

# M

COMPANIES FORM No. 395

## Particulars of a mortgage or charge

# 395

Please do not  
write in  
this margin

Pursuant to section 395 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

\* insert full name  
of company

To the Registrar of Companies  
(Address overleaf - Note 5)

For official use

Company number

151

666509

Name of company

\* PHILIPPINE GOLD PLC ("THE MORTGAGOR")

Date of creation of the charge

8 January 1997

Description of the instrument (if any) creating or evidencing the charge (note 2)

EQUITABLE MORTGAGE OF SHARES BETWEEN PHILIPPINE GOLD PLC  
AND ROTHSCHILD AUSTRALIA LIMITED

Amount secured by the mortgage or charge

SEE CONTINUATION SHEET NO. 1

Names and addresses of the mortgagees or persons entitled to the charge

ROTHSCHILD AUSTRALIA LIMITED, LEVEL 16, 1 O'CONNELL STREET,  
SYDNEY, NEW SOUTH WALES, ("THE MORTGAGEE")

Postcode

Presentor's name address and  
reference (if any):

Baker & McKenzie  
100 New Bridge Street  
London EC4V 6JA  
Ref: IWJ/JZL

For official Use  
Mortgage Section

Post room



Time critical reference

**Short particulars of all the property mortgaged or charged**

Please do not  
write in  
this margin

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

SEE CONTINUATION SHEET NO. 1

**Particulars as to commission allowance or discount (note 3)**

Nil

Signed

*Baker & McKenzie*

Date *24 January 1997*

SOLICITORS TO THE MORTGAGEE

On behalf of ~~[company/mortgagee/chargee]~~<sup>†</sup>

† delete as  
appropriate

**Notes**

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 The address of the Registrar of Companies is:-  
Companies House, Crown Way, Cardiff CF4 3UZ

Please do not  
write in this  
binding margin

## Particulars of a mortgage or charge (continued)

Continuation sheet No \_\_\_\_\_  
to Form No 395 and 410 (Scot)

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Company number

666509

Name of company

PHILIPPINE GOLD PLC ( "THE MORTGAGOR" )

Limited\*

\*delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

- (1) In accordance with clause 2.1 of the Equitable Mortgage of shares, the Mortgage Deed secures the payment of all Secured Moneys on demand, as defined in the Mortgage Deed, being all moneys, obligations and liabilities of any nature that may now be, or might at any time in the future become or remain, due, owing or payable, whether actually or contingently, by the Mortgagor to the Mortgagee on any account or for any reason including, without limitation, under the provisions of the Agreement or any Security Interest and whether on account of or by way of principal, interest, fees, commissions, charges, costs, expenses, indemnity payments, losses, damages or otherwise and irrespective of:
  - (a) the capacity (whether as principal, agent, trustee, beneficiary, partner or otherwise) of the Mortgagor or the Mortgagee;
  - (b) whether the Mortgagor is liable as principal debtor or as surety; and
  - (c) whether the Mortgagor is liable alone or jointly and/or severally with any other persons; and
- (2) In accordance with Clause 3.1, all Secured property as defined in the Mortgage Deed, being the Shares and the Rights by way of first ranking equitable mortgage as security for the due and punctual payment and satisfaction of the Secured Moneys.

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binding margin

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

The Mortgagor as beneficial owner mortgages to the Mortgagee all of the Mortgagor's right, title and interest in and to the Secured Property by way of first ranking equitable mortgage as security for the due and punctual payment and satisfaction of the Secured Moneys.

By virtue of Clause 7.2 of the Mortgage, unless the Mortgagee otherwise agrees in writing, the Mortgagor must:

- (a) **no Security Interests:** not create, agree or attempt to create or permit to exist, any Security Interest (other than a Permitted Security Interest) over any Secured Property;
- (b) **Permitted Security Interests:** promptly comply with all the terms of any Permitted Security and not do, omit to do or permit to occur any act, thing or omission where the obligations of any other person under the Permitted Security would be in any way lessened;
- (c) **no sales:** not sell, redeem, dispose of, part with possession of or otherwise deal with, any Secured Property other than cash dividends as contemplated by Clause 5.2(a);
- (d) **calls:** pay all calls, instalments or other moneys which are payable for the Secured Property;
- (e) **transfer requirements:** if the requirements for the transfer of any Secured Property alter as to the form or content of transfer approved by the Company, the information required by the Company in connection with a transfer or in any other respect, immediately on such alteration notify the Mortgagee and lodge with or provide to the Mortgagee all instruments and information as may, in the opinion of the Mortgagee, be necessary or desirable to enable the Secured Property to be transferred to the Mortgagee in accordance with the terms of the Deed;
- (f) **notices to Shareholders:** at the same time as notices are, by the Corporations Law or by the Memorandum or Articles of Association of the Company, required to be given to Shareholders, give to the Mortgagee a copy of each notice (together with copies of all reports, accounts, circulars or other information distributed with such a notice) and, on request, give to the Mortgagee any reports, accounts, circulars or other information or documents which may be given to members;
- (g) **protect:** institute or defend any legal proceedings which the Mortgagee may require to protect any of the Secured Property;
- (h) **not prejudice:** not do, omit to do or permit to occur, any act, omission or thing which would or might result in any Secured Property being surrendered, forfeited, cancelled or prejudiced in any manner or reduced in value, or the Deed or any rights, powers or remedies of the Mortgagee under the Deed being prejudiced or adversely affected;
- (i) **pay Taxes:** whether or not the Mortgagee has taken possession of any part of the Secured Property, punctually pay all Taxes for any Secured Property and on demand provide the Mortgagee with copies of all notices received for those Taxes and copies of receipts for all payments;
- (j) **comply with laws:** punctually comply with all laws and all guidelines, directions, requests or requirements of any Governmental Agency applicable to any Secured Property or the use, occupation or enjoyment of any Secured Property by the Mortgagor;
- (k) **other obligations:** punctually comply with all Security Interests affecting any Secured Property; and
- (l) **consents:** punctually comply with the terms attaching to any consent given by the Mortgagee in connection with the Deed.

In the Deed, if the context allows:

"**Agreement**" means the Convertible Loan Agreement between the Mortgagor dated on or about the date of this Deed;

**"Authorisation"** includes:

- (a) any authorisation, approval, consent, licence, permit, permission, filing, registration, resolution, declaration and exemption; and
- (b) in relation to anything which may be prohibited or restricted in whole or in part by law if a Governmental Agency intervenes or acts within a specific period after notification to it, the expiry of that period without intervention or action;

**"Authorised Officer"** means:

- (a) in relation to the Mortgagor, each director and secretary of the Mortgagor and each person notified in writing by the Mortgagor to the Mortgagee to be an Authorised Officer; and
- (b) in relation to the Mortgagee, each director and secretary of the Mortgagee and each employee of the Mortgagee whose title includes the word "Manager", "President" or "Vice-President" and includes any person acting in that capacity;

**"Certificates"** means certificates or other instruments evidencing shares or other property forming part of the Secured Property;

**"Collateral Security"** means any Security Interest (other than the Deed) and any guarantee, indemnity, letter of credit or other obligation (however described) provided or assumed by a person in favour of the Mortgagee securing the Secured Moneys, whether created before, on or after the date of the Deed;

**"Company"** means LFT Processing Corp;

**"Controller"** has the same meaning as "controller" in the Corporations Law;

**"Convertible Loan Facility Agreement"** means the Convertible Loan Facility Agreement between the Mortgagee and Philippine Gold PLC dated on or about the date of the Deed;

**"Debtor"** means Philippine Gold PLC of 62 Gloucester Place, London W1H 3HL, England;

**"Default Margin"** means 5% per annum plus LIBOR for the relevant amount and period;

**"Event of Default"** means any event specified in clause 8.1;

**"Mortgage"** means the mortgage over the Secured Property created by the Deed;

**"Notices"** means all notices, comments, approvals, nominations and other communications given by one Party to another under or in connection with the Deed;

**"Parties"** means the parties to the Deed and "Party" means a party to the Deed;

**"Potential Event of Default"** means any event which, with the giving of notice, the passage of time or the fulfilment of any other condition, would become an Event of Default;

**"Receiver"** means the person or persons appointed in accordance with clause 11;

**"Related Body Corporate"** has the same meaning as in the Corporations Law;

**"Rights"** means all of the Mortgagor's right, title and interest in and to all dividends, distributions, bonus shares, rights, issues, options, warrants, notes, convertible instruments, securities and other instruments of any kind, and all allotments, accretions, offers, benefits and advantages, now or in the future made, granted, issued or distributed for, in substitution for, in addition to, or in exchange for, the Shares, whether or not on or by reason of a winding up, conversion, redemption, bonus, cancellation, re-classification, option, rights issue or otherwise;

**"Secured Moneys"** means all moneys, obligations and liabilities of any nature that may now be, or might

*Please complete  
legibly, preferably  
in black type, or  
bold block lettering*

at any time in the future become or remain, due, owing or payable, whether actually or contingently, by the Mortgagor to the mortgagee on any account or for any reason including, without limitation, under the provisions of the Agreement or any Security Interest and whether on account of or by way of principal, interest, fees, commission, charges, costs, expenses, indemnity payments, losses, damages or otherwise and irrespective of:

- (a) the capacity (whether as principal, agent, trustee, beneficiary, partner or otherwise) of the Mortgagor or the Mortgagee;
- (b) whether the Mortgagor is liable as principal debtor or as surety; and
- (c) whether the Mortgagor is liable alone or jointly and/or severally with any other person;

**"Secured Property"** means the Shares and the Rights;

**"Shareholders"** means those persons who hold shares in the Company;

**"Shares"** means:

- (a) the following shares in the company:

Share Certificate	Registered Holder	Number	Class
001	Philippine Gold Plc	120645	Common stock
002	Martin Buckingham	1	Common stock
003	Frank Norman Lubbock	1	Common stock
006	Gumerinda Del Mondo	1	Common stock
007	Neil Warburton	1	Common stock
008	Philippe Henri Edmonds	1	Common stock

- (b) any other shares in the capital of the Company now or in the future beneficially owned by the Mortgagor; and
- (c) any shares in the capital of any corporation (other than the Company) evidenced by share certificates which are now or in the future deposited with the Mortgagee by the Mortgagor or by any other person for or on behalf of the Mortgagor.

**"Transaction Documents"** means:

- (a) the Deed;
- (b) a Security;
- (c) the ISDA Master Agreement;
- (d) the Convertible Loan Facility Agreement;
- (e) a document or agreement which the parties agree in writing is a "Transaction Document" for the purposes of this Agreement; and
- (f) a document or agreement entered into or provided under any of the above.

**"Transfer"** means a transfer in registrable form executed by the Mortgagor (or if the Mortgagor is not the registered holder of the Secured Property, by any registered holder), as transferor, but otherwise blank.



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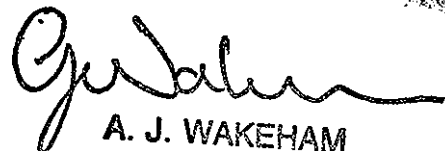
## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 00666509

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN EQUITABLE MORTGAGE OF SHARES DATED THE 8th JANUARY 1997 AND CREATED BY PHILIPPINE GOLD PLC FOR SECURING ALL MONEYS, OBLIGATIONS AND LIABILITIES DUE FROM THE COMPANY TO ROTHSCHILD AUSTRALIA LIMITED ON ANY ACCOUNT WHATSOEVER INCLUDING WITHOUT LIMITATION UNDER THE PROVISIONS OF THE AGREEMENT OR ANY SECURITY INTEREST WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 24th JANUARY 1997.

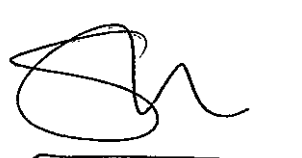
GIVEN AT COMPANIES HOUSE, CARDIFF THE 29th JANUARY 1997.



A. J. WAKEHAM

for the Registrar of Companies

Post  
29-1-97



COMPANIES HOUSE

HC026B