



Recommended acquisition of AWE by Mineral Resources

- **Mineral Resources to acquire all AWE shares via a Scheme of Arrangement**
- **Recommended unanimously by AWE Board**
- **Implied value of \$0.83 per AWE share if the Mineral Resources VWAP is between \$15.00 and \$21.00 during the 10 trading days ending on the day prior to the scheme vote**
- **AWE shareholders to receive \$0.415 cash and between 0.0198 and 0.0277 Mineral Resources shares per AWE share¹**
- **Premium for AWE shareholders of 63% based on the undisturbed 3-month VWAP for AWE shares**

AWE Limited (**AWE**) (**ASX: AWE**) is pleased to announce that it has entered into a binding Scheme Implementation Deed with Mineral Resources Limited (**Mineral Resources**) (**ASX: MIN**). Under the terms of the agreement, Mineral Resources has agreed to acquire all of the shares in AWE via a Scheme of Arrangement (the **Scheme**).

Each AWE shareholder will receive as default consideration \$0.415 paid in cash and between 0.0198 and 0.0277 Mineral Resources shares per AWE share. Shareholders will be provided with the ability to elect to receive 100% cash or 100% scrip, with actual allocation subject to scale back to ensure total transaction consideration paid is 50% cash and 50% scrip.

The number of Mineral Resources shares to be issued to AWE shareholders will be determined by the volume weighted average price (VWAP) for Mineral Resources shares calculated over the 10 trading days ending on the day prior to the Scheme vote. If the Mineral Resources VWAP is between \$15.00 and \$21.00, the number of Mineral Resources shares per AWE share will be equal to \$0.415 divided by the Mineral Resources VWAP (subject to rounding). AWE shareholders will receive the maximum number of 0.0277 Mineral Resources shares per AWE share if the Mineral Resources VWAP is \$15.00 or less and receive the minimum number of 0.0198 Mineral Resources shares per AWE share if the Mineral Resources VWAP is \$21.00 or more.

Transaction summary

Based on consideration of \$0.83 per share, the transaction values AWE at a market capitalisation of \$526.0 million². This represents an attractive premium of:

- 52.3% to AWE's closing price of \$0.545 per share on 29 November 2017, being the day prior to the disclosure that China Energy Reserve and Chemical Group Australia (CERCG Australia) had approached AWE with a proposal to acquire the company;
- 51.9% to AWE's 1-month VWAP of \$0.546 per share up to and including 29 November 2017; and
- 63.0% to AWE's 3-month VWAP of \$0.509 per share up to and including 29 November 2017.

¹ This is the consideration under the default consideration option

² Assumes 633,740,255 AWE shares on issue, including 20,006,707 shares issued pursuant to the share purchase plan (SPP) and issued cash share rights of 8,486,352



If the Scheme is implemented, based on the current trading price of Mineral Resources' shares, AWE shareholders will own approximately 6.8%³ of the total issued share capital of the combined group.

The transaction is subject to the approval of AWE shareholders at a shareholder meeting expected to occur in mid April 2018, as well as Court approval and other conditions.

Support from AWE Board

After due consideration, the Directors of AWE concluded that the Mineral Resources proposal was in the best interests of AWE shareholders and unanimously recommend that all AWE shareholders vote in favour of the Scheme, and also advise that they intend to vote the AWE shares which they control in favour of the Scheme, both in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of AWE shareholders.

Commenting on the acquisition, Mr Kenneth Williams, Chairman of AWE said, "The acquisition price represents a highly attractive opportunity for AWE shareholders to realise a material premium for their AWE shares. Shareholders who receive Mineral Resources shares can choose to remain invested in the larger and more liquid Mineral Resources or they can choose to sell their new Mineral Resources shares for cash".

Mr David Biggs, CEO and Managing Director of AWE said, "We are proud of the work we have done to reshape AWE and, in particular, the value which has been created by our Waitsia project. This represents a very good opportunity for shareholders to crystallise compelling value".

Scheme Implementation Deed

The Scheme is subject to certain conditions, which are contained in the Scheme Implementation Deed (a full copy of which is attached). Those conditions include:

- Approval from AWE shareholders, ASIC, ASX and the Court;
- The independent expert concluding that the Scheme is in the best interests of AWE shareholders; and
- No material adverse change; prescribed occurrence; or breach of warranty in relation to AWE or Mineral Resources.

The parties have also agreed to certain exclusivity provisions and break fee arrangements, which are set out in the Scheme Implementation Deed.

Timetable

AWE shareholders do not need to take any action at the present time.

Full details of the Scheme, including the recommendation of the AWE Directors and the Independent Expert's Report will be included in the Explanatory Booklet to be sent to AWE shareholders. It is expected that the booklet will be sent to shareholders in mid February 2018. Subsequently, AWE shareholders will be asked to vote on the Scheme at a meeting expected to be held in mid April 2018.

Set out below is an indicative timetable for the transaction:

- | | |
|-----------------------------------|-------------------------|
| • Lodge Scheme booklet with ASIC: | Mid February 2018 |
| • First court date: | Early to mid March 2018 |
| • Scheme meeting: | Mid April 2018 |

³ Assumes 187,523,905 Mineral Resources shares are on issue as at 20 December 2017; and that 13,655,359 new Mineral Resources shares are issued for 50% of the consideration, at a price \$19.26 each, which was the closing price on 20 December 2017. The actual issue price will be the VWAP calculated over the 10 trading days ending on the day prior to the Scheme vote.

- Second court date: Mid to late April 2018
- Record date: Mid to late April 2018
- Implementation date: Early May 2018

Advisers

AWE has appointed UBS AG, Australia Branch and Highbury Partnership as financial advisers and Allens as legal adviser.

For information please see our website www.awexplore.com or contact:

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ENDS

Scheme implementation deed

AWE Limited
Mineral Resources Limited

Contents

	Page
1 Defined terms and interpretation	1
1.1 Definitions in the Dictionary	1
1.2 Interpretation	1
2 Agreement to propose Scheme	1
2.1 Proposal of Scheme	1
2.2 Timetable	2
3 Conditions precedent and pre-implementation steps	2
3.1 Conditions to Scheme	2
3.2 Benefit and waiver of conditions precedent	3
3.3 Procuring satisfaction of the Conditions	4
3.4 Notifications	5
3.5 Certificate	5
3.6 Scheme voted down because of Headcount Test	5
3.7 Conditions not capable of being satisfied	5
3.8 Interpretation	6
4 Scheme and Scheme Consideration	7
4.1 Scheme	7
4.2 Scheme Consideration	7
4.3 Election Mechanism	8
4.4 Standard Consideration	9
4.5 Maximum Cash Consideration	9
4.6 Maximum Scrip Consideration	10
4.7 Provision of cash component of Scheme Consideration	12
4.8 Allotment and issue of New MinRes Shares	12
4.9 Ineligible Foreign Shareholders and Small Shareholders	13
4.10 Sale Facility	13
4.11 Fractional entitlements	13

4.12	Share Splitting	14
4.13	No amendment to Scheme without consent	14
4.14	Deed Poll	14
4.15	AWE Cash Share Rights	15
4.16	AWE Cash Share Rights – CSR Grant 2017	15
5	Implementation of the Scheme	15
5.1	AWE's obligations	15
5.2	MinRes' obligations	17
5.3	Conduct of Court proceedings	18
5.4	Appeal process	18
5.5	New information	19
5.6	Verification	19
5.7	Responsibility statements	19
5.8	Disagreement on content	20
5.9	Good faith co-operation	20
6	Board recommendation	20
6.1	Recommendation	20
6.2	AWE's Statement to contain recommendation	20
6.3	Withdrawal or modification of recommendation	21
7	AWE conduct of business before the Implementation Date	21
7.1	Conduct of AWE business	21
7.2	Prohibited actions	22
7.3	AWE permitted activities	24
7.4	Access	25
7.5	Change of control	26
8	MinRes conduct of business before the Implementation Date	26
8.1	Conduct of MinRes business	26
8.2	MinRes permitted activities	26
9	Board composition and matters	27

9.1	Reconstitution of the AWE Group boards	27
10	Representations and warranties	27
10.1	MinRes representations and warranties	27
10.2	MinRes' indemnity	30
10.3	AWE representations and warranties	30
10.4	AWE's indemnity	32
10.5	Notifications	32
10.6	Survival of representations	32
10.7	Survival of indemnities	32
11	Exclusivity	33
11.1	No existing discussions	33
11.2	No-shop	33
11.3	No-talk	33
11.4	No due diligence	34
11.5	Notification of approaches	34
11.6	AWE's response to Rival Acquirer and MinRes' right to respond	35
11.7	Fiduciary out	36
12	AWE Break Fee	37
12.1	MinRes declaration	37
12.2	Acknowledgments in relation to Costs	37
12.3	Acknowledgements in relation to legal advice	37
12.4	Agreement on MinRes Costs	37
12.5	Payment of AWE Break Fee	38
12.6	AWE Break Fee not payable	38
12.7	AWE Limitation of Liability	39
12.8	Compliance with law	39
13	MinRes Break Fee	40
13.1	AWE declaration	40
13.2	Acknowledgments in relation to Costs	40

13.3	Acknowledgements in relation to legal advice	40
13.4	Agreement on AWE Costs	40
13.5	Payment of MinRes Break Fee	40
13.6	MinRes Break Fee not payable	41
13.7	Compliance with law	41
14	Termination	41
14.1	Termination by notice	41
14.2	Effect of termination	43
15	Releases	43
15.1	Release of AWE Indemnified Parties	43
15.2	Release of MinRes Indemnified Parties	43
15.3	Deeds of indemnity, access and insurance	44
16	Confidentiality and Public Announcement	44
16.1	Confidentiality	44
16.2	Public Announcements on execution	45
16.3	Further public announcements	45
17	Notices	45
17.1	Service of notices	45
17.2	Effective on receipt	46
18	General	47
18.1	Further acts	47
18.2	Payments	47
18.3	Consents or approvals	47
18.4	GST	47
18.5	Stamp duty	48
18.6	Expenses	48
18.7	Amendments	48
18.8	Assignment	48
18.9	Waiver	48

18.10 Counterparts	49
18.11 Entire agreement	49
18.12 No representation or reliance	49
18.13 No merger	49
18.14 Governing law	49
Schedule 1 Dictionary	51
Schedule 2 Indicative Timetable	66
Schedule 3 Deed Poll	67
Schedule 4 Scheme	74
Execution page	96

Parties

- 1 **AWE Limited (ABN 70 077 897 440)** of Level 16, 40 Mount Street, North Sydney, NSW 2060 (**AWE**)
- 2 **Mineral Resources Limited (ABN 33 118 549 910)** of 1 Sleat Road, Applecross, WA 6153 (**MinRes**)

The parties agree

Background

- A AWE and MinRes have agreed to implement the Transaction on and subject to the terms and conditions of this deed.
 - B AWE and MinRes have agreed certain other matters in connection with the Transaction as set out in this deed.
-

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this deed.

2 Agreement to propose Scheme

2.1 Proposal of Scheme

- (a) AWE will propose and implement the Scheme on and subject to the terms and conditions of this deed.
- (b) Subject to clauses 2.1(c) and (d), MinRes will assist AWE in proposing and implementing the Scheme on and subject to the terms and conditions of this deed.
- (c) MinRes may nominate any wholly-owned Subsidiary of MinRes (**MinRes Sub**) to acquire the Scheme Shares under the Scheme by giving written notice to AWE on or before the date that is 5 Business Days before the First Court Date.

- (d) If MinRes nominates a MinRes Sub to acquire the Scheme Shares under the Scheme, then:
 - (i) references in this deed to MinRes acquiring the Scheme Shares under the Scheme, or taking any other action under or in respect of the Scheme, are to be read as references to the MinRes Sub doing so; and
 - (ii) MinRes must procure that MinRes Sub complies with its obligations under the Scheme.

2.2 Timetable

The parties acknowledge the Timetable as an indicative timetable and will consult with each other regularly in relation to:

- (a) performing their respective obligations within the framework established by the Timetable; and
- (b) any need to modify the Timetable.

3 Conditions precedent and pre-implementation steps

3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the obligations of MinRes in relation to the implementation of the Scheme (including under clause 4) are not binding, until each of the following conditions precedent is satisfied or waived (to the extent and in the manner set out in this clause 3):

- (a) **(Shareholder approval)** the Scheme is approved by AWE Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (b) **(ASIC and ASX)** before 8.00am on the Second Court Date, ASIC and ASX issue or provide such consents, waivers, exemptions, reliefs, confirmations or approvals as are necessary or which AWE and MinRes agree are reasonably necessary or desirable to implement the Scheme, either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably), and no such consent, waiver, exemption, relief, confirmation or approval or other act has been suspended, withdrawn or revoked before 8.00am on the Second Court Date;
- (c) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
- (d) **(Restraints and Regulatory Actions)** no law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other judgment, decision, determination, order or decree issued by any Court of competent jurisdiction or Governmental Agency or other legal restraint or prohibition or any action or investigation is announced commenced or threatened, which may prevent or materially restrict the Scheme or the transactions contemplated by the Scheme or this deed, which seeks to require the divestiture of any material assets by any member of the AWE Group, or which imposes new terms on, amends the existing terms of or otherwise materially affects the rights held by AWE as at the Date of this deed under any Regulatory Approval which is material to the operation of AWE's business, is in effect at 8.00am on the Second Court Date;

- (e) **(No AWE Prescribed Occurrence)** no AWE Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date;
- (f) **(No MinRes Prescribed Occurrence)** no MinRes Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date;
- (g) **(No AWE Material Adverse Change)** there is no AWE Material Adverse Change between the date of this deed and 8.00am on the Second Court Date;
- (h) **(No MinRes Material Adverse Change)** there is no MinRes Material Adverse Change between the date of this deed and 8.00am on the Second Court Date;
- (i) **(AWE Warranties)** the AWE Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date (or if a representation or warranty is expressed to be operative as at any other date, as at that date);
- (j) **(MinRes Warranties)** the MinRes Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date (or if a representation or warranty is expressed to be operative as at any other date, as at that date);
- (k) **(AWE covenants)** AWE shall have substantially complied with its covenants as contained in this deed between the date of this deed and 8.00am on the Second Court Date;
- (l) **(MinRes covenant)** MinRes shall have substantially complied with its covenants as contained in this deed between the date of this deed and 8.00am on the Second Court Date;
- (m) **(Independent Expert's Report)** the Independent Expert provides the Independent Expert's Report to AWE, stating that in its opinion the Scheme is in the best interests of AWE Shareholders, on or before the date on which the Scheme Booklet is registered with ASIC under the Corporations Act, and the Independent Expert does not change or publicly withdraw this conclusion prior to 8.00am on the Second Court Date;
- (n) **(No exercise of sole risk)** before 8.00am on the Second Court Date, no person validly exercises any sole risk right (or any substantially similar rights) regarding the development of the Waitsia Project under and in accordance with the relevant joint operating agreement.

3.2 Benefit and waiver of conditions precedent

- (a) The Conditions in clauses 3.1(a), 3.1(b), 3.1(c) and 3.1(d) are for the benefit of both parties and any breach or non-satisfaction of any of them may only be waived in accordance with applicable law (if at all) and with the written agreement of both parties.
- (b) The Conditions in clauses 3.1(e), 3.1(g), 3.1(i), 3.1(k) and 3.1(n) are for the sole benefit of MinRes and any breach or non-satisfaction of any of them may only be waived by MinRes in writing.
- (c) The Conditions in clauses 3.1(f), 3.1(h), 3.1(j), 3.1(l) and 3.1(m) are for the sole benefit of AWE and any breach or non-satisfaction of any of them may only be waived by AWE in writing.

- (d) A party entitled to waive the breach or non-satisfaction of a Condition pursuant to this clause 3.2 (either individually or jointly) may do so in its absolute discretion.
- (e) Any waiver of the breach or non-satisfaction of a Condition by a party who is entitled to do so pursuant to this clause 3.2 is only effective if such waiver is given on or prior to 8.00am on the Second Court Date. The Conditions in clauses 3.1(a), 3.1(b) and 3.1(c) cannot be waived.
- (f) If a party waives the breach or non-satisfaction of any Condition, that waiver will not preclude it from suing the other party for any breach of this deed including a breach that resulted in the non-satisfaction of the Condition that was waived.
- (g) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition arising from any other event.

3.3 Procuring satisfaction of the Conditions

- (a) AWE and MinRes will use their respective reasonable endeavours to ensure that:
 - (i) each of the Conditions is satisfied as soon as reasonably practicable after the date of this deed or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require); and
 - (ii) there is no occurrence within their control (as the context requires) that would prevent the Conditions being satisfied.
- (b) Without limiting clauses 3.4 and 3.5, each of AWE and MinRes must:
 - (i) promptly apply for all approvals necessary in order to satisfy the Conditions in clause 3.1(b) and provide the other party with a copy of all such applications;
 - (ii) take all the steps for which it is responsible as part of the process to obtain the approvals necessary in order to satisfy the Conditions in clause 3.1(b);
 - (iii) respond, at the earliest practicable time, to all requests for information in respect of the applications for approvals necessary in order to satisfy the Conditions in clause 3.1(b);
 - (iv) provide the other with all information and assistance reasonably requested by the other and the relevant regulatory authority in connection with the application necessary in order to satisfy the Conditions in clause 3.1(b); and
 - (v) so far as it is able, allow the other and its Authorised Persons the opportunity to be present and make submissions at any meetings with the relevant regulatory body relating to the application necessary in order to satisfy the Conditions in clause 3.1(b).

3.4 Notifications

Each of MinRes and AWE must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any Condition is likely to become, or has become, incapable of being satisfied (having regard to the respective obligations of each party under clause 3.3).

3.5 Certificate

On the Second Court Date, MinRes and AWE will provide a joint certificate to the Court confirming whether or not the Conditions (other than the Condition set out in clause 3.1(c)) have been satisfied or waived in accordance with the terms of this deed.

3.6 Scheme voted down because of Headcount Test

If the Scheme is not approved by AWE Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and AWE or MinRes considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then AWE must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as counsel engaged by AWE to represent it in Court proceedings related to the Scheme, in consultation with MinRes, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Act by making an order to disregard the Headcount Test.

3.7 Conditions not capable of being satisfied

- (a) If:
 - (i) a Condition is not satisfied, or becomes incapable of being satisfied, or a circumstance occurs which is reasonably likely to result in a Condition not capable of being satisfied, before the End Date; and
 - (ii) neither of the following has occurred:
 - (A) the Independent Expert opines to the effect that the Scheme is not in the best interests of AWE Shareholders; or
 - (B) a Superior Proposal has been publicly announced,

then unless the relevant Condition (where capable of waiver) is waived:

 - (iii) subject to clause 3.7(c), either party may give the other party written notice (**Consultation Notice**) within 5 Business Days after the relevant notice of that fact being given under clause 3.4(c);

- (iv) upon delivery of the Consultation Notice, the parties must consult in good faith with a view to determining whether they can reach agreement with respect to:
 - (A) the terms (if any) on which the party with the benefit of the relevant Condition will waive that Condition;
 - (B) an extension of the time for satisfaction of the relevant Condition or an extension of the End Date (as the case may be);
 - (C) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
 - (D) the Transaction proceeding by way of alternative means or methods.
- (b) If a Condition becomes incapable of being satisfied before the End Date and:
 - (i) the parties are unable to reach such agreement within 5 Business Days after a Consultation Notice is given; or
 - (ii) a Consultation Notice is not given within the timeframe specified in clause 3.7(a)(iii),

then, subject to clause 3.7(c), either party may terminate this deed by notice to the other without any liability to any party by reason of that termination alone, provided the Condition to which the Consultation Notice relates is for the benefit of the party seeking to terminate (whether or not the Condition is also for the benefit of the other party).
- (c) A party will not be entitled to give a Consultation Notice or terminate this deed pursuant to clause 3.7(b) if the relevant Condition has not been satisfied as a result of:
 - (i) a breach of this deed by that party; or
 - (ii) a deliberate act or omission of that party which directly and materially contributed to that Condition not being satisfied.

3.8 Interpretation

For the purposes of this clause 3, a Condition will be incapable of satisfaction, or incapable of being satisfied if there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-satisfaction that would otherwise have occurred has not already been waived in accordance with this deed).

4 Scheme and Scheme Consideration

4.1 Scheme

- (a) The parties acknowledge and agree that, subject to the Scheme becoming Effective, on the Implementation Date the general effect of the Scheme will be that all of the Scheme Shares will be transferred to MinRes and the Scheme

Shareholders will be entitled to receive, for each Scheme Share held at the Record Date, the Scheme Consideration.

- (b) MinRes undertakes and warrants to AWE that, if the Scheme becomes Effective, in consideration for the transfer to MinRes of the Scheme Shares held by each Scheme Shareholder under the terms of the Scheme, MinRes will provide to each Scheme Shareholder the Scheme Consideration for each Scheme Share held by them in accordance with the terms of the Scheme.
- (c) Subject to the Scheme becoming Effective, on the Implementation Date the transactions which form part of the Scheme will be implemented in the following sequence:
 - (i) all existing AWE Shares at the Record Date will be transferred to MinRes; and
 - (ii) in exchange, each Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) receive the Scheme Consideration for each Scheme Share held by that Scheme Shareholder as at the Record Date.

4.2 Scheme Consideration

- (a) Under the Scheme, each Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) be entitled to receive:
 - (i) the Standard Consideration;
 - (ii) the Maximum Cash Consideration; or
 - (iii) the Maximum Scrip Consideration,(the **Scheme Consideration**).
- (b) Each Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) receive the Standard Consideration, unless:
 - (i) the particular Scheme Shareholder has made an Election to receive the Maximum Cash Consideration, in which case the Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) receive the Maximum Cash Consideration; or
 - (ii) the particular Scheme Shareholder has made an Election to receive the Maximum Scrip Consideration, in which case the Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) receive the Maximum Scrip Consideration.

4.3 Election Mechanism

- (a) AWE must ensure that the Scheme Booklet sent to AWE Shareholders permits Scheme Shareholders to make an election (**Election**) to receive the Maximum Cash Consideration or Maximum Scrip Consideration for all of their Scheme Shares by completing an Election Form, such Election being subject to the terms of the Scheme.
- (b) The Election Form shall provide that:

- (i) subject to clause 4.3(b)(vi), a AWE Shareholder may make only one Election in relation to a particular holding;
- (ii) subject to clause 4.3(b)(vi), any Election by a AWE Shareholder will apply to all of the AWE Shares that AWE Shareholder holds as at the Record Date;
- (iii) an Election may be made by a AWE Shareholder by:
 - (A) completing the Election Form in accordance with the instructions specified on the form or set out in the Scheme Booklet; and
 - (B) returning the completed Election Form in accordance with the instructions on it so that it is received by no later than the Election Date,

or by taking equivalent actions in electronic form if permitted by the AWE Constitution and the Court at the first Court hearing;
- (iv) once made, an Election by a AWE Shareholder may be varied before the Election Date (provided that any variation that purports to make an Election invalid will not be effective);
- (v) if an Election is not made by a AWE Shareholder prior to the Election Date in respect of all of the AWE Shares held by that AWE Shareholder as at the Record Date, then that AWE Shareholder will (subject to clauses 4.9, 4.10 and 4.11) receive the Standard Consideration in respect of all of their AWE Shares;
- (vi) a AWE Shareholder that holds one or more parcels of AWE Shares as trustee or nominee for, or otherwise on account of, another person, may, in a manner to be agreed between the parties (acting reasonably), make separate Elections in relation to each of those parcels of AWE Shares (and, for the purpose of calculating the Scheme Consideration to which the AWE Shareholder is entitled each such parcel of AWE Shares will be treated as though it were held by a separate AWE Shareholder), and

and the Election Form must otherwise be in a form agreed between AWE and MinRes (each acting reasonably).

- (c) AWE must ensure that, to the extent reasonably practicable AWE Shareholders who have acquired AWE Shares after the date of the despatch of the Scheme Booklet can receive an Election Form on request to AWE
- (d) In order to facilitate the provision of the Scheme Consideration, AWE must, upon the written request of MinRes, provide, or procure the provision, to MinRes or a nominee of MinRes, of:
 - (i) a weekly update of the Elections that have been received;
 - (ii) details of the final Elections made by each AWE Shareholder, within three Business Days after the Election Date; and
 - (iii) a complete copy of the AWE Register (which must include the name, registered address and registered holding of each Scheme Shareholder) as at the Record Date, within three Business Days after the Record Date,

and such other information as MinRes may reasonably require to provide the Scheme Consideration in accordance with this deed and the terms of the Scheme.

4.4 Standard Consideration

If a Scheme Shareholder has not made an Election to receive the Maximum Cash Consideration or Maximum Scrip Consideration, the Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) be entitled to receive, for each Scheme Share held by that Scheme Shareholder at the Record Date:

- (i) \$0.415 cash; and
- (ii) a number of New MinRes Shares as follows (which shall include any fraction of a New MinRes Share arising from the calculation):
 - (A) if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, $\frac{0.415}{21}$ New MinRes Shares; or
 - (B) if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, "X" New MinRes Shares, where $X = \$0.415 / \text{Scheme Meeting Date VWAP}$; or
 - (C) if the Scheme Meeting Date VWAP is less than or equal to \$15.00, $\frac{0.415}{15}$ New MinRes Shares.

4.5 Maximum Cash Consideration

(a) If a Scheme Shareholder has made an Election to receive Maximum Cash Consideration, the Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) be entitled to receive, for each Scheme Share held by that Scheme Shareholder at the Record Date:

- (i) if the Available Cash Consideration is not required by clause 4.5(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Cash Consideration: \$0.83 cash; and
- (ii) if the Available Cash Consideration is required by clause 4.5(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Cash Consideration:

- (A) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation)

A / B

where:

A = the Available Cash Consideration;

B = the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Cash Consideration; and

- (B) a number of New MinRes Shares per Scheme Share calculated as follows (which shall include any fraction of a New MinRes Share arising from the calculation):

1. if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, such number of New MinRes Shares:

$$(C / \$0.83) \times \frac{0.83}{21}$$

where:

C = \$0.83 less the amount of cash per Scheme Share determined in accordance with clause 4.5(a)(ii)(A);

2. if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, such number of New MinRes Shares:

$$(C / \$0.83) \times (\$0.83 / \text{Scheme Meeting Date VWAP})$$

where:

C = \$0.83 less the amount of cash per Scheme Share determined in accordance with clause 4.5(a)(ii)(A);

3. if the Scheme Meeting Date VWAP is less than or equal to \$15.00, such number of New MinRes Shares:

$$(C / \$0.83) \times \frac{0.83}{15}$$

where:

C = \$0.83 less the amount of cash per Scheme Share determined in accordance with clause 4.5(a)(ii)(A);

- (b) For the purposes of this clause 4.5, the Available Cash Consideration is required to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Cash Consideration if the amount determined by multiplying \$0.83 by the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Cash Consideration exceeds the Available Cash Consideration.

4.6 Maximum Scrip Consideration

- (a) If a Scheme Shareholder has made an Election to receive Maximum Scrip Consideration, the Scheme Shareholder will (subject to clauses 4.9, 4.10 and 4.11) be entitled to receive, for each Scheme Share held by that Scheme Shareholder at the Record Date:

- (i) if the Available Scrip Consideration is not required by clause 4.6(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration, a number of New MinRes Shares calculated as follows (which shall include any fraction of a New MinRes Share arising from the calculation):

- (A) if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, $\frac{0.83}{21}$ New MinRes Shares; or

- (B) if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, " X " New MinRes Shares, where $X = \$0.83 / \text{Scheme Meeting Date VWAP}$; or
 - (C) if the Scheme Meeting Date VWAP is less than or equal to \$15.00, $\frac{0.83}{15}$ New MinRes Shares; and
- (ii) if the Available Scrip Consideration is required by clause 4.6(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration:

- (A) a number of New MinRes Shares per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation):

$$A / B$$

where:

A = the Available Scrip Consideration;

B = the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration; and

- (B) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation):

$$\$0.83 - \text{New MinRes Scrip Consideration Value}$$

where:

'New Min Res Scrip Consideration Value' means:

1. if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, the number of New MinRes Shares per Scheme Share determined in accordance with clause 4.6(a)(ii)(A) multiplied by \$21.00;
 2. if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, the number of New MinRes Shares per Scheme Share determined in accordance with clause 4.6(a)(ii)(A) multiplied by the Scheme Meeting Date VWAP;
 3. if the Scheme Meeting Date VWAP is less than or equal to \$15.00, the number of New MinRes Shares per Scheme Share determined in accordance with clause 4.6(a)(ii)(A) multiplied by \$15.00.
- (b) For the purposes of this clause 4.6, the Available Scrip Consideration is required to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration if:
- (i) the Scheme Meeting Date VWAP is greater than or equal to \$21.00 and 'A' exceeds the Available Scrip Consideration, where 'A' equals $\frac{0.83}{21}$ New MinRes Shares multiplied by the total number of Scheme Shares held by all

Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration;

- (ii) the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, and 'B' exceeds the Available Scrip Consideration, where 'B' equals $(\$0.83 / \text{Scheme Meeting Date VWAP})$ multiplied by the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration; and
- (iii) the Scheme Meeting Date VWAP is less than or equal to \$15.00, and 'C' exceeds the Available Scrip Consideration where 'C' equals $\frac{0.83}{15} \text{New MinRes Shares}$ multiplied by the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration.

4.7 Provision of cash component of Scheme Consideration

MinRes must, by no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to Scheme Shareholders in an Australian dollar denominated trust account operated by or on behalf of AWE as trustee of the Scheme Shareholders, provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to MinRes' account.

4.8 Allotment and issue of New MinRes Shares

- (a) Subject to clauses 4.10 and 4.11 and to the Scheme becoming Effective, MinRes must:
 - (i) allot and issue to the Scheme Shareholders the New MinRes Shares that comprise the Scheme Consideration in accordance with the Scheme on terms such that each New MinRes Share will rank equally in all respects with each existing MinRes Share; and
 - (ii) apply to ASX for the official quotation of the New MinRes Shares that comprise the Scheme Consideration on the ASX and do everything reasonably necessary to ensure that trading in the New MinRes Shares commences by the first Business Day after the Implementation Date; and
 - (iii) ensure that on issue, each New MinRes Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.
- (b) MinRes covenants in favour of AWE that:
 - (i) the New MinRes Shares to be issued under the Scheme will rank equally in all respects with all existing MinRes Shares; and
 - (ii) on issue, each such New MinRes Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4.9 Ineligible Foreign Shareholders and Small Shareholders

- (a) Min Res will be under no obligation to issue, and must not issue, any New MinRes Shares under the Scheme to any Ineligible Foreign Shareholder and, instead, must procure that the New MinRes Shares that each Ineligible Foreign Shareholder would otherwise be entitled to receive as Scheme Consideration (which shall

include any fraction of a New MinRes Share arising from the calculation and disregarding the operation of clause 4.11(a) dealt with in accordance with clause 4.10.

- (b) Each Scheme Shareholders who holds fewer than 10,000 Scheme Shares on the Record Date under the Scheme may elect to have the New MinRes Shares that they would be entitled to receive under the Scheme (which shall include any fraction of a New MinRes Share arising from the calculation and disregarding the operation of clause 4.11(a)) dealt with in accordance with clause 4.10 (**Electing Small Shareholders**).

4.10 Sale Facility

- (a) MinRes must appoint a nominee at least two weeks prior to the Scheme Meeting (and if required by ASIC, such nominee to be approved by ASIC), and issue to that nominee, the New MinRes Shares to which an Ineligible Foreign Shareholder or Electing Small Shareholder would otherwise be entitled under the Scheme (which in each case shall include any fraction of a New MinRes Share arising from the calculation and disregarding the operation of clause 4.11(a)).
- (b) Where New MinRes Shares are issued to a nominee pursuant to clause 4.10(a), MinRes must procure that, as soon as reasonably practicable and in any event not more than 30 Business Days after the Implementation Date, the nominee:
 - (i) sells on ASX or another prescribed financial market all of the New MinRes Shares issued to the nominee in accordance with clause 4.10(a) in such manner, at such price and on such other terms as the nominee determines in good faith, and at the risk of the Ineligible Foreign Shareholders and Electing Small Shareholders; and
 - (ii) remits to MinRes the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
- (c) Where New MinRes Shares are issued to a nominee pursuant to clause 4.10(a), promptly after the last remittance in accordance with clause 4.10(b)(ii), MinRes will pay to each Ineligible Foreign Shareholder and Electing Small Shareholder an amount equal to its proportionate share of the net proceeds of sale received by MinRes pursuant to clause 4.10(b)(ii) to which that Ineligible Foreign Shareholder or Electing Small Shareholder is entitled, in full satisfaction of the Ineligible Foreign Shareholder's or Electing Small Shareholder's right to the Scheme Consideration.
- (d) For the purposes of this clause 4.10, each Ineligible Foreign Shareholder and Small Shareholder appoints MinRes as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the nominee is required to provide to Ineligible Foreign Shareholders or Small Shareholders under the Corporations Act.

4.11 Fractional entitlements

- (a) Any fractional entitlement of a Scheme Shareholder to a part of a New MinRes Share as part of the Scheme Consideration (after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares) will be rounded:
 - (i) down to the nearest whole number of New MinRes Shares if the fractional entitlement is less than 0.5; and

- (ii) up to the nearest whole number of New MinRes Shares if the fractional entitlement is 0.5 or above.
- (b) Where the calculation of the cash component of Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent (after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares), the fractional entitlement will be rounded:
 - (i) down to the nearest whole cent if the fractional entitlement is less than 0.5; and
 - (ii) up to the nearest whole cent if the fractional entitlement is 0.5 or above.

4.12 Share Splitting

If MinRes or AWE are of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares that results in rounding in accordance with clause 4.11) have, before the Record Date, been party to Share Splitting or division in an attempt to obtain unfair advantage by reference to such rounding, MinRes or AWE (as the case may be) may give notice to those Scheme Shareholders:

- (a) setting out their names and registered addresses as shown in the AWE Register;
- (b) stating that opinion; and
- (c) attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares. MinRes, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

4.13 No amendment to Scheme without consent

AWE must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of MinRes.

4.14 Deed Poll

MinRes covenants in favour of AWE (in its own right and separately as trustee for each of the Scheme Shareholders) to execute and deliver the Deed Poll prior to the First Court Date.

4.15 AWE Cash Share Rights

- (a) Subject to clause 4.16, AWE must take such action as is necessary after the Effective Date and prior to the Record Date to ensure that any AWE Cash Share

Rights which have not already vested, so vest and convert to AWE Shares prior to the Record Date, which actions shall include procuring that the AWE Board:

- (i) resolve that the Scheme becoming Effective constitutes a change of control for the purposes of the AWE Cash Share Rights;
 - (ii) resolve to waive unsatisfied vesting conditions and accelerate the exercise period such that all AWE Cash Share Rights convert to AWE Shares prior to the Record Date and no AWE Cash Share Rights will convert to cash or be exchanged for cash; and
 - (iii) notify such AWE Cash Share Rights Holders of such accelerating prior to the Scheme Meeting.
- (b) Subject to clause 4.15(c), AWE must, prior to the Record Date, issue the number of AWE Shares required by the terms of those AWE Cash Share Rights on such vesting, so that the relevant former holders of the AWE Cash Share Rights, as the case may be, can participate in the Scheme.
- (c) Nothing in this clause 4.15 will apply to those AWE Cash Share Rights the subject of the CSR Grant 2017

4.16 AWE Cash Share Rights – CSR Grant 2017

All AWE Cash Share Rights the subject of the CSR Grant 2017 will be cash settled by AWE prior to the Implementation Date on the basis of an AWE Share price of \$0.83.

5 Implementation of the Scheme

5.1 AWE's obligations

AWE must take all steps reasonably necessary to implement the Scheme as soon as reasonably practicable, including taking each of the following steps:

- (a) **(promote merits of the Transaction)** in the absence of a Superior Proposal, participate in, and ensure the AWE Board participates in, efforts reasonably requested by MinRes to promote the merits of the Transaction and solicit proxy votes in favour of the Scheme, including meeting with key AWE Shareholders at the reasonable request of MinRes;
- (b) **(Scheme Booklet)** prepare the Scheme Booklet in compliance with all applicable laws (in particular with the Corporations Act, RG 60 and the Listing Rules) and in accordance with this deed;
- (c) **(drafts of Scheme Booklet)** make available to MinRes drafts of the Scheme Booklet (excluding any draft of the Independent Expert's Report), consult with MinRes in relation to the content of those drafts (other than the MinRes Information), and consider in good faith, for the purpose of amending those drafts, comments from MinRes on those drafts;
- (d) **(commission Independent Expert's Report)** promptly appoint an Independent Expert to provide the Independent Expert's Report, and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;

- (e) **(experts)** provide all assistance and information reasonably requested by any experts appointed by AWE and/or MinRes in connection with the preparation of the Scheme Booklet;
- (f) **(approval of MinRes Information)** seek approval from MinRes for the form and context in which the MinRes Information appears in the Scheme Booklet, which approval MinRes must not unreasonably withhold or delay, and AWE must not lodge the Scheme Booklet with ASIC until such approval is obtained from MinRes;
- (g) **(liaison with ASIC)** as soon as reasonably practicable after the date of this deed:
 - (i) provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet and keep MinRes reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet and use reasonable endeavours, in consultation with MinRes, to resolve any such matters;
- (h) **(approval of Scheme Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the AWE Board, or of a committee of the AWE Board appointed for the purpose, is held to consider approving the Scheme Booklet for despatch to the AWE Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;
- (i) **(section 411(17)(b) statements)** apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (j) **(first Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approval in clause 5.1(h) has been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing AWE to convene the Scheme Meeting;
- (k) **(registration of Scheme Booklet)** if the Court directs AWE to convene the Scheme Meeting, as soon as possible after such orders are made, request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (l) **(updating Scheme Booklet)** until the date of the Scheme Meeting, promptly update the Scheme Booklet with any information that arises after the Scheme Booklet has been dispatched that is necessary to ensure that the Scheme Booklet does not contain any material statement that is false or misleading in a material respect (including because of any material omission from that statement);
- (m) **(convening Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Scheme Booklet to the AWE Shareholders and convening and holding the Scheme Meeting, provided that if this deed is terminated under clause 14, AWE will take all steps reasonably required to ensure the Scheme Meeting is not held;
- (n) **(Court approval application if parties agree that conditions are capable of being satisfied)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or, where clause 3.6 applies, the majority required under section 411(4)(a)(ii)(B) of the

Corporations Act) and, if necessary, the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions will be satisfied or waived prior to 8.00am on the proposed Second Court Date, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme;

- (o) **(implementation of Scheme)** if the Scheme is approved by the Court:
 - (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme;
 - (iii) execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares to MinRes on the Implementation Date; and
 - (iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (p) **(documents)** consult with MinRes in relation to the content of the documents required for the purpose of the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders); and
- (q) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations.

5.2 MinRes' obligations

MinRes must take all steps reasonably necessary to assist AWE to implement the Scheme as soon as reasonably practicable, including taking each of the following steps:

- (a) **(MinRes Information)** provide to AWE all information regarding MinRes, the Scheme Consideration, and MinRes' intentions with respect to the assets, business and employees of AWE if the Scheme is approved and implemented that is required by all applicable laws (in particular with the Corporations Act, RG 60 and the Listing Rules), in a form appropriate for inclusion in the Scheme Booklet, which information must, without limiting the above:
 - (i) contain all information necessary to enable AWE to ensure that the Scheme Booklet complies with the requirements of RG 60;
 - (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Scheme Booklet;
 - (iii) be updated by all such further or new material information which may arise after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise); and
 - (iv) take into account all reasonable comments from AWE and its representatives on those drafts, provided that such comments are provided to MinRes in a timely manner;

- (b) **(confirmation of MinRes Information)** subject to clause 5.8, promptly after AWE requests that it does so, confirm in writing to AWE that it consents to the inclusion of the MinRes Information in the Scheme Booklet, in the form and context in which the MinRes Information appears;
- (c) **(Independent Expert)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Scheme Booklet;
- (d) **(assistance with Scheme Booklet and Court documents)** promptly provide any assistance or information reasonably requested by AWE or its Advisers in connection with the preparation of the Scheme Booklet (including any supplementary disclosure to AWE Shareholders) and any documents required to be filed with the Court in respect of the Scheme;
- (e) **(representation)** procure that, if requested by AWE at least 20 Business Days before the First Court Date, MinRes is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act; and
- (f) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations;
- (g) **(official quotation)** apply to ASX for official quotation by ASX of the New MinRes Shares to be issued pursuant to the Scheme;
- (h) **(share transfer)** if the Scheme becomes Effective, accept a transfer of the Scheme Shares as contemplated by clause 4; and
- (i) **(Scheme Consideration)** if the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll.

5.3 Conduct of Court proceedings

- (a) MinRes is entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) Nothing in this deed gives AWE or MinRes any right or power to give undertakings to the Court for or on behalf of the other party without that other party's written consent.

5.4 Appeal process

If the Court refuses to make any orders directing AWE to convene the Scheme Meeting or approving the Scheme, AWE and MinRes must:

- (a) consult with each other in good faith as to whether to appeal the Court's decision; and
- (b) appeal the Court decision unless the parties agree otherwise or an independent senior counsel opines that, in his or her view, an appeal would have no reasonable prospect of success.

5.5 New information

- (a) AWE must provide to MinRes all such further or new information of which AWE becomes aware that arises after the Scheme Booklet has been despatched to AWE Shareholders until the date of the Scheme Meeting where this is or may be necessary to ensure that the Scheme Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (b) MinRes must provide to AWE all such further or new information of which MinRes becomes aware that arises after the Scheme Booklet has been despatched to AWE Shareholders until the date of the Scheme Meeting where this is or may be necessary to ensure that the MinRes Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.

5.6 Verification

- (a) AWE must undertake reasonable verification processes in relation to the information included in the Scheme Booklet (other than the MinRes Information) so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise) and, once those processes have been completed, provide written confirmation to MinRes of the completion of such processes.
- (b) MinRes must undertake reasonable verification processes in relation to the MinRes Information so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise) and, once those processes have been completed, provide written confirmation to AWE of the completion such processes.

5.7 Responsibility statements

The Scheme Booklet will include a responsibility statement, in a form to be agreed by the parties, which will contain words to the following effect:

- (a) MinRes will be responsible for the MinRes Information (other than any information provided by AWE to MinRes or obtained from AWE public filings on the ASX regarding the AWE Group contained in, or used in the preparation of, the information regarding the merged MinRes/ AWE groups following implementation of the Scheme) and, to the maximum extent possible at law, AWE will not be responsible for any MinRes Information, the Independent Expert's Report and any other report or letter issued to AWE by a third party, and will disclaim any liability for MinRes Information, the Independent Expert's Report and any other report or letter issued to AWE by a third party, appearing in the Scheme Booklet; and
- (b) AWE will be responsible for the Scheme Booklet (other than the MinRes Information, the Independent Expert's Report and any other report or letter issued to AWE by a third party) and any information provided by AWE to MinRes or obtained from AWE public filings on the ASX regarding the AWE Group contained in, or used in the preparation of, the information regarding the merged MinRes/ AWE groups following implementation of the Scheme and, to the maximum extent possible at law, MinRes will not be responsible for any information appearing in the Scheme Booklet other than the MinRes Information and will disclaim any liability for any information appearing in the Scheme Booklet other than the MinRes Information.

5.8 Disagreement on content

If MinRes and AWE disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If complete agreement is not reached after reasonable consultation, then:

- (a) if the disagreement relates to the form or content of any information appearing in the Scheme Booklet other than the MinRes Information, the AWE Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet; and
- (b) if the disagreement relates to the form or content of the MinRes Information, MinRes will make such amendments to the form or content of the disputed part of the MinRes Information as MinRes reasonably requires.

5.9 Good faith co-operation

Each party must procure that its Authorised Persons work (including by attending meetings and by providing information) in good faith and in a timely and co-operative fashion with the other parties to implement the Scheme, to prepare all documents required relating to the Scheme, and to agree and execute the strategy described in clause 7.5.

6 Board recommendation

6.1 Recommendation

Subject to clause 6.3, AWE represents and warrants to MinRes, as at the date of this deed, that it has been advised by each AWE director that he or she will, and AWE must use reasonable endeavours to procure that each AWE director will, recommend that AWE Shareholders vote in favour of the Scheme, qualified only by the words to the effect of 'in the absence of a superior proposal and subject to the independent expert concluding that the Scheme is in the best interests of AWE shareholders'.

6.2 AWE's Statement to contain recommendation

Subject to clause 6.3, AWE must ensure that the Scheme Booklet includes:

- (a) a unanimous recommendation by the AWE Board that AWE Shareholders vote in favour of the Scheme, qualified only by the words to the effect of 'in the absence of a superior proposal' and, other than in respect of the Scheme Booklet or any document issued after the issue of the Scheme Booklet, 'subject to the independent expert concluding that the scheme is in the best interests of AWE shareholders'; and
- (b) a statement by each AWE director that he or she will vote in favour of the Scheme in respect of all AWE Shares controlled or held by, or on behalf of, that AWE director, qualified only by the words to the effect of 'in the absence of a superior proposal' and, other than in respect of the Scheme Booklet or any document issued after the issue of the Scheme Booklet, 'subject to the independent expert concluding that the scheme is in the best interests of AWE shareholders'.

6.3 Withdrawal or modification of recommendation

AWE represents and warrants to MinRes, as at the date of this deed, that it has been advised by each AWE director that he or she will not, and AWE must use reasonable endeavours to procure that each AWE director does not:

- (a) change, withdraw or modify his or her recommendation of the Scheme; or
- (b) make any public statement or take any other action that is inconsistent with his or her recommendation of the Scheme,

in each case except where:

- (c) AWE receives a Competing Proposal and the AWE Board determines, after all of MinRes' rights under clause 11.6 have been exhausted, that the Competing Proposal constitutes a Superior Proposal; or
- (d) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of AWE Shareholders, or the Independent Expert concludes in the Independent Expert's Report that the Scheme is in the best interests of AWE Shareholders but then changes or publicly withdraws this conclusion prior to 8.00am on the Second Court Date.

7 AWE conduct of business before the Implementation Date

7.1 Conduct of AWE business

Subject to clause 7.3, from the date of this deed up to and including the Implementation Date, other than to the extent that the relevant matter has been Fairly Disclosed to the ASX before the date of this deed, AWE must conduct its business, and must cause each of its Subsidiaries to conduct their businesses, in the ordinary and usual course of business and:

- (a) operate those businesses consistent with past practice, in substantially the same manner as previously conducted;
- (b) use reasonable endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;
- (c) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;
- (d) not vary, grant any waiver of rights under, extend, renew or terminate a Material Contract;
- (e) use reasonable endeavours to comply in all material respects with all Material Contracts, and with laws, authorisations and licenses applicable to each member of the AWE Group;
- (f) not take or fail to take any action that constitutes a AWE Prescribed Occurrence or that could reasonably be expected to result in a AWE Prescribed Occurrence; and
- (g) not take or fail to take any action that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied.

7.2 Prohibited actions

Subject to clause 7.3, from the date of this deed up to and including the Implementation Date, other than to the extent that the relevant matter has been Fairly Disclosed to the ASX before the date of this deed, AWE must not, and must procure that the AWE Group does not:

- (a) in respect of any single transaction or series of related or similar transactions, acquire or dispose of (including the granting of an option or other right or entitlement over) any interest in;
 - (i) assets, a business, real property, entity or undertaking, the value (as recorded in AWE's consolidated statement of financial position as at 30 June 2017) of which exceeds \$10 million in aggregate; or
 - (ii) the Key AWE Projects;
- (b) enter into, offer to enter into, agree to enter into any transaction under which any third party would acquire any legal or economic interest in the Waitsia project, any current or future hydrocarbon production (including royalties) from the Waitsia project, or right to sell or market that hydrocarbon production;
- (c) enter into, offer to enter into, or agree to enter into any engineering, procurement and construction arrangement or build-own operate arrangement (or any substantially similar arrangement) in relation to the development of any of AWE's projects (which, for the avoidance of doubt, includes the execution of any binding arrangements with any of the tenderers noted in AWE's ASX announcement entitled "AWE Receives Tenders for Waitsia Stage 2 construction" dated 8 December 2017);
- (d) pay or agree to pay any financial Adviser any fee, cost or other form of compensation or remuneration that is directly or indirectly as a result of, contingent on, or in connection with:
 - (i) AWE or MinRes entering into this deed;
 - (ii) MinRes acquiring a Relevant Interest in the Scheme Shares;
 - (iii) the Scheme or a transaction contemplated by this deed;
 - (iv) any Competing Proposal,where all such amounts paid would exceed, in aggregate, \$8 million;
- (e) enter into, offer to enter into, agree to enter into, or announce an intention to enter into, any Material Gas Sales Agreement;
- (f) except as required by law or as provided in an existing contract in place at the date of this deed, make any material change to the terms of employment of (including increasing the remuneration or compensation of or accelerating the rights to benefits of any kind), or grant or pay any bonus, incentive, retention, severance or termination payment to, any director, officer, executive or senior manager of the AWE Group;
- (g) enter into a new employment contract with a potential employee of the AWE Group under which contract the total remuneration payable to that potential employee would exceed \$200,000 in any 12 month period (other than to replace a role that

becomes vacant after the date of this deed as a result of the resignation or termination for cause of an existing employee or in respect of a new employee who is employed in order to fill a role that is vacant as at the date of this deed, in each with prior consultation between MinRes and AWE);

- (h) enter into any enterprise bargaining agreement or any other form of collective agreement concerning the terms of employment of employees of the AWE Group;
- (i) incur any additional financial indebtedness (except for external draw-downs on existing financing arrangements of the AWE Group consistent with the AWE Group's current budget), or guarantee or indemnify the obligations of any person other than a member of the AWE Group, other than in the usual and ordinary course of business and consistent with past practice;
- (j) enter into any new financing arrangement, agreement or otherwise provide financial accommodation (irrespective of what form that accommodation takes), or amend the term of any existing financing arrangement, agreement or instrument;
- (k) incur or enter into any new commitments involving the purchase of plant and equipment (as defined in AWE's statement of cash flows) of more than \$1 million in aggregate without having first consulted with MinRes;
- (l) give or agree to give a financial benefit to a related party of AWE;
- (m) enter into, terminate or amend the terms of a Material Contract;
- (n) modify the rules of any share based incentive plan or scheme;
- (o) amend its constitution;
- (p) alter in any material respect any accounting policy of any member of the AWE Group; or
- (q) agree to do any of the matters set out above.

7.3 AWE permitted activities

The obligations of AWE under clauses 7.1 and 7.2 do not apply in respect of any matter:

- (a) required to be done or procured by AWE pursuant to this deed or the Scheme or the transactions contemplated in either, or which is otherwise contemplated by this deed or the Scheme;
- (b) Fairly Disclosed in writing to MinRes prior to the date of this deed (whether in the Disclosure Letter or otherwise) as being actions that the AWE Group intends to carry out between the date of this deed and the Implementation Date (including any transaction, expenditure or other matter disclosed in operating and development budgets of the AWE Group provided to MinRes and/or its Authorised Persons prior to the date of this deed);
- (c) Fairly Disclosed in public filings to ASX prior to the date of this deed as being actions that the AWE Group intends to carry out between the date of this deed and the Implementation Date;
- (d) required to be done by the AWE Group or its Authorised Persons to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);

- (e) that is necessary or desirable to facilitate the payment or expenditure by any member of the AWE Group as part of a work program or budget approved by the AWE Board prior to the date of this deed (including any deviation to such work program or budget which is approved by the AWE Group prior to the date of this deed which has been Fairly Disclosed in writing to MinRes prior to the date of this deed (whether in the Disclosure Letter or otherwise);
- (f) pertaining to the exercise of rights or obligations under a joint venture or joint operating agreement by the relevant member of the AWE Group where the failure of the relevant member of the AWE Group to agree, or vote in favour of, any such arrangement would result in the sole risk rights (or any substantially similar rights) becoming triggered or capable of operation under the relevant joint venture or joint operating agreement, provided if such matter relates to any engineering, procurement and construction arrangement or build-own operate arrangement (or any substantially similar arrangement) in relation to the development of any of AWE's projects, including Waitsia (whether or not in connection with the execution of any arrangements with tenderers referred to in AWE's ASX announcement entitled "AWE Receives Tenders for Waitsia Stage 2 construction" dated 8 December 2017) then the exercise of rights or obligations by the relevant member of the AWE Group shall not occur without the prior written approval of MinRes being obtained (such approval not to be unreasonably withheld or delayed);
- (g) relating to any transaction or arrangement in connection with a Material Gas Sales Agreement (not relating to the Waitsia Project) that a joint venture partner of any member of the AWE Group proposes to the relevant member of the AWE Group in circumstances where:
 - (i) the Material Gas Sales Agreement is presented or proposed to the relevant member of the AWE Group as part of joint marketing arrangements and either the relevant AWE Group member has no veto right in respect of entry into the agreement or, if the relevant AWE Group member does not enter the agreement, then the other joint venture partner may lift the relevant AWE Group members' share of the petroleum that would have otherwise been the subject of the agreement; or
 - (ii) the prior written approval of MinRes has been obtained (such approval not to be unreasonably withheld or delayed);
- (h) relating to the sale, disposal or supply of hydrocarbons from the Casino Project for a term of less than 24 months at not less than fair market value, or to the processing of those hydrocarbons on arm's length terms;
- (i) that is necessary or desirable to facilitate compliance by the AWE Group with best practice industry guidelines in relation to work health and safety standards;
- (j) required by law or by an order of a court or Governmental Agency; or
- (k) the undertaking of which MinRes has previously approved in writing.

7.4 Access

In the period from the date the last of the Conditions in clause 3.1 have been satisfied to the Implementation Date, AWE must provide MinRes with all reasonable access during normal business hours and on reasonable notice to the management, offices, sites, books, records and business operations of AWE that MinRes reasonably requires in order to implement the Transaction or for MinRes to prepare for the transition of ownership of

the AWE Group. MinRes may only exercise its right of access under this clause provided that:

- (a) it has provided AWE with reasonable prior notice of the access it requires (including the identity of its representatives who are to exercise that right of access on behalf of MinRes);
- (b) the access will not result in any AWE Group member breaching any obligation of confidentiality or other restriction as to such disclosure of information;
- (c) nothing in this clause 7.4 will require AWE to provide MinRes with any information concerning the consideration of the Scheme or of any actual or potential Competing Proposal by the AWE Board or AWE management team;
- (d) the access will not, in the reasonable opinion of AWE, unreasonably interfere with the conduct of the business of the AWE Group; and
- (e) MinRes and each of its representatives who are to exercise its right of access under this clause agree to comply with AWE's reasonable requirements (including allowing oversight and participation by AWE's representatives and entering into appropriate confidentiality undertakings no more onerous in effect than the terms of the Confidentiality Deed) and directions in relation to that access.

7.5 Change of control

- (a) As soon as practicable after the date of this deed, the parties must:
 - (i) seek to identify any change of control or similar provisions in any contract to which a member of the AWE Group is party which may be triggered by the implementation of the Transaction (**Change of Control Requirements**); and
 - (ii) use all reasonable endeavours to agree a proposed strategy to obtain any consents required in accordance with the terms of any identified Change of Control Requirements, and to then expeditiously seek those consents in accordance with the agreed strategy.
- (b) MinRes and its Authorised Persons must not contact any counterparties to such contracts without the approval of AWE.
- (c) A failure by the AWE Group to obtain any landlord or third party consent as part of the Change of Control Requirements will not constitute a breach of this deed by AWE and, together with any consequences that arise, will be disregarded when assessing the operation of any other provision of this deed.

8 MinRes conduct of business before the Implementation Date

8.1 Conduct of MinRes business

Subject to clause 8.2, from the date of this deed up to and including the Implementation Date, other than to the extent that the relevant matter has been Fairly Disclosed to the ASX before the date of this deed, MinRes must conduct its business, and must cause each of its Subsidiaries to conduct their businesses, in the ordinary and usual course of business and:

- (a) operate those businesses consistent with past practice, in substantially the same manner as previously conducted;

- (b) use reasonable endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;
- (c) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;
- (d) not take or fail to take any action that constitutes a MinRes Prescribed Occurrence or that could reasonably be expected to result in a MinRes Prescribed Occurrence; and
- (e) not take or fail to take any action that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied.

8.2 MinRes permitted activities

The obligations of MinRes under clause 8.1 do not apply in respect of any matter:

- (a) required to be done or procured by MinRes pursuant to this deed or the Scheme or the transactions contemplated in either, or which is otherwise contemplated by this deed or the Scheme;
- (b) Fairly Disclosed in writing to AWE or in public filings to ASX before the date of this deed as being actions that the MinRes Group intends to carry out between the date of this deed and the Implementation Date;
- (c) required by law or by an order of a court or Governmental Agency;
- (d) required to be done or procured by MinRes pursuant to or in connection with any Approved Acquisition;
- (e) required to be done or procured by MinRes pursuant to or in connection with any declaration, payment or distribution by any member of the MinRes Group of any ordinary dividend for the half year ending 31 December 2017 which is consistent with the existing dividend policy and practice of MinRes; or
- (f) the undertaking of which AWE has previously approved in writing.

9 Board composition and matters

9.1 Reconstitution of the AWE Group boards

On the Implementation Date, but subject to the Scheme Consideration having been provided to Scheme Shareholders and receipt by AWE of signed consents to act, AWE must procure that:

- (a) each AWE director, other than those appointed by AWE in accordance with clause 9.1(c), resigns from their office as an AWE director by providing to the AWE Board their resignation in writing (such resignation to include a statement to the effect that the outgoing director has no claim outstanding against any member of the AWE Group);
- (b) each director of each Subsidiary of AWE, other than those appointed by AWE in accordance with clause 9.1(c), resigns from their office as a director of the relevant Subsidiary of AWE by providing to the board of the relevant Subsidiary of AWE their resignation in writing (such resignation to include a statement to the effect that

the outgoing director has no claim outstanding against any member of the AWE Group); and

- (c) there are appointed as directors of AWE and directors of each Subsidiary of AWE such nominees as advised by MinRes in writing before the Effective Date which will form a majority of the AWE Board and majority of each of the boards of the Subsidiaries of AWE,

in each case with effect on and from (and subject to) implementation of the Scheme.

10 Representations and warranties

10.1 MinRes representations and warranties

- (a) MinRes represents and warrants to AWE (in its own right and separately as trustee or nominee for each of the AWE Indemnified Parties) each of the matters set out in clause 10.1(b) as at the date of this deed and at 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) MinRes represents and warrants that:
 - (i) MinRes is not aware of any circumstance, matter or thing that may cause or contribute to a breach of any of the Conditions in clauses 3.1(f), 3.1(h), 3.1(j) or 3.1(l), or lead to such a breach with the effluxion of time;
 - (ii) MinRes is a validly existing corporation registered under the laws of its place of incorporation;
 - (iii) the execution and delivery of this deed has been properly authorised by all necessary corporate action and MinRes has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;
 - (iv) this deed constitutes legal, valid and binding obligations on it and this deed does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which MinRes is a party or is bound;
 - (v) as far as the directors of MinRes are aware:
 - (A) neither MinRes nor any of its Subsidiaries is in default under any agreement, instrument or deed binding on it or its assets; and
 - (B) nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such agreement, instrument or deed,which individually or in aggregate could reasonably be expected to have a MinRes Material Adverse Change;
 - (vi) the MinRes Information provided to AWE in accordance with clause 5.2(a) for inclusion in the Scheme Booklet will:
 - (A) be provided in good faith;

- (B) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and
- (C) be provided on the understanding that each of the AWE Indemnified Parties will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (vii) as at the date the Scheme Booklet is despatched to AWE Shareholders, the MinRes Information, in the form and context in which that information appears in the version of the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (viii) all factual information provided by the MinRes Group or any of its Authorised Persons prior to the date of this deed to AWE or any of its Authorised Persons, has been provided in good faith and, as far as MinRes is aware, does not contain any material inaccuracy;
- (ix) as at the Date of this deed, MinRes is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Transaction or as disclosed in writing to AWE on or before the date of this deed);
- (x) the issued capital of MinRes as at the date of this deed is:
 - (A) 187,523,905 MinRes Shares; and
 - (B) 1,138,435 performance rights in relation to MinRes Shares,
 and there are no other MinRes options, performance rights, shares, warrants, convertible notes, instruments or other securities (or offers or agreements to issue any of the foregoing) that may convert into MinRes Shares;
- (xi) no MinRes Prescribed Occurrence has occurred;
- (xii) the New MinRes Shares to be issued in accordance with clause 4 and the terms of the Scheme will be duly authorised and validly issued, fully paid and non-assessable, and free of all security interests and third party rights and will rank equally with all of the other MinRes Shares then on issue;
- (xiii) all information provided by or on behalf of MinRes to the Independent Expert to enable the Independent Expert's Report to be included in the Scheme Booklet to be prepared and completed will not be misleading or deceptive in any material respect (whether by omission or otherwise) and will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Scheme Booklet;
- (xiv) other than as Fairly Disclosed to ASX, between 1 July 2017 and the date of this deed, MinRes has conducted its business in the ordinary and usual course of business, consistent with past practice;

- (xv) as at the date of this deed, no Regulatory Approvals are required to be obtained by MinRes in order for it to execute and perform this deed and to implement the Scheme;
- (xvi) so far as MinRes is aware, having made reasonable inquiries, MinRes is not a 'foreign person' as defined in the *Foreign Acquisitions and Takeovers Act 1975* (Cth);
- (xvii) as at the date of this deed, there is no judgment, injunction, order or decree binding on any member of the MinRes Group that has or would be likely to have the effect of prohibiting, materially restricting or materially impairing after the Effective Date any business of the MinRes Group as it is presently being conducted;
- (xviii) as at the date of this deed, no member of the MinRes Group, nor the assets, properties, or business of any member of the MinRes Group, is subject to any judgment, order, writ, injunction or decree of any court, Governmental Agency, or arbitration tribunal, which would or is likely to result in a MinRes Material Adverse Change, and so far as MinRes is aware:
 - (A) there are no material actions, suits, arbitrations, legal or administrative proceedings pending against any member of the MinRes Group which if successful, would or is likely to result in a MinRes Material Adverse Change; and
 - (B) no member of the MinRes Group is the subject of any pending investigation which if progressed to its conclusion, would or is likely to result in a MinRes Material Adverse Change;
- (xix) no Insolvency Event has occurred in relation to it or another substantial member of the MinRes Group;
- (xx) MinRes does not require the approval of its shareholders or the approval or consent of any other person to enter into or perform any of its obligations under this deed; and
- (xxi) MinRes' financial statements as disclosed to the ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as MinRes is aware, there has not been any event, change, effect or development which would require MinRes to restate its financial statements as disclosed to the ASX.

10.2 MinRes' indemnity

MinRes agrees with AWE (on its own behalf and separately as trustee or nominee for each of the other AWE Indemnified Parties) to indemnify and keep indemnified the AWE Indemnified Parties against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the AWE Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clauses 10.1(a) or 10.1(b).

10.3 AWE representations and warranties

- (a) AWE represents and warrants to MinRes (on its own behalf and separately as trustee or nominee for each of the other AWE Indemnified Parties) each of the matters set out in clause 10.3(b) as at the date of this deed and at 8.00am on the

Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

- (b) AWE represents and warrants that:
- (i) AWE is not aware of any circumstance, matter or thing that may cause or contribute to a breach of any of the Conditions in clauses 3.1(e), 3.1(g), 3.1(i) or 3.1(k) or lead to such a breach with the effluxion of time;
 - (ii) AWE is a validly existing corporation registered under the laws of its place of incorporation;
 - (iii) the execution and delivery of this deed by AWE has been properly authorised by all necessary corporate action and AWE has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;
 - (iv) this deed constitutes legal, valid and binding obligations on AWE and the execution of this deed of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which AWE or any of its Subsidiaries is a party or to which they are bound (excluding any agreement, deed or regulation which contains a change of control provision);
 - (v) the information contained in the Scheme Booklet (other than the MinRes Information):
 - (A) will be prepared and included in the Scheme Booklet in good faith; and
 - (B) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60;
 - (vi) as at the date the Scheme Booklet is despatched to AWE Shareholders, the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the MinRes Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise);
 - (vii) as at the date of this deed, AWE is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Transaction or as disclosed in writing to MinRes on or before the date of this deed);
 - (viii) the issued capital of AWE as of the date of this deed is 625,253,903 AWE Shares and 8,486,352 AWE Cash Share Rights, and, other than as Fairly Disclosed to MinRes by AWE prior to the date of this deed (whether in the Disclosure Letter or otherwise), there are no other AWE options, performance rights, shares, warrants, convertible notes, instruments or other securities (or offers or agreements to issue any of the foregoing) that may convert into AWE Shares;
 - (ix) no Insolvency Event has occurred in relation to it or another substantial member of the AWE Group;

- (x) all information required to be disclosed under Listing Rule 3.1 regarding the sale of AWE's 42.5% interest in the Bulu production sharing contract to a subsidiary of HyOil Pte Ltd (**Bulu Sale**) has been fully disclosed on ASX and, as at the date of this deed, so far as AWE is aware there is no circumstance, matter or thing of which AWE is aware which may delay or prevent completion of, and receipt of any monies by AWE under, the Bulu Sale;
- (xi) AWE financial statements as disclosed to the ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as AWE is aware, there has not been any event, change, effect or development which would require AWE to restate its financial statements as disclosed to the ASX;
- (xii) no member of the AWE Group has issued, or agreed to issue, any other securities or instruments which may convert into AWE Shares or any other securities in AWE;
- (xiii) as at the date of this deed, no member of the AWE Group, nor the assets, properties, or business of any member of the AWE Group, is subject to any judgment, order, writ, injunction or decree of any court, Governmental Agency, or arbitration tribunal which, if successful would or would be likely to result in an AWE Material Adverse Change, and so far as AWE is aware:
 - (A) there are no material actions, suits, arbitrations, legal or administrative proceedings pending against any member of the AWE Group; and
 - (B) no member of the AWE Group is the subject of any pending investigation,
 which, if successful, would or would be likely to result in an AWE Material Adverse Change;
- (xiv) no member of the AWE Group is a party to any agreement which may provide a counterparty with a right to acquire, or require AWE or a member of the AWE Group to dispose of, or offer to dispose of, any interest in the Key AWE Projects, as a consequence of the Scheme or on a change in control of AWE; and
- (xv) AWE is not aware of any matter or thing which;
 - (A) may result in licences L1 or L2 not being renewed, or
 - (B) may result in licences L1 or L2 being renewed on terms less favourable to AWE than the terms on which L1 or L2 were previously issued.

10.4 AWE's indemnity

AWE agrees with MinRes (on its own behalf and separately as trustee or nominee for each of the other MinRes Indemnified Parties) to indemnify and keep indemnified the MinRes Indemnified Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which the MinRes Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clauses 10.3(a) or 10.3(b).

10.5 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or is reasonably expected to constitute a breach of any of the representations or warranties given by it under this clause 10.

10.6 Survival of representations

Each representation and warranty in clauses 10.1 and 10.3:

- (a) is severable;
- (b) will survive the termination of this deed; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this deed.

10.7 Survival of indemnities

Each indemnity in this deed (including those in clauses 10.2 and 10.4) will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survive the termination of this deed.

11 Exclusivity

11.1 No existing discussions

Other than in relation to the discussions with MinRes in connection with the Transaction and this deed, AWE represents and warrants to MinRes that, as at the date of this deed:

- (a) neither itself, its Related Bodies Corporate nor any of their respective Authorised Persons is a party to any agreement with a third party entered into for the purpose of facilitating a Competing Proposal, other than any confidentiality agreements entered into prior to the date of this deed; and
- (b) neither itself, its Related Bodies Corporate nor any of their respective Authorised Persons is participating in any discussions or negotiations with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal.

11.2 No-shop

During the Exclusivity Period, AWE must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, except with the prior written consent of MinRes, directly or indirectly solicit, invite, initiate or encourage any Competing Proposal or any enquiries, proposals, discussions or negotiations with any third party in relation to (or that could reasonably be expected to lead to) a Competing Proposal, or communicate any intention to do any of these things.

11.3 No-talk

- (a) Subject to clause 11.7, during the Exclusivity Period, except with the prior written consent of MinRes, AWE must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:
 - (i) negotiate or enter into or participate in negotiations or discussions with any third party; or
 - (ii) communicate any intention to do any of these things,

in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by AWE or any of its Related Bodies Corporate, or that person has publicly announced the Competing Proposal.
- (b) Nothing in clause 11.7(a) prevents AWE from making normal presentations to, or responding to enquiries from, brokers, proxy advisers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Transaction, so long as such actions are not directed toward obtaining any Competing Proposal.

11.4 No due diligence

During the Exclusivity Period, except with the prior written consent of MinRes, AWE must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

- (a) solicit, invite, initiate, or encourage, or (subject to clause 11.7) facilitate or permit, any person (other than MinRes) to undertake due diligence investigations in respect of AWE, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
- (b) subject to clause 11.7, make available to any person (other than MinRes) or permit any such person to receive any non-public information relating to AWE, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

11.5 Notification of approaches

- (a) During the Exclusivity Period and subject to clause 11.7, AWE must promptly (and in any event, within 24 hours) notify MinRes in writing of:
 - (i) any approach, inquiry or proposal made by any person to AWE, any of its Related Bodies Corporate or any of their respective Authorised Persons, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal; and
 - (ii) any request made by any person to AWE, any of its Related Bodies Corporate, or any of their respective Authorised Persons, for any information relating to AWE, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

- (b) Subject to clause 11.7, a notice given under clause 11.5(a) must be accompanied by all material details of the relevant event, including (as the case may be):
 - (i) the identity of the person who made the relevant approach, inquiry or proposal to initiate discussions or negotiations referred to in clause 11.5(a)(i), or who made the relevant request for information referred to in clause 11.5(a)(ii); and
 - (ii) the material terms and conditions (including price, conditions precedent, timetable and break fee (if any)) of any Competing Proposal or any proposed Competing Proposal (to the extent known).
- (c) During the Exclusivity Period, AWE must promptly provide MinRes with:
 - (i) in the case of written materials, a copy of; or
 - (ii) in any other case, a written statement of,

any non-public information relating to AWE, its Related Bodies Corporate, or any of their businesses and operations made available or received by any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal and which differs materially from, or is more extensive than, the information that has been provided to MinRes, its Subsidiaries, or each of their respective Authorised Persons.
- (d) Nothing in this clause 11.5 prevents AWE from;
 - (i) providing information to its Authorised Persons;
 - (ii) providing information to any Governmental Agency;
 - (iii) providing information to its auditors, Advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
 - (iv) providing information required to be provided by law or any Governmental Agency; or
 - (v) making presentations to brokers, portfolio investors, analysts and other third parties,

in each case, in the ordinary course of business and without the purpose of circumventing the restrictions in this clause 11.

11.6 AWE's response to Rival Acquirer and MinRes' right to respond

- (a) If AWE is permitted by virtue of clause 11.7 to engage in activity that would otherwise breach any of clauses 11.3, 11.4(a), 11.4(b), 11.5(a) and 11.5(b), AWE must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal (**Rival Acquirer**) and must not enter into any other agreement, understanding or commitment in respect of a Competing Proposal or a potential Competing Proposal except as permitted by clause 11.6(b).
- (b) If AWE receives a Competing Proposal and as a result, any AWE director proposes to either:
 - (i) change, withdraw or modify his or her recommendation of the Scheme; or

- (ii) approve or recommend entry into any agreement, commitment, arrangement or understanding relating to the Competing Proposal (other than a confidentiality agreement contemplated by clause 11.6(a)),

AWE must ensure that no AWE director does so:

- (iii) unless the Competing Proposal is bona fide; and
- (iv) until each of the following has occurred:
 - (A) the AWE directors have made the determination contemplated by clause 11.7(b) in respect of that Competing Proposal;
 - (B) AWE has given MinRes written notice (**Relevant Notice**) of the AWE Board's proposal to take the action referred to in clauses 11.6(b)(i) or 11.6(b)(ii) (subject to MinRes' rights under clause 11.6(d));
 - (C) subject to clause 11.6(c), AWE has given MinRes all information that would be required by clause 11.5(b) as if it was not subject in any way to clause 11.7;
 - (D) MinRes' rights under clause 11.6(d) have been exhausted; and
 - (E) the AWE directors have made the determination contemplated by clause 11.7(b) in respect of that Competing Proposal after MinRes' rights under clause 11.6(d) have been exhausted and after evaluation of any Counter Proposal.
- (c) Prior to giving MinRes' the information under clause 11.6(b)(iv)(C), AWE must advise the Rival Acquirer that the Rival Acquirer's name and other details which may identify the Rival Acquirer will be provided by AWE to MinRes on a confidential basis.
- (d) If AWE gives a Relevant Notice to MinRes under clause 11.6(b)(iv)(B), MinRes will have the right, but not the obligation, at any time during the period of 3 Business Days following the receipt of the Relevant Notice, to amend the terms of the Transaction including increasing the amount of consideration offered under the Transaction or proposing any other form of transaction (each a **Counter Proposal**), and if it does so then the AWE directors must review the Counter Proposal in good faith. If the AWE directors determine that the Counter Proposal would be more favourable, or at least no less favourable, to AWE and the AWE Shareholders than the Competing Proposal (having regard to the matters noted in clause 11.7(b)), then AWE and MinRes must use their best endeavours to agree the amendments to this deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and AWE must use its best endeavours to procure that the AWE directors recommend the Counter Proposal to the Shareholders and not recommend the applicable Competing Proposal.
- (e) For the purposes of this clause 11.6, each successive material modification of any third party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal.
- (f) For the avoidance of doubt, in the event that MinRes has not made a Counter Proposal by the expiry of the 3 Business Days referred to in clause 11.6(d), the AWE Board may:

- (i) publicly change or withdraw its statement that they consider the Scheme to be in the best interests of AWE Shareholders and/or its recommendation that AWE Shareholders vote in favour of the Scheme; and
- (ii) enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party proposes to undertake or give effect to a Competing Proposal.

11.7 Fiduciary out

The restrictions in clauses 11.3, 11.4(a) and 11.4(b) and the obligations in clauses 11.5(a) and 11.5(b) do not apply to the extent they restrict AWE or any AWE director from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of this clause 11) provided that:

- (a) the Competing Proposal is bona fide and is made by or on behalf of a person that the AWE Board considers is of reputable commercial standing; and
- (b) the AWE Board has determined in good faith after:
 - (i) consultation with AWE's financial advisers, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
 - (ii) receiving written advice from AWE's external Australian legal adviser practising in the area of corporate law, that failing to take the action or refuse to take the action (as the case may be) with respect to the Competing Proposal would be likely to constitute a breach of the fiduciary or statutory obligations of the AWE Board.

12 AWE Break Fee

12.1 MinRes declaration

MinRes represents and warrants to AWE that it would not have entered into this deed without the benefit of this clause 12 and it would not have entered into and continued the negotiations leading up to this deed unless MinRes had a reasonable expectation that AWE would agree to enter into a clause of this kind.

12.2 Acknowledgments in relation to Costs

AWE acknowledges that MinRes has incurred:

- (a) significant external advisory costs;
- (b) some internal costs of a similar kind (including directors and management time costs, risk management costs and capital costs);
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by MinRes in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives,

in relation to the Scheme and will incur further costs after the date of this deed if the Scheme is not successful (**MinRes Costs**).

12.3 Acknowledgements in relation to legal advice

AWE represents and warrants that:

- (a) it has received legal advice on this deed and the operation of this clause 12; and
- (b) it considers this clause 12 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 12 in order to secure the significant benefits to it (and the AWE Shareholders) resulting from the Scheme.

12.4 Agreement on MinRes Costs

The parties acknowledge that the amount of the MinRes Costs is inherently unascertainable and that, even after termination of this deed, the MinRes Costs will not be able to be accurately ascertained. As a genuine and reasonable pre-estimate of the MinRes Costs that MinRes will suffer if the Scheme does not proceed (being an amount commensurate with the interest protected by the bargain), the parties agree that, for the purposes of this clause 12, the MinRes Costs will be the sum of \$5.2 million (being less than or equal to 1% of the market capitalisation of AWE as at market close on the basis of the bid ratio assessed as at market close on the trading day immediately prior to the date of this deed) (**AWE Break Fee**)

12.5 Payment of AWE Break Fee

- (a) Subject to clauses 12.6, 12.7, and 12.8, AWE agrees to pay to MinRes the AWE Break Fee if any of the following events occur:
 - (i) any AWE director fails to recommend the Scheme as described in clauses 6.1 and 6.2;
 - (ii) any AWE director publicly changes, withdraws or modifies his or her recommendation of the Scheme or makes any public statement, or takes any other action that is inconsistent with his or her recommendation of the Scheme (including where a Competing Proposal is announced and is recommended by any AWE director), other than:
 - (A) in the case specified in clause 6.3(d) provided that the reasons for the Independent Expert's conclusions do not include (in whole or in part) the existence of a Competing Proposal;
 - (B) as a result of any matter or thing giving AWE the right to terminate this deed under clause 14.1(a)(i); or
 - (C) as a result of a Condition in clauses 3.1(f), 3.1(h), 3.1(j), or 3.1(l) being breached or not satisfied and AWE terminating this deed in accordance with clause 3.7(b) or clause 14.1(a)(ii);
 - (iii) a Competing Proposal is announced before the Effective Date (or termination of this deed, whichever occurs first) and, within 12 months of the date of this deed, the third party who announced or made the Competing Proposal (or its Related Body Corporate) obtains Control of AWE, merges or amalgamates with AWE or acquires (directly or indirectly) an interest in all or a substantial part of the business or assets of the AWE Group; or
 - (iv) MinRes terminates this deed under clause 14.1(a)(i).

- (b) The payment of the AWE Break Fee by AWE to MinRes provided for in this clause 12.5 must be made within 5 Business Days of receipt of a written demand for payment by MinRes. The demand may only be made after the occurrence of an event referred to in clause 12.5(a).

12.6 AWE Break Fee not payable

Despite any other provision of this deed:

- (a) if:
 - (i) the Scheme becomes Effective notwithstanding the occurrence of any event in clause 12.5(a); or
 - (ii) as at the earlier of the date of termination of this deed and the End Date, AWE was entitled to terminate this deed under clauses 14.1(a) or 14.1(b),then:
 - (iii) the AWE Break Fee is not payable by AWE to MinRes; and
 - (iv) if the AWE Break Fee or any part of it has already been paid by AWE to MinRes it must be refunded by MinRes to AWE:
 - (A) in relation to clause 12.6(a)(i), within 5 Business Days after the Scheme becomes Effective; and
 - (B) in relation to clause 12.6(a)(ii), within 5 Business Days after AWE first becomes entitled to terminate this deed under clause 14.1(a)(i).
- (b) the AWE Break Fee is only payable once and MinRes cannot make any claim against AWE for payment of any subsequent AWE Break Fee;
- (c) the AWE Break Fee will not be payable merely by reason that the Scheme is or is not approved by the requisite majority of AWE Shareholders at the Scheme Meeting; and
- (d) the AWE Break Fee is not payable where AWE has become entitled to the MinRes Break Fee.

12.7 AWE Limitation of Liability

Notwithstanding any other provisions of this deed but subject to clause 12.8:

- (a) the maximum liability of AWE to all other parties under or in connection with this deed including in respect of any breach of this deed will be the AWE Break Fee;
- (b) a payment by AWE in accordance with this clause 12 represents the sole and absolute liability of AWE and any AWE Indemnified Party under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by AWE in connection with this deed; and
- (c) the amount of the AWE Break Fee paid to MinRes under this clause 12 shall be reduced by the amount of any loss or damage recovered by any other party in relation to a breach of this deed.

12.8 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the AWE Break Fee (**AWE Impugned Amount**):

- (a) would, if paid, be unlawful for any reason;
- (b) involves a breach of the fiduciary or statutory duties of the AWE Board; or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act or breaches an order of the Takeovers Panel,

then:

- (d) the requirement to pay the AWE Break Fee does not apply to the extent of the AWE Impugned Amount; and
- (e) if MinRes has received the AWE Impugned Amount, it must refund it within 5 Business Days of the final determination being made.

13 MinRes Break Fee

13.1 AWE declaration

AWE represents and warrants to MinRes that it would not have entered into this deed without the benefit of this clause 13 and it would not have entered into and continued the negotiations leading up to this deed unless AWE had a reasonable expectation that MinRes would agree to enter into a clause of this kind.

13.2 Acknowledgments in relation to Costs

MinRes acknowledges that AWE has incurred:

- (a) significant external advisory costs;
- (b) some internal costs of a similar kind (including directors and management time costs, risk management costs and capital costs);
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by AWE in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives,

in relation to the Scheme and will incur further costs after the date of this deed if the Scheme is not successful (**AWE Costs**).

13.3 Acknowledgements in relation to legal advice

MinRes represents and warrants that:

- (a) it has received legal advice on this deed and the operation of this clause 13; and
- (b) it considers this clause 13 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 13 in order to secure the significant benefits to it (and the MinRes Shareholders) resulting from the Scheme.

13.4 Agreement on AWE Costs

The parties acknowledge that the amount of the AWE Costs is inherently unascertainable and that, even after termination of this deed, the AWE Costs will not be able to be accurately ascertained. As a genuine and reasonable pre-estimate of the AWE Costs that AWE will suffer if the Scheme does not proceed (being an amount commensurate with the interest protected by the bargain), the parties agree that, for the purposes of this clause 13, the AWE Costs will be the sum of \$5.2 million (being less than or equal to 1% of the market capitalisation of AWE on the basis of the bid ratio assessed as at market close on the trading day immediately prior to the date of this deed) (**MinRes Break Fee**)

13.5 Payment of MinRes Break Fee

- (a) Subject to clauses 13.6 and 13.7, MinRes agrees to pay to AWE the MinRes Break Fee if AWE terminates this deed under clause 14.1(a)(i).
- (b) The payment of the MinRes Break Fee by MinRes to AWE provided for in this clause 13.5 must be made within 5 Business Days of receipt of a written demand for payment by AWE. The demand may only be made after the occurrence of an event referred to in clause 13.5(a).

13.6 MinRes Break Fee not payable

Despite any other provision of this deed:

- (a) the MinRes Break Fee will not be payable to AWE if the Scheme becomes Effective; and
- (b) the MinRes Break Fee is only payable once,

and if the MinRes Break Fee or any part of it has already been paid by MinRes to AWE, it must be refunded by AWE to MinRes.

13.7 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the MinRes Break Fee (**MinRes Impugned Amount**):

- (a) would, if paid, be unlawful for any reason;
- (b) involves a breach of the fiduciary or statutory duties of the MinRes Board; or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act or breaches an order of the Takeovers Panel,

then:

- (d) the requirement to pay the MinRes Break Fee does not apply to the extent of the MinRes Impugned Amount; and
- (e) if AWE has received the MinRes Impugned Amount, it must refund it within 5 Business Days of the final determination being made.

14 Termination

14.1 Termination by notice

- (a) MinRes or AWE may, by notice in writing to the other, terminate this deed at any time prior to the Effective Date:
 - (i) if the other is in material breach of any of its material obligations under this deed (other than a material breach of a representation or warranty), and:
 - (A) the breach is not capable of remedy;
 - (B) the breach occurs, or the terminating party is first notified of the breach after 5.00pm on the day before the Second Court Date; or
 - (C) the breach is capable of remedy and the other party has failed to remedy that breach within five Business Days (or 5.00 pm on the day before the Second Court Date if earlier) of receipt by it of a notice in writing from the terminating party setting out details of the relevant circumstance and requesting the other party to remedy the breach; or
 - (ii) in accordance with clause 3.7;
 - (iii) if the Court refuses to make any order directing AWE to convene the Scheme Meeting, provided that both AWE and MinRes have met and consulted in good faith and agreed that they do not wish to proceed with the Scheme; or
 - (iv) if the Effective Date for the Scheme has not occurred on or before the End Date.
- (b) AWE may, by notice in writing to MinRes, terminate this deed at any time prior to the Effective Date if at any time before then:
 - (i) all or a majority of AWE directors publicly recommend a Superior Proposal and do not, within three Business Days, reinstate their recommendation of the Transaction; or
 - (ii) MinRes materially breaches a representation or warranty contained in clause 10.1(b), and:
 - (A) MinRes fails to remedy that breach within five Business Days of receipt by it of a notice in writing from AWE setting out details of the relevant circumstance and requesting MinRes to remedy the breach or the breach cannot be remedied to the reasonable satisfaction of AWE by subsequent action on the part of MinRes before 8.00am on the Second Court Date; and
 - (B) the breach was of a kind that, had it been disclosed to AWE prior to its entry into this deed, could reasonably be expected to have resulted in AWE either not entering into this deed or entering into it on materially different terms.
- (c) MinRes may, by notice in writing to AWE, terminate this deed at any time prior to 8.00am on the Second Court Date if, at any time before then:

- (i) AWE materially breaches a representation or warranty contained in clause 10.3(b), and:
 - (A) AWE fails to remedy that breach within five Business Days of receipt by it of a notice in writing from MinRes setting out details of the relevant circumstance and requesting AWE to remedy the breach or the breach cannot be remedied to the reasonable satisfaction of MinRes by subsequent action on the part of AWE before 8.00am on the Second Court Date; and
 - (B) either:
 - (I) the breach was of a kind that, had it been disclosed to MinRes prior to its entry into this deed, could reasonably be expected to have resulted in MinRes either not entering into this deed or entering into it on materially different terms; or
 - (II) the breach amounts to, results in, or discloses anything, that could reasonably be expected to amount to a AWE Material Adverse Change; or
- (ii) any AWE director:
 - (A) fails to recommend the Scheme in the manner described in clauses 6.1 and 6.2; or
 - (B) changes, withdraws or modifies his or her recommendation of the Scheme or makes any public statement, or takes any other action that is inconsistent with his or her recommendation of the Scheme (including where a Competing Proposal is recommended or supported by any AWE director).

14.2 Effect of termination

- (a) In the event of termination of this deed under clause 3.7 or 14.1, this deed will become void and have no effect, except that the provisions of clauses 10.6, 10.7, 12, 13, 14, 15 and 18.2 to 18.14 (inclusive) and any other provision of this deed expressed to come into effect or survive after termination, survive termination.
- (b) Termination of this deed does not affect any accrued rights of a party in respect of a breach of this deed prior to termination.

15 Releases

15.1 Release of AWE Indemnified Parties

- (a) Subject to any restrictions imposed by law, MinRes releases any and all rights that it may have as at the date of this deed and from time to time, and agrees with AWE that it will not make any Claim, against any AWE Indemnified Party in connection with:
 - (i) any breach of any covenant, representation or warranty given by AWE under this deed;
 - (ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or

- (iii) any failure to provide information,

except where an AWE Indemnified Party has not acted in good faith, has engaged in wilful misconduct or wilful concealment. To avoid doubt, nothing in this clause 15.1(a) limits the rights of MinRes to terminate this deed under clause 14.

- (b) AWE receives and holds the benefit of clause 15.1(a) as trustee for the AWE Indemnified Parties.

15.2 Release of MinRes Indemnified Parties

- (a) Subject to any restrictions imposed by law, AWE releases any and all rights that it may have as at the date of this deed and from time to time, and agrees with MinRes that it will not make any Claim, against any MinRes Indemnified Party in connection with:

- (i) any breach of any covenant, representation or warranty given by MinRes under this deed;
- (ii) any disclosure containing any statement which is false or misleading (whether by omission or otherwise); or
- (iii) any failure to provide information,

except where a MinRes Indemnified Party has not acted in good faith, has engaged in wilful misconduct or wilful concealment. To avoid doubt, nothing in this clause 15.2(a) limits the rights of AWE to terminate this deed under clause 14.

- (b) MinRes receives and holds the benefit of clause 15.2(a) as trustee for the MinRes Indemnified Parties.

15.3 Deeds of indemnity, access and insurance

- (a) MinRes acknowledges that, notwithstanding any other provision of this deed, AWE may, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for up to such 7 year period, and that any actions to facilitate that insurance or in connection therewith will not be Prescribed Occurrences or breach any provision of this deed.
- (b) Subject to the Scheme becoming Effective and implementation of the Transaction, MinRes undertakes in favour of the AWE Group and all of their respective directors and officers that it will use its best endeavours to procure that:
 - (i) for a period of 7 years after the Implementation Date, the constitutions of AWE and each other member of the AWE Group continue to contain such rules as are contained in those constitutions as at the date of this deed that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the AWE Group; and
 - (ii) AWE and each other member of the AWE Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time, and, without limiting the foregoing, not take any action which would prejudice or adversely affect any directors' and officers' runoff insurance cover taken out prior to the Implementation Date.

- (c) AWE receives and holds the benefit of this clause as trustee for each director and officer of a member of the AWE Group.
- (d) The undertakings contained in this clause are subject to any Corporations Act restriction, or any restriction in the law of a jurisdiction in which an entity is incorporated and will be read down accordingly.

16 Confidentiality and Public Announcement

16.1 Confidentiality

- (a) Each party acknowledges and agrees that:
 - (i) information provided by either party to the other, or obtained by either party from the other, in the course of proposing, negotiating or implementing the Transaction (including information provided before or after the date of this deed); and
 - (ii) all copies of information, agreements and those parts of the notes and other records referred to above,is strictly confidential (**Confidential Information**) and may not be disclosed to any third party (except as permitted by this deed).
- (b) For the avoidance of doubt, information that is known by a party before the date of this deed and that was not obtained on a confidential basis from another party in the course of proposing, negotiating or implementing the Transaction is not Confidential Information.
- (c) Confidential Information may only be used for the purposes of implementing the Transaction or disclosed by a party:
 - (i) to a Related Body Corporate or any Authorised Person of that party (or of any Related Body Corporate) for the purpose of implementing the Transaction, provided that the disclosing party ensures that the recipient only uses it for the purposes of implementing the Transaction and otherwise complies with these terms of confidentiality; and
 - (ii) if disclosure is required by law, the rules of a stock exchange, or any requirement of a court or Governmental Agency.

16.2 Public Announcements on execution

Immediately after the Date of this deed, the parties must issue public announcements in a form previously agreed to in writing between them.

16.3 Further public announcements

- (a) Subject to clause 16.3(b), any further public announcements by AWE or MinRes in relation to, or in connection with, the Transaction or any other transaction the subject of this deed or the Scheme may only be made in a form approved by each party in writing (acting reasonably) subject to where a party is required by law or the Listing Rules to make any announcement or to make any disclosure in relation to, or in connection with, the Transaction or any other transaction the subject of this deed or the Scheme.

- (b) Where AWE is required by law and/or the Listing Rules to make any announcement or make any disclosure in relation to the Transaction, it may do so only after it has given as much notice as is reasonable in all the circumstances to, and has consulted (to the fullest extent reasonable in the circumstances) with, MinRes or its Advisers.

17 Notices

17.1 Service of notices

- (a) A notice, consent or other communication under this deed (**Notice**) is only effective if:
- (i) it is in writing, signed by or on behalf of the party giving it; and
 - (ii) it is directed to the recipient's address for notices as follows:

AWE

Address: Level 16, 40 Mount Street, North Sydney, NSW 2060
Facsimile: (02) 9460 0176
E-mail: neville.kelly@awexplore.com
Attn: Neville Kelly, Company Secretary

with a copy to:

Allens

Address: Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney NSW 2000
Facsimile: (02) 9230 5333
E-mail: Guy.Alexander@allens.com.au;
Julian.Donnan@allens.com.au
Attn: Guy Alexander and Julian Donnan

MinRes

Address: 1 Sleaford Road, Applecross, WA 6153
Facsimile: (08) 9329 3601
E-mail: simon.rushton@mineralresources.com.au
Attn: Simon Rushton – Commercial Manager

with a copy to:

Gilbert + Tobin

Address: Level 16, Tower 2, 123 St Georges Terrace, Perth, WA 6000
Facsimile: (08) 9413 8444
E-mail: jmannolini@gtlaw.com.au
Attn: Justin Mannolini

- (b) If a party changes address and fails to notify the other party of this change and the new address, delivery of Notices to a new address, or otherwise brought to the attention of the addressee, are deemed compliance with the notice obligations under this clause 17.1.

17.2 Effective on receipt

A Notice given in accordance with clause 17.1 takes effect when received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, the second Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight hours after the transmission, the recipient informs the sender that it has not received the entire Notice; or
- (d) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 2 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or transmission under clause 17.2(a) or 17.2(b) is not on a Business Day or after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

18 General

18.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this deed.

18.2 Payments

Unless otherwise expressly provided in this deed, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this deed, that amount shall be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

18.3 Consents or approvals

Except as expressly provided in this deed, a party may conditionally or unconditionally in its absolute discretion give or withhold any consent or approval under this deed.

18.4 GST

- (a) Any reference in this clause 18.4 to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.
- (b) Unless expressly included, the consideration for any supply under or in connection with this deed does not include GST.
- (c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this deed is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this deed but for the application of this clause 18.4(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 18.4(c) does not apply to any taxable supply under or in connection with this deed that is expressly stated to include GST.
- (d) The amount on account of GST payable in accordance with this clause 18.4 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (e) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.
- (f) Unless expressly included, any monetary thresholds specified in this deed are exclusive of GST.

18.5 Stamp duty

MinRes must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme (including the acquisition or transfer of Scheme Shares pursuant to the Scheme).

18.6 Expenses

Except as otherwise provided in this deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this deed and the Scheme Booklet and the proposed, attempted or actual implementation of this deed and the Scheme.

18.7 Amendments

This deed may only be varied by a document signed by or on behalf of each of the parties.

18.8 Assignment

A party must not assign or novate this deed or otherwise deal with the benefit of it or a right under it, or purport to do so, without the prior written consent of the other party, which consent may be withheld at the absolute discretion of the party from whom consent is sought.

18.9 Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed will operate as a waiver of another breach of that term or of a breach of any other term of this deed.
- (d) Nothing in this deed obliges a party to exercise a right to waive any conditional term of this deed that may be in its power.

18.10 Counterparts

- (a) This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.
- (b) This deed is binding on the parties on the exchange of duly executed counterparts.
- (c) The parties agree that a copy of an original executed counterpart sent by facsimile machine to the facsimile number or by email to the email address of the other party specified in clause 17, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

18.11 Entire agreement

This deed:

- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
- (b) supersedes any prior agreement (whether or not in writing) between the parties.

18.12 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.

18.13 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

18.14 Governing law

- (a) This deed is governed by and will be construed according to the laws of New South Wales.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and of the courts competent to determine appeals from those courts.

Schedule 1 Dictionary

1 Dictionary

1.1 Defined terms

In this deed, unless the context otherwise requires, the following words and expressions have meanings as follows:

Accounting Standards means:

- (a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that Act relating to the preparation and content of accounts; and
- (b) generally accepted accounting principles that are consistently applied in Australia, except those inconsistent with the standards or requirements referred to in paragraph (a).

Adviser means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to AWE or MinRes.

Approved Acquisition means an arm's length acquisition of any business, assets or shares by MinRes or by a member of the MinRes Group where the fair market value of the consideration payable for that acquisition is less than or equal to \$400 million (or such higher amount as may be consented to by AWE).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

Associate has the meaning given to that term in the Corporations Act.

Authorised Person means, in respect of a person:

- (c) a director, officer, partner, member or employee of the person;
- (d) an Adviser of the person; and
- (e) a director, officer or employee of an Adviser of the person.

Available Cash Consideration means the amount of cash determined as follows:

$A - B$

where:

A = Total Cash Pool;

B = aggregate cash consideration payable to Scheme Shareholders who are to receive Standard Consideration.

Available Scrip Consideration means the number of New MinRes Shares determined as follows:

A – B

where:

A = Total Scrip Pool;

B = the aggregate number of New MinRes Shares to which Scheme Shareholders who are to receive Standard Consideration are entitled to receive.

AWE means AWE Limited (ABN 70 077 897 440) of Level 16, 40 Mount Street, North Sydney, NSW 2060.

AWE Board means the board of directors of AWE as constituted from time to time (or any committee of the board of directors of AWE constituted from time to time to consider the Transaction on behalf of AWE).

AWE Break Fee has the meaning given to that term in clause 12.4.

AWE Cash Share Rights Holders means the holders of AWE Cash Share Rights.

AWE Cash Share Rights means rights to acquire AWE Shares under the AWE Cash Share Rights Plan.

AWE Cash Share Rights Plan means the AWE Limited Employee Cash Share Plan rules for the 3-year period from 1 July 2017 to 30 June 2020, a copy of which has been provided to MinRes prior to the date of this deed.

AWE Group means AWE and its Subsidiaries. A reference to a **member of the AWE Group** is a reference to AWE or any such Subsidiary.

AWE Indemnified Parties means each member of the AWE Group and each of their Authorised Persons.

AWE Material Adverse Change means an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to MinRes (whether it becomes public or not) after the date of this deed, and which has or could reasonably be expected to have (individually or when aggregated with other events, occurrences or matters of a similar kind or category):

- (a) the result of diminishing the fair market value of the net assets of the AWE Group by \$25 million or more;
- (b) the result of diminishing the revenue of the AWE Group by at least \$25 million per year;
- (c) the effect of incurring any obligations, liabilities, accounting impairment, costs or expenses (whether contingent or otherwise) where the quantum (whether individually or aggregated) exceeds \$25 million;
- (d) a material adverse effect on the assets and liabilities of the AWE Group (taken as a whole), condition (financial or otherwise), trading position, business or results of operation of the AWE Group taken as a whole (which, for this purpose, includes the receipt by any member of the AWE Group of any formal notice from a Governmental Agency that licences L1 and L2 will not be renewed or are revoked), other than events, occurrences or matters:

- (i) required to be done or procured by AWE pursuant to this deed or the Scheme or the transactions contemplated by either;
- (ii) Fairly Disclosed in documents that were publicly available prior to the date of this deed from public filings of AWE with ASIC or ASX;
- (iii) Fairly Disclosed in writing to MinRes prior to the date of this deed (whether in the Disclosure Letter or otherwise);
- (iv) relating to costs and expenses incurred by AWE associated with the Scheme process or the AWE SPP, including all fees payable to external advisers of AWE;
- (v) an event, occurrence or matter comprising or resulting from a change in any applicable law, any Accounting Standards, general or political conditions (including changes in interest rates, foreign exchange rates and changes in oil and gas and other commodity prices) or financial markets, whether in Australia or elsewhere;
- (vi) the effect of mark-to-market movements relating to financial derivatives entered into in respect of interest bearing liabilities and foreign exchange rates (including the impacts of those movements on reported earnings); or
- (vii) which MinRes has previously approved in writing.

AWE Prescribed Occurrence means the occurrence of any of the following on or after the date of this deed and before 8.00am on the Second Court Date:

- (a) AWE converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) any member of the AWE Group resolves to reduce its share capital in any way;
- (c) any member of the AWE Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) any member of the AWE Group declares, pays or distributes any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital;
- (e) any member of the AWE Group issues shares, or grants a performance right, a phantom performance right, or an option over its shares (including AWE Cash Share Rights), or agrees to make such an issue or grant such a performance right, phantom performance right or an option except:
 - (i) to the extent any AWE Shares are issued pursuant to the AWE SPP;
 - (ii) the issue of AWE Shares pursuant to the vesting or exercise of AWE Cash Share Rights under clause 4.15, which result in the issue of not more than 8,486,352 AWE Shares;
 - (iii) any issue to AWE or a direct or indirect wholly-owned Subsidiary of AWE;
- (f) any member of the AWE Group issues, or agrees to issue, convertible notes;

- (g) any member of the AWE Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than to another member of the AWE Group;
 - (h) any member of the AWE Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property, other than:
 - (i) any such security interest required in connection with AWE's debt facilities which has been Fairly Disclosed to ASX or to MinRes in writing prior to the date of this deed;
 - (ii) any such security interest granted in favour of AWE or another member of the AWE Group;
 - (iii) a lien which arises by operation of law or legislation securing an obligation that is not yet due;
 - (iv) in the usual and ordinary course of business consistent with past practice; or
 - (i) any member of the AWE Group becomes Insolvent,
- provided that an AWE Prescribed Occurrence will not include any matter:
- (j) required to be done or procured by AWE pursuant to this deed or the Scheme or the transactions contemplated by either;
 - (k) Fairly Disclosed in filings of AWE with ASX prior to the date of this deed;
 - (l) to the extent Fairly Disclosed to MinRes in writing before the date of this deed (whether in the Disclosure Letter or otherwise);
 - (m) in relation to the deregistration or winding up of dormant entities in the AWE Group;
 - (n) required by law or by an order of a court or Governmental Agency;
 - (o) expressly permitted pursuant to this deed; or
 - (p) the undertaking of which MinRes has previously approved in writing (which approval must not be unreasonably withheld or delayed).

AWE Register means the register of members of AWE maintained by or on behalf of AWE in accordance with section 168(1) of the Corporations Act.

AWE Share means a fully paid ordinary share in the capital of AWE.

AWE Shareholder means each person who is registered in the AWE Register as a holder of AWE Shares.

AWE SPP means the share purchase plan announced by AWE on 15 November 2017

AWE Warranties means the representations and warranties of AWE set out in clause 10.3.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Sydney, New South Wales.

Casino Project means the area subject to production licences VIC.L24 and VIC/L30.

Change of Control Requirements has the meaning given to that term in clause 7.5.

CHI-X means Chi-X Australia Pty Ltd (ACN 129 584 667) or where the context requires, the financial market operated by it.

Claim means a claim, notice, demand, action, proceeding, litigation, prosecution, arbitration, investigation, judgment, award, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute.

Competing Proposal means any inquiry, offer, proposal or expression of interest, transaction or arrangement (including by way of takeover bid or scheme of arrangement) under which, if entered into or completed substantially in accordance with its terms, a person or two or more persons who are Associates (other than MinRes or its Related Bodies Corporate) would directly or indirectly:

- (a) acquire a relevant interest in or become the holder of 15% or more of the AWE Shares;
- (b) acquire, obtain a right to acquire, receive or become the holder of, or otherwise obtain, a legal, beneficial or economic interest in:
 - (i) 20% or more of the AWE Shares or the shares of any material Subsidiary of AWE; or
 - (ii) all or a substantial part or material part of the business or property of the AWE Group;
- (c) acquire Control of AWE or any material Related Body Corporate of AWE; or
- (d) otherwise acquire or merge with AWE or any of its Controlled entities,

whether by takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase or exchange, sale or purchase of assets or businesses, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for AWE, sale or issue of shares or other synthetic merger or any other transaction or arrangement.

Conditions means the conditions set out in clause 3.1 and **Condition** means any one of them.

Confidential Information has the meaning given to that term in clause 16.1(a).

Confidentiality Deed means the Confidentiality Deed between the parties dated 11 December 2017.

Consultation Notice has the meaning given to that term in clause 3.7(a)(iii).

Control has the meaning given under section 50AA of the Corporations Act. **Controlled** has the equivalent meaning.

Corporations Act means the *Corporations Act 2001* (Cth).

Counter Proposal has the meaning given to that term in clause 11.6(d).

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

CSR Grant 2017 means the 7,535,022 AWE Cash Share Rights approved by the AWE Board prior to the date of this deed pursuant to the AWE Cash Share Rights Plan.

Deed Poll means the deed poll to be executed by MinRes pursuant to clause 4.14 under which MinRes covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme, in the form of Schedule 4 or as may otherwise be agreed by MinRes and AWE.

Disclosure Letter means the letter identified as such provided by AWE to MinRes and countersigned by or on behalf of MinRes on or about the date of this deed and any document identified in that letter as having been disclosed to MinRes.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

Electing Small Shareholders has the meaning given in clause 4.9(b).

Election has the meaning given to that term in clause 4.3(a) and **Elect** has a corresponding meaning.

Election Date means the last date for receipt of an election form in order to make an Election in accordance with the terms of the Scheme, being 5.00pm on the first Business Day after the Effective Date or such other date as AWE and MinRes agree in writing.

Election Form means the election form provided with the Scheme Booklet under which each Scheme Shareholder (other than an Excluded Shareholder) may elect to receive the Maximum Cash Consideration or Maximum Scrip Consideration (instead of the Standard Consideration) in respect of all their Scheme Shares.

End Date means the later of:

- (a) 31 May 2018; and
- (b) such other date and time agreed in writing between MinRes and AWE.

Excluded Shareholder means any AWE Shareholder who is MinRes or a MinRes Sub.

Exclusivity Period means the period commencing on the date of this deed and ending on the earliest of:

- (a) the End Date;
- (b) the Implementation Date; and
- (c) the date this deed is terminated in accordance with its terms.

Fairly Disclosed means disclosed in sufficient detail so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Transaction to identify the nature and scope of the relevant matter, event or circumstance.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX and any regulatory organisation established under statute or any stock exchange.

GST Law has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of AWE Shareholders present and voting, either in person or by proxy.

Implementation Date means, with respect to the Scheme, the fifth Business Day, or such other Business Day as the parties agree, following the Record Date for the Scheme.

Independent Expert means an expert, independent of the parties, engaged by AWE in good faith to opine on whether the Scheme is in the best interests of AWE Shareholders.

Independent Expert's Report means the report from the Independent Expert commissioned by AWE for inclusion in the Scheme Booklet, which includes a statement by the Independent Expert on whether, in its opinion, the Scheme is in the best interests of AWE Shareholders, and includes any update of that report by the Independent Expert.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the AWE Register (as at the Record Date) is in a place which MinRes reasonably determines is a place that it is unlawful or unduly onerous to issue that Scheme Shareholder with New MinRes Shares when the Scheme becomes Effective (provided that a Scheme Shareholder whose address shown in the AWE Register is within Australia and its external territories and New Zealand will not be an Ineligible Foreign Shareholder).

Insolvency Event means in relation to a person:

- (a) **(insolvency official)** the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) **(arrangements)** the entry by the person into a compromise or arrangement with its creditors generally;
- (c) **(winding up)** the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) **(suspends payments)** the person suspends or threatens to suspend payment of its debts as and when they become due;
- (e) **(ceasing business)** the person ceases or threatens to cease to carry on business;

- (f) **(insolvency)** the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) **(deregistration)** the person being deregistered as a company or otherwise dissolved;
- (h) **(deed of company arrangement)** the person executing a deed of company arrangement;
- (i) **(person as trustee or partner)** the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
 - (i) a breach of trust or obligation as partner by the person;
 - (ii) the person acting outside the scope of its powers as trustee or partner;
 - (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability;
 - (iv) the assets of the trust or partnership being insufficient to discharge the liability; or
- (j) **(analogous events)** anything analogous to those set out in any of paragraphs (a) to (g) inclusive occurs in relation to the person under the laws of a foreign jurisdiction,

and a person shall be **Insolvent** if any event specified in paragraphs (a) to (j) inclusive occurs in respect of that person.

Key AWE Projects means the AWE Group's interests in:

- (a) the Waitsia Project;
- (b) the project that produces gas and other petroleum products from the area subject to the production licence T1/L Yolla, known as the BassGas Project;
- (c) the Casino Project; and
- (d) the project that produces oil from the area that is the subject of the Northwest Natuna production sharing contract (offshore Indonesia in the Northwest Natuna Sea), known as the Ande Ande Lumut Project.

L1 means petroleum licence L1 granted under the *Petroleum and Geothermal Energy Resources Act 1967* (WA).

L2 means petroleum licence L2 granted under the *Petroleum and Geothermal Energy Resources Act 1967* (WA).

Listing Rules means the official listing rules of ASX as amended from time to time.

Material Contract means a contract which:

- (a) is a Material Gas Sales Agreement;

- (b) is material to the conduct of the AWE Group's business as a whole; or
- (c) involves aggregate expenditure greater than \$25 million, annual revenue greater than \$10 million, or has a committed term which is greater than 3 years.

Material Gas Sales Agreement means an agreement (including by way of amendment to any existing agreement) for the sale, pre-sale, lending, offtake, exchange or disposal by other means of hydrocarbons in relation to the current or future production from any of the Key AWE Projects.

Maximum Cash Consideration means the consideration described in clause 4.5.

Maximum Scrip Consideration means the consideration described in clause 4.6.

Merged Entity Information means the information regarding the merged MinRes / AWE groups following implementation of the Scheme, including any pro forma financial information relating to the merged MinRes / AWE group contained in the Scheme Booklet and the adjustments made to the relevant historical financial information to generate such pro forma financial information, other than any information provided by AWE to MinRes or obtained from AWE public filings on the ASX regarding the AWE Group contained in, or used in the preparation of such information.

MinRes means Mineral Resources Limited (ABN 33 118 549 910) of 1 Sleat Road, Applecross, WA 6153.

MinRes Board means the board of directors of MinRes as constituted from time to time (or any committee of the board of directors of MinRes constituted from time to time to consider the Transaction on behalf of MinRes).

MinRes Costs has the meaning given to that term in clause 12.2.

MinRes Group means MinRes and its Subsidiaries. A reference to a **member of the MinRes Group** is a reference to MinRes or any such Subsidiary.

MinRes Indemnified Parties means each Authorised Person of a member of the MinRes Group.

MinRes Information means:

- (a) such information regarding MinRes that is provided by or on behalf of MinRes to AWE or the Independent Expert:
 - (i) to enable the Scheme Booklet to be prepared and completed in compliance with all applicable laws;
 - (ii) to enable applications for Regulatory Approvals to be made; and
 - (iii) otherwise in compliance with MinRes' obligations under clause 5.2(a); and
- (b) the Merged Entity Information.

MinRes Material Adverse Change means an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to AWE (whether it becomes public or not) after the date of this deed, and which (where relevant, based on the most recent audited financial statements of MinRes prior to the date of this deed) has or could reasonably be expected to have (individually or when aggregated with other events, occurrences or matters of a similar kind or category), a material adverse effect on the

assets and liabilities of the MinRes Group (taken as a whole), condition (financial or otherwise), trading position, business or results of operation of the MinRes Group taken as a whole, other than events, occurrences or matters:

- (a) required to be done or procured by MinRes pursuant to this deed or the Scheme or the transactions contemplated by either;
- (b) Fairly Disclosed in documents that were publicly available prior to the date of this deed from public filings of MinRes with ASIC or ASX;
- (c) Fairly Disclosed in writing to AWE prior to the date of this deed;
- (d) relating to costs and expenses incurred by MinRes associated with the Scheme process, including all fees payable to external advisers of MinRes;
- (e) an event, occurrence or matter comprising or resulting from a change in any applicable law, any Accounting Standards, general or political conditions (including changes in foreign exchange rates and commodity prices) or financial markets, whether in Australia or elsewhere; or
- (f) which AWE has previously approved in writing.

MinRes Prescribed Occurrence means the occurrence of any of the following on or after the date of this deed and before 8.00am on the Second Court Date:

- (a) MinRes converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) any member of the MinRes Group resolves to reduce its share capital in any way;
- (c) any member of the MinRes Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) any member of the MinRes Group declares, pays or distributes any dividend, bonus or other share of its profits or assets, except for any interim ordinary dividend for the half year ending 31 December 2017 which is consistent with the existing dividend policy and practice of MinRes;
- (e) any member of the MinRes Group issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option except:
 - (i) the issue of MinRes Shares pursuant to the Scheme;
 - (ii) the issue of MinRes Shares pursuant to the vesting or exercise of performance rights, phantom performance rights, or options, that were on issue immediately before the date of this deed;
 - (iii) to MinRes or a direct or indirect wholly-owned Subsidiary of MinRes;
- (f) any member of the MinRes Group issues, or agrees to issue, convertible notes;

- (g) any member of the MinRes Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than to another member of the MinRes Group;
 - (h) any member of the MinRes Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property, other than:
 - (i) in the usual and ordinary course of business consistent with past practice;
 - (ii) any such security interest required in connection with the debt facilities of MinRes which has been Fairly Disclosed to ASX or to AWE in writing, in each case prior to the date of this deed;
 - (iii) any security interest which is granted in favour of another member of the MinRes Group;
 - (iv) a lien which arises by operation of law or legislation securing an obligation that is not yet due; or
 - (i) any member of the MinRes Group becomes Insolvent,
- provided that a MinRes Prescribed Occurrence will not include any matter:
- (j) required to be done or procured by MinRes pursuant to this deed or the Scheme;
 - (k) in connection with any Approved Acquisition;
 - (l) Fairly Disclosed in filings of MinRes with ASX prior to the date of this deed;
 - (m) to the extent it is Fairly Disclosed to AWE in writing prior to the date of this deed;
 - (n) required by law or by an order of a court or Governmental Agency;
 - (o) expressly permitted pursuant to this deed; or
 - (p) the undertaking of which AWE has previously approved in writing (which approval must not be unreasonably withheld or delayed).

MinRes Share means an issued fully paid ordinary share in the capital of MinRes.

MinRes Sub has the meaning given to that term in clause 2.1(c).

MinRes Warranties means the representations and warranties of MinRes set out in clause 10.1.

New MinRes Share means a fully paid ordinary share in the capital of MinRes to be issued under the Scheme.

Notice has the meaning given to that term in clause 17.1(a).

Receiving Party has the meaning given to that term in clause 18.2

Record Date means, in respect of the Scheme, 5.00pm on the third Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Regulatory Approval means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Governmental Agency; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Related Body Corporate of a person, means a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.

Relevant Notice has the meaning given to that term in clause 11.6(b)(iv)(B).

Rival Acquirer has the meaning given to that term in clause 11.6(a).

RG 60 means Regulatory Guide 60 issued by ASIC.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act between AWE and Scheme Shareholders in respect of all Scheme Shares, in the form of Schedule 5, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.

Scheme Booklet means the explanatory booklet to be prepared by AWE in respect of the Transaction in accordance with the terms of this deed and to be despatched to AWE Shareholders.

Scheme Consideration means the consideration payable to Scheme Shareholders under the Scheme as determined in accordance with clause 4.

Scheme Meeting means the meeting of AWE Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Meeting Date VWAP means the volume weighted average MinRes share price calculated based on cumulative value traded on ASX and CHI-X divided by the cumulative volume traded on ASX and CHI-X of MinRes Shares during the 10 Trading Days ending on the Trading Day before the day of the Scheme Meeting and excluding any transaction defined as 'special' crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises or any other trades that MinRes and AWE agree to exclude (each party acting reasonably) on the basis that they are not representative of the general price at which MinRes Shares are trading on ASX or CHI-X in the context of trading of MinRes Shares on any day the trades took place.

Scheme Share means an AWE Share on issue as at the Record Date other than any AWE Share then held by an Excluded Shareholder (but including any such AWE Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or

scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share Splitting means the splitting by a holder of AWE Shares into two or more parcels of AWE Shares whether or not it results in any change in beneficial ownership of the AWE Shares.

Standard Consideration means the consideration described in clause 4.4.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the AWE Board determines, acting in good faith and in order to satisfy what the AWE Board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to AWE Shareholders than the Transaction having regard to matters including consideration, conditionality, funding, certainty and timing.

Timetable means the indicative timetable in relation to the Transaction set out in Schedule 2 with such modifications as may be agreed in writing by the parties.

Total Cash Pool means \$0.415 multiplied by the number of Scheme Shares.

Total Scrip Pool means:

- (a) if the Scheme Meeting Date VWAP is greater than or equal to \$21.00: $\frac{0.415}{21}$ New MinRes Shares multiplied by the total number of Scheme Shares;
- (b) if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00:
 $(\$0.415 / \text{Scheme Meeting Date VWAP}) \times \text{total number of Scheme Shares}$
- (c) if the Scheme Meeting Date VWAP is less than or equal to \$15.00: $\frac{0.415}{15}$ New MinRes Shares multiplied by the total number of Scheme Shares.

Trading Day means a day determined by ASX to be a trading day.

Transaction means the proposed acquisition by MinRes, in accordance with the terms and conditions of this deed, of all of the AWE Shares (other than the AWE Shares held by an Excluded Shareholder) through the implementation of the Scheme.

Waitsia Project means the project for the exploration for, development of and exploitation of natural gas from the area subject to production licences L1 and L2, known as the Waitsia Project.

1.2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;

- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
 - (vi) this deed includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation made under it;
 - (ix) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (x) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and each of them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) a reference to time is to Sydney, Australia time;
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.

Schedule 2 Indicative Timetable

Event	Date
Lodge Scheme Booklet with ASIC for review and comment	By mid February 2018
First Court Date	Early to mid March 2018
Scheme Meeting	Mid April 2018
Second Court Date	Mid to late April 2018
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	Mid to late April 2018
Record Date	Mid to late April 2018
Implementation Date: Pay Scheme Considerations to participants in the Scheme.	Early May 2018

Schedule 3 Deed Poll

Parties

This deed poll is made by:

Name	Mineral Resources Limited
ACN	118 549 910
Short name	MinRes
Address	1 Sleat Road, Applecross, WA, 6153

and

Name	[insert]
ACN	[insert]
Short name	MinRes Sub
Address	1 Sleat Road, Applecross, WA, 6153

in favour of:

Each Scheme Shareholder.

Background

- A On 21 December 2017, MinRes and AWE Limited (**AWE**) entered into a scheme implementation deed with respect to the Scheme and associated matters (Implementation Deed).
- B The effect of the Scheme will be to transfer all Scheme Shares to MinRes in exchange for the Scheme Consideration.
- C MinRes and MinRes Sub are entering into this deed poll to covenant in favour of the Scheme Shareholders that they will perform all actions attributed to them under the Scheme.

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

In this deed poll, unless otherwise defined, capitalised words and phrases have the same meaning as given to them in the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between AWE and Scheme Shareholders in respect of all Scheme Shares (**Scheme**).

1.2 Interpretation

In this deed poll, headings are for convenience only and do not affect its interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to any document (including the Scheme) is to that document as varied, novated, ratified or replaced; and

a reference to a clause, party, annexure or schedule is a reference to a clause of, and a party, annexure and schedule to, this deed poll and a reference to this deed poll includes any annexure and schedule.

1.3 Nature of deed poll

MinRes and MinRes Sub each acknowledge that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not party to it; and
- (b) each Scheme Shareholder irrevocably appoints AWE and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this deed poll against MinRes and MinRes Sub on behalf of that Scheme Shareholder.

2 Condition precedent and termination

2.1 Condition precedent to obligations of the Scheme

The obligations of MinRes and MinRes Sub under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of MinRes and MinRes Sub under this deed poll will automatically terminate, and the terms of this deed poll will be of no force or effect, if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date,

unless MinRes, MinRes Sub, and AWE otherwise agree in writing.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) MinRes and MinRes Sub are released from their obligations to further perform this deed poll, except those obligations under clause 6.7; and
- (b) each Scheme Shareholder retains the rights it has against MinRes or MinRes Sub in respect of any breach of this deed poll which occurs before it is terminated.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, MinRes and MinRes Sub each covenant in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme;

- (b) perform all actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme; and
- (c) use their best endeavours to procure that the New MinRes Shares issued pursuant to the Scheme are approved for official quotation on ASX and that trading in the New MinRes Shares commences by the first Business Day after the Implementation Date on a normal settlement basis.

3.2 Shares to rank equally

MinRes and MinRes Sub covenant in favour of each Scheme Shareholder that the New MinRes Shares which are issued to each Scheme Shareholder or the Nominee in accordance with the Scheme will:

- (a) rank equally with all existing MinRes Shares; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4 Warranties

MinRes and MinRes Sub each represent and warrant in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms;
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or by which it is bound; and
- (f) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) MinRes and MinRes Sub have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 General

6.1 Notices

Any notice or other communication to MinRes or MinRes Sub in respect of this deed poll
(**Notice**):

(a) is only effective if:

- (i) it is in writing, signed by or on behalf of the party giving it;
- (ii) it is directed to the recipient's address for notices as follows:

Address: 1 Sleat Road, Applecross, WA 6153
Facsimile: (08) 9329 3601
E-mail: simon.rushton@mineralresources.com.au
Attn: Simon Rushton – Commercial Manager

with a copy to Gilbert + Tobin:

Address: Level 16, Tower 2, Brookfield Place,
123 St George's Terrace, Perth, WA 6000
Facsimile: +61 8 9413 8491
E-mail: jmannolini@gtlaw.com.au
Attn: Justin Mannolini

- (b) must be signed by the person making the communication or by a person duly authorised by that person;
- (c) takes effect when received (or at a later time specified in it), and is taken to be received:
 - (i) if hand delivered, on delivery;
 - (ii) if sent by prepaid post, the second Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from outside Australia);
 - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight hours after the transmission, the recipient informs the sender that it has not received the entire Notice; or
 - (iv) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 2 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or transmission under clause 6.1(c)(i) or 6.1(c)(ii) is not on a Business Day or after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

6.2 Governing law

- (a) This deed poll is governed by and will be construed according to the laws of Western Australia.
- (b) MinRes and MinRes Sub each irrevocably submit to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts. MinRes and MinRes Sub each irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.3 Waiver

A Scheme Shareholder does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the Scheme Shareholder giving the waiver.

6.4 Variation

This deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by AWE; or
- (b) if on or after the First Court Date, the variation is agreed to by AWE and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event MinRes and MinRes Sub will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.5 Cumulative rights

The rights, powers and remedies of MinRes and MinRes Sub and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.6 Assignment

The rights created by this deed poll are personal to MinRes and MinRes Sub and each Scheme Shareholder and may only be assigned with the prior written consent of MinRes.

6.7 Stamp duty

MinRes must:

- (a) pay any stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under or pursuant to this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.7(a).

6.8 Further assurances

MinRes and MinRes Sub must at their own expense promptly do all things necessary or expedient to be done by them in connection with the matters referred to in this deed poll and to implement the Scheme.

Executed as a **deed poll**.

Executed by **Mineral Resources Limited** in
accordance with the provisions of section 127(1)
of the *Corporations Act*

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Executed by **[MinRes Sub]** in accordance with
the provisions of section 127(1) of the
Corporations Act

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Schedule 4 Scheme

Parties

This scheme of arrangement is made under section 411 of the Corporations Act 2001 (Cth) between:

- 1 AWE Limited (ACN 077 897 440) of Level 16, 40 Mount Street, North Sydney, NSW 2060 (**AWE**)
- 2 Each person who holds one or more Scheme Shares as recorded in the AWE Register as at the Record Date (**Scheme Shareholders**)

Background

- A AWE is a public company limited by shares and is admitted to the official list of ASX.
- B Mineral Resources Limited (ACN 118 549 910) (MinRes) is a public company limited by shares and is admitted to the official list of ASX.
- C On 21 December 2017, MinRes and AWE entered into the Implementation Deed pursuant to which, amongst other things, AWE has agreed to propose this Scheme to the Scheme Shareholders, and each of AWE and MinRes have agreed to take certain steps to give effect to this Scheme.
- D If this Scheme becomes Effective, then all the Scheme Shares will be transferred to MinRes or a wholly owned subsidiary of MinRes (**MinRes Sub**) and the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the provisions of this Scheme and the Deed Poll.
- E MinRes and MinRes Sub have entered into the Deed Poll for the purposes of covenanting in favour of Scheme Shareholders to perform all actions attributed to them under this Scheme.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (Dictionary), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (Dictionary) sets out rules of interpretation for this document.

2 Conditions

2.1 Conditions to the Scheme

The Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following:

- (a) as at 8.00am on the Second Court Date, each of the conditions set out in clause 3.1 of the Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(c) of the Implementation Deed) have been satisfied or waived in accordance with the terms of the Implementation Deed;
- (b) as at 8.00am on the Second Court Date, neither the Implementation Deed nor the Deed Poll have been terminated in accordance with their terms;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act either unconditionally or on conditions consented to by AWE and MinRes in accordance with clause 8.12;
- (d) subject to clause 8.12, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme have been satisfied or waived; and
- (e) the coming into effect of the Scheme Order, on or before the End Date.

2.2 Certificate

- (a) AWE will provide to the Court on the Second Court Date certificates signed by MinRes and AWE (or such other evidence as the Court requests) stating whether or not the conditions referred to in clause 3.1 of the Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(c) of the Implementation Deed) have been satisfied or waived in accordance with the terms of the Implementation Deed as at 8.00am on the Second Court Date.
- (b) The certificate referred to in clause 2.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived, or taken to be waived, in accordance with the Implementation Deed.

2.3 Termination

Without limiting any rights under the Implementation Deed, if the Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective, AWE is released from any further obligation to take steps to implement the Scheme and any liability with respect to the Scheme.

3 The Scheme

- (a) Subject to clause 2.1, this Scheme takes effect for all purposes on the Effective Date.

- (b) This Scheme will lapse and be of no further force or effect if:
 - (i) the Effective Date has not occurred on or before the End Date; or
 - (ii) the Implementation Deed or Deed Poll is terminated in accordance with its terms, unless AWE and MinRes agree otherwise.

4 Implementation of the Scheme

4.1 Lodgement of Scheme Order with ASIC

If the conditions in clauses 2.1(a) to 2.1(d) are satisfied, AWE must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Order approving this Scheme as soon as possible after, and in any event by 5.00pm on the first Business Day after, the day on which the Court approves this Scheme (or such other Business Day as AWE and MinRes agree).

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective, the following actions will occur (in the order set out below):

- (a) MinRes will provide the Scheme Consideration in the manner contemplated by clause 5; and
- (b) subject to MinRes having satisfied its obligations in clause 4.2(a), on the Implementation Date:
 - (i) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to MinRes or MinRes Sub, without the need for any further act by any Scheme Shareholder (other than acts performed by AWE as attorney and agent for Scheme Shareholders under clause 8.1), by AWE effecting a valid transfer or transfers of the Scheme Shares to MinRes or MinRes Sub under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:
 - (A) AWE delivering to MinRes or MinRes Sub (as relevant) a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by AWE as attorney and agent of each Scheme Shareholder; and
 - (B) MinRes or MinRes Sub (as relevant) duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to AWE for registration; and
 - (ii) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(b)(i)(B) or the transfer being effected under section 1074D of the Corporations Act (as the case may be), AWE must enter, or procure the entry of, the name of MinRes in the AWE Register in respect of all the Scheme Shares transferred to MinRes in accordance with this Scheme.

4.3 Provision of Scheme Consideration

Subject to this Scheme becoming Effective, in consideration for the transfer to MinRes or MinRes Sub of the Scheme Shares held by each Scheme Shareholder under the terms of this Scheme, MinRes will provide, or procure provision, to:

- (a) each Scheme Shareholder who is not an Ineligible Foreign Shareholder or an Electing Small Shareholder, the Scheme Consideration to which that Scheme Shareholder is entitled to in accordance with clause 5; and
- (b) the Nominee, the Scheme Consideration to which Ineligible Foreign Shareholders and Electing Small Shareholders would have otherwise been entitled in accordance with clause 5,

on the Implementation Date and otherwise in accordance with this Scheme.

5 Scheme Consideration

5.1 Scheme Consideration

- (a) Under this Scheme, each Scheme Shareholder will (subject to clauses 5.6, 5.7 and 5.8) be entitled to receive:
 - (i) the Standard Consideration;
 - (ii) the Maximum Cash Consideration; or
 - (iii) the Maximum Scrip Consideration,(the **Scheme Consideration**).
- (b) Each Scheme Shareholder will (subject to clauses 5.6, 5.7 and 5.8) receive the Standard Consideration, unless:
 - (i) the particular Scheme Shareholder has made an Election receive the Maximum Cash Consideration, in which case the Scheme Shareholder will (subject to clauses 5.6, 5.7 and 5.8) receive the Maximum Cash Consideration; or
 - (ii) the particular Scheme Shareholder has made an Election to receive the Maximum Scrip Consideration, in which case the Scheme Shareholder will (subject to clauses 5.6, 5.7 and 5.8) receive the Maximum Scrip Consideration.

5.2 Election Mechanism

- (a) The Scheme Booklet sent to AWE Shareholders permitted Scheme Shareholders to make an election (**Election**) to receive the Maximum Cash Consideration or Maximum Scrip Consideration for all of their Scheme Shares by completing an Election Form, such Election being subject to the terms of the Scheme.
- (b) The Election Form provided that:
 - (i) subject to clause 5.2(b)(vi), a AWE Shareholder may make only one Election in relation to a particular holding;

- (ii) subject to clause 5.2(b)(vi), any Election by a AWE Shareholder will apply to all of the AWE Shares that AWE Shareholder holds as at the Record Date;
- (iii) an Election may be made by a AWE Shareholder by:
 - (A) completing the Election Form in accordance with the instructions specified on the form or set out in the Scheme Booklet; and
 - (B) returning the completed Election Form in accordance with the instructions on it so that it is received by no later than the Election Date,

or by taking equivalent actions in electronic form if permitted by the AWE Constitution and the Court at the first Court hearing;
- (iv) once made, an Election by a AWE Shareholder may be varied before the Election Date (provided that any variation that purports to make an Election invalid will not be effective);
- (v) if an Election is not made by a AWE Shareholder prior to the Election Date in respect of all of the AWE Shares held by that AWE Shareholder as at the Record Date, then that AWE Shareholder will (subject to clauses 5.6, 5.7 and 5.8) receive the Standard Consideration in respect of all of their AWE Shares;
- (vi) a AWE Shareholder that holds one or more parcels of AWE Shares as trustee or nominee for, or otherwise on account of, another person, may, in a manner to be agreed between the parties (acting reasonably), make separate Elections in relation to each of those parcels of AWE Shares (and, for the purpose of calculating the Scheme Consideration to which the AWE Shareholder is entitled each such parcel of AWE Shares will be treated as though it were held by a separate AWE Shareholder), and

and the Implementation Deed provided that the Election Form was otherwise be in a form agreed between AWE and MinRes (each acting reasonably).

5.3 Standard Consideration

If a Scheme Shareholder has not made an Election to receive the Maximum Cash Consideration or Maximum Scrip Consideration, the Scheme Shareholder will (subject to clauses 5.6, 5.7 and 5.8) be entitled to receive, for each Scheme Share held by that Scheme Shareholder at the Record Date:

- (a) \$0.415 cash; and
- (b) a number of New MinRes Shares as follows (which shall include any fraction of a New MinRes Share arising from the calculation):
 - (i) if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, $\frac{0.415}{21}$ New MinRes Shares; or
 - (ii) if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, "X" New MinRes Shares, where $X = \$0.415 / \text{Scheme Meeting Date VWAP}$; or

- (iii) if the Scheme Meeting Date VWAP is less than or equal to \$15.00, $\frac{0.415}{15}$ New MinRes Shares.

5.4 Maximum Cash Consideration

- (a) If a Scheme Shareholder has made an Election to receive Maximum Cash Consideration, the Scheme Shareholder will (subject to clauses 5.6, 5.7 and 5.8) be entitled to receive, for each Scheme Share held by that Scheme Shareholder at the Record Date:

- (i) if the Available Cash Consideration is not required by clause 5.4(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Cash Consideration: \$0.83 cash; and
- (ii) if the Available Cash Consideration is required by clause 5.4(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Cash Consideration:

- (A) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation)

A / B

where:

A = the Available Cash Consideration;

B = the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Cash Consideration; and

- (B) a number of New MinRes Shares per Scheme Share calculated as follows (which shall include any fraction of a New MinRes Share arising from the calculation):

1. if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, such number of New MinRes Shares:

$$(C / \$0.83) \times \frac{0.83}{21}$$

where:

C = \$0.83 less the amount of cash per Scheme Share determined in accordance with clause 5.4(a)(ii)(i);

2. if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, such number of New MinRes Shares:

$$(C / \$0.83) \times (\$0.83 / \text{Scheme Meeting Date VWAP})$$

where:

C = \$0.83 less the amount of cash per Scheme Share determined in accordance with clause 5.4(a)(ii)(i);

3. if the Scheme Meeting Date VWAP is less than or equal to \$15.00, such number of New MinRes Shares:

$$(C / \$0.83) \times \frac{0.83}{15}$$

where:

C = \$0.83 less the amount of cash per Scheme Share determined in accordance with clause 5.4(a)(ii)(i).

- (b) For the purposes of this clause 5.4, the Available Cash Consideration is required to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Cash Consideration if the amount determined by multiplying \$0.83 by the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Cash Consideration exceeds the Available Cash Consideration.

5.5 Maximum Scrip Consideration

- (a) If a Scheme Shareholder has made an Election to receive Maximum Scrip Consideration, the Scheme Shareholder will (subject to clauses 5.6, 5.7 and 5.8) be entitled to receive, for each Scheme Share held by that Scheme Shareholder at the Record Date:
- (i) if the Available Scrip Consideration is not required by clause 5.5(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration, a number of New MinRes Shares calculated as follows (which shall include any fraction of a New MinRes Share arising from the calculation):
- (A) if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, $\frac{0.83}{21}$ New MinRes Shares; or
- (B) if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, "X" New MinRes Shares, where $X = \$0.83 / \text{Scheme Meeting Date VWAP}$; or
- (C) if the Scheme Meeting Date VWAP is less than or equal to \$15.00, $\frac{0.83}{15}$ New MinRes Shares; and
- (ii) if the Available Scrip Consideration is required by clause 5.5(b) to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration:
- (A) a number of New MinRes Shares per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation)

A / B

where:

A = the Available Scrip Consideration;

B = the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration; and

- (B) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation):

\$0.83 – New MinRes Scrip Consideration Value

where 'New Min Res Scrip Consideration Value' means:

1. if the Scheme Meeting Date VWAP is greater than or equal to \$21.00, the number of New MinRes Shares per Scheme Share determined in accordance with clause 5.5(a)(ii)(i) multiplied by \$21.00;
 2. if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, the number of New MinRes Shares per Scheme Share determined in accordance with clause 5.5(a)(ii)(i) multiplied by the Scheme Meeting Date VWAP;
 3. if the Scheme Meeting Date VWAP is less than or equal to \$15.00, the number of New MinRes Shares per Scheme Share determined in accordance with clause 5.5(a)(ii)(i) multiplied by \$15.00.
- (b) For the purposes of this clause 5.5, the Available Scrip Consideration is required to be pro-rated amongst Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration if:
- (i) the Scheme Meeting Date VWAP is greater than or equal to \$21.00 and 'A' exceeds the Available Scrip Consideration, where 'A' equals $\frac{0.83}{21}$ New MinRes Shares multiplied by the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration;
 - (ii) the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00, and 'B' exceeds the Available Scrip Consideration, where 'B' equals $(\$0.83 / \text{Scheme Meeting Date VWAP})$ multiplied by the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration; and
 - (iii) the Scheme Meeting Date VWAP is less than or equal to \$15.00. and 'C' exceeds the Available Scrip Consideration where 'C' equals $\frac{0.83}{15}$ New MinRes Shares multiplied by the total number of Scheme Shares held by all Scheme Shareholders who have made an Election to receive Maximum Scrip Consideration.

5.6 Ineligible Foreign Shareholders and Small Shareholders

- (a) Min Res will be under no obligation to issue, and must not issue, any New MinRes Shares under the Scheme to any Ineligible Foreign Shareholder and, instead, must procure that the New MinRes Shares that each Ineligible Foreign Shareholder would otherwise be entitled to receive as Scheme Consideration (which shall include any fraction of a New MinRes Share arising from the calculation and

disregarding the operation of clause 5.8(a) dealt with in accordance with clause 5.7.

- (b) Each Scheme Shareholders who holds fewer than 10,000 Scheme Shares on the Record Date under the Scheme may elect to have the New MinRes Shares that they would be entitled to receive under the Scheme (which shall include any fraction of a New MinRes Share arising from the calculation and disregarding the operation of clause 5.8(a)) dealt with in accordance with clause 5.7 (**Electing Small Shareholders**).

5.7 Sale Facility

- (a) MinRes must appoint a nominee at least two weeks prior to the Scheme Meeting (and if required by ASIC, such nominee to be approved by ASIC), and issue to that nominee, the New MinRes Shares to which an Ineligible Foreign Shareholder or Electing Small Shareholder would otherwise be entitled under the Scheme (which in each case shall include any fraction of a New MinRes Share arising from the calculation and disregarding the operation of clause 5.8(a)).
- (b) Where New MinRes Shares are issued to a nominee pursuant to clause 4.10(a), MinRes must procure that, as soon as reasonably practicable and in any event not more than 30 Business Days after the Implementation Date, the nominee:
 - (i) sells on ASX or another prescribed financial market all of the New MinRes Shares issued to the nominee in accordance with clause 5.7(a) in such manner, at such price and on such other terms as the nominee determines in good faith, and at the risk of the Ineligible Foreign Shareholders and Electing Small Shareholders; and
 - (ii) remits to MinRes the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
- (c) Where New MinRes Shares are issued to a nominee pursuant to clause 5.7(a), promptly after the last remittance in accordance with clause 5.7(b)(ii), MinRes will pay to each Ineligible Foreign Shareholder and Electing Small Shareholder an amount equal to its proportionate share of the net proceeds of sale received by MinRes pursuant to clause 5.7(b)(ii) to which that Ineligible Foreign Shareholder or Electing Small Shareholder is entitled, in full satisfaction of the Ineligible Foreign Shareholder's or Electing Small Shareholder's right to the Scheme Consideration.
- (d) For the purposes of this clause 5.7, each Ineligible Foreign Shareholder and Electing Small Shareholder appoints MinRes as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the nominee is required to provide to Ineligible Foreign Shareholders or Electing Small Shareholders under the Corporations Act.

5.8 Fractional entitlements

- (a) Any fractional entitlement of a Scheme Shareholder to a part of a New MinRes Share as part of the Scheme Consideration (after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares) will be rounded:
 - (i) down to the nearest whole number of New MinRes Shares if the fractional entitlement is less than 0.5; and

- (ii) up to the nearest whole number of New MinRes Shares if the fractional entitlement is 0.5 or above.
- (b) Where the calculation of the cash component of Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent (after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares), the fractional entitlement will be rounded:
 - (i) down to the nearest whole cent if the fractional entitlement is less than 0.5; and
 - (ii) up to the nearest whole cent if the fractional entitlement is 0.5 or above.

5.9 Share splitting

If MinRes or AWE are of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares that results in rounding in accordance with clause 5.8) have, before the Record Date, been party to Share Splitting or division in an attempt to obtain unfair advantage by reference to such rounding, then MinRes or AWE (as the case may be) may give notice to those Scheme Shareholders:

- (a) setting out their names and registered addresses as shown in the AWE Register;
- (b) stating that opinion; and
- (c) attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares. MinRes, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

5.10 Shares to rank equally

MinRes covenants in favour of AWE (in its own right and on behalf of the Scheme Shareholders) that:

- (a) the New MinRes Shares to be issued under the Scheme will rank equally in all respects with all existing MinRes Shares; and
- (b) on issue, each such new MinRes Share will be fully paid and free from any mortgage, charge, lien, encumbrance, or other security interest.

5.11 Provision of cash component of Scheme Consideration

- (a) MinRes must, by no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the cash

component of the Scheme Consideration payable to Scheme Shareholders in an Australian dollar denominated trust account operated by or on behalf of AWE as trustee of the Scheme Shareholders, provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to MinRes' account.

- (b) Subject to MinRes having complied with clause 5.11(a), AWE must, on the Implementation Date and from the trust account referred to in clause 5.11(a), pay or procure the payment to each Scheme Shareholder who is entitled to receive cash as part of the Scheme Consideration the cash amount to which they are entitled.
- (c) AWE's obligation under clause 5.8(b) will be satisfied by AWE:
 - (i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the AWE Share Registry to receive dividend payments from AWE by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise, dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Shareholder by prepaid post to their address shown in the AWE Register as at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.10), for the relevant amount.

5.12 Provision of scrip component of Scheme Consideration – Allotment and issue of New MinRes Shares

Subject to clause 5.4, MinRes will:

- (a) on the Implementation Date, allot and issue to the Scheme Shareholders the New MinRes Shares that comprise the Scheme Consideration on terms such that each New MinRes Share will rank equally in all respects with each existing fully paid ordinary share in the capital of MinRes;
- (b) do everything reasonably necessary to ensure that the New MinRes Shares are approved for official quotation on ASX and that trading of the New MinRes Shares commences on the ASX on a deferred settlement basis as from the Business Day after the Effective Date (or such later date as the ASX requires) and on an ordinary settlement basis as from the Business Day after the Implementation Date (or such later date as the ASX requires);
- (c) ensure that, on issue, each New MinRes Share that comprises the Scheme Consideration will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest; and
- (d) procure that:
 - (i) the name and address of each Scheme Shareholder (other than the Ineligible Foreign Shareholders and Electing Small Shareholders) and the Nominee is entered into the MinRes Register on the Implementation Date in respect of the New MinRes Shares to which it is entitled under this Scheme; and

- (ii) as soon as reasonably practicable and no later than 5 Business Days after trading starts in New MinRes Shares on a deferred settlement basis, send or procure the dispatch to each Scheme Shareholder (other than Ineligible Foreign Shareholders and Electing Small Shareholders) and the Nominee, to their address recorded in the AWE Register on the Record Date, a holding statement for the New MinRes Shares issued to that Scheme Shareholder.

5.13 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the New MinRes Shares to be issued under this Scheme will be issued to and registered in the names of the joint holders;
- (b) any cheque required to be paid to Scheme Shareholders will be made payable to the joint holders and will be forwarded to the holder whose name appears first in the AWE Register on the Record Date; and
- (c) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the AWE Register as at the Record Date.

5.14 Surplus Funds

- (a) Subject to clause 5.11(a), to the extent that, following satisfaction of AWE's obligations under clauses 5.11(b) and 5.11(c), there is a surplus in the amount held by AWE as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus must be paid by AWE to MinRes.
- (b) If:
 - (i) in the case of a payment under clause 5.11(c)(i), the transfer is rejected or refunded or a bank account which has been nominated is no longer valid; or
 - (ii) in the case of a dispatch of a cheque under clause 5.11(c)(ii) is:
 - (A) returned to AWE (or its agents) as undelivered;
 - (B) not presented by a Scheme Shareholder within six months after the Implementation Date; or
 - (C) AWE reasonably believes that a Scheme Shareholder is not known at a Scheme Shareholder's registered address,

then AWE may cancel the relevant cheque and credit the amount payable to the relevant Scheme Shareholder to a separate bank account of AWE to be held until the Scheme Shareholder claims the amount, or the amount is dealt with in accordance with any applicable unclaimed moneys legislation. An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. AWE must maintain records (for the minimum period required by applicable law) of the amounts paid, the people who are entitled to the amounts, and any transfers of the amounts.

6 Dealings in AWE Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in AWE Shares or other alterations to the AWE Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the AWE Register as the holder of the relevant AWE Shares on or before the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5pm on the Record Date at the place where the AWE Register is kept,

and AWE must not accept for registration, nor recognise for any purpose (except a transfer to MinRes pursuant to this Scheme and any subsequent transfer by MinRes or its successors in title), any transfer or transmission application or other request received after the Record Date, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) AWE must register all registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) on or before the Record Date, provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires AWE to register a transfer that would result in an AWE Shareholder holding a parcel of AWE Shares that is less than a 'marketable parcel' (as defined in the ASX Operating Rules).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and AWE shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, AWE must maintain the AWE Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The AWE Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for AWE Shares (other than statements of holding in favour of MinRes) will cease to have effect after the Record Date as documents of title in respect of those shares and, as from the Record Date, each entry on the AWE Register (other than entries on the AWE Register in respect of MinRes) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the AWE Shares relating to that entry.
- (e) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, MinRes will ensure that details of the names, registered addresses and holdings of AWE Shares for each Scheme Shareholder as shown in the Register as at the Record Date are available to MinRes in the form MinRes reasonably requires.

7 Quotation of AWE Shares

- (a) AWE will apply to ASX to suspend trading of AWE Shares on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by MinRes, AWE will apply:
 - (i) for termination of the official quotation of AWE Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Appointment of agent and attorney

- (a) On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints AWE as its agent and attorney for the purposes of:
 - (i) in the case of Scheme Shares in a CHESS holding:
 - (A) causing a message to be transmitted to ASPL in accordance with the ASX Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS subregister of AWE to the issuer sponsored subregister operated by AWE or the AWE Share Registry at any time after MinRes has paid or procured the payment of the Scheme Consideration which is due under this Scheme to Scheme Shareholders; and
 - (B) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares;
 - (ii) in the case of Scheme Shares registered in the issuer sponsored subregister operated by AWE or the AWE Share Registry, completing and signing on behalf of Scheme Shareholders any required form of transfer;
 - (iii) in all cases, executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Scheme Transfer and the giving of the Scheme Shareholder's consent under clause 8.3; and
 - (iv) enforcing the Deed Poll against MinRes,

and AWE accepts such appointment.

- (b) AWE, as agent and attorney of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.1 to all or any of its directors and officers (jointly, severally, or jointly and severally).

8.2 Enforcement of Deed Poll

AWE undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against MinRes (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

8.3 Scheme Shareholders' consent

Each Scheme Shareholder irrevocably consents to AWE doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme.

8.4 Scheme Shareholders' agreements

Under this Scheme:

- (a) each Scheme Shareholder agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to MinRes in accordance with the terms of this Scheme;
- (b) each Scheme Shareholder agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) each Scheme Shareholder acknowledges that this Scheme binds AWE and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of AWE; and
- (d) each Scheme Shareholder agrees to become a holder of New MinRes Shares and to have its name entered in the MinRes share register, and accepts the New MinRes Shares issued to it under the Scheme on the terms and conditions of the MinRes constitution, without the need for any further act by the Scheme Shareholder.

8.5 Warranty by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to AWE and MinRes that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to MinRes, be fully paid and free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares, and all rights and entitlements attaching to those Scheme Shares, to MinRes.

8.6 Title to Scheme Shares

- (a) Immediately upon provision of the Scheme Consideration in accordance with clause 5.6, MinRes will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by AWE of MinRes in the AWE Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to MinRes will, at the time of transfer of them to MinRes, vest in MinRes free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

8.7 Appointment of sole proxy

Immediately upon provision of the Scheme Consideration in accordance with clause 5.6, and until AWE registers MinRes as the holder of all Scheme Shares in the Register, each Scheme Shareholder:

- (a) is deemed to have appointed MinRes as attorney and agent (and directed MinRes in each such capacity) to appoint any director, officer, secretary or agent nominated by MinRes as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) acknowledges that no Scheme Shareholder may itself attend or vote at any of those meeting or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.7(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as MinRes reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers conferred in clause 8.7(a), MinRes and any director, officer, secretary or agent nominated by MinRes under that clause may act in the best interests of MinRes as the intended registered holder of the Scheme Shares.

8.8 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to AWE, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at AWE's registered office or at the AWE Share Registry as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an AWE Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.9 Inconsistencies

This Scheme binds AWE and all AWE Shareholders, and to the extent of any inconsistency, overrides the AWE constitution.

8.10 No liability when acting in good faith

None of MinRes, AWE nor any director, officer, secretary or employee of AWE or MinRes will be liable for anything done or omitted to be done in good faith in the performance of this Scheme or the Deed Poll.

8.11 Further assurance

- (a) AWE will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.
- (b) MinRes will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

8.12 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, AWE may, by its counsel on behalf of all persons concerned (including the Scheme Shareholders) consent to only such of those conditions or alterations to this Scheme to which MinRes has consented, such consent not to be unreasonably withheld or delayed.

8.13 Stamp Duty

MinRes will:

- (a) pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to MinRes; and
- (b) indemnify each Scheme Shareholder against any liability arising from the failure to comply with clause 8.13(a).

8.14 Governing Law

- (a) This Scheme is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

9 Schedule 1 Glossary

9.1 Defined terms

In this Scheme, except where the context otherwise requires:

ASPL means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

ASX Settlement Rules means the ASX Settlement Operating Rules.

Available Cash Consideration means the amount of cash determined as follows:

$A - B$

where:

A = Total Cash Pool;

B = aggregate cash consideration payable to Scheme Shareholders who are to receive Standard Consideration.

Available Scrip Consideration means the number of New MinRes Shares determined as follows:

$A - B$

where:

A = Total Scrip Pool;

B = the aggregate number of New MinRes Shares to which Scheme Shareholders who are to receive Standard Consideration are entitled to receive.

AWE Register means the register of members of AWE maintained by or on behalf of AWE in accordance with section 168(1) of the Corporations Act.

AWE Share means a fully paid ordinary share in the capital of AWE.

AWE Shareholder means each person who is registered in the AWE Register as a holder of AWE Shares.

AWE Share Registry means Computershare Investor Services Pty Limited.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Sydney, New South Wales.

CHESS means the Clearing House Electronic Subregister System operated by ASPL and ASX Clear Pty Limited.

Conditions means the conditions set out in clause 3.1 of the Implementation Deed and Condition means any one of them.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll executed by MinRes and MinRes Sub under which MinRes and MinRes Sub covenant in favour of the Scheme Shareholders to perform all actions attributed to them under this Scheme.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date means the date on which this Scheme becomes Effective.

Electing Small Shareholder has the meaning given in clause 5.6(b).

Election has the meaning given in clause 5.2(a). **Elect** has a corresponding meaning.

Election Date means the last date for receipt of an election form in order to make an Election in accordance with the terms of the Scheme, being 5.00pm on the first Business Day after the Effective Date or such other date as AWE and MinRes agree in writing.

End Date means the later of:

- a) 31 May 2018; and
- b) such other date and time agreed in writing between MinRes and AWE.

Excluded Shareholder means any AWE Shareholder who is MinRes or a wholly-owned subsidiary of MinRes.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

GST Law has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Implementation Deed means the scheme implementation deed dated [insert] between MinRes and AWE, as amended or varied from time to time.

Implementation Date means the fifth Business Day, or such other Business Day as the parties agree, following the Record Date.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the AWE Register (as at the Record Date) is in a place which MinRes reasonably determines is a place that it is unlawful or unduly onerous to issue that Scheme Shareholder with New MinRes Shares when the Scheme becomes Effective (provided that a Scheme Shareholder whose address shown in the AWE Register is within Australia and its external territories and New Zealand will not be an Ineligible Foreign Shareholder).

Listing Rules means the official listing rules of ASX as amended from time to time.

Maximum Cash Consideration means the consideration described in clause 5.4.

Maximum Scrip Consideration means the consideration described in clause 5.5.

MinRes means Mineral Resources Limited (ACN 118 549 910) of 1 Sleat Road, Applecross, WA 6153.

MinRes Register means the register of members of AWE maintained by or on behalf of AWE in accordance with section 168(1) of the Corporations Act.

MinRes Sub means a wholly owned subsidiary of MinRes nominated by MinRes to acquire the Scheme Shares under the Scheme.

New MinRes Shares means fully paid ordinary shares in the capital of MinRes to be issued under the Scheme.

Nominee means the sale nominee appointed by MinRes (and if required by ASIC, such nominee to be approved by ASIC) in accordance with the Implementation Deed to sell the New MinRes Shares that are attributable to Ineligible Foreign Shareholders and Electing Small Shareholders under this Scheme.

Record Date means, in respect of the Scheme, 5.00pm on the third Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between AWE and the AWE Shareholders as set out in this document together with, subject to clause 8.12, any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act which are agreed to by MinRes and AWE (such agreement not to be unreasonably withheld or delayed).

Scheme Booklet means the disclosure document which accompanies and includes the notice of Scheme Meeting.

Scheme Consideration means the consideration payable to Scheme Shareholders under the Scheme as determined in accordance with clause 5.

Scheme Meeting means the meeting of AWE Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any adjournment of that meeting.

Scheme Meeting Date VWAP means the volume weighted average MinRes share price calculated based on cumulative value traded on ASX and CHI-X divided by the cumulative volume traded on ASX and CHI-X of MinRes Shares during the 10 Trading Days ending on the Trading Day before the day of the Scheme Meeting and excluding any transaction defined as 'special' crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises or any other trades that MinRes and AWE agree to exclude (each party acting reasonably) on the basis that they are not representative of the general price at which MinRes Shares are trading on ASX or CHI-X in the context of trading of MinRes Shares on any day the trades took place.

Scheme Order means the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable and subject to clause 8.12, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Share means an AWE Share on issue as at the Record Date other than any AWE Share then held by an Excluded Shareholder (but including any such AWE Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means each person who holds one or more Scheme Shares as shown in the AWE Register as at the Record Date.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share Splitting means the splitting by a holder of AWE Shares into two or more parcels of AWE Shares whether or not it results in any change in beneficial ownership of the AWE Shares.

Standard Consideration means the consideration described in clause 5.3.

takes effect or taking effect means on and from the first time when an office copy of the Scheme.

Total Cash Pool means \$0.415 multiplied by the number of Scheme Shares.

Total Scrip Pool means:

- (a) if the Scheme Meeting Date VWAP is greater than or equal to \$21.00: $\frac{0.415}{21}$ New MinRes Shares multiplied by the total number of Scheme Shares;
- (b) if the Scheme Meeting Date VWAP is less than \$21.00, but greater than \$15.00:
 $(\$0.415 / \text{Scheme Meeting Date VWAP}) \times \text{total number of Scheme Shares}$

- (c) if the Scheme Meeting Date VWAP is less than or equal to \$15.00: $\frac{0.415}{15}$ New MinRes Shares multiplied by the total number of Scheme Shares.

Trading Day means a day determined by ASX to be a trading day.

9.2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) (a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Scheme;
 - (vi) this Scheme includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation made under it;
 - (ix) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (x) (a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and each of them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;

- (i) a reference to time is to Sydney, Australia time; and
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.

Execution page

Executed as a deed.

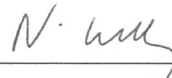
Signed, sealed and delivered by **AWE Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by:



Signature of director

DAVID BIGGS

Name of director (print)



Signature of director/secretary

NEVILLE KELLY

Name of director/secretary (print)

Signed, sealed and delivered for **Mineral Resources Limited** by its attorney under power of attorney dated 15 December 2017 who has no notice of revocation of that power of attorney in the presence of:

Signature of witness

Name of witness (print)

Signature of attorney

Name of attorney (print)

Execution page

Executed as a deed.

Signed, sealed and delivered by **AWE Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) and by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed, sealed and delivered for **Mineral Resources Limited** by its attorney under power of attorney dated 15 December 2017 who has no notice of revocation of that power of attorney in the presence of:

Signature of witness

Signature of attorney

Name of witness (print)

Name of attorney (print)