operational decisions or planning).
- RG 112.26 The Corporations Act specifically states that an expert must decline an engagement for the preparation of an expert report in each of the following circumstances:
- (a) when the report is to be cited or included in a target statement if the expert is an ‘associate’ (as defined in s12) of the bidder or the target and the bidder has 30% or more of the voting power in the target entity or there are common directors of the target and the bidder (s640 and 648A(2));
 - (b) when the report is to be cited or included in a bidder’s statement if the expert is an ‘associate’ (as defined in s12) of the bidder or the target and the consideration for a pre-bid stake acquired in a target was unquoted securities (s636(1)(h)(iii), 636(2) and 648A(2));
 - (c) when the report is to be cited or included in the explanatory statement for a scheme of arrangement if the expert is an ‘associate’ (as defined in s12) of the parties to the scheme if the other party to a reconstruction in a scheme of arrangement has at least 30% of the voting shares of the scheme company or there are common directors (reg 5.1.01(b) and Sch 8, cls 8303 and 8306 of the Corporations Regulations); and
 - (d) if the expert is an ‘associate’ (as defined in s12) of the person issuing a compulsory acquisition or buy-out notice (s663B, 664C, 665B and 667B).
- RG 112.27 An expert’s AFS licensee obligations to manage conflicts of interest may oblige an expert to decline engagements in some circumstances. Licensee experts may be offered an engagement in which relationships and interests pose such a serious risk of conflict of interest that the threat to the expert’s

independence cannot be adequately managed through disclosure or internal controls. The only way an expert can adequately manage these threats is to avoid them and the expert's conflicts management policies and procedures should give specific guidance on circumstances when it should decline engagements: see RG 181.42–RG 181.43 and RG 181.60.

Disclosing relationships and interests

Requirement

- RG 112.28 As security holders rely on an expert report, they should be clearly informed about any relationships or interests (including financial or other interests) that could reasonably be regarded as relevant to the independence of the expert. This requirement arises from the Corporations Act and case law: see *ANZ Nominees v Wormald* (1988) 13 ACLR 698 at 707.
- RG 112.29 Disclosure of relationships or interests is required under the Corporations Act for an expert report when the report is required to be included in:
- (a) a target statement, when the bidder has 30% or more of the voting power in the target entity or there are common directors of the target and the bidder (s648A(3));
 - (b) a bidder's statement, when the consideration for a pre-bid stake acquired in a target is unquoted securities (s648A(3)); and
 - (c) a compulsory acquisition or buy-out notice (s667B(2)).
- RG 112.30 Similarly, as an AFS licensee, an expert needs to make appropriate disclosure of conflicts of interest to commissioning parties and to those relying on the report as part of the conflicts management obligation: see RG 181.49–RG 181.63.

Content of disclosure

- RG 112.31 An expert should prominently disclose in the report:
- (a) the business or professional relationships with a commissioning party or any other interested party;
 - (b) any financial or other interest that could reasonably be regarded as capable of affecting the expert's ability to give an unbiased opinion on the matter being reported on; and
 - (c) any fee or benefit (whether direct or indirect) to be received in connection with the report (s648A(3) and 667B(2)).
- RG 112.32 If an expert has, within the previous two years, valued assets representing more than a *de minimus* (i.e. trivial) proportion by value of the assets that it

has been engaged to value for the commissioning party, this should also be prominently disclosed in the report.

Note: Disclosure is also required by RG 112.31 if the expert was previously engaged to value the relevant assets by the commissioning party or any other interested party.

RG 112.33 These disclosures should be made in all expert reports irrespective of whether the report is required to be prepared by the Corporations Act or is voluntarily commissioned and supplied to security holders.

RG 112.34 These disclosures should relate to relationships or interests existing at the time of preparation of the report or existing in the previous two years. This two-year period is a minimum period for disclosure and earlier relationships might be so significant that they warrant disclosure as well.

Note: In *Duke Group v Pilmer*, Mullighan J referred to this benchmark with approval (at 268).

RG 112.35 Disclosures should be timely, prominent, specific and meaningful. An expert should not use 'boilerplate' disclosures (e.g. that the expert has been paid 'a normal professional rate'). An actual amount should be shown for fees paid to an expert for the report.

RG 112.36 When an expert report is cited or included in a bidder's statement in which any securities in the bidder (or a person who controls the bidder) are offered as consideration under the bid, these disclosures must also meet the specific disclosure obligations that apply to prospectuses under s711(2)–(4), including:

- (a) any interests that the expert has in the bidder; and
- (b) any fees or benefits given or agreed for the expert's services (s636(1)(g)).

RG 112.37 As an expert report will usually constitute financial services advice, an expert will need to give retail investors a Financial Services Guide (FSG). We have given relief to allow an expert to include a FSG as a separate and clearly identifiable part of an expert report: see ASIC Corporations (Financial Services Guides) Instrument 2015/541. In view of this relief, we consider that an expert should include all of its disclosure of interests and benefits, whether flowing from the FSG requirements, conflicts management, s648A or case law, in the FSG rather than duplicating that disclosure in another part of the expert report.

Other measures

RG 112.38 In addition to disclosing any conflict of interest, an expert will need to consider whether other measures to properly manage the conflict of interest are appropriate (e.g. implementing information barriers): see RG 181.35–RG 181.37.

Commissioning an expert

- RG 112.39 In commissioning an expert, a commissioning party should consider whether the expert is independent and whether the expert has sufficient expertise and resources to give a thorough opinion on the proposed transaction. The quality of an expert report may be affected if this is not the case. If an expert considers that it is not independent or does not have sufficient expertise or resources to give a thorough opinion, it should decline the engagement.
- RG 112.40 In selecting an appropriate expert, we consider that relevant factors are likely to include:
- (a) whether the expert has adequate resources (which may include access to appropriate third party specialists) to perform the necessary work;
 - (b) the qualifications of the expert and whether the expert has the requisite level of technical expertise (including whether the expert meets the requirements of any relevant industry codes);
 - (c) the experience of the expert. For example, a commissioning party may ask what comparable transactions the expert has given an opinion on and whether that experience is relevant to the current transaction;
 - (d) whether the expert can meet the timeframe required for the report to be produced; and
 - (e) whether there are any independence issues.
- RG 112.41 While a commissioning party should satisfy itself that an expert is competent, it should ensure that any pre-engagement discussions do not compromise the expert's independence. For example, these discussions should not deal with how the expert proposes to evaluate the transaction or the merits of the transaction: see RG 112.46–RG 112.48.

D Expert's conduct in preparing its report

Key points

An expert should:

- obtain written terms of engagement from the commissioning party before commencing work;
- take care to avoid any communication with the commissioning party or any other interested party that may undermine, or appear to undermine, independence; and
- consent to the use or incorporation of its report.

Commissioning parties should be careful not to release the conclusions of an expert report in advance of the final report.

Interactions with commissioning party

Terms of engagement

- RG 112.42 Before commencing work, an expert should obtain written terms of engagement from the commissioning party that:
- (a) set out the scope and purpose of the report;
 - (b) set out the facts of the proposal and relevant data;
 - (c) recognise the expert's right to refuse to give an opinion or report at all if it is not given the information and explanations it requires to prepare the report;
 - (d) give the expert the same access to the commissioning party's records as the auditor of the commissioning party; and
 - (e) set out the fee.

Approval of appointment

- RG 112.43 It is possible that some directors of a commissioning party may have a conflict of interest in the proposed transaction, such as cross-directorships held in the target and the bidder. In these circumstances, the expert and commissioning party should ensure that the directors without a conflict select and engage the expert.
- RG 112.44 The commissioning party should ensure that the method by which an expert is appointed, and the scope of its engagement, is consistent with the concepts of independence and perceived independence of the expert. For example, it may be appropriate to have a non-executive director oversee the appointment process if management is likely to be perceived to have a strong interest in the outcome of the expert report.

Expert's fee

- RG 112.45 We will consider that an expert is not independent if the amount it is to receive for the expert report depends in any way on the outcome of the transaction to which the report relates. This is consistent with the requirement that a person who provides financial services must not hold itself out as 'independent', 'impartial' or 'unbiased' if it is paid success fees or has a conflict of interest arising from a relationship with an issuer of financial products that might reasonably be expected to influence the report: s923A.

Manner of communication

- RG 112.46 Ensuring security holders receive an objective expression of opinion in an expert report involves more than identifying and dealing with previous or existing relationships or interests. An expert's objectivity, or the appearance of objectivity, may be undermined by the interactions between the expert and the commissioning and other interested parties.
- RG 112.47 We are likely to view the following interactions as indicators of a lack of independence:
- (a) the commissioning party having rejected another expert after the expert disclosed its likely approach to evaluating the proposal;
 - (b) an expert attending discussions on the development of the transaction, the merits of the transaction or on strategies to be adopted by the commissioning party;
 - (c) an expert taking instructions from, or holding discussions with, a commissioning party, its advisers or any interested party on the choice of methodologies for the report or evaluation of the transaction (including the underlying assumptions or reasoning), although the expert may interrogate those parties for the purpose of the expert's own analysis;
 - (d) an expert accepting from a commissioning party, its advisers or any interested party their analysis of the transaction, although the expert may interrogate those parties for the purpose of the expert's own analysis;
 - (e) the expert discussing preliminary views or findings with the commissioning party or any other interested party;
 - (f) the expert entering into a success fee arrangement with the commissioning party or any other interested party;
 - (g) the expert discussing future business relationships with the commissioning party or any other interested party before finalising the report. This includes refraining from cross-selling other services of the expert; and
 - (h) the expert changing its opinion at the suggestion of the commissioning party or any other interested party without adequate explanation: see RG 112.56–RG 112.57.

- RG 112.48 We expect that an expert who is an AFS licensee will include in its internal policies and procedures guidelines to address:
- (a) communications and interactions with the commissioning party and any other interested party during the commissioning of the expert and the preparation of the report;
 - (b) remuneration arrangements; and
 - (c) supervision of the preparation of the report.

Preparing the report

Access to information

- RG 112.49 The expert, not the commissioning party, should determine what information will be required for the report. The commissioning party should give the expert all the information it is aware of about the subject of the expert report, in sufficient detail to enable the expert to determine its relevance.
- RG 112.50 If the expert is not given access to the records it requires, or is given an unduly short time to complete the report (relative to any applicable statutory time constraints), it should consider refusing to prepare a report at all. An expert should not prepare an unsatisfactory report and attempt to deal with deficiencies in the report by disclaiming responsibility.

Communication

- RG 112.51 An expert and its commissioning party may communicate and meet with each other during the preparation of the expert report for the expert to:
- (a) discuss the progress of the report;
 - (b) gain access to information;
 - (c) ascertain matters of fact or to correct factual errors (*Re Matine* (1998) 28 ACSR 268 at 288); and
 - (d) interrogate the commissioning party or another interested party for the purposes of its own analysis.
- RG 112.52 To help maintain independence and negate any inference of bias, we consider that an expert should direct and lead all meetings and discussions with the commissioning party, its advisers and any other interested party. The expert should keep appropriate file notes of discussions and retain copies of documents worked on in discussions with the commissioning party, its advisers and any other interested party.
- RG 112.53 Brooking J in *Pivot* at 339 summarised this issue in the following terms:
- The guiding principle must be that care should be taken to avoid any communication which may undermine, or appear to undermine, the independence of the expert.

Drafts of reports

- RG 112.54 An expert may give draft copies of parts of its report to a commissioning party or its advisers for factual checking before delivery of a full draft copy of the report. These early drafts should not contain the expert's analysis of the transaction, the merits of a transaction or the methodologies employed: *Pivot* at 339.
- RG 112.55 The expert should only provide a full draft copy of the report to the commissioning party for factual checking when the expert is reasonably assured that the conclusions in the report are unlikely to change.
- RG 112.56 If a commissioning party or an adviser disagrees with the expert's analysis in a draft of the expert report, the report should only be altered if the expert is persuaded that all or part of the expert's assessment is based on an error of fact. We would expect an expert, in this situation, to independently reassess the whole or relevant part of the report based on its view of the revised facts.
- RG 112.57 After a full draft copy of an expert report has been provided to a commissioning party or its advisers, any alteration of the report made at the suggestion of the commissioning party or its advisers that affects an expert's analysis of the transaction or the expert's conclusions should be clearly and prominently disclosed in the report. This disclosure should include an explanation of the changes, the reasons why the expert considered the changes appropriate and the significance of the changes to the expert's opinion.
- RG 112.58 Minor factual corrections made at the suggestion of the commissioning party or its advisers that are immaterial to an expert's analysis, conclusions or opinion need not be disclosed in the report.

Use and distribution

- RG 112.59 If a party commissions two or more reports, a copy of each report should be sent to security holders. This should be done regardless of whether more than one report is prepared by the same expert or by different experts: *Pivot* at 339. It should also be done regardless of whether the commissioning party is obliged to do so under s648A(1).
- RG 112.60 An expert should deliver its final, signed report to the commissioning party even if the commissioning party requests otherwise (unless the transaction is discontinued or varied substantially).
- RG 112.61 The directors of a commissioning party should not adopt or recommend that security holders accept the findings of an expert report without critically analysing the report. The directors should satisfy themselves that the information relied on in the report is accurate and that the report has not omitted material information known to the directors but not given to the expert.

Release of conclusions of expert reports

- RG 112.62 An expert report needs to contain sufficient information to assist security holders to make a decision, including providing details of the methodologies and material assumptions on which the report is based, together with any qualifications: see RG 111.64–RG 111.79. The directors of a commissioning party need to ensure that an expert report is not used or referred to in a way that may be misleading or deceptive.
- RG 112.63 If a commissioning party releases the conclusions of an expert report in advance of the final report, this is likely to be misleading or deceptive, particularly if the final report contains any ‘surprises’ for a person who has only read the conclusions. Releasing conclusions without providing relevant supporting information may cause confusion or uncertainty since security holders and the market will not be able to determine whether those conclusions are reasonable.

Note: In *Re Origin Energy Limited 02* [2008] ATP 23, the Takeovers Panel considered that it was potentially misleading to quote the conclusions of a technical expert’s report in a target’s statement without giving shareholders a copy of the report or the underlying assumptions and qualifications.

- RG 112.64 Consequently, a commissioning party that releases the conclusions of an expert report in advance of the final report risks regulatory action for contravention of the misleading or deceptive conduct provisions or other regulatory action. For example, if a report is provided in relation to a bid, the commissioning party risks an application by us, or another party, to the Takeovers Panel for a declaration of unacceptable circumstances.
- RG 112.65 There may be limited situations in which a commissioning party’s continuous disclosure obligations will require disclosure of the conclusions of an expert report in advance of the final report (e.g. if confidentiality has been lost before the final report is ready for release to the market). Commissioning parties and experts should put in place processes that minimise the risk that preliminary disclosure will be required before the report has been finalised. If preliminary disclosure is required, commissioning parties should ensure that this is done in a way that is not misleading or confusing (e.g. by highlighting the limitations of the preliminary disclosure and providing all available material information about the report).

Consent of expert

- RG 112.66 An expert report may only be incorporated or referred to in a bidder’s statement or target statement if the expert has consented to the use of the report in the form and context in which it appears: s636(3) and 638(5). Before consenting, the expert should consider whether the report has been accurately reproduced and used for the purpose for which it was commissioned. The expert should also consider the appropriateness, or otherwise, of express or implied representations about its report, the conclusions or recommendations: see Regulatory Guide 55 *Prospectus and PDS: Consent to quote* (RG 55), which also applies to the consent obligations in s636(3) and 638(5).

E Use of specialists

Key points

If an expert does not have the necessary specialist expertise on a matter that must be determined for the purposes of the report, it should retain an appropriate specialist for that matter who is independent of the commissioning party: see RG 112.67–RG 112.70.

The specialist should report to the expert rather than the commissioning party: see RG 112.71–RG 112.72.

The expert should ensure that the specialist has consented to the use of its report: see RG 112.73–RG 112.77.

Engagement of specialists

RG 112.67 It is the expert's responsibility to:

- (a) determine that a specialist's assistance is required on a matter that must be determined for the purposes of the report;
- (b) select the specialist and ensure that the specialist is competent in the field;
- (c) negotiate the scope and purpose of the specialist's work and ensure that this is clearly documented in an agreement (though the agreement may be with the commissioning party or the expert); and
- (d) be satisfied that the specialist is independent of, and is perceived to be independent of, the commissioning party and any other interested party.

RG 112.68 We consider best practice would be for the expert to pay the specialist its fees and recover those fees from the commissioning party.

RG 112.69 We would expect a specialist report to be specifically commissioned and prepared for the transaction the subject of the expert report. We would also expect the expert to make it clear to the specialist that the report is being commissioned for inclusion in the expert report. If the specialist report is not prepared specifically for the current transaction, this should be clearly explained to security holders. The Takeovers Panel in *Re Great Mines Limited* [2004] ATP 01 expressed the disclosure requirement in the following terms (at [56]):

Wherever a report is re-used in this way, however, shareholders should be advised of the purpose for which the report was prepared. It would be inappropriate to re-use a report in this way to satisfy a requirement for an independent experts report and in general, it would be misleading to describe a report re-used in this way as independent.

RG 112.70 While these comments were made in the context of an independent expert report, we consider they are equally applicable to the use of a specialist report.

Review of specialist report

RG 112.71 The expert should:

- (a) critically review the specialist report, particularly to consider whether the specialist has used assumptions and methodologies which appear to be reasonable and has drawn on source data which appears to be appropriate in the circumstances;
- (b) have reasonable grounds for believing the specialist report is not false or misleading;
- (c) ensure the specialist signs its report and consents to its use in the form and context in which it will be published; and
- (d) ensure that the specialist report is used in a way that will not be misleading or deceptive.

RG 112.72 A specialist report commissioned by the expert should be dated close enough to the date of the expert report to ensure that assumptions applied have not been overtaken by time or events.

Use of specialist report

RG 112.73 The expert should ensure that the specialist consents to the use of its report in the form and context in which it will be published. If a specialist does not take responsibility for, or authorise the use of, its report and the expert considers that the material the subject of the report needs to be included in the expert report, the expert must accept entire responsibility for the statements as the expert's own and, as such, must have reasonable grounds for believing the statements not to be misleading or deceptive. This is consistent with our approach to directors assuming responsibility for statements in a prospectus or PDS that are not attributed to another person: see RG 55.11–RG 55.12.

RG 112.74 The expert should exercise its judgment to determine whether to include the specialist report in full or include a concise or short form version or cite or extract the specialist report.

RG 112.75 We encourage an expert to consider whether it is appropriate to have the specialist prepare a concise or short form specialist report for inclusion in the expert report with a longer specialist report available on request free of charge or accessible online.

RG 112.76 An expert should only quote or cite the specialist's work in a way that is fair and representative. Otherwise the expert risks misleading security holders. If the full specialist report contains any 'surprises' for the security holder who only reads the short form or concise report, this would indicate the short form specialist report was misleading.

RG 112.77 In the situation when an expert has obtained more than one specialist report on the same matter, we consider that security holders will not be given all material information if the expert merely supplies abridged results of those reports, and states, without comment or analysis, the result is the sum of the values given in each of the specialist reports.

Key terms

Term	Meaning in this document
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services Note: This is a definition contained in s761A of the Corporations Act.
AFS licensee	A person who holds an Australian financial services licence under s913B of the Corporations Act Note: This is a definition contained in s761A of the Corporations Act.
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
expert	The meaning given to that term in s9 of the Corporations Act
Financial Services Guide (FSG)	A document that must be given to a retail client in relation to the provision of a financial service in accordance with Div 2 of Pt 7.7 of the Corporations Act Note: See s761A for the exact definition.
Product Disclosure Statement (PDS)	A document that must be given to a retail client in relation to the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act Note: See s761A for the exact definition.
reg 5.1.01 (for example)	A regulation of the Corporations Regulations (in this example numbered 5.1.01)
RG 181 (for example)	An ASIC regulatory guide (in this example numbered 181)
s648A (for example)	A section of the Corporations Act (in this example, numbered 648A), unless otherwise specified
Sch 4 (for example)	A schedule of the Corporations Act (in this example numbered 4), unless otherwise specified

Related information

Headnotes

experts, expert reports, independence, genuine opinion, relationships or interests, declining the engagement, disclosing relationships or interests, conduct of experts, use of specialists

Regulatory guides

RG 55 *Disclosure documents and PDS: Consent to quote*

RG 111 *Content of expert reports*

RG 181 *Licensing: Managing conflicts of interest*

Legislative instruments

ASIC Corporations (Financial Services Guides) Instrument 2015/541

Legislation

Corporations Act, Chs 2E, 6 and 6A, s12, 412(8), 636, 638, 640, 648A, 663B, 664C, 665B, 667B, 670A(1)(h), 711, 766A, 766B(1), 911A(1), 912A(1)(aa), 1041E, 1041F and 1041H, Corporations Regulations, regs 5.1.01 and 7.6.01(u), Sch 8, cls 8303 and 8306

ASIC Act, s12DA

Cases

ANZ Nominees v Wormald (1988) 13 ACLR 698

Re Aulron Energy Limited [2003] ATP 31

Duke Group v Pilmer (1998) 27 ACSR 1

Re Great Mines Limited [2004] ATP 01

Re Matine (1998) 28 ACSR 268

MGICA v Kenny & Good (1996) 140 ALR 313

Re Origin Energy Limited 02 [2008] ATP 23

Phosphate Co-operative Co of Aust Ltd v Shears & Anor (No 3) (1988) 14 ACLR 323

Reiffel v ACN 075 839 226 (2003) 45 ACSR 67

Consultation papers and reports

CP 62 *Better experts' reports*

CP 143 *Expert reports and independence of experts: Updates to RG 111 and RG 112*

REP 234 *Response to submissions on CP 143 Expert reports and independence of experts*

Appendix J Letter of instruction dated 16 January 2025



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16 January 2025

Confidential and privileged

Jenny Nettleton
KordaMentha
Level 5, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

Dear Ms Nettleton

Supplementary letter of instruction for preparation of independent expert report in support of an application under section 444GA(1)(b) of the *Corporations Act 2001* (Cth) in respect of the shares in Aeon Metals Limited (Subject to Deed of Company Arrangement) (ACN 121 964 725)

1. Introduction

- 1.1 We refer to our letter of instruction dated 11 November 2024 in the above matter (**First Letter**).
- 1.2 Capitalised terms not defined have the meaning given in the First Letter.
- 1.3 The purpose of this supplementary letter to the First Letter is to instruct you on the note and security arrangements between OL Master Limited (**OCP**) and Aeon Metals Limited (Subject to Deed of Company Arrangement) (**Aeon**), and Aeon and Aeon Walford Creek Limited (formerly known as Aston Metals (Qld) Limited) (Subject to Deed of Company Arrangement) (**AWCL**).

2. Summary of note obligations

- 2.1 In summary, in respect of Aeon's debt obligations to OCP:
 - (a) Aeon is indebted to Madison Pacific Trust Limited in its capacity as Note and Security Trustee (**Madison Pacific**) pursuant to the Note and Security Trust Deed (defined below) in the amount of \$42,797,294.17. OCP, as noteholder, is the beneficiary of these rights.
 - (b) Aeon's obligations to Madison Pacific are secured by the Specific Security Agreement dated 22 July 2015 between Aeon and Madison Pacific as Note and Security Trustee, pursuant to which Aeon has granted security over certain of its assets to Madison Pacific (**SSA**).

2.2 In summary, in respect of AWCL's debt obligations to Aeon:

- (a) Aston Metals Limited (**Aston Metals**), now deregistered, is indebted to Aeon pursuant to the Aston Convertible Note Arrangements (defined below). The books and records of AWCL do not clearly record an amount in respect of this liability. However, the Administrators estimate it to be in the amount of \$41,314,685 (refer to paragraph 4.4 below for further detail as to how this figure was calculated).
- (b) AWCL has granted security over all of its present and after acquired property in favour of Aeon pursuant to a General Security Deed dated 2012 between, among others, AWCL and Madison Pacific in its capacity as security trustee pursuant to the security trust deed between, among others, AWCL and Madison Pacific dated on or around the same date (**GSD**) in respect of, among other things, Aeon's rights against Aston Metals under the Aston Note Arrangements. Aeon is a beneficiary of the GSD, pursuant to the Security Trust Accession Deed dated 17 June 2014 between Aeon and Madison Pacific (**Accession Deed**), under which Aeon Metals acceded to the Security Trust Deed as a "New Investor".
- (c) AWCL is indebted to Aeon in the amount of \$38,200,000 in respect of a Promissory Note dated 2 April 2014 issued by AWCL to Aston Metals and subsequently assigned by Aston Metals to Aeon. This debt is unsecured.

3. **Note and Security Arrangements: Aeon and OCP**

3.1 On 22 July 2015:

- (a) Aeon issued an initial tranche of convertible notes to OCP with a face value of \$22.83 million; and
- (b) Aeon issued warrants to OCP and OL Master (Singapore Fund 1) Pte Limited (formerly known as OL Master (Singapore) Pte Limited),

pursuant to the "2015 Documents" (as defined in the Tenth Deed of Amendment between Aeon and Madison Pacific in various capacities dated 30 March 2023 with respect to the Note and Security Trust Deed originally dated 22 July 2015 (as amended and restated from time to time) (**Note and Security Trust Deed**)).

3.2 Relevantly, the "2015 Documents" included (amongst other documents):

- (a) the Note and Security Trust Deed; and
- (b) the SSA.

- 3.3 The Tenth Deed of Amendment with respect to the Note and Security Trust Deed provides that, Aeon has issued six tranches of notes to Madison Pacific with an aggregate value of AUD \$47.68 million.
- 3.4 The SSA secures Aeon's obligations to Madison Pacific with respect to the notes issued by Aeon to OCP.
- 3.5 Madison Pacific submitted a proof of debt for the first and second meetings of the creditors of Aeon in the amount of \$42,797,294.17 (inclusive of accrued interest) as at 26 July 2024.
- 3.6 Pursuant to the SSA, Aeon has granted Madison Pacific as Note and Security Trustee (on behalf of OCP) security over the "Collateral" to secure the payment of the "Secured Obligations".¹
- 3.7 "Collateral" is defined to mean all of Aeon's present and after-acquired rights, title and interest in the "Marketable Securities" and the "Marketable Securities Rights", including:
- (a) anything in respect of the Marketable Securities and the Marketable Securities Rights which Aeon has at any time a sufficient right, interest or power to grant a security interest; and
 - (b) proceeds (as that term is defined in the *Personal Property Securities Act 2009* (Cth)) arising from or received by Aeon in connection with the Marketable Securities and the Marketable Securities Rights,
- and, in each case, includes all "Related Rights".
- 3.8 "Marketable Securities" is defined to mean:
- (a) the "Existing Notes", being the Acquired Notes (as defined in paragraph 4.3 below);
 - (b) the "Shares", being the shares owned by Aeon in AWCL; and
 - (c) the AML Promissory Note (as defined in paragraph 4.2 below),
- in each case, whether held directly by or to the order of Aeon or by any trustee, nominee, fiduciary or clearing or settlement system on its behalf, and includes all Marketable Securities Rights.
- 3.9 The "Marketable Securities Rights" include, but are not limited:
- (a) dividends payable to Aeon in respect of the Marketable Securities;

¹ Clause 3.1 of the SSA.

- (b) rights in respect of or derived from the Marketable Securities (e.g. right of redemption);
- (c) powers to acquire or take up any Marketable Securities, interest, right or benefit in respect of or derived from the Marketable Securities;
- (d) money and amounts payable to Aeon or to which Aeon is entitled now or in the future as holder of any Marketable Securities; and
- (e) any rights and powers of Aeon in respect of the Marketable Securities as a result of a reduction of capital, liquidation or scheme of arrangement.

3.10 The "Related Rights" include all *"rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, Security, guarantees, indemnities or covenants for title in respect of or derived from that asset including the legal or beneficial interest in the Existing Security Document"* and any monies and proceeds paid or payable in respect of that asset.

3.11 "Secured Obligations" is defined to mean *"all obligations, debt and monetary liabilities of [Aeon] or any other Security Provider to a Secured Party under or in relation to the Note Transaction Documents..."*

3.12 "Note Transaction Documents" is defined to include (amongst other things) the Note and Security Trust Deed.

4. **Note and security arrangements: Aeon and AWCL**

4.1 On or around 31 July 2012:

- (a) Aston Metals issued 25 convertible notes (with a face value of \$1 million each) (**Aston Metals Notes**), which was comprised of:
 - (i) 1 note to Orchard Centar Master Limited and Orchard Dejima Limited (the **OCP Funds**) (held jointly);
 - (ii) 3 notes to Orchard Dejima Limited; and
 - (iii) 21 notes to Orchard Centar Master Limited,pursuant to a deed poll (**Convertible Notes Deed Poll**) and the terms and conditions attached to the Convertible Notes Deed Poll as Schedule 1 (**Terms and Conditions**) and convertible note subscription and implementation agreement between the OCP Funds and Aston Metals, both dated 31 July 2012 (**Aston Note Arrangements**);
- (b) Aston Metals, AWCL and Madison Pacific entered into a general security deed (**2012 GSD**), which, among other things, secured Aston Metals' obligations to the Beneficiaries under the Aston Note Arrangements; and

- (c) Aston Metals, AWCL, the OCP Funds and Madison Pacific entered into a security trust deed dated on or around 6 August 2012 (**Security Trust Deed**).

2014/2015 Restructure

- 4.2 On or around 17 June 2014, Aeon acquired:

- (a) the shares in AWCL from Aston Metals;
- (b) Aston Metals' interest in the promissory note issued by AWCL which documents the promise by AWCL to pay Aston Metals \$38.2 million (**AML Promissory Note**).

in consideration for \$10 and the cancellation of 7 of the Aston Metals Notes by the OCP Funds, pursuant to a share sale and purchase deed and a promissory note sale and purchase deed, both dated 2 April 2014. Seven of the Aston Metals Notes (with a face value of \$7 million) were cancelled on 17 June 2014.

- 4.3 On or around the same time, Aeon also acquired the remaining 18 Aston Metals Notes from the OCP Funds (**Acquired Notes**) (**Aston Note Acquisition**).² Specifically, Aeon acquired:

- (a) 1 note from the OCP Funds jointly;
- (b) 2 notes from Orchard Dejima Limited; and
- (c) 15 notes from Orchard Centar Master Limited.

- 4.4 As noted in paragraph 2.2 above, the Administrators estimate that Aston Metals is indebted to Aeon pursuant to the Aston Convertible Note Arrangements in the amount of \$41,314,685. According to the cancellation documentation with respect to the cancellation of 7 of the Aston Metals Notes, the face value of the Acquired Notes was \$18 million as at 17 June 2014. Clause 2.1 of the Terms and Conditions sets out the formula for calculating interest on the Acquired Notes. To reach the figure of \$41,314,685, the Administrators applied a simple interest calculation (using the formula set out in the Terms and Conditions) on the face value of the Acquired Notes for the period from 17 June 2014 to 26 July 2024, on the assumption that Aston Metals has not paid any interest with respect to the Acquired Notes since 17 June 2014 because Aston Metals was in liquidation by that date. However, we are instructed that the books and records of AWCL do not

² Refer to the Aston Metals Notes Register.

disclose a liability owed by AWCL to Aeon in the amount of \$41,314,685 with respect to the Acquired Notes.

- 4.5 As part of the Aston Note Acquisition, Aeon also acquired the benefit of the security under the Existing Securities. As such, pursuant to the Accession Deed, Aeon acceded to the Security Trust Deed as a "New Investor" and effectively took the benefit of the 2012 GSD as secured party.
- 4.6 Pursuant to the 2012 GSD, AWCL (and Aston Metals) granted security over all its present and after-acquired property to Madison Pacific.³ Clause 5.1(a) of the 2012 GSD provides that each Grantor must:

*"(obligation to pay) punctually pay the Secured Money when it becomes payable in accordance with the terms of any **written agreement between any Grantor and any Beneficiary** or, in the absence of any agreement or after default under any agreement, on **demand by the Security Trustee (acting on the instructions of the Majority Investors)**" (emphasis added)*

- 4.7 The written agreements referred to above include the Aston Note Arrangements.

- 4.8 "Secured Money" is defined to comprise, among other things:

*"all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by the **Issuer to the Beneficiaries** on any account at any time under or in connection with a **Transaction Document** or any transaction contemplated by the **Transaction Documents** ..." (emphasis added)*

- 4.9 The "Issuer" is defined as Aston Metals. As noted above, Aston Metals is a different entity to Aeon and has since been deregistered.

- 4.10 The "Beneficiaries" is defined to have the meaning given to the term in the Security Trust Deed. The Security Trust Deed in turn defines "Beneficiaries" to mean:

- (a) Madison Pacific (in its own capacity and in its capacity as trustee of the security trust); and
- (b) each "Investor".

³ Clause 2.1 of the 2012 GSD.

- 4.11 "Investor" is defined in the Security Trust Deed to mean:
- (a) each "Original Investor", being the OCP Funds (at the time the 2012 GSD was entered into, and until such time the Accession Deed was entered into);
 - (b) each person who is designated or defined as a "New Investor" in a Security Trust Accession Deed, being Aeon; and
 - (c) any permitted transferee or assignee of an Investor described in paragraph (a) or (b) above.
- 4.12 "Transaction Documents" is not defined in the 2012 GSD and has the meaning given to it in the Terms and Conditions. The Terms and Conditions define "Transaction Documents" to include, amongst other documents, the Security Trust Deed and the Convertible Notes Deed Poll.

Please contact us if you have any questions.

Yours faithfully



Ashurst

Appendix K DoCA and Creditors' Trust Deed



Execution version

VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL
EACH IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF
THE DEED COMPANIES

AEON METALS LIMITED (ADMINISTRATORS APPOINTED) ACN 121 964 725
(ABN 91 121 964 725) AND EACH OTHER COMPANY LISTED IN SCHEDULE 1,
AS DEED COMPANIES

OL MASTER LIMITED
AS DEED PROPONENT

DEED OF COMPANY ARRANGEMENT

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THIS DEED OF COMPANY ARRANGEMENT dated 19 December 2024

BETWEEN THE PARTIES:

- (1) **VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL**, each in their capacity as joint and several administrators of the Deed Companies, of c/- FTI Consulting, Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 ("**Deed Administrators**")
- (2) **AEON METALS LIMITED (ADMINISTRATORS APPOINTED) ACN 121 964 725 (ABN 91 121 964 725) AND EACH OTHER COMPANY LISTED IN Schedule 1**, of c/- FTI Consulting, Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 ("**Deed Companies**")
- (3) **OL MASTER LIMITED**, of c/- OCP Asia (Singapore) Pte. Limited, 350 Orchard Road, #21-08/09/10 Shaw House, Singapore 238868 ("**Deed Proponent**").

Recitals:

- (A) On the Appointment Date, Vaughan Strawbridge, Kathryn Evans and Benjamin Campbell were appointed as voluntary administrators of the Deed Companies pursuant to Part 5.3A of the Corporations Act.
- (B) At a meeting held on 29 November 2024 and convened pursuant to section 439A of the Corporations Act ("**Second Meeting**"), the Creditors of the Deed Companies resolved that the Deed Companies execute the deed of company arrangement proposed by the Deed Proponent under section 444B(2)(b) of the Corporations Act and on the terms set out in this Deed.
- (C) The Deed Companies, the Deed Administrators, and the Deed Proponent have agreed to execute this Deed to give effect to the resolution referred to in recital (B).
- (D) The Deed Administrators have consented to be the administrators of this Deed.
- (E) Subject to the terms of this Deed, this Deed binds all creditors of the Deed Companies, in accordance with section 444D of the Corporations Act and also binds the Deed Companies, and their Officers and Members in accordance with section 444G of the Corporations Act.

This deed witnesses as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

"Administration Account" means the following bank account maintained by the Administrators and the Deed Administrators for the Deed Companies in accordance with Division 65 of the IPS:

Account name: Aeon Metals Limited (Administrators
Appointed)/(Subject to Deed of Company Arrangement)

BSB: 083-004

Account no.: 88-815-3500

"Administration Debt" means any:

- (a) debt referred to in sections 443A(1) or 443B(2) of the Corporations Act which was incurred by the Administrators during the Administration Period;
- (b) liability to the Commissioner of Taxation referred to in section 443BA(1) of the Corporations Act; and
- (c) other debts or liabilities referred to in section 443D of the Corporations Act,

in respect of which the Administrators are entitled to be indemnified under section 443D of the Corporations Act.

"Administration Period" means in respect of a Deed Company, the period of time commencing on the Appointment Date for that Deed Company and concluding on the Commencement Date.

"Administrator Trading Liabilities" means the Liabilities which are incurred by the Administrators or the Deed Administrators in trading the businesses carried on by the Deed Companies (and all associated and incidental activities) and for which the Administrators are personally liable under sections 443A, 443B or 443BA of the Corporations Act.

"Administrators" means jointly and severally, Vaughan Strawbridge, Kathryn Evans and Ben Campbell in their capacity as voluntary administrators of the Deed Companies and any successor to that office appointed pursuant to the Corporations Act.

"Aeon Note and Security Trust Deed" means the note and security trust deed dated 17 June 2014 (as amended, varied and amended and restated from time to time) between AML and the Aeon Note and Security Trustee.

"Aeon Note and Security Trustee" means Madison Pacific Trust Limited in its capacity as note and security trustee under the Aeon Note and Security Trust Deed.

"Aeon Note Conditions" means the terms and conditions set out in Schedule 2 of the Aeon Note and Security Trust Deed.

"Aeon Note Parties" means the 'Note Parties' as defined in the Aeon Note and Security Trust Deed (including, for the avoidance of doubt, the Deed Proponent).

"Aeon Note Parties Balance" means the amount of \$10,000,000.

"Aeon Note Parties Compromised Claims" means all Claims of the Aeon Note Parties in respect of the Aeon Note Secured Debt in an amount equal to the Credit Bid Amount.

"Aeon Note Parties Excluded Claims" means all Claims of the Aeon Note Parties in respect of the Aeon Note Secured Debt in an amount equal to the Aeon Note Parties Balance.

"Aeon Note Secured Debt" means the 'Secured Obligations' as defined in the Aeon Note and Security Trust Deed.

"Aeon Note Security Documents" means the 'Note Security Documents' as defined in the Aeon Note and Security Trust Deed.

"Allowed Payments" means the:

- (a) Schedule 4 Claims;
- (b) Remuneration; and
- (c) Costs.

"AML" means Aeon Metals Limited (Administrators Appointed) ACN 121 964 725 (ABN 91 121 964 725).

"Appointment Date" means 26 July 2024.

"ASIC" means the Australian Securities and Investment Commission.

"ASIC Relief" means such exemptions and modifications from Chapter 6 of the Corporations Act granted by ASIC pursuant to section 655A of the Corporations Act as are necessary to permit the transfer of all the Shares to the Purchaser.

"Aston Metals Beneficiaries" means the 'Beneficiaries' as defined in the Aston Metals Security Trust Deed (including, for the avoidance of doubt, AML pursuant to the security trust accession deed dated 17 June 2014 by which AML acceded to the Aston Metals Security Trust Deed as a "New Investor" (as defined therein)).

"Aston Metals Beneficiary Claims" means the Claims of the Aston Metals Beneficiaries.

"Aston Metals Secured Debt" means the 'Secured Money' as defined in the Aston Metals Security Documents and the Aston Metals Security Trust Deed (as appropriate).

"Aston Metals Security Documents" means the 'Security Documents' as defined in the deed poll constituting secured convertible notes issued by Aston Metals Limited ACN 144 476 406 on 31 July 2012.

"Aston Metals Security Trust Deed" means the security trust deed dated 6 August 2012 (as amended, varied and amended and restated from time to time) between Aston Metals Limited, AWCL and the Aston Metals Security Trustee.

"Aston Metals Security Trustee" means Madison Pacific Trust Limited in its capacity as security trustee under the Aston Metals Security Trust Deed.

"Assumed Liabilities" means:

- (a) the liabilities of the Deed Companies with respect to and in the amount of the Schedule 4 Claims;
- (b) the liabilities of the Deed Companies under any indigenous land owner or native title agreements relating to the Tenements;
- (c) the liabilities of AML under the property leases with respect to the properties located at:
 - (i) 51 Commercial Road, Mount Isa, Queensland 4825, Australia;
 - (ii) 151A Simpson Street, Mount Isa, Queensland 4825, Australia.

"Available Cash" means:

- (a) the unrestricted cash at bank in the Administration Account or otherwise under the control of the Deed Administrators (including any funds that have been drawn under the Interim Funding Facility but not used by the Administrators or the Deed Administrators) as at the Implementation Date; plus
- (b) the cash proceeds of any Receivables when received; less
- (c) the Administrator Trading Liabilities incurred prior to the Implementation Date.

"AWCL" means Aeon Walford Creek Limited (Administrators Appointed) ACN 121 478 993 (ABN 51 121 478 993).

"Business Day" means:

- (a) for the purposes of Clause 2.3(b) has the meaning given to that term in the Corporations Act; and
- (b) otherwise, a day other than a Saturday, Sunday or public holiday and on which banks are open for business generally in Sydney and Singapore.

"Cash Contribution Amount" means the lower of:

- (a) the Deed Contribution Amount, minus:
 - (i) the Continuing Employee Liabilities; and

- (ii) as at the date specified in Clause 3.2(a)(iii), an amount equal to the total amount drawn by the Administrators under the Interim Funding Facility;
or

- (b) the amount of \$1,764,380.

"Claim" means a debt payable by, and all claims against, a Deed Company (present or future, certain or contingent, ascertained or sounding only in damages), being a debt or claim that would be admissible to proof against a Deed Company in accordance with Division 6 of Part 5.6 of the Corporations Act, if the Deed Company had been wound up and the winding up is taken to have commenced on the Appointment Date, and any fine or penalty to which a Deed Company is subject or liable to be subject arising out of circumstances occurring prior to the Appointment Date that would be so admissible but for the operation of section 553B of the Corporations Act and includes:

- (a) a debt or claim arising pursuant to any guarantee or indemnity (including contingent claims);
- (b) subject to section 444D(3) of the Corporations Act, a debt or claim of an Owner of property;
- (c) subject to section 444D(2) of the Corporations Act, a debt or claim of a Secured Creditor; and
- (d) all debts or claims provable in a winding up of the relevant Deed Company pursuant to section 553 of the Corporations Act.

"Commencement Date" means the date that this Deed is executed by the Deed Administrators, the Deed Companies, and the Deed Proponent.

"Completion" means completion of the Implementation Steps.

"Conditions" means each of the conditions in Clause 4.1.

"Continuing Employee Liabilities" means any Claim of a Continuing Employee in respect of an amount referred to in section 556(1)(e), (g) or (h) of the Corporations Act, including any annual or long service leave accrued from the Appointment Date to Completion.

"Continuing Employees" means those Employees who were employed by a Deed Company as at the Commencement Date and who remain Employees as at Completion.

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

"Costs" includes costs, charges, fees, government charges, taxes and expenses, including those incurred in connection with advisers, incurred in connection with the performance of the Administrators' and Deed Administrators' duties, obligations and responsibilities under the Corporations Act and this Deed during the Administration Period and the Deed Period and includes any Administration Debt.

"Court" means the Supreme Court of New South Wales or the Federal Court of Australia.

"Credit Bid Amount" means an amount equal to the Aeon Note Secured Debt (as at Completion) less the Aeon Note Parties Balance.

"Creditor" means a person who has a Claim.

"Deed" means this deed of company arrangement as amended from time to time.

"Deed Administrators" means jointly and severally, Vaughan Strawbridge, Kathryn Evans and Benjamin Campbell in their capacity as administrators of this Deed and any successor to that office appointed pursuant to the Corporations Act.

"Deed Company" means each of the companies listed in Schedule 1 and **"Deed Companies"** means all of them.

"Deed Contribution Amount" means the amount of \$1,998,276, comprising:

- (a) the Continuing Employee Liabilities;
- (b) the amount of \$82,356 on account of the Schedule 4 Claims;
- (c) trading losses;
- (d) Remuneration; and
- (e) Costs.

"Deed Period" means the period commencing on the Commencement Date and ending on the Termination Date.

"Directors" means the directors of the Deed Companies from time to time.

"Employee" means any person who was an employee of a Deed Company as at or prior to the Appointment Date and any person who made an advance of money to a Deed Company for which section 560 of the Corporations Act would apply if the Deed Company was taken to be in liquidation as at the Appointment Date.

"Encumbrance" means any:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power, or title retention or flawed deposit arrangement and any 'security interest' as defined in sections 12(1) or (2) of the PPSA; or
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or

- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

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

"Enforcement Process" has the meaning given to that term in the Corporations Act.

"Excluded Claims" means:

- (a) the Aeon Note Parties Excluded Claims;
- (b) the Aston Metals Beneficiary Claims;
- (c) the Continuing Employee Liabilities;
- (d) the Assumed Liabilities;
- (e) any Insured Claim; and
- (f) any Intra-Group Claim.

"Excluded Superannuation Debt" means a Superannuation Debt (as defined in Clause 10.7(b)) in respect of which the Deed Administrators make a determination under Clause 10.7(b).

"GST" has the meaning given to that term in the GST Act and any value added tax, goods and services tax or other similar tax.

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

"Implementation Date" means the fifth Business Day after the satisfaction of all of the Conditions or such other date as is agreed in writing by the Deed Administrators and the Deed Proponent.

"Implementation Steps" means has the meaning given in Clause 10.1.

"Initial Trust Fund Amount" has the meaning given to it in the Trust Deed.

"Insured Claim" means a Claim which a Creditor has against a Deed Company where:

- (a) the Deed Company is insured against that Claim under a contract of insurance (not being a contract of reinsurance) entered into before the Appointment Date; and
- (b) an amount in respect of that Claim would be payable by the insurer to the Deed Company under the contract of insurance,

but only to the extent of such part of the Claim as is discharged by the payment from the insurer.

"Interim Funding Facility" means the loan facility made available to the Administrators pursuant to the Interim Funding Facility Agreement.

"Interim Funding Facility Agreement" means the facility agreement dated 17 August 2024 between the Administrators and the Deed Proponent.

"Intra-Group Claim" means any intercompany debts, Claims or loan balances owed by a Deed Company to another Deed Company, excluding any Aston Metals Beneficiary Claim.

"IPR" means the *Insolvency Practice Rules (Corporations) 2016* (Cth).

"IPS" means the *Insolvency Practice Schedule (Corporations)* set out at Schedule 2 to the Corporations Act.

"Legal Personal Representative" means a trustee or executor appointed to a Deed Administrator upon death, incapacity, insanity or any combination of them.

"Liabilities" means any liability or obligation (whether actual, contingent or prospective), including for any Loss of whatever description irrespective of when the acts, events or things giving rise to the liability or obligation occurred.

"Loss" means includes any loss, damage, liability, obligation, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost or expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent but excluding any consequential or indirect loss, economic loss or loss of profits.

"Member" means has the meaning given to that term in the Corporations Act.

"Net Cash Contribution Amount" means the Cash Contribution Amount less the amount of the Allowed Payments.

"New SPV" means an Australian company to be incorporated by the Deed Proponent as a (direct or indirect) wholly-owned Subsidiary of the Deed Proponent prior to Completion.

"Non-Participating Claims" means:

- (a) the Aeon Note Parties Compromised Claims;
- (b) any Claim which is a **"subordinate claim"** as defined in section 563A of the Corporations Act;
- (c) any Claim in respect of an Excluded Superannuation Debt; and
- (d) the Excluded Claims.

"Officer" means has the meaning given to that term in the Corporations Act.

"Owner" means any person who is the legal or beneficial owner or holder of a leasehold interest (including any lessor) of property in the possession of a Deed Company as at the Appointment Date.

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

"Priority Claim" means in respect of a Deed Company, a Claim of an Employee that would have been entitled to priority over the Claims of other unsecured creditors under section 556(1) of the Corporations Act if the Deed Company had been wound up and the winding up was taken to have commenced on the Appointment Date.

"Purchaser" means the Deed Proponent or its nominee (which may, but is not required to be, the New SPV).

"Receivables" means all trade debts owing to a Deed Company as at the Implementation Date.

"Record Date" means the first Business Day after the satisfaction or waiver of all of the Conditions in Clause 4.1 or such other date as is agreed in writing by the Deed Administrators and the Deed Proponent.

"Regulations" means the *Corporations Regulations 2001* (Cth).

"Remuneration" means the remuneration payable to the Administrators and Deed Administrators for acting as:

- (a) the administrators of the Deed Companies under Part 5.3A of the Corporations Act; and
- (b) the Deed Administrators of the Deed Companies under this Deed.

"Schedule 4 Claims" means the Claims of the Creditors set out at Schedule 4 in the amounts set out in Schedule 4.

"Second Meeting" has the meaning given in the Recitals.

"Section 439C Resolution" means the resolution referred to in recital (B).

"Section 444GA Order" means an order of the Court granting approval to the transfer of the Shares to the Purchaser pursuant to section 444GA(1)(b) of the Corporations Act.

"Secured Creditor" means any Creditor with the benefit of a Security Interest at the Appointment Date over all or any property of a Deed Company securing all or any part of the Creditor's Claim. It includes the Aeon Note and Security Trustee, each Aeon Note Party, the Aston Metals Security Trustee and each Aston Metals Beneficiary.

"Security Interest" means any mortgage, chattel mortgage, pledge, charge, agreement, encumbrance, lien, letter of credit, deposit, cash reserve, right of set-off (arising otherwise than by operation of law or as a result of a banker's right to combine accounts) and assignment (including over insurance policies) and any other type of security which provides for and secures the payment of any debt or monetary liability or the performance of any obligation as at the Appointment Date and any **"security interest"** as defined in sections 12(1) or (2) of the PPSA, each in respect of a Deed Company and includes any proceeds from dealing with any security.

"Shareholders" means the holders of Shares as at the Record Date.

"Shares" means the shares in the capital of AML.

"Subsidiary" has the meaning given in the Corporations Act.

"Sunset Date" means the date that is six months from the Commencement Date (or such other date as agreed in writing by the Deed Proponent and the Deed Administrators (without any obligation for the Deed Administrators to seek approval by the Creditors for such extension)).

"Tenements" means the tenements set out in Schedule 5.

"Termination Date" means the date upon which this Deed is terminated.

"Trust" means the Aeon Metals Group Creditors' Trust to be established under the Trust Deed.

"Trust Account" has the meaning given to it in the Trust Deed.

"Trust Creditor" means a Creditor who has a Claim except to the extent that that Claim is a Non-Participating Claim.

"Trust Deed" means the trust deed to be entered into between, among others, the Deed Companies, the Deed Administrators and the Trustees substantially in the form of that contained in Schedule 2, which creates the Trust.

"Trust Fund" has the meaning given to that term in the Trust Deed.

"Trustees" means the trustees of the Trust established under the Trust Deed, being Vaughan Strawbridge, Kathryn Evans and Benjamin Campbell in their capacity as trustees of the Trust.

"Undrawn Commitment" has the meaning given to that term in the Interim Funding Facility Agreement.

1.2 Interpretation

In the Deed, unless the subject or context otherwise requires:

- (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) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Deed;

- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document (including this Deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Deed;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) 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;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (p) a reference to a body, other than a party to this Deed (including 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.

1.3 Inconsistency with Act or Regulations

If there is any inconsistency between the provisions of this Deed and the Corporations Act or Regulations, this Deed prevails to the extent permitted by law.

1.4 Other inconsistencies

If there is any inconsistency between the provisions of this Deed and the constitution of a Deed Company or any other obligation binding on a Deed Company, the provisions of this Deed prevail to the extent of the inconsistency, and all persons bound by this Deed agree to sign all documents and do all things necessary to remove such inconsistency, the costs of which will be borne by the Deed Companies.

1.5 Business Days

Except where otherwise expressly provided, if the day on or by which any act, matter or thing is to be done as required by this Deed is a day other than a Business Day, that act, matter or thing will be done on the immediately succeeding Business Day.

1.6 Exclusion of Prescribed Provisions

Subject to Clause 13.1, the prescribed provisions contained in Schedule 8A of the Regulations do not apply to this Deed.

1.7 Required Provisions

To the extent that the Corporations Act requires any provision to be included in this Deed which is not expressly included in this Deed, such provision will be deemed to be included in this Deed.

1.8 Deed components

This Deed includes any Schedule.

2. OPERATION

2.1 Commencement Date

- (a) For the purposes of section 444A(4)(e) of the Corporations Act, subject to paragraph (b), this Deed will commence and take effect on the Commencement Date.
- (b) This Deed is subject to and conditional upon:
 - (i) the Section 439C Resolution being passed in respect of each Deed Company;
 - (ii) the Aeon Note and Security Trustee voting in favour of the Section 439C Resolution for the purposes of Section 444D(2)(a) of the Corporations Act in respect of AML; and
 - (iii) the execution of this Deed by each person named as a party to it.

2.2 Interim Effect

To the extent that a person would be bound by this Deed if it had already been executed, the person must not, at any time after the Section 439C Resolution is passed but before this Deed is executed, do anything inconsistent with the terms of this Deed, except with the leave of the Court.

2.3 Period of operation

- (a) For the purposes of section 444A(4)(f) of the Corporations Act, once this Deed has come into operation, it will continue in operation until the Termination Date.

- (b) If as a result of Clause 2.1(b) this Deed has not come into full force and effect on or prior to the expiration of 15 Business Days (or such further period as the Court allows) after the Section 439C Resolution is passed, then this Deed will terminate automatically.

3. PAYMENTS POST COMMENCEMENT DATE

3.1 Interim Funding Facility

- (a) The parties agree that the Deed Administrators may continue to draw down any amounts available under the Interim Funding Facility in accordance with the terms of the Interim Funding Facility Agreement during the Deed Period.
- (b) The Deed Administrators must use any such amounts drawn under the Interim Funding Facility to make the Allowed Payments during the Deed Period.
- (c) Nothing in paragraph (b) above prevents the Deed Administrators from using the amounts drawn under the Interim Funding Facility to make payments other than Allowed Payments, provided that any such other payments are in accordance with the terms of the Interim Funding Facility.

3.2 Payment of Cash Contribution Amount

- (a) The Deed Proponent shall pay, or must procure that the Purchaser pay, the Cash Contribution Amount in immediately available funds to the Deed Administrators by deposit into the Administration Account (or as otherwise directed by the Deed Administrators) as follows:
 - (i) the amount of \$250,000 on or before 31 December 2024;
 - (ii) the amount of \$250,000 on or before 31 January 2025; and
 - (iii) within one Business Day of the satisfaction and/or waiver of the Conditions, the balance of the Cash Contribution Amount which remains unpaid on that date.
- (b) In the event there is any Undrawn Commitment remaining on any of the dates in paragraphs (a)(i) to (a)(iii), the Deed Administrators will draw the amount specified in the relevant paragraph on the relevant date and apply the proceeds of that drawing in satisfaction (in whole or in part) of the Deed Proponent and Purchaser's obligation to pay that part of the Cash Contribution Amount.
- (c) The Deed Administrators must send the Deed Proponent a written acknowledgment of receipt of each payment in respect of the Cash Contribution Amount within one Business Day of receipt of the relevant payment.

4. CONDITIONS

4.1 Conditions

The operation of Clause 10 is conditional upon each of the following events taking place:

- (a) the Deed Administrators, the Trustees and the Deed Companies have executed the Trust Deed;
- (b) ASIC has issued or provided such consents or approvals or done such other acts which the Deed Proponent and the Deed Administrators agree in writing are reasonable or necessary or desirable to implement the transactions contemplated by this Deed, including the ASIC Relief;
- (c) the Deed Administrators have obtained the Section 444GA Order;
- (d) the Deed Proponent is reasonably satisfied that on Completion, all Claims expressed to be released under Clause 6.4 will be fully and effectively released under all applicable laws;
- (e) AML and AWCL confirm in writing by deed that each Aeon Note Security Document and each Aston Metals Security Document to which they are party secure and continue to secure, respectively, the Aeon Note Secured Debt (in an amount equal to the Aeon Note Parties Balance) and the Aston Metals Secured Debt notwithstanding the entry into and effectuation of this Deed;
- (f) as at the date by which all of the conditions precedent in paragraphs (a) to (e) above are satisfied:
 - (i) there having been no material adverse change in respect of the assets or the business of the Deed Companies;
 - (ii) the Deed Companies having continued to carry on their business in the ordinary course,

in each case since the Commencement Date.

4.2 Obligation to satisfy Conditions

The parties must promptly take all reasonable steps within their control to ensure that the Conditions are satisfied.

4.3 Waiver of Conditions

- (a) The Conditions in Clause 4.1(a), (b) and (c) are for the benefit of the Deed Proponent and the Deed Administrators and may only be waived by written agreement between them.
- (b) The Conditions in Clause 4.1(d) and (e) are for the benefit of the Deed Proponent and may only be waived by the Deed Proponent in writing.

4.4 Consequence of non-satisfaction of the Conditions

- (a) If:
 - (i) each of the Conditions is not satisfied or waived by the Sunset Date; or
 - (ii) each of the Deed Proponent and the Deed Administrators form the opinion (acting reasonably) that one or more of the Conditions is incapable of being satisfied by the Sunset Date,then:
 - (iii) the parties must, only if the Deed Proponent elects to do so by notice in writing to the Deed Administrators on or prior to the Sunset Date, negotiate in good faith to agree and execute an agreement ("ASA") for the acquisition of the business and assets of the Deed Companies, which will provide the Deed Proponent with the same economic outcome (including in respect of the tax losses of the Deed Companies that will not be available to the Deed Companies under such an arrangement and taking into account the Deed Proponent's increased costs in agreeing such an arrangement) as if Completion had occurred under this Deed; and
 - (iv) this Deed will automatically continue in operation until completion of the ASA.
- (b) Following completion of the ASA, the Deed Administrators will convene a meeting to consider the future of the Deed Companies pursuant to Clause 16.

5. THE OFFICERS AND MEMBERS

5.1 Effect of the Deed on Officers of the Deed Companies

- (a) The Directors of each Deed Company will remain in office throughout the Deed Period unless they resign or are removed by the Deed Administrators.
- (b) During the Deed Period, unless authorised in writing by the Deed Administrators, the Directors and Officers of the Deed Companies cannot perform or exercise, and must not purport to perform or exercise, a function or power as an Officer of a Deed Company.
- (c) For the avoidance of doubt, the Directors of a Deed Company will not pass a resolution to place the entity into voluntary administration or take any step to wind up that entity except with the written approval of the Deed Administrators.
- (d) While they remain Directors, the Directors will not be relieved of their statutory duties as Directors and for the avoidance of doubt, the Deed Administrators will not be responsible for such statutory obligations during the Deed Period.

- (e) During the Deed Period, the Directors must:
 - (i) co-operate with and assist the Deed Administrators in the performance by the Deed Administrators of their obligations under this Deed;
 - (ii) carry out and perform such operations, functions, powers and other matters as may be delegated to them by the Deed Administrators; and
 - (iii) perform their obligations pursuant to the Deed.

5.2 Effect of this Deed on Members

Other than as provided in Clause 10.2, until this Deed terminates any Member of the Deed Companies and any Creditor holding any Encumbrance over any shares in a Deed Company must not without the prior written consent of the Deed Administrators deal with any shares in a Deed Company or exercise shareholder rights over any shares in a Deed Company in a way that is contrary to this Deed or the purpose of the Deed.

6. MORATORIUM AND RELEASE

6.1 Binding Effect

The Deed binds:

- (a) the Deed Proponent and the Purchaser;
- (b) in accordance with section 444D of the Corporations Act, all Creditors;
- (c) in accordance with section 444G of the Corporations Act, the Deed Companies, their Officers and Members and the Deed Administrators; and
- (d) all other persons which, pursuant to the Corporations Act, are bound by the terms of this Deed, including:
 - (i) any Secured Creditor or Owner that voted in favour of the Section 439C Resolution; and
 - (ii) any person so ordered by the Court under section 444F of the Corporations Act or otherwise.

6.2 No Limitation

Nothing in the Deed limits the rights in law or equity of the Deed Administrators:

- (a) to make an application under section 444F of the Corporations Act; or
- (b) to apply for orders or directions pursuant to the Corporations Act (including, without limitation, section 447A(1) of the Corporations Act or section 90-15 of the IPS), or otherwise.

6.3 Moratorium

- (a) For the purposes of section 444A(4)(c) of the Corporations Act, the nature and duration of the moratorium period provided by this Deed is set out in this clause 6.3.
- (b) Subject to Clauses 7 and 9 and subject to Clause 8 in relation to Insured Claims, during the Deed Period a Creditor may not, in relation to that Creditor's Claim:
 - (i) make or proceed with an application for an order to wind up a Deed Company or for the appointment of a provisional liquidator or a court appointed receiver to any of the Deed Companies and their property;
 - (ii) institute, revive or continue any action, suit, arbitration, mediation or proceeding against a Deed Company or in relation to the property of a Deed Company;
 - (iii) institute, revive or continue with any Enforcement Process against the property of a Deed Company;
 - (iv) take any action whatsoever to seek to recover any part of its Claim;
 - (v) exercise any right of set off or defence, cross claim or cross action to which that Creditor would not have been entitled had the relevant Deed Company been wound up on the Appointment Date;
 - (vi) commence or take any further step in any arbitration against a Deed Company or to which a Deed Company is a party in relation to any matter arising or occurring before the Appointment Date; or
 - (vii) otherwise enforce any right it may have or acquire.

6.4 Release Upon Completion

- (a) For the purposes of section 444A(4)(d) of the Corporations Act, this Clause 6.4 sets out the extent to which each Deed Company is to be released from Claims against it.
- (b) Subject to Clause 6.5 and Creditors' rights under Clause 8, each Creditor agrees that on Completion, its Claims other than Excluded Claims are extinguished and released.

6.5 Conversion of Claims

- (a) Subject to Clause 6.5(b), the Deed Administrators and the Creditors agree that, upon all Claims other than Excluded Claims being released pursuant to Clause 6.4, each Trust Creditor who had a Claim that is released pursuant to Clause 6.4 will be entitled to make a claim against the Trust Fund, in accordance with the Trust Deed, which is equal in amount to their released Claim.
- (b) A Creditor is not entitled to make a claim against, participate in or receive any distribution from, the Trust Fund in respect of a Non-Participating Claim.

However, this does not affect the release and discharge of the Claims (other than Excluded Claims) as contemplated under Clause 6.4).

6.6 Bar to Claims

Subject to section 444D of the Corporations Act, this Deed may be pleaded and tendered by:

- (a) the Deed Companies or the Deed Administrators against any person having or asserting a Claim released, discharged and extinguished by Clause 6.4; and
- (b) the recipient of any release or covenant contained in this Deed,

as an absolute bar and defence to any legal proceeding brought or made at any time in respect of a claim, release or covenant as the case may be.

7. SECURED CREDITORS

- (a) Subject to Clause 7(b), nothing in this Deed will restrict the right of a Secured Creditor to realise or otherwise deal with its security to the extent permitted by section 444D(2) of the Corporations Act.
- (b) Subject to Clause 7(c), each Secured Creditor who voted in favour of the Section 439C Resolution (including the Aeon Note and Security Trustee on behalf of each Aeon Note Party), will be subject to the restrictions in Clause 6.3.
- (c) The restrictions in Clause 6.3 will cease to apply to a Secured Creditor who voted in favour of the Section 439C Resolution on the termination of this Deed for any reason prior to Completion.
- (d) For the avoidance of doubt, nothing in this Deed shall in any way release, vary or discharge the Aeon Note Security Documents (in relation to the Aeon Note Parties Excluded Claims) or the Aston Metals Security Documents, which shall remain in full force and effect following Completion.

8. INSURED CLAIMS

8.1 Rights of Creditors who have Claims covered by insurance

If insurance is held by or on behalf of a Deed Company in respect of an Insured Claim:

- (a) the Creditor may, in relation to its Insured Claim and notwithstanding that Completion has occurred, take action to recover the amount due in respect of the Claim against the Deed Company, but such action must not exceed what is necessary to obtain payment from the insurer;
- (b) to the extent that the Creditor is able, by settlement, arbitral award or judgment, to obtain payment from the insurer on account of the Claim, the Creditor may retain that amount in full satisfaction of its right to receive a distribution from the Trust Fund in respect of that Claim;

- (c) the Deed Companies are not required to provide assistance to a Creditor in relation to a Claim under this clause or take any action in response to enforcement action taken by a Creditor in accordance with this clause;
- (d) any cost incurred by a Creditor in taking action to recover an Insured Claim under this Clause 8 shall be the sole responsibility of that Creditor; and
- (e) where a Creditor intends to take enforcement action in relation to a Claim under this clause:
 - (i) if requested by a Deed Company, the Creditor must, prior to taking any enforcement action in relation to the Claim, provide the Deed Companies with an indemnity in the form of Schedule 3 (*Creditor Indemnity*);
 - (ii) if requested by the Deed Companies, provide the Deed Companies with evidence, to the reasonable satisfaction of the Deed Companies, that the Creditor will be (and will continue to be) in a financial position, or have access to sufficient funds, to enable it to satisfy the Creditor Indemnity; and
 - (iii) the Deed Companies may plead this Deed as a bar to any enforcement action taken by a Creditor in relation to the Claim in circumstances where the Creditor has not, prior to commencing that enforcement action, given the Creditor Indemnity referred to in Clause 8.1(e)(i) to the Deed Companies.

8.2 Release of Insured Claims where payment not obtained from insurer

To the extent that the Creditor is unable to seek or obtain payment on account of its Insured Claim from the insurer (including, without limitation, by reason of any excess or deductible applicable to the insurance policy, or failure by a Deed Company to take action) this Deed operates as a complete release and bar to that part of the Creditor's Claim which has not been met by the insurer.

9. OWNERS OF PROPERTY IN THE POSSESSION OF THE DEED COMPANIES

- (a) Nothing in this Deed will restrict a right that an Owner has in relation to the property of that Owner under section 444D(3) of the Corporations Act.

10. IMPLEMENTATION

10.1 Implementation

- (a) On the Implementation Date, the parties must take the steps specified in Clause 10.2, or such other steps as are reasonably required by the Deed Proponent and agreed in writing by the Deed Administrators ("**Implementation Steps**").
- (b) The Implementation Steps will be effected (or deemed to be effected) in the order set out below or in such other order as may be agreed in writing by the Deed Proponent and the Deed Administrators prior to the Implementation Date.

- (c) The extinguishment and release of Claims pursuant to Clause 6.4 will be deemed to occur immediately on Completion.
- (d) If any of the Implementation Steps is not completed, the parties must take such actions and steps as are necessary to put each of the parties in the same position as if none of the Implementation Steps had occurred, and the extinguishment and release of Claims pursuant to Clause 6.4 will be deemed not to have occurred.

10.2 Implementation Steps

On the Implementation Date, the following steps must take place in the following order (or in such other order agreed in writing by the Deed Proponent and the Deed Administrators prior to Completion):

- (a) first, the Trust Fund must be established in accordance with the terms of the Trust Deed;
- (b) second, the Deed Proponent shall pay, or must procure that the Purchaser pay, the Initial Trust Fund Amount by electronic funds transfer to the Trust Account to settle the Trust;
- (c) third, the Deed Administrators must procure that the Net Cash Contribution Amount is paid into the Trust Account or otherwise transferred to the Trustees to administer in accordance with the Trust Deed;
- (d) fourth, the Deed Administrators will, pursuant to the Section 444GA Order, transfer the Shares to the Purchaser, free from any Encumbrances or Security Interest, by:
 - (i) delivering to the Purchaser a duly completed share transfer, executed on behalf of the Shareholders, for registration (**444GA Share Transfer**);
 - (ii) the Purchaser duly executing the 444GA Share Transfer, attending to the stamping of the 444GA Share Transfer (if required) and delivering it to the Deed Administrators for registration; and
 - (iii) immediately following receipt of the executed 444GA Share Transfer from the Purchaser, entering, or procuring the entry of, the name of the Purchaser in the share register for AML in respect of all the Shares transferred to the Purchaser in accordance with this Deed.
- (e) fifth, the Purchaser will subscribe for additional shares in AML in an aggregate amount equal to the Outstanding Moneys (as defined in the Interim Funding Facility Agreement), including for the avoidance of doubt after the draw down required to be made by the Deed Administrators in accordance with Clause 3.2(b), and the Purchaser's obligation to pay the consideration in respect of that subscription for shares will be satisfied in accordance with Clause 10.4;
- (f) sixth, subject to receipt of consents from each proposed new director nominated by the Deed Proponent, the Deed Administrators shall, only to the extent directed by the Deed Proponent to do so in each case, remove the existing

directors of the Deed Companies and appoint new directors to each Deed Company; and

- (g) seventh, the Deed Administrators will issue a written notice to the Purchaser that each Implementation Step has been taken and Completion has occurred under this Deed.

10.3 Obligations interdependent

- (a) The obligations of the parties under Clause 10.2 are interdependent and Completion will not occur unless all of the obligations to be performed at Completion under Clause 10.2 are complied with and are fully effective. If an action required to be performed at Completion does not take place, then without prejudice to any rights available to a party as a consequence, to the extent any actions have already been taken, the parties must do everything reasonably required to reverse those actions if requested to do so in writing by a party (including by returning any documents delivered to them).
- (b) Nothing in paragraph (a) or otherwise in this Deed, shall require the Deed Administrators or Administrators to repay any monies paid to them, with the exception of the balance of the Cash Contribution Amount paid pursuant to Clause 3.2(a)(iii) should the circumstances in Clause 10.3(a) arise.

10.4 Payment direction and acknowledgement

- (a) AML directs the Purchaser to transfer the consideration for the share subscription referred to in Clause 10.2(e) to the Deed Proponent as lender under the Interim Funding Facility, in full satisfaction of the amounts owing to the Deed Proponent under the Interim Funding Facility (and in discharge of the lien held by the Administrators over the property of the Deed Companies under section 443F of the Corporations Act to secure the Administrators' indemnity in respect of their obligations under the Interim Funding Facility under section 443D of the Corporations Act).
- (b) AML, the Deed Administrators and the Deed Proponent each acknowledge and agree that, on payment of the amounts referred to in Clause 10.2 (in accordance with the direction given under Clause 10.4(a)):
 - (i) the Interim Funding Facility will be repaid in full;
 - (ii) the lien held by the Administrators over the property of the Deed Companies under section 443F of the Corporations Act to secure the Administrators' indemnity in respect of their obligations under the Interim Funding Facility under section 443D of the Corporations Act will be discharged; and
 - (iii) the obligation of the Purchaser to pay the consideration for the share subscription referred to in Clause 10.2(e) will be satisfied in full.

10.5 Available Cash

On or immediately following Completion, the Deed Administrators must transfer or procure the transfer of all Available Cash to AML (or as otherwise directed by the Deed Proponent).

10.6 Trust Creditors' Available Assets

The only property that is available to pay the Trust Creditors' Claims is the assets of the Trust Fund.

10.7 Consistency with the Corporations Act

- (a) Notwithstanding any other provision of this Deed, for the purposes of section 444DA of the Corporations Act, any Priority Claims of an Employee will retain a priority until Completion in respect of the assets of the Deed Companies under the Deed Administrators' control, and thereafter, in respect of the assets of the Trust Fund at least equal to that which they would have been entitled to if the property of the Deed Companies had been applied in accordance with sections 556, 560 and 561 of the Corporations Act.
- (b) For the purposes of section 444DB of the Corporations Act, the Deed Administrators (including in their capacity as Trustees) must determine that a debt (or part thereof) by way of superannuation contribution ("**Superannuation Debt**") is not admissible to proof as a Claim or a Claim against the Trust Fund if:
 - (i) that debt (or that part of the debt) by way of superannuation guarantee charge:
 - (A) has been paid; or
 - (B) is, or is to be admissible against the Deed Companies; and
 - (ii) the Deed Administrators are satisfied that the superannuation guarantee charge is attributable to the Superannuation Debt.
- (c) If the Deed Administrators make a determination in accordance with Clause 10.7(b), the Superannuation Debt is to be treated as extinguished as against the Deed Companies.

10.8 Continuing Employees

The Deed Proponent will procure that on and from Completion, the Deed Company that is the employer of the Continuing Employees will remain responsible for, and will recognise, honour and pay, the entitlements of any Continuing Employee, including any entitlements that accrued prior to or after the Appointment Date.

10.9 Aeon Note Parties Balance

On or before Completion, the Aeon Note Parties (other than the Aeon Note and Security Trustee) shall direct the Aeon Note and Security Trustee (including by passing such

resolutions as may be required under the terms of the Transaction Documents (as defined in the Aeon Note Conditions)) in relation to which of the Notes (as defined in the Aeon Note Conditions) are to be cancelled and which are to remain in full force and effect so as to constitute the Aeon Note Parties Balance.

11. TRUST DEED

11.1 Provisions of the Trust Deed

The Trust Deed will establish:

- (a) for the purposes of section 444A(4)(b) of the Corporations Act, the property that forms part of the Trust Fund and is available to pay Claims against the Deed Companies that are admitted in accordance with the Trust Deed;
- (b) for the purposes of section 444A(4)(h) of the Corporations Act, the order in which the Trust Fund is to be distributed among Creditors, but excluding Creditors to the extent that they have Non-Participating Claims;
- (c) for the purposes of section 444A(4)(i) of the Corporations Act, the day on or before which Claims must have arisen to be admissible under the Trust Deed;
- (d) for the purposes of section 444DA(1) of the Corporations Act, the requirement for eligible employees to receive priority at least equal to what they would have been entitled if the Trust Fund was applied in accordance with sections 556, 560 and 561 of the Corporations Act; and
- (e) for the purposes of section 444DB of the Corporations Act, the requirement for no admissibility of a superannuation contribution to proof in whole or in part.

12. DEED ADMINISTRATORS' APPOINTMENT

12.1 Appointment

For the purposes of section 444A(4)(a) of the Corporations Act, with effect on and from the Commencement Date, the Deed Administrators are appointed joint and several administrators of this Deed.

12.2 Acceptance of Appointment

The Deed Administrators:

- (a) accept the appointment as administrators of the Deed; and
- (b) agree to act as administrators of the Deed during the Deed Period or until the Deed Administrators retire or are removed from office in accordance with the Deed or the Corporations Act.

12.3 **Deed Administrators are agents**

In exercising the powers conferred by the Deed and carrying out the duties arising under the Deed, the Deed Administrators will act as agent for and on behalf of the Deed Companies.

12.4 **Management**

The Deed Administrators will retain day to day management and control of the Deed Companies until the Termination Date to the exclusion of the Directors of the Deed Companies.

12.5 **Joint and several**

The rights, powers and privileges of the Deed Administrators may be exercised by them jointly and severally.

12.6 **Deed Administrators' resignation**

Any Deed Administrator may resign at any time by giving not less than 28 days' prior written notice to the Deed Companies unless that resignation would result in there being no remaining Deed Administrator in which event the Deed Administrator must:

- (a) convene meetings of Creditors of each of the Deed Companies in accordance with Clause 16 for the purpose of nominating a replacement deed administrator;
- (b) assign to a replacement deed administrator nominated by the Creditors the Deed Administrators' rights, title and benefit under this Deed; and
- (c) do all things reasonably necessary to effect the assignment referred to in Clause 12.6(b).

13. **POWERS OF THE DEED ADMINISTRATORS**

13.1 **Powers**

For the purposes of administering this Deed, the Deed Administrators have the following powers:

- (a) all the powers set out in paragraph 2 of Schedule 8A of the Regulations, **provided that** the Deed Administrators must not, without the prior written consent of the Deed Proponent:
 - (i) bring an application for the winding up of a Deed Company;
 - (ii) except as provided for by this Deed, exercise any of the powers set out in items (c), (n), (za), (zb), (zc) or (ze) of paragraph 2 of Schedule 8A of the Regulations; or
 - (iii) except in the ordinary course of business of the Deed Companies, exercise any of the powers set out in items (h) or (s) of paragraph 2 of Schedule 8A of the Regulations;

- (b) to remove from office a Director;
- (c) to appoint a person as a director of the Deed Companies, whether to fill a casual vacancy or not;
- (d) to perform any function and exercise any power that the Deed Companies or any of their Officers could perform or exercise if the Deed Companies were not subject to this Deed;
- (e) in accordance with the Section 444GA Order, to transfer the Shares; and
- (f) to do anything that is incidental to exercising a power set out in this Clause 13.1.

13.2 Calling for proofs of debt

The Deed Administrators may exercise any of the powers conferred on the Trustees under the Trust Deed for the purpose of commencing the process for the adjudication of Claims under the Trust Deed, which exercise will be treated for all purposes under the Trust Deed as if those powers had been exercised by the Trustees after the commencement of the Trust.

13.3 Solicitors, Advisers and Consultants

- (a) The Deed Administrators may engage the services of their partners, employees, directors, officers, contractors, advisers, delegates, solicitors and consultants to assist them in the performance or exercise of their duties, obligations, responsibilities and powers under this Deed and the Deed Companies will pay all costs of any solicitors and consultants engaged by the Deed Administrators.
- (b) The Deed Administrators may delegate their powers under this Clause 13 including by way of appointing agents and authorising such agents to act on behalf of the Deed Administrators or the Deed Companies.

13.4 No Personal Liability

Subject to the Corporations Act and to the extent permitted by law, in the performance or exercise, or purported performance or exercise, of any of the Deed Administrators' functions, powers and duties in the Deed Period, the Deed Administrators will not be personally liable for:

- (a) any debt, liability or other obligation which the Deed Administrators themselves or any of their partners, employees, directors, officers, contractors, advisers, authorised agents or delegates may incur on behalf of a Deed Company; or
- (b) any loss or damage caused by any act, default or omission by or on behalf of the Deed Administrators or any of their partners, employees, directors, officers, contractors, advisers, authorised agents or delegates except where such loss, damage, claim, liability or expense is caused by fraud, unlawful conduct, wilful misconduct; or
- (c) any debt payable or liabilities incurred by a Deed Company after Completion including any amounts payable by the Deed Administrators for services

rendered, goods bought or property hired, leased, used or occupied by or on behalf of a Deed Company,

except any loss or damage caused by the fraud, gross negligence or wilful default or misconduct of a Deed Administrator.

14. REPORTING

Except as required by law, the Deed Administrators are not required to report to Creditors. However, the Deed Administrators may, in their absolute discretion, report to Creditors during the Deed Period at such times as the Deed Administrators consider appropriate and on matters which the Deed Administrators consider ought to be brought to the attention of the Creditors.

15. ADMINISTRATORS' AND DEED ADMINISTRATORS' REMUNERATION AND INDEMNITY

15.1 Remuneration

- (a) The Administrators and the Deed Administrators are entitled to:
 - (i) payment of Costs; and
 - (ii) receive in accordance with Division 60 of the IPS their Remuneration on the basis of the time spent by the Administrators and Deed Administrators (as the case may be) themselves or any of their partners, employees, directors, officers, contractors, advisers, authorised agents or delegates in the performance of services in connection with or in relation to the administration of the Deed Companies under Part 5.3A of the Corporations Act and this Deed and such time will be charged at the Administrators' and Deed Administrators' standard rates, from time to time, for work of that nature by the firm of which the Administrators and Deed Administrators are partners or employees.
- (b) The Administrators and the Deed Administrators acknowledge that their Remuneration and Costs referred to in this Clause 15 and all other costs will only be reimbursed and/or paid by the Deed Companies to the extent of the cash available or credit balances in bank accounts controlled or held by the Deed Administrators, including funds received in respect of the Cash Contribution Amount or drawn under the Interim Funding Facility (in each case as contemplated by the terms of this Deed), or otherwise from the Trust Fund. The Administrators and the Deed Administrators (whether or not they are still acting in either capacity) can request the Trustees to draw such amounts from the Trust Fund from time to time.

15.2 Indemnity

In addition to any rights the Administrators or Deed Administrators may have under this Deed, the Trust Deed, the Corporations Act or at law (but subject to Clause 15.1(b)), the Deed Administrators and Administrators (whether or not they are still

acting in either capacity) are entitled to be indemnified by the Deed Companies until Completion, and after Completion from the Trust Fund in respect of:

- (a) all debts, liabilities, actions, suits, proceedings, accounts, claims, damages, awards and judgments whatsoever arising out of or in any way connected to the administration of the Deed Companies or their role as Administrators and incurred or sustained in good faith and without negligence;
- (b) any amount which the Administrators are, or but for the transactions contemplated by this Deed would be, entitled to be indemnified out of the assets of the Deed Companies for, in accordance with the Corporations Act, at law or in equity, including any amounts payable pursuant to section 443A, section 443B or section 443BA of the Corporations Act;
- (c) any debts, liabilities, damages, losses and remuneration to which the statutory indemnity under section 443D of the Corporations Act applies;
- (d) any amount for which the Administrators and Deed Administrators are entitled to exercise a lien at law or in equity on the property of the Deed Companies;
- (e) the Administrators' and Deed Administrators' Remuneration and Costs; and
- (f) all debts, liabilities, actions, suits, proceedings, accounts, claims, damages, awards and judgments arising out of or in the course of the Deed and incurred or sustained in good faith and without negligence.

15.3 Continuing Indemnity

The indemnity in the Deed is a continuing indemnity and will endure for the benefit of the Legal Personal Representatives despite the removal of the Deed Administrators and the appointment of new Deed Administrators or the termination of the Deed for any reason whatsoever.

15.4 Indemnity not to be affected or prejudiced

The indemnity under Clauses 15.2 and 15.3 will not:

- (a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Administrators or Deed Administrators and extends to cover any actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Administrators or Deed Administrators or defect in the approval or execution of the Deed or otherwise; or
- (b) affect or prejudice all or any rights that the Administrators or Deed Administrators may have against the Deed Companies or any other person to be indemnified against the Costs, and liabilities incurred by the Administrators or Deed Administrators in the performance of, or incidental to, any of the powers or authorities conferred on the Administrators or Deed Administrators by this Deed or otherwise.

15.5 Administrators' and Deed Administrators' lien

Until Completion, the Deed Administrators and Administrators (whether or not they are still acting in either capacity) are entitled to exercise a lien over the Deed Companies' assets for all amounts in respect of which they are entitled to an indemnity from the Deed Companies under Clause 15.2.

15.6 Priority

The Administrators' and Deed Administrators' right of indemnity under Clause 15.2 and their lien under Clause 15.5 have priority over the claims of all Creditors.

16. CREDITORS' MEETINGS

The Deed Administrators may convene a meeting or meetings of Creditors at any time, and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Deed, Division 75 of Part 3 of the IPR applies, with such modifications as are necessary, to meetings of Creditors held under this Deed as if references to the 'external administrator' or chairperson, as the case may be, were references to the Deed Administrators.

17. APPLICATION TO COURT

- (a) If any unforeseen circumstances arise that are not contemplated by the Deed, the Deed Administrators may, in their absolute discretion, if they think fit, apply to the Court for directions.
- (b) No person bound by the Deed (other than the Deed Administrators or the Deed Proponent) may make any application to the Court in relation to any matter arising under the Deed unless at least 5 Business Days' prior notice in writing has been given to the Deed Administrators. The notice must give particulars of the proposed application.

18. TERMINATION OF THE DEED

18.1 Corporations Act

For the purposes of section 444A(4)(g) of the Corporations Act, the circumstances in which this Deed terminates are set out in this clause 18.

18.2 Termination on effectuation of Deed

The Deed will terminate immediately after Completion.

18.3 Termination on failure of Deed

This Deed automatically terminates in respect of the Deed Companies upon the happening of any one of the following events prior to Completion:

- (a) the Court makes an order terminating this Deed under section 445D of the Corporations Act;

- (b) the creditors of the Deed Companies pass a resolution terminating this Deed in accordance with sections 445C(b) and 445CA of the Corporations Act;
- (c) the creditors of the Deed Companies pass a resolution terminating this Deed at a meeting convened in accordance with Clause 4.4(b); or
- (d) the circumstances in Clause 2.3(b) arise.

18.4 **Notice of Effectuation of Deed**

Upon termination in accordance with the provisions of Clause 18.2, the Deed Administrators or one of them must immediately certify, in writing that the terms of this Deed have been fulfilled and, as soon as practicable, must lodge with ASIC a notice substantially in the following form in respect of the Deed Companies:

'We, [*name of administrators*] of [*address*] as administrators of the deed of company arrangement executed on [date], CERTIFY that the deed has been wholly effectuated in respect to [*name of Deed Company*].'

and the execution of the notice terminates this Deed and:

- (a) subject to Clauses 6.5 and 8, all Claims of Creditors of the Deed Companies will be extinguished, discharged and released if not extinguished or released earlier under the Deed; and
- (b) the Deed Companies shall be returned to the control of the Directors.

18.5 **Effect of Termination**

In accordance with section 445H of the Corporations Act, the termination or avoidance, in whole or in part, of this Deed does not affect the previous operation of this Deed.

18.6 **Severance**

If any part of this Deed is or becomes illegal, ineffective, invalid or unenforceable, that part will be severed from this Deed and that severance will not affect the effectiveness, validity or enforceability of the remaining part of this Deed.

18.7 **Consequences of Termination of the Deed for non-performance**

Upon termination of the Deed under Clause 18.3:

- (a) each Deed Company will be taken to have passed a special resolution under section 491 of the Corporations Act that it be voluntarily wound up and that the Deed Administrators be its liquidators; and
- (b) each Deed Company will be wound up.

18.8 **Survival of clauses**

Despite any other provision of this Deed, Clauses 1, 6, 6.5, 6.6, 7, 8, 9, 13.4, 15, 18, 19, 20 and 21 survive the termination of this Deed.

19. GENERAL

19.1 Variation

This Deed may only be varied by a resolution passed at meetings of the Creditors convened in a manner that is consistent with Division 75 of the IPS or as set out in this Deed, but only if the variation is not materially different from a proposed variation set out in a notice of meeting and only if such variation is in writing and signed by the each party to this Deed.

19.2 Assignment

Rights arising out of or under this Deed are not assignable by a party, except if the assignor is required to make the assignment pursuant to Clause 12.6 or makes the assignment with the prior written consent of the other parties.

19.3 Further Assurances

Each party and each person bound by this Deed 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.

19.4 Governing Law and Jurisdiction

This Deed is governed by the law in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the Court of New South Wales and any Court which may hear appeals from those Courts.

19.5 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 19.5 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.

19.6 Counterparts

- (a) This Deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this Deed by signing any counterpart.

- (d) Counterparts may be exchanged by email or other electronic means.

19.7 Creditor's Power of Attorney

Each Creditor irrevocably appoints each of the Deed Administrators jointly and severally as its attorney to execute any document to give effect to the releases in Clause 6.

19.8 Joint Parties

If two or more parties are included within the same defined term in this Deed:

- (a) liability of those parties under this Deed is a joint liability of all of them and a several liability of each of them;
- (b) a right given to those parties under this deed is a right given severally to each of them; and
- (c) a representation, warranty or undertaking made by those parties is made by each of them.

19.9 Costs

Each party must pay its own costs of negotiating, preparing and executing this Deed. However, nothing in this Clause prevents the Administrators and the Deed Administrators from recovering those costs in accordance with the terms of this Deed.

19.10 Stamp duty

- (a) The Deed Proponent must pay all stamp duties and any related interest, fines and penalties in respect of any necessary stamping of this Deed, and must indemnify each other party against any liability arising from failure to comply with this Clause 19.10.
- (b) The Deed Administrators (in their capacity as Deed Administrators or Trustees) must pay any stamp duty arising under the transfer of any assets to the Trust Fund contemplated under this Deed, including out of the Administration Account.

20. GST

20.1 Interpretation

The parties agree that:

- (a) except where the context suggests otherwise, terms used in this Clause 20 have the meanings given to those terms by the GST Act (as amended from time to time);
- (b) any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this Clause 20;

- (c) unless otherwise expressly stated, all consideration to be provided under any other provision of this Deed is exclusive of GST. Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purpose of this Clause 20;
- (d) a reference to the GST payable by an entity or the input tax credit entitlements of an entity will include a reference to the GST payable or input tax credit entitlements of the representative member of any GST group to which that entity may belong;
- (e) a reference to something done (including a supply made) by a party includes a reference to something done by any entity or representative through which that party acts; and
- (f) if any value added tax, goods and services tax or other similar tax is payable pursuant to a law of another jurisdiction on any supply made under or in connection with this Deed, then the provisions of this Clause 20 apply as if references to a word or expression defined in the GST Act were to the corresponding concepts in the law of that other jurisdiction.

20.2 Reimbursements and similar payments

Any reimbursement or similar payment required to be made under this Deed that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates plus an amount calculated in accordance with Clause 20.3 where applicable.

20.3 GST payable

- (a) If GST is payable in relation to a supply made under or in connection with this Deed then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must pay an additional amount to the Supplier equal to the GST-exclusive consideration for that supply multiplied by the rate of GST prevailing at the time the supply is made.
- (b) The Recipient must make payment of the additional amount in respect of GST at the same time as the other consideration is to be first provided for that supply, or if any of the consideration has been already paid or provided, within 5 Business Days of receiving a written demand from the Supplier.

20.4 Tax invoice/Adjustment notes

The right of the Supplier to recover any amount in respect of GST under this Deed on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the Recipient.

20.5 Variation to GST payable

If the GST payable in relation to a supply made under or in connection with this Deed varies from the additional amount paid by the Recipient under Clause 20.3 then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive

the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under Clause 20.3.

21. NOTICES

21.1 Notice to be in writing

Any notice or document required to be given to or served upon any of the parties pursuant to or in connection with the Deed must be in writing.

21.2 Signing of Notice

Any notice or document may be given or signed on behalf of the party giving or serving the same by a director, secretary or other duly authorised person thereof.

21.3 How notice must be given and when notice is received

- (a) Any notice or document must be given by one of the methods set out in the table below.
- (b) A notice or document is regarded as given and received at the time set out in the table below.

However, if this means the notice or document would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day ("**business hours period**"), then the notice or document will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address (set out in Clause 21.5 below)	When delivered to the nominated address
By pre-paid post (set out in Clause 21.5 below)	When it would have been delivered in the ordinary course of post
By email to the nominated email address (set out in Clause 21.5 below)	When the email (including any attachment) has been sent to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee)

21.4 Notice must not be given by electronic communication

A notice or document must not be given by electronic means of communication (other than email in accordance with Clause 21.3).

21.5 Contact details

The contact details for each Party for all communications in connection with this Deed are as follows:

- (a) For the Deed Administrators:
 - (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
 - (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell
 - (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com
- (b) For the Deed Companies:
 - (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
 - (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell
 - (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com
- (c) For the Deed Proponent:
 - (i) Address: 350 Orchard Road, #21-08/09/10 Shaw House, Singapore 23886
 - (ii) Attention: Ben Harris and Il-Yong Jung
 - (iii) Email: Ben.Harris@ocpasia.com and Il-Yong.Jung@ocpasia.com

SCHEDULE 1
DEED COMPANIES

1. Aeon Metals Limited (Administrators Appointed) ACN 121 964 725 (ABN 91 121 964 725)
2. Aussie NQ Resources Pty Ltd (Administrators Appointed) ACN 140 072 680 (ABN 14 140 072 680)
3. Aeon Walford Creek Limited (Administrators Appointed) ACN 121 478 993 (ABN 51 121 478 993)
4. Aeon Isa Exploration Pty Ltd (Administrators Appointed) ACN 630 455 373 (ABN 45 630 455 373)
5. Aeon Monto Exploration Pty Ltd (Administrators Appointed) ACN 629 298 273 (ABN 26 629 298 273)
6. Aeon Walford Exploration Pty Ltd (Administrators Appointed) ACN 634 353 610 (ABN 77 634 353 610)

SCHEDULE 2
TRUST DEED

Execution version

VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL
IN THEIR CAPACITY
AS JOINT AND SEVERAL DEED ADMINISTRATORS OF THE DEED COMPANIES

VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL
IN THEIR CAPACITY
AS TRUSTEES

EACH COMPANY LISTED IN SCHEDULE 1

OL MASTER LIMITED
AS DEED PROPONENT

AEON METALS CREDITORS' TRUST DEED

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BETWEEN THE PARTIES

- (1) **VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL**, each in their capacity as joint and several deed administrators of the Deed Companies, of c/- FTI Consulting Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 ("**Deed Administrators**")
- (2) **VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL**, each in their capacity as joint and several trustees of the Trust, of c/- FTI Consulting , Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 ("**Trustees**")
- (3) **EACH COMPANY LISTED IN Schedule 1**, of c/- FTI Consulting , Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 (each a "**Deed Company**" and together the "**Deed Companies**")
- (4) **OL MASTER LIMITED**, of c/- OCP Asia, Singapore Pte. Ltd, 350 Orchard Road, #21-08/09/10 Shaw House, Singapore 23886 ("**Deed Proponent**")

RECITALS

- (A) On the Appointment Date, Vaughan Strawbridge, Kathryn Evans and Ben Campbell were appointed as voluntary administrators of the Deed Companies pursuant to Part 5.3A of the Corporations Act.
- (B) At a meeting held on 29 November 2024 and convened pursuant to section 439A of the Corporations Act, the Creditors of the Deed Companies resolved that the Deed Companies execute a deed of company arrangement proposed by the Deed Proponent.
- (C) On or around the date of this Deed, the Deed Administrators and the Deed Companies also executed the DOCA pursuant to section 444B(2)(a) of the Corporations Act.
- (D) The Initial Trust Fund Amount will be paid by the Purchaser to settle the Trust in accordance with the DOCA.
- (E) The Net Cash Contribution Amount will be transferred to the Trust Fund in accordance with the DOCA.
- (F) The Deed Companies and the Trustees enter into this Deed as contemplated by the DOCA in order to facilitate a distribution by the Trustees to the Trust Creditors in their capacity as beneficiaries of the Trust Fund.

THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

"Administrators" means jointly and severally, Vaughan Strawbridge, Kathryn Evans and Ben Campbell in their capacity as voluntary administrators of the Deed Companies and any successor to that office appointed pursuant to the Corporations Act.

"Administration Debt" means any:

- (a) debt referred to in section 443A(1) of the Corporations Act which was incurred by the Administrators during the Administration Period in respect of a Deed Company;
- (b) liability to the Commissioner of Taxation referred to in section 443BA(1) of the Corporations Act; and
- (c) other debts or liabilities referred to in section 443D(aa) of the Corporations Act, in respect of which the Administrators are entitled to be indemnified under section 443D of the Corporations Act.

"Administration Period" means in respect of a Deed Company, the period of time commencing on the Appointment Date for that Deed Company and concluding on the Commencement Date.

"Admitted Claim" means the Claim of any Trust Creditor admitted by the Trustees after adjudication in accordance with Clause 7 of this Deed.

"Admitted Creditor" means a Trust Creditor who has an Admitted Claim.

"Appointment Date" means in respect of a Deed Company, the date on which the Administrators were appointed as joint and several administrators of the Deed Company, being the 'Appointment Date' in respect of a Deed Company as defined in the DOCA.

"Business Day" means a day other than a Saturday, Sunday or public holiday and on which banks are open for business generally in Sydney and Singapore.

"Cash Contribution Amount" has the meaning given to it in the DOCA.

"Claim" has the meaning given to it in the DOCA.

"Commencement Date" means the date on which the DOCA is executed by the Deed Administrators, the Deed Companies and the Deed Proponent.

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

"Court" means the Supreme Court of New South Wales or any court having jurisdiction to hear and determine matters under the Corporations Act and the Trustee Act.

"Creditor" means a person with a Claim against one or more of the Deed Companies.

"Deed" means this creditors' trust deed as amended from time to time.

"Deed Administrators' Costs" means includes costs, charges and expenses, including those incurred in connection with advisers, incurred in connection with the performance of the Deed Administrators' duties, obligations and responsibilities under the Corporations Act and any DOCA during the Administration Period and the Deed Period.

"Deed Period" has the meaning given to it in the DOCA.

"Deed Proponent" means OL Master Limited.

"Dividend" means any amount paid to a Trust Creditor in respect of that Trust Creditors' Admitted Claim.

"DOCA" means the deed of company arrangement executed by the Deed Companies, the Deed Administrators and the Deed Proponent on the Commencement Date.

"DOCA Completion" means 'Completion' as defined in the DOCA.

"Employee" means any person who was an employee of a Deed Company as at or prior to the Appointment Date in respect of that Deed Company and any person who made an advance of money to a Deed Company for which section 560 of the Corporations Act would apply if the Deed Company was taken to be in liquidation as at the Appointment Date in respect of that Deed Company.

"Excluded Superannuation Debt" has the meaning given to it in the DOCA.

"Final Dividend" means the last Dividend payment to be made by the Trustees to any Trust Creditor under this Deed.

"GST" has the meaning given to that term in the GST Act and any value added tax, goods and services tax or other similar tax.

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

"Implementation Date" has the meaning given to it in the DOCA.

"Initial Trust Fund Amount" means \$10.

"IPR" means the *Insolvency Practice Rules (Corporations) 2016* (Cth).

"IPS" means the *Insolvency Practice Schedule (Corporations)* contained in Schedule 2 of the Corporations Act.

"Net Cash Contribution Amount" has the meaning given to it in the DOCA.

"Non-Participating Claim" has the meaning given to it in the DOCA.

"Priority Claim" means in respect of a Deed Company, a Claim of an Employee that would have been entitled to priority over the Claims of other unsecured creditors under section 556(1) of the Corporations Act if the Deed Company had been wound up and the winding up was taken to have commenced on the Appointment Date in respect of that Deed Company.

"Purchaser" has the meaning given to it in the DOCA.

"Regulations" means the *Corporations Regulations 2001* (Cth).

"Termination Date" means the date on which the Trust terminates in accordance with Clause 15.

"Trust" means the trust established by this Deed.

"Trust Account" means the bank account established or to be established by the Trustees for the purposes of this Deed, as notified by the Trustees to the Deed Proponent in writing from time to time.

"Trust Creditor" means a Creditor who held a Claim except to the extent that the Claim is a Non-Participating Claim.

"Trust Creditor's Claim" means a Claim of a Trust Creditor.

"Trust Fund" means the trust fund established under this Deed as set out in Clause 5.1 of this Deed.

"Trustee Act" means the *Trustee Act 1925* (NSW).

"Trustees" means jointly and severally, Vaughan Strawbridge, Kathryn Evans and Ben Campbell, in their capacity as trustees of the Trust and any successor to that office appointed pursuant to the Trustee Act.

"Trustees' Costs" means the costs, charges and expenses, incurred by the Trustees in connection with the performance of their duties, obligations and responsibilities as trustees of the Trust, including those incurred in connection with advisers.

"Trustees' Remuneration" means the remuneration of the Trustees referred to in Clause 10.1.

1.2 Interpretation

In the Deed, unless the subject or context otherwise requires:

- (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) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document (including this Deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Deed;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) 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;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (p) a reference to a body, other than a party to this Deed (including 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.

1.3 Inconsistency with Act or Regulations

If there is any inconsistency between the provisions of this Deed and the Corporations Act, Regulations or the IPR, this Deed shall prevail to the extent permitted by law.

1.4 Other inconsistencies

If there is any inconsistency between the provisions of this Deed and the constitution of a Deed Company or any other obligation binding on a Deed Company, the provisions of this Deed shall prevail to the extent of the inconsistency, and all persons bound by this Deed agree to sign all documents and do all things necessary to remove such inconsistency, the costs of which shall be borne by the Deed Companies.

1.5 Business Days

Except where otherwise expressly provided, if the day on or by which any act, matter or thing is to be done as required by this Deed is a day other than a Business Day, such act, matter or thing shall be done on the immediately succeeding Business Day.

1.6 Deed components

This Deed includes any Schedule.

2. COMMENCEMENT OF THIS DEED

- (a) The Trust will come into effect and the Deed Administrators will act as Trustees pursuant to the terms of this Deed immediately upon DOCA Completion.
- (b) On the Implementation Date:
 - (i) the Creditors and the Deed Administrators appoint the Trustees as trustees of the Trust on the terms of this Deed; and
 - (ii) the Deed Proponent must procure that the Purchaser pay, or the Deed Proponent shall pay, the Initial Trust Fund Amount to the Trust Account in accordance with Clause 10.2 of the DOCA.
- (c) Subject to the terms of this Deed, the appointment of the Trustees is irrevocable.
- (d) The Trustees accept and agree to their appointment as trustees of the Trust.

3. PAYMENT OF NET CASH CONTRIBUTION AMOUNT

On the Implementation Date, subject to the terms of the DOCA and in accordance with Clause 10.2 of the DOCA, the Deed Administrators must pay, or procure the payment of, the Net Cash Contribution Amount to the Trust Account.

4. DECLARATION OF TRUST

4.1 Declaration

The Trustees acknowledge and declare that the Trust Fund will be held on trust by the Trustees for the Trust Creditors on the terms in this Deed.

4.2 Name of Trust

The trust constituted by this Deed will be called the Aeon Metals Creditors' Trust.

4.3 Trustees' duties

The Trustees must:

- (a) to the extent and in the manner the Trustees believe appropriate, collect, sell or otherwise realise the property held on trust;
- (b) at such time(s) as the Trustees consider appropriate, call for formal proofs of debt from some or all Creditors and adjudicate proofs of debt received;
- (c) pay Admitted Claims in accordance with this Deed;
- (d) otherwise distribute the Trust Fund in accordance with this Deed; and
- (e) to the extent that the Trustees consider it reasonably necessary, receive, consider and report back to Trust Creditors on all issues in relation to the matters covered by this Deed.

4.4 Trustees' powers

Without limiting the powers that the Trustees have by operation of the Trustees Act, for the purposes of administering the trust created by this Deed, the Trustees have the following powers:

- (a) to administer and distribute the Trust Fund in accordance with the provisions set out in the DOCA and this Deed;
- (b) to fulfil the Trustees' obligations in accordance with the terms of this Deed including to take such legal proceedings or other steps as the Trustees think fit to fulfil these obligations;
- (c) to sell, re-invest or otherwise deal with the assets of the Trust Fund;
- (d) to perfect title in any assets of the Trust Fund;
- (e) to insure any assets of the Trust Fund;
- (f) to, at any time, call meetings of the Trust Creditors for the purpose of considering the variation or termination of this Deed in accordance with the provisions of this Deed;

- (g) to admit Claims to proof in accordance with the provisions of the DOCA and this Deed;
- (h) to determine Admitted Claims and then to pay Dividends in accordance with the terms of this Deed;
- (i) to act as attorney for the Deed Companies or any other person for any purpose associated with the Trust or this Deed;
- (j) to enforce compliance with the terms of this Deed and the DOCA including to take such legal proceedings or other steps as the Trustees think fit to enforce these obligations;
- (k) to accept the transfer of any shares, stocks, debentures, debenture stock, annuities, bonds, obligations or other securities of whatever nature that may at any time be transferred to the Trust Fund;
- (l) to enter upon or take possession of the Trust Fund and to collect the revenue or income from or interest on the Trust Fund and exercise any rights or powers relating to any part of the Trust Fund;
- (m) to bring, prosecute and defend any claim, action, suit or proceeding, which includes the power to bring and defend any claim, counter-claim, set-off, action, suit or proceeding in any Deed Company's name or (after assignment) in the Trustees' name, to enforce any right, claim or cause of action that forms part of the Trust Fund, and to that end:
 - (i) to issue or accept service of any writ, summons or other legal process and to appear or be represented in any court and before all wardens, magistrates or judicial or other officers as the Trustees think fit and to commence or defend and conduct any action or other proceeding in any court of justice in relation to the Trust Fund and any claim, proceeding or action forming part of the Trust Fund and to prosecute, discontinue, compromise, stay, terminate or abandon that proceeding or action as the Trustees think fit;
 - (ii) to appoint any solicitor and counsel to prosecute or defend in those proceedings as the occasion may require; and
 - (iii) to take any other lawful ways and means for the recovering or getting in any of the Trust Fund;
- (n) to convene and hold meetings of the Trust Creditors for any purpose as the Trustees consider fit;
- (o) to permit any person authorised by the Trustees to operate any account in the name of the Trust;
- (p) to do all acts and execute in the name and on behalf of the Trust all deeds, receipts and other documents;

- (q) to draw, accept, make or endorse any bill of exchange or promissory note in the name and on behalf of the Trust;
- (r) subject to the Corporations Act, to prove in the winding up of or under any scheme of arrangement entered into by, or deed of company arrangement executed by, any contributory or debtor of the Trust;
- (s) to bring or defend an application for the vesting or winding up of the Trust;
- (t) to report to the Trust Creditors from time to time;
- (u) to make interim or other distributions of the Trust Fund;
- (v) to appoint agents to do any business or attend to any matter or affairs of the Trust that the Trustees are unable to do, or that it is unreasonable to expect the Trustees to do, in person;
- (w) to appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;
- (x) to compromise any claim, action, suit or proceeding brought by or against the Trustees on such terms as the Trustees consider fit, which includes the power to compromise any claim, action, suit or proceeding referred to in paragraph (m) of this clause;
- (y) to provision for and set aside a sum or sums equal to an amount which the Trustees reasonably anticipate may be payable in respect of any tax, including income tax, capital gains tax or GST;
- (z) to do anything incidental to exercising a power set out in this Deed;
- (aa) to do anything else that is necessary or convenient for administering the Trust; and
- (bb) to pay any amounts from the Trust Fund for which an indemnity exists under this Deed.

4.5 Exercise of discretion and powers

- (a) The Trustees may exercise any discretion under this Deed in the Trustees' absolute and unfettered discretion.
- (b) The Trustees shall not be required to give any reason for the exercise of, or failure to exercise, any of the Trustees' powers.

4.6 Objects of the Trust

The Trustees shall receive and hold the Trust Fund on trust for the benefit of the Trust Creditors and will distribute the Trust Fund in accordance with the terms of this Deed.

5. TRUST FUND

5.1 Trust Fund

The Trust Fund shall be comprised of the Initial Trust Fund Amount and the Net Cash Contribution Amount.

5.2 Distribution of the Trust Fund

- (a) Subject to Clause 5.2(b), the Trust Fund will be available for distribution to the Trust Creditors as follows:
 - (i) first, to the Administrators or Deed Administrators for any amount which they are entitled to be paid or indemnified for under the DOCA (even though they may have ceased to be Administrators or Deed Administrators);
 - (ii) next, to the Trustees in satisfaction of the Trustees' Remuneration and the Trustees' Costs (which may include an amount of the Trustees' Remuneration and the Trustees' Costs which are estimated to be incurred by the Trustees up to the Termination Date);
 - (iii) next, to each Creditor that is an Employee, the amount of any Priority Claim;
 - (iv) next, to each Trust Creditor an amount equal to its pro rata portion of the remaining Trust Fund in accordance with the dollar value of the Admitted Claims of these Trust Creditors to the extent not satisfied pursuant to paragraphs (i) to (iii).
- (b) Notwithstanding Clause 5.2(a), any Creditor who would have been entitled to priority over other unsecured creditors under section 562 of the Corporations Act in respect of any amount forming part of the Trust Fund will retain a priority in respect of the assets of the Trust Fund at least equal to that they would have been entitled to if the property of the relevant Deed Company had been applied in accordance with section 562 of the Corporations Act.
- (c) Notwithstanding any other provision of this Deed, for the purposes of section 444DA of the Corporations Act and Clause 5.2(a)(iii), any Priority Claims of an Employee will retain a priority in respect of the assets of the Trust Fund at least equal to that which they would have been entitled to if the property of the relevant Deed Company had been applied in accordance with sections 556, 560 and 561 of the Corporations Act.
- (d) No distributions will be made in respect of a Trust Creditor's Claim unless that Trust Creditor's Claim is an Admitted Claim.
- (e) The Trustees may distribute the Trust Fund at such times as the Trustees consider, in their absolute discretion, that is appropriate and feasible to do so, including making distributions (whether interim or final) under any provision of Clause 5.2 in advance of making any payments under any lower ranking subclause in this Clause 5.2 on the basis that they have retained sufficient funds

to ensure that any payments to be made under any provision of Clause 5.2 having higher priority may be made when the time comes to do so.

5.3 Postponement

Should proceedings be brought by any person in respect of the distribution of the Trust Fund, then the Trustees are entitled at their sole discretion to postpone the payment of any entitlement until determined by the Trustees.

5.4 Unclaimed moneys

In the event that the Trustees, for any reason, are unable to locate an Admitted Creditor, or if any cheque sent by the Trustees to an Admitted Creditor has not been presented within 6 months, then:

- (a) the Trustees shall stop payment of such cheque;
- (b) the moneys represented by such stopped cheque or held by the Trustees on behalf of the Admitted Creditor shall be paid to Revenue NSW.

5.5 Multiple claims arising out of the same circumstances

- (a) If a Trust Creditor is a Creditor of two or more Deed Companies in respect of Admitted Claims that arise from a common underlying obligation or in connection with the same underlying transaction (for example, where one Deed Company is a guarantor, indemnifier or co-obligor of an obligation or debt owing by another Deed Company), then the Trust Creditor is only entitled to receive a distribution for one of those Admitted Claims, and where they are for different amounts, for the largest Admitted Claim.
- (b) If multiple Trust Creditors are Creditors of a Deed Company in respect of Admitted Claims that arise from a common underlying obligation or in connection with the same underlying transaction (for example, where a Creditor that is an agent or trustee of another Creditor has a Claim against a Deed Company in respect of the same underlying debt), only one Trust Creditor will be entitled to receive a distribution for one of those Admitted Claims.

6. PERPETUITY PERIOD

Notwithstanding any other provision in this Deed, each:

- (a) interest in property; and
- (b) Trustee's power over or in connection with property,

created or granted by this Deed that, but for this provision, might vest, take effect, or be exercisable after the expiry of eighty (80) years commencing on the date of this Deed, but which has not vested or taken effect by that date,

- (c) will vest or take effect on the last day of that period; and
- (d) is exercisable only on or before the last day of that period.

7. CLAIMS

7.1 Admissibility of Claims

- (a) Upon this Deed being settled, and in accordance with Clause 6.5 of the DOCA, each Claim of a Trust Creditor against a Deed Company will convert to and become a claim against the Trust Fund under this Deed, equal in amount to the Trust Creditor's entitlement to a distribution in respect of the Trust Creditor's released Claim in accordance with Clause 5.2 of this Deed.
- (b) Interest will not accrue or be payable on any Admitted Claim.

7.2 Trustees' discretion

The Trustees may, in their absolute discretion:

- (a) call for proofs of debt or claim;
- (b) admit all or part of a Claim;
- (c) reject all or part of a Claim; or
- (d) pay any Admitted Claim,

in accordance with the provisions of this Deed.

7.3 Determination of Claims

- (a) Subdivisions A, B, C and E of Division 6 of Part 5.6 of the Corporations Act apply to Claims under this Deed as if references to the liquidator were references to the Trustees and references to winding up were references to this Deed, and with such other modifications as are necessary to give effect to this Deed, except to the extent that those provisions are varied or excluded expressly or impliedly by this Deed.
- (b) Regulations 5.6.11A, 5.6.37, 5.6.39 to 5.6.43 (inclusive), 5.6.44 to 5.6.53 (inclusive) and 5.6.55 to 5.6.72 (inclusive) of the Regulations shall apply to this Deed and to the Trustees as if references to the liquidator were references to the Trustees and references to winding up were references to this Deed, and with such other modifications as are necessary to give effect to this Deed, except to the extent that those provisions are varied or excluded expressly or impliedly by this Deed.
- (c) The Trustees may make interim distributions of trust property under this Deed.
- (d) The Trustees may make any distribution by cheque or by electronic funds transfer to a bank account nominated by the relevant Trust Creditor.
- (e) The Trustees must declare and distribute trust property under this Deed as soon as practicable after the Trust comes into effect under Clause 4.1. However, subject to Clauses 7.3(a) and 7.3(b), the Trustees have an absolute and

unfettered discretion as to the admission of Claims, and the amount and timing of the distribution of the trust property in payment of Admitted Claims.

- (f) Where the Trustees propose to reject a Claim (whether in part or in full) the Trustees shall send a notice to the Creditor informing the Creditor of the proposed rejection and giving the party 14 days within which to make an application to the Court to determine the questions relating to the Claim.
- (g) The Trustees are entitled to rely upon any steps and determinations made by the Administrators or the Deed Administrators for the purposes of this clause in respect of whether a claim asserted for the purposes of claiming under this Deed is an Admitted Claim, together with any information and proofs or particulars of debt provided to the Administrators or Deed Administrators.

7.4 Access to records

The Trustees may at any time inspect and take copies of the books and records of the Deed Companies at no cost and the Deed Companies authorise the Trustees and their staff to enter the Deed Companies' premises on any Business Day between the hours of 9.00am and 5.00pm with no less than 24 hours' notice, for the purpose of conducting such an inspection and for the purpose of doing anything necessary or desirable in the exercise of their powers and discretions and the performance of their duties, obligations and responsibilities as Trustees under this Deed, including to take photocopies or images of any books and records for that purpose.

7.5 Excluded Superannuation Debts not admissible

An Excluded Superannuation Debt is not admissible to proof against the Trust Fund.

7.6 Creditors' costs and expenses

Any costs and expenses incurred by a Trust Creditor in asserting a Claim (including any application under Clause 7.3(f)) under this Deed will be borne by that Trust Creditor and will not form part of that Trust Creditor's Claim under this Deed.

7.7 Abandonment of Claims

A Trust Creditor will have abandoned, and will be taken for all purposes to have abandoned, all Claims and all other entitlements (if any) in the Trust Fund:

- (a) which are not the subject of a proof lodged with the Deed Administrators or the Trustees in the form required by the Trustees prior to the declaration of a Final Dividend; or
- (b) which have been rejected by the Trustees and which are not the subject of any appeal or application to the Court within the time allowed under Clause 7.3(f).

7.8 Discharge of Claims

All persons having a Claim must accept their Admitted Claims under this Deed (if any) in full satisfaction and complete discharge of all claims which they have or claim to have against the Trustees or the Trust Fund.

7.9 Claims extinguished

On payment of the Final Dividend to the Trust Creditors from the Trust Fund:

- (a) all Claims against the Trust Fund are extinguished; and
- (b) the obligations of the Trustees to the Trust Creditors under the Trust will be fully and finally discharged.

7.10 Bar

After:

- (a) distribution of a Dividend to a Trust Creditor, the Trustees may plead this Deed in bar to any Claim by that Trust Creditor, to the extent of the Dividend; and
- (b) distribution of the Final Dividend from the Trust Fund to a Trust Creditor, the Trustees may plead this Deed in bar to the entirety of the Trust Creditor's Claim.

7.11 Non-Participating Claims

No Creditor is entitled to participate in or receive any distribution from the Trust Fund in respect of a Non-Participating Claim.

8. GST

8.1 Interpretation

The parties agree that:

- (a) except where the context suggests otherwise, words and expressions used in this Clause 8 which are defined in the GST Act have the same meaning in this clause;
- (b) any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this Clause 8;
- (c) unless otherwise expressly stated, all consideration to be provided under any other provision of this Deed is exclusive of GST. Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purpose of this Clause 8;
- (d) a reference to the GST payable by an entity or the input tax credit entitlements of an entity will include a reference to the GST payable or input tax credit entitlements of the representative member of any GST group to which that entity may belong;
- (e) a reference to something done (including a supply made) by a party includes a reference to something done by any entity or representative through which that party acts; and

- (f) if any value added tax, goods and services tax or other similar tax is payable pursuant to a law of another jurisdiction on any supply made under or in connection with this Deed, then the provisions of this Clause 8 apply as if references to a word or expression defined in the GST Act were to the corresponding concepts in the law of that other jurisdiction.

8.2 GST credits on Claims which have been or will be claimed by the Deed Companies

To the extent that input tax credits on Admitted Claims have been or will be claimed by a Deed Company, the parties agree and acknowledge that following the payment of distributions to those Creditors by the Trustees from the Trust Fund, the Deed Company by its directors will be responsible for making any adjustment required by the provisions of the GST Act insofar as those adjustments relate to those Admitted Claims (except where such adjustment has already been made by the Deed Company) and Practice Statement PS LA 2012/1 (GA) will be applied by the Deed Company to calculate the impact of those adjustments.

8.3 GST credits for Administration Debts and Deed Administrators' Costs

To the extent that:

- (a) an input tax credit is available in respect of an Administration Debt or a Deed Administrators' Cost; and
- (b) neither the Administrators nor the Deed Administrators are able to claim that input tax credit because it is attributable to a tax period that arises after the date on which the GST registration of the Administrators or the Deed Administrators as representative of a Deed Company ends,

then, the parties agree and acknowledge that the Deed Companies are responsible for claiming that input tax credit.

8.4 GST credits during operation of Trust

The parties agree and acknowledge that to the extent that an input tax credit is available in respect of a Trustee Cost which is incurred and paid for by the Trustees during the operation of the Trust, the Trustees (acting in their capacity as Trustees of the Trust) will be responsible for the claiming those input tax credits.

8.5 Reimbursements and similar payments

Any reimbursement or similar payment required to be made under this Deed that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates plus an amount calculated in accordance with Clause 8.6 where applicable.

8.6 GST payable

- (a) If GST is payable in relation to a supply made under or in connection with this Deed then any party (**Recipient**) that is required to provide consideration to

another party (**Supplier**) for that supply must pay an additional amount to the Supplier equal to the GST-exclusive consideration for that supply multiplied by the rate of GST prevailing at the time the supply is made.

- (b) The Recipient must make payment of the additional amount in respect of GST at the same time as the other consideration is to be first provided for that supply, or if any of the consideration has been already paid or provided, within 5 Business Days of receiving a written demand from the Supplier.

8.7 Tax invoice/Adjustment notes

The right of the Supplier to recover any amount in respect of GST under this Deed on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the Recipient.

8.8 Variation to GST payable

If the GST payable in relation to a supply made under or in connection with this Deed varies from the additional amount paid by the Recipient under Clause 8.6 then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under Clause 8.6.

9. MEETINGS OF TRUST CREDITORS

- (a) The Trustees may at any time convene a meeting of Trust Creditors and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Deed, Division 75 of Part 3 of the IPR applies, with such modifications as are necessary, to meetings of the Trust Creditors as if references to the 'external administrator' or chairperson, as the case may be, were references to one or more of the Trustees.
- (b) Trust Creditors who have been paid the full amount of their entitlement in respect of their Admitted Claim under this Deed will no longer be entitled to attend and participate in meetings of Trust Creditors.
- (c) Subject to Clause 9(d), the Trustees may, by deed or resolution and with the consent of the majority of the Trust Creditors given at a meeting convened pursuant to this Clause 9, vary the provisions of this Deed.
- (d) Despite any other provision of this Deed, the Trustees may not amend this Deed to lessen the Trustees' liabilities or obligations under this Deed or at law including, but not limited to, lessening their liabilities in respect of any fraud, wilful default, negligence or breach of trust by the Trustees.

10. REMUNERATION

10.1 Remuneration of Trustees

The Trustees:

- (a) are to be remunerated at the usual rates charged by FTI Consulting from time to time in respect of any work done by the Trustees, and any partner or employee of the Trustees, in connection with:
 - (i) the exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Administrators and/or Deed Administrators, even though that remuneration has not been approved by the Creditors pursuant to Division 60 Subdivision B of the IPS;
 - (ii) the calling for and adjudicating upon proofs of Claims;
 - (iii) the distribution of the Trust Fund; and
 - (iv) the exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Trustees under this Deed, and
- (b) acknowledge that the Trustees' Costs, including costs, charges and expenses (including those incurred in connection with advisers) incurred in connection with the foregoing, including any stamp duty payable by them in respect of this Deed, will be payable from the Trust Fund.

10.2 Acknowledgement

The parties acknowledge that the Trustees' Remuneration as referred to in Clause 10.1(a) includes remuneration and costs incurred by the Trustees in connection with or as a result of their duties, obligations and responsibilities as Administrators and/or Deed Administrators.

11. INDEMNITY

11.1 Trustees' Indemnity

The Trustees are entitled to be indemnified out of the Trust Fund for:

- (a) the Trustees' Remuneration;
- (b) the Trustees' Costs; and
- (c) all actions, suits, proceedings, accounts, claims and demands arising out of or relating to this Deed which may be commenced, incurred by or made on the Trustees by any person and against all costs, charges and expenses incurred by the Trustees in respect of them,

provided that the Trustees shall not be entitled to an indemnity in respect of any liabilities or demands to the extent that the indemnification contravenes the Corporations Act or the Trustee Act.

11.2 Continuing indemnity

The indemnity in Clause 11.1 takes effect on and from the date of this Deed and will be without limitation as to time and will operate notwithstanding the removal of the Trustees (or any of them) and the appointment of new trustees or the termination of this Trust for any reason whatsoever.

11.3 Indemnity not to be affected or prejudiced

The indemnity under Clause 11.1 will not:

- (a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Trustees and will extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Trustees, the approval and execution of this Deed or otherwise; and
- (b) affect or prejudice all or any rights that the Trustees may have against any other person to be indemnified against the costs, charges, expenses and liabilities incurred by the Trustees of or incidental to the exercise or performance of any of the powers or authorities conferred on the Trustees by this Deed or otherwise.

11.4 Trustees' Lien

To secure the rights of indemnity under clause 11.1, the Trustees have a lien over the Trust Fund. The lien over the Trust Fund will survive termination of this Deed.

12. LIABILITY

12.1 Exclusion of liability

- (a) The Trustees, and the Trustees' partners and employees, are not liable for any loss or damage occasioned to any trust property under this Deed (including the Trust Fund) or to any person by:
 - (i) the exercise of any right, discretion or power conferred by this Deed or by law on the Trustees or any delay or failure to exercise any of those discretions or powers;
 - (ii) any breach of duty or trust, unless it is proved to have been committed, made or omitted in personal, conscious and fraudulent bad faith by the Trustees, partner or employee; or
 - (iii) any disclosure by the Trustees or the officer of any document, matter or thing relating to the Trust, the trust property or any Trust Creditor.
- (b) All persons claiming any interest in the trust property must be treated as taking it with and subject to notice of the protection conferred by this Clause 12.

12.2 Proceedings against co-trustee

The Trustees are not bound to take any proceeding against a co-trustee for any breach or alleged breach of trust committed by the co-trustee.

12.3 Reliance on advice

Where the Trustees act in reliance upon the advice of any solicitor instructed on behalf of the Trust in relation to the interpretation of the provisions of this Deed or any document or statute or any matter concerning the administration of the Trust, the Trustees are not liable to any person in respect of any act done or omitted to be done by the Trustees in accordance with the advice.

13. TRUSTEES' RESIGNATION

Any Trustee may resign at any time by giving not less than 28 days' prior written notice to the Deed Companies unless that resignation would result in there being no remaining Trustees, in which event the Trustees must:

- (a) convene a meeting of Trust Creditors in accordance with Clause 9 of this Deed for the purpose of nominating a replacement trustee;
- (b) assign to a replacement trustee nominated by the Trust Creditors the Trustees' rights, title and benefit under this Deed; and
- (c) do all things reasonably necessary to effect the assignment referred to in Clause 13(b).

14. TRUSTEES NOT OBLIGED TO TAKE ACTION

The Trustees will not be obliged to take any action under this Deed until such time as there are sufficient funds in hand and immediately available to them to pay the Trustees' Remuneration and Trustees' Costs.

15. TERMINATION

15.1 Termination of the Trust

This Trust will terminate and the Trustees will resign as soon as reasonably practicable:

- (a) after distribution of the Final Dividend from the Trust Fund (and any Unclaimed Moneys have been paid in accordance with clause 5.4 above); or
- (b) upon the expiry of the perpetuity period referred to in Clause 6, whichever occurs first.

15.2 Meeting of Trust Creditors

The Trustees must convene a meeting of Trust Creditors to consider a resolution to vary this Deed or terminate the Trust if:

- (a) at any time prior to the termination of the Trust, the Trustees determine that it is no longer practicable or desirable to continue to implement or carry out this Deed; or
- (b) the Court so orders.

15.3 Termination of the Trust by Court order and Trust Creditors' resolution

This Trust will terminate if:

- (a) a Court so orders; or
- (b) the Trust Creditors pass a resolution terminating this Trust at a meeting duly convened pursuant to Clause 15.2.

In that event, either of the following may occur:

- (c) if all Trust Creditors have received their distribution in accordance with Clause 5.2, any remaining part of the Trust Fund must be immediately paid to or at the direction of the Deed Proponent and shall not be available for distribution to Trust Creditors; or
- (d) if any Trust Creditors have not received their distribution in accordance with Clause 5.2, then any remaining part of the Cash Contribution Amount will be refunded to or at the direction of the Deed Proponent and any other remaining funds in the Trust Fund will be returned to the Deed Companies and shall not be available for distribution to Trust Creditors.

15.4 Report to Trust Creditors

Upon a meeting being convened pursuant to Clause 15.2, the Trustees must send each Trust Creditor prior to the meeting a report as to the state of affairs of the Trust accompanied by such financial statements as the Trustees think fit. The report must include:

- (a) a statement explaining the circumstances which have caused the Trustees to convene the meeting pursuant to Clause 15.2; and
- (b) a statement that the Trust will be terminated if the Trust Creditors so resolve.

15.5 Previous operation of this Deed preserved

The termination or avoidance, in whole or in part, of this Trust does not affect the efficacy of any act done prior to the termination or avoidance.

15.6 Variation of Deed

This Deed may be varied:

- (a) with the consent of the Trustees by resolution passed at a meeting of Trust Creditors by a majority of Trust Creditors in number and in value, but only if the variation is not materially different from the proposed variation set out in the notice of that meeting and **provided that** the variation does not materially prejudice the interests of any class of Trust Creditors without the approval of a majority of that class of Trust Creditors in number and value; or
- (b) by the Court upon application of any of the Trust Creditors or the Trustees pursuant to the Trustee Act.

16. GENERAL

16.1 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 16.1(a) does not apply where enforcement of the provision of this Deed in accordance with Clause 16.1(a) would materially affect the nature or effect of the parties' obligations under this Deed.

16.2 Waivers

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 16.2 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.

16.3 Counterparts

- (a) This Deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this Deed by signing any counterpart.
- (d) Counterparts may be exchanged by email or other electronic means.

16.4 Governing law and jurisdiction

This Deed is governed by the law in force in the State of New South Wales and the parties submit to the non-exclusive jurisdiction of the Court of New South Wales and any Court which may hear appeals from those Courts.

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

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.

16.6 Assignment

Unless expressed otherwise, rights arising out of or under this Deed are not assignable by a party without the prior written consent of the other parties.

16.7 Entire agreement

This Deed states all the express terms agreed by the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter.

16.8 No reliance

No party has relied on any statement by any other party not expressly included in this Deed.

16.9 Relationship of the parties

Nothing in this Deed gives a party authority to bind any other party in any way.

16.10 Exercise of rights

- (a) Unless expressly required by the terms of this Deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this Deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this Deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.

16.11 Stamp duty

Any stamp duty assessed on this Deed is to be paid out of the Trust Fund.

16.12 Creditor's Power of Attorney

Each Trust Creditor irrevocably appoints each of the Trustees jointly and severally as its attorney to execute any document to give effect to the releases in Clause 7.

16.13 **Joint Parties**

If two or more parties are included within the same defined term in this Deed:

- (a) liability of those parties under this Deed is a joint liability of all of them and a several liability of each of them.
- (b) a right given to those parties under this deed is a right given severally to each of them; and
- (c) a representation, warranty or undertaking made by those parties is made by each of them.

16.14 **Costs**

Each party must pay its own costs of negotiating, preparing and executing this Deed. However, nothing in this Clause prevents the Administrators, Deed Administrators or Trustees from recovering those costs in accordance with the terms of this Deed.

16.15 **Survival**

Despite any other provision of this Deed, Clauses 1, 8, 10, 11, 12, 15 and 16 survive the termination of this Deed.

17. **NOTICES**

17.1 **Notice to be in writing**

Any notice or document required to be given to or served upon any of the parties pursuant to or in connection with the Deed must be in writing.

17.2 **Signing of Notice**

Any notice or document may be given or signed on behalf of the party giving or serving the same by a director, secretary or other duly authorised person thereof.

17.3 **How notice must be given and when notice is received**

- (a) Any notice or document must be given by one of the methods set out in the table below.
- (b) A notice or document is regarded as given and received at the time set out in the table below.

However, if this means the notice or document would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day ("**business hours period**"), then the notice or document will instead be regarded as given and received at the start of the following business hours period.

<u>Method of giving Notice</u>	<u>When Notice is regarded as given and received</u>
By hand to the nominated address (set out in Clause 17.5 below)	When delivered to the nominated address
By pre-paid post to the nominated address (set out in Clause 17.5 below)	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address (set out in Clause 17.5 below)	When the email (including any attachment) has been sent to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee)

17.4 Notice must not be given by electronic communication

A notice or document must not be given by electronic means of communication (other than email as permitted in Clause 17.3).

17.5 Contact details

The contact details for each Party for all communications in connection with this document are as follows:

(a) For the Deed Administrators:

- (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
- (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell
- (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com

(b) For the Trustees:

- (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
- (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell
- (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com

(c) For the Deed Companies:

- (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
- (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell

- (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com
- (d) For the Deed Proponent:
- (i) Address: 350 Orchard Road, #21-08/09/10 Shaw House, Singapore
23886
- (ii) Attention: Ben Harris and Il-Yong Jung
- (iii) Email: Ben.Harris@ocpasia.com and Il-Yong.Jung@ocpasia.com

SCHEDULE 1
DEED COMPANIES

- Aeon Metals Limited (Administrators Appointed) ACN 121 964 725 (ABN 91 121 964 725);
- Aussie NQ Resources Pty Ltd (Administrators Appointed) ACN 140 072 680 (ABN 14 140 072 680);
- Aeon Walford Creek Limited (Administrators Appointed) ACN 121 478 993 (ABN 51 121 478 993);
- Aeon Isa Exploration Pty Ltd (Administrators Appointed) ACN 630 455 373 (ABN 45 630 455 373);
- Aeon Monto Exploration Pty Ltd (Administrators Appointed) ACN 629 298 273 (ABN 26 629 298 273);
- Aeon Walford Exploration Pty Ltd (Administrators Appointed) ACN 634 353 610 (ABN 77 634 353 610).

SIGNING PAGES

Executed as a deed.

Trustees

Signed, sealed and delivered by **Vaughan Strawbridge** in his capacity as joint and several Trustee (without personal liability):

Signature

Name (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered by **Kathryn Evans** in her capacity as joint and several Trustee (without personal liability):

Signature

Name (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered by **Benjamin Campbell** in his capacity as joint and several Trustee (without personal liability):

Signature

Name (print)

In the presence of:

Signature of witness

Name of witness (print)

Deed Administrators

Signed, sealed and delivered by **Vaughan Strawbridge** in his capacity as joint and several Deed Administrator of the Deed Companies (without personal liability):

Signature

Name (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered by **Kathryn Evans** in her capacity as joint and several Deed Administrator of the Deed Companies (without personal liability):

Signature

Name (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered by **Benjamin Campbell** in his capacity as joint and several Deed Administrator of the Deed Companies (without personal liability):

Signature

Name (print)

In the presence of:

Signature of witness

Name of witness (print)

Deed Companies

Signed, sealed and delivered for and on behalf
of **AEON METALS LIMITED**
(ADMINISTRATORS APPOINTED) ACN
121 964 725:

Signature of Deed Administrator

Name of Deed Administrator (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AUSSIE NQ RESOURCES PTY LTD**
(ADMINISTRATORS APPOINTED) ACN
140 072 680:

Signature of Deed Administrator

Name of Deed Administrator (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON WALFORD CREEK LIMITED**
(ADMINISTRATORS APPOINTED) ACN
121 478 993:

Signature of Deed Administrator

Name of Deed Administrator (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON ISA EXPLORATION PTY LTD**
(ADMINISTRATORS APPOINTED) ACN
630 455 373:

Signature of Deed Administrator

Name of Deed Administrator (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON MONTA EXPLORATION PTY
LTD (ADMINISTRATORS APPOINTED)**
ACN 629 298 273:

Signature of Deed Administrator

Name of Deed Administrator (print)

In the presence of:

Signature of witness

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON WALFORD EXPLORATION
PTY LTD (ADMINISTRATORS
APPOINTED) ACN 634 353 610:**

Signature of Deed Administrator

Name of Deed Administrator (print)

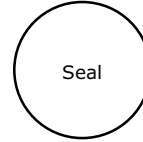
In the presence of:

Signature of witness

Name of witness (print)

Deed Proponent

**SIGNED, SEALED AND
DELIVERED** by **OL MASTER
LIMITED** by OCP Asia (Singapore)
Pte Limited as investment manager in
the presence of:



Signature of witness

Signature of authorised signatory

Name of witness

Name of authorised signatory

**SCHEDULE 3
CREDITOR INDEMNITY**

To: [insert name of Deed Company] (Company)

INDEMNITY IN RELATION TO INSURED CLAIM

I/We [insert creditor name] refer to the deed of company arrangement in respect of the Company ("DOCA") dated [insert date].

I/We wish to take legal proceedings to enforce a Claim under clause 8 of the DOCA ("**Insured Claim**") against the Company. The Insured Claim is [insert full description].

I/We irrevocably and unconditionally indemnify the Company against any costs, expenses, judgments (including but not limited to any judgment or order obtained by me/us against the Company, or any amounts required to be paid by the Company in connection with any judgment or order), suits or actions incurred directly or indirectly as a consequence of commencing legal proceedings in relation to the Insured Claim ("**Costs**") to the extent that the Company is not indemnified for such costs pursuant to a contract of insurance entered into before [insert Appointment Date for Deed Company] or such Costs are not otherwise paid by the Company's insurer.

I/We confirm our agreement to be bound by the terms of clause 8 of the DOCA in respect of the Insured Claim.

Dated: [insert date]

EXECUTED as a **DEED** poll in favour of [insert name of Deed Company].

SIGNED SEALED and **DELIVERED** for
and on behalf of

[**Creditor name**]

by its duly authorised representative in
the presence of:

..... Signature of witness	 Signature of authorised representative
..... Name of witness (please print)	 Name of authorised representative (please print)

SCHEDULE 4

SCHEDULE 4 CLAIMS

Creditor	Amount (AU\$)
Addison (Nq) Pty Ltd	2,335
ALS Metallurgy Pty Ltd	2,640
Ardent Group Pty Ltd	14,648
BDO Audit Pty. Ltd.	11,220
Coominglah Grazing Company	18,150
Gangalidda And Garawa Native Title Corporation Rntbc	13,212
Kalkaoon Nt Ac	460
Professional Edge	11,983
RA & KL Williams	1,650
Thynne & McCartney	5,691
Willis Australia Limited	0
Pivotel Satellite Pty Ltd	367

SCHEDULE 5**TENEMENTS**

Tenement ID/ Permit Number	Location	Entity	Interest
EPM 13412	Mount Isa South	Aeon Walford Creek Limited	80%
EPM 13413	Mount Isa South	Aeon Walford Creek Limited	80%
EPM 13682	Mount Isa South	Aeon Walford Creek Limited	80%
EPM 14220	Walford Creek	Aeon Walford Creek Limited	100%
EPM 14233	Mount Isa South	Aeon Walford Creek Limited	72%
EPM 14628	Northwest of Monto, Qld	Aeon Monto Exploration Pty Ltd	100%
EPM 14712	Constance Range	Aeon Walford Creek Limited	80%
EPM 14821	Mount Isa South	Aeon Walford Creek Limited	80%
EPM 14854	Walford Creek	Aeon Walford Creek Limited	100%
EPM 14935	Constance Range	Aeon Walford Creek Limited	80%
EPM 15156	Mount Isa South	Aeon Walford Creek Limited	80%
EPM 15911	Mount Isa South	Aeon Walford Creek Limited	100%
EPM 15921	Northwest of Monto, Qld	Aeon Monto Exploration Pty Ltd	100%
EPM 17001	Northwest of Monto, Qld	Aeon Monto Exploration Pty Ltd	100%

EPM 17002	Northwest of Monto, Qld	Aeon Monto Exploration Pty Ltd	100%
EPM 17060	West of Monto, Qld	Aeon Monto Exploration Pty Ltd	100%
EPM 18359	Georgetown	Aussie NQ Resources Pty Ltd	100%
EPM 18552	Walford Creek	Aeon Walford Creek Limited	100%
EPM 18769	Mount Isa West	Aeon Walford Creek Limited	100%
EPM 26316	Walford Creek	Aeon Walford Exploration Pty Ltd	100%
EPM 26906	Walford Creek	Aeon Walford Creek Limited	100%
EPM 27311	Walford Creek	Aeon Walford Creek Limited	100%
EPM 27312	Walford Creek	Aeon Walford Creek Limited	100%
EPM 27314	Walford Creek	Aeon Walford Creek Limited	100%
EPM 27315	Walford Creek	Aeon Walford Creek Limited	100%
EPM 27435	Mount Isa West	Aeon Isa Exploration Pty Ltd	100%
EPM 27436	Mount Isa West	Aeon Isa Exploration Pty Ltd	100%
EPM 27512	Walford Creek	Aeon Walford Creek Limited	100%

EPM 27535	Constance Range	Aeon Walford Exploration Pty Ltd	100%
EPM 27604	Northwest of Monto, Qld	Aeon Monto Exploration Pty Ltd	100%
EPM 27743	Mount Isa West	Aeon Isa Exploration Pty Ltd	100%
EPM 27744	Mount Isa West	Aeon Isa Exploration Pty Ltd	100%
EPM 27745	Mount Isa West	Aeon Isa Exploration Pty Ltd	100%
EPM 28402	Walford Creek	Aeon Walford Creek Limited	100%

SIGNING PAGES

Executed as a deed

Deed Administrators

Signed, sealed and delivered by **Vaughan Strawbridge** in his capacity as joint and several deed administrator (without personal liability):



Signature

VAUGHAN STRAWBRIDGE
Print name

In the presence of:



Signature of witness

GRACE PATTERSON
Name of witness (print)

Signed, sealed and delivered by **Kathryn Evans** in her capacity as joint and several deed administrator (without personal liability):

Kathryn Evans
Signature

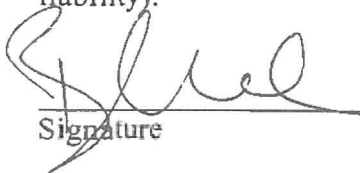
KATHRYN EVANS
Print name

In the presence of:

Grace Patterson
Signature of witness

GRACE PATTERSON
Name of witness (print)

Signed, sealed and delivered by **Benjamin Campbell** in his capacity as joint and several deed administrator (without personal liability):

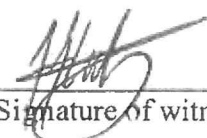


Signature

BENJAMIN CAMPBELL

Print name

In the presence of:



Signature of witness

TANYA KRATZ

Name of witness (print)

Deed Companies

Signed, sealed and delivered for and on behalf
of **AEON METALS LIMITED**
(ADMINISTRATORS APPOINTED) ACN
121 964 725:



Signature of administrator

VAUGHAN STRAWBRIDGE
Name of administrator (print)

In the presence of:



Signature of witness

GRALE PATTERSON
Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AUSSIE NQ RESOURCES PTY LTD**
(ADMINISTRATORS APPOINTED) ACN
140 072 680:



Signature of administrator

VAUGHAN STRAWBRIDGE

Name of administrator (print)

In the presence of:

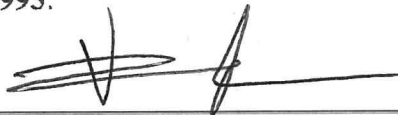


Signature of witness

GRACE PATTERSON

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON WALFORD CREEK LIMITED**
(ADMINISTRATORS APPOINTED) ACN
121 478 993:



Signature of administrator

VAUGHAN STRAWBRIDGE

Name of administrator (print)

In the presence of:



Signature of witness

GRACE PATTERSON

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON ISA EXPLORATION PTY LTD**
(ADMINISTRATORS APPOINTED) ACN
630 455 373:



Signature of administrator

VAUGHAN STRAWBRIDGE

Name of administrator (print)

In the presence of:



Signature of witness

GRACE PATTERSON

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON MONTO EXPLORATION PTY
LTD (ADMINISTRATORS APPOINTED)**
ACN 629 298 273:



Signature of administrator

VAUGHAN STRAWBRIDGE
Name of administrator (print)

In the presence of:



Signature of witness

GRACE PATTERSON
Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON WALFORD EXPLORATION
PTY LTD (ADMINISTRATORS
APPOINTED) ACN 634 353 610:**



Signature of administrator

VAUGHAN STRAWBRIDGE

Name of administrator (print)

In the presence of:



Signature of witness

GRAVE PATTERSON.

Name of witness (print)

Deed Proponent

**SIGNED, SEALED AND
DELIVERED** by **OL MASTER
LIMITED** by OCP Asia (Singapore)
Pte Limited as investment manager in
the presence of:

A handwritten signature in blue ink, appearing to be "Mandeep Tahir".

Signature of witness

A handwritten signature in blue ink, appearing to be "Mandeep Tahir".

Name of witness

A handwritten signature in blue ink, appearing to be "Colin Smith".

Signature of authorised signatory

Colin Smith
General Counsel
OCP Asia (Singapore) Pte Limited

Name of authorised signatory

Execution version

VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL
IN THEIR CAPACITY
AS JOINT AND SEVERAL DEED ADMINISTRATORS OF THE DEED COMPANIES

VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL
IN THEIR CAPACITY
AS TRUSTEES

EACH COMPANY LISTED IN SCHEDULE 1

OL MASTER LIMITED
AS DEED PROPONENT

AEON METALS CREDITORS' TRUST DEED

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THIS AEON METALS CREDITORS' TRUST DEED is dated 19 December 2024

BETWEEN THE PARTIES

- (1) **VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL**, each in their capacity as joint and several deed administrators of the Deed Companies, of c/- FTI Consulting Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 ("**Deed Administrators**")
- (2) **VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BEN CAMPBELL**, each in their capacity as joint and several trustees of the Trust, of c/- FTI Consulting , Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 ("**Trustees**")
- (3) **EACH COMPANY LISTED IN Schedule 1**, of c/- FTI Consulting , Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000 (each a "**Deed Company**" and together the "**Deed Companies**")
- (4) **OL MASTER LIMITED**, of c/- OCP Asia, Singapore Pte. Ltd, 350 Orchard Road, #21-08/09/10 Shaw House, Singapore 23886 ("**Deed Proponent**")

RECITALS

- (A) On the Appointment Date, Vaughan Strawbridge, Kathryn Evans and Ben Campbell were appointed as voluntary administrators of the Deed Companies pursuant to Part 5.3A of the Corporations Act.
- (B) At a meeting held on 29 November 2024 and convened pursuant to section 439A of the Corporations Act, the Creditors of the Deed Companies resolved that the Deed Companies execute a deed of company arrangement proposed by the Deed Proponent.
- (C) On or around the date of this Deed, the Deed Administrators and the Deed Companies also executed the DOCA pursuant to section 444B(2)(a) of the Corporations Act.
- (D) The Initial Trust Fund Amount will be paid by the Purchaser to settle the Trust in accordance with the DOCA.
- (E) The Net Cash Contribution Amount will be transferred to the Trust Fund in accordance with the DOCA.
- (F) The Deed Companies and the Trustees enter into this Deed as contemplated by the DOCA in order to facilitate a distribution by the Trustees to the Trust Creditors in their capacity as beneficiaries of the Trust Fund.

THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

"Administrators" means jointly and severally, Vaughan Strawbridge, Kathryn Evans and Ben Campbell in their capacity as voluntary administrators of the Deed Companies and any successor to that office appointed pursuant to the Corporations Act.

"Administration Debt" means any:

- (a) debt referred to in section 443A(1) of the Corporations Act which was incurred by the Administrators during the Administration Period in respect of a Deed Company;
- (b) liability to the Commissioner of Taxation referred to in section 443BA(1) of the Corporations Act; and
- (c) other debts or liabilities referred to in section 443D(aa) of the Corporations Act, in respect of which the Administrators are entitled to be indemnified under section 443D of the Corporations Act.

"Administration Period" means in respect of a Deed Company, the period of time commencing on the Appointment Date for that Deed Company and concluding on the Commencement Date.

"Admitted Claim" means the Claim of any Trust Creditor admitted by the Trustees after adjudication in accordance with Clause 7 of this Deed.

"Admitted Creditor" means a Trust Creditor who has an Admitted Claim.

"Appointment Date" means in respect of a Deed Company, the date on which the Administrators were appointed as joint and several administrators of the Deed Company, being the 'Appointment Date' in respect of a Deed Company as defined in the DOCA.

"Business Day" means a day other than a Saturday, Sunday or public holiday and on which banks are open for business generally in Sydney and Singapore.

"Cash Contribution Amount" has the meaning given to it in the DOCA.

"Claim" has the meaning given to it in the DOCA.

"Commencement Date" means the date on which the DOCA is executed by the Deed Administrators, the Deed Companies and the Deed Proponent.

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

"Court" means the Supreme Court of New South Wales or any court having jurisdiction to hear and determine matters under the Corporations Act and the Trustee Act.

"Creditor" means a person with a Claim against one or more of the Deed Companies.

"Deed" means this creditors' trust deed as amended from time to time.

"Deed Administrators' Costs" means includes costs, charges and expenses, including those incurred in connection with advisers, incurred in connection with the performance of the Deed Administrators' duties, obligations and responsibilities under the Corporations Act and any DOCA during the Administration Period and the Deed Period.

"Deed Period" has the meaning given to it in the DOCA.

"Deed Proponent" means OL Master Limited.

"Dividend" means any amount paid to a Trust Creditor in respect of that Trust Creditors' Admitted Claim.

"DOCA" means the deed of company arrangement executed by the Deed Companies, the Deed Administrators and the Deed Proponent on the Commencement Date.

"DOCA Completion" means 'Completion' as defined in the DOCA.

"Employee" means any person who was an employee of a Deed Company as at or prior to the Appointment Date in respect of that Deed Company and any person who made an advance of money to a Deed Company for which section 560 of the Corporations Act would apply if the Deed Company was taken to be in liquidation as at the Appointment Date in respect of that Deed Company.

"Excluded Superannuation Debt" has the meaning given to it in the DOCA.

"Final Dividend" means the last Dividend payment to be made by the Trustees to any Trust Creditor under this Deed.

"GST" has the meaning given to that term in the GST Act and any value added tax, goods and services tax or other similar tax.

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

"Implementation Date" has the meaning given to it in the DOCA.

"Initial Trust Fund Amount" means \$10.

"IPR" means the *Insolvency Practice Rules (Corporations) 2016* (Cth).

"IPS" means the *Insolvency Practice Schedule (Corporations)* contained in Schedule 2 of the Corporations Act.

"Net Cash Contribution Amount" has the meaning given to it in the DOCA.

"Non-Participating Claim" has the meaning given to it in the DOCA.

"Priority Claim" means in respect of a Deed Company, a Claim of an Employee that would have been entitled to priority over the Claims of other unsecured creditors under section 556(1) of the Corporations Act if the Deed Company had been wound up and the winding up was taken to have commenced on the Appointment Date in respect of that Deed Company.

"Purchaser" has the meaning given to it in the DOCA.

"Regulations" means the *Corporations Regulations 2001* (Cth).

"Termination Date" means the date on which the Trust terminates in accordance with Clause 15.

"Trust" means the trust established by this Deed.

"Trust Account" means the bank account established or to be established by the Trustees for the purposes of this Deed, as notified by the Trustees to the Deed Proponent in writing from time to time.

"Trust Creditor" means a Creditor who held a Claim except to the extent that the Claim is a Non-Participating Claim.

"Trust Creditor's Claim" means a Claim of a Trust Creditor.

"Trust Fund" means the trust fund established under this Deed as set out in Clause 5.1 of this Deed.

"Trustee Act" means the *Trustee Act 1925* (NSW).

"Trustees" means jointly and severally, Vaughan Strawbridge, Kathryn Evans and Ben Campbell, in their capacity as trustees of the Trust and any successor to that office appointed pursuant to the Trustee Act.

"Trustees' Costs" means the costs, charges and expenses, incurred by the Trustees in connection with the performance of their duties, obligations and responsibilities as trustees of the Trust, including those incurred in connection with advisers.

"Trustees' Remuneration" means the remuneration of the Trustees referred to in Clause 10.1.

1.2 Interpretation

In the Deed, unless the subject or context otherwise requires:

- (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) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document (including this Deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Deed;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) 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;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (p) a reference to a body, other than a party to this Deed (including 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.

1.3 Inconsistency with Act or Regulations

If there is any inconsistency between the provisions of this Deed and the Corporations Act, Regulations or the IPR, this Deed shall prevail to the extent permitted by law.

1.4 Other inconsistencies

If there is any inconsistency between the provisions of this Deed and the constitution of a Deed Company or any other obligation binding on a Deed Company, the provisions of this Deed shall prevail to the extent of the inconsistency, and all persons bound by this Deed agree to sign all documents and do all things necessary to remove such inconsistency, the costs of which shall be borne by the Deed Companies.

1.5 Business Days

Except where otherwise expressly provided, if the day on or by which any act, matter or thing is to be done as required by this Deed is a day other than a Business Day, such act, matter or thing shall be done on the immediately succeeding Business Day.

1.6 Deed components

This Deed includes any Schedule.

2. COMMENCEMENT OF THIS DEED

- (a) The Trust will come into effect and the Deed Administrators will act as Trustees pursuant to the terms of this Deed immediately upon DOCA Completion.
- (b) On the Implementation Date:
 - (i) the Creditors and the Deed Administrators appoint the Trustees as trustees of the Trust on the terms of this Deed; and
 - (ii) the Deed Proponent must procure that the Purchaser pay, or the Deed Proponent shall pay, the Initial Trust Fund Amount to the Trust Account in accordance with Clause 10.2 of the DOCA.
- (c) Subject to the terms of this Deed, the appointment of the Trustees is irrevocable.
- (d) The Trustees accept and agree to their appointment as trustees of the Trust.

3. PAYMENT OF NET CASH CONTRIBUTION AMOUNT

On the Implementation Date, subject to the terms of the DOCA and in accordance with Clause 10.2 of the DOCA, the Deed Administrators must pay, or procure the payment of, the Net Cash Contribution Amount to the Trust Account.

4. DECLARATION OF TRUST

4.1 Declaration

The Trustees acknowledge and declare that the Trust Fund will be held on trust by the Trustees for the Trust Creditors on the terms in this Deed.

4.2 Name of Trust

The trust constituted by this Deed will be called the Aeon Metals Creditors' Trust.

4.3 Trustees' duties

The Trustees must:

- (a) to the extent and in the manner the Trustees believe appropriate, collect, sell or otherwise realise the property held on trust;
- (b) at such time(s) as the Trustees consider appropriate, call for formal proofs of debt from some or all Creditors and adjudicate proofs of debt received;
- (c) pay Admitted Claims in accordance with this Deed;
- (d) otherwise distribute the Trust Fund in accordance with this Deed; and
- (e) to the extent that the Trustees consider it reasonably necessary, receive, consider and report back to Trust Creditors on all issues in relation to the matters covered by this Deed.

4.4 Trustees' powers

Without limiting the powers that the Trustees have by operation of the Trustees Act, for the purposes of administering the trust created by this Deed, the Trustees have the following powers:

- (a) to administer and distribute the Trust Fund in accordance with the provisions set out in the DOCA and this Deed;
- (b) to fulfil the Trustees' obligations in accordance with the terms of this Deed including to take such legal proceedings or other steps as the Trustees think fit to fulfil these obligations;
- (c) to sell, re-invest or otherwise deal with the assets of the Trust Fund;
- (d) to perfect title in any assets of the Trust Fund;
- (e) to insure any assets of the Trust Fund;
- (f) to, at any time, call meetings of the Trust Creditors for the purpose of considering the variation or termination of this Deed in accordance with the provisions of this Deed;

- (g) to admit Claims to proof in accordance with the provisions of the DOCA and this Deed;
- (h) to determine Admitted Claims and then to pay Dividends in accordance with the terms of this Deed;
- (i) to act as attorney for the Deed Companies or any other person for any purpose associated with the Trust or this Deed;
- (j) to enforce compliance with the terms of this Deed and the DOCA including to take such legal proceedings or other steps as the Trustees think fit to enforce these obligations;
- (k) to accept the transfer of any shares, stocks, debentures, debenture stock, annuities, bonds, obligations or other securities of whatever nature that may at any time be transferred to the Trust Fund;
- (l) to enter upon or take possession of the Trust Fund and to collect the revenue or income from or interest on the Trust Fund and exercise any rights or powers relating to any part of the Trust Fund;
- (m) to bring, prosecute and defend any claim, action, suit or proceeding, which includes the power to bring and defend any claim, counter-claim, set-off, action, suit or proceeding in any Deed Company's name or (after assignment) in the Trustees' name, to enforce any right, claim or cause of action that forms part of the Trust Fund, and to that end:
 - (i) to issue or accept service of any writ, summons or other legal process and to appear or be represented in any court and before all wardens, magistrates or judicial or other officers as the Trustees think fit and to commence or defend and conduct any action or other proceeding in any court of justice in relation to the Trust Fund and any claim, proceeding or action forming part of the Trust Fund and to prosecute, discontinue, compromise, stay, terminate or abandon that proceeding or action as the Trustees think fit;
 - (ii) to appoint any solicitor and counsel to prosecute or defend in those proceedings as the occasion may require; and
 - (iii) to take any other lawful ways and means for the recovering or getting in any of the Trust Fund;
- (n) to convene and hold meetings of the Trust Creditors for any purpose as the Trustees consider fit;
- (o) to permit any person authorised by the Trustees to operate any account in the name of the Trust;
- (p) to do all acts and execute in the name and on behalf of the Trust all deeds, receipts and other documents;

- (q) to draw, accept, make or endorse any bill of exchange or promissory note in the name and on behalf of the Trust;
- (r) subject to the Corporations Act, to prove in the winding up of or under any scheme of arrangement entered into by, or deed of company arrangement executed by, any contributory or debtor of the Trust;
- (s) to bring or defend an application for the vesting or winding up of the Trust;
- (t) to report to the Trust Creditors from time to time;
- (u) to make interim or other distributions of the Trust Fund;
- (v) to appoint agents to do any business or attend to any matter or affairs of the Trust that the Trustees are unable to do, or that it is unreasonable to expect the Trustees to do, in person;
- (w) to appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;
- (x) to compromise any claim, action, suit or proceeding brought by or against the Trustees on such terms as the Trustees consider fit, which includes the power to compromise any claim, action, suit or proceeding referred to in paragraph (m) of this clause;
- (y) to provision for and set aside a sum or sums equal to an amount which the Trustees reasonably anticipate may be payable in respect of any tax, including income tax, capital gains tax or GST;
- (z) to do anything incidental to exercising a power set out in this Deed;
- (aa) to do anything else that is necessary or convenient for administering the Trust; and
- (bb) to pay any amounts from the Trust Fund for which an indemnity exists under this Deed.

4.5 Exercise of discretion and powers

- (a) The Trustees may exercise any discretion under this Deed in the Trustees' absolute and unfettered discretion.
- (b) The Trustees shall not be required to give any reason for the exercise of, or failure to exercise, any of the Trustees' powers.

4.6 Objects of the Trust

The Trustees shall receive and hold the Trust Fund on trust for the benefit of the Trust Creditors and will distribute the Trust Fund in accordance with the terms of this Deed.

5. TRUST FUND

5.1 Trust Fund

The Trust Fund shall be comprised of the Initial Trust Fund Amount and the Net Cash Contribution Amount.

5.2 Distribution of the Trust Fund

- (a) Subject to Clause 5.2(b), the Trust Fund will be available for distribution to the Trust Creditors as follows:
 - (i) first, to the Administrators or Deed Administrators for any amount which they are entitled to be paid or indemnified for under the DOCA (even though they may have ceased to be Administrators or Deed Administrators);
 - (ii) next, to the Trustees in satisfaction of the Trustees' Remuneration and the Trustees' Costs (which may include an amount of the Trustees' Remuneration and the Trustees' Costs which are estimated to be incurred by the Trustees up to the Termination Date);
 - (iii) next, to each Creditor that is an Employee, the amount of any Priority Claim;
 - (iv) next, to each Trust Creditor an amount equal to its pro rata portion of the remaining Trust Fund in accordance with the dollar value of the Admitted Claims of these Trust Creditors to the extent not satisfied pursuant to paragraphs (i) to (iii).
- (b) Notwithstanding Clause 5.2(a), any Creditor who would have been entitled to priority over other unsecured creditors under section 562 of the Corporations Act in respect of any amount forming part of the Trust Fund will retain a priority in respect of the assets of the Trust Fund at least equal to that they would have been entitled to if the property of the relevant Deed Company had been applied in accordance with section 562 of the Corporations Act.
- (c) Notwithstanding any other provision of this Deed, for the purposes of section 444DA of the Corporations Act and Clause 5.2(a)(iii), any Priority Claims of an Employee will retain a priority in respect of the assets of the Trust Fund at least equal to that which they would have been entitled to if the property of the relevant Deed Company had been applied in accordance with sections 556, 560 and 561 of the Corporations Act.
- (d) No distributions will be made in respect of a Trust Creditor's Claim unless that Trust Creditor's Claim is an Admitted Claim.
- (e) The Trustees may distribute the Trust Fund at such times as the Trustees consider, in their absolute discretion, that is appropriate and feasible to do so, including making distributions (whether interim or final) under any provision of Clause 5.2 in advance of making any payments under any lower ranking subclause in this Clause 5.2 on the basis that they have retained sufficient funds

to ensure that any payments to be made under any provision of Clause 5.2 having higher priority may be made when the time comes to do so.

5.3 Postponement

Should proceedings be brought by any person in respect of the distribution of the Trust Fund, then the Trustees are entitled at their sole discretion to postpone the payment of any entitlement until determined by the Trustees.

5.4 Unclaimed moneys

In the event that the Trustees, for any reason, are unable to locate an Admitted Creditor, or if any cheque sent by the Trustees to an Admitted Creditor has not been presented within 6 months, then:

- (a) the Trustees shall stop payment of such cheque;
- (b) the moneys represented by such stopped cheque or held by the Trustees on behalf of the Admitted Creditor shall be paid to Revenue NSW.

5.5 Multiple claims arising out of the same circumstances

- (a) If a Trust Creditor is a Creditor of two or more Deed Companies in respect of Admitted Claims that arise from a common underlying obligation or in connection with the same underlying transaction (for example, where one Deed Company is a guarantor, indemnifier or co-obligor of an obligation or debt owing by another Deed Company), then the Trust Creditor is only entitled to receive a distribution for one of those Admitted Claims, and where they are for different amounts, for the largest Admitted Claim.
- (b) If multiple Trust Creditors are Creditors of a Deed Company in respect of Admitted Claims that arise from a common underlying obligation or in connection with the same underlying transaction (for example, where a Creditor that is an agent or trustee of another Creditor has a Claim against a Deed Company in respect of the same underlying debt), only one Trust Creditor will be entitled to receive a distribution for one of those Admitted Claims.

6. PERPETUITY PERIOD

Notwithstanding any other provision in this Deed, each:

- (a) interest in property; and
- (b) Trustee's power over or in connection with property,

created or granted by this Deed that, but for this provision, might vest, take effect, or be exercisable after the expiry of eighty (80) years commencing on the date of this Deed, but which has not vested or taken effect by that date,

- (c) will vest or take effect on the last day of that period; and
- (d) is exercisable only on or before the last day of that period.

7. CLAIMS

7.1 Admissibility of Claims

- (a) Upon this Deed being settled, and in accordance with Clause 6.5 of the DOCA, each Claim of a Trust Creditor against a Deed Company will convert to and become a claim against the Trust Fund under this Deed, equal in amount to the Trust Creditor's entitlement to a distribution in respect of the Trust Creditor's released Claim in accordance with Clause 5.2 of this Deed.
- (b) Interest will not accrue or be payable on any Admitted Claim.

7.2 Trustees' discretion

The Trustees may, in their absolute discretion:

- (a) call for proofs of debt or claim;
- (b) admit all or part of a Claim;
- (c) reject all or part of a Claim; or
- (d) pay any Admitted Claim,

in accordance with the provisions of this Deed.

7.3 Determination of Claims

- (a) Subdivisions A, B, C and E of Division 6 of Part 5.6 of the Corporations Act apply to Claims under this Deed as if references to the liquidator were references to the Trustees and references to winding up were references to this Deed, and with such other modifications as are necessary to give effect to this Deed, except to the extent that those provisions are varied or excluded expressly or impliedly by this Deed.
- (b) Regulations 5.6.11A, 5.6.37, 5.6.39 to 5.6.43 (inclusive), 5.6.44 to 5.6.53 (inclusive) and 5.6.55 to 5.6.72 (inclusive) of the Regulations shall apply to this Deed and to the Trustees as if references to the liquidator were references to the Trustees and references to winding up were references to this Deed, and with such other modifications as are necessary to give effect to this Deed, except to the extent that those provisions are varied or excluded expressly or impliedly by this Deed.
- (c) The Trustees may make interim distributions of trust property under this Deed.
- (d) The Trustees may make any distribution by cheque or by electronic funds transfer to a bank account nominated by the relevant Trust Creditor.
- (e) The Trustees must declare and distribute trust property under this Deed as soon as practicable after the Trust comes into effect under Clause 4.1. However, subject to Clauses 7.3(a) and 7.3(b), the Trustees have an absolute and

unfettered discretion as to the admission of Claims, and the amount and timing of the distribution of the trust property in payment of Admitted Claims.

- (f) Where the Trustees propose to reject a Claim (whether in part or in full) the Trustees shall send a notice to the Creditor informing the Creditor of the proposed rejection and giving the party 14 days within which to make an application to the Court to determine the questions relating to the Claim.
- (g) The Trustees are entitled to rely upon any steps and determinations made by the Administrators or the Deed Administrators for the purposes of this clause in respect of whether a claim asserted for the purposes of claiming under this Deed is an Admitted Claim, together with any information and proofs or particulars of debt provided to the Administrators or Deed Administrators.

7.4 Access to records

The Trustees may at any time inspect and take copies of the books and records of the Deed Companies at no cost and the Deed Companies authorise the Trustees and their staff to enter the Deed Companies' premises on any Business Day between the hours of 9.00am and 5.00pm with no less than 24 hours' notice, for the purpose of conducting such an inspection and for the purpose of doing anything necessary or desirable in the exercise of their powers and discretions and the performance of their duties, obligations and responsibilities as Trustees under this Deed, including to take photocopies or images of any books and records for that purpose.

7.5 Excluded Superannuation Debts not admissible

An Excluded Superannuation Debt is not admissible to proof against the Trust Fund.

7.6 Creditors' costs and expenses

Any costs and expenses incurred by a Trust Creditor in asserting a Claim (including any application under Clause 7.3(f)) under this Deed will be borne by that Trust Creditor and will not form part of that Trust Creditor's Claim under this Deed.

7.7 Abandonment of Claims

A Trust Creditor will have abandoned, and will be taken for all purposes to have abandoned, all Claims and all other entitlements (if any) in the Trust Fund:

- (a) which are not the subject of a proof lodged with the Deed Administrators or the Trustees in the form required by the Trustees prior to the declaration of a Final Dividend; or
- (b) which have been rejected by the Trustees and which are not the subject of any appeal or application to the Court within the time allowed under Clause 7.3(f).

7.8 Discharge of Claims

All persons having a Claim must accept their Admitted Claims under this Deed (if any) in full satisfaction and complete discharge of all claims which they have or claim to have against the Trustees or the Trust Fund.

7.9 Claims extinguished

On payment of the Final Dividend to the Trust Creditors from the Trust Fund:

- (a) all Claims against the Trust Fund are extinguished; and
- (b) the obligations of the Trustees to the Trust Creditors under the Trust will be fully and finally discharged.

7.10 Bar

After:

- (a) distribution of a Dividend to a Trust Creditor, the Trustees may plead this Deed in bar to any Claim by that Trust Creditor, to the extent of the Dividend; and
- (b) distribution of the Final Dividend from the Trust Fund to a Trust Creditor, the Trustees may plead this Deed in bar to the entirety of the Trust Creditor's Claim.

7.11 Non-Participating Claims

No Creditor is entitled to participate in or receive any distribution from the Trust Fund in respect of a Non-Participating Claim.

8. GST

8.1 Interpretation

The parties agree that:

- (a) except where the context suggests otherwise, words and expressions used in this Clause 8 which are defined in the GST Act have the same meaning in this clause;
- (b) any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this Clause 8;
- (c) unless otherwise expressly stated, all consideration to be provided under any other provision of this Deed is exclusive of GST. Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purpose of this Clause 8;
- (d) a reference to the GST payable by an entity or the input tax credit entitlements of an entity will include a reference to the GST payable or input tax credit entitlements of the representative member of any GST group to which that entity may belong;
- (e) a reference to something done (including a supply made) by a party includes a reference to something done by any entity or representative through which that party acts; and

- (f) if any value added tax, goods and services tax or other similar tax is payable pursuant to a law of another jurisdiction on any supply made under or in connection with this Deed, then the provisions of this Clause 8 apply as if references to a word or expression defined in the GST Act were to the corresponding concepts in the law of that other jurisdiction.

8.2 GST credits on Claims which have been or will be claimed by the Deed Companies

To the extent that input tax credits on Admitted Claims have been or will be claimed by a Deed Company, the parties agree and acknowledge that following the payment of distributions to those Creditors by the Trustees from the Trust Fund, the Deed Company by its directors will be responsible for making any adjustment required by the provisions of the GST Act insofar as those adjustments relate to those Admitted Claims (except where such adjustment has already been made by the Deed Company) and Practice Statement PS LA 2012/1 (GA) will be applied by the Deed Company to calculate the impact of those adjustments.

8.3 GST credits for Administration Debts and Deed Administrators' Costs

To the extent that:

- (a) an input tax credit is available in respect of an Administration Debt or a Deed Administrators' Cost; and
- (b) neither the Administrators nor the Deed Administrators are able to claim that input tax credit because it is attributable to a tax period that arises after the date on which the GST registration of the Administrators or the Deed Administrators as representative of a Deed Company ends,

then, the parties agree and acknowledge that the Deed Companies are responsible for claiming that input tax credit.

8.4 GST credits during operation of Trust

The parties agree and acknowledge that to the extent that an input tax credit is available in respect of a Trustee Cost which is incurred and paid for by the Trustees during the operation of the Trust, the Trustees (acting in their capacity as Trustees of the Trust) will be responsible for the claiming those input tax credits.

8.5 Reimbursements and similar payments

Any reimbursement or similar payment required to be made under this Deed that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates plus an amount calculated in accordance with Clause 8.6 where applicable.

8.6 GST payable

- (a) If GST is payable in relation to a supply made under or in connection with this Deed then any party (**Recipient**) that is required to provide consideration to

another party (**Supplier**) for that supply must pay an additional amount to the Supplier equal to the GST-exclusive consideration for that supply multiplied by the rate of GST prevailing at the time the supply is made.

- (b) The Recipient must make payment of the additional amount in respect of GST at the same time as the other consideration is to be first provided for that supply, or if any of the consideration has been already paid or provided, within 5 Business Days of receiving a written demand from the Supplier.

8.7 Tax invoice/Adjustment notes

The right of the Supplier to recover any amount in respect of GST under this Deed on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the Recipient.

8.8 Variation to GST payable

If the GST payable in relation to a supply made under or in connection with this Deed varies from the additional amount paid by the Recipient under Clause 8.6 then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under Clause 8.6.

9. MEETINGS OF TRUST CREDITORS

- (a) The Trustees may at any time convene a meeting of Trust Creditors and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Deed, Division 75 of Part 3 of the IPR applies, with such modifications as are necessary, to meetings of the Trust Creditors as if references to the 'external administrator' or chairperson, as the case may be, were references to one or more of the Trustees.
- (b) Trust Creditors who have been paid the full amount of their entitlement in respect of their Admitted Claim under this Deed will no longer be entitled to attend and participate in meetings of Trust Creditors.
- (c) Subject to Clause 9(d), the Trustees may, by deed or resolution and with the consent of the majority of the Trust Creditors given at a meeting convened pursuant to this Clause 9, vary the provisions of this Deed.
- (d) Despite any other provision of this Deed, the Trustees may not amend this Deed to lessen the Trustees' liabilities or obligations under this Deed or at law including, but not limited to, lessening their liabilities in respect of any fraud, wilful default, negligence or breach of trust by the Trustees.

10. REMUNERATION

10.1 Remuneration of Trustees

The Trustees:

- (a) are to be remunerated at the usual rates charged by FTI Consulting from time to time in respect of any work done by the Trustees, and any partner or employee of the Trustees, in connection with:
 - (i) the exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Administrators and/or Deed Administrators, even though that remuneration has not been approved by the Creditors pursuant to Division 60 Subdivision B of the IPS;
 - (ii) the calling for and adjudicating upon proofs of Claims;
 - (iii) the distribution of the Trust Fund; and
 - (iv) the exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Trustees under this Deed, and
- (b) acknowledge that the Trustees' Costs, including costs, charges and expenses (including those incurred in connection with advisers) incurred in connection with the foregoing, including any stamp duty payable by them in respect of this Deed, will be payable from the Trust Fund.

10.2 Acknowledgement

The parties acknowledge that the Trustees' Remuneration as referred to in Clause 10.1(a) includes remuneration and costs incurred by the Trustees in connection with or as a result of their duties, obligations and responsibilities as Administrators and/or Deed Administrators.

11. INDEMNITY

11.1 Trustees' Indemnity

The Trustees are entitled to be indemnified out of the Trust Fund for:

- (a) the Trustees' Remuneration;
- (b) the Trustees' Costs; and
- (c) all actions, suits, proceedings, accounts, claims and demands arising out of or relating to this Deed which may be commenced, incurred by or made on the Trustees by any person and against all costs, charges and expenses incurred by the Trustees in respect of them,

provided that the Trustees shall not be entitled to an indemnity in respect of any liabilities or demands to the extent that the indemnification contravenes the Corporations Act or the Trustee Act.

11.2 Continuing indemnity

The indemnity in Clause 11.1 takes effect on and from the date of this Deed and will be without limitation as to time and will operate notwithstanding the removal of the Trustees (or any of them) and the appointment of new trustees or the termination of this Trust for any reason whatsoever.

11.3 Indemnity not to be affected or prejudiced

The indemnity under Clause 11.1 will not:

- (a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Trustees and will extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Trustees, the approval and execution of this Deed or otherwise; and
- (b) affect or prejudice all or any rights that the Trustees may have against any other person to be indemnified against the costs, charges, expenses and liabilities incurred by the Trustees of or incidental to the exercise or performance of any of the powers or authorities conferred on the Trustees by this Deed or otherwise.

11.4 Trustees' Lien

To secure the rights of indemnity under clause 11.1, the Trustees have a lien over the Trust Fund. The lien over the Trust Fund will survive termination of this Deed.

12. LIABILITY

12.1 Exclusion of liability

- (a) The Trustees, and the Trustees' partners and employees, are not liable for any loss or damage occasioned to any trust property under this Deed (including the Trust Fund) or to any person by:
 - (i) the exercise of any right, discretion or power conferred by this Deed or by law on the Trustees or any delay or failure to exercise any of those discretions or powers;
 - (ii) any breach of duty or trust, unless it is proved to have been committed, made or omitted in personal, conscious and fraudulent bad faith by the Trustees, partner or employee; or
 - (iii) any disclosure by the Trustees or the officer of any document, matter or thing relating to the Trust, the trust property or any Trust Creditor.
- (b) All persons claiming any interest in the trust property must be treated as taking it with and subject to notice of the protection conferred by this Clause 12.

12.2 Proceedings against co-trustee

The Trustees are not bound to take any proceeding against a co-trustee for any breach or alleged breach of trust committed by the co-trustee.

12.3 Reliance on advice

Where the Trustees act in reliance upon the advice of any solicitor instructed on behalf of the Trust in relation to the interpretation of the provisions of this Deed or any document or statute or any matter concerning the administration of the Trust, the Trustees are not liable to any person in respect of any act done or omitted to be done by the Trustees in accordance with the advice.

13. TRUSTEES' RESIGNATION

Any Trustee may resign at any time by giving not less than 28 days' prior written notice to the Deed Companies unless that resignation would result in there being no remaining Trustees, in which event the Trustees must:

- (a) convene a meeting of Trust Creditors in accordance with Clause 9 of this Deed for the purpose of nominating a replacement trustee;
- (b) assign to a replacement trustee nominated by the Trust Creditors the Trustees' rights, title and benefit under this Deed; and
- (c) do all things reasonably necessary to effect the assignment referred to in Clause 13(b).

14. TRUSTEES NOT OBLIGED TO TAKE ACTION

The Trustees will not be obliged to take any action under this Deed until such time as there are sufficient funds in hand and immediately available to them to pay the Trustees' Remuneration and Trustees' Costs.

15. TERMINATION

15.1 Termination of the Trust

This Trust will terminate and the Trustees will resign as soon as reasonably practicable:

- (a) after distribution of the Final Dividend from the Trust Fund (and any Unclaimed Moneys have been paid in accordance with clause 5.4 above); or
- (b) upon the expiry of the perpetuity period referred to in Clause 6, whichever occurs first.

15.2 Meeting of Trust Creditors

The Trustees must convene a meeting of Trust Creditors to consider a resolution to vary this Deed or terminate the Trust if:

- (a) at any time prior to the termination of the Trust, the Trustees determine that it is no longer practicable or desirable to continue to implement or carry out this Deed; or
- (b) the Court so orders.

15.3 Termination of the Trust by Court order and Trust Creditors' resolution

This Trust will terminate if:

- (a) a Court so orders; or
- (b) the Trust Creditors pass a resolution terminating this Trust at a meeting duly convened pursuant to Clause 15.2.

In that event, either of the following may occur:

- (c) if all Trust Creditors have received their distribution in accordance with Clause 5.2, any remaining part of the Trust Fund must be immediately paid to or at the direction of the Deed Proponent and shall not be available for distribution to Trust Creditors; or
- (d) if any Trust Creditors have not received their distribution in accordance with Clause 5.2, then any remaining part of the Cash Contribution Amount will be refunded to or at the direction of the Deed Proponent and any other remaining funds in the Trust Fund will be returned to the Deed Companies and shall not be available for distribution to Trust Creditors.

15.4 Report to Trust Creditors

Upon a meeting being convened pursuant to Clause 15.2, the Trustees must send each Trust Creditor prior to the meeting a report as to the state of affairs of the Trust accompanied by such financial statements as the Trustees think fit. The report must include:

- (a) a statement explaining the circumstances which have caused the Trustees to convene the meeting pursuant to Clause 15.2; and
- (b) a statement that the Trust will be terminated if the Trust Creditors so resolve.

15.5 Previous operation of this Deed preserved

The termination or avoidance, in whole or in part, of this Trust does not affect the efficacy of any act done prior to the termination or avoidance.

15.6 Variation of Deed

This Deed may be varied:

- (a) with the consent of the Trustees by resolution passed at a meeting of Trust Creditors by a majority of Trust Creditors in number and in value, but only if the variation is not materially different from the proposed variation set out in the notice of that meeting and **provided that** the variation does not materially prejudice the interests of any class of Trust Creditors without the approval of a majority of that class of Trust Creditors in number and value; or
- (b) by the Court upon application of any of the Trust Creditors or the Trustees pursuant to the Trustee Act.

16. GENERAL

16.1 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 16.1(a) does not apply where enforcement of the provision of this Deed in accordance with Clause 16.1(a) would materially affect the nature or effect of the parties' obligations under this Deed.

16.2 Waivers

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 16.2 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.

16.3 Counterparts

- (a) This Deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this Deed by signing any counterpart.
- (d) Counterparts may be exchanged by email or other electronic means.

16.4 Governing law and jurisdiction

This Deed is governed by the law in force in the State of New South Wales and the parties submit to the non-exclusive jurisdiction of the Court of New South Wales and any Court which may hear appeals from those Courts.

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

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.

16.6 Assignment

Unless expressed otherwise, rights arising out of or under this Deed are not assignable by a party without the prior written consent of the other parties.

16.7 Entire agreement

This Deed states all the express terms agreed by the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter.

16.8 No reliance

No party has relied on any statement by any other party not expressly included in this Deed.

16.9 Relationship of the parties

Nothing in this Deed gives a party authority to bind any other party in any way.

16.10 Exercise of rights

- (a) Unless expressly required by the terms of this Deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this Deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this Deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.

16.11 Stamp duty

Any stamp duty assessed on this Deed is to be paid out of the Trust Fund.

16.12 Creditor's Power of Attorney

Each Trust Creditor irrevocably appoints each of the Trustees jointly and severally as its attorney to execute any document to give effect to the releases in Clause 7.

16.13 **Joint Parties**

If two or more parties are included within the same defined term in this Deed:

- (a) liability of those parties under this Deed is a joint liability of all of them and a several liability of each of them.
- (b) a right given to those parties under this deed is a right given severally to each of them; and
- (c) a representation, warranty or undertaking made by those parties is made by each of them.

16.14 **Costs**

Each party must pay its own costs of negotiating, preparing and executing this Deed. However, nothing in this Clause prevents the Administrators, Deed Administrators or Trustees from recovering those costs in accordance with the terms of this Deed.

16.15 **Survival**

Despite any other provision of this Deed, Clauses 1, 8, 10, 11, 12, 15 and 16 survive the termination of this Deed.

17. **NOTICES**

17.1 **Notice to be in writing**

Any notice or document required to be given to or served upon any of the parties pursuant to or in connection with the Deed must be in writing.

17.2 **Signing of Notice**

Any notice or document may be given or signed on behalf of the party giving or serving the same by a director, secretary or other duly authorised person thereof.

17.3 **How notice must be given and when notice is received**

- (a) Any notice or document must be given by one of the methods set out in the table below.
- (b) A notice or document is regarded as given and received at the time set out in the table below.

However, if this means the notice or document would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day ("**business hours period**"), then the notice or document will instead be regarded as given and received at the start of the following business hours period.

<u>Method of giving Notice</u>	<u>When Notice is regarded as given and received</u>
By hand to the nominated address (set out in Clause 17.5 below)	When delivered to the nominated address
By pre-paid post to the nominated address (set out in Clause 17.5 below)	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address (set out in Clause 17.5 below)	When the email (including any attachment) has been sent to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee)

17.4 Notice must not be given by electronic communication

A notice or document must not be given by electronic means of communication (other than email as permitted in Clause 17.3).

17.5 Contact details

The contact details for each Party for all communications in connection with this document are as follows:

(a) For the Deed Administrators:

- (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
- (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell
- (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com

(b) For the Trustees:

- (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
- (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell
- (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com

(c) For the Deed Companies:

- (i) Address: Gateway, Level 22, 1 Macquarie Place, Sydney NSW 2000
- (ii) Attention: Vaughan Strawbridge, Kathryn Evans and Ben Campbell

- (iii) Email: vaughan.strawbridge@fticonsulting.com,
kathryn.evans@fticonsulting.com, and
ben.campbell@fticonsulting.com
- (d) For the Deed Proponent:
- (i) Address: 350 Orchard Road, #21-08/09/10 Shaw House, Singapore
23886
- (ii) Attention: Ben Harris and Il-Yong Jung
- (iii) Email: Ben.Harris@ocpasia.com and Il-Yong.Jung@ocpasia.com

SCHEDULE 1
DEED COMPANIES

- Aeon Metals Limited (Administrators Appointed) ACN 121 964 725 (ABN 91 121 964 725);
- Aussie NQ Resources Pty Ltd (Administrators Appointed) ACN 140 072 680 (ABN 14 140 072 680);
- Aeon Walford Creek Limited (Administrators Appointed) ACN 121 478 993 (ABN 51 121 478 993);
- Aeon Isa Exploration Pty Ltd (Administrators Appointed) ACN 630 455 373 (ABN 45 630 455 373);
- Aeon Monto Exploration Pty Ltd (Administrators Appointed) ACN 629 298 273 (ABN 26 629 298 273);
- Aeon Walford Exploration Pty Ltd (Administrators Appointed) ACN 634 353 610 (ABN 77 634 353 610).

SIGNING PAGES

Executed as a deed.

Trustees

Signed, sealed and delivered by **Vaughan Strawbridge** in his capacity as joint and several Trustee (without personal liability):



Signature

VAUGHAN STRAWBRIDGE

Name (print)

In the presence of:



Signature of witness

GRACE PATTENISON

Name of witness (print)

Signed, sealed and delivered by **Kathryn Evans** in her capacity as joint and several Trustee (without personal liability):

Kathryn Evans
Signature

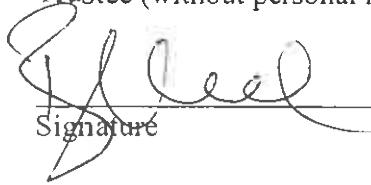
KATHRYN EVANS
Name (print)

In the presence of:

Grave Patterson
Signature of witness

GRAVE PATTERSON
Name of witness (print)

Signed, sealed and delivered by **Benjamin Campbell** in his capacity as joint and several Trustee (without personal liability):

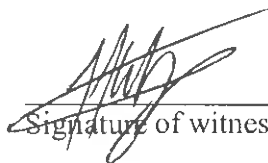


Signature

BENJAMIN CAMPBELL

Name (print)

In the presence of:



Signature of witness

TANYA KRATZ

Name of witness (print)

Deed Administrators

Signed, sealed and delivered by **Vaughan Strawbridge** in his capacity as joint and several Deed Administrator of the Deed Companies (without personal liability):



Signature

VAUGHAN STRAWBRIDGE

Name (print)

In the presence of:

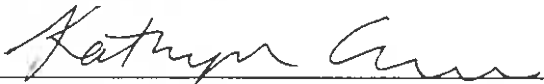


Signature of witness

GRACE PATTERSON

Name of witness (print)

Signed, sealed and delivered by **Kathryn Evans** in her capacity as joint and several Deed Administrator of the Deed Companies (without personal liability):


Signature

KATHRYN EVANS.
Name (print)

In the presence of:


Signature of witness

CAROL PATTERSON
Name of witness (print)

Signed, sealed and delivered by **Benjamin Campbell** in his capacity as joint and several Deed Administrator of the Deed Companies (without personal liability):



Signature

BENJAMIN CAMPBELL
Name (print)

In the presence of:



Signature of witness

TANYA KRATZ
Name of witness (print)

Deed Companies

Signed, sealed and delivered for and on behalf
of **AEON METALS LIMITED**
(ADMINISTRATORS APPOINTED) ACN
121 964 725:



Signature of Deed Administrator

VAUGHAN STRAWBRIDGE
Name of Deed Administrator (print)

In the presence of:



Signature of witness

GRACE PATTERSON
Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AUSSIE NQ RESOURCES PTY LTD**
(ADMINISTRATORS APPOINTED) ACN
140 072 680:



Signature of Deed Administrator

VAUGHAN STRAWBRIDGE

Name of Deed Administrator (print)

In the presence of:



Signature of witness

GRALE PATTERSON

Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON WALFORD CREEK LIMITED**
(ADMINISTRATORS APPOINTED) ACN
121 478 993:



Signature of Deed Administrator

Vivian STRAWBRIDGE
Name of Deed Administrator (print)

In the presence of:



Signature of witness

GRACE PATTISON
Name of witness (print)

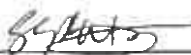
Signed, sealed and delivered for and on behalf
of **AEON ISA EXPLORATION PTY LTD**
(ADMINISTRATORS APPOINTED) ACN
630 455 373:



Signature of Deed Administrator

VAUGHAN STRAWBRIDGE
Name of Deed Administrator (print)

In the presence of:



Signature of witness

GRACE HATTEN
Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON MONTA EXPLORATION PTY
LTD (ADMINISTRATORS APPOINTED)**
ACN 629 298 273:



Signature of Deed Administrator

VAUGHAN STRAWBRIDGE
Name of Deed Administrator (print)

In the presence of:



Signature of witness

CHARLES PATTERSON
Name of witness (print)

Signed, sealed and delivered for and on behalf
of **AEON WALFORD EXPLORATION
PTY LTD (ADMINISTRATORS
APPOINTED) ACN 634 353 610:**



Signature of Deed Administrator

VAUGHAN STRAWBRIDGE

Name of Deed Administrator (print)

In the presence of:



Signature of witness

GRACE PATTERSON

Name of witness (print)

Deed Proponent

**SIGNED, SEALED AND
DELIVERED** by **OL MASTER
LIMITED** by OCP Asia (Singapore)
Pte Limited as investment manager in
the presence of:

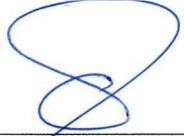


Signature of witness



Name of witness





Signature of authorised signatory
Colin Smith
General Counsel
OCP Asia (Singapore) Pte Limited

Name of authorised signatory



Form 3

R.H Kenna (L.S.)
Principal Registrar &
Chief Executive Officer

(rules 2.2, 15A.4, 15A.8 and 15A.9)

IN THE SUPREME COURT OF NEW SOUTH WALES

No. 2024/00300446

DIVISION: Equity

REGISTRY: Sydney

**IN THE MATTER OF AEON METALS LIMITED (SUBJECT TO DEED OF COMPANY
ARRANGEMENT) ACN 121 964 725 AND OTHERS**

**VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BENJAMIN CAMPBELL IN THEIR
CAPACITY AS JOINT AND SEVERAL DEED ADMINISTRATORS OF AEON METALS LIMITED
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 121 964 725 AND THE THIRD TO
SEVENTH PLAINTIFFS NAMED IN SCHEDULE 1**

First Plaintiffs

AND OTHERS NAMED IN SCHEDULE 1

Second to Seventh Plaintiffs

INTERLOCUTORY PROCESS

A. DETAILS OF APPLICATION

This application is made under sections 444GA(1)(b) and 447A of the *Corporations Act 2001* (Cth) (**Corporations Act**) and section 90-15 of the *Insolvency Practice Schedule (Corporations)* set out in Schedule 2 to the Corporations Act (**IPS**) for orders, amongst others, that the First Plaintiffs, Vaughan Strawbridge, Kathryn Evans and Benjamin Campbell, in their capacities as joint and several deed administrators of Aeon Metals Limited (Subject To Deed Of Company Arrangement) ACN 121 964 725 and the Third To Seventh Plaintiffs Named In Schedule 1, be granted leave to transfer all of the existing shares in the capital of the Second Plaintiff, Aeon Metals Limited (Subject to Deed of Company Arrangement) ACN 121 964 725 to OL Master Limited or its nominee.

On the facts stated in the supporting affidavit of Vaughan Strawbridge affirmed on 11 February 2025, the First Plaintiffs seek the following orders:

Filed on behalf of (name & role of party)

Prepared by (name of person/lawyer)

Law firm (if applicable)

Tel +61 2 9258 6574

Email camilla.clemente@ashurst.com

Address for service
(include state and postcode)

Vaughan Strawbridge, Kathryn Evans and Benjamin Campbell as joint
and several administrators of Aeon Metals Limited (Administrators
Appointed) ACN 121 964 725 and others, Plaintiffs

Camilla Clemente

Ashurst Australia

Fax +61 2 9258 6999

Ashurst Australia, Level 11, 5 Martin Place, Sydney NSW 2000

Orders

1. An order that the Interlocutory Process be made returnable instanter.

Section 444GA Orders

2. An order pursuant to section 444GA(1)(b) of the Corporations Act that the First Plaintiffs, Vaughan Strawbridge, Kathryn Evans and Benjamin Campbell, in their capacities as joint and several deed administrators of Aeon Metals Limited (Subject To Deed Of Company Arrangement) ACN 121 964 725 and the Third To Seventh Plaintiffs Named In Schedule 1 (**Companies**), jointly and severally be granted leave to transfer all of the existing shares in the capital of the Second Plaintiff, Aeon Metals Limited (Subject to Deed of Company Arrangement) ACN 121 964 725 (**Shares**) from the members (as defined in the Corporations Act) (**Members**) to OL Master Limited or its nominee (**Purchaser**) in accordance with clause 10.2 of the deed of company arrangement dated 19 December 2024 entered into by the First Plaintiffs, OL Master Limited and the Companies.
3. An order pursuant to section 447A(1) of the Corporations Act and clause 90-15(1) of the IPS, any of the First Plaintiffs may jointly or severally:
 - (a) execute on behalf of Members, share transfer forms and any other documents ancillary or incidental to effect the transfer referred to in order 2; and
 - (b) enter or procure the entry of the name of the Purchaser in the share register for the Second Plaintiff in respect of all Shares transferred to the Purchaser pursuant to order 2.

Services and Notices

4. An order that the First Plaintiffs, within five business days of the making of these orders, are to take all reasonable steps to give notice of the orders to the members and creditors of the Second Plaintiffs (including persons claiming to be creditors), by means of a circular:
 - (a) to be sent by email to the members and creditors for whom the First Plaintiffs have a current email address;
 - (b) to be sent by ordinary post to members and creditors for whom the First Plaintiffs lack a current email address but have a postal address;
 - (c) to be published on the website maintained by the Deed Administrators at <https://www.fticonsulting.com/creditors/aeon-metals-group>; and
 - (d) by making an announcement to the Australian Stock Exchange.

5. Grant liberty to any interested party to apply in relation to orders 2 and 3, such liberty to be exercised within 7 days from the date of these orders.

Others

6. An order that the First Plaintiffs' costs of and incidental to this application be costs and expenses in the deed administration of each of the Second to Seventh Plaintiffs and be paid out of the assets of each of the Second to Seventh Plaintiffs.
7. A direction that orders 1 to 5 of this Interlocutory Process be entered forthwith.
8. Such further or other order as the Court considers appropriate.

Date: 11 February 2025



*Signature of
Plaintiffs' legal practitioner*

This application will be heard by _____ at the Supreme Court of New South Wales, Law Courts Building, Queens Square, 184 Philip Street, Sydney NSW 2000 at _____ on

24 Feb 2025 10:00 AM - Motion (Corporation List)

B. NOTICE TO DEFENDANTS(S) (IF ANY)

Not Applicable.

C. FILING

This interlocutory process is filed by Ashurst Australia for the Plaintiffs.

E. SERVICE

The Plaintiffs' address for service is:

c/- Ashurst Australia
Lawyers
5 Martin Place
Sydney NSW 2000
Ref: 1000 207 364

It is intended that a copy of this interlocutory process will be provided to each of the persons listed below:

Australian Securities and Investments Commission

SCHEDULE 1

IN THE SUPREME COURT OF NEW SOUTH WALES

No. 2024/00300446

DIVISION: Equity

REGISTRY: Sydney

IN THE MATTER OF AEON METALS LIMITED (Subject to Deed of Company Arrangement) ACN 121 964 725 AND OTHERS**Plaintiffs**

First Plaintiffs:	Vaughan Strawbridge, Kathryn Evans And Benjamin Campbell in their capacity as joint and several deed administrators of each of the Second to Seventh Plaintiffs
Second Plaintiff:	Aeon Metals Limited (Subject to Deed of Company Arrangement) ACN 121 964 725
Third Plaintiff:	Aussie NQ Resources Pty Ltd (Subject to Deed of Company Arrangement) ACN 140 072 680
Fourth Plaintiff:	Aeon Walford Creek Limited (Subject to Deed of Company Arrangement) ACN 121 478 993
Fifth Plaintiff:	Aeon Isa Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 630 455 373
Sixth Plaintiff:	Aeon Monto Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 629 298 273
Seventh Plaintiff:	Aeon Walford Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 634 353 610

R.H Kenna (L.S.)
Principal Registrar &
Chief Executive Officer



No. 2024/00300446

IN THE SUPREME COURT OF NEW SOUTH WALES

DIVISION: Equity

LIST: Corporations

REGISTRY: Sydney

**IN THE MATTER OF AEON METALS LIMITED (SUBJECT TO DEED OF COMPANY
ARRANGEMENT) ACN 121 964 725**

**VAUGHAN STRAWBRIDGE, KATHRYN EVANS AND BENJAMIN CAMPBELL IN THEIR
CAPACITY AS JOINT AND SEVERAL DEED ADMINISTRATORS OF AEON METALS
LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 121 964 725 AND
THE THIRD TO SEVENTH PLAINTIFFS IN SCHEDULE 1**

First Plaintiffs

AND OTHERS LISTED IN SCHEDULE 1

Plaintiffs

Document number	Details	Paragraph	Page
1	Affidavit of Vaughan Strawbridge in support of the Administrators' Interlocutory Process dated 11 February 2025 affirmed on 11 February 2025 Exhibit VS-1	1-86	1-23
2	A copy of the curriculum vitae of Vaughan Strawbridge	12	2
3	Aeon Metals Board Resolutions	13	9
4	Current and historical organisation extract of the records maintained by ASIC for Aeon Metals Limited	15(a)	23
5	Aeon Metals' annual report for the financial year ended 30 June 2023	15(b)	125

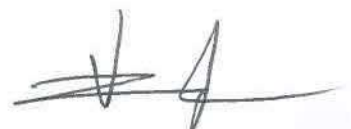
Filed on behalf of (name & role of party) The Plaintiffs
Prepared by (name of person/lawyer) Camilla Clemente
Law firm (if applicable) Ashurst Australia
Tel +61 2 9258 6574 Fax +61 2 9258 6999
Email camilla.clemente@ashurst.com
Address for service Ashurst Australia, 5 Martin Place, Sydney NSW 2000
(include state and postcode) Attention: Camilla Clemente and Melissa Fung | Ref: 1000-207-364

Document number	Details	Paragraph	Page
6	Aeon Metals' interim financial report for the half year ended 31 December 2023	15(c)	198
7	ASX's website with respect to Aeon Metals	17(a)	221
8	Structure chart showing the corporate structure of the Companies	23	228
9	Current and historical organisation extract of the records maintained by ASIC for SLW Queensland	24	229
10	Second Creditors' Report	38	249
11	Minutes of the Second Meetings	48	418
12	Deed of Company Arrangement	49	433
13	Trust Deed	50	527
14	Independent Expert Report	78	568
15	ASIC Relief Application and lodgement receipt	80	892
16	Correspondence between Ashurst and ASIC regarding the ASIC Relief Application	81	942
	Confidential Exhibit VS-2		
17	First Share Register	17(b)	2
18	Second Share Register	17(c)	35

On 11 February 2025, I Vaughan Strawbridge of Level 22, 1 Macquarie Place, Sydney, NSW, 2000, Australia, registered liquidator, affirm as follows:

A Introduction

1. I am a chartered accountant, registered liquidator and a Senior Managing Director of the firm FTI Consulting. Together with Kathryn Evans and Benjamin Campbell (both registered liquidators and also Senior Managing Directors of FTI Consulting) (**Deed Administrators**), on 19 December 2024, I was appointed joint and several deed administrator of:

- (a) Aeon Metals Limited (Subject to Deed of Company Arrangement) ACN 121 964 725 (**Aeon Metals**);
 - (b) Aussie NQ Resources Pty Ltd (Subject to Deed of Company Arrangement) ACN 140 072 680 (**Aussie NQ**);
 - (c) Aeon Walford Creek Limited (Subject to Deed of Company Arrangement) ACN 121 478 993 (**Aeon WC**);
 - (d) Aeon Isa Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 630 455 373 (**Aeon IE**);
 - (e) Aeon Monto Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 629 298 273 (**Aeon ME**); and
 - (f) Aeon Walford Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 634 353 610 (**Aeon WE**),
- (together, the **Companies**).
2. I am authorised to affirm this affidavit on behalf of the Deed Administrators.
 3. I make this affidavit from my own knowledge, except where otherwise indicated, and from my review of the books and records currently held by the Deed Administrators in respect of the Companies (**Books and Records**). Where I make this affidavit from facts outside of my personal knowledge, I am informed by the source stated and believe those facts to be true.
 4. I also make this affidavit after having conversations with my staff at FTI Consulting who, under my direction and supervision, carried out investigations and reviewed the Books and Records in connection with making this application and the administration of the Companies more generally.
 5. Where I refer in this affidavit to an opinion being held by the Administrators, I do so after having discussed the matter with Ms Evans and Mr Campbell.
 6. Exhibited to me at the time of affirming this affidavit is:
 - (a) a bundle of non-confidential documents marked "**Exhibit VS-1**". When I refer to non-confidential documents in this affidavit, I do so by reference to the page number in Exhibit VS-1.
 - (b) a bundle of confidential documents marked "**Confidential Exhibit VS-2**". When I refer to confidential documents in this affidavit, I do so by reference to the page number in Confidential Exhibit VS-2.

B Purpose of this affidavit




7. I make this affidavit in support of the Deed Administrators' Interlocutory Process dated 11 February 2025 (**Application**) which seeks, in general terms, an order pursuant to section 444GA(1)(b) of the *Corporations Act 2001* (Cth) (the **Act**) that leave be granted for the Deed Administrators to transfer all of the existing shares in the capital of the Second Plaintiff, Aeon Metals (**Shares**), to OL Master Limited (**Deed Proponent**), or its nominee (**Purchaser**).
8. This application is made having regard to the proposed transfer of the Shares to the Purchaser as contemplated by clause 10.2 of the deed of company arrangement dated 19 December 2024, which was entered into by the Deed Administrators, the Deed Proponent and the Companies (**DOCA**). Obtaining orders from the Court under section 444GA(1)(b) of the Act for leave to transfer the Shares the Purchaser is a condition precedent to completion of the DOCA.

C Qualifications and experience

9. I am a Senior Managing Director of the firm FTI Consulting, a global business consulting and management advisory firm, with specialist skills in restructuring, turnaround and insolvency with Australian offices in Sydney (from which I ordinarily work), Perth, Melbourne and Brisbane.
10. I have been a registered liquidator since 25 June 2008. I am a professional member of the Australian Restructuring Insolvency and Turnaround Association, Turnaround and Management Association Australia and Chartered Accountants Australia and New Zealand.
11. I have more than 28 years' experience in all types of formal external administration appointments (voluntary administrations, deeds of company arrangements, liquidations and receiverships) and restructuring advice. I specialise in complex and significant restructuring matters across a range of industries with particular focus on assisting mid-size and large Australian companies to restructure their businesses through formal insolvency processes. My recent experience includes the successful restructures of Virgin Australia, Basslink, Sara Lee Australia and Bothar Group.
12. At page 2 to 8 of **Exhibit VS-1** is a copy of my curriculum vitae.

D Appointment of the Deed Administrators as Administrators

13. On 26 July 2024, Ms Evans, Mr Benjamin Campbell and I were appointed as the joint and several voluntary administrators of each of the Companies (**Administrators**)




pursuant to resolutions of the boards of each of the Companies (the **Board Resolutions**). A copy of the Board Resolutions is at pages 9 to 22 of **Exhibit VS-1**.

14. The convening periods for the Companies were originally due to expire on 23 August 2024, resulting in the second meetings of creditors having to be held by 30 August 2024. On 16 August 2024, the Administrators obtained orders from the Supreme Court of New South Wales (amongst other things):
- (a) extending the convening period for the second meeting of creditors for the Companies (**Second Meetings**) from 23 August 2024 to 22 November 2024;
 - (b) directing that the Administrators (in their capacity as voluntary administrators of the Companies) were justified in entering into a funding agreement with the Deed Proponent (**Funding Agreement**); and
 - (c) relieving the Administrators from personal liability from repaying any debt or liability in respect of the Funding Agreement if the Administrators' statutory indemnity out of the property of the Companies was insufficient to satisfy those debts or liability.

On 16 August 2024, the Court made the orders sought by the Administrators.

E The business and structure of the Companies

E.1 Shareholding of Aeon Metals

15. Aeon Metals is an ASX listed entity (ASX: AML). At:
- (a) pages 23 to 124 of **Exhibit KE-3** is a copy of a current and historical organisation extract of the records maintained by ASIC for Aeon Metals;
 - (b) pages 125 to 197 of **Exhibit VS-1** is a copy of Aeon Metals' annual report for the financial year ended 30 June 2023 (**2023 Annual Report**); and
 - (c) pages 198 to 220 of **Exhibit VS-1** is a copy of Aeon Metals' interim financial report for the half year ended 31 December 2023 (**2024 HY Report**).

Ordinary Shares

16. The ASIC extract records, amongst other things, that Aeon Metals has 1,110,500,622 ordinary shares on issue. This figure is broadly consistent with the number of ordinary shares referred to in the 2024 HY Report (which refers to there being 1,110,501,000 ordinary shares on issue as of 31 December 2023) (refer to page 215 of **Exhibit VS-1**).
17. The ASX website records that Aeon Metals has 1,096,400,622 "ordinary fully paid" shares on issue. At:

- (a) pages **221 to 227** of **Exhibit VS-1** is a copy of the ASX's website with respect to Aeon Metals;
 - (b) pages **2 to 34** of **Confidential Exhibit VS-2** is a copy of the share register for fully paid ordinary shares as at 12 December 2024 (**First Share Register**); and
 - (c) page **35** of **Confidential Exhibit VS-2** is a copy of the share register for shares held by the directors and/or employees of Aeon Metals, as at 9 December 2024 (**Second Share Register**).
18. I understand that the 1,096,400,622 ordinary fully paid shares referred to in paragraph 17 are comprised of:
- (a) 1,072,400,622 ordinary fully paid shares in Aeon Metals as referred to in the First Share Register; and
 - (b) the following classes of shares referred to in the Second Share Register, being:
 - (i) 10,000,000 "director shares" (refer to page **215** of **Exhibit VS-1**);
 - (ii) 8,500,000 "recourse loan" shares. With respect to these shares, the 2023 Annual Report provides that on 17 September 2021, shareholders approved the issue of these shares to Fred Hess or his nominee, to be funded by limited recourse loans (refer to page **151** of **Exhibit VS-1**);
 - (iii) there are 5,500,000 "employee incentive share plan" shares on issue.
19. I observe that there is a discrepancy between the number of ordinary shares recorded on the ASIC extract (referred to in paragraph 16 above) and the number of shares recorded on the ASX website (referred to in paragraphs 17 and 18 above) and share registry. I have not identified the reason for the discrepancy.
20. The Second Share Register also provides that there are 3,150,000 "performance rights" on issue. With respect to these performance rights, the 2023 Annual Report provides that these performance rights were issued in August 2022 to employees of Aeon Metals with one third of the rights vesting on 1 July of each of the years 2023, 2024 and 2025 and that these performance rights may be exercised upon meeting the vesting conditions for nil consideration (refer to page **177** of **Exhibit VS-1**). For the purposes of the ASX Listing Rules, I understand that performance rights are not issued ordinary shares and as a result, have not factored in the 3,150,000 performance rights on issue in calculating the total number of shares held in Aeon Metals. Further, I have not identified any information in the Books and Records which would confirm these performance rights have been converted to ordinary shares as at 24 July 2024.




21. The 2023 Annual Report records, amongst other things the top 20 shareholders of ordinary shares in Aeon Metals as at 19 September 2023. At pages:
- (a) **193 of Exhibit VS-1**, the 2023 Annual Report records that "OCP Group" has a relevant interest, as disclosed in substantial shareholders' notices given to Aeon Metals, in 516,092,780 shares in Aeon Metals;
 - (b) **194 of Exhibit VS-1**, Citicorp Nominees Pty Limited is listed as holding 516,092,780 ordinary shares in Aeon Metals, being 47.072% of the capital held in the company.
22. I understand that Citicorp Nominees Pty Limited holds 506,950,823 ordinary shares in Aeon Metals on behalf of the Deed Proponent.

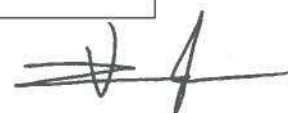
E.2 General

23. Aeon Metals is the ultimate holding company of, among others, Aeon WC, Aussie NQ, Aeon IE, Aeon ME and Aeon WE. A copy of a structure chart showing the corporate structure of the Companies is at page **228 of Exhibit VS-1**.
24. Aeon Metals also holds 195 of the 325 ordinary shares in SLW Queensland Pty Ltd ACN 147 824 815 (**SLW Queensland**), an entity which is involved in the joint venture referred to at paragraph 27(c) below. A copy of a current and historical organisation extract of the records maintained by ASIC for SLW Queensland is at pages **229 to 248 of Exhibit VS-1**.
25. The securities of Aeon Metals have been suspended from quotation since 26 July 2024.
26. Based on my review of the Books and Records provided to us upon our appointment:
- (a) the Companies operate a mineral exploration and development business, with aspirations of becoming a producer of copper-cobalt for use in batteries and electrification;
 - (b) Aeon Metals appears to be responsible for the strategic and financial resourcing of the Companies' assets, which are owned and operated through its subsidiaries;
 - (c) Aeon WC, Aeon WE, Aussie NQ, Aeon IE and Aeon ME are the holders of the following exploration permits (**EPMs**):

Entity	EPM Identifier	Percentage Interest
Aeon WC	EPM 14712	80%
	EPM 14935	80%
	EPM 13412	80%




Entity	EPM Identifier	Percentage Interest
	EPM 13413	80%
	EPM 13682	80%
	EPM 14233	72%
	EPM 14821	80%
	EPM 15156	80%
	EPM 15911	100%
	EPM 18769	100%
	EPM 14220	100%
	EPM 14854	100%
	EPM 18552	100%
	EPM 26906	100%
	EPM 27311	100%
	EPM 27312	100%
	EPM 27314	100%
	EPM 27315	100%
	EPM 27512	100%
	EPM 28402	100%
Aeon WE	EPM 27535	100%
	EPM 26316	100%
Aussie NQ	EPM 18359	100%
Aeon IE	EPM 27435	100%
	EPM 27436	100%
	EPM 27743	100%
	EPM 27744	100%
	EPM 27745	100%
Aeon ME	EPM 14628	100%
	EPM 15921	100%

Entity	EPM Identifier	Percentage Interest
	EPM 17001	100%
	EPM 17002	100%
	EPM 17060	100%
	EPM 27604	100%

27. From my investigations and review of the Books and Records and as noted above, the Companies are the holder of various tenements including:
- (a) for the Walford Creek Copper-Cobalt Project in North West Queensland (the Walford Creek Project), the Companies' flagship project, which hosts one of Australia's highest grade cobalt deposits and a mineral resource estimate of 72.6 million tonnes;
 - (b) in the Mt Isa region of Queensland, where the Companies have the following four main project areas, extending approximately 500kms from north to south:
 - (i) Constance Range (EPM 14712, EPM 14935 and EPM 27535);
 - (ii) Isa West (comprising six granted EPMs); and
 - (iii) Isa South (comprising seven granted EPMs covering 162 sub-blocks, which are current and solely held by the Companies); and
 - (c) in South East Queensland, where the Companies have seven separate exploration permits which are at different stages of project life, all of which have been granted and are current. Six of those exploration permits are solely held by the Companies, with one (EPM 19029, held by SLW Queensland) which is a joint venture between Aeon Metals (with a 60% interest) and SLW Minerals Corporation Pty Ltd (with a 40% interest).
28. As at the date of affirming this affidavit, Aeon Metals is the only employing entity in the group and has three employees.

E.3 Walford Creek Project

29. From my review of the Books and Records, I understand that the Companies' current principal activities comprise the exploration and development of the Walford Creek Project.
30. A summary of the Walford Creek Project taken from the Companies' website on 13 August 2024 is set out below.

"Located in the world-class Mount Isa mineral province in northwest Queensland, the Walford Creek Project is one of the highest grade, substantial cobalt deposits in Australia.

Walford Creek (100% Aeon) has benefited from extensive resource drilling of over 100,000 metres, together with extensive metallurgical testwork.

In June 2021, we completed a Revised Scoping Study to de-risk and advance the Walford Creek Project. This study adopts a new approach to metallurgical flowsheet design to optimise recovery and extraction of each metal. This allows the valuable metals to be recovered into high quality end products required for modern day technology.

Excellent drill results delivered during the 2021 and 2022 campaigns, resulted in a 65% increase in global Mineral Resources along 10 kilometres of strike, from Vardy/Marley to Amy. The company was able to add 337 Kt of contained CuEq metal.

This substantial increase in contained metal across the in-situ Walford mineral deposits was accompanied by an overall increase in copper and cobalt grades for the Copper Mineral Resources. Of particular note is the high-grade Amy Mineral Resource, delivering 8.3Mt at 1.35% copper and 0.22% cobalt (2.95% CuEq).

Walford Creek is now arguably the largest primary cobalt deposit in Australia, and, the Copper Mineral Resource at Amy is comfortably the highest grade substantial cobalt resource in Australia."

F Conduct of administrations prior to the Second Meetings

F.1 Tasks undertaken by the Administrators

31. Since our appointment as Administrators of the Companies, consistent with our functions and duties under the Act, we have investigated the Companies' business, property, affairs and financial circumstances and taken steps to preserve the value of the businesses undertaken by the Companies.
32. A detailed analysis of the tasks undertaken by the Administrators and our staff since 26 July 2024 is set out in section 5 of the Second Creditors' Report (defined in paragraph 38 below).
33. In particular, following our appointment, the Administrators immediately commenced a sale process to seek expressions of interest for the sale and/or recapitalisation of the Companies (**Sale Process**).

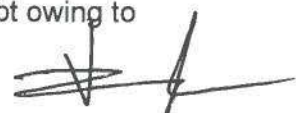
F.2 Sale Process

34. In August 2024, following our appointment, the Administrators commenced a sale process for the sale of the business and assets of the Companies. This process involved:
 - (a) advertising the business for sale;
 - (b) the preparation and distribution of an information memorandum;

- (c) the formation of a shortlist of interested parties who had an opportunity to perform due diligence; and
 - (d) the receipt of non binding indicative proposals (including one from the Purchaser).
35. The Administrators received two non-binding indicative offers in relation to the group as a whole (including one from the Deed Proponent) and six offers in relation to individual tenements. None of the offers received were sufficient to discharge the claims of all of the Companies' creditors.
36. Following a review and assessment of these offers, the Administrators determined that the offer provided by the Deed Proponent was in the best interests of creditors.
37. Following further due diligence, on 20 November 2024, the Deed Proponent submitted a proposal for a deed of company arrangement (**DOCA Proposal**) which is set out below.
38. Details of the steps taken by the Administrators in the Sale Process are set out in section 5.5 of the report issued to the creditors of the Companies pursuant to r 75-225 of the *Insolvency Practice Rules (Corporations) 2016* (Cth) dated 21 November 2024 (**Second Creditors' Report**), (refer to pages 271 to 273 of **Exhibit VS-1**).

G OCP DOCA Proposal

39. The key terms of the DOCA Proposal are summarised in section 8.2 of the Second Creditors' Report.
40. One of the principal terms of the DOCA Proposal is that, subject to certain conditions precedent set out in clause 4 of the DOCA, the Shares would be transferred to the Purchaser (**OCP Transaction**).
41. Additional features of the DOCA Proposal are set out in the Second Creditors' Report, which sets out, amongst other things that:
- (a) the consideration for the OCP Transaction is approximately AUD \$35 million, comprising of:
 - (i) a credit bid of secured debt of approximately \$32.8 million (plus accrued interest and fees since 26 July 2024) (**Credit Bid Amount**), with the balance of the Deed Proponent's secured debt of \$10 million to be left in place following completion under the DOCA;
 - (ii) a "Deed Contribution Amount" (as defined in the DOCA Proposal) in the amount of \$1,992,585. Following the submission of the DOCA Proposal and the holding of the Second Meetings, it came to the Administrators' attention that the figure of \$1,992,585 did not include the debt owing to

Thynne McCartney in the amount of \$5,691. As a result, the Deed Contribution Amount was subsequently increased to \$1,998,276 to account for Thynne McCartney's debt in the DOCA. The amount allocated in respect of the liabilities listed in Schedule 1 of the DOCA Proposal was also increased from \$76,665 to \$82,356.

- (b) The Purchaser will acquire the Shares subject to the assumption of the "Assumed Liabilities" (as defined in the DOCA Proposal). Given the corporate structure of the group, the acquisition of the Shares by the Purchaser will give it ownership of the subsidiary Companies and Aeon Metals' shares in SLW Queensland. The DOCA Proposal defines "Assumed Liabilities" to mean:
- (i) *"liabilities under indigenous land owner agreements;*
 - (ii) *liabilities under the property Lease;*
 - (iii) *liabilities and obligations to the creditors identified in Schedule 1 [to the DOCA Proposal];*
 - (iv) *all intercompany loans and debts;*
 - (v) *the balance of the Deed Proponent's secured debt in an amount of \$10 million; but*
 - (vi) *excluding the Excluded Liabilities."*
- (c) The "Excluded Liabilities" include:
- (i) *"the liability to the Deed Proponent in an amount equal to the Credit Bid Amount"; and*
 - (ii) *every other liability of [Aeon Metals] which is not an Assumed Liability; and*
 - (iii) *employee entitlements of those employees of [Aeon Metals] who are terminated at or prior to Completion or have resigned prior to Completion."*
- (d) The "Deed Fund" will be comprised of the "Cash Contribution Amount" and all "Excluded Assets" (as defined in the DOCA Proposal).
- (e) The "Cash Contribution Amount" means the lower of:
- (i) the Deed Contribution Amount minus:
 1. the "Assumed Employee Liabilities", being all employee entitlements of staff employed at Aeon Metals as at completion of the DOCA; and
 2. as at the date on which the Cash Contribution Amount is calculated, an amount equal to the total amount of the trading losses that have

already been funded via drawings made by the Administrators under the Funding Agreement; or

- (ii) the amount of \$1,758,689. As noted in paragraph 41(a)(ii), following the submission of the DOCA Proposal and the holding of the Second Meetings, it came to the Administrators' attention that the existing figures in the DOCA Proposal did not include the debt owing to Thynne McCartney. As a result, the figure of \$1,758,689 referred to in the "Cash Contribution Amount" definition was subsequently increased to \$1,764,380 in the DOCA.
- (f) The Deed Proponent is to pay the Cash Contribution Amount into the Deed Fund as follows:
 - (i) the amount of \$250,000 on or before 31 December 2024;
 - (ii) the amount of \$250,000 on or before 31 January 2025;
 - (iii) the balance of the Cash Contribution Amount within 1 business day of the satisfaction and/or waiver of all of the conditions precedent to effectuation of the DOCA.
- (g) If there is any undrawn available commitment under the Funding Agreement as at the dates the Deed Proponent must pay the Cash Contribution Amount, the Deed Administrators must draw that undrawn available commitment and apply the proceeds of the drawing in satisfaction of the Deed Proponent's obligation to pay that amount of the Cash Contribution Amount.
- (h) Following the Deed Proponent's payment of the Cash Contribution Amount into the Deed Fund, the Deed Administrators may apply the funds in payment of the "Allowed Payments", being the Assumed Liabilities and the remuneration, costs and expenses of the Administrators and the Deed Administrators.
- (i) Upon satisfaction of the conditions precedent (which are set out in clause 4 of the DOCA), the DOCA will effectuate and the Deed Fund will be transferred to a "Creditors' Trust" for distribution to creditors with claims in respect of Excluded Liabilities (other than to creditors with "Non-Participating Claims").
- (j) Following effectuation of the DOCA, the Purchaser will assume control of the Companies' business and continue to trade the group as a going concern.
- (k) Continuing employees will retain their leave and other entitlements with Aeon Metals through the DOCA and the Creditors' Trust and all employee entitlements which are due and payable in the ordinary course will continue to be paid.



- (l) If an employee ceases to be employed by Aeon Metals on or before completion of the DOCA, the employee's claims will be transferred to the Creditors' Trust and that employee will retain their priority to receive an amount equal to what they would have been entitled to if the property of Aeon Metals had been applied in accordance with sections 556, 560 and 561 of the Act.
42. In accordance with section 75-225(3) of the IPR, the Administrators recommended in the Second Creditors' Report that, it is in the creditors' interests for each of the Companies to execute a DOCA in line with the DOCA Proposal. Section 8.3 of the Second Creditors' Report (refer to pages **291 to 292 of Exhibit VS-1**) set out the reasons for the Administrators' view, being:
- (a) There is no alternate DOCA proposal. Accordingly, if creditors did not resolve to enter into a DOCA in line with the DOCA Proposal, the Companies would be placed into liquidation.
 - (b) In the event of liquidation, assets of the Companies would be sold on a piecemeal basis and subject to the secured creditor position for each entity. With respect to Aeon Metals and Aeon WC, significant secured creditor claims would need to be satisfied before there was any return to unsecured creditors. In relation to the other subsidiaries, there may be assets available to unsecured creditors, but those sales would be subject to realisation costs and the value and timing of any realisations remains uncertain.
 - (c) Under the DOCA, the business of the Companies will continue as a going concern.
 - (d) All remaining staff will continue employment with Aeon Metals with their entitlements preserved, and staff will not be required to access the FEG scheme (this can be contrasted to a liquidation scenario).
 - (e) The Administrators have not identified transactions and insolvent trading claims that may be available to be pursued in a liquidation scenario. As such, if the Companies were placed into liquidation, there is no certainty of return on any claims pursued.
 - (f) The DOCA Proposal effectively splits the creditors of the Companies into two categories, being Assumed Liabilities and Excluded Liabilities. Under the DOCA Proposal, the Assumed Liabilities will remain with the Companies, with debts owed to certain identified creditors to be paid in full in respect of their estimated claims during the Deed Period (being the period commencing on the 'Commencement Date' and ending on the 'Termination Date' of the DOCA). There is not expected to be any return to the creditors in the Excluded Liabilities




category. In contrast, in a liquidation scenario, unsecured creditors with Assumed Liabilities will receive less than the estimated payment under the DOCA and unsecured creditors with Excluded Liabilities will not receive any return. Accordingly, the DOCA Proposal will provide a higher cents in the dollar return for unsecured creditors than they may receive in an immediate winding up.

H Report to Creditors and Second Meetings

43. On 21 November 2024, the Administrators issued the Second Creditors' Report and convened the second meetings of creditors (**Second Meetings**).
44. On 22 November 2024, the Administrators:
- (a) made the Second Creditors' Report available on their website maintained in relation to the administrations of the Companies at <https://www.fticonsulting.com/creditors/aeon-metals-group> (**Aeon Group Administration Website**); and
 - (b) caused an announcement to be made via the ASX website, which provided a link to the Second Creditors' Report as accessible from the Aeon Group Administration Website.
45. An email was also sent to all creditors where email addresses were available from the Books and Records attaching a copy of the report which included the notice of meeting, proof of debt and proxy forms.
46. On 29 November 2024 at 11.00 am (AEDT), the Second Meetings were held concurrently. At the Second Meetings, the respective creditors of the Companies resolved that the Companies enter into the DOCA with the Deed Proponent, pursuant to which the Administrators would be appointed as joint and several deed administrators of the Companies.
47. The resolutions were passed in accordance with the Administrators' recommendations. The breakdown of votes in number and value with respect to the resolutions that each Company should entered into the DOCA with the Deed Proponent, are set out below:

Company	For	Against	Abstain
Aeon Metals	2 votes for, Value: \$42,809,277.30	0 votes against	0 votes abstain
Aussie NQ	1 vote for, Value: \$118,571.28	0 votes against	0 votes abstain




Aeon WC	2 votes for, Value: \$100,746,082.92	0 votes against	0 votes abstain
Aeon IE	1 vote for, Value: \$425,827.14	0 votes against	0 votes abstain
Aeon ME	1 vote for, Value: \$423,145.44	0 votes against	0 votes abstain
Aeon WE	1 vote for, Value: \$189,189.49	0 votes against	0 votes abstain

48. A copy of the minutes of the Second Meetings, as lodged with ASIC, is at pages **418** to **432** of **Exhibit VS-1**.

I DOCA and Creditors' Trust Deed

I.1 Execution of the DOCA and Creditors' Trust Deed

49. On 19 December 2024, the DOCA was executed by the Companies, the Administrators and the Deed Proponent, and as a result, on 19 December 2024 the Administrators were appointed as Deed Administrators of each Company. The key terms of the DOCA as executed are substantially consistent with the DOCA Proposal. A copy of the DOCA is at pages **433** to **526** of **Exhibit VS-1**.
50. On the same day, a creditors' trust deed between the Deed Administrators, the Companies and the Deed Proponent was also executed (**Trust Deed**). The Trust Deed establishes a trust fund, which will comprise the assets available to pay creditor claims. A copy of the Trust Deed is at pages **527** to **567** of **Exhibit VS-1**.
51. The Trust Deed will come into effect and the Deed Administrators will act as trustees pursuant to the Trust Deed immediately upon "Completion" under the DOCA, being the date upon which all Implementation Steps under the DOCA (referred to below) are satisfied or waived in accordance with clause 10 of the DOCA.

H.2 Conditions to completion

52. The completion of the Implementation Steps (and completion under the DOCA) are conditional upon various conditions being satisfied or waived in accordance with clause 4 of the DOCA on or prior to the "**Sunset Date**", being 19 June 2025 (or such other date agreed in writing between the Deed Administrators and the Deed Proponent).
53. For the purposes of this application, these conditions include, amongst other things:




- (a) the Deed Administrators obtaining an order from the Court granting the Deed Administrators leave pursuant to section 444GA(1)(b) of the Act to transfer the Shares to the Purchaser (**Section 444GA Order**); and
- (b) ASIC granting relief for the purposes of section 606 of the Act in relation to the transfer of Shares in accordance with the Section 444GA Order (**ASIC Relief**).

54. I understand the Court may only grant the Section 444GA Order if it is satisfied that the transfer would not unfairly prejudice the interests of members of Aeon Metals.

H.3 The alternative to the completion of the Purchaser's DOCA

55. If the DOCA is not effectuated, completion of the transaction through the transfer of the Shares to the Purchaser will not proceed.

56. Pursuant to clause 4.4(a) of the DOCA, if:

- (a) each of the conditions precedent are not satisfied or waived by the Sunset Date; or
- (b) each of the Deed Proponent and the Deed Administrators form the opinion (acting reasonably) that one or more of the conditions precedent is incapable of being satisfied by the Sunset Date, then:
 - (i) the parties must, only if the Deed Proponent elects to do so by notice in writing to the Deed Administrators on or prior to the Sunset Date, negotiate in good faith to agree and execute an agreement (**ASA**) for the acquisition of the business and assets of the Companies;
 - (ii) the DOCA will automatically continue in operation until completion of the ASA.

57. Following the completion of the ASA, the Deed Administrators will convene a meeting to consider the future of the Companies pursuant to clause 16 of the DOCA.

58. If the transaction is not completed through the DOCA and is instead completed through an ASA then it is likely that:

- (a) asset realisations will be lower (because of the occurrence of additional transaction costs and the inability of the Deed Proponent to realise the benefits of the acquiring business and assets of the Group as a whole);
- (b) realisation costs will be greater; and
- (c) the time taken to complete the restructure is expected to be longer because the Administrators would have to transfer or novate various contractual

arrangements to new entities associated with the Purchaser which may create operational challenges and difficulties.

59. Accordingly, having regard to the preceding paragraph, I would expect that returns to creditors would be smaller if the transaction was effected by an ASA.
60. If, however:
- (a) each of the conditions precedent are not satisfied or waived by the Sunset Date; or
 - (b) each of the Deed Proponent and the Deed Administrators form the opinion (acting reasonably) that one or more of the conditions precedent is incapable of being satisfied by the Sunset Date; and
 - (c) the Deed Proponent does not elect to enter into an ASA in accordance with clause 4.4(a) of the DOCA,

the Deed Administrators may convene a meeting(s) of the creditors of the Companies. Pursuant to clause 18.3 of the DOCA, the DOCA will automatically terminate in respect of the Companies if, amongst other things, the creditors of the Companies pass a resolution terminating the DOCA in accordance with sections 445C(b) and 445CA of the Act.

61. Upon termination of the DOCA under clause 18.3, each Company will be taken to have passed a special resolution under section 491 of the Act that it be voluntarily wound up and that the Deed Administrators be its liquidators and each Company will be wound up (refer to clause 18.7 of the DOCA).
62. If that were to occur, the Companies' assets would be sold on a piecemeal basis by each company and subject to the interests of secured creditors.
63. As set out in the Second Creditors' Report, the DOCA Proposal had the effect of splitting creditors into two categories, Assumed Liabilities and Excluded Liabilities. The Assumed Liabilities remain with debts owed to certain creditors identified in Schedule 1 of the DOCA to be paid in full. In a liquidation scenario, unsecured creditors with Assumed Liabilities will receive less than the estimated payment under the DOCA and unsecured creditors with Excluded Liabilities would not receive any return.

H.5 There is no unfair prejudice to members

64. I do not consider (and I have been informed by my fellow Deed Administrators that they do not consider) that there is any unfair prejudice to the interests of the members of Aeon Metals should the Court make the orders sought in the application.




65. There is a substantial deficiency in assets available to meet the debts and claims owing to the creditors of the AML.

Assets

66. The assets of AML include its interests in each of its subsidiaries, including Aeon WC.
67. In October 2024, the Administrators instructed Behre Dolbear Australia Pty Ltd (**BDA**) to prepare a valuation of the mining tenements held by Aeon Metals and its wholly owned subsidiaries. A copy of this report appears at Appendix H to the report of Korda Mentha referred to below.
68. BDA valued the Companies' tenements on a "willing buyer-willing seller" basis at between \$19.3 million (low) and \$40.8 million (high). However, BDA observed that a "distressed sale" could result in values as low as 30-50% of its valuation.
69. The Administrators set out their estimated statement of position for Aeon Metals at section 9.3.1 of the Second Report to Creditors. In that section, the Administrators estimated the value of Aeon Metal's assets in a liquidation to be \$77,464 on a low case or \$19,310,083 on a high case.

Debt

70. The Deed Proponent is owed approximately \$42.8 million by Aeon Metals as at July 2024. This loan is secured by a Specific Security Agreement dated 22 July 2015 granted by Aeon Metals which is held by Madison Pacific Trust Limited (**Madison Pacific**) as note and security trustee for the Deed Proponent as beneficiary as set out in 3.5.2 of the Second Creditors' Report.
71. Madison Pacific submitted a proof of debt in the first and second meetings in the amount of \$42,797,294.17 (inclusive of accrued interest) as at 26 July 2024.
72. I refer to paragraph 9.2.2 of the Second Creditors' Report. Since preparing the Second Creditors' Report, I have obtained further information and the position as I understand it is that:
- (a) Aeon WC owes Aeon Metals \$100.7 million comprised of a promissory note of \$38.2 million owed by Aeon WC to Aeon Metals (**Promissory Note**) and an intercompany loan of \$62.5 million (**Intercompany Loan**); and
 - (b) the Deed Proponent's security (through Madison Pacific) over the assets of Aeon Metals is limited to Aeon Metals' shares in Aeon WC, Aeon Metals' interest in the Promissory Note and Aeon Metals' interest in a debt of approximately \$41.3 million owed to it pursuant to certain note documents entered into in or around 2012 (and which debt is secured by the assets of Aeon WC).




73. Aeon WC has granted security over its present and after acquired property in favour of Aeon Metals.
74. The effect of the above arrangements is as set out in the Second Creditors' Report namely that in a liquidation scenario, the Secured Creditor would be able to enforce its security over Aeon Metals to the value of the secured debt and Aeon Metals would in turn be able to enforce its security over the assets of Aeon WC but the assets of Aeon WC will not be sufficient to satisfy the debt that it owes Aeon Metals, with the result that there would be no return to unsecured creditors.
75. In forming this view, I have had regard to the offers that the Administrators received for Aeon WC's mining tenements which were considerably lower than BDA's valuation of Aeon WC's mining tenements.
76. Having regard to our investigations to date, the matters outlined in this affidavit and, most relevantly, the Independent Expert's opinion expressed in the IER (each term as defined below), the Deed Administrators are of the view that:
- (a) there will be nil return for members of Aeon Metals under a "liquidation" scenario, and neither I nor my fellow Deed Administrators anticipate that claims of unsecured creditors will be satisfied in full in that scenario; and
 - (b) even on highest fair market value of assets in the IER, Aeon Metals' existing indebtedness exceeds the company's asset value and consequently, the Shares have nil value.

H.4 Independent Expert Report

77. On 11 November 2024, the Administrators instructed our solicitors, Ashurst Australia (**Ashurst**) to engage Jenny Nettleton of KordaMentha Pty Ltd (**KordaMentha**) to provide an expert opinion on the value, if any, of members' residual equity in Aeon Metals on the basis that the company is in administration and on a "winding up" or "liquidation" basis. Copies of Ashurst's letters of instruction to KordaMentha are included as appendices to the IER (defined below) at pages **666** to **755** of **Exhibit VS-1**.
78. On 16 January 2025, Jenny Nettleton of KordaMentha (**Independent Expert**) issued her expert opinion in relation to the value, if any, of members' residual equity in Aeon Metals on a "liquidation" basis (**IER**). A copy of the IER is at pages **568** to **891** of **Exhibit VS-1**.
79. Based on my review of the IER, I understand that:
- (a) the IER has been prepared by the Independent Expert in accordance with ASIC Regulatory Guide 111 (*Content of Expert Report*) and is supported by the BDA report;

- (b) BDA's valuation report has been prepared in accordance with the Code and Guidelines for Reporting of Identified Mineral Resources and Ore Resources – Joint Ore Reserve Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia – December 2012;
- (c) on the Independent Expert's:
 - (i) low case scenario, there is an assessed shortfall in Aeon Metals of \$26,829,000 based on assets of \$18,267,000 over liabilities of \$45,096,000;
 - (ii) high case scenario, there is an assessed shortfall in Aeon Metals of \$9,995,000 based on assets of \$34,916,000 over liabilities of \$44,911,000; and
- (d) having regard to the above, in the Independent Expert's opinion, the Shares have nil residual value in a "liquidation" scenario.

H.6 ASIC Relief

80. On 4 February 2025, I caused Ashurst to submit an application to ASIC for exercise of ASIC's powers under s 655A(1)(a) of the Act and relief from s 606 of the Act (**ASIC Relief Application**) on behalf of Aeon Metals online via the ASIC Regulatory Portal. The ASIC Relief Application enclosed copies of the following documents:

- (a) the IER;
- (b) a draft of the Explanatory Statement to be provided to members of Aeon Metals to inform them of the application for the Section 444GA Order and the ASIC Relief (**Explanatory Statement**).

A copy of the lodgement receipt, together with the ASIC Relief Application (including the draft Explanatory Statement but excluding the IER) is at pages **892 to 941** of **Exhibit VS-1**.

81. Between 6 February 2025 to 11 February 2025, Ashurst and ASIC exchanged various emails regarding the ASIC Relief Application. A copy of this email chain is at pages **942 to 945** of **Exhibit VS-1**.

82. We intend to provide a copy of the Application and this affidavit to ASIC.

I Notice of the Application

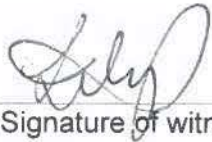
83. The Deed Administrators will notify members and creditors of the Companies of this Application by issuing a notice (**444GA Notice**) to members and creditors of Aeon Metals which will:

- (a) explain the background to and purpose of the Application and the effect it will have on the members of Aeon Metals;
 - (b) explain the process for opposing the Application if any creditor or member wishes to do so;
 - (c) advise members and creditors of their ability to access the following documents from the Aeon Group Administration Website, and the ASX website, including
 - (i) the Explanatory Statement;
 - (ii) the IER;
 - (iii) any non-confidential documents filed in this proceeding, as and when they become available.
84. The 444GA Notice will be sent to members and creditors of Aeon Metals by:
- (a) sending the 444GA Notice by email to the email address of each member and creditor that is provided to the Deed Administrators, or that is recorded in the books and records of the Aeon Metals, in accordance with section 600G of the Act;
 - (b) where an email address has not been provided or is not recorded in the Books and Records, sending the 444GA Notice by post to the postal address of each member and creditor that is recorded in the Books and Records;
 - (c) publishing the 444GA Notice on the Aeon Group Administration Website; and
 - (d) including the 444GA Notice in an ASX announcement.
85. Once the Explanatory Statement is published, the Deed Administrators will also cause a notification in relation to the Application to be published in the "The Australian" and "Australian Financial Review" and in that notification provide details to access the 444GA Notice on the Aeon Group Administration Website.
- J Conclusion**
86. If the Court ultimately deems it appropriate to make the Section 444GA Order sought by the Deed Administrators, this will enable the performance of the DOCA consistent with the resolutions of the majority of the Companies' creditors in both number and value and will enable the Companies to be recapitalised and continue as a going concern.

Affirmed by the deponent
 at Sydney
 in New South Wales
 on 11 February 2025
 Before me:

)
)
)
)
)

Signature of deponent



Signature of witness

Name of witness ULY SOMMER

Address of witness LEVEL 11, 5 MARTIN PLACE, SYDNEY 2000

Capacity of witness Solicitor

And as a witness, I certify the following matters concerning the person who made this affidavit (the **deponent**):

- 1 I saw the face of the deponent.
- 2 ~~I have known the deponent for at least 12 months.~~

I have confirmed the deponent's identity using the following identification document:

NSW DRIVERS LICENCE

Identification document relied on (may be original or certified copy)¹

SCHEDULE 1

IN THE SUPREME COURT OF NEW SOUTH WALES

No. 2024/00300446

DIVISION: Equity

REGISTRY: Sydney

IN THE MATTER OF AEON METALS LIMITED (Subject to Deed of Company Arrangement) ACN 121 964 725 AND OTHERS

Plaintiffs

First Plaintiffs:	Vaughan Strawbridge, Kathryn Evans And Benjamin Campbell in their capacity as joint and several deed administrators of each of the Second to Seventh Plaintiffs
Second Plaintiff:	Aeon Metals Limited (Subject to Deed of Company Arrangement) ACN 121 964 725
Third Plaintiff:	Aussie NQ Resources Pty Ltd (Subject to Deed of Company Arrangement) ACN 140 072 680
Fourth Plaintiff:	Aeon Walford Creek Limited (Subject to Deed of Company Arrangement) ACN 121 478 993
Fifth Plaintiff:	Aeon Isa Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 630 455 373
Sixth Plaintiff:	Aeon Monto Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 629 298 273
Seventh Plaintiff:	Aeon Walford Exploration Pty Ltd (Subject to Deed of Company Arrangement) ACN 634 353 610