

WILLIAM DIARMID SLATER
As trustee of the Bill Slater Superannuation Fund
(Lender)

and

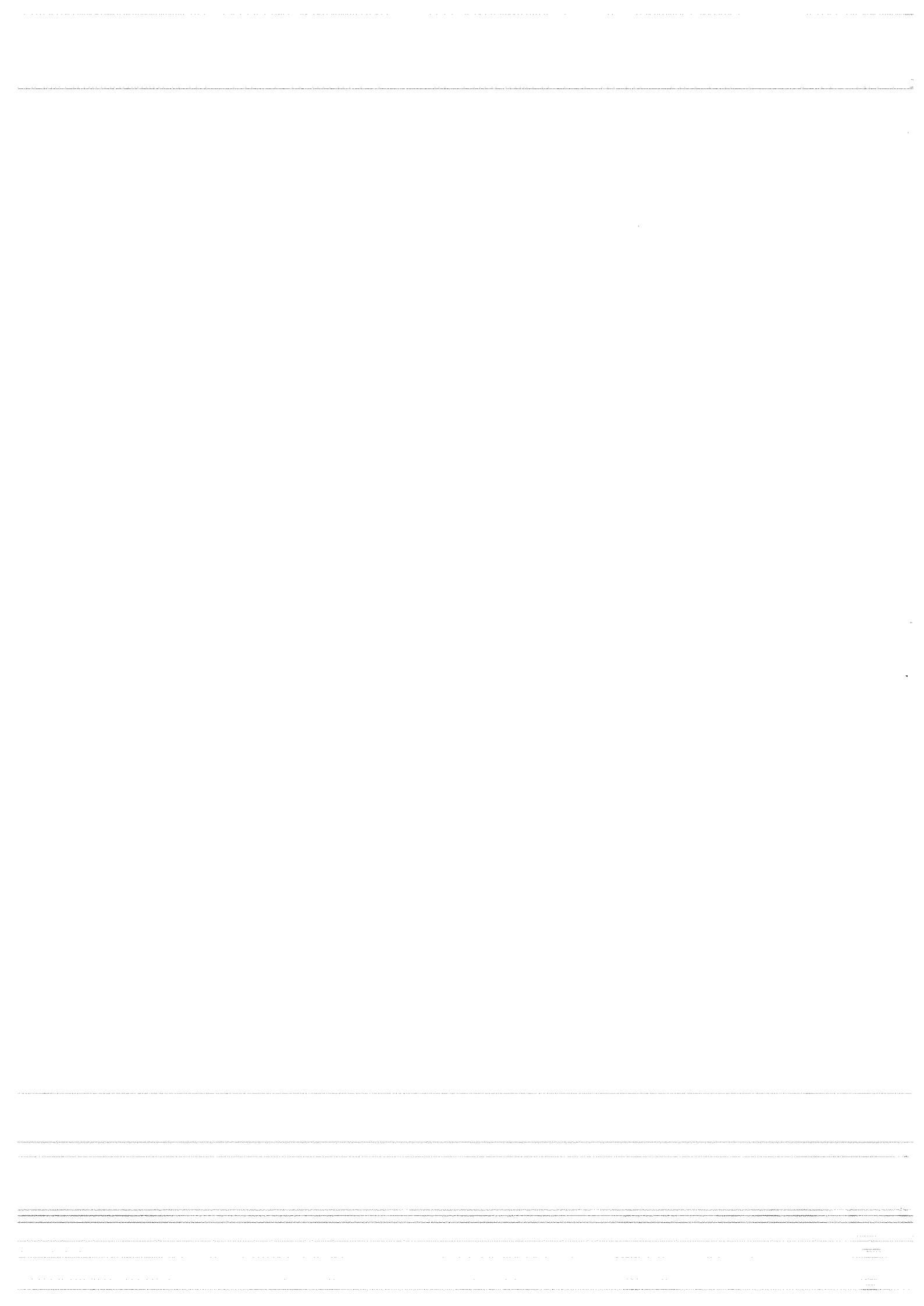
DENISE SHARON SLATER
as trustee of the Bill Slater Superannuation Fund
(Lender)

YARRI MINING PTY LTD
ACN 120 304 261
(Borrower)

and

ANTHONY WARREN SLATER
(Guarantor)

LOAN AGREEMENT



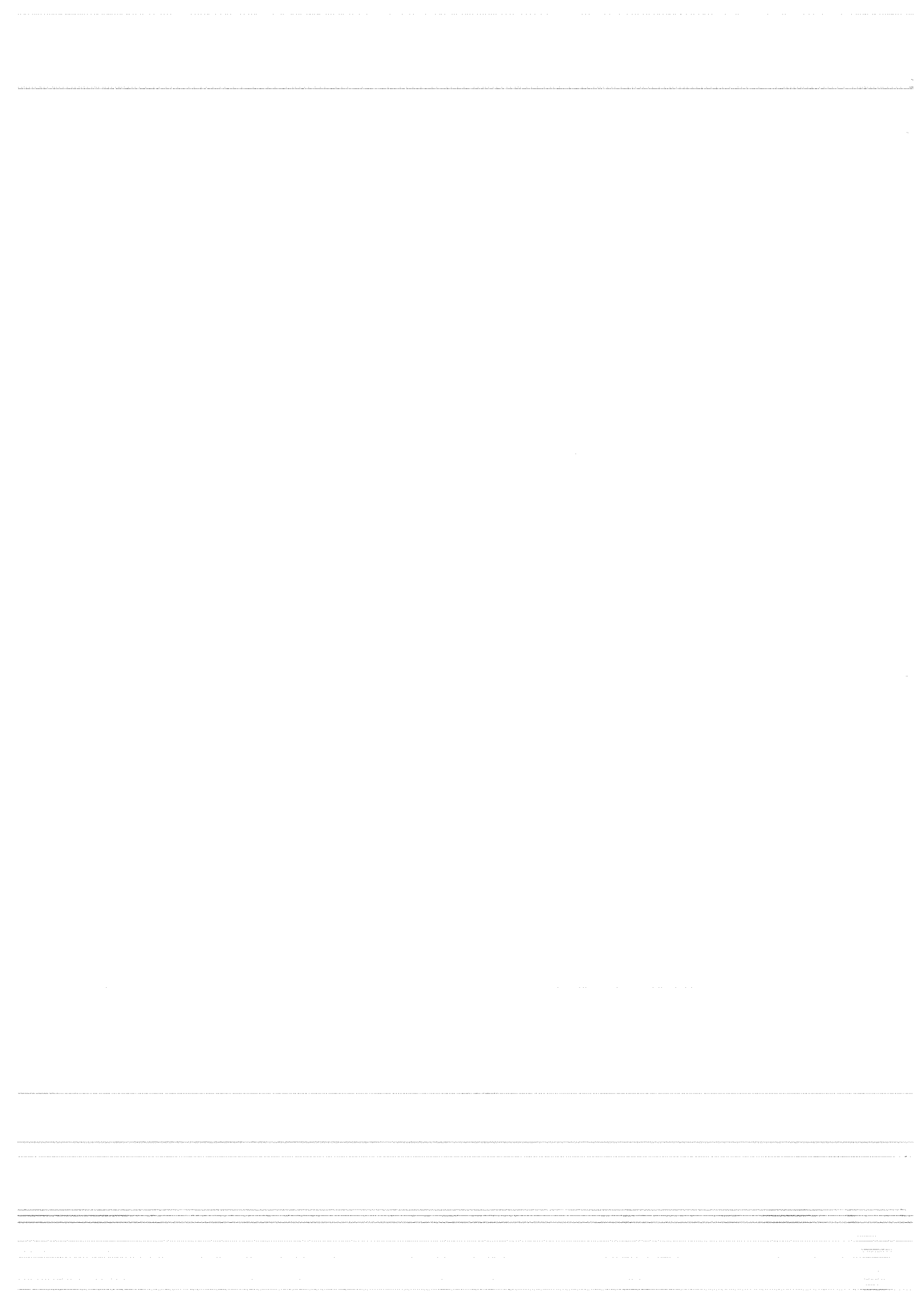
BINDING TERMS SHEET - PRIVATE AND CONFIDENTIAL

This Terms Sheet sets out the terms upon which William Diarmid Slater and Denise Sharon Slater as trustees of the Bill Slater Superannuation Fund (**Lender**) agrees to make a loan available to Yarri Mining Pty Ltd (ACN 120 304 261) (**Borrower**).

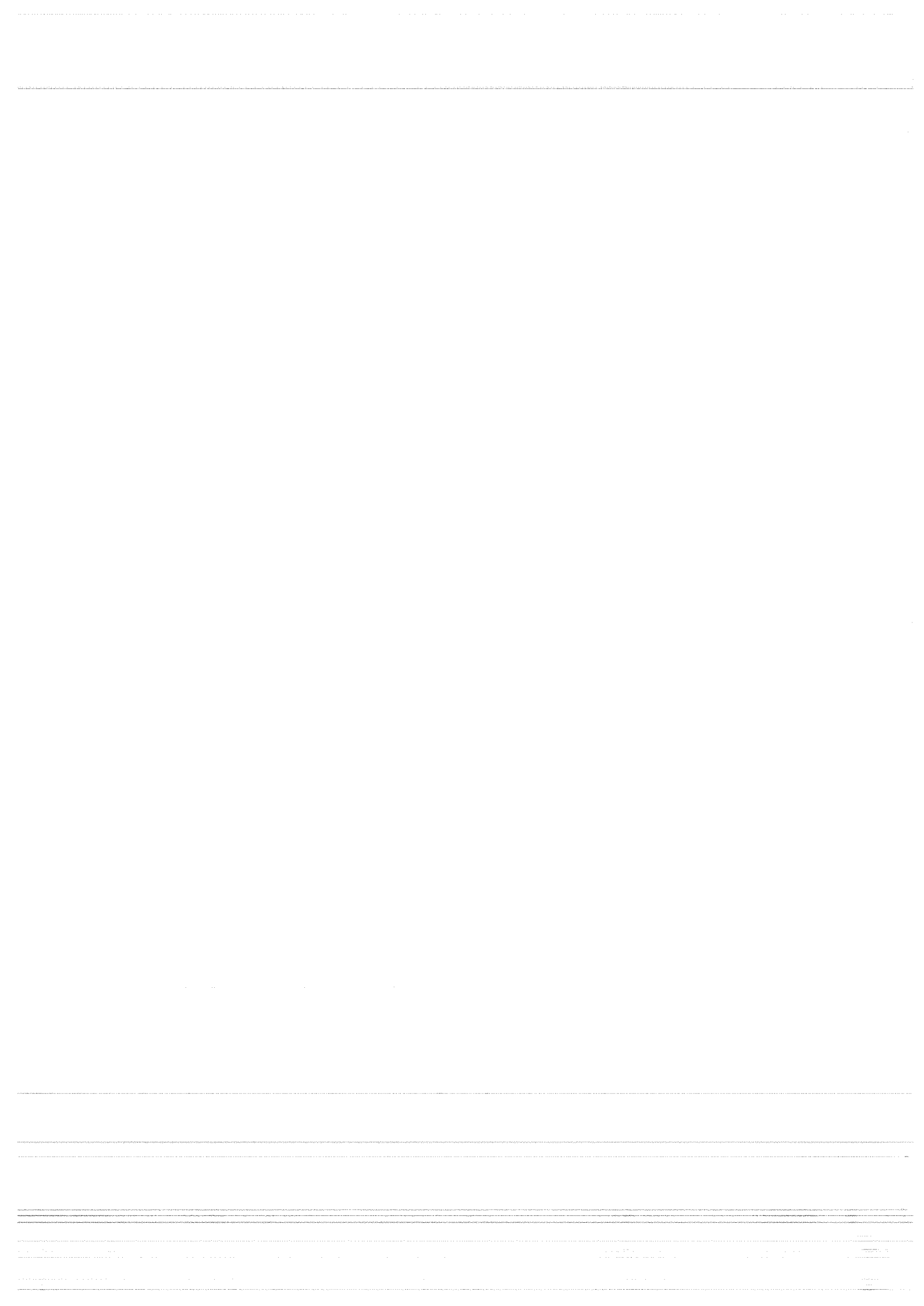
The obligations of the Borrower under this Terms Sheet are personally guaranteed by Anthony Warren Slater (**Guarantor**).

This Terms Sheet supersedes any and all previous correspondence, agreements or understandings between the parties.

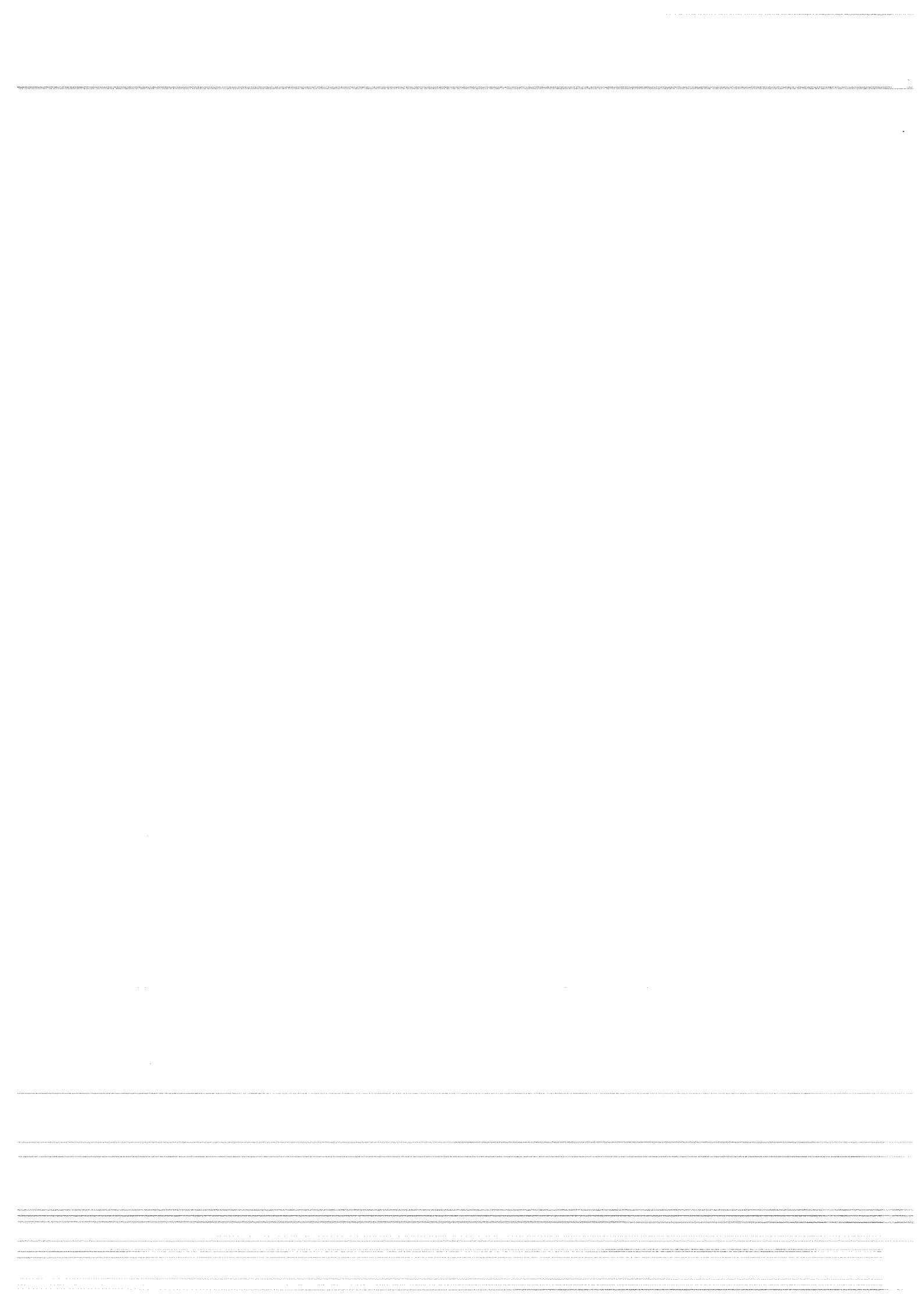
1.	Loan	<p>The Lender and the Borrower acknowledge and agree that the Lender shall advance to the Borrower a loan in the amount of \$300,000 (Loan).</p> <p>The Lender and the Borrower agree the Loan is subject to the terms and conditions set out in this Terms Sheet.</p> <p>By written agreement between the parties during the term of this Loan, the Loan may be increased to \$500,000 (Increased Loan), following which the terms and conditions of this terms sheet shall apply to the Increased Loan and references to 'Loan' will mean references to the 'Increased Loan' where relevant.</p>
2.	Purpose	The Borrower must use the Loan for the purposes of its own investment opportunities.
3.	Drawdown	The Lender shall advance the Loan to the Borrower on the 26 th October 2013 (Drawdown Date).
4.	Interest	<p>Interest on the Loan will incur interest at a rate of 10% flat rate from the Drawdown Date paid equally on the anniversary date of each month from the drawdown date by the Borrower to the Lender in accordance with clause 5.</p> <p>This date being 26th of each month whereas a payment of \$2,500.00 will be direct debited to the account of the Lender.</p>
5.	Repayment	<p>The Loan must be fully and finally repaid together with all interest on the Loan (Outstanding Monies) on the earlier to occur of:</p> <p>(a) 5 years from the Drawdown Date (unless extended by mutual agreement); and</p> <p>(b) the date upon which the Lender issues a notice under clause 6.</p>
6.	Events of Default	<p>It is an event of default if, whether or not it is within the control of the Borrower:</p> <p>(a) failure to pay: the Borrower fails to pay or repay any amount due by it under this agreement or the Securities;</p> <p>(b) receiver: a receiver, receiver and manager, official manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertaking of the Borrower;</p>



		<p>(c) insolvency: the Borrower is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act;</p> <p>(d) arrangements: the Borrower enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them otherwise than while solvent and with the prior written consent of the Lender;</p> <p>(e) administrator: an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to the Borrower;</p> <p>(f) winding up: an application or order is made for the winding-up or dissolution of the Borrower, which application is not dismissed or withdrawn within 21 days or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the Borrower otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Lender;</p> <p>(g) suspends payment: the Borrower suspends payment of its debts generally.</p> <p>Upon the occurrence of an event of default the Lender may for so long as the event of default is continuing by written notice to the Borrower declare the Loan together with all interest and other outstanding moneys to be immediately due and payable to the Lender without the need for any further demand or notice to be given.</p>
7.	Warranties	<p>Each party represents and warrants that:</p> <p>(a) incorporation: it is a corporation incorporated (or taken to be incorporated) or registered and validly existing under laws of the jurisdiction in which it is domiciled;</p> <p>(b) corporate power: it has the corporate power to own its assets and to carry on its business as it is now being conducted;</p> <p>(c) authority: it has full power and authority to enter into and perform its obligations under this agreement;</p> <p>(d) authorisations: it has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms; and</p> <p>(e) binding obligations: this agreement constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with their terms (subject to laws generally affecting creditors' rights and to principles of equity).</p>
8.	Guarantee	<p>(a) Guarantee: the Guarantor agrees to guarantee to the Lender the performance and observance by the</p>



		<p>Borrower of all of its obligations under this Terms Sheet (Guarantee).</p> <p>(b) Continuing guarantee: the Guarantee is a continuing guarantee and, subject to clause 8(c), binds the Guarantor notwithstanding:</p> <p>(i) the bankruptcy or liquidation of the Borrower; or</p> <p>(ii) any indulgence, waiver or extension of time given by the Lender to the Borrower.</p> <p>(c) Termination of the Guarantee: the Parties agree and acknowledge that the Guarantee shall terminate and be of no force or effect upon repayment of the Outstanding Monies to the Lender in accordance with the terms of this Binding Terms Sheet.</p> <p>(d) Recovery from Guarantor: in the event of any breach by the Borrower of any term of this Terms Sheet, the Lender may proceed to recover any amount of the Outstanding Monies as at the date of the breach as a debt or as damages from the Guarantor, without first having instituted legal proceedings against the Borrower and without first exhausting the Lender's remedies against the Borrower.</p>
9.	Confidentiality	This Terms Sheet and all other information disclosed by the parties to each other (Confidential Information) is confidential and each party shall ensure that the Confidential Information remains confidential, except that the parties may make disclosure to their relevant advisors or as otherwise required by the law.
10.	Further Assurance	Each party shall sign and execute and do all deeds, acts, documents and things as may reasonably be required by the other parties to effectively carry out and give effect to the terms and intentions of this Terms Sheet.
11.	Governing Law	The agreement constituted by this Terms Sheet shall be governed by and construed in accordance with the law from time to time in Western Australia. The parties agree to submit to the exclusive jurisdiction of the Courts of Western Australia and the Courts which hear appeals from those Courts.
12.	Assignment	None of the parties may assign any of the rights or obligations conferred by this agreement without the consent of the other parties.
13.	Costs	Each party shall bear their own legal costs of and incidental to the preparation, negotiation and execution of this Terms Sheet. The Borrower will pay any stamp duty assessed on or in respect of this Terms Sheet and the Securities.
14.	Notices	Each notice authorised or required to be given to a party shall be in writing and may be delivered personally or sent by properly addressed prepaid mail in each case addressed to the party at its address set out in below:



SIGNED, SEALED AND DELIVERED by
ANTHONY WARREN SLATER in the
presence of:

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Signature

~~Signature of witness~~
Simon Pigozzo

