



Proposal for Deed of Company Arrangement (DOCA) of Gascoyne Resources Limited and all wholly owned subsidiaries

Nothing in this proposal is intended to create any binding legal obligations and this document remains subject to change.

Preamble – Certainty of Funding

Habrok Mining Pty Ltd or its nominees holds credit approved term sheets on behalf of BlackRock (Singapore) Limited – APAC Fixed Income Portfolio Management Group and funds and accounts managed on behalf of Remagen Capital Management Pty Ltd (collectively referred to as the **Incoming Lenders**), to finance the transactions contemplated by the proposed DOCA and provide the necessary working capital to continue the mining operations.

The key terms of the proposed DOCA are set out below

Matter	Term
1 DOCA Companies and each a DOCA Company	<ul style="list-style-type: none">a. Gascoyne Resources Limited (GRL);b. GNT Resources Pty Ltd (GNT);c. Dalgaranga Operations Pty Ltd (DOPL);d. Gascoyne Resources (WA) Pty Ltd;e. Egerton Exploration Pty Ltd; andf. Dalgaranga Exploration Pty Ltd, (together the GRL Group)g. Gascoyne (Ops Mgmt) Pty Ltd (GOM).
2 Deed Administrators	Michael Ryan, Ian Francis and Kathryn Warwick.
3 Proponent	Habrok Mining Pty Ltd (or its nominee).
4 Purpose of DOCA	<ul style="list-style-type: none">a. To maximise the chances of the GRL Group or as much as possible of their businesses continuing in existence;b. To maximise the number of employees of the GRL Group to be employed; andc. To allow the unsecured creditors of the DOCA Companies to receive their entitlements and a better return than they would in a winding up.

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5 DOCA Fund	<p>The DOCA Fund will be funded by the Proponent and consist of the following DOCA Contributions:</p> <ul style="list-style-type: none"> a. An amount equal to the entitlements of any non-continuing employee entitlements. b. To meet: <ul style="list-style-type: none"> i. both Administrator and Deed Administrator fees; ii. trading obligations; and iii. any other amount agreed between the Administrators and the Proponent. c. An amount required to pay Unsecured Creditors of the DOCA Companies: <ul style="list-style-type: none"> i. with debts less than \$10,000, 100 cents in the dollar; and ii. with debts greater than \$10,000, with respect to the first \$10,000, 100 cents in the dollar (Large Unsecured Creditors); and d. \$3,000,000 to pay the Large Unsecured Creditors (in addition to amounts received under the paragraph above). <p>No other property of the DOCA Companies will be included as part of the DOCA Fund.</p> <p>For the avoidance of doubt all cash at bank, inventory, operating mill, exploration and other assets will not form part of the DOCA Fund but will be subject to the security of the Lenders.</p>
6 Commencement Date	The date of the DOCA.
7 Implementation Date	The date on which the Proponent notifies the Deed Administrator that the Conditions Precedent have been satisfied.
8 Parties bound	<ul style="list-style-type: none"> a. The DOCA Companies; b. Deed Administrators; c. Proponent; d. Both continuing and non-continuing employees; e. All unsecured creditors; f. NRW Pty Ltd or its related body corporates (NRW); and g. any other party named as a Party to the DOCA.
9 Conditions Precedent	<p>The Proponent has received in form and substance satisfactory to it:</p> <ul style="list-style-type: none"> a. The Lenders to GRL and its subsidiaries, entering into an agreement, where the Proponent will procure both BlackRock (Singapore) Limited – APAC Fixed Income

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	<p>Portfolio Management Group and funds and accounts managed on behalf of Remagen Capital Management Pty Ltd to either:</p> <ul style="list-style-type: none"> i. acquire the Lenders debt; or ii. refinancing the Lenders debt, <p>in each case with a payout figure in the order of \$80,000,000;</p> <ul style="list-style-type: none"> b. agreement on the amount of the Administrators trading obligations and any other amounts; c. NRW and the Proponent reaching a settlement of NRW's claims against any DOCA Company reasonably satisfactory to the Proponent; d. evidence that a meeting of creditors of each DOCA Company voted to approve the terms of the DOCA; e. the new finance documents (in relation to refinancing the Lenders) (New Finance Documents) duly executed and delivered and, where applicable, in registrable form together with all executed documents necessary to register them; f. evidence that the conditions precedent under the New Finance Documents have been satisfied or waived in writing; g. the Proponent nominating new director/(s) of the DOCA Companies and the new director/(s) being validly appointed; and h. Either: <ul style="list-style-type: none"> i. An Asset Sale Agreement (in relation to the sale of certain assets of the DOCA Companies) duly executed and delivered by the parties to it, whereby the business assets of the GRL Group are transferred to an entity owned by the Proponent; or ii. A 444GA Court Application is made where the shares in GRL are transferred to the Proponent. <p>The Conditions Precedent are for the benefit of the Proponent and may be waived by the Proponent in writing to the Deed Administrator.</p>
<p>10 Claims and pooling of Claims</p>	<p>Unsecured Creditors</p> <p>On the Implementation Date, the claims of all unsecured creditors will be released and extinguished in accordance with the terms of the DOCA in return for all unsecured creditors having a right to claim against GOM and, if such claim is admitted, receive a distribution from a single pool of funds, the DOCA Fund.</p>

The claims of all unsecured creditors will be released and extinguished on the date they receive their entitlements or otherwise on the Effectuation Date.

Claims will be adjudicated by the Deed Administrators and distributions will be made to unsecured creditors in accordance with paragraph 21 below.

Employees

Non-continuing employee creditors will be included as an unsecured creditor, subject to their claim being admitted, will be entitled to prove against the DOCA Fund and have their entitlements paid in full.

Continuing employees will be excluded from participating in the DOCA. Continuing employees will continue their employment with a DOCA Company on substantively the same terms and their entitlements will be preserved and continue to be a liability of a DOCA Company following the effectuation of the DOCA.

11 Distribution of DOCA Fund

The Deed Administrators shall distribute the proceeds of the DOCA Fund in the following order of priority:

- a. First, in payment in full of any admitted claims of non-continuing employee creditors;
- b. Secondly, in payment of admitted claims (other than non-continuing employee creditors) that would, in a liquidation, be accorded a priority under section 556, section 560 and section 561 of the Corporations Act (**Priority Creditors**); and
- c. Thirdly, unsecured creditors (who have not otherwise received a distribution under paragraphs (a) and (b)) *pari passu*.

12 Lenders and Continuing Employee Creditors

Notwithstanding if the existing Lenders or Incoming Lenders or a Continuing Employee Creditor votes in favour of the DOCA, neither the existing Lenders or Incoming Lenders nor the Continuing Employee Creditor releases and should not be taken to release any Security Interest in respect of a DOCA Company or forgive or discharge any Claim the existing Lenders or Incoming Lenders or the Continuing Employee Creditor may have against a DOCA Company.

It is the intention that BlackRock (Singapore) Limited – APAC Fixed Income Portfolio Management Group and funds and accounts managed on behalf of Remagen Capital Management Pty Ltd will be the Lender to the DOCA Companies prior to execution of the DOCA (i.e. they have acquired or refinanced the existing lenders secured debt).

NRW for the purposes of this DOCA Proposal is not considered a Lender.

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13 Claims extinguished	All unsecured creditors release their Claims against the GRL Group on receipt of their entitlements under the DOCA or otherwise on the Effectuation Date.
14 Other Releases	On the Implementation Date, the DOCA Companies will forever release and discharge all claims, including any right of subrogation or contribution, against the directors and officers of the DOCA Companies.
15 Bar to Creditor participation	A creditor that does not submit a proof of debt in accordance with the DOCA is barred from participating in the DOCA and will be deemed to have abandoned their claim if they have not submitted a proof of debt in respect of its claims by the time the Deed Administrator makes the final distribution.
16 Effectuation of the DOCA	<p>The DOCA will effectuate:</p> <ul style="list-style-type: none"> a. in respect of the GRL Group the Implementation Date; and b. in respect of GOM, on the date the final distribution from the DOCA Fund is made.
17 Control of the DOCA Companies	<p>Control of the GRL Group will revert to the directors of the relevant DOCA Company on the Implementation Date.</p> <p>Control of GOM will revert to the Deed Administrators.</p>
18 Termination of the DOCA	<p>The DOCA will terminate upon the earlier of:</p> <ul style="list-style-type: none"> a. the date of the passing of a resolution at a meeting of creditors convened pursuant to section 445C of the Corporations Act terminating the DOCA; b. the date the Court orders the DOCA be set aside or terminated; and c. the date which is two Business Days after the last distribution is made out of the DOCA Fund, <p>(Termination Date).</p> <p>On the Termination Date the Deed Administrators will retire.</p>
19 Provisions incorporated	<p>The following statutory provisions will be incorporated by reference into the DOCA:</p> <ul style="list-style-type: none"> a. The provisions prescribed by section 444A(5) of the Corporations Act and as contained in Schedule 8A of the Corporations Regulations. b. Sections 444DA and 444DB of the Corporations Act. c. Division 75 of the Insolvency Practice Schedule (Corporations) and Division 75 of the Insolvency Practice Rules (Corporations) 2016 apply to the DOCA, with such modifications as are necessary, to meetings of Creditors held pursuant to the DOCA.

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20 Deed Administrators	<p>The Deed Administrators will be entitled to exercise:</p> <ol style="list-style-type: none"> a. all of the powers set out in paragraph 2 of Schedule 8A of the Regulations; b. all the powers of a voluntary administrator appointed under section 436A of the Corporations Act; and c. such further powers as are necessary or convenient to achieve the DOCA purpose and objects, including the power to establish and administer the DOCA Fund.
21 Adjudication of Claims	<ol style="list-style-type: none"> a. For the purpose of the creditors seeking to formally prove their claim, section 560 of the Corporations Act, Subdivisions A, B, C and E of Division 6 of Part 5.6 of the Corporations Act and regulations 5.6.39 to 5.6.57 (other than regulations 5.6.53) of the Corporations Regulations apply, with such modifications as may be necessary, to claim as if references to the "liquidator" were references to the Deed Administrators, references to "winding up" were references to administration under the DOCA and references to the "relevant date" were references to 9 March 2020. b. The Deed Administrators will commence the adjudication process for formal proofs of debt or claim as soon as reasonably practicable and, in doing so, may have regard to sections 554A, 554B and 554C of the Corporations Act and to regulations 5.6.41 to 5.6.57 (other than regulation 5.6.53) of the Regulations as if references to "the liquidators" were references to the Deed Administrators. c. Each creditor's claim must be calculated by reference to the face value of the debt owed to that creditor, and each claim may only be proved once.
22 Moratorium	<p>A moratorium upon actions against the DOCA Companies as outlined in section 444E of the Corporations Act is proposed to apply during the period of the DOCA, and includes a moratorium on any creditor seeking to rely on.</p>
23 Bar to Claims	<p>The DOCA may be pleaded and tendered by a DOCA Company and the recipient of any release or covenant granted under or pursuant to the DOCA as a total bar and defence to any legal proceeding brought at any time.</p>
24 Insurance Claims	<p>The DOCA will allow creditors to obtain the same relief to which they would be entitled under section 562 of the Corporations Act if the relevant DOCA Company was being wound up.</p>
25 Records	<p>The DOCA Companies will be responsible for the management and maintenance of the books and records of the DOCA Companies. The relevant DOCA Company will manage and maintain the books and records of the DOCA Company in accordance with their statutory obligations.</p>

Matter	Term
	The Deed Administrators shall be entitled to access the records of each DOCA Company until the DOCA has terminated.
26 DOCA to supersede	The terms of the DOCA will supersede this proposal.