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4 June 2020 **ASX/MEDIA RELEASE**

AERIS TO ACQUIRE CRACOW GOLD MINE FROM EVOLUTION

TRANSACTION HIGHLIGHTS:

- **Proven, high grade, low cost gold mine in tier 1 jurisdiction**
- **Forecast to deliver positive free cashflow: more than A$100m of net mine cashflow over the first two years of Aeris' ownership at the current gold price[1]**
- **High value combination cost synergies including potential to utilise Aeris' significant carried forward tax losses[2]**
- **Acquisition includes a highly prospective tenement package covering 903 km², which Aeris intends to aggressively explore**
- **Attractive deal structure and metrics**
- **Transaction achieves several of Aeris' previously stated objectives:**
    - **To become a multi-mine producer in attractive commodities**
    - **To accelerate deleveraging in parallel with investing in life extension projects at both Cracow and Tritton**
    - **To maintain flexibility to pursue further growth opportunities**

Aeris Resources Limited (ASX: AIS) (**Aeris** or the **Company**) is pleased to announce that it has entered into a binding agreement (**Share Purchase Agreement** or **SPA**) with Evolution Mining Limited (**Evolution**) to acquire 100% of the Cracow gold mine (**Cracow**) (the **Transaction**).

Cracow is an established, high grade, low cost underground gold mining operation and processing facility located in Queensland, Australia. The mine has been operating continuously since 2004, producing more than 1.4 million ounces over its life, with a consistent track record of profitability and reserve replacement. Cracow is on track to produce

[1] Based on Aeris' mine plan for Cracow on a pre-synergies basis. Net mine cashflow is defined as operating mine cashflow less sustaining and major capital expenditures (pre-tax). Forecast assumes forward curve pricing for gold (average US$1,721/oz) and AUD:USD of 0.665(average).
[2] A$256m at 30 June 2019.

82,500 – 87,500 ounces of gold in the 2020 financial year and generate net mine cashflow of A$84m – A$89m[3].

Aeris has agreed to pay Evolution A$60m in cash upon closing of the Transaction, a deferred payment of A$15m on 30 June 2022 plus a 10% net value royalty (gross revenue less C1 direct cash cost, multiplied by 10%) from 1 July 2022 to 30 June 2027, capped at A$50m.

Aeris intends to fund the Transaction through a fully underwritten A$40m equity raising (**Equity Raising**) and A$30m acquisition bridge debt facility. A new A$15m guarantee facility has also been secured to provide for the replacement of financial assurances relating to the mine and will be provided by SPOV[4]. The Equity Raising will be conducted via a fully underwritten institutional placement and an underwritten 2.02 for 1 pro rata accelerated renounceable entitlement offer.

Aeris notes it has secured commitments from its three largest shareholders, representing c.60% of the register to commit to participating in the Equity Raising, subject to a maximum holding of 19.99% at completion.

Completion of the Transaction is currently expected to occur on 30 June 2020. A summary of the key terms of the SPA is included in Annexure A to this announcement.

Commenting on the Cracow acquisition, Aeris Resources' Executive Chairman Andre Labuschagne said:

"This is a truly transformational transaction for Aeris and will be immediately accretive in value. The acquisition provides us with asset and commodity diversity, strong cashflow generation and high value synergies. Cracow will be a perfect fit for the unique skill set of our management team, who have a track record of extracting value and life extensions, as demonstrated at the Tritton mine, and previously with Norton Gold Fields at the Paddington gold mine. Our immediate focus will be on transitioning Cracow into the Aeris culture and aggressively investing in the mine life extension opportunities we have identified."

"Aeris inherits a well-run, proven operation which has been a consistent performer for Evolution. Importantly for us, there is a strong operating team in place that has a culture of continuous improvement. We are confident that Cracow management and the workforce will fit well with Aeris' own culture and the renewed focus to reinvesting in mine life extensions which Aeris will bring."

Overview of Cracow and Aeris' Plans for the Operation

Cracow is located approximately 500 km north-west of Brisbane, within the communities of Cracow and Theodore and on the traditional lands of the Wulli Wulli. The mine is accessible by sealed roads connecting to Biloela and major regional highways via Theodore and is supplied with reliable power from the grid and water under licence from the Dawson River. The mine is supported by approximately 220 full time employees and 45 contractors[5].

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[3] FY20F based on Evolution's guidance.
[4] SPOV – Special Portfolio Opportunity V Limited, a subsidiary of a fund managed by PAG
[5] As at 31 March 2020.

The mine is located in a highly endowed goldfield with gold mineralisation hosted in steeply dipping structurally controlled low sulphidation epithermal veins. Total Mineral Resource at 31 December 2019 was 2.55 Mt @ 4.21 g/t Au (345 koz gold) with Ore Reserve of 0.61 Mt @ 5.78 g/t Au (114 koz gold)[6].

The underground mine is accessed through a single surface decline with ore primarily mined via open stoping through a modified Avoca mining sequence. Processing is via a 570 ktpa capacity facility involving conventional crushing and grinding, followed by a leaching / CIP circuit to recover gold and silver doré.

Cracow has a strong track record of reserve and resource replacement and Aeris plans to aggressively invest in brownfield and greenfield exploration with the aim of growing the resource base to extend mine life. Multiple near term opportunities for resource conversion have been identified with c.A$13m budgeted over the next two years for exploration, with key priorities including both underground near mine extensions (e.g. Killarney) as well as nearby open pit deposits (e.g. the Golden Plateau and Roses Pride).

Extracting value through integration efficiencies will also be a key driver of Aeris' immediate plan with c.A$4.0m of targeted annual cost synergies as well as the potential for utilising Aeris' existing carried forward tax losses (A$256m at 30 June 2019).

Over the two year period to 30 June 2022, Aeris expects Cracow to generate more than A$100m of net mine cashflows at the current gold price, with pro forma Aeris group EBITDA of A$272m to A$282m and pro forma group net mine cashflows of A$137m to A$155m[7]. This significant cashflow will provide for both investment in life of mine extension projects at Cracow and Tritton as well as to also continue deleveraging the balance sheet. In order to protect the very significant near term positive cashflows from Cracow, Aeris intends to enter into a prudent gold hedging program, with initial focus on the first 12 months.

Acquisition Funding

The acquisition and associated transaction costs will be funded through a combination of equity and a short dated (12 month) acquisition bridge debt facility:

- A$40m fully underwritten Equity Raising, comprising a c.A$7.3m institutional placement (**Placement**) and a c.A$32.7m 2.02 for 1 pro rata renounceable entitlement offer (**Entitlement Offer**). Approximately 1,333.9 million new ordinary shares (**New Shares**) will be issued.
    - Bell Potter Securities Limited and Euroz Securities Limited (**Euroz**) are acting as joint lead managers and underwriters in relation to the Equity Raising, with Special Portfolio Opportunity V Limited (**SPOV**), a subsidiary of a fund managed by PAG to partially sub-underwrite the retail component of the Entitlement

[6] Full details of the Cracow Mineral Resource and Ore Reserve are provided in the report entitled Annual Mineral Resources and Ore Reserves Statement released on 12 February 2020 and available to view at www. evolutionmining.com.au. See also Slide 61 of Aeris' Investor Presentation released to ASX on 4 June 2020.
[7] Based on Aeris' mine plans for Cracow and Tritton on a pre-synergies basis, assuming forward curve pricing for gold (average US$1,721/oz), CRU's forecast copper price (average US$6,118/t) and AUD:USD of 0.665 (average). Net mine cashflow is defined as operating mine cashflow less sustaining and major capital expenditures (pre-tax).

Offer, subject to its equity interest in Aeris at completion being no more than 19.99%.

- The issue price of A$0.03 per share for both the Placement and the Entitlement Offer represents a 30.2% discount to the closing price of Aeris shares of A$0.043 on 1 June 2020 being the last trading day prior to release of this announcement and a 12.5% discount to the Theoretical Ex-Rights Price (**TERP**) of A$0.034[8].

- The Placement will comprise an issue of approximately 244.3 million new fully paid ordinary Aeris shares to certain eligible institutional investors to raise approximately A$7.3m at an issue price of A$0.03 per share. The Placement will utilise Aeris' existing placement capacity, does not require the approval of Aeris' shareholders and will not carry any entitlement to participate in the Entitlement Offer.

- The Entitlement Offer will give eligible shareholders the opportunity to subscribe for 2.02 new fully paid ordinary share in Aeris for every 1 existing fully paid ordinary share in Aeris held as at 7.00 pm (Sydney time) on Tuesday, 9 June 2020 (**Record Date**). The Entitlement Offer will comprise an offer of approximately 1,089.5 million shares at an issue price of A$0.03 per share for total proceeds of c.A$32.7m. The Entitlement Offer comprises an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**).

- Aeris has appointed Euroz as the Company's foreign holder nominee to arrange for the sale of entitlements of ineligible retail shareholders through the retail shortfall bookbuild and for the payment of any retail premium to those shareholders, less any applicable withholding tax. As required by section 615 of the Corporations Act, the Company has applied to ASIC for approval of the appointment of Euroz. As at the date of this announcement, ASIC has not yet provided this approval.

- At the time of allotment under both the Placement and Entitlement Offer, New Shares issued under the offers will rank pari passu with existing shares.

- A$30m secured acquisition bridge debt facility with Aeris' existing lender SPOV, with a term of 12 months and interest rate of 11% per annum (**Acquisition Facility**); and

- SPOV will also provide a A$15m guarantee facility to enable the replacement of existing financial assurances over the mine (currently approximately A$10m) provided by Evolution (**Guarantee Facility**).

As a condition subsequent to the advance of funds under the Acquisition Facility, the Company must procure the necessary shareholder approvals pursuant to section 260B of the Corporations Act in respect of the acquisition.

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[8] TERP is the theoretical price at which Aeris shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP excludes New Shares to be issued under the Placement.

Aeris has been granted a waiver from Listing Rule 10.1 to the extent necessary to permit the Company to grant security over the assets and undertakings of the Company and its subsidiaries (including Cracow) to secure the Company's obligation under the Acquisition Facility and Guarantee Facility without obtaining shareholder approval. The Board examined potential options with alternative commercial debt providers and determined that the facilities with SPOV were on favourable commercial terms and are fair and reasonable from the perspective of shareholders of the Company.

In conjunction with the Transaction, Aeris also has agreed with SPOV to restructure and extend the term of its current c.US$32m senior debt facilities, to reflect the enlarged Group's improved credit profile as well as ensure Aeris has flexibility to pursue its planned exploration and growth capital programs for both Cracow and Tritton. Specifically:

- The terms of both the existing Tranche A and Tranche B secured facilities have been extended from 1 July 2021 to 1 July 2023;
- Tranche B (US$10m) amortisation has been deferred to start on 1 July 2021 at US$2.5m per quarter until repaid; and
- Tranche A (c.US$22m) amortisation will only commence once Tranche B is repaid, with amortisation of US$2.5m per quarter and a bullet payment of the balance at the end of the term.

Entitlement Offer Timetable

Trading halt continues and announcement of the Transaction and the Equity Raising	Pre-market (Sydney time) on Thursday, 4 June 2020
Institutional Entitlement Offer and Placement opens	Before noon (Sydney time) on Thursday, 4 June 2020
Institutional Entitlement Offer and Placement closes	4:00 pm (Sydney time) on Thursday, 4 June 2020
Institutional Entitlement Offer bookbuild	Friday, 5 June 2020
Results of Institutional Entitlement Offer and Placement announced	Pre-market (Sydney time) on Tuesday, 9 June 2020
Trading halt ends	Tuesday, 9 June 2020
Record Date for determining retail entitlements under the Retail Entitlement Offer	7.00 pm (Sydney time) on Tuesday, 9 June 2020
Retail Entitlement Offer booklet and entitlement and acceptance form despatched and Retail Entitlement Offer opens	Thursday, 11 June 2020
Settlement of Institutional Entitlement Offer and Placement	Friday, 12 June 2020
New Shares issued under the Institutional Entitlement Offer and Placement	Monday, 15 June 2020
Retail Entitlement Offer expected to close (closing date)	5.00 pm (Sydney time) on Monday, 22 June 2020
Announcement of results of the Retail Entitlement Offer	Thursday, 25 June 2020
Retail shortfall bookbuild	Thursday, 25 June 2020
Announcement of results of retail shortfall bookbuild	Friday, 26 June 2020
Settlement of Retail Entitlement Offer	Tuesday, 30 June 2020
Issue of New Shares under the Retail Entitlement Offer	Before noon (Sydney time) on Wednesday, 1 July 2020
Commencement of trading of New Shares issued under the Retail Entitlement Offer on ASX	Thursday, 2 July 2020
Expected date for despatch of new shareholding statements for New Shares issued under the Retail Entitlement Offer	Thursday, 2 July 2020
Retail premium (if any) despatched	Thursday, 2 July 2020

The above timetable is indicative only and is subject to change. All dates and times are AEST. Aeris reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Aeris, in consultation with the underwriters, reserves the right to amend this timetable at any time, including extending the closing date of the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice. Any extension of the closing date will have a consequential effect on the issue date of the New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX. The information in this announcement does not constitute financial product advice and does not take into account the financial objectives, personal situation or circumstances of any shareholder. If you are in any doubt as to how to proceed, please contact your financial, tax or other professional adviser.

Investor Presentation

Further details of the Transaction and the Equity Raising are detailed in the investor presentation released on the ASX platform today.

Advisers

Aeris' financial adviser to the Transaction is Jefferies (Australia) Pty Limited and its legal adviser is HopgoodGanim Lawyers.

Conference Call

Investors are invited to join a conference call hosted by André Labuschagne (Executive Chairman) and Rob Brainsbury (CFO), today, Thursday, 4 June at 11:30 am (Sydney time).

To access the call please use the link below to register. Once registered, dial-in details will be provided.

Registration Link: https://s1.c-conf.com/diamondpass/10007553-invite.html

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This announcement is authorised by the Board of Aeris Resources Limited

All dollar amounts are in Australian dollars unless otherwise indicated.

This announcement may contain certain statements and projections provided by or on behalf of Aeris Resources Limited with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Aeris.

Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with the mining industry which may be beyond the control of Aeris which could cause actual results or trends to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals and cost estimates, environmental risks, ability to meet funding requirements, share price volatility. Accordingly, there can be no assurance that such statements and projections will be realised. Aeris makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Aeris makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Aeris or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this announcement or any omission from this announcement or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this announcement, Aeris undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Aeris.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

ANNEXURE A

Key Terms of Transaction Documentation

Sale Agreement

The table below summaries the key terms of the sale agreement (Share Purchase Agreement or SPA):

Topic	Summary
Outline of Proposed Transaction	The Company, through its wholly owned subsidiary Aeris Regional Holdings Pty Ltd (**Aeris Regional**), will acquire 100% of the shares on issue, held by Evolution in Lion Mining Pty Limited (**Lion Mining**). Lion Mining is the holder of the tenements which comprise the Cracow mine.
Consideration	The Company has agreed to acquire Lion Mining for: 1. an upfront cash payment of A$60,000,000 (**Upfront Amount**)[9]; 2. a deferred cash payment of A$15,000,000 payable on 30 June 2022 secured against the shares and assets of the Company (**Deferred Consideration**); and 3. a mining royalty arrangement (**Royalty Component**) (which is outlined further below). The Upfront Amount will be funded by: 1. the Placement and Entitlement Offer to raise A$40m; and 2. A$30m acquisition bridge debt facility through a debt financing arrangement with its existing financier Special Portfolio Opportunity V Limited (SPOV).
Royalty	The Company has agreed that Lion Mining will grant a royalty equal to 10% of the net value generated (revenue less C1 direct cash cost, multiplied by 10%) from any gold produced by Cracow to Evolution for the period from 1 July 2022 to 30 June 2027 (**Royalty Period**). The maximum amount payable to Evolution in respect of the Royalty is A$50,000,000 over the Royalty Period. The Royalty will be secured by way of a mining mortgage over the tenements in favour of Evolution.
Condition Precedent	Completion under the SPA is conditional upon the first to occur of (**Condition Precedent**): 1. the Company being satisfied that it is not a foreign person for the purposes of the *Foreign Acquisitions*

[9] The Upfront Amount is subject to a post-completion working capital adjustment.

Topic	Summary
	and Takeovers Act 1975 (Cth) (**FATA**) or is otherwise not required to notify or seek approval from the FIRB in respect of the SPA; or 2. the Treasurer of Australia (or his delegate) providing written notice under FATA that, the Commonwealth Government has no objections to the acquisition contemplated by the SPA. Where the Condition Precedent is not satisfied within 180 days of signing the SPA, the Company or Evolution may terminate the SPA.
Condition Subsequent	As a condition subsequent to completion, the Company must procure shareholder approval pursuant to section 260B of the Corporations Act in respect of the granting of security and royalty arrangements in connection with the acquisition of Lion Mining. The Company must also execute the relevant security documents and Royalty Deed. If the Company fails to comply with the conditions subsequent within 60 days of completion, the Deferred Consideration and A$20 million on account of the royalty will become immediately due and payable by the Company to Evolution.
Termination Rights	The Company may terminate the SPA between signing and completion in circumstances where a material adverse change (as defined in the SPA) occurs in respect of the business operated by Lion Mining.
Obligations Between Signing and Completion	The agreement places certain requirements on Evolution to continue to conduct the Cracow mine in the ordinary course of business between signing and Completion. The obligations require certain conduct in respect of, amongst other matters, maintaining the tenements and assets, compliance with obligations under contracts, not acquiring any asset, engaging in a transaction or entering into any capital commitment above a certain threshold without the Company's consent.
Warranties	The SPA contains a number of warranties given by Evolution and the Company to each other which are typical for the nature of the acquisition.
Transitional Service Arrangements	The Company also intends to enter into a formal transitional services agreement for Evolution to continue to provide, for a period of up to 3 months post-completion, any shared services in exchange for a monthly fee payable by the Company to Evolution.

ANNEXURE B

Further Details of the Equity Raising

Institutional Placement

The Institutional Placement will comprise an issue of approximately 244.3 million new fully paid ordinary Aeris shares to certain eligible institutional investors to raise approximately A$7.3m at an issue price of A$0.03 per share.

The issue price represents a 30.2% discount to the closing price of Aeris shares of A$0.043 on 1 June 2020 being the last trading day prior to release of this announcement.

The Institutional Placement will utilise Aeris' existing placement capacity and does not require the approval of Aeris' shareholders and will not carry any entitlement to participate in the Entitlement Offer.

Entitlement Offer

The Entitlement Offer will give eligible shareholders the opportunity to subscribe for 2.02 new fully paid ordinary share in Aeris for every 1 existing fully paid ordinary shares in Aeris held as at 7.00 pm (Sydney time) on Tuesday, 9 June 2020 (Record Date). The Entitlement Offer will comprise an offer of approximately 244.3 million shares at an issue price of A$0.03 per share for total proceeds of c.A$7.3m. The Entitlement Offer comprises an accelerated institutional entitlement offer and a retail entitlement offer.

The Institutional Entitlement Offer will be extended to institutional shareholders, and in respect of any shortfall, other institutional investors in Australia, New Zealand, British Virgin Islands, United Kingdom, Ireland, Bermuda, Singapore, Hong Kong and the United States.

The Retail Entitlement Offer will be extended to shareholders, in in Australia, New Zealand, Singapore, Hong Kong and the United Kingdom.

The issue price represents:

- 30.2% discount to the closing price of Aeris shares of A$0.043 on 1 June 2020 being the last trading day prior to release of this announcement; and
- 12.5% discount to the Theoretical Ex-Rights Price (TERP) based of A$0.034[10].

At the time of allotment, New Shares issued under the Entitlement Offer will rank pari passu with existing shares.

Institutional Entitlement Offer

The Institutional Entitlement Offer will take place from Thursday, 4 June 2020 to 4.00 pm (Sydney time), Thursday, 4 June 2020. Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer and can choose to take up all, part or none

[10] TERP is the theoretical price at which Aeris shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP excludes New Shares to be issued under the Placement.

of their Entitlement. Entitlements cannot be traded on the ASX. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall bookbuild (**Institutional Bookbuild**). Any proceeds from the sale of Entitlements under the Institutional Bookbuild in excess of the offer price will be remitted proportionally to those institutional shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those institutional shareholders. Aeris shares have been placed in trading halt and will recommence trading once the Institutional Entitlement Offer and Institutional Bookbuild are completed.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in a Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Thursday, 11 June 2020 and close at 5.00 pm (Sydney time), Monday, 22 June 2020.

Eligible retail shareholders can choose to take up all, part of none of their Entitlement. Entitlements cannot be traded on the ASX. Entitlements which are not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through the retail bookbuild on Thursday, 25 June 2020 (**Retail Bookbuild**). Any proceeds from the sale of Entitlements under the Retail Bookbuild in excess of the offer price will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Thursday, 11 June 2020. Copies of the retail offer booklet will be available on the ASX website (www.asx.com.au) on or around Thursday, 11 June 2020.

ANNEXURE C

Conditions of the ASX Waiver of Listing Rule 10.1

The ASX has granted the Company a waiver of Listing Rule 10.1 to the extent necessary to permit the Company to grant security over the assets and undertakings of the Company and its subsidiaries (including Cracow) to secure the Company's obligation under the Acquisition Facility and Guarantee Facility without obtaining shareholder approval provided the following conditions are met:

1.1 the material terms of the acquisition, loan facilities and the waiver are announced to the market;

1.2 the announcement includes a description of the reasons why the Company has chosen to obtain the financial accommodation from the Listing Rule 10.1 party rather than a lender that is not a Listing Rule 10.1 party and the steps the board of the Company has taken to satisfy itself that the acquisition is being entered into on arm's length terms and is fair and reasonable from the perspective of the holders of the Company's ordinary securities;

1.3 the security documents expressly provide that:

1.3.1 the security is limited to the funds due under the financial accommodation;

1.3.2 the security will be discharged when the funds due under the financial accommodation have been satisfied in full;

1.3.3 in the event the security is enforced, the assets can only be disposed of to the lenders or an associate of the lenders if the disposal is first approved by the Company's security holders under Listing Rule 10.1; and

1.3.4 otherwise, if the holder of the security exercises, or appoints a receiver, receiver and manager or analogous person to exercise any power of sale under the security, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the lenders in accordance with their legal entitlements;

1.4 any variation to the terms of the financial accommodation or the Security which:

1.4.1 advantages the lenders in a material respect;

1.4.2 disadvantages the Company in a material respect; or

1.4.3 is inconsistent with the terms of the waiver;

must be subject to security holder approval under Listing Rule 10.1; and

1.5 for each year while they remain on foot, a summary of the material terms of the financial accommodation and the security is included in the related party disclosures in the entity's audited annual accounts.