

11 August 2016

## ASIAN MINERAL RESOURCES TO ACQUIRE KASBAH RESOURCES

Kasbah Resources Limited (“**Kasbah**”) (ASX: KAS) and Asian Mineral Resources Limited (“**AMR**”) (TSX-V: ASN) are pleased to announce that they have entered into a Scheme Implementation Agreement (the “**SIA**”) pursuant to which AMR will, if implemented, acquire all of the ordinary outstanding shares of Kasbah (the “**Kasbah Shares**”) by way of a scheme of arrangement under the Australian Corporations Act (the “**Transaction**”).

The Board of Kasbah has unanimously recommended that all Kasbah shareholders vote in favour of the Transaction in the absence of a superior proposal. Major shareholders of Kasbah, being Lion Selection Group (African Lion Fund), Traxys Projects L.P. and Thailand Smelting and Refining Co. together holding approximately 26.7% of Kasbah’s issued share capital, have agreed to vote in favour of the Transaction based on the disclosed terms of the scheme and in the absence of a superior proposal<sup>1</sup>. Closing of the Transaction is expected to occur during November 2016.

### HIGHLIGHTS

- Kasbah has proven exploration and resource development expertise and has recently announced a definitive feasibility study which supports a two stage development plan for its 75% owned Achmmach Tin Project;
- AMR brings an experienced management team with a track record of successful underground mine development and operations arising from its operation of the Ban Phuc Nickel Mine in Vietnam;
- As a cornerstone shareholder of the combined entity, Pala Investments Ltd (“**Pala**”) has provided a commitment to provide its pro rata share of any equity raising in relation to the Achmmach Tin Project, as well as an interim A\$1,000,000 bridge loan to Kasbah (on the terms and conditions set out below);
- Once completed, the Transaction will provide a clear path to the commencement of construction at Achmmach (subject to the decision of the AMR board on an appropriate project financing package); and
- The Transaction provides upside opportunities for both AMR and Kasbah shareholders with exposure to upswings in both tin and nickel, a diversified asset base and potential for future growth.

---

<sup>1</sup> The individual shareholdings of the relevant major shareholders are as follows: Lion Selection Group (African Lion Fund) (15.7%), Traxys Projects (5.3%) and Thailand Smelting and Refining Co. (5.7%)

## TRANSACTION OVERVIEW

Under the SIA, in exchange for each of their shares, Kasbah shareholders will receive (together, the “Scheme Consideration”):

- (a) either 1.3 common shares of AMR (“**AMR Shares**”) to be listed on the TSX Venture Exchange (the “**TSX-V**”) or 0.13 CHES Depository Interests (“**CDIs**”), with each CDI representing a beneficial interest in 10 AMR Shares (“**AMR Share CDIs**”) which, subject to the approval of the Australian Securities Exchange (the “**ASX**”), will be quoted on the ASX following the implementation of the Transaction; and
- (b) either 0.4 of a warrant to subscribe for one AMR Share (“**AMR Warrants**”) to be listed on the TSX-V or 0.04 of a CDI, with each CDI representing a beneficial interest in 10 AMR Warrants (“**AMR Warrant CDIs**”) which, subject to the approval of ASX, will be quoted on the ASX following implementation of the Transaction.<sup>2</sup>

Based on the closing price of AMR common shares on TSX-V on 5 August 2016 of C\$ 0.025 and using a currency exchange rate of A\$ 0.9965 per C\$1, the Scheme Consideration:

- values each Kasbah Share at A\$ 0.038<sup>3</sup>; and
- represents premiums of 15.3% over the 60-day volume weighted average price (“**VWAP**”) of Kasbah Shares and 19.6% over the 90-day VWAP of Kasbah Shares, each up to and including trading on 19 July 2016 (being the last trading day for Kasbah Shares prior to its current trading suspension.<sup>4</sup>

The total number of new **AMR Shares** to be issued under the Transaction will be approximately 722,807,020, assuming cash consideration will be paid by AMR to the sole current outstanding option holder of Kasbah. As a result, on a fully diluted basis, Kasbah Shareholders will hold approximately 52.2% of the total issued share capital of AMR following implementation of the Transaction and AMR Shareholders will hold 47.8%.<sup>5</sup>

The AMR Warrants will be listed on TSX-V, and, subject to approval by ASX, the AMR Warrant CDIs will be quoted on the ASX, following implementation of the Transaction. The AMR Warrants and AMR Warrant CDIs will have a 4-year term and a strike price of C\$ 0.05 per AMR Share and C\$ 0.50 per AMR Share CDI (due to AMR Warrant CDIs representing 10 AMR Warrants), respectively.

---

<sup>2</sup> Kasbah share holders will receive a form on which they can elect which type of consideration they wish to receive.

<sup>3</sup> This includes a Black-Scholes valuation of the AMR Warrants of C\$ 0.0138 per warrant.

<sup>4</sup> Based on the 60 day and 90 day VWAPs of AMR Shares, a total 556,005,400 Kasbah Shares on issue and the period prior to the suspension of trading of Kasbah’s shares on 19 July 2016. In addition, 222,402,160 AMR Warrants or 22,240,216 AMR Warrant CDIs will be issued to Kasbah shareholders as part of the Transaction.

<sup>5</sup> On an undiluted basis, Kasbah Shareholders will hold 47.8% and AMR Shareholders 52.2% of the total issued capital of AMR.

Jim Askew, who is currently Chairman of AMR's board of directors, will remain as Chairman of the board of directors of the combined company, following the implementation of the Transaction (the "**Board**"). The Board will be composed of up to 7 directors, 2 of which will be nominated by Kasbah and 2 of which will be independent directors. We are pleased to announce that Mr. Evan Spencer of AMR will remain as CEO of the combined company.

Pala, currently the largest shareholder of AMR, will remain as a 37.7% shareholder<sup>6</sup> in the combined company following the implementation of the Transaction. In addition, Pala will provide Kasbah with a A\$1,000,000 loan to cover working capital and transaction costs, which Kasbah can draw in two tranches of A\$500,000 ("**Pala Loan**"). Outstanding principal under the Pala Loan bears interest at a rate of 12% per annum. The Pala Loan is repayable on the date falling 12 months from the date of execution of the Pala Loan, except in the following circumstances:

- the SIA is terminated by AMR as a result of a breach of the SIA by Kasbah;
- the SIA is terminated by notification to AMR by Kasbah of its intention to accept a superior proposal;
- the Independent Expert advises that the Transaction is not in the best interests of Kasbah's shareholders; or
- the shareholders of Kasbah voting against approval of the Transaction,

in which case the outstanding principal and interest will be repayable on the earlier of: (i) the date falling 3 months after the occurrence of such an event; or (ii) the date falling 12 months from the date of execution of the Pala Loan.

Pala is excited to be part of this new opportunity for both Kasbah and AMR. To this end, Pala has illustrated its support for the Transaction through its execution of a support agreement, pursuant to which Pala has committed to provide its pro rata share of funding in relation to any equity capital raise conducted by the combined company within 12 months of the Transaction becoming effective, subject to the satisfaction of certain conditions, as a part of the overall funding solution for the development of the Achmmach Tin Project (the "**Pala Commitment**").

The Pala Commitment is conditional on:

- the Transaction becoming effective;
- the AMR board approving a decision to mine in relation to the Achmmach Tin Project having regard to the economic feasibility of the Achmmach Tin Project, and the availability and terms of project financing for the Achmmach Tin Project; and
- the majority of the proceeds of any equity raising being used to fund the construction and development of the Achmmach Tin Project.

---

<sup>6</sup> Calculated on an undiluted basis. On a fully diluted basis, Pala would be a 34.5% shareholder.

The SIA has been unanimously approved by the boards of directors of Kasbah and AMR. The Transaction will be subject to, among other things, Kasbah shareholder approval, TSX-V approval, ASX approval of the quotation of AMR Share CDIs and AMR Warrant CDIs, receipt of all necessary regulatory and Australian court approvals, as well as the satisfaction of certain other conditions customary for a transaction of this nature. Full details of the conditions to the Transaction and all other material terms are set out in the SIA, a copy of which accompanies this announcement.

The SIA includes customary deal protection mechanisms, including mutual no shop and no talk provisions, matching and notification rights in the event of a competing proposal, and a mutual reimbursement fee payable by Kasbah or AMR in specified circumstances.

The board of directors of Kasbah unanimously recommends that Kasbah shareholders vote in favour of the Transaction in the absence of a superior proposal and subject to an independent expert concluding that the Transaction is in the best interests of Kasbah shareholders. On the same basis, Kasbah directors intend to vote the Kasbah Shares they hold or control at the time of the Kasbah shareholder meeting in favour of the Transaction.

## **BENEFITS TO SHAREHOLDERS**

Shareholders of AMR and Kasbah are expected to realize the following benefits from the Transaction:

- Material upfront premium to Kasbah shareholders of 15.3% over the 60-day VWAP and 19.6% over the 90-day VWAP of Kasbah Shares (up to and including trading on 19 July 2016 being the last trading day for Kasbah Shares prior to its trading suspension);
- Ability to participate in the creation of a geographically diversified base metals platform;
- Experienced combined management team with a strong track record of successfully exploring, developing, constructing and operating similar-sized underground base metal mines in challenging jurisdictions;
- Ability to leverage board and management expertise to use the combined group as an international base metals consolidation platform;
- Significant exploration potential associated with the Ban Phuc sulphide nickel project in Vietnam;
- Significant exploration and additional resource extension potential within the 75%-owned Achmmach permits and adjacent tin properties held 100% by Kasbah;
- Diversified shareholder base and improved capital markets access associated with the enhanced size of the combined company, which will have a dual listing on both the TSX-V and the ASX;

- Ongoing support from Pala, a leading mining investment fund, and a clear path to proceeding with the financing and development of the Achmmach Tin Project; and
- Choice of consideration in the form of either AMR Shares and AMR Warrants listed on the TSXV, or AMR Share CDIs and AMR Warrant CDIs to be quoted on the ASX, subject to ASX approval. Kasbah shareholders will receive a form on which they can elect the type of consideration they wish to receive.

## MANAGEMENT COMMENTS

Commenting on the Transaction, Kasbah's Chairman, Dr. Rodney Marston, stated:

*"We are very pleased to be joining forces with AMR as we move towards the creation of a solid and diversified base metals platform. The Transaction provides immediate value creation for the Kasbah shareholders and positions the combined company well in pursuing the imminent project financing and construction of the Achmmach tin project. Moreover, the Transaction provides a unique opportunity to leverage off AMR's skilled operations and management team and their experience in commercializing and operating an underground base metals operation in a challenging jurisdiction.*

*Adding the Ban Phuc Nickel Mine to the portfolio mix of the combined company will also allow for geographical and commodity diversification. There are significant exploration targets in close proximity to Ban Phuc which will, if they prove successful, place the combined company in a strong position to rapidly take advantage of the positive momentum in the nickel price and generate cash flow."*

Mr. Jim Askew, AMR's Chairman, added:

*"AMR has done an excellent job in bringing to production the Ban Phuc Nickel Mine and operating under a challenging nickel price environment. We are very excited about the opportunity to team up with proven explorers and resource developers like Kasbah, as well as strategic players such as Toyota Tsusho Corporation and Nittetsu Mining Co. Ltd, and transfer our operating experience and knowhow to the successful development of the Achmmach Tin Project. Following completion and the positive results of the DFS, as a matter of first priority the combined company will proceed with considering project financing options for the Achmmach Tin Project."*

## **ABOUT KASBAH**

Kasbah is an Australian-listed company that is focused on advancing the development of the Achmmach Tin Project located in Morocco. The Achmmach Tin Project is one of the largest tin development projects located outside of the Asian region and it is 75% owned by Kasbah, 20% owned by Toyota Tsusho Corporation and 5% owned by Nittetsu Mining Co. Ltd. An updated definitive feasibility study was released on 10 August 2016 and can be found on Kasbah's website at [www.kasbahresources.com](http://www.kasbahresources.com).

## **ABOUT AMR**

AMR owns and operates one of the world's few sources of nickel sulphide ore, and is exploring for additional high-grade nickel assets in Vietnam. AMR commenced commercial production from its 90% owned Ban Phuc Nickel Mine in Vietnam in mid-2013. As of 30 June 2016, the Ban Phuc Nickel Mine has produced a total of c. 20,000 tonnes of nickel and c. 10,000 tonnes of copper contained in concentrate, plus a cobalt by-product since the beginning of its mine life. As disclosed on 30 May 2016, the Ban Phuc mine is expected to move into care and maintenance status late in the third quarter 2016. In addition to in and near-mine expansion projects, Ban Phuc provides a platform from which AMR can continue to focus on developing a new nickel camp within its 150km<sup>2</sup> of concessions located throughout the highly-prolific Song Da rift zone, where AMR has a number of advanced-stage nickel exploration targets.

## **ABOUT PALA**

Founded in 2006, Pala is an investment company dedicated to value creation in the mining sector, having invested in 87 companies in 25 countries across six continents. Pala has an extensive team of accomplished mining industry professionals from all over the world, and seeks to partner with management teams, boards and shareholders to create long term value. Pala invests in all mining commodities, in development, production and turnaround situations, as well as in mining products and services. Pala has deep relationships in the mining, investment and advisory world which make it ideally positioned to assist AMR with the financing of the Achmmach project, in addition to the pro rata equity funding commitment referred to above.

### **Further Information:**

**Wayne Bramwell**  
Managing Director

**Kasbah Resources Limited**  
Telephone: +61 8 9463 06651  
About Kasbah – [www.kasbahresources.com](http://www.kasbahresources.com)

**Evan Spencer**  
Chief Executive Officer

**Asian Mineral Resources**  
Telephone: +84 4 3 773 7997  
About AMR – [www.asianmineralres.com](http://www.asianmineralres.com)

## **FORWARD-LOOKING STATEMENTS - KASBAH**

This announcement includes certain statements that may be deemed ‘forward-looking statements’. Forward-looking statements involve a number of risks and uncertainties. All statements that refer to any future production, resources or reserves, exploration results and events or production that Kasbah expects to occur are forward-looking statements. Although Kasbah believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. Kasbah does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

## **DISCLAIMER**

This press release includes certain “Forward-Looking Statements.” All statements, other than statements of historical fact, included herein, including without limitation, statements regarding completion of the project, the commencement of production and the achievement of expected benefits, potential mineralization and reserve and resource estimates, exploration results and future plans and objectives of AMR are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AMR to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from AMR’s expectations are disclosed under the heading “Risk Factors” in AMR’s Annual Information Form, and elsewhere in AMR’s documents filed from time-to-time with the TSX Venture Exchange and other regulatory authorities. Such forward-looking statements are based on a number of material factors and assumptions, including: that contracted parties provide goods and/or services on the agreed timeframes; that on-going contractual negotiations will be successful and progress and/or be completed in a timely manner; that application for permits and licenses will be granted/obtained in a timely manner; that no unusual geological or technical problems occur; that plant and equipment work as anticipated and that there is no material adverse change in the price of nickel. Although AMR has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this press release. AMR disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**



# **SCHEME IMPLEMENTATION AGREEMENT**

Asian Mineral Resources Limited

Kasbah Resources Limited

**DLA Piper Australia**  
Level 31, Central Park  
152-158 St Georges Terrace  
Perth WA 6000  
PO Box Z5470  
Perth WA 6831  
Australia  
**DX** 130 Perth  
**T** +61 8 6467 6000  
**F** +61 8 6467 6001  
**W** [www.dlapiper.com](http://www.dlapiper.com)



## CONTENTS

1	DEFINED TERMS & INTERPRETATION .....	1
2	AGREEMENT TO PROPOSE SCHEME.....	18
3	CONDITIONS PRECEDENT .....	18
4	TRANSACTION STEPS.....	23
5	IMPLEMENTATION.....	26
6	CONDUCT OF BUSINESS .....	34
7	REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS .....	39
8	TERMINATION RIGHTS .....	40
9	PUBLIC ANNOUNCEMENTS .....	42
10	EXCLUSIVITY .....	43
11	REIMBURSEMENT FEES .....	48
12	GST.....	52
13	NOTICES.....	53
14	GENERAL.....	54
	SCHEDULE 1: TIMETABLE.....	57
	SCHEDULE 2: SCHEME .....	58
	SCHEDULE 3: REPRESENTATIONS AND WARRANTIES.....	71
	SCHEDULE 4: DEED POLL.....	79
	SCHEDULE 5: KASBAH PERMITS .....	85
	SCHEDULE 6: AMR PERMIT .....	86
	SCHEDULE 7: AMR WARRANT TERMS AND CONDITIONS .....	87

Details

**Date**

10 August 2016

**Parties**

**AMR**

Name Asian Mineral Resources Limited  
Incorporation: British Columbia  
Address Suite 1700, Park Place  
666 Burrard Street  
Vancouver, British Columbia  
V6C 2X8  
Fax +1 (416) 360-3412  
Email info@asianminres.com  
Attention Paula Kember

**Kasbah**

Name Kasbah Resources Limited  
ACN 116 931 705  
Address 11 Moreau Mews, Applecross, Western Australia 6153,  
Australia  
Fax +61 8 9463 6652  
Email toconnor@kasbahresources.com  
Attention Company Secretary

**BACKGROUND**

- A The parties have agreed that AMR will acquire all of the issued Kasbah Shares in exchange for AMR Share CDIs (or AMR Shares) and AMR Warrant CDIs (or AMR Warrants) pursuant to the Scheme, subject to the approval of the holders of the Kasbah Shares and the Court.
- B Kasbah intends to propose the Scheme and issue the Scheme Booklet.
- C AMR and Kasbah have agreed to do the things required by this agreement in order to enable the Scheme to be proposed, approved and implemented.

In consideration of the mutual covenants and agreements in this agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties covenant and agree as follows:

**AGREED TERMS**

**1 DEFINED TERMS & INTERPRETATION**

**1.1 Defined terms**

In this agreement:

**Accounting Standards** has the meaning given to that term in section 9 of the Corporations Act.

**AMR Board** means the board of directors of AMR.

**AMR Budget** means the budget of the AMR Group detailed in the AMR Disclosure Letter (or as otherwise disclosed to Kasbah prior to the date of this agreement) or, if the Second Court Date has not occurred by 31 December 2016, thereafter means such written budget of the AMR Group as mutually agreed between Kasbah and AMR (in good faith and acting reasonably).

**AMR Costs** has the meaning given to that term in clause 11.1.2.1.

**AMR Disclosure Letter** means the letter dated the date of this agreement delivered by AMR to Kasbah in a form accepted by Kasbah with respect to certain matters in this agreement.

**AMR Financial Statements** means the audited consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of AMR for the financial year ended 31 December 2015, together with accompanying notes.

**AMR Group** means AMR and its Subsidiaries, and a member of the AMR Group means any one of them.

**AMR Information** means the information about AMR detailed in, and provided to Kasbah by AMR under, clause 5.3.1.

**AMR Key Employees** means Tim Ashworth, Darren Kerr and Steve Ennor.

**AMR Material Adverse Event** means one or more changes, events, occurrences, facts or matters (including for the avoidance of doubt any actions of Regulatory Authorities) that occurs on or after the date of this agreement, or is likely to occur on or after the date of this agreement which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or is reasonably likely to have:

- (a) the result that the business, trading or financial position, results of operations or assets (including the AMR Permit) of the AMR Group are materially adversely affected and the effect of a diminution or reduction in value of the total non-current assets less the total liabilities of the AMR Group (taken as a whole) from that shown on AMR's balance sheet as at 30 June 2016 of US\$2 million or more (calculated on the basis of IFRS) but excluding:
  - (i) any depreciation, impairment and amortisation of assets from 30 June 2016; and
  - (ii) any additional provisions from that shown on AMR's balance sheet as at 31 December 2015 for direct and indirect costs of rehabilitation and closure of the Ban Phuc Mine up to a maximum value of US\$1.7 million; or
- (b) the result that the AMR Permit has expired, been terminated or surrendered such that no member of the AMR Group retains a majority interest in that AMR Permit,

other than those changes, events, occurrences or matters:

- (c) to the extent required or permitted by this agreement, the Scheme or transactions contemplated by them;
- (d) that took place with the written consent of Kasbah;
- (e) to the extent that is Fairly Disclosed in the AMR Disclosure Letter, the Disclosure Materials, the AMR Budget (if not attached to the AMR Disclosure Letter) or in an announcement made by AMR to the TSX-V on or after 1 July 2015 but before the date of this agreement;
- (f) that are or that arise from: (a) changes in world nickel prices or exchange rates; (b) general changes in economic, political or business conditions; or (c) changes in Law in jurisdictions in which AMR Group operates, in each case, which impact producers of, or explorers for, nickel in a similar manner, but excluding for the avoidance of

doubt changes in government, civil disorder, political coup, a declaration of a state of emergency, and changes in law, regulation or policy of Regulatory Authorities in jurisdictions in which AMR Group operates which are directed at the AMR Group's operations that exist as at the date of this agreement; or

- (g) arising from changes to IFRS applied by AMR as at the date of this agreement or the interpretation of those principles by any professional body or Regulatory Authority.

For the avoidance of doubt, a fall in the trading price of an AMR Share will not of itself alone constitute an AMR Material Adverse Event.

**AMR Permit** means the exploitation mining and exploration permit detailed in Schedule 6.

**AMR Prescribed Occurrence** means other than:

- (a) as required or permitted by this agreement, the Scheme or the Deed Poll;
- (b) matters which have been Fairly Disclosed in the AMR Disclosure Letter, the Disclosure Materials, the AMR Budget (if not attached to the AMR Disclosure Letter) or in an announcement made by AMR to the TSX-V on or after 1 July 2015 but before the date of this agreement; or
- (c) as agreed to in writing by Kasbah,

the occurrence of any of the following on or after the date of this agreement and before 8.00am on the Second Court Date:

- (d) AMR converting all or any of its shares into a larger or smaller number of shares;
- (e) any member of the AMR Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (f) any member of the AMR Group:
  - (i) entering into a buy-back agreement; or
  - (ii) resolving to approve the terms of a buy-back agreement;
- (g) any member of the AMR Group declaring, paying or distributing or incurs a liability to make or pay any dividend, bonus or other share of its profits, income or assets or returning or agreeing to return any capital to its members;
- (h) a member of the AMR Group issuing securities, including without limitation shares, or granting a warrant (over its shares, or agreeing to make such an issue or grant such a warrant, including pursuant to a dividend reinvestment or other share plan), other than:
  - (i) the issue of or an agreement to issue securities in a member of the AMR Group (other than AMR) to AMR or a wholly owned subsidiary of AMR; or
  - (ii) the exercise of an option or warrant disclosed to TSX-V prior to the date of this agreement;
- (i) a member of the AMR Group issuing or agreeing to issue securities convertible into, or giving rights to be issued, AMR Shares, including pursuant to a dividend reinvestment or other share plan;

- (j) AMR making any change to its constituent documents or convenes a meeting to consider a resolution to change a constituent document of any member of the AMR Group;
- (k) a material member of the AMR Group disposing, or agreeing to dispose, of the whole or a substantial part, of its business or property or ceases or threatens to cease to, carry on the business conducted as at the date of this agreement;
- (l) any disposal of shares or securities by a member of the AMR Group in any member of the AMR Group other than to a member of the AMR Group that is a wholly owned subsidiary of AMR;
- (m) any member of the AMR Group exercises or waives any pre-emptive rights or rights of first or last refusal prior to the final date on which those rights may be exercised;
- (n) any member of the AMR Group:
  - (i) issues, or agrees to issue, or grants an option to subscribe for, debentures (as defined in section 9 of the Corporations Act);
  - (ii) terminates or materially amends a contract with an annual revenue or expenditure of more than US\$100,000;
  - (iii) enters into any new contract with an annual revenue or expenditure of more than US\$100,000 with a third party, including any joint venture agreement, shareholders agreement or other profit sharing arrangement;
- (o) a member of the AMR Group:
  - (i) acquiring, leasing or disposing of;
  - (ii) agreeing to acquire, lease or dispose of; or
  - (iii) offering, proposing, announcing an intention or a bid or tendering for, any business, assets, entity or undertaking, the value of which exceeds US\$100,000 (individually or in aggregate);
- (p) a member of the AMR Group entering into a contract or commitment that materially restrains that member from competing with any person or conducting activities in any material market;
- (q) a member of the AMR Group creating, or agreeing to create, any Encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (r) a member of the AMR Group:
  - (i) entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the AMR Group in excess of US\$100,000 annually (individually or in aggregate); or
  - (ii) (without limiting the foregoing) incurring or agreeing to incur capital expenditure from the date of this agreement of more than US\$100,000 (individually or in aggregate);

- (iii) waiving any material third party default where the financial impact on the AMR Group will be in excess of US\$100,000 (individually or in aggregate);
  - (iv) accepting as a compromise of a matter less than the full compensation due to a member of the AMR Group, where the result of the compromise is that the member will receive an amount which is more than US\$100,000 (individually or in aggregate) less than the amount of full compensation; or
  - (v) otherwise waiving, releasing, granting or transferring any rights with an annual revenue or expenditure of more than US\$100,000 (individually or in aggregate);
- (s) other than pursuant to commitments that existed prior to the date of this agreement, a member of the AMR Group providing financial accommodation by way of Financial Indebtedness other than to members of the AMR Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of US\$100,000 (individually or in aggregate);
- (t) a member of the AMR Group entering into any agreement, arrangement or transaction with respect to derivative instruments which relate to the price of nickel, copper, cobalt or to interest rates (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or warrants) or similar instruments;
- (u) a member of the AMR Group entering into or resolving to enter into a transaction with any related party of AMR (other than a related party which is a member of the AMR Group);
- (v) a material member of the AMR Group being deregistered as a company or otherwise dissolved except in the case of a member of the AMR Group with less than US\$100,000 (individually or in aggregate) in net assets as at the date of this agreement;
- (w) a member of the AMR Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in IFRS;
- (x) any member of the AMR Group enters into, offers to enter into, agrees to enter into or announces an intention to enter into, any transaction under which:
- (i) any third party would, or on the satisfaction of any conditions would be entitled to, acquire any legal, beneficial or economic interest in, or an overriding royalty interest, net profit interest or other right to payment calculated on or by reference to production, revenue, earnings or profit attributable to; or
  - (ii) there would be any diminution in the rights granted under or held by an member of the AMR Group in respect of,
- the AMR Permit;
- (y) AMR Shares cease to be quoted on the TSX-V;
- (z) a material breach by a member of the AMR Group or Pala of the Support Agreement or the termination of the Support Agreement other than due to the default of a member of the Kasbah Group; or

(aa) if an AMR Insolvency Event occurs.

**AMR Representations and Warranties** means the representations and warranties of AMR set out in Schedule 3 and given pursuant to clause 7.1.

**AMR Share** means one fully paid common share in the capital of AMR.

**AMR Share CDI** means a CHESS Depository Interest, issued by CDN, representing a beneficial interest in ten (10) AMR Shares.

**AMR Shareholder** means each person who is registered as the holder of AMR Shares.

**AMR Warrant** means a warrant to acquire an AMR Share on the terms and conditions in Schedule 7.

**AMR Warrant CDI** means a CHESS Depository Interest, issued by CDN, representing a beneficial interest in ten (10) AMR Warrants.

**ASIC** means the Australian Securities and Investments Commission.

**Associates** has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this agreement and the third party referred to in the definition of Competing Proposal in this clause 1.1 was the designated body.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

**Ban Phuc Project Area** means Ban Phuc mine, Bac Yen district, Son La province.

**Business Day** means:

- (a) for receiving a notice under clause 13, Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the ASX or TSX-V declares is not a business day or is not open for trading; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, bank holiday or public holiday in Toronto, Ontario or Perth, Western Australia.

**Canadian Securities Authorities** means the securities regulatory authorities in the provinces and territories of Canada.

**Cancellation Consideration** means the consideration to be provided to holders of Kasbah Options, being A\$12,250 in aggregate to be paid in accordance with the Cancellation Deed.

**Cancellation Deed** has the meaning given to that term in clause 5.8.1.

**CDN** means CHESS Depository Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 25414), in its capacity as depository of CHESS Depository Interests under the ASX Settlement Rules.

**Claim** means any obligation, debt, cause of action, disability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.

**Communications** has the meaning given to that term in clause 3.4.1.2.

**Competing Proposal** means any bona fide proposal, agreement, arrangement, transaction or offer received by a party (**Target Party**) or any member of their Group from a third party (other than the other party (**Other Party**) or its Related Entities) which would result in the third party or its Associates:

- (a) directly or indirectly acquiring a legal, beneficial or economic interest or voting power in 20% or more of the Target Party's shares or of the securities of any of member of the Target Party's Group;
- (b) entering into, buying, disposing of, terminating or otherwise dealing with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 20% or more of Target Party's Shares or of the securities of any member of the Target Party's Group;
- (c) directly or indirectly acquiring, becoming the holder of, obtaining a right to acquire or holding or obtaining an interest (including a legal, beneficial or economic interest) in all or a substantial part or material part of the business conducted by, or property or assets of, the Target Party's Group;
- (d) acquiring Control of the Target Party or any material member of the Target Party's Group;
- (e) otherwise acquiring, or merging with, the Target Party or any member of the Target Party's Group;
- (f) in the case of a member of the Kasbah Group, providing equity or debt finance (other than the Loan Agreement); or
- (g) otherwise proposing a transaction similar in commercial and/or economic effect to the Target Party entering into the Transaction,

including by way of takeover bid, shareholder approved acquisition, scheme of arrangement, capital reduction, share buy-back or repurchase sale of assets, sale or purchase of securities or assets, assignment of assets and liabilities, strategic alliance, dual listed company structure or joint venture or synthetic merger. The variation of a proposal or offer constitutes a proposal or offer for the purposes of this definition.

**Conditions Precedent** means the conditions precedent set out in clause 3.1.

**Confidentiality Agreement** means the confidentiality agreement between AMR and Kasbah dated 17 May 2016.

**Control** has the meaning given to that term in section 50AA of the Corporations Act and **Controlled** has the corresponding meaning.

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

**Counterproposal** has the meaning given to that term in clause 10.6.3.

**Court** means the Federal Court of Australia.

**Deed Poll** means the deed poll substantially in the form of Schedule 4 (or in such other form as agreed in writing between Kasbah and AMR, each acting reasonably).

**Disclosure Materials** means:

- (a) in respect of AMR, the documents and information which are in English and contained in the AMR sharefile website made available by AMR to Kasbah on or



before 3 August 2016, the index of which is provided to Kasbah by AMR on or before the date of this Agreement;

- (b) in respect of Kasbah, the documents and information which are in English and contained in the ftp website at the following address <ftp.kasbahresources.com> made available by Kasbah to AMR on or before 3 August 2016, the index of which is provided to AMR by Kasbah on or before the date of this Agreement.

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

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

**Election Form** means the form accompanying the Scheme Booklet, pursuant to which holders of Kasbah Shares (other than Ineligible Shareholders) may elect whether to receive their Scheme Consideration in the form of AMR Shares and AMR Warrants or AMR Share CDIs and AMR Warrant CDIs.

**Encumbrance** means any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by Law or contract.

**End Date** means 31 December 2016, or such later date as agreed to in writing between the parties in accordance with clause 3.9.

**Exclusivity Period** means the period commencing on the date of this agreement and ending on the earlier of the date this agreement is terminated, the Implementation Date or the End Date.

**Explanatory Statement** means the statement pursuant to section 412 of the Corporations Act, which will be registered by ASIC in relation to the Scheme, copies of which will be included in the Scheme Booklet.

**Fairly Disclosed** has the meaning given in clause 1.2.19 of this agreement.

**Financial Indebtedness** means any debt or other monetary liability (whether actual or contingent) in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) guarantee;
- (d) finance or capital lease;
- (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or
- (f) obligation to deliver goods or provide services paid in advance by any financier, other than in the ordinary course of business.

**First Court Date** means the first day on which an application made to the Court for an order under section 411(4)(a) of the Corporations Act convening the Scheme Meeting is heard.

**Group** means a party and its Subsidiaries.

**GST** has the meaning given to it in the GST Law.

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

**IFRS** means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Implementation Date** means the fifth Business Day after the Record Date, or such other date agreed to in writing by the parties.

**Independent Expert** means a person to be appointed by Kasbah pursuant to clause 5.1.4 as an independent expert to prepare a report to be provided to the Kasbah Board and Kasbah Shareholders stating whether, in the expert's opinion, the Scheme is in the best interests of Kasbah Shareholders.

**Ineligible Shareholder** means a Kasbah Shareholder whose address shown in the Register is in a jurisdiction outside Australia, New Zealand, Mauritius, Thailand, United States of America, Switzerland, Jersey, Hong Kong and South Africa in which AMR determines, acting reasonably, does not permit the issue of the AMR Shares and AMR Warrants or AMR Share CDIs and AMR Warrant CDIs to that Kasbah Shareholder either unconditionally or after compliance with terms that AMR reasonably regards as acceptable and practical.

**Insolvency Event** means in relation to a person:

- (a) the person is or becomes unable to pay its debts as and when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act, or would be presumed to be insolvent if that Act applied;
- (b) the person suspends or threatens to suspend payment of its debts generally;
- (c) 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 the making of any order, or the passing of any resolution, for the winding up, liquidation or bankruptcy of the party other than where the application or order (as the case may be) is set aside within 14 days;
- (d) the appointment of a provisional liquidator, liquidator, receiver or a receiver and manager or other insolvency official (whether under Australian law or foreign law) to the person or to the whole or a substantial part of the property or assets of the person;
- (e) the appointment of an administrator to the person;
- (f) the entry by a person into any compromise or arrangement with creditors; or
- (g) the person ceases or threatens to cease to carry on business, other than in accordance with a planned shutdown.

**Kasbah Board** means the board of directors of Kasbah.

**Kasbah Budget** means the budget of the Kasbah Group detailed in the Kasbah Disclosure Letter (or as otherwise disclosed to AMR prior to the date of this agreement) or, if the Second Court Date has not occurred by 31 December 2016, thereafter means such written budget of the Kasbah Group as mutually agreed between Kasbah and AMR (in good faith and acting reasonably).

**Kasbah Costs** has the meaning given to that term in clause 11.2.2.1.

**Kasbah Director** means a director of Kasbah.

**Kasbah Disclosure Letter** means the letter dated the date of this agreement delivered by Kasbah to AMR in a form accepted by AMR with respect to certain matters in this agreement.

**Kasbah Financial Statements** means the audited consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of Kasbah for the financial year ended 30 June 2016, together with the accompanying notes.

**Kasbah Group** means Kasbah and its Subsidiaries, and a member of the Kasbah Group means any one of them.

**Kasbah Information** means all information contained in the Scheme Booklet, but does not include AMR Information or the Independent Expert's report that is included in or accompanies the Scheme Booklet.

**Kasbah Material Adverse Event** means one or more changes, events, occurrences, facts or matters (including for the avoidance of doubt any actions of Regulatory Authorities) that occurs on or after the date of this agreement, or is likely to occur on or after the date of this agreement which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or is reasonably likely to have:

- (a) the result that the business, trading or financial position or assets (including the Kasbah Permits) of the Kasbah Group are materially adversely affected and the effect of a diminution or reduction in the value of the total non-current assets less the total liabilities of the Kasbah Group (taken as a whole) from that shown on Kasbah's balance sheet as at 30 June 2016 and excluding depreciation and amortisation of assets from 30 June 2016 by A\$2 million or more (calculated on the basis of applicable accounting principles); or
- (b) the result that any Kasbah Permit has expired, been terminated or surrendered such that no member of the Kasbah Group retains a majority interest in that Kasbah Permit,

other than those changes, events, occurrences or matters:

- (c) to the extent required or permitted by this agreement, the Scheme or transactions contemplated by them;
- (d) that took place with the written consent of AMR;
- (e) to the extent Fairly Disclosed in the Kasbah Disclosure Letter, the Disclosure Materials, the Kasbah Budget (if not attached to the Kasbah Disclosure Letter) or in an announcement made by Kasbah to ASX on or after 1 July 2015 but before the date of this agreement;
- (f) that are or that arise from: (a) changes in world tin prices or exchange rates; (b) general changes in economic, political or business conditions; or (c) from changes in Law in jurisdictions in which the Kasbah Group operates, in each case, which impact producers of, or explorers for, tin in a similar manner, but excluding for the avoidance of doubt changes in government, civil disorder, political coup, a declaration of a state of emergency, and changes in law, regulation or policy of Regulatory Authorities in jurisdictions in which a member of either the Kasbah Group operates which are directed at the Kasbah Group's operations that exist as at the date of this agreement; or

- (g) arising from changes to the accounting principles in Australia applied by Kasbah as at the date of this agreement or the interpretation of those principles by any professional body or Regulatory Agency.

For the avoidance of doubt, a fall in the trading price of a Kasbah Share will not itself constitute a Kasbah Material Adverse Event.

**Kasbah Options** means the 500,000 unlisted options issued to Mr Klaus Willi as nominee on behalf of Ms Gabrielle Moeller.

**Kasbah Permits** means the exploitation mining and exploration permits detailed in Schedule 5, and any renewal thereof.

**Kasbah Prescribed Occurrence** means other than:

- (a) as required or permitted under this agreement, the Scheme or Deed Poll;
- (b) matters which have been Fairly Disclosed in the Kasbah Disclosure Letter, the Disclosure Materials, the Kasbah Budget (if not attached to the Kasbah Disclosure Letter) or in an announcement made by Kasbah to ASX on or after 1 July 2015 but before the date of this agreement;
- (c) as agreed to in writing by AMR,

the occurrence of any of the following on or after the date of this agreement and before 8.00am on the Second Court Date:

- (d) Kasbah converting all or any of its shares into a larger or smaller number of shares;
- (e) any member of the Kasbah Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (f) any member of the Kasbah Group:
- (i) entering into a buy-back agreement; or
- (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (g) any member of the Kasbah Group declaring, paying or distributing or incurs a liability to make or pay any dividend, bonus or other share of its profits, income or assets or returning or agreeing to return any capital to its members;
- (h) a member of the Kasbah Group issuing securities, including without limitation shares, or granting an option (over its shares, or agreeing to make such an issue or grant such an option, including pursuant to a dividend reinvestment or other share plan, other than:
- (i) the issue of or an agreement to issue securities in a member of the Kasbah Group (other than Kasbah) to Kasbah or a wholly owned subsidiary of Kasbah; or
- (ii) the exercise of an option disclosed to ASX prior to the date of this agreement;

- (i) a member of the Kasbah Group issuing or agreeing to issue securities convertible into, or giving rights to be issued, Kasbah Shares, including pursuant to a dividend reinvestment or other share plan;
- (j) a member of the Kasbah Group making any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any member of the Kasbah Group;
- (k) a member of the Kasbah Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property or ceases or threatens to cease to, carry on the business conducted as at the date of this agreement;
- (l) any disposal of shares or securities by a member of the Kasbah Group in any member of the Kasbah Group other than to a member of the Kasbah Group that is a wholly owned subsidiary of Kasbah;
- (m) any member of the Kasbah Group exercises or waives any pre-emptive rights or rights of first or last refusal prior to the final date on which those rights may be exercised;
- (n) any member of the Kasbah Group:
  - (i) issues, or agrees to issue, or grants an option to subscribe for, debentures (as defined in section 9 of the Corporations Act);
  - (ii) terminates or materially amends a contract with an annual revenue or expenditure more than US\$100,000;
  - (iii) enters into any new contract with an annual revenue or expenditure of more than US\$100,000 with a third party, including any joint venture agreement, shareholders agreement or other profit sharing arrangement;
- (o) a member of the Kasbah Group:
  - (i) acquiring, leasing or disposing of;
  - (ii) agreeing to acquire, lease or dispose of; or
  - (iii) offering, proposing, announcing an intention or a bid or tendering for, any business, assets, entity or undertaking, the value of which exceeds US\$100,000 (individually or in aggregate);
- (p) a member of the Kasbah Group entering into a contract or commitment that materially restrains that member from competing with any person or conducting activities in any material market;
- (q) a member of the Kasbah Group creating, or agreeing to create, any Encumbrance over the whole, or a substantial part, of its business or property or assets other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (r) a member of the Kasbah Group:
  - (i) entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by a member of the Kasbah Group in excess of US\$100,000 annually (individually or in aggregate);

- (ii) (without limiting the foregoing) incurring or agreeing to incur capital expenditure on or after the date of this agreement of more than US\$100,000 (individually or in aggregate);
  - (iii) waiving any material third party default where the financial impact on the relevant member of the Kasbah Group will be in excess of US\$100,000 (individually or in aggregate);
  - (iv) accepting as a compromise of a matter less than the full compensation due to a member of the Kasbah Group, where the result of the compromise is that the member will receive an amount which is more than US\$100,000 (individually or in aggregate) less than the amount of full compensation; or
  - (v) otherwise waiving, releasing, granting or transferring any rights with an annual revenue or expenditure of more than US\$100,000 (individually or in aggregate);
- (s) other than pursuant to commitments that existed prior to the date of this agreement, a member of the Kasbah Group providing financial accommodation by way of Financial Indebtedness other than to members of the Kasbah Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of US\$100,000 (individually or in aggregate);
  - (t) a member of the Kasbah Group entering into any agreement, arrangement or transaction with respect to derivative instruments which relate to the price of tin or to interest rates (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;
  - (u) a member of the Kasbah Group entering into or resolving to enter into a transaction with any related party of Kasbah (other than a related party which is a member of the Kasbah Group) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E or under Chapter 10 of the Listing Rules;
  - (v) a material member of the Kasbah Group being deregistered as a company or otherwise dissolved except in the case of a member of the Kasbah Group with less than US\$100,000 (individually or in aggregate) in net assets as at the date of this agreement;
  - (w) a member of the Kasbah Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in Accounting Standards;
  - (x) any member of the Kasbah Group enters into, offers to enter into, agrees to enter into or announces an intention to enter into, any transaction under which:
    - (i) any third party would, or on the satisfaction of any conditions would be entitled to, acquire any legal, beneficial or economic interest in, or an overriding royalty interest, net profit interest or other right to payment calculated on or by reference to production, revenue, earnings or profit attributable to; or
    - (ii) there would be any diminution in the rights granted under or held by an member of the Kasbah Group in respect of,
 any Kasbah Permit (other than the security provided in connection with the Loan Agreement);

- (y) Kasbah Shares cease to be quoted on ASX;
- (z) a material breach of the Loan Agreement by Kasbah; or
- (aa) if a Kasbah Insolvency Event occurs.

**Kasbah Registry** means the manager from time-to-time of the Register.

**Kasbah Representations and Warranties** means the representations and warranties of Kasbah set out in Schedule 3 and given pursuant to clause 7.3.

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

**Kasbah Shareholder** means each person who is registered in the Register as the holder of Kasbah Shares.

**Laws** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, treaties, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any permit of or from any Regulatory Authority or self-regulatory authority (including the TSX-V and ASX).

**Listing Rules** means the official listing rules of ASX.

**Loan Agreement** means the loan agreement between Pala and Kasbah dated on or around the date of this agreement for the provision of a loan of up to A\$1,000,000.

**Notice of Meeting** means the notice convening the Scheme Meeting together with the proxy forms for that meeting.

**Pala** means Pala Investments Limited.

**Record Date** means 5.00pm on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as Kasbah and AMR may agree in writing.

**Register** means the share register of Kasbah kept pursuant to the Corporations Act.

**Regulator's Draft** means the draft of the Scheme Booklet in a form acceptable to AMR and Kasbah, which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

**Regulatory Approvals** has the meaning given to that term in clause 3.1.1.

**Regulatory Authority** includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute; and
- (d) in particular, ASX, ASIC, TSX-V, and the Canadian Securities Authorities.

**Regulatory Review Period** means the period from the date on which the Regulator's Draft is submitted to ASIC to the date on which ASIC provides a letter indicating whether or not it proposes to appear to make submissions, or will intervene to oppose the Scheme, when the

application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

**Reimbursement Fee Amount** means A\$300,000.

**Related Entity** means, in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

**Representatives** means, in relation to an entity:

- (a) each of the entity's Subsidiaries; and
- (b) each of its and its Subsidiaries' directors, officers, employees, contractors, advisers (including legal, financial and other expert advisers) and agents, but excluding the Independent Expert.

**Required Consultation Period** means the shorter of:

- (a) five Business Days after both parties becoming aware that clause 3.9.1.1, 3.9.1.2, or 3.9.1.3 as the case may be, is triggered; and
- (b) the period commencing at the time both parties become aware that clause 3.9.1.1, 3.9.1.2, or 3.9.1.3 or, as the case may be, is triggered and ending at 8.00am on the Second Court Date.

**RG 60** means Regulatory Guide 60 issued by ASIC on 22 September 2011 (as amended).

**Sale Agent** means a person appointed by AMR to sell the AMR Shares (or AMR Share CDIs) and AMR Warrants (or AMR Warrant CDIs) that are attributable to Ineligible Shareholders.

**Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Kasbah and Kasbah Shareholders, the form of which is contained in Schedule 2, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by AMR and Kasbah.

**Scheme Booklet** means the information to be despatched to all Kasbah Shareholders and approved by the Court in connection with the Scheme, including the Scheme, the Explanatory Statement in respect of the Scheme, an independent expert's report prepared by the Independent Expert and the Notice of Meeting.

**Scheme Consideration** means:

- (a) 0.13 AMR Share CDIs or, if so elected, 1.3 AMR Shares, for every one Kasbah Share; and
- (b) 0.04 AMR Warrant CDIs or, if so elected, 0.4 AMR Warrants, for every one Kasbah Share held.

**Scheme Meeting** means the meeting of Kasbah Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

**Scheme Participant** means each person who is a Kasbah Shareholder as at 5:00pm on the Record Date (other than AMR or its Related Entities).

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



application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

**SEDAR** means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Authorities.

**Subsidiaries** has the meaning given to that term in section 9 of the Corporations Act.

**Superior Offer** means a bona fide Competing Proposal that the Kasbah Board or AMR Board (as applicable), acting reasonably and in good faith, and after taking written advice from its external legal advisers and in consultation with its financial advisors (if any), determines:

- (a) is reasonably capable of being completed on a timely basis, taking into account all aspects of the Competing Proposal and the person making it, including without limitation having regard to timing considerations, legal, regulatory and financial matters and any conditions precedent; and
- (b) would or would be reasonably likely, if completed in accordance with its terms, to be more favourable to its shareholders than the Scheme, after taking into account all of the terms and conditions of (including consideration, conditionality, funding, certainty and timing), and the identity, reputation and standing of the person making, the Competing Proposal.

**Support Agreement** means the support agreement between AMR and Pala dated on or around the date of this agreement in connection with funding the construction and development of Kasbah's Achmmach Tin Project following implementation of the Transaction.

**Takeovers Panel** means the Australian Takeovers Panel.

**Third Party Bidder** has the meaning given to that term in clause 10.4.2.

**Timetable** means the indicative timetable for the implementation of the Transaction as set out in Schedule 1, or as otherwise may be agreed in writing by AMR and Kasbah, acting reasonably.

**Transaction** means the acquisition by AMR of all of the Kasbah Shares by means of the Scheme in accordance with the terms of this agreement.

**TSX-V** means the TSX Venture Exchange.

**TSX-V Rules** means the rules of the TSX-V.

## 1.2 Interpretation

In this agreement, except where the context otherwise requires:

- 1.2.1 the singular includes the plural and vice versa, and a gender includes other genders;
- 1.2.2 another grammatical form of a defined word or expression has a corresponding meaning;
- 1.2.3 a reference to a clause, paragraph, or schedule is to a clause or paragraph of, or schedule to, this agreement, and a reference to this agreement includes any schedule;
- 1.2.4 a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- 1.2.5 a reference to **A\$, dollar** or **\$** is to Australian currency;

- 1.2.6 a reference to **C\$** is to the lawful currency of Canada;
- 1.2.7 a reference to **US\$** is to the lawful currency of the United States;
- 1.2.8 a reference to time is to time in Perth, Western Australia, unless otherwise noted;
- 1.2.9 a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- 1.2.10 a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- 1.2.11 a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- 1.2.12 a word or expression defined in the Corporations Act and not otherwise defined in this agreement has the meaning given to it in the Corporations Act;
- 1.2.13 the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- 1.2.14 any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- 1.2.15 any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- 1.2.16 any statement made by a party on the basis of its awareness or knowledge, including for the purposes of the representations and warranties set forth in Schedule 3, is made on the basis that the party has, in order to establish that the statement is true and not misleading in any respect:
- 1.2.16.1 made all reasonable enquiries of the officers, managers, employees and other persons who could reasonably be expected to have information relevant to the matters to which the statement relates; and
- 1.2.16.2 where those enquiries would have prompted a reasonable person to make further enquiries, made those further enquiries,
- and that, as a result of those further enquiries, the party has no reason to doubt that the statement is true and not misleading in any respect;
- 1.2.17 a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it;
- 1.2.18 if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- 1.2.19 a reference to **Fairly Disclosed** means disclosed to the relevant party in good faith and in sufficient detail so as to enable a reasonable and sophisticated party experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the Kasbah Group (if disclosed to AMR) or the

AMR Group (if disclosed to Kasbah), to identify the nature and scope of the relevant fact, matter, event or circumstance.

### 1.3 **Headings**

Headings are for ease of reference only and do not affect interpretation.

## 2 **AGREEMENT TO PROPOSE SCHEME**

### 2.1 **Proposal and Implementation of Scheme**

2.1.1 Kasbah agrees to propose and implement the Scheme upon and subject to the terms and conditions of this agreement.

2.1.2 AMR agrees to assist Kasbah to propose and give effect to the Scheme on and subject to the terms and conditions of this agreement.

## 3 **CONDITIONS PRECEDENT**

### 3.1 **Conditions Precedent to implementation of the Scheme**

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, unless each of the following conditions precedent are satisfied or waived to the extent and in the manner set out in this clause 3 on or prior to 8.00am the Second Court Date (or such other date as specified in the relevant Condition Precedent);

3.1.1 **Regulatory Approvals:** before 5.00pm on the Business Day before the Second Court Date:

3.1.1.1 **ASIC:** ASIC issues or provides all such reliefs, confirmations, consents, approvals, modifications or exemptions, or does such other acts which the parties agree are reasonably necessary or desirable to implement the Scheme and such reliefs, waivers, confirmations, consents, approvals, modifications or exemptions or other acts (as the case may be) have not been withdrawn, suspended, varied or revoked before 5.00pm on the Business Day before the Second Court Date;

3.1.1.2 **ASX:** ASX issues or provides all such reliefs, confirmations, consents, approvals, waivers or does such other acts which the parties agree are reasonably necessary to implement the Scheme and such reliefs, confirmations, consents, approvals, waivers or other acts (as the case may be) have not been withdrawn, suspended, varied or revoked before 5.00pm on the Business Day before the Second Court Date;

3.1.1.3 **TSX-V:** TSX-V approves the Transaction and the other transactions contemplated by this agreement and the Scheme, and conditionally approves the listing of the AMR Shares and AMR Warrants to be issued pursuant to the Scheme, subject only to the satisfaction by AMR of customary listing conditions of the TSX-V and any other conditions to the consummation of the Transaction and the other transactions contemplated by this agreement and the Scheme imposed on the parties by the TSX-V; and

3.1.1.4 all other regulatory approvals or waivers required to implement the Scheme being granted or obtained and those regulatory approvals or waivers not being withdrawn, cancelled, revoked or varied in a manner that is materially adverse to the parties,

(together **Regulatory Approvals**);

- 3.1.2 **Kasbah Shareholder Approval:** Kasbah Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act;
- 3.1.3 **Restraining Orders:** as at 8.00am on the Second Court Date, no judgement, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition or other order or decision has been issued, made, entered, enacted, promulgated or enforced by any court of competent jurisdiction or any Regulatory Authority remains in effect that prohibits, restricts, makes illegal or restrains the completion of the Scheme, and there is no other legal restraint or prohibition, preventing the consummation of any aspect of the Transaction on the Implementation Date;
- 3.1.4 **Court Approval:** the Court approves the Scheme 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;
- 3.1.5 **Independent Expert Report:** the Independent Expert provides a report to Kasbah that concludes that the Scheme is in the best interests of Kasbah Shareholders on or before the time when the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert not withdrawing or adversely modifying that conclusion before 8.00am on the Second Court Date;
- 3.1.6 **ASX Listing:** ASX approving the AMR Share CDIs and AMR Warrant CDIs for official quotation on ASX subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective, and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- 3.1.7 **No Kasbah Material Adverse Event:** no Kasbah Material Adverse Event occurs between the date of this agreement and 8.00am on the Second Court Date;
- 3.1.8 **No Kasbah Prescribed Occurrence:** no Kasbah Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date;
- 3.1.9 **Kasbah Representations and Warranties:** the Kasbah Representations and Warranties given by Kasbah pursuant to clause 7.3 are true and correct in all material respects as at the date of this agreement and as at 8.00am on the Second Court Date;
- 3.1.10 **No AMR Material Adverse Event:** no AMR Material Adverse Event occurs between the date of this agreement and 8.00am on the Second Court Date;
- 3.1.11 **No AMR Prescribed Occurrence:** no AMR Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date; and
- 3.1.12 **AMR Representations and Warranties:** the AMR Representations and Warranties given by AMR pursuant to clause 7.1 are true and correct in all material respects as at the date of this agreement and as at 8.00am on the Second Court Date.

## 3.2 Waiver of Conditions Precedent

### 3.2.1 The Conditions Precedent in:

3.2.1.1 clauses 3.1.1 (Regulatory Approvals), 3.1.2 (Kasbah Shareholder Approval), 3.1.3 (Restraining Orders), 3.1.4 (Court Approval) and 3.1.6 (ASX Listing) are for the benefit of both parties, and any breach or non-fulfilment of them may only be waived (if capable of waiver) with the written consent of both parties, which consent either party may give or withhold in its absolute discretion;

3.2.1.2 clauses 3.1.7 (No Kasbah Material Adverse Event), 3.1.8 (No Kasbah Prescribed Occurrence) and 3.1.9 (Kasbah Representations and Warranties) are for the sole benefit of, and any breach or non-fulfilment of those Conditions Precedent may only be waived with the written consent of, AMR; and

3.2.1.3 clauses 3.1.5 (Independent Expert Report), 3.1.10 (No AMR Material Adverse Event), 3.1.11 (No AMR Prescribed Occurrence) and 3.1.12 (AMR Representations and Warranties) are for the sole benefit of, and any breach or non-fulfilment of those Conditions Precedent may only be waived with the written consent of, Kasbah.

3.2.2 A party entitled to waive the breach or non-fulfilment of a Condition Precedent pursuant to this clause 3.2 may do so in its absolute discretion subject to the provision of written notice to the other party. Any such waiver by a party for whose benefit the relevant Condition Precedent applies must take place on or prior to 8.00am on the Second Court Date.

3.2.3 If a party waives the breach or non-fulfilment of a Condition Precedent, that waiver precludes the party from suing another party for any breach of this agreement that resulted in the breach or non-fulfilment of the Condition Precedent.

3.2.4 Waiver of a breach or non-fulfilment in respect of one Condition Precedent does not constitute:

3.2.4.1 a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same event; or

3.2.4.2 a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event.

## 3.3 Reasonable endeavours to satisfy Conditions Precedent

Each of the parties will use its reasonable endeavours to procure that:

3.3.1 each of the Conditions Precedent is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and

3.3.2 there is no occurrence within the control of Kasbah or AMR (as the context requires) or their Subsidiaries that would prevent the Conditions Precedent being satisfied.

## 3.4 Pre-implementation steps

3.4.1 Without limiting the generality of clause 3.3:

3.4.1.1 **Regulatory Approvals:** each party must:

- (a) promptly apply for all relevant Regulatory Approvals and take all steps it is responsible for as part of the Regulatory Approval process, including responding to requests for information at the earliest practicable time;
- (b) provide all information and assistance reasonable requested by the other party or a Regulatory Authority in connection with the applications for Regulatory Approvals; and
- (c) to the extent that it is within its control, use its reasonable endeavours to procure that there is no occurrence that would prevent the Regulatory Approvals from being obtained by the applicable time referred to in clause 3.1.1 and not take any action that will or is likely to hinder or prevent the satisfaction of the Condition Precedent in clause 3.1.1 except to the extent that such action is required by any applicable Laws;

3.4.1.2 **Consultation:** each party must consult with the other in advance in relation to all material communications (whether written or oral, and whether direct or via agents or advisers) with any Regulatory Authority relating to any Regulatory Approval (**Communications**) including:

- (a) providing the other party with drafts of any material written Communications to be sent to a Regulatory Authority and making such amendments as the other party reasonably requires; and
- (b) providing copies of any material written Communications sent to or received from a Regulatory Authority to the other party promptly upon despatch or receipt (as the case may be),

in each case to the extent it is reasonable to do so;

3.4.1.3 **Participation:** so far as it is able, allow the other party the opportunity to be represented (including by way of telephone, video conference or similar means) and make submissions at any proposed meeting with any Regulatory Authority relating to any Regulatory Approval; and

3.4.1.4 **Notification:** each party must keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent.

3.4.2 Nothing in clauses 3.3 or 3.4 prevent a party applying for a Regulatory Approval from taking any step (including communicating with a Regulatory Authority) in respect of a Regulatory Approval if the other party has not promptly responded under clauses 3.4.1.2 or 3.4.1.3.

### 3.5 Assistance of Representatives

Each party must procure that its Representatives work (including by attending meetings and by providing information) in good faith and in a timely and co-operative fashion with the other party, and the other party's Representatives, to satisfy the Conditions Precedent.

### 3.6 Notice of failure to satisfy Condition Precedent

3.6.1 A party must promptly give the other written notice if it becomes aware that any Condition Precedent is incapable of being satisfied or of any event that will prevent a

Condition Precedent being satisfied (having regard to the respective obligations of each party under clause clauses 3.3 or 3.4).

- 3.6.2 Kasbah or AMR (as the case may be) must give written notice to the other party as soon as reasonably practicable (and in any event before 5.00pm on the day before the Second Court Date) as to whether or not it waives the breach or non-fulfilment of any Condition Precedent (if such Condition Precedent is capable of waiver) resulting from the occurrence of that event, specifying the Condition Precedent in question.

### 3.7 **Notice of satisfaction of Condition Precedent**

Each party must promptly give the other written notice if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition Precedent has been satisfied.

### 3.8 **Certificates in relation to Conditions Precedent**

- 3.8.1 At the hearing at which the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme is considered by the Court:

- 3.8.1.1 AMR and Kasbah will provide a joint certificate to the Court confirming whether or not the Conditions Precedent set out in clauses 3.1.1 (Regulatory Approvals) and 3.1.3 (Restraining Orders) have been satisfied or waived in accordance with the terms of this agreement;
- 3.8.1.2 Kasbah will provide a certificate to the Court confirming whether or not the Conditions Precedent set out in clauses 3.1.2 (Kasbah Shareholder Approval), 3.1.5 (Independent Expert Report), 3.1.7 (no Kasbah Material Adverse Event), 3.1.8 (no Kasbah Prescribed Occurrence) and 3.1.9 (Kasbah representations and Warranties) have been satisfied or waived in accordance with the terms of this agreement; and
- 3.8.1.3 AMR will provide a certificate to the Court confirming whether or not the Conditions Precedent set out in clauses 3.1.6 (ASX Listing), 3.1.10 (no AMR Material Adverse Event), 3.1.11 (no AMR Prescribed Occurrence) 3.1.12 (AMR Representations and Warranties) have been satisfied or waived in accordance with the terms of this agreement.

- 3.8.2 Each party will give the other party a draft of its certificate by 5.00pm on the Business Day prior to the Second Court Date.

### 3.9 **Conditions Precedent not met**

- 3.9.1 If:
- 3.9.1.1 there is a breach or non-fulfilment of a Condition Precedent which is not satisfied or waived (where capable of waiver) in accordance with this agreement;
- 3.9.1.2 there is an act, failure to act, event or occurrence which will prevent a Condition Precedent being satisfied or waived by the date specified in clause 3.1 for its satisfaction (and the breach or non-fulfilment of the Condition Precedent which would otherwise occur has not already been waived or satisfied in accordance with this agreement), or
- 3.9.1.3 if it becomes probable that the Scheme will not become Effective by the End Date,

the parties must consult in good faith with a view to:

- 3.9.1.4 considering and if agreed, determining whether the Scheme or a transaction that results in AMR having beneficial ownership of all of the Kasbah Shares, may proceed by way of alternative means or methods;
  - 3.9.1.5 considering and if agreed, extending the time or date for satisfaction of the relevant Condition Precedent or the End Date; or
  - 3.9.1.6 considering and if agreed, changing the date of application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by the parties (being a date no later than five Business Days before the End Date).
- 3.9.2 Subject to clause 3.9.5, if the parties are unable to reach agreement under clause 3.9.1 within the Required Consultation Period, then within 10 Business Days after the Required Consultation Period ends, either party may, provided that Condition Precedent is for the benefit of that party, terminate this agreement by notice in writing to the other without incurring any liability to the other party because of that termination alone (other than under clause 11 if applicable).
- 3.9.3 If the Condition Precedent in clause 3.1.2 is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice to the other party within three Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable.
- 3.9.4 If the Court refuses to make an order approving the Scheme satisfying clause 3.1.4, at AMR's request Kasbah must appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or an independent Senior Counsel indicates that, in his or her view, an appeal would have negligible prospects of success before the End Date). Kasbah may bring an appeal even if not requested by AMR. If any such appeal is undertaken at the request of AMR, AMR will bear Kasbah's costs of the appeal (including costs of the independent Senior Counsel) unless the parties otherwise agree. If any such appeal is undertaken by Kasbah, without the prior request from AMR, Kasbah will bear AMR's costs of the appeal unless the parties otherwise agree.
- 3.9.5 A party will not be entitled to terminate this agreement for any reason set out in clause 3.9.2 if the relevant Condition Precedent is not capable of being waived by that party or has not been satisfied as a result (either alone or together with other circumstances) of:
- 3.9.5.1 a breach of this agreement by that party; or
  - 3.9.5.2 a deliberate act or omission of that party which either alone or when taken together with other deliberate acts or omissions of that party, prevents that Condition Precedent being satisfied.

## **4 TRANSACTION STEPS**

### **4.1 Scheme**



- 4.1.1 Kasbah must, as soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, propose the Scheme to Kasbah Shareholders.
- 4.1.2 If the Scheme becomes Effective, on the Implementation Date:
  - 4.1.2.1 all of the Kasbah Shares held by Scheme Participants on the Record Date will be transferred to AMR or an affiliate thereof;
  - 4.1.2.2 in exchange, each Scheme Participant will receive the Scheme Consideration for each Kasbah Share held by them at the Record Date; and
  - 4.1.2.3 AMR will pay the Cancellation Consideration to each holder of Kasbah Options that has agreed to the cancellation of his or her Kasbah Options and cancel their Kasbah Options in accordance with the Cancellation Deed.

#### 4.2 **No amendment to the Scheme without consent**

Kasbah 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 AMR.

#### 4.3 **Election Procedure**

- 4.3.1 The parties agree that each Scheme Participant will be entitled to elect to receive as consideration for the transfer of its Kasbah Shares to AMR or an affiliate thereof, under the Scheme, either:

- 4.3.1.1 AMR Shares or AMR Share CDIs; and

- 4.3.1.2 AMR Warrants or AMR Warrant CDIs,

by completing the Election Form and returning it to the address specified so that it is received by 5:00pm on the Record Date. Kasbah must ensure that the Scheme Booklet sent to Kasbah shareholders is accompanied by the Election Form to be completed by each Kasbah Shareholder.

- 4.3.2 An election must be made in accordance with the terms and conditions on the Election Form. If a Scheme Participant fails to make an election by 5:00pm on the Record Date, the Scheme Participant will be deemed to have elected to receive AMR Share CDIs and AMR Warrant CDIs.

#### 4.4 **Provision of election updates**

- 4.4.1 In order to facilitate the provision of the Scheme Consideration, Kasbah must provide, or procure the provision of, to AMR or a nominee of AMR:

- 4.4.1.1 reasonable written updates of the elections that have been received in the period up to the Record Date;

- 4.4.1.2 written details of the final elections made by each Kasbah Shareholder, within one Business Day after the Record Date; and

- 4.4.1.3 a complete copy of the Register as at the Record Date (which must include the name, registered address and registered holding of each

Kasbah Shareholder as at the Record Date) within one Business Day after the Record Date.

- 4.4.2 The details and information to be provided under clause 4.4.1 must be provided in such form as AMR, or its nominee, may reasonably require.

#### 4.5 **Consideration**

- 4.5.1 Subject to clause 4.5.2, AMR undertakes and warrants to Kasbah (in its own right and on behalf of each Scheme Participant) that in consideration of the transfer to AMR of each Kasbah Share held by a Scheme Participant under the terms of the Scheme, on the Implementation Date, AMR will provide to each Scheme Participant the Scheme Consideration, in accordance with the terms of this agreement, the Scheme and Deed Poll.
- 4.5.2 Where the calculation of the number of AMR Share CDIs (or AMR Shares, if so elected) or AMR Warrant CDIs (or AMR Warrants, if so elected) to be issued to a particular Kasbah Shareholder would result in the issue of a fraction of an AMR Share CDI (or AMR Share) or AMR Warrant CDIs (or AMR Warrants), the fractional entitlement will be rounded down to the nearest whole number of AMR Share CDIs (or AMR Shares) or AMR Warrant CDIs (or AMR Warrants).
- 4.5.3 Kasbah acknowledges that the undertaking by AMR in clause 4.5.1 is given to Kasbah in its capacity as agent for each Scheme Participant.

#### 4.6 **Ineligible Shareholders**

- 4.6.1 AMR has no obligation under this agreement to allot or issue, and will not issue, any AMR Share CDIs (or AMR Shares) and AMR Warrant CDIs (or AMR Warrants) to any Ineligible Shareholder and, instead, will issue the AMR Share CDIs (or AMR Shares) and AMR Warrant CDIs (or AMR Warrants) to which the Ineligible Shareholder would have otherwise been entitled to the Sale Agent, in trust for the Ineligible Shareholder who is the beneficial owner thereof.
- 4.6.2 AMR will procure that:
- 4.6.2.1 as soon as reasonably practicable and in any event not more than 20 Business Days after the Implementation Date, the Sale Agent sells all of the AMR Share CDIs (or AMR Shares) and AMR Warrant CDIs (or AMR Warrants) issued to the Sale Agent pursuant to clause 4.6.1 in such manner, or such financial market, at such price and on such other terms as the Sale Agent determines in good faith; and
- 4.6.2.2 the Sale Agent remits to the Ineligible Shareholder the proceeds of sale in Australian dollars (after deducting any applicable brokerage, foreign exchange, stamp duty and other selling costs, taxes and charges).

#### 4.7 **Shares to rank equally**

AMR covenants in favour of Kasbah (in its own right and on behalf of the Scheme Participants) that:

- 4.7.1 the AMR Shares to be issued pursuant to the Scheme (including those issued to CDN) will be duly and validly authorised and will be of the same class of AMR Shares currently issued and outstanding and will rank equally in all respects with all issued and outstanding AMR Shares; and

- 4.7.2 each such AMR Share and AMR Share CDI issued pursuant to the Scheme will be validly issued, fully paid, free from any Encumbrance or other third party rights and, in the case of AMR Shares only, non-assessable.

#### 4.8 **Timetable**

The parties must use their commercially reasonable endeavours to implement the Transaction and perform their respective obligations substantially in accordance with the Timetable.

#### 4.9 **Quotation of Kasbah Shares**

- 4.9.1 Kasbah must apply to ASX to suspend trading on ASX in Kasbah Shares with effect from the close of trading on the Effective Date.

- 4.9.2 On a date after the Implementation Date to be determined by AMR, Kasbah must apply:

4.9.2.1 for termination of the official quotation of Kasbah Shares on ASX; and

4.9.2.2 to have itself removed from the official list of ASX.

### 5 **IMPLEMENTATION**

#### 5.1 **Kasbah's obligations**

Kasbah must execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this agreement and substantially in accordance with the Timetable (and must consult with AMR on a regular basis about its progress in that regard), and in particular Kasbah must:

- 5.1.1 **promote merits of Transaction:** participate in, and ensure the Kasbah Board participates in, efforts reasonably requested by AMR to promote the merits of the Transaction, including meeting with key Kasbah Shareholders at the reasonable request of AMR;
- 5.1.2 **prepare Scheme Booklet:** prepare and dispatch the Scheme Booklet in respect of the Scheme in accordance with all applicable Laws and in particular with the Corporations Act, RG 60 and the Listing Rules, and in accordance with the requirements of clause 5.4;
- 5.1.3 **directors' recommendation:** include in the Scheme Booklet a statement by the Kasbah Board:
- 5.1.3.1 unanimously recommending that Kasbah Shareholders vote in favour of the Scheme in the absence of any Superior Offer unless there has been a change of recommendation permitted under this agreement; and
- 5.1.3.2 that each Kasbah Board member will (in the absence of a Superior Offer) vote, or procure the voting of any Kasbah Shares (as applicable) held by or controlled by a Kasbah Board Member at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting;
- 5.1.4 **commission Independent Expert's report:** promptly appoint the Independent Expert, and any investigating accountant to be appointed in connection with the preparation of the Scheme Booklet or the Independent Expert's report, and provide

all assistance and information reasonably requested by them in connection with the preparation of the Independent Expert's report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates to the Scheme Booklet);

- 5.1.5 **amend Scheme Booklet:** implement such changes to those parts of the Scheme Booklet relating to AMR which are provided to Kasbah by AMR in accordance with clause 5.3.1 as reasonably requested by AMR prior to finalising the Regulator's Draft;
- 5.1.6 **consultation with AMR:** as soon as practicable after the date of this agreement:
- 5.1.6.1 provide to AMR a draft of the Scheme Booklet and the Independent Expert's report for the purpose of enabling AMR to review and comment on those draft documents provided that, in relation to the Independent Expert's report, AMR's review is to be limited to a factual accuracy review;
  - 5.1.6.2 take the comments made by AMR into account in good faith when producing revised drafts of the Scheme Booklet;
  - 5.1.6.3 provide AMR with revised drafts of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable AMR to review the Regulator's Draft at least two Business Days before its submission to ASIC; and
  - 5.1.6.4 obtain written consent from AMR for the form and content in which AMR Information appears in the Scheme Booklet;
- 5.1.7 **liaise with ASIC:** as soon as reasonably practicable after the date of this agreement but no later than 14 days before the First Court Date, provide a copy of the Regulator's Draft to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- 5.1.8 **keep AMR informed:** during the Regulatory Review Period:
- 5.1.8.1 promptly provide to AMR and include in revised drafts of the Scheme Booklet any new information in relation to the Kasbah Group not included in the Regulator's Draft which is required by the Corporations Act or RG 60 to be included in the Scheme Booklet; and
  - 5.1.8.2 promptly inform and consult with AMR in relation to any matters raised by ASIC in connection with the Scheme Booklet or the Scheme including in relation to any presentation and/or the making of any submission in writing or at any proposed meeting with ASIC, and co-operate with AMR to resolve any such matters (which will include allowing AMR to participate in Kasbah's meetings and discussions with ASIC);
- 5.1.9 **Court direction and advice:** promptly after, apply to the Court for orders under section 411(1) of the Corporations Act directing Kasbah to convene the Scheme Meeting to consider the Scheme and take all reasonable steps necessary to comply with the orders of the Court;
- 5.1.10 **registration of Scheme Booklet and provision of copy to AMR:** if the Court directs Kasbah to convene the Scheme Meeting, 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 and, promptly after such registration, provide a copy of the registered Scheme Booklet to AMR;

- 5.1.11 **section 411(17)(b) Statement:** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- 5.1.12 **Scheme Meeting:** promptly convene and hold the Scheme Meeting in accordance with any orders which are made by the Court pursuant to section 411(1) of the Corporations Act;
- 5.1.13 **waiver or approval in relation to cancellation of Kasbah Options:** promptly (and in any event by no later than 5.00pm on the Business Day immediately before the First Court Date) apply to ASX for a waiver from Listing Rule 6.23.2 to enable the Kasbah Options to be cancelled in consideration for the Cancellation Consideration without obtaining approval from Kasbah Shareholders;
- 5.1.14 **Court documents:** consult with AMR in relation to the content of the documents required for the purpose of each Court hearing held, including for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, customary affidavits (including an affidavit from a suitably qualified Canadian lawyer opining on due execution of the Deed Poll and enforceability in Canada), submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, reasonable comments from AMR and its Representatives on those documents;
- 5.1.15 **Court approval:** as soon as practicable after Kasbah Shareholders approve the Scheme at the Scheme Meeting, apply (and to the extent necessary, re-apply) to the Court for an order approving the Scheme under section 411(4) of the Corporations Act substantially in accordance with the Timetable;
- 5.1.16 **lodge copy of Court orders:** if the Court makes orders under section 411(4) of the Corporations Act approving the Scheme, lodge with ASIC an office copy of the order of the Court approving the Scheme under section 411(10) of the Corporations Act by no later than on the Business Day after the order of the Court has been made or such later date as agreed in writing by AMR;
- 5.1.17 **certificate:** at the hearing on the Second Court Date provide to the Court certificates confirming whether or not the Conditions Precedent have been satisfied or waived in accordance with this agreement. A draft of such certificates shall be provided by Kasbah and AMR to the other party by 5:00pm on the Business Day prior to the Second Court Date;
- 5.1.18 **registration generally:** if the Court makes orders under section 411(4) of the Corporations Act approving the Scheme:
  - 5.1.18.1 close the Register as at the Record Date to determine the identity of the Scheme Participants and their entitlements to the Scheme Consideration;
  - 5.1.18.2 provide to AMR all information about the Scheme Participants that AMR reasonably requires in order for AMR to provide the Scheme Consideration to the Scheme Participants in accordance with the Scheme;
  - 5.1.18.3 execute proper instruments of transfer of the Kasbah Shares and effect and register the transfer of the Kasbah Shares in accordance with the Scheme;

- 5.1.18.4 register all transfers of Kasbah Shares to AMR on, or as soon as practicable after, the Implementation Date; and
- 5.1.18.5 do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court;
- 5.1.19 **access to information:** provide to AMR and its Representatives reasonable access to employees, officers and other facilities and properties of the Kasbah Group and to the books and records of the Kasbah Group, for the purpose of implementing the Transaction;
- 5.1.20 **compliance with Laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all Laws applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities Laws or is otherwise exempt therefrom);
- 5.1.21 **listing:** not do anything to cause Kasbah Shares to cease being quoted on ASX or to become permanently suspended from quotation or listing prior to completion of the Transaction, unless AMR has agreed in writing;
- 5.1.22 **merged co-information:** Kasbah will prepare and promptly provide to AMR any information regarding the Kasbah Group, which AMR reasonably requires in order to prepare the information regarding the merged Kasbah-AMR entity following implementation of the Scheme for inclusion in the Scheme Booklet;
- 5.1.23 **Kasbah Prescribed Occurrence:** between the date of this agreement and 8.00am on the Second Court Date, ensure that no Kasbah Prescribed Occurrence occurs;
- 5.1.24 **Technical Report:** provide any information or documents requested by AMR, and otherwise take all steps reasonably requested by AMR, to assist AMR in procuring a technical report in respect of the Achmmach project that is compliant with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under Canadian securities Laws, and provide any other information or documents reasonably requested by AMR in connection with the preparation of, and/or required to be included under Canadian securities Laws and other applicable Laws; and
- 5.1.25 **AMR ASX listing:** provide any assistance or information reasonably requested by AMR in connection with the listing of AMR on ASX, including:
  - 5.1.25.1 promptly preparing and providing to AMR any information relating to Kasbah or Kasbah Shareholders which is reasonably required by AMR in relation to the ASX listing of AMR; and
  - 5.1.25.2 consenting to the use by AMR of the Scheme Booklet as the disclosure document on which its listing on ASX is based and ensuring that any expert engaged to prepare a report for the Scheme Booklet agrees as part of its engagement to consent to the use of its report in connection with the listing of AMR on ASX and provides that consent on request from AMR.

## 5.2 Kasbah Registry details

For the purpose of clause 5.1.18, Kasbah must give all necessary directions to the Kasbah Registry to ensure that any information that AMR reasonably requests in relation to the Register, including any CHESS sub-register and any issuer sponsored sub-register, is promptly provided to AMR and, where requested by AMR, Kasbah must procure that such information is made available in such electronic form as is reasonably requested by AMR.

## 5.3 AMR's obligations

AMR must execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this agreement and substantially in accordance with the Timetable (and must consult with Kasbah on a regular basis about its progress in that regard), and in particular AMR must:

- 5.3.1 **AMR Information:** prepare and provide to Kasbah all information in relation to AMR and the Kasbah-AMR merged entity that is required to be included in the Scheme Booklet to comply with applicable Laws relevant to that information (**AMR Information**), make available to Kasbah drafts of the AMR Information, consult with Kasbah in relation to the content of those drafts and consider in good faith, for the purpose of amending those drafts, comments from Kasbah and its Representatives on that information;
- 5.3.2 **assist Independent Expert:** subject to the Independent Expert entering into arrangements with Kasbah, including in relation to confidentiality in a form reasonably acceptable to AMR, provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare its report to be sent together with the Scheme Booklet;
- 5.3.3 **review drafts of Scheme Booklet:** as soon as practicable after delivery, review drafts of the Scheme Booklet prepared by Kasbah and provide comments on those drafts in good faith;
- 5.3.4 **approval of Regulator's Draft:** as soon as practicable after finalisation of an advanced draft of the Regulator's Draft suitable for review by ASIC, procure that a meeting of the AMR Board is convened to consider approving those sections of the Regulator's Draft that relate to the AMR Information as being in a form appropriate for provision to ASIC for review;
- 5.3.5 **AMR Shares listing:** as soon as practicable make applications for the AMR Shares and AMR Warrants to be issued under the Scheme to be conditionally approved for listing on the TSX-V, subject to the customary listing requirements, and do everything reasonably necessary to advance such applications and Kasbah acknowledges and agrees that AMR shall be entitled to engage a third-party agent or trustee for purposes of administering the AMR Warrants;
- 5.3.6 **AMR ASX listing:**
  - 5.3.6.1 apply and provide ASX with all required documentation for AMR to be admitted to the official list of ASX and for ASX to grant official quotation to the AMR Share CDIs in respect of the AMR Shares and AMR Warrant CDIs in respect of AMR Warrants; and
  - 5.3.6.2 seek approval for any amendments required to AMR's constituent documents reasonably required by ASX;
- 5.3.7 **trading:** do everything reasonably necessary to ensure that trading on the TSX-V and ASX in the AMR Shares or AMR Share CDIs (as applicable) and AMR

Warrants or AMR Warrant CDIs (as applicable) issued under the Scheme, is permitted to commence by the fifth Business Day (or such other date as agreed to by Kasbah and AMR, acting reasonably) after the Implementation Date, subject to the rules or requirements of the TSX-V (including any conditions imposed by the TSX-V in connection with approving the transactions contemplated by this Agreement) and ASX and applicable Laws;

- 5.3.8 **compliance with Laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all Laws applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities Laws or is otherwise exempt therefrom);
- 5.3.9 **AMR 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;
- 5.3.10 **AMR Cancellation Consideration:** if the Scheme becomes Effective, provide the Cancellation Consideration in the manner and amount contemplated by the Cancellation Deed;
- 5.3.11 **AMR Prescribed Occurrence:** ensure that no AMR Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date;
- 5.3.12 **Deed Poll:** simultaneous with the execution of this agreement, execute the Deed Poll; and
- 5.3.13 **access to information:** provide to Kasbah and its Representatives reasonable access to officers of the AMR Group and to the books and records of the AMR Group, for the purpose of implementing the Transaction.

#### 5.4 **Scheme Booklet**

- 5.4.1 Kasbah must consult with AMR as to the content of the Scheme Booklet (other than AMR Information).
- 5.4.2 AMR must consult with Kasbah as to the content of AMR Information.
- 5.4.3 The parties agree that:
  - 5.4.3.1 the efficient preparation of the Scheme Booklet is in the interests of the parties and Kasbah Shareholders; and
  - 5.4.3.2 they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to produce the Scheme Booklet as soon as reasonably practicable and in substantial accordance with the Timetable.
- 5.4.4 AMR's obligations under clauses 5.3.3 and 5.3.4 relate only to the factual accuracy of AMR Information and AMR takes no responsibility for information in the Scheme Booklet other than AMR Information. To that end, the Scheme Booklet will include a statement:
  - 5.4.4.1 by Kasbah that AMR is not responsible for any information contained in the Scheme Booklet other than AMR Information; and
  - 5.4.4.2 by AMR that Kasbah is not responsible for any AMR Information contained in the Scheme Booklet.



- 5.4.5 Kasbah must undertake appropriate due diligence and verification processes in respect to the Kasbah Information and will make such verification material available to AMR on request by it.
- 5.4.6 AMR must undertake appropriate due diligence and verification processes in respect to the AMR Information and will make such verification material available to Kasbah on request by it.
- 5.4.7 The parties must promptly inform the other if they have any reason to believe that any information in the Scheme Booklet is misleading or deceptive in any material respect (whether by omission or otherwise) whether because of AMR Information or otherwise.
- 5.4.8 If there is a dispute as to the content of any part of the Scheme Booklet (including AMR Information), the parties must consult in good faith and use their reasonable endeavours to resolve the dispute within two Business Days. If the parties fail to agree on the form or content of the Scheme Booklet:
- 5.4.8.1 Kasbah will have the final decision on the form or content of any Kasbah Information; and
- 5.4.8.2 AMR will have the final decision on the form or content of any AMR Information.

Even if there is a dispute as to the form or content of the Scheme Booklet and the parties use this procedure, the parties will continue to perform their obligations under this agreement.

## 5.5 **Good faith co-operation**

Each party must procure that its Representatives 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 and to prepare all documents required relating to the Scheme.

## 5.6 **Board recommendations**

- 5.6.1 Subject to clause 5.6.2, the Kasbah Board must:
- (a) unanimously recommend that, in the absence of a Superior Offer and subject to the Independent Expert concluding that the Scheme is in the best interests of Kasbah Shareholders, Kasbah Shareholders vote in favour of all resolutions to be proposed at the Scheme Meeting in relation to the Scheme and approve the Scheme, and not subsequently change, withdraw or modify that recommendation in the absence of a Superior Offer; and
  - (b) not make any public statement or take any other action that contradicts or qualifies the recommendation of the Scheme by the Kasbah Directors in the absence of a Superior Offer,

and the Scheme Booklet must state that each Kasbah Director who holds or controls Kasbah Shares intends to vote in favour of the Scheme in the absence of a Superior Offer.

- 5.6.2 The Kasbah Board collectively, and the members of the Kasbah Board individually, must not, change, withdraw or modify his or her recommendation unless:

- (a) the Independent Expert does not provide a report to Kasbah that concludes that the Scheme is in the best interests of Kasbah Shareholders; or
- (b) the Kasbah Directors have unanimously:
  - (i) made the determination contemplated by clause 10.7.2 in respect of a Superior Offer after AMR's rights under clause 10.6.3 have been exhausted and after evaluation of any Counterproposal; and
  - (ii) publicly recommended that the Superior Offer is in the interests of Kasbah Shareholders.

## 5.7 Appointment of Directors

5.7.1 Kasbah must, as soon as practicable:

5.7.1.1 after the Second Court Date (provided the Scheme is approved by the Court), and subject to the receipt of appropriate consents to act, take all actions necessary to cause the appointment of such number of nominees of AMR to the Kasbah Board and all other actions, which gives those nominees, acting together, Control of a majority of the votes that may be cast at a meeting of the Kasbah Board;

5.7.1.2 on the Implementation Date, ensure that all directors on the Kasbah Board (other than the AMR nominees appointed pursuant to clause 5.7.1.1) resign and unconditionally and irrevocably release Kasbah from any Claims they may have against Kasbah other than in connection with Kasbah's undischarged obligations in respect of the director's employment arrangements; and

5.7.1.3 on the Implementation Date, take all actions to ensure that subject to clause 5.7.1.2, all directors on the boards of each Kasbah Group member (other than the AMR nominees appointed pursuant to clause 5.7.1.1) resign and unconditionally and irrevocably release Kasbah and the applicable Kasbah Group member and, subject to the receipt of appropriate consents to act, to cause the appointment of nominees of AMR to those boards.

5.7.2 AMR must, as soon as practicable on the Implementation Date take all actions necessary to cause:

5.7.2.1 the appointment of two nominees of Kasbah to the AMR Board; and

5.7.2.2 the re-composition of the AMR Board such that on the Implementation Date, the AMR Board will consist of a maximum of seven (7) directors, which includes the two nominees of Kasbah pursuant to clause 5.7.2.1, the existing Chairman of AMR (who will remain as the Chairman), the existing managing director of AMR and another existing independent non-executive director of AMR.

## 5.8 Kasbah Options

5.8.1 As soon as reasonably practicable after the date of this agreement, but in any event within 10 Business Days of that date, Kasbah must use all reasonable endeavours to procure that each person who is a holder of Kasbah Options enters into a written agreement with Kasbah and AMR to have his or her Kasbah Options cancelled, with effect from the Implementation Date, in consideration for the issue on the Implementation Date of the Cancellation Consideration,

subject to the Scheme becoming Effective and to any necessary ASX waivers (**Cancellation Deed**). The form of agreement to be used for this purpose must be acceptable to AMR, acting reasonably.

## **6 CONDUCT OF BUSINESS**

### **6.1 Conduct of business by Kasbah**

- 6.1.1 From the date of this agreement until the Implementation Date, Kasbah must conduct its business, and must cause its Subsidiaries to conduct their respective businesses, in the ordinary course of business consistent with past practice, including making all reasonable endeavours to:
- 6.1.1.1 maintain its business and assets including using reasonable endeavours to maintain an available cash balance in accordance with the Kasbah Budget;
  - 6.1.1.2 maintain the Kasbah Permits in good standing and use reasonable endeavours to obtain renewals of any Kasbah Permits that may expire prior to the Implementation Date;
  - 6.1.1.3 maintain the insurance policies of the Kasbah Group;
  - 6.1.1.4 other than as a result of retirement, redundancy, non-renewal of contracts or resignation in the ordinary course, keep available the services of its directors, officers and key employees for the operations of the Kasbah Group;
  - 6.1.1.5 maintain and preserve their relationships with Regulatory Authorities, customers, suppliers, licensors, licensees and others having business dealings with a member of the Kasbah Group (including, using reasonable endeavours to obtain consents from third parties to any change of control provisions which AMR reasonably requests in contracts or arrangements to which a member of the Kasbah Group is a party);
  - 6.1.1.6 use reasonable endeavours to comply in all material respects with all contracts with an annual revenue or expenditure of more than US\$100,000 of which a member of the Kasbah Group is a party, and with Laws and Authorisations applicable to each member of the Kasbah Group and the Kasbah Permits; and
  - 6.1.1.7 not enter into any lines of business or other activities in which members of the Kasbah Group are not engaged as of the date of this agreement, except:
    - 6.1.1.8 as may be required or contemplated by this agreement or to the Scheme; or
    - 6.1.1.9 as may be undertaken with the prior written approval of AMR, such approval not to be unreasonably withheld or delayed; or
    - 6.1.1.10 as is Fairly Disclosed in the Kasbah Disclosure Letter, the Disclosure Materials or the Kasbah Budget (if not attached to the Kasbah Disclosure Letter).

- 6.1.2 Notwithstanding clause 6.1.1, Kasbah must not, and ensure that its Subsidiaries do not:
- 6.1.2.1 increase the remuneration of or pay any bonus or issue any shares, to, or otherwise vary the employment agreements with, any of its directors or any employees with an existing annual total fixed remuneration greater than A\$200,000 (**Senior Executive**), other than in respect of extra duties' payments made to non-executive directors of Kasbah assisting with the Transaction for an aggregate amount of up to A\$20,000;
  - 6.1.2.2 accelerate the rights of any of its directors or Senior Executives to benefits of any kind;
  - 6.1.2.3 pay a director or Senior Executive a termination payment, other than as provided for in an existing employment contract in place as at the date of this agreement;
  - 6.1.2.4 enter into any enterprise bargaining agreement or industrial instrument or long term supply agreement with a term of more than 12 months other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this agreement;
  - 6.1.2.5 give or agree to give a financial benefit to a related party of Kasbah other than in accordance with the exceptions set out in Chapter 2E of the Corporations Act;
  - 6.1.2.6 enter into any new financing arrangements other than the Loan Agreement;
  - 6.1.2.7 make any financial commitment or guarantee which has a value in excess of US\$100,000 over its term;
  - 6.1.2.8 conduct its operations in a manner that is materially inconsistent with the Kasbah Budget, except in an emergency situation acting reasonably;
  - 6.1.2.9 take any action that would be reasonably expected to give rise to a Kasbah Prescribed Occurrence;
  - 6.1.2.10 other than in respect of payment of fees to advisors of Kasbah in connection with the Transaction, satisfy or settle any Claim, dispute, liability or obligation in excess of US\$100,000, except such as have been included in the Kasbah Financial Statements;
  - 6.1.2.11 grant any material waiver, exercise any material option or relinquish any material contractual rights;
  - 6.1.2.12 enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments; or
  - 6.1.2.13 agree to do any of the matters set out above,
- except:
- 6.1.2.14 with the prior written consent of AMR;
  - 6.1.2.15 as required by applicable Law or necessary to give effect to the transactions contemplated in this agreement or the Scheme; or

6.1.2.16 as is Fairly Disclosed in the Kasbah Disclosure Letter, the Disclosure Materials or the Kasbah Budget (if not attached to the Kasbah Disclosure Letter).

## 6.2 Transaction implementation and access to information

6.2.1 From the date of this agreement until the Implementation Date:

6.2.1.1 Kasbah must:

- (a) provide AMR with reasonable access to such officers, documents, records and other information which AMR or its Related Entities reasonably require for the purposes of:
  - (i) understanding the Kasbah Group's financial position, prospects and affairs including its cash flow and working capital position;
  - (ii) implementing the Scheme; and
  - (iii) preparing to carry on the business of the Kasbah Group following implementation of the Scheme; and
- (b) without limiting clause 6.2.1.1(a), provide AMR with:
  - (i) monthly management reports; and
  - (ii) details of any material agreements that are proposed to be entered into during that period.

6.2.1.2 AMR must:

- (a) provide Kasbah with reasonable access to such officers, documents, records and other information which Kasbah or its Related Entities reasonably require for the purposes of:
  - (i) understanding the AMR Group's financial position, prospects and affairs including its cash flow and working capital position; and
  - (ii) implementation of the Scheme.

6.2.2 Nothing in this clause 6.2 requires Kasbah or AMR to:

6.2.2.1 act at the direction of the other. The business of each party and their Subsidiaries will continue to operate independently of the other until the Implementation Date; or

6.2.2.2 provide any information:

- (a) which would breach an obligation of confidentiality to any person or any applicable privacy Laws;
- (b) which would compromise legal professional privilege; or
- (c) which would cause or result in that party being in breach of any material obligation owed to another party (where under an

agreement or otherwise) or a breach of any duty, whether arising under statute or general law owed by that party.

### 6.3 Conduct of business by AMR

- 6.3.1 From the date of this agreement until the Implementation Date, AMR must conduct its business, and must cause its Subsidiaries to conduct their respective businesses, in the ordinary course of business consistent with past practice, including making all reasonable endeavours to:
- 6.3.1.1 maintain its business and assets including using reasonable endeavours to maintain an available cash balance in accordance with the AMR Budget;
  - 6.3.1.2 maintain the AMR Permit in good standing and use reasonable endeavours to obtain renewals of the AMR Permit that may expire prior to the Implementation Date;
  - 6.3.1.3 maintain the insurance policies of the AMR Group;
  - 6.3.1.4 keep available the services of its directors, officers and AMR Key Employees for the operations of the AMR Group;
  - 6.3.1.5 maintain and preserve their relationships with Regulatory Authorities; customers, suppliers, licensors, licensees and others having business dealings with a member of the AMR Group;
  - 6.3.1.6 use reasonable endeavours to comply in all material respects with all contracts with an annual revenue or expenditure of more than US\$100,000 of which a member of the AMR Group is a party, and with Laws and Authorisations applicable to each member of the AMR Group and the AMR Permit; and
  - 6.3.1.7 not enter into any lines of business or other activities in which members of the AMR Group are not engaged as of the date of this agreement, except:
    - 6.3.1.8 as may be required or contemplated by this agreement or to the Scheme; or
    - 6.3.1.9 as may be undertaken with the prior approval of Kasbah, such approval not to be unreasonably withheld or delayed; or
    - 6.3.1.10 as is Fairly Disclosed in the AMR Disclosure Letter, the Disclosure Materials or the AMR Budget (if not attached to the AMR Disclosure Letter).
- 6.3.2 Notwithstanding clause 6.3.1, AMR must not, and ensure that its Subsidiaries do not:
- 6.3.2.1 increase the remuneration of or pay any bonus (excluding sales commission under existing sales commission arrangements) or issue any shares, warrants, performance rights or other securities to, or otherwise vary the employment agreements with, any of its directors or any employees with an existing annual total fixed remuneration greater than US\$200,000 (**Senior Executive**);
  - 6.3.2.2 accelerate the rights of any of its directors or Senior Executives to benefits of any kind;

- 6.3.2.3 pay a director or Senior Executive a termination payment, other than as provided for in an existing employment contract in place as at the date of this agreement;
  - 6.3.2.4 enter into any enterprise bargaining agreement or industrial instrument or long term supply agreement with a term of more than 12 months other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this agreement;
  - 6.3.2.5 give or agree to give a financial benefit to a related party of AMR other than in accordance with the exceptions set out in any applicable Laws;
  - 6.3.2.6 enter into any new financing arrangements;
  - 6.3.2.7 make any financial commitment or guarantee which has a value in excess of US\$100,000 over its term;
  - 6.3.2.8 conduct its operations in a manner that is materially inconsistent with the AMR Budget, except in an emergency situation acting reasonably;
  - 6.3.2.9 take any action that would be reasonably expected to give rise to an AMR Prescribed Occurrence;
  - 6.3.2.10 satisfy or settle any Claim, dispute, liability or obligation, in excess of US\$100,000;
  - 6.3.2.11 grant any material waiver, exercise any material option or relinquish any material contractual rights which have an annual revenue or expenditure in excess of US\$100,000;
  - 6.3.2.12 enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments; or
  - 6.3.2.13 agree to do any of the matters set out above,
- except:
- 6.3.2.14 with the prior written consent of Kasbah;
  - 6.3.2.15 as required by applicable Law or necessary to give effect to the transactions contemplated in this agreement or the Scheme; or
  - 6.3.2.16 as is Fairly Disclosed in the AMR Disclosure Letter, the Disclosure Materials or the AMR Budget (if not attached to the AMR Disclosure Letter).

#### 6.4 Deeds of access, indemnity and insurance

- 6.4.1 AMR must procure that Kasbah and each member of the Kasbah Group preserves the indemnities and other rights under the deeds of indemnity access and insurance made by them in favour of their respective directors and officers and in existence as at the date of this agreement and Fairly Disclosed to AMR in writing prior to the date of this agreement, in particular, must not take any action which would prejudice or adversely affect any directors' and officers' run-off insurance cover taken out prior to the Implementation Date.
- 6.4.2 AMR acknowledges that, notwithstanding any other provision of this agreement, Kasbah may, prior to the Implementation Date, enter into a run-off insurance policy

in respect of any Kasbah Group directors and officers for a 7 year period from their respective retirement dates and that any actions to facilitate that insurance or in connection therewith (including paying any amounts to ensure such maintenance upfront) will not be a Kasbah Prescribed Occurrence or breach any provision of this agreement, provided that Kasbah has not acted unreasonably and has consulted with AMR in respect of the entry into any such policy.

6.4.3 The undertakings contained in this clause 6.4 are subject to any restriction under the Corporations Act or any other applicable legislation and will be read down accordingly. Kasbah receives and holds the benefit of this clause 6.4, to the extent it relates to the directors and officers of Kasbah and other members of the Kasbah Group, as trustee for them.

## **7 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

### **7.1 AMR's representations and warranties**

AMR represents and warrants to Kasbah that each of the AMR Representations and Warranties are true and correct in all material respects.

### **7.2 Qualifications on AMR Warranties**

The AMR Representations and Warranties under clause 7.1 and Schedule 3 are subject to matters that have been Fairly Disclosed in:

7.2.1 the public filings of AMR on SEDAR on or after 1 July 2015 but before the date of this agreement; and

7.2.2 in the AMR Disclosure Letter or the Disclosure Materials,

and matters that Kasbah has actual knowledge of before the date of this agreement.

### **7.3 Kasbah's representations and warranties**

Kasbah represents and warrants to AMR that each of the Kasbah Representations and Warranties are true and correct in all material respects.

### **7.4 Qualifications on Kasbah Warranties**

The Kasbah Representations and Warranties under 7.3 and Schedule 3 are subject to matters that have been Fairly Disclosed in:

7.4.1 the announcements of Kasbah on the ASX announcements platform on or after 1 July 2015 but before the date of this agreement; and

7.4.2 in the Kasbah Disclosure Letter or the Disclosure Materials,

and to matters that AMR has actual knowledge of before the date of this agreement.

### **7.5 Survival of representations and warranties**

Each representation and warranty in clauses 7.1 and 7.3:

7.5.1 is severable;

7.5.2 survives termination of this agreement; and



7.5.3 is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this agreement.

## 7.6 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 7.

## 7.7 Timing of representation and warranties

Each representation and warranty made or given under clauses 7.1 or 7.3 is given:

7.7.1 at the date of this agreement; and

7.7.2 at 8.00am on the Second Court Date; or

7.7.3 where expressed to be given at a particular time, at that time.

## 7.8 Liability of directors and officers

7.8.1 Each party releases its rights against, and will not make any Claim against, any past or present director or employee of the other in relation to information provided to it or in relation to its entry into this agreement to the extent that the past or present director or employee has acted in good faith and has not engaged in wilful misconduct or fraud. In this clause 7.8.1, the reference to any past or present director or employee of the other refers to any past or present director or employee of the AMR Group or the Kasbah Group.

7.8.2 Each party holds the releases in clause 7.8.1 in respect of its directors and employees as trustee for its past and present directors and employees.

7.8.3 This clause 7.8 is subject to any Corporations Act restriction and will be read down accordingly.

# 8 TERMINATION RIGHTS

## 8.1 Termination events

Without limiting any other provision of this agreement:

8.1.1 either party (**non-defaulting party**) may terminate this agreement by notice in writing to the other party:

8.1.1.1 if the End Date has passed before the Transaction has been implemented (other than as a result of a breach by the terminating party of its obligations under this agreement);

8.1.1.2 if each of the following has occurred:

(a) the other party (**defaulting party**) is in breach of a material provision of this agreement (other than for breach of a representation or warranty in parts 1 or 2 of Schedule 3) at any time prior to 8.00am on the Second Court Date;

- (b) the non-defaulting party has given notice to the defaulting party setting out the relevant circumstances of the breach and stating an intention to terminate the agreement; and
  - (c) the relevant circumstances have continued to exist five Business Days (or any shorter period ending at 8.00am on the Second Court Date) from the time the notice in clause 8.1.1.2(b) is given;
- 8.1.1.3 if the required majorities of Kasbah Shareholders do not approve the Scheme at the Scheme Meeting;
- 8.1.1.4 if a Court or other Regulatory Authority has issued an order, decree or ruling or taken other action that permanently restrains or prohibits the Transaction and that order, decree, ruling or other action has become final and cannot be appealed; or
- 8.1.1.5 in accordance with clause 3.9.2.
- 8.1.2 AMR may terminate this agreement by notice in writing to Kasbah if:
  - 8.1.2.1 at any time prior to 8:00am on the Second Court Date, Kasbah breaches any Kasbah Representation or Warranty given pursuant to clause 7.3 and:
    - (a) the breach:
      - (i) cannot be remedied by subsequent action on the part of Kasbah before 8.00am on the Second Court Date; and
      - (ii) amounts to, results in, or discloses anything, that could reasonably be expected to amount to a Kasbah Material Adverse Event;
  - 8.1.2.2 a Kasbah Director, fails to recommend the Scheme or the Transaction or makes or withdraws his or her recommendation that Kasbah Shareholders vote in favour of the Scheme or makes a public statement indicating that he or she no longer supports the Scheme;
  - 8.1.2.3 a Kasbah Prescribed Occurrence or Kasbah Material Adverse Event occurs prior to 8:00am on the Second Court Date;
  - 8.1.2.4 the Kasbah Board recommends a Superior Offer; or
  - 8.1.2.5 a Competing Proposal is announced, made, or becomes open for acceptance and, pursuant to that Competing Proposal, the bidder for Kasbah acquires voting power (within the meaning of section 610 of the Corporations Act) of 20% or more of Kasbah and that Competing Proposal is (or has become) free from any defeating conditions.
- 8.1.3 Kasbah may terminate this agreement by notice in writing to AMR if:
  - 8.1.3.1 at any time prior to 8.00am on the Second Court Date, AMR breaches any AMR Representation or Warranty and:
    - (a) the breach:

- (i) cannot be remedied by subsequent action on the part of AMR before 8.00am on the Second Court Date; and
- (ii) amounts to, results in, or discloses anything, that could reasonably be expected to amount to an AMR Material Adverse Event;

- 8.1.3.2 at any time prior to the date of the Scheme Meeting, a majority of the Kasbah Directors have changed, withdrawn or modified their recommendation in accordance with clause 5.6.2;
- 8.1.3.3 an AMR Director makes a public statement indicating that he or she no longer supports the Transaction;
- 8.1.3.4 an AMR Prescribed Occurrence or AMR Material Adverse Event occurs prior to 8:00am on the Second Court Date;
- 8.1.3.5 the AMR Board recommends a Superior Offer; or
- 8.1.3.6 a Competing Proposal is announced, made, or becomes open for acceptance and, pursuant to that Competing Proposal, the bidder for AMR acquires 20% or more of the issued and outstanding AMR Shares and that Competing Proposal is (or has become) free from any defeating conditions.

## 8.2 **Notice of breach**

Each party must give notice to the other as soon as practicable after it becomes aware of a breach by it of this agreement (including in respect of any representation or warranty).

## 8.3 **Termination right**

- 8.3.1 Any right to terminate this agreement under clauses 8.1.1, 8.1.2 or 8.1.3 that arises before the Second Court Date ceases at 8.00am on the Second Court Date.
- 8.3.2 Subject to clause 8.3.1, any right to terminate this agreement ceases when the Scheme becomes Effective.

## 8.4 **Effect of termination**

- 8.4.1 If a party terminates this agreement, each party will be released from all further obligations under this agreement other than under clauses 1, 7.8, 9, 11, 12, 13 and 14.
- 8.4.2 Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of this clause 8.4), on termination of this agreement, no party shall have any rights against or obligations to any other party under this agreement except for those rights and obligations which accrued prior to termination.

# 9 **PUBLIC ANNOUNCEMENTS**

## 9.1 **Announcement of transaction**

- 9.1.1 Immediately after the execution of this agreement, the parties must, after consultation with the other party, issue public announcement(s) in a form agreed to in writing between them, each party acting reasonably.

- 9.1.2 The Kasbah announcement must include a unanimous recommendation by the Kasbah Board to Kasbah Shareholders that, in the absence of a Superior Offer and subject to the Independent Expert's report concluding that the Transaction is in the best interests of Kasbah Shareholders, Kasbah Shareholders vote in favour of the Scheme and that all the members of the Kasbah Board will vote (or will procure the voting of) all Kasbah Shares held by or controlled by a member of the Kasbah Board in favour of the Scheme.
- 9.1.3 The AMR announcement must include a unanimous recommendation by the AMR Board that each member of the AMR Board supports the Transaction.

## 9.2 Public announcements

9.2.1 Subject to clause 9.2.2, no public announcement or disclosure in relation to the Transaction or any subject matter thereof, or any other transaction the subject of this agreement or the Scheme (including any staff or client announcements or presentations) may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable.

9.2.2 Where a party is required by Law and/or the Listing Rules, the listing rules of the TSX-V or pursuant to Canadian securities Laws or other applicable Laws to make any announcement or make any filing or disclosure in relation to the Transaction or any other transaction the subject of this agreement or the Scheme, it may do so only after it has given as much notice as possible to, and has consulted (to the fullest extent reasonable in the circumstances) with the other party prior to making the relevant disclosure.

9.2.3 AMR and Kasbah agree to consult with each other in advance in relation to:

- 9.2.3.1 overall communication plans;
- 9.2.3.2 approaches to Kasbah Shareholders, holders of Kasbah Options and AMR Shareholders;
- 9.2.3.3 approaches to the media;
- 9.2.3.4 proxy solicitations; and
- 9.2.3.5 written presentations,

including to provide each other a reasonable advance opportunity to comment, to ensure that the information used in clauses 9.2.3.1 to 9.2.3.5 above is consistent with the information in the Scheme Booklet.

## 9.3 Statements on termination

The parties must act in good faith and use all reasonable endeavours to issue agreed statements in respect of any termination of this agreement and, to that end but without limitation, clause 9.2 applies to any such statements or disclosures.

## 10 EXCLUSIVITY

### 10.1 No-shop

Subject to clause 10.7, during the Exclusivity Period, each party must ensure that none of it, its Subsidiaries, or any of their respective Representatives directly or indirectly solicit, invite or encourage or initiate any Competing Proposal or initiate discussions with any third party with a view to obtaining any expressions of interest, offer or proposal from any person in relation to a Competing Proposal.

## 10.2 **No-talk**

Subject to clause 10.7, during the Exclusivity Period, each party must ensure that none of it, its Subsidiaries, or any of its or their Representatives directly or indirectly:

10.2.1 negotiates or enters into or participates in negotiations or discussions with any person; or

10.2.2 enters into any relevant agreement; or

10.2.3 communicates any intention to do any of these things,

in relation to, or which may reasonably be expected to lead to a Competing Proposal or which may reasonably be expected to lead to the Transaction not completing.

## 10.3 **Due diligence information**

Subject to clause 10.7, during the Exclusivity Period, each party must ensure that none of it, its Subsidiaries, or any of their respective Representatives in relation to a Competing Proposal:

10.3.1 solicits, invites, initiates, encourages, facilitates any third party (other than the other party) to undertake due diligence investigations on the party, the party's Group or their respective businesses and operations; or

10.3.2 makes available to any other person or permits any other person to receive (in the course of due diligence investigations or otherwise) any non-public information relating to the party, any member of the party's Group or their respective businesses and operations.

## 10.4 **Notification of approaches**

10.4.1 During the Exclusivity Period, the party must promptly notify the other party in writing if it, its Subsidiaries or any of their respective Representatives becomes aware of:

10.4.1.1 any approach, inquiry or proposal made to, and any attempt or any intention on the part of any person to initiate or continue any negotiations or discussions with the party or any of its Representatives with respect to, or that could reasonably be expected to lead to, any Competing Proposal, whether unsolicited or otherwise;

10.4.1.2 any proposal whether written or otherwise made to the party, its Representatives or any of its Subsidiaries or their respective Representatives, in connection with, or in respect of any exploration or consummation of, a Competing Proposal or a proposed or potential Competing Proposal, whether unsolicited or otherwise;

10.4.1.3 any request for information relating to the party or any member of the party's Group or any of their businesses or operations or any request for access to the books or records of the party or any member of the party's Group, which the party has reasonable grounds to suspect may relate to a current or future Competing Proposal;

- 10.4.1.4 any intention by the party or any of its Representatives to provide any information relating to the party, any member of the party's Group or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Proposal in reliance on clause 10.7;
  - 10.4.1.5 any action by the party or any of its Representatives, or any intention of the party or any of its Representatives to take any action, in reliance on clause 10.7 (including under clause 10.4.1.4); or
  - 10.4.1.6 any breach of this clause 10.4.
- 10.4.2 A notice given under this clause 10.4 must be accompanied by all material details of the relevant event (other than the identity of the person or persons taking any action referred to in clause 10.4.1.1 or 10.4.1.2 or on whose behalf any such action was taken or any person to whom the party intends to provide information under clause 10.4.1.3 (**Third Party Bidder**), including:
- 10.4.2.1 the terms and conditions of any Competing Proposal or any proposed Competing Proposal (to the extent known); and
  - 10.4.2.2 the circumstances in which any information is provided to the Third Party Bidder.

## 10.5 Access to information

- 10.5.1 Where, in reliance on clause 10.7, and subject to applicable law, the party's Group or any member of the party's Group or any of their Representatives proposes to provide any information relating to the party's Group to any Third Party Bidder in connection with or for the purposes of a current or future Competing Proposal, it must, to the extent that the other party has not previously been provided with the information, provide the other party with a complete copy of that information at the same time as it is provided to the Third Party Bidder.
- 10.5.2 Nothing in this clause 10 prevents a party or any of its Representatives from:
  - 10.5.2.1 providing information to its Representatives;
  - 10.5.2.2 providing information required to be provided by law, a Court or any Regulatory Authority; or
  - 10.5.2.3 making presentations to brokers, portfolio investors and analysts in the ordinary and usual course of business.

## 10.6 Other party's response to Third Party Bidder and other party's right to respond

- 10.6.1 If a party is permitted by virtue of clause 10.7 to engage in activity that would otherwise breach clauses 10.1, 10.2 or 10.3, the party must enter into a confidentiality agreement with the Third Party Bidder which is on terms no less onerous to the Third Party Bidder than the Confidentiality Agreement is to the other party.
- 10.6.2 Without prejudice to the other party's rights under this clause 10, if at any time during the Exclusivity Period a party's director wishes to approve or recommend entry into any agreement, commitment, arrangement or understanding relating to a Competing Proposal (other than a confidentiality agreement contemplated by clause 10.6.1), the party must ensure that he or she does not do so:
  - 10.6.2.1 unless the Competing Proposal is bona fide; and

10.6.2.2 until each of the following has occurred:

- (a) the directors of that party have made the determination contemplated by clause 10.7.2 in respect of that Competing Proposal;
- (b) the party has given the other party notice in writing: (a) of the identity of the Third Party Bidder; and (b) of its intention to enter into an agreement, commitment, arrangement or understanding relating to that Competing Proposal, subject to the other party's rights under clause 10.6.3;
- (c) the other party's rights under clause 10.6.3 have been exhausted;
- (d) the party's directors have made the determination contemplated by clause 10.7.2 in respect of that Competing Proposal after the other party's rights under clause 10.6.3 have been exhausted and after evaluation of any Counterproposal; and
- (e) that Competing Proposal has been publicly announced by that person.

10.6.3 If the party gives notice to the other party under clause 10.6.2.2(b), the other party will have the right, but not the obligation, at any time during the period of five Business Days following receipt of the notice, to:

10.6.3.1 offer to amend the terms of the Scheme;

10.6.3.2 make a takeover bid for the party; or

10.6.3.3 propose any other form of transaction,

(each a **Counterproposal**), and if it does so then the party and the party's directors must review the Counterproposal in good faith and in order to satisfy what the Receiving Party's Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Counterproposal is a Superior Offer. If the Counterproposal would be at least as favourable to the party and that party's Shareholders than the Competing Proposal (having regard to the matters noted in clause 10.7.2), then:

10.6.3.4 if the Counterproposal contemplates an amendment to the Scheme, the parties must enter into an amended agreement in relation to the Scheme reflecting the Counterproposal; or

10.6.3.5 if the Counterproposal contemplates any other form of transaction, the party must announce promptly to the market that the party's directors unanimously recommend the Counterproposal (subject to a Superior Offer), and the parties must pursue implementation of the Counterproposal in good faith.

10.6.4 Where at any time before the Scheme Meeting, a Counterproposal from AMR is received by Kasbah in accordance with clause 10.6.3 then, subject to applicable Laws, at AMR's request, Kasbah will:

10.6.4.1 apply to the Court for an order adjourning the Scheme Meeting to a date acceptable to AMR, acting reasonably, which (where the Counterproposal involves a revision to the terms of the Scheme) must

not be later than 10 Business Days after the scheduled date of the Scheme Meeting; and

10.6.4.2 if AMR and Kasbah amend the terms of this agreement pursuant to clause 10.6.3.4 or the Kasbah Directors unanimously recommend the Counterproposal under clause 10.6.3.5 the parties must ensure that the details of such amended agreement or recommended Counterproposal are communicated to the Kasbah Shareholders as soon as practicable and in any event before the resumption of the adjourned Scheme Meeting.

10.6.5 For the purposes of this clause 10.6, each successive modification of any third party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal.

## 10.7 **Fiduciary and other carve-out**

The restrictions in clauses 10.1, 10.2 and 10.3 do not apply to the extent that they restrict a party or the party's directors 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 10) provided:

10.7.1 the Competing Proposal is bona fide and is made in writing by or on behalf of a third party that each of the party's directors consider is of reputable commercial standing; and

10.7.2 the party's directors have determined in good faith and acting reasonably:

10.7.2.1 the Competing Proposal is a Superior Offer, and

10.7.2.2 after having received advice from its external legal adviser practising in the area of corporate law,

that failing to respond to such a bona fide Competing Proposal would constitute a meaningful risk of breaching the party's directors' fiduciary duties or statutory obligations.

## 10.8 **No current discussions**

Each party represents and warrants to the other party that, as at the date of this agreement, neither it nor any of its Representatives:

10.8.1 is participating, directly or indirectly, in any discussions or negotiations with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal for that party; or

10.8.2 is a party to any agreement, arrangement or understanding with a third party in relation to a Competing Proposal for it or a possible Competing Proposal that would prevent it entering into this agreement or complying with its obligations under this agreement.

## 10.9 **Legal advice**

Each party represents and warrants that:

10.9.1 prior to entering into this agreement it has received legal advice on this agreement and the operation of this clause 10; and



10.9.2 it and the party's directors consider this clause 10 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 10 in order to secure the significant benefits to it, and the party's Shareholders, resulting from the Transaction.

## 11 REIMBURSEMENT FEES

### 11.1 AMR

#### 11.1.1 Background

AMR represents and warrants to Kasbah that it would not have entered into this agreement without the benefit of this clause 11.1 and it would not have entered into and continued the negotiations and conducted due diligence into Kasbah leading up to this agreement unless AMR had a reasonable expectation that Kasbah would agree to enter into a clause of this kind.

#### 11.1.2 Acknowledgments

11.1.2.1 The fee payable under clause 11.2.4.1 has been calculated to reimburse Kasbah for the following:

- (a) significant external advisory costs;
- (b) out of pocket expenses, including air fares and hotel accommodation;
- (c) commitment fees and other financing costs; and
- (d) reasonable opportunity costs incurred by AMR in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives,

in relation to the Transaction and AMR will incur further costs if the Transaction is not successful (**AMR Costs**).

11.1.2.2 Kasbah represents and warrants that:

- (a) prior to entering into this agreement it has received legal advice on this agreement and the operation of this clause 11.1;
- (b) it has clear documentary evidence supporting the Kasbah Board's detailed consideration of this agreement and this clause 11.1 in particular; and
- (c) it and the Kasbah Board considers this clause to be fair and reasonable and that it is appropriate to agree to the terms in this clause 11.1 in order to secure the significant benefits to it, and Kasbah Shareholders, resulting from the Transaction.

#### 11.1.3 Agreement on AMR Costs

The parties acknowledge that the amount of the AMR Costs is inherently unascertainable and that, even after termination of this agreement, the AMR Costs will not be able to be accurately ascertained. As a genuine and reasonable pre-estimate of the costs that AMR will suffer if the Transaction does not proceed, the parties agree that, for the purposes of this clause 11.1, the AMR Costs will be equal to the amount of the Reimbursement Fee Amount (it being acknowledged by the

parties that the AMR Costs would most likely be significantly in excess of this amount).

#### 11.1.4 Reimbursement of AMR Costs

11.1.4.1 Kasbah agrees to pay to AMR the Reimbursement Fee Amount if at any time after execution of this agreement, any of the following events occur:

- (a) any Kasbah Director, fails to recommend, or recommends against, qualifies their support of or withdraws its recommendation or approval of, the Transaction, in each case other than as a result of:
  - (i) the Independent Expert opining that the Scheme is not in the best interests of Kasbah Shareholders; or
  - (ii) the fact that an AMR Material Adverse Event has occurred and is continuing;
- (b) any Kasbah Director recommends or promotes a Competing Proposal, including for greater certainty, making any determination under clause 10.6.2;
- (c) the Court does not (taking into account all appeals) approve the Scheme for the purposes of section 411(1)(b) of the Corporations Act as a result of a material non-compliance by Kasbah with any of its obligations under this agreement;
- (d) the Effective Date of the Scheme has not occurred prior to the End Date as a consequence of non-compliance by Kasbah with any of its obligations under this agreement;
- (e) a Competing Proposal is announced before the date of the Scheme Meeting and within 12 months of the announcement, the third party proponent of the Competing Proposal acquires 20% or more of the issued Kasbah Shares; or
- (f) AMR terminates this agreement under clause 8.1.1.2 or 8.1.2.1.

11.1.4.2 The payment of the Reimbursement Fee Amount to AMR provided for in this clause 11.1.4 must be made within five Business Days of receipt of a written demand for payment by AMR. The demand may only be made after the occurrence of an event referred to in clause 11.1.4.1 and termination of this agreement.

## 11.2 **Kasbah**

### 11.2.1 Background

Kasbah represents and warrants to AMR that it would not have entered into this agreement without the benefit of this clause 11.2 and it would not have entered into and continued the negotiations and conducted due diligence into AMR leading up to this agreement unless Kasbah had a reasonable expectation that AMR would agree to enter into a clause of this kind.

### 11.2.2 Acknowledgments

11.2.2.1 The fee payable under clause 11.1.4.1 has been calculated to reimburse AMR for the following:

- (a) significant external advisory costs;
- (b) out of pocket expenses including air fares and hotel accommodation; and
- (c) reasonable opportunity costs incurred by Kasbah in pursuing the Transaction or in not pursuing other alternative strategic initiatives,

in relation to the Transaction and Kasbah will incur further costs if the Transaction is not successful (**Kasbah Costs**).

11.2.2.2 AMR represents and warrants that:

- (a) it has received legal advice on this agreement and the operation of this clause 11.2;
- (b) it has clear documentary evidence supporting the AMR Board's detailed consideration of this agreement and this clause 11.2 in particular; and
- (c) it and the AMR Board considers this clause to be fair and reasonable and that it is appropriate to agree to the terms in this clause 11.2 in order to secure the significant benefits to it, and AMR Shareholders, resulting from the Transaction.

### 11.2.3 Agreement on Kasbah Costs

The parties acknowledge that the amount of the Kasbah Costs is inherently unascertainable and that, even after termination of this agreement, the Kasbah Costs will not be able to be accurately ascertained. As a genuine and reasonable pre-estimate of the costs that Kasbah will suffer if the Transaction does not proceed, the parties agree that, for the purposes of this clause 11.2, the Kasbah Costs will be equal to the amount of the Reimbursement Fee Amount (it being acknowledged by the parties that the Kasbah Costs would most likely be significantly in excess of this amount).

### 11.2.4 Reimbursement of Kasbah Costs

11.2.4.1 AMR agrees to pay to Kasbah the Reimbursement Fee Amount if at any time after execution of this agreement, any of the following events occur:

- (a) any AMR Director fails to recommend, or recommends against, qualifies their support of or withdraws their support of the Transaction, in each case other than as a result of the fact that a Kasbah Material Adverse Event has occurred and is continuing;
- (b) any AMR Director recommends or promotes a Competing Proposal, including for greater certainty, making any determination under clause 10.6.2;
- (c) the Court does not (taking into account all appeals) approve the Scheme for the purposes of section 411(1)(b) of the Corporations Act as a result of a material non-compliance by AMR with any of its obligations under this agreement;

- (d) the Effective Date of the Scheme has not occurred prior to the End Date as a consequence of non-compliance by AMR with any of its obligations under this agreement;
- (e) a Competing Proposal is announced before the date of the Scheme Meeting and within 12 months of the announcement, the third party proponent of the Competing Proposal acquires 20% or more of the issued and outstanding AMR Shares; or
- (f) Kasbah terminates this agreement under clause 8.1.1.2 or 8.1.3.1.

11.2.4.2 The payment of the Reimbursement Fee Amount to Kasbah provided for in this clause 11.2.4 must be made within five Business Days of receipt of a written demand for payment by Kasbah. The demand may only be made after the occurrence of an event referred to in clause 11.2.4.1 and termination of this agreement.

#### 11.2.5 No amounts payable

11.2.5.1 Notwithstanding the occurrence of any event in 11.1.4 or 11.2.4, no AMR Reimbursement Fee Amount or Kasbah Reimbursement Fee Amount is payable:

- (a) once the Scheme becomes Effective; or
- (b) if a transaction is completed pursuant to which Pala or AMR acquire 100% of the issued Kasbah Shares.

11.2.5.2 No AMR Reimbursement Fee Amount is payable by Kasbah if the Kasbah Shareholders do not approve the Scheme.

11.2.5.3 The Kasbah Reimbursement Fee Amount and AMR Reimbursement Fee Amount is only payable once.

#### 11.2.6 Compliance with law

11.2.6.1 If a court or the Takeovers Panel determines that any part of the AMR Reimbursement Fee Amount or Kasbah Reimbursement Fee Amount:

- (a) constitutes or would, if performed, constitute:
  - (i) a breach of the fiduciary or statutory duties of the Kasbah Board or AMR Board, as appropriate; or
  - (ii) unacceptable circumstances within the meaning of the Corporations Act; or
- (b) is unenforceable or would, if paid, be unlawful for any reason,

then Kasbah or AMR (as appropriate) will not be obliged to pay such part of the AMR Reimbursement Fee Amount or Kasbah Reimbursement Fee Amount and, if such fee has already been paid, then the relevant party or parties must within five Business Days after receiving written demand from the other party or parties refund that part of the AMR Reimbursement Fee Amount or Kasbah Reimbursement Fee Amount.

11.2.6.2 If in Takeovers Panel proceedings detailed in clause 11.2.6.1, the Takeovers Panel indicates to a party that in the absence of a written

undertaking pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) it will make a declaration of unacceptable circumstances, each of the parties (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other parties. Where such undertakings are given, this clause 11 will operate in a manner consistent with the terms of such undertakings.

- 11.2.6.3 The parties must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 11.2.6.1.

### 11.3 Claims

Each party agrees that, upon termination of this agreement under circumstances where Kasbah or AMR is entitled to a Kasbah Reimbursement Fee Amount or an AMR Reimbursement Fee Amount, as applicable, and such fee is paid in full, Kasbah or AMR, as the case may be, shall be precluded from any other remedy against the other party at law or in equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment or damages of any kind, including consequential, indirect or punitive damages, against the other party or any of its Subsidiaries or any of the respective directors, officers, employees, partners, managers, members, shareholders or affiliates or their respective representatives in connection with this agreement or the transactions contemplated, provided, however that a payment by a party of a fee shall not be in lieu of any damages or any other payment or remedy available in the event of any wilful or intentional breach by such party of any of its obligations under this agreement.

## 12 GST

### 12.1 Interpretation

In this clause 12 and the rest of this agreement, a word or expression defined in the GST Law has the same meaning given to it in the GST Law.

### 12.2 GST exclusive

- 12.2.1 Unless expressly stated otherwise, any consideration or amount payable under this agreement, including any non-monetary consideration (as reduced in accordance with clause 12.2.5 if required) (**Consideration**) is exclusive of GST.
- 12.2.2 If GST is or becomes payable on a supply made under or in connection with this agreement, an additional amount (**Additional Amount**) is payable by the party providing Consideration for the supply (**Recipient**) equal to the amount of GST payable on that supply as calculated by the party making the supply (**Supplier**) in accordance with the GST Law.
- 12.2.3 The Additional Amount payable under clause 12.2.2 is payable at the same time and in the same manner as the Consideration for the supply, subject to the provision of a valid tax invoice by the Supplier at or before that time. If a valid tax invoice is not provided by the Supplier at or before that time then the Additional Amount is only payable on receipt of a valid tax invoice.
- 12.2.4 If for any reason (including the occurrence of an adjustment event) the amount of GST payable on a supply (taking into account any decreasing or increasing adjustments in relation to the supply) varies from the Additional Amount payable by the Recipient under clause 12.2.2:

- 12.2.4.1 the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
  - 12.2.4.2 the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
  - 12.2.4.3 the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the Additional Amount. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an adjustment event in relation to the supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an adjustment note within 14 days after becoming aware of the occurrence of the adjustment event.
- 12.2.5 Despite any other provision in this agreement:
- 12.2.5.1 if an amount payable under or in connection with this agreement (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any input tax credit to which that party is entitled in respect of that Amount Incurred; and
  - 12.2.5.2 no Additional Amount is payable under clause 12.2.2 in respect of a supply to which section 84-5 of the GST Law applies.
- 12.2.6 Any reference in this clause to an input tax credit to which a party is entitled includes an input tax credit arising from a creditable acquisition by that party and to which the representative member of a GST group of which the party is a member is entitled.

## 13 NOTICES

### 13.1 Service of notices

A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:

- 13.1.1 in writing and in English directed to the recipient's address for notices specified in the Details, as varied by any Notice; and
- 13.1.2 hand delivered or sent by email to that address with a copy being sent to:
  - 13.1.2.1 in the case of communications sent to Kasbah, Sam.Smart@dlapiper.com; and
  - 13.1.2.2 in the case of communications sent to AMR, Murray.Wheater@ashurst.com.

### 13.2 Effective on receipt

A Notice given in accordance with clause 13.1 takes effect when received (or at a later time specified in it), and is taken to be received:

- 13.2.1 if hand delivered, on delivery; or

13.2.2 if sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received stating that the email has not been delivered, three hours after the time the email was sent by the sender, such time to be determined by reference to the device from which the email was sent,

but if the delivery or transmission under clause 13.2.1 or 13.2.2 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.

## **14 GENERAL**

### **14.1 Amendments**

This agreement may be amended only in writing signed by each party.

### **14.2 Approvals and consents**

Except where this agreement expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this agreement.

### **14.3 Assignment**

A party may only assign this agreement or a right under this agreement with the prior written consent of the other party, which consent that other party may give or withhold in its absolute discretion.

### **14.4 Entire agreement**

This agreement and the Confidentiality Agreement contain the entire agreement between the parties as at the date of this agreement with respect to their subject matter and supersede all prior agreements and understandings between the parties in connection with them.

### **14.5 Costs and stamp duty**

14.5.1 Except as otherwise provided in this agreement, each party must pay its own costs of negotiating, preparing, executing and performing this agreement and the Scheme Booklet and the proposed, attempted or actual implementation of this agreement and the Scheme.

14.5.2 Any stamp duty payable on the transfer of Kasbah Shares to AMR under the Scheme must be paid by AMR.

### **14.6 Counterparts**

This agreement may be executed in counterparts. All executed counterparts constitute one document.

### **14.7 No Merger**

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

### **14.8 Severability**

A term or part of a term of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining terms or part of a term of this agreement continue in force.

#### 14.9 **Waiver**

A party 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 party giving the waiver.

#### 14.10 **Relationship**

Except where this agreement expressly states otherwise, this agreement does not create a relationship of employment, trust, agency or partnership between the parties.

#### 14.11 **No representation or reliance**

Each party acknowledges that:

14.11.1 no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement;

14.11.2 it does not enter into this agreement 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 agreement; and

14.11.3 clauses 14.11.1 and 14.11.2 above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC or ASX.

#### 14.12 **Governing law and jurisdiction**

This agreement is governed by the law of Western Australia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives 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.

#### 14.13 **Mutual further assurances**

Each party must do all things necessary or expedient to be done by it in connection with the matters referred to in this agreement.

*[The remainder of this page has been intentionally left blank]*



**SIGNING PAGE**

**Executed** as an agreement on 10 August 2016

Executed by **Asian Mineral Resources Limited**  
in accordance with its constituent documents and  
the laws of its jurisdiction of incorporation:

[Signed "Robin Widdup"]

.....  
Signature of director

[Robin Widdup]

.....  
Name of director (print)

Executed by **Kasbah Resources Limited ACN  
116 931 705** in accordance with s127 of the  
Corporations Act 2001:

[Signed "Rodney J Marston"]

.....  
Signature of director

[Rodney J Marston]

.....  
Name of director (print)

[Signed "Wayne C Bramwell"]

.....  
Signature of director/company secretary

[Wayne C Bramwell]

.....  
Name of director/company secretary (print)

## SCHEDULE 1: TIMETABLE

<b>Event</b>	<b>Target Date (Perth Time unless stated otherwise)</b>
Signing of Scheme Implementation Agreement (both parties)	10 August 2016
Announcement of Scheme Implementation Agreement	11 August 2016
Complete drafts of Scheme Booklet (including draft of the Independent Expert's report)	early September 2016
Kasbah Board approved Scheme Booklet lodged with ASIC	early September 2016
Scheme Booklet settled; ASIC issues section 411(17) "no objection" confirmation	late September 2016
First Court Date	late September 2016
Commence printing of Scheme Booklet	late September 2016
Dispatch of Scheme Booklet to Kasbah Shareholders	late September 2016
Scheme Meeting	late October 2016
Second Court Date	early November 2016
Effective Date	early November 2016
Record Date	early November 2016
Implementation Date	early November 2016

## SCHEDULE 2: SCHEME

### SCHEME OF ARRANGEMENT MADE UNDER SECTION 411 OF THE CORPORATIONS ACT 2001 (CTH)

#### DETAILS

<b>Parties</b>	<b>Kasbah</b>	
	Name	Kasbah Resources Limited
	ACN	116 931 705
	Address	11 Moreau Mews, Applecross, Western Australia 6153, Australia

**The registered holders of the fully paid ordinary shares in the capital of Kasbah as at 5:00pm on the Record Date**

#### 1 DEFINED TERMS & INTERPRETATION

##### 1.1 Defined terms

In this Scheme, except where the context otherwise requires:

**AMR** means Asian Mineral Resources Limited, a company incorporated and existing under the laws of Canada, having its principal office at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8.

**AMR Register** means the securities register(s) of AMR kept pursuant to applicable law in Canada.

**AMR Share** means one fully paid common share in the capital of AMR.

**AMR Share CDI** means a CHESS Depository Interest, issued by CDN, representing a beneficial interest in ten (10) AMR Shares.

**AMR Warrant** means a warrant to acquire an AMR Share on the terms and conditions in Schedule 7 of the Implementation Agreement.

**AMR Warrant CDI** means a CHESS Depository Interest, issued by CDN, representing a beneficial interest in ten (10) AMR Warrants.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the ASX or TSX-V declares is not a business day or is not open for trading.

**CDN** means CHESS Depository Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 25414), in its capacity as depository of the AMR Share CDIs and AMR Warrant CDIs under the ASX Settlement Rules.

**CHESS** means the clearing house electronic sub-register system of share transfers operated by ASX Settlement.

**Conditions Precedent** means the conditions precedent set out in clause 3.1 of the Implementation Agreement.

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

**Court** means the Federal Court of Australia.

**Deed Poll** means the deed poll between executed by AMR substantially in the form of Schedule 4 to the Implementation Agreement, or in such other form as agreed in writing between Kasbah and AMR.

**DRS** means Direct Registration System.

**Effective** means, when used in relation to a Scheme, the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme taking effect pursuant to section 411(10) of the Corporations Act, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

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

**Election Form** means the form accompanying the Scheme Booklet, pursuant to which Scheme Participants (other than Ineligible Shareholders) may elect whether to receive their Scheme Consideration in the form of AMR Shares and AMR Warrants or AMR Share CDIs and AMR Warrant CDIs.

**Encumbrance** means any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by law or contract.

**End Date** means 15 December 2016, or such later date as agreed to in writing between AMR and Kasbah in accordance with clause 3.9 of the Implementation Agreement.

**Excluded Shareholder** means AMR and any related body corporate of it.

**Implementation Agreement** means the Scheme Implementation Agreement dated on or about 10 August 2016 between AMR and Kasbah, as amended or varied from time to time.

**Implementation Date** means the fifth Business Day after the Record Date, or such other date agreed to in writing by AMR and Kasbah.

**Ineligible Shareholder** means a Kasbah Shareholder whose address shown in the Register is in a jurisdiction outside Australia, New Zealand, Mauritius, Thailand, United States of

America, Switzerland, Jersey, Hong Kong and South Africa in which AMR determines, acting reasonably, does not permit the issue of AMR Shares and AMR Warrants or AMR Share CDIs and AMR Warrant CDIs to that Kasbah Shareholder either unconditionally or after compliance with terms that AMR reasonably regards as acceptable and practical.

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

**Kasbah Shareholder** means each person who is registered in the Register as the holder of Kasbah Shares.

**Record Date** means 5.00pm on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as Kasbah and AMR may agree in writing.

**Register** means the share register of Kasbah kept pursuant to the Corporations Act.

**Sale Agent** means a person appointed by AMR to sell the AMR Shares (or AMR Share CDIs) and AMR Warrants (or AMR Warrant CDIs) that are attributable to Ineligible Shareholders.

**Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Kasbah and the Kasbah Shareholders as set out in this document, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by AMR and Kasbah.

**Scheme Booklet** means the scheme booklet published by Kasbah in connection with this Scheme.

**Scheme Consideration** means:

- (a) 0.13 AMR Share CDIs or, if so elected, 1.3 AMR Shares, for every one Kasbah Share; and
- (b) 0.04 AMR Warrant CDIs or, if so elected, 0.4 AMR Warrants, for every one Kasbah Share held.

**Scheme Meeting** means the meeting of Kasbah Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

**Scheme Participant** means each person who is a Kasbah Shareholder as at 5:00pm on the Record Date (other than Excluded Shareholders).

**Scheme Share** means a Kasbah Share held by a Scheme Participant as at 5:00pm the Record Date.

**Second Court Date** means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

**TSX-V** means the TSX Venture Exchange.

## 1.2 Interpretation

In this Scheme:

- 1.2.1 the singular includes the plural and vice versa, and a gender includes other genders;
- 1.2.2 another grammatical form of a defined word or expression has a corresponding meaning;
- 1.2.3 a reference to a clause, paragraph, or schedule is to a clause or paragraph of, or schedule to, this document, and a reference to this agreement includes any schedule;
- 1.2.4 a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- 1.2.5 a reference to A\$, dollar or \$ is to Australian currency;
- 1.2.6 a reference to C\$ is to the lawful currency of Canada;
- 1.2.7 a reference to time is to Perth, Western Australia time, unless otherwise noted;
- 1.2.8 a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- 1.2.9 a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- 1.2.10 a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- 1.2.11 a word or expression defined in the Corporations Act and not otherwise defined in this agreement has the meaning given to it in the Corporations Act;
- 1.2.12 the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- 1.2.13 any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- 1.2.14 a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it; and
- 1.2.15 if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

## **2 THE SCHEME**

### **2.1 Subject to and conditional on:**

- 2.1.1 approval of the Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act and if applicable, Kasbah and AMR having accepted in writing

any modification or condition made or required by the Court under section 411(6) of the Corporations Act;

- 2.1.2 such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by Kasbah and AMR as having been satisfied or waived;
- 2.1.3 lodgement with ASIC of an office copy of the order of the Court approving the Scheme pursuant to section 411(10) of the Corporations Act;
- 2.1.4 the orders of the Court made or required by the Court under section 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act) approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date;
- 2.1.5 all of the Conditions Precedent being satisfied or waived (other than the condition in clause 3.1.4 (Court Approval) or those that cannot be waived) in accordance with the Implementation Agreement by the times set out in the Implementation Agreement;
- 2.1.6 as at 8:00 am on the Second Court Date, the Implementation Agreement not having been terminated in accordance with its terms; and
- 2.1.7 as at 8:00 am on the Second Court Date, the Deed Poll not having terminated in accordance with its terms,

in consideration for the Scheme Consideration for the Scheme Shares in accordance with the terms of this Scheme, the Scheme Shares, and all rights and entitlements attaching to the Scheme Shares, will be transferred to AMR with effect from the Implementation Date and without the need for any further act by the holders of the Scheme Shares (other than any acts performed by Kasbah or its directors or officers as attorney or agent for the Scheme Participants) on the terms of this Scheme.

- 2.2 The satisfaction of each condition in paragraphs 2.1.1 to 2.1.7 (inclusive) of this Scheme (**Condition**) is a condition precedent to the operation of this Scheme.
- 2.3 Kasbah and AMR will each provide to the Court on the Second Court Date:
  - 2.3.1 a certificate signed by AMR and Kasbah (or such other evidence as the Court requests) stating whether or not the Conditions Precedent have been satisfied or waived (other than the condition in clause 3.1.4 (Court Approval) or other than those that cannot be waived) as at 8:00am on the Second Court Date; and
  - 2.3.2 a certificate confirming (in respect of matters within their knowledge) whether or not the conditions precedent in this Scheme (other than the conditions in clause 3.1.4 (Court Approval) of the Implementation Agreement and paragraphs 2.1.1 to 2.1.4 relating to Court approval of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

The certificate referred to in this paragraph 2.3 will constitute conclusive evidence of whether such conditions precedent have been satisfied or waived as at 8:00am on the Second Court Date.

- 2.4 Subject to paragraph 2.5, this Scheme becomes Effective for all purposes on the Effective Date.
- 2.5 This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date, unless AMR and Kasbah otherwise agree in writing.
- 2.6 In consideration of the transfer of the Scheme Shares to AMR (as detailed in paragraph 2.9), and subject to the other terms and conditions of this Scheme, on the Implementation Date:
- 2.6.1 each Scheme Participant (who is not an Ineligible Shareholder) will be issued the Scheme Consideration in respect of the Kasbah Shares held by them as at 5:00pm on the Record Date; and
- 2.6.2 the Sale Agent will be issued the Scheme Consideration (in the form of AMR Shares and AMR Warrants) in respect of the Kasbah Shares held by all Ineligible Shareholders as at 5:00pm on the Record Date.
- 2.7 Notwithstanding any rule of law or equity to the contrary, holders of Scheme Shares will be entitled to exercise all voting and other rights attached to the Scheme Shares pending their transfer pursuant to paragraph 2.9, subject to the restrictions on dealing in Scheme Shares set out in paragraph 4.
- 2.8 If the Scheme becomes Effective, a holder of Scheme Shares (other than an Ineligible Shareholder) will be deemed to have agreed to become a member of AMR and to have accepted the AMR Shares (or AMR Share CDIs) and AMR Warrants (or AMR Warrant CDIs) issued to that holder under this Scheme subject to, and to be bound by, the constating documents of AMR.
- 2.9 On the Implementation Date Kasbah must:
- 2.9.1 procure the delivery of a duly completed and executed instrument or instruments of transfer transferring all of the Scheme Shares to AMR; and
- 2.9.2 subject to AMR having executed that instrument of transfer, enter the name of AMR in the Register as the holder of the Scheme Shares.
- 2.10 This Scheme attributes actions to AMR but does not itself impose an obligation on AMR to perform those actions. AMR has agreed by executing the Deed Poll to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide the Scheme Consideration to Scheme Participants.
- 2.11 Kasbah undertakes in favour of each Scheme Participant to enforce the Deed Poll against AMR on behalf of and as agent and attorney for the Scheme Participants.
- 2.12 Each Scheme Participant warrants to AMR and is deemed to have authorised Kasbah to warrant to AMR as agent and attorney for the Scheme Participant by virtue of this paragraph 2.12, that:
- 2.12.1 all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to AMR under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and



- 2.12.2 they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to AMR under the Scheme.

### **3 ELECTION PROCEDURE**

- 3.1 Subject to the remaining provisions of this paragraph 3, each Scheme Participant will be entitled to elect to receive as consideration for the transfer of its Scheme Shares to AMR, under this Scheme, either AMR Shares and AMR Warrants or AMR Share CDIs and AMR Warrant CDIs by completing the Election Form and returning it to the address specified in the Election Form so that it is received by 5:00pm on the Record Date. An election (other than a deemed election) under this paragraph 3 must be made in accordance with the terms and conditions on the Election Form.
- 3.2 An Ineligible Shareholder may not make an election pursuant to this paragraph 3 and any election purportedly made by an Ineligible Shareholder will be invalid. Ineligible Shareholders will be deemed to have elected to receive AMR Shares and AMR Warrants and will be dealt with in accordance with paragraph 6.
- 3.3 A Scheme Participant (who is not an Ineligible Shareholder) who does not validly elect between AMR Shares and AMR Warrants or AMR Share CDIs and AMR Warrant CDIs will be deemed to have elected to receive AMR Share CDIs and AMR Warrant CDIs. Accordingly, a Scheme Participant who wishes to receive AMR Share CDIs and AMR Warrant CDIs does not need to make an election under this paragraph 3.
- 3.4 Subject to paragraph 3.5, an election made, or deemed to be made by a Scheme Participant under this paragraph 3 will be deemed to apply in respect of the Scheme Participant's entire registered holding of Kasbah Shares, regardless of whether the Scheme Participant's holding of Scheme Shares at the Record Date is greater or less than the Scheme Participant's holding of Kasbah Shares at the time of the election.
- 3.5 A Scheme Participant who is noted on the Register as holding one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, may make a separate election under this paragraph 3 in relation to each of those parcels of Scheme Shares (subject to it providing to Kasbah and AMR any substantiating information they reasonably require), and an election made or deemed to be made in respect of any such parcel, will not be taken to extend to the other parcels.
- 3.6 Kasbah may, with the prior written consent of AMR, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election under this paragraph 3, and any such decision will be conclusive and binding on Kasbah, AMR and the relevant Scheme Participant.

### **4 DEALINGS IN KASBAH SHARES**

- 4.1 To establish the identity of Scheme Participants, dealings in Kasbah Shares will only be recognised if:
- 4.1.1 in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as holder of the relevant Kasbah Shares on or before 5:00pm on the Record Date; and

- 4.1.2 in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5:00pm on the Record Date at the place where the Register is kept.
- 4.2 Kasbah must register any transmission application or transfer received in accordance with paragraph 4.1 by 5:00pm on the Record Date.
- 4.3 If the Scheme becomes Effective:
- 4.3.1 no dealing in Kasbah Shares, whenever initiated, will be given effect to if it is received after 5:00pm on the Record Date;
- 4.3.2 any purported dealing in Kasbah Shares after 5:00pm on the Record Date will be void and of no effect; and
- 4.3.3 no Kasbah Shares or options to subscribe for Kasbah Shares will be allotted or issued by Kasbah after the Effective Date.
- 4.4 For the purpose of determining entitlements to the Scheme Consideration, Kasbah will maintain the Register in accordance with the provisions of this paragraph 4 until the Scheme Consideration has been paid to the Scheme Participants and AMR has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.
- 4.5 Subject to provision of the Scheme Consideration and registration of the transfer to AMR contemplated in paragraph 2.9, any statements of holding in respect of Kasbah Shares will cease to have effect after 5:00pm on the Record Date as documents of title in respect of those shares. After 5:00pm on the Record Date, each entry current on the Register as at 5:00pm on the Record Date will cease to have effect except as evidence of entitlement to the Scheme Consideration.
- 4.6 As soon as practicable after the Record Date, and in any event within one Business Day of the Record Date, Kasbah will ensure that details of the names, registered addresses and holdings of Kasbah Shares for each Scheme Participant, as shown in the Register at 5:00pm on the Record Date, are available to AMR in such form as AMR reasonably requires.
- 4.7 Kasbah will apply to ASX to suspend trading on ASX in Kasbah Shares with effect from the close of trading on ASX on the Effective Date.
- 4.8 After the Scheme has been fully implemented, Kasbah will apply:
- 4.8.1 for termination of the official quotation of Kasbah Shares on ASX; and
- 4.8.2 to have itself removed from the official list of the ASX.

## **5 ISSUE OF SCHEME CONSIDERATION**

- 5.1 Not later than one Business Day after the Record Date, Kasbah will give to AMR a notice specifying the persons to whom AMR Share CDIs and AMR Warrant CDIs (or AMR Shares and AMR Warrants) are to be issued pursuant to paragraph 2.6 and the numbers of AMR Share CDIs and AMR Warrant CDIs (or AMR Shares and AMR Warrants) to which they are entitled respectively. Where the calculation of the number of AMR Share CDIs or AMR Warrant CDIs (or AMR Shares or AMR Warrants) to be issued to a particular Scheme

Participant would result in the issue of a fraction of an AMR Share CDIs or AMR Warrant CDIs (or AMR Shares or AMR Warrants), the fractional entitlement will be rounded down to the nearest whole number of AMR Share CDIs or AMR Warrant CDIs (or AMR Shares or AMR Warrants).

- 5.2 The obligation of AMR to issue the Scheme Consideration in the form of AMR Shares and AMR Warrants under this Scheme will be satisfied by AMR procuring that:
- 5.2.1 the name and address of each Scheme Participant is entered into the AMR Register on the Implementation Date in respect of the AMR Shares and AMR Warrants to which such Scheme Participant is entitled; and
  - 5.2.2 a DRS advice is sent to the registered address of each Scheme Participant, representing the number of AMR Shares and AMR Warrants issued to the Scheme Participant.
- 5.3 The obligation of AMR to issue the Scheme Consideration in the form of AMR Share CDIs and AMR Warrant CDIs under this Scheme will be satisfied by AMR:
- 5.3.1 issuing to CDN to be held on trust that number of AMR Shares and AMR Warrants that will enable CDN to issue all the AMR Share CDIs and AMR Warrant CDIs envisaged by paragraph 5.3.3 on the Implementation Date;
  - 5.3.2 procuring that the name and address of CDN is entered into the AMR Register in respect of those AMR Shares and AMR Warrants on the Implementation Date and that a DRS advice in the name of CDN representing those AMR Shares and AMR Warrants is sent to CDN;
  - 5.3.3 procuring that, on the Implementation Date, CDN issues to each such Scheme Participant the number of AMR Share CDIs and AMR Warrant CDIs to which it is entitled;
  - 5.3.4 procuring that, on the Implementation Date, the name of each such Scheme Participant is entered into the records maintained by CDN as the holder of the AMR Share CDIs and AMR Warrant CDIs issued to that Scheme Participant on the Implementation Date;
  - 5.3.5 in the case of such Scheme Participant who held Scheme Shares on the CHESSE subregister, procuring that the AMR Share CDIs and AMR Warrant CDIs are held on the CHESSE subregister on the Implementation Date and sending or procuring the sending of an allotment advice that sets out the number of AMR Share CDIs and AMR Warrant CDIs issued and procuring that ASX Settlement will provide at the end of the month of allotment an AMR CDI holding statement confirming the number of AMR Share CDIs and AMR Warrant CDIs held on the CHESSE subregister by that Scheme Participant; and
  - 5.3.6 in the case of each such Scheme Participant who held Scheme Shares on the issuer sponsored subregister, procuring that the AMR Share CDIs and AMR Warrant CDIs are held on the issuer sponsored subregister on the Implementation Date and sending or procuring the sending of an AMR CDI holding statement to each such Scheme Participant which sets out the number of AMR Share CDIs and AMR Warrant CDIs held on the issuer sponsored subregister by that Scheme Participant.

## **6 INELIGIBLE SHAREHOLDERS**

- 6.1 AMR has no obligation under this Scheme to issue any Scheme Consideration to an Ineligible Shareholder under the Scheme.
- 6.2 The AMR Shares and AMR Warrants (including for the avoidance of doubt AMR Shares and AMR Warrants that represent AMR Share CDIs and AMR Warrant CDIs) that would, but for paragraph 6.1, have been issued to an Ineligible Shareholder must be issued by AMR to the Sale Agent and AMR must procure that:
- 6.2.1 the name and registered address of the Sale Agent is entered into the AMR Register on the Implementation Date in respect of the AMR Shares and AMR Warrants required to be issued to it under paragraph 2.6.2; and
- 6.2.2 a DRS advice is sent to the Sale Agent representing the number of AMR Shares and AMR Warrants so issued to it.
- 6.3 AMR must procure that the Sale Agent:
- 6.3.1 as soon as reasonably practicable and, in any event, not more than 20 Business Days after the Implementation Date, sells those AMR Shares and AMR Warrants for the benefit of the Ineligible Shareholders;
- 6.3.2 promptly after receiving the proceeds in respect of the sale of all of the AMR Shares and AMR Warrants referred to in paragraph 6.3.1, and in any event not more than five Business Days after the last sale of AMR Shares or AMR Warrants is completed under paragraph 6.3.1, arrange for the conversion of the net proceeds of all such sales in C\$ referred to in paragraph 6.3.1 from C\$ to A\$; and
- 6.3.3 within two Business Days after conversion of the net proceeds to A\$ referred to in paragraph 6.3.2,
- 6.3.3.1 accounts to the Ineligible Shareholders for the net proceeds of sale (on an averaged basis so that all Ineligible Shareholders receive the same price per AMR Shares and AMR Warrants, subject to rounding to the nearest whole cent), and any income referable to those AMR Shares and AMR Warrants, after deduction of any applicable costs or fees, brokerage, taxes and charges, at the Ineligible Shareholders' risk in full satisfaction of the Ineligible Shareholders' rights under this Scheme; and
- 6.3.3.2 remits the net proceeds of sale to the Ineligible Shareholders by dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian dollars drawn in the name of the Ineligible Shareholder (or in the case of joint holders, in accordance with paragraph 8.5) by ordinary pre-paid post to the address of that Ineligible Shareholder appearing in the Register at the Record Date.
- 6.4 In the event that the Sale Agent believes, after consultation with Kasbah, that an Ineligible Shareholder is not known at its address appearing in the Register at the Record Date, the Sale Agent may credit the amount payable to that Ineligible Shareholder to a separate bank account of AMR to be held until the Ineligible Shareholder claims the amount or the amount is dealt with in accordance with unclaimed money legislation, and AMR must hold the amount in

trust but any amount accruing from the amount will be to the benefit of AMR. An amount credited to the account is to be treated as having been paid to the Ineligible Shareholder. AMR must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- 6.5 Payment by the Sale Agent to an Ineligible Shareholder in accordance with this paragraph 6 satisfies in full the Ineligible Shareholder's right to Scheme Consideration.
- 6.6 None of AMR, Kasbah or the Sale Agent gives any assurance as to the price that will be achieved for the sale of the AMR Shares and AMR Warrants described in this paragraph 6, and the sale of the AMR Shares and AMR Warrants under this paragraph 6 will be at the risk of the Ineligible Shareholder.
- 6.7 Each Ineligible Shareholder appoints Kasbah, and each director or officer of Kasbah, as its agent to receive on its behalf any financial services guide or other notice which may be given by the Sale Agent to the Ineligible Shareholder for or in connection with its appointment or sales.

## **7 WHEN SCHEME BECOMES BINDING**

- 7.1 This Scheme will become binding on Kasbah and each Scheme Participant only if the Court makes an order under section 411(4)(b) of the Corporations Act approving the Scheme and that order becomes effective in accordance with section 411(10) of the Corporations Act. Kasbah must lodge an office copy of that order with ASIC not later than 5:00pm on the Business Day after the order has been made.
- 7.2 If this Scheme becomes binding as provided by paragraph 7.1, the rights of any holder at the Record Date of a Kasbah Share are the same as the rights that a Kasbah Shareholder who held that Kasbah Share immediately prior to the Effective Date would have had if he had remained the holder of the Kasbah Share until the Record Date.
- 7.3 Where this Scheme becomes binding as provided by paragraph 7.1, a holder of Kasbah Shares (and any person claiming through that holder) may only assign, transfer or otherwise deal with those Kasbah Shares on the basis that the rights so assigned, transferred or dealt with are limited in the manner described in paragraph 7.2.

## **8 GENERAL**

- 8.1 Kasbah may by its counsel or solicitors consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition, which the Court may think fit to approve or impose and to which AMR has consented in writing (such consent not to be unreasonably withheld).
- 8.2 The accidental omission to give notice of the Scheme Meeting to any holder of Kasbah Shares or the non-receipt of such a notice by any holder of Kasbah Shares will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings at the Scheme Meeting.
- 8.3 For the purpose of this Scheme, the expression "send" or "sent" means:

- 8.3.1 for the purpose of paragraphs 5.2.2, 5.3.5 and 5.3.6, sending by ordinary pre-paid post to a Scheme Participant at the address of that Scheme Participant appearing in the Register at the Record Date;
  - 8.3.2 for the purpose of paragraph 6.2.2, sending by ordinary pre-paid post to the Sale Agent at its address; or
  - 8.3.3 delivery to the relevant address by any other means at no cost to the recipient.
- 8.4 If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Kasbah, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Kasbah's registered office or at the office of the registrar of Kasbah Shares.
- 8.5 In the case of Scheme Shares held in joint names:
- 8.5.1 the AMR Share CDIs and AMR Warrant CDIs (or AMR Shares and AMR Warrants) to be issued under this Scheme must be issued to and registered in the names of the joint holders;
  - 8.5.2 any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name first appears in the Register as at the Record Date; and
  - 8.5.3 any other document required to be sent under this Scheme, will be forwarded to the holder whose name first appears in the Register as at the Record Date.
- 8.6 Each holder of Kasbah Shares (other than an Excluded Shareholder) will be deemed (without the need for any further act) to have irrevocably appointed Kasbah and each of its officers, jointly and severally, as the holder's attorney for the purpose of executing any document necessary to give effect to this Scheme, including executing a share transfer form or master share transfer form for the Kasbah Shares.
- 8.7 The Scheme Participants:
- 8.7.1 agree to the transfer of their Kasbah Shares to AMR in accordance with the terms of this Scheme and consent to Kasbah doing all things necessary for or incidental to the implementation of this Scheme; and
  - 8.7.2 acknowledges that this Scheme binds Kasbah and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Meeting).
- 8.8 Kasbah must execute all deeds and other documents and do all acts and things as may be necessary or expedient on its part to implement this Scheme in accordance with its terms.
- 8.9 Neither Kasbah nor any of its officers will be liable for anything done or for anything omitted to be done in performance of this Scheme in good faith.
- 8.10 To the extent of any inconsistency, this Scheme overrides Kasbah's constitution and binds Kasbah and the holders of Kasbah Shares.

8.11 The proper law of this Scheme is the law of Western Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

## SCHEDULE 3: REPRESENTATIONS AND WARRANTIES

### 1 KASBAH REPRESENTATIONS AND WARRANTIES

- 1.1 **status:** Kasbah is a company limited by shares and is validly existing under the Corporations Act and each of Kasbah's Subsidiaries is a corporation validly existing under the laws of its place of incorporation;
- 1.2 **share capital:**
- 1.2.1 all of the issued and outstanding shares and other ownership interests in Kasbah and each member of the Kasbah Group have been duly authorised and validly issued, and are fully paid and non-assessable; and
- 1.2.2 all of the issued and outstanding shares of each Kasbah Subsidiary are owned, directly or indirectly, by Kasbah; and except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of the applicable Subsidiary in the Kasbah Group, the issued and outstanding shares of each Subsidiary in the Kasbah Group are owned free and clear of all Encumbrances and Kasbah is not liable to any creditor in respect thereof;
- 1.3 **corporate power:** Kasbah has full legal capacity to enter into this agreement and carry out the transactions contemplated by this agreement;
- 1.4 **corporate authorisations:** Kasbah has taken all necessary corporate action to authorise the entry into this agreement and, subject to Kasbah Shareholders approving the Scheme, has full authority to carry out the transactions contemplated by this agreement and the Scheme in accordance with its terms;
- 1.5 **binding obligations:** this agreement constitutes legal, valid and binding obligations of Kasbah, enforceable against it, in accordance with its terms;
- 1.6 **no contravention:** this agreement does not contravene:
- 1.6.1 any rule, law or regulation to which Kasbah or any member of the Kasbah Group's property is subject to;
- 1.6.2 any material term or provision of any material contract to which Kasbah or any member of the Kasbah Group is a party to; or
- 1.6.3 Kasbah's or any member of the Kasbah Group's constitution;
- 1.7 **issued securities:** the issued Kasbah securities and rights to be issued Kasbah securities as of the date of this agreement are:
- 1.7.1 556,005,435 Kasbah Shares; and
- 1.7.2 500,000 Kasbah Options;
- 1.8 **no obligation to issue securities:** neither Kasbah or any member of the Kasbah Group has issued, or agreed to issue, or is required to issue any other securities or instrument which are still in force and may convert into Kasbah Shares, shares in a member of the Kasbah Group or any other securities in Kasbah or a member of the Kasbah Group;



- 1.9 **no additional rights:** the Kasbah Shares are free of pre-emptive rights;
- 1.10 **solvency:** no material member of the Kasbah Group is affected by an Insolvency Event;
- 1.11 **regulatory action:** no member of the Kasbah Group has received notice of any regulatory action of any nature taken, or to be taken, in relation to any member of the Kasbah Group which would prevent, inhibit or otherwise have a material adverse effect on Kasbah's ability to fulfil its obligations under this agreement;
- 1.12 **litigation:** there are no material investigations, actions, suits, arbitrations, legal or administrative proceedings pending or, to the knowledge of Kasbah, threatened against Kasbah or any member of the Kasbah Group;
- 1.13 **interests in Kasbah Permits:** the Kasbah Permits are:
- 1.13.1 registered in the name of a member of the Kasbah Group or the joint venture partner of a member of the Kasbah Group;
- 1.13.2 in good standing, valid and enforceable, free and clear of any Encumbrances (other than the terms and conditions of the Kasbah Permits and as may be imposed by legislation, regulation or the applicable mining code). No other mineral rights or other property rights are necessary for the conduct of the Kasbah Group's business as it is currently being conducted; and there are no material restrictions on the ability of the Kasbah Group to use, transfer or otherwise exploit any of the Kasbah Permits except as required by applicable law. No member of the Kasbah Group has received any notice of any material Claim of any sort that has been asserted by anyone adverse to the rights of the Kasbah Group under any of the Kasbah Permits, or affecting or questioning the rights of the Kasbah Group to the continued possession of the Kasbah Permits;
- 1.14 **tax matters:** except as would not, individually or in the aggregate, reasonably be expected to result in a Kasbah Material Adverse Event:
- 1.14.1 Kasbah and each member of the Kasbah Group has duly and timely:
- 1.14.1.1 prepared and filed all tax returns required to be filed by it with the appropriate Regulatory Authority and, to its knowledge, such tax returns are complete and correct in all material respects;
- 1.14.1.2 duly and timely paid all taxes due;
- 1.14.1.3 withheld all taxes and other amounts required by law to be withheld by it and has duly and timely remitted to the appropriate Regulatory Authority such taxes and other amounts required by law to be remitted by it; and
- 1.14.1.4 collected all amounts on account of sales or transfer taxes, including goods and services, harmonised sales and provincial or territorial sales taxes, required by law to be collected by it and has duly and timely remitted to the appropriate Regulatory Authority any such amounts required by law to be remitted by it; and
- 1.14.1.5 the charges, accruals and reserves for taxes reflected in the Kasbah Financial Statements (whether or not due and whether or not shown

on any tax return but excluding any provision for deferred income taxes) are, in the opinion of Kasbah, adequate under applicable accounting principles to cover taxes with respect to Kasbah and the Kasbah Group for the periods covered thereby;

- 1.15 Kasbah does not and will not at implementation of the Scheme hold any:
- 1.15.1 real property (including interests in real property) located in Australia (other than a lease of office space);
  - 1.15.2 mining, quarrying or prospecting rights (including interests in such rights) in relation to minerals, petroleum or quarry materials that are located in Australia; or
  - 1.15.3 shares in companies, interests in trusts and comparable interests in other entities holding any assets described in 1.15.1 or 1.15.2 above;
- 1.16 Kasbah does not hold at the date of this agreement, and has not at anytime in the preceding 60-month period held, any real or immovable property located in Canada, any Canadian resource properties, any timber resources properties in Canada, or any options in respect of, or interests in, any such properties;
- 1.17 All transactions or arrangements made by Kasbah and each member of the Kasbah Group have been made on arm's length terms and the processes by which prices and terms have been arrived at have, in each case, been fully documented;
- 1.18 **reporting status and compliance:**
- 1.18.1 the Kasbah Shares are admitted to official quotation on ASX, and are not listed or traded on any other stock exchange; and
  - 1.18.2 Kasbah is in compliance in all material respects with applicable Laws, listing and corporate governance rules and regulations of ASX;
- 1.19 **no order:** Kasbah is not subject to any order of ASX or any Regulatory Authority and, to the knowledge of Kasbah, no investigation or other proceedings involving Kasbah, that may operate or prevent or restrict trading of any securities of Kasbah, are currently in progress or pending before ASX or any Regulatory Authority;
- 1.20 **no Prescribed Occurrence:** no Kasbah Prescribed Occurrence has occurred since 31 December 2015;
- 1.21 **disclosure:**
- 1.21.1 Kasbah has complied in all material respects with its continuous disclosure obligations under the Corporations Act and the Listing Rules and is not relying on the carve-out in Listing Rule 3.1A to withhold any information from disclosure (other than the fact of this agreement, and the negotiations preceding it); and Kasbah has not been the subject of a continuous disclosure review by ASIC within the last 24 months;
  - 1.21.2 the information and statements contained in this agreement are true and correct in all material respects and together with the public announcements of Kasbah and the Kasbah Disclosure Letter, constitute full, true and plain disclosure of all material facts relating to Kasbah and the Kasbah Group on a consolidated basis,

contain no misrepresentations and do not omit a material fact which is necessary to make the information and statements contained not misleading in light of the circumstances in which they were made;

1.22 **Scheme Booklet not false or misleading:**

- 1.22.1 the Kasbah Information contained in the Scheme Booklet will be prepared and included in good faith and will comply in all material respect with the requirements of the Corporations Act, the Listing Rules and RG 60;
- 1.22.2 all information provided by or on behalf of Kasbah to the Independent Expert to enable the Independent Expert's report to be included in the Scheme Booklet will be provided in good faith;
- 1.22.3 as at the date of dispatch of the Scheme Booklet, the Scheme Booklet (other than AMR Information) will not contain any statement which is false or misleading (including because of a material omission); and

1.23 **No breach:** as at the date of this agreement, (subject to satisfaction or waiver of the Conditions Precedent) the implementation of the Transaction as contemplated by this agreement does not and will not:

- 1.23.1 constitute a breach of or default under, or constitute an event that with notice or lapse of time, or both, would constitute a breach of or default by;
- 1.23.2 in any material respect, accelerate or permit the acceleration of the performance required by; or
- 1.23.3 give rise to any material obligation or material liability on the part of, or any third party rights (including any right of termination, purchase or pre-emption) that are adverse to the interests of,

any member of the Kasbah Group under any material contract or agreement or instrument relating to the rights and interests of a member of the Kasbah Group in respect of any Kasbah Permit.

## 2 AMR REPRESENTATIONS AND WARRANTIES

- 2.1 **status:** AMR is a body corporate validly existing under the laws of its jurisdiction of incorporation and each of AMR's Subsidiaries is a corporation validly existing under the laws of its jurisdiction of incorporation;
- 2.2 **share capital:**
- 2.2.1 all of the issued and outstanding shares and other ownership interests in AMR and each member of the AMR Group have been duly authorised and validly issued, and are fully paid and non-assessable; and
- 2.2.2 all of the issued and outstanding shares of each AMR Subsidiary (except Ban Phuc Nickel Mines Limited Liability Company, which is 90% owned by Asian Mineral Resources (Nickel) Limited) are owned, directly or indirectly, by AMR; and except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of the applicable Subsidiary in the AMR Group, the issued and outstanding shares of each Subsidiary in the AMR Group are owned free and clear of all Encumbrances and AMR is not liable to any creditor in respect thereof;
- 2.3 **corporate power:** AMR has full legal capacity to enter into this agreement and carry out the transactions contemplated by this agreement;
- 2.4 **corporate authorisations:** AMR has taken all necessary corporate action to authorise the entry into this agreement and has full authority to carry out the transactions contemplated by this agreement;
- 2.5 **binding obligations:** this agreement constitutes legal, valid and binding obligations of AMR, enforceable against it, in accordance with its terms;
- 2.6 **no contravention:** this agreement does not contravene:
- 2.6.1 any rule, law or regulation to which AMR or any member of the AMR Group's property is subject to;
- 2.6.2 any material term or provision of any material contract to which AMR or any member of the AMR Group is a party to; or
- 2.6.3 AMR's or any member of the AMR Group's constituent documents;
- 2.7 **issued securities:** the issued AMR securities and rights to be issued AMR securities as of the date of this agreement are:
- 2.7.1 788,920,841 AMR shares;
- 2.7.2 54,166,667 AMR warrants (expiring May 25, 2017); and
- 2.7.3 22,698,284 AMR options;
- 2.8 **no obligation to issue securities:** Other than the AMR Options and existing AMR warrants, neither AMR or any member of the AMR Group has issued, or agreed to issue, or is required to issue any other securities or instrument which are still in force and may convert into AMR

Shares, shares in a member of the AMR Group or any other securities in AMR or a member of the AMR Group;

- 2.9 **no additional rights:** the AMR Shares are free of pre-emptive rights;
- 2.10 **solvency:** no material member of the AMR Group is affected by an Insolvency Event;
- 2.11 **regulatory action:** no member of the AMR Group has received notice of any regulatory action of any nature taken, or to be taken, in relation to any member of the AMR Group which would prevent, inhibit or otherwise have a material adverse effect on AMR's ability to fulfil its obligations under this agreement;
- 2.12 **litigation:** there are no material actions, suits, arbitrations, legal or administrative proceedings pending or, to the knowledge of the AMR Group, threatened against AMR or any member of the AMR Group;
- 2.13 **interests in AMR Permit:** the AMR Permit is:
  - 2.13.1 registered in the name of a member of the AMR Group or the joint venture partner of a member of the AMR Group;
  - 2.13.2 in good standing, valid and enforceable, free and clear of any Encumbrances (other than the terms and conditions of the AMR Permit and as may be imposed by legislation, regulation or the applicable mining code). No other mineral rights or other property rights are necessary for the conduct of the AMR Group's business as it is currently being conducted; and there are no material restrictions on the ability of the AMR Group to use, transfer or otherwise exploit the AMR Permit except as required by applicable law. No member of the AMR Group has received any notice of any material Claim of any sort that has been asserted by anyone adverse to the rights of the AMR Group under the AMR Permit, or affecting or questioning the rights of the AMR Group to the continued possession of the AMR Permit;
- 2.14 **tax matters:** except as would not, individually or in the aggregate, reasonably be expected to result in an AMR Material Adverse Event:
  - 2.14.1 AMR and each member of the AMR Group has duly and timely:
    - 2.14.1.1 prepared and filed all tax returns required to be filed by it with the appropriate Regulatory Authority and, to its knowledge, such tax returns are complete and correct in all material respects;
    - 2.14.1.2 duly and timely paid all taxes due;
    - 2.14.1.3 withheld all taxes and other amounts required by law to be withheld by it and has duly and timely remitted to the appropriate Regulatory Authority such taxes and other amounts required by law to be remitted by it; and
    - 2.14.1.4 collected all amounts on account of sales or transfer taxes, including goods and services, harmonised sales and provincial or territorial sales taxes, required by law to be collected by it and has duly and timely remitted to the appropriate Regulatory Authority any such amounts required by law to be remitted by it; and

- 2.14.1.5 the charges, accruals and reserves for taxes reflected in the AMR Financial Statements (whether or not due and whether or not shown on any tax return but excluding any provision for deferred income taxes) are, in the opinion of AMR, adequate under applicable accounting principles to cover taxes with respect to AMR and the AMR Group for the periods covered thereby;
- 2.15 **no order:** AMR is not subject to any order of the TSX-V or any Regulatory Authority and, to the knowledge of AMR, no investigation or other proceedings involving AMR, that may operate or prevent or restrict trading of any securities of AMR, are currently in progress or pending before the TSX-V or any Regulatory Authority;
- 2.16 **no Prescribed Occurrence:** no AMR Prescribed Occurrence has occurred since 31 December 2015;
- 2.17 **reporting status and compliance:**
- 2.17.1 the AMR Shares are listed and posted for trading on the TSX-V and the AMR Share CDIs are listed on ASX;
- 2.17.2 AMR is a reporting issuer in each of the provinces and territories of Canada other than Quebec, Prince Edward Island, Nova Scotia, Yukon, Northwest Territories and Nunavut; and
- 2.17.3 AMR is in compliance in all material respects with applicable Laws, listing and corporate governance rules and regulations of the TSX-V;
- 2.18 **disclosure:**
- 2.18.1 AMR has complied in all material respects with its continuous disclosure obligations under any Canadian Law and is not relying on any exception to its continuous disclosure obligations to withhold any information from disclosure (other than the fact of this agreement, and the negotiations preceding it) and AMR has not been the subject of any unresolved continuous disclosure review by any Canadian Securities Authority within the last 24 months; and
- 2.18.2 the information and statements contained in this agreement are true and correct in all material respects and together with the AMR public announcements and the AMR Disclosure Letter, constitute full, true and plain disclosure of all material facts relating to AMR and the AMR Group on a consolidated basis, contain no misrepresentations and do not omit a material fact which is necessary to make the information and statements contained not misleading in light of the circumstances in which they were made;
- 2.19 **Scheme Booklet not false or misleading:** as at the date of dispatch of the Scheme Booklet, the AMR Information contained in the Scheme Booklet will not contain any statement which is false or misleading (including because of a material omission); and
- 2.20 **No breach:** as at the date of this agreement the execution of this agreement by AMR and (subject to satisfaction or waiver of the Conditions Precedent) the implementation of the Transaction as contemplated by this agreement does not and will not:
- 2.20.1 constitute a breach of or default under, or constitute an event that with notice or lapse of time, or both, would constitute a breach of or default by;

- 2.20.2 in any material respect, accelerate or permit the acceleration of the performance required by; or
- 2.20.3 give rise to any material obligation or material liability on the part of, or any third party rights (including any right of termination, purchase or pre-emption) that are adverse to the interests of,

any member of the AMR Group under any material contract or agreement or instrument relating to the rights and interests of a member of the AMR Group in respect of any AMR Permit.

## SCHEDULE 4: DEED POLL

### DEED POLL

**Date** 10 August 2016

**BY** **AMR**  
Name Asian Mineral Resources Limited  
Incorporation: British Columbia  
Address Suite 1700, Park Place  
666 Burrard Street  
Vancouver, British Columbia  
V6C 2X8  
Fax +1 (416) 360-3412  
Email [e.spencer@bpmn.vn](mailto:e.spencer@bpmn.vn)  
Attention Company Secretary and Evan Spencer

**IN FAVOUR OF** Each registered holder of fully paid ordinary shares in Kasbah Minerals Limited ACN 116 931 705 of 11 Moreau Mews, Applecross, Western Australia 6153 (**Kasbah**) as at 5:00pm on the Record Date

### INTRODUCTION

- A AMR and Kasbah are parties to a scheme implementation agreement dated on or about the date of this deed poll in respect to the Scheme and associated matters (**Implementation Agreement**).
- B In accordance with clause 5.3.12 of the Implementation Agreement, AMR is entering into this deed poll to covenant in favour of the Scheme Participants that it will observe and perform its obligations under the Implementation Agreement and the Scheme, including providing the Scheme Consideration.

### AGREED TERMS

#### 1 DEFINED TERMS AND INTERPRETATION

##### 1.1 Defined terms

In this deed poll:

**Business Day** for the purpose of receiving a notice under clause 6 means a day that is not a Saturday, Sunday, bank holiday or public holiday in Toronto, Ontario and Perth, Western Australia.



**Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Kasbah and Kasbah Shareholders, substantially in the form of Annexure A to this deed poll, or as otherwise agreed by Kasbah and AMR.

All other capitalised words and phrases have the same meaning as given to them in the Scheme.

## 1.2 Interpretation

Paragraph 1.2 of the Scheme applies to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

## 1.3 Nature of deed poll

AMR acknowledges that:

- 1.3.1 this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participant is not party to it; and
- 1.3.2 under the Scheme, each Scheme Participant irrevocably appoints Kasbah and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this deed poll against AMR on behalf of that Scheme Participant.

## 2 CONDITIONS PRECEDENT

### 2.1 Conditions precedent to obligations of the Scheme

This deed poll and the obligations of AMR under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

The obligations of AMR under this deed poll to the Scheme Participants will automatically terminate and the terms of this deed poll will be of no force or effect if:

- 2.2.1 the Implementation Agreement is terminated in accordance with its terms; or
- 2.2.2 the Scheme is not Effective on or before the End Date,

unless AMR and Kasbah otherwise agree in writing.

### 2.3 Consequences of termination

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

- 2.3.1 AMR is released from its obligations to further perform this deed poll, except obligations under clause 7.6 and any other obligations which by their nature survive termination; and
- 2.3.2 each Scheme Participant retains the rights they have against AMR in respect of any breach of this deed poll which occurs before it is terminated.

### **3 SCHEME OBLIGATIONS**

#### **3.1 Undertaking to pay Scheme Consideration**

Subject to clause 2, AMR:

- 3.1.1 offers to acquire all the Kasbah Shares held by the Scheme Participants;
  - 3.1.2 in consideration of the acceptance of that offer and the transfer of each Kasbah Share to AMR, undertakes in favour of each Scheme Participant to issue and provide to the Scheme Participant the Scheme Consideration for each Kasbah Share held by each Scheme Participant; and
  - 3.1.3 agrees to undertake all other actions attributed to it under the Scheme and do all acts and things necessary or desirable on its part to give full effect to the Scheme,
- all in accordance with the terms of the Scheme and the Implementation Agreement.

#### **3.2 AMR Shares and AMR Warrants**

AMR covenants in favour of each Scheme Participant that:

- 3.2.1 the AMR Shares to be issued pursuant to the Scheme (including those issued to CDN) will be duly and validly authorised and will be of the same class of AMR Shares currently issued and outstanding and will rank equally in all respects with all issued and outstanding AMR Shares;
- 3.2.2 each such AMR Share and AMR Share CDI issued pursuant to the Scheme will be validly issued, fully paid, free from any Encumbrance or other third party rights and, in the case of AMR Shares only, non-assessable;
- 3.2.3 the AMR Warrants to be issued pursuant to the Scheme (including those issued to CDN) will be duly and validly authorised; and
- 3.2.4 each such AMR Warrant and AMR Warrant CDI issued pursuant to the Scheme will be validly issued free from any Encumbrance or other third party rights.

### **4 WARRANTIES**

AMR represents and warrants in favour of each Scheme Participant that:

- 4.1.1 it is a corporation validly existing under the laws of its jurisdiction of continuance;
- 4.1.2 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;
- 4.1.3 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;

- 4.1.4 this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- 4.1.5 this deed poll does not conflict with, or result in the breach of or default under, any provision of the articles of continuance of AMR (as the same have been amended, restated or supplemented from time to time as of the date hereof) of AMR or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which AMR is a party, is subject to, or is bound by.

## **5 CONTINUING OBLIGATIONS**

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

- 5.1.1 AMR has fully performed its obligations under this deed poll; or
- 5.1.2 the earlier termination of this deed poll under clause 2.

## **6 NOTICES**

### **6.1 Notices**

Any notice or other communication to AMR in respect of this deed poll must be in legible writing and in English and:

- 6.1.1 must be addressed as shown below:

#### **AMR**

Attention: Company Secretary and Evan Spencer

Address: Suite 1700, Park Place  
666 Burrard Street  
Vancouver, British Columbia  
V6C 2X8

Email: [e.spencer@bpmn.vn](mailto:e.spencer@bpmn.vn)

- 6.1.2 must be signed by the person making the communication or by a person duly authorised by that person;
- 6.1.3 must be delivered or posted by prepaid post to the address of AMR in accordance with clause 6.1.1 or sent by email to the email address specified above; and
- 6.1.4 will be regarded as received by the addressee:
  - 6.1.4.1 if by delivery, on delivery at the address of AMR as provided in clause 6.1.1, unless that delivery is not made on a Business Day or after 5:00 pm (in Toronto, Ontario) on a Business Day, when that communication will be regarded as received at 9:00 am (in Toronto, Ontario) on the next Business Day;

- 6.1.4.2 if sent by prepaid post, seven Business Days after posting; and
- 6.1.4.3 if sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received stating that the email has not been delivered, three hours after the time the email was sent by the sender, such time to be determined by reference to the device from which the email was sent, unless that local time is not a Business Day or is after 5:00 pm (in Toronto, Ontario) on a Business Day when that communication will be regarded as received at 9:00 am (in Toronto, Ontario) on the next Business Day.

## **7 GENERAL**

### **7.1 Governing law and jurisdiction**

This deed poll is governed by the law of Western Australia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Each party irrevocably waives 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.

### **7.2 Waiver**

Without limiting any other provisions of this deed poll, the parties agree that:

- 7.2.1 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 poll 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 poll;
- 7.2.2 any waiver or consent given by any party under this deed poll will only be effective and binding on that party if it is given or confirmed in writing by that party;
- 7.2.3 no waiver of a breach of any term of this deed poll will operate as waiver of another breach of that term or of a breach of any other term of this deed poll; and
- 7.2.4 nothing in this deed poll obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.

### **7.3 Variation**

This deed poll may not be varied unless:

- 7.3.1 if before the First Court Date, the variation is agreed to by Kasbah in writing; or

7.3.2 if on or after the First Court Date, the variation is agreed to by Kasbah and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event AMR will enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

#### 7.4 **Cumulative rights**

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

#### 7.5 **Assignment**

7.5.1 The rights created by this deed poll are personal to AMR and each Scheme Participant and may only be assigned with the prior written consent of AMR and Kasbah.

7.5.2 Any purported dealing in contravention of clause 7.5.1 is invalid.

#### 7.6 **Stamp duty and costs**

AMR must:

7.6.1 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;

7.6.2 pay other costs incurred in connection with the transfer of Kasbah Shares to AMR in accordance with the terms of the Scheme; and

7.6.3 indemnify on demand each Scheme Participant against any liability arising from failure to comply with clauses 7.6.1 or 7.6.2.

#### 7.7 **Further assurances**

AMR must promptly do all things necessary or expedient to be done by it in connection with the matters referred to in this deed poll and to implement the Scheme.

## SCHEDULE 5: KASBAH PERMITS

<b>Permit Number</b>	<b>Permit Type</b>	<b>Interest</b>
2912	Permis Exploitation	75%*
193172	Permis Exploitation	75%*

\* Permits held by Atlas Tin SAS. Kasbah holds 75% of the shares in Atlas Tin SAS.

**SCHEDULE 6: AMR PERMIT**

<b>Description</b>	<b>Extent of Interest</b>
Investment Certificate No. 241022000033 in respect of the Ban Phuc Nickel Mines Limited Liability Company (the <b>Project</b> )	As described in the investment certificate issued on 10 October 2008 (and amended from time to time): <ul style="list-style-type: none"><li>• Implement business activities, exploration activities on Ban Phuc Project Area and other activities of the Project;</li><li>• Implement Feasibility Study on targeted areas within Ban Phuc Project Area to exploit copper, nickel, cobalt and the associated minerals;</li><li>• Develop ore deposits to exploit copper, nickel, cobalt and the associated minerals within the Project Area;</li><li>• Exploit, process, transport, export nickel-copper ore and sell all mining products of the Project.</li><li>• Project scale: The granted Project Area of 150 km<sup>2</sup> at Ban Phuc mine area, Muong Khoa Commune, Bac Yen District, Son La Province.</li></ul>

## **SCHEDULE 7: AMR WARRANT TERMS AND CONDITIONS**

### **1. ENTITLEMENT**

- 1.1 Each AMR Warrant entitles the holder (**Holder**) to subscribe for one Share in AMR upon exercise.

### **2. EXERCISE PRICE AND EXPIRY DATE**

- 2.1 Each AMR Warrant shall have an exercise price of C\$0.05 (**Exercise Price**) and expire 48 months from the date of issue (**Expiry Date**).

### **3. EXERCISE PERIOD**

- 3.1 Each AMR Warrant is exercisable at any time after the date of grant of the AMR Warrant and before the Expiry Date (**Exercise Period**).

### **4. NOTICE OF EXERCISE**

- 4.1 The AMR Warrants may be exercised by notice in writing to AMR or to AMR's duly appointed agent or trustee (**Notice of Exercise**) and payment of the Exercise Price for each AMR Warrant being exercised. Any Notice of Exercise of an AMR Warrant received by AMR will be deemed to be a notice of the exercise of that AMR Warrant as at the date of receipt.

### **5. AMR SHARES OR AMR SHARE CDIs ISSUED ON EXERCISE**

- 5.1 Subject to an election otherwise, when completion the Notice of Exercise:

5.1.1 a Holder on AMR Warrant register maintained in Australia holding AMR Warrant CDIs will on exercise be issued with AMR Share CDIs listed on ASX; and

5.1.2 a Holder on AMR Warrant register maintained in Canada holding AMR Warrants will on exercise be issued with AMR Shares listed on TSX-V,

in each case issued free of all encumbrances, liens and third party interests.

### **6. TIMING OF ISSUE OF SHARES AND QUOTATION OF SHARES ON EXERCISE**

- 6.1 Within five business days after the later of the following receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each AMR Warrant being exercised (**Exercise of the AMR Warrant**), AMR will:

6.1.1 issue the number of AMR Shares (and if applicable, the related AMR Share CDIs) required under these terms and conditions in respect of exercised AMR Warrants; and

6.1.2 apply for:

6.1.2.1 official quotation of the AMR Share CDIs on ASX; and

6.1.2.2 official quotation of the AMR Shares on TSX-V.



## **7. PARTICIPATION IN NEW ISSUES**

- 7.1 There are no participation rights or entitlements inherent in the AMR Warrants and Holders will not be entitled to participate in new issues of capital offered to AMR Shareholders during the currency of the AMR Warrants.
- 7.2 However, AMR will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give the Holders of AMR Warrants the opportunity to exercise their AMR Warrants prior to the date for determining entitlements to participate in any such issue.

## **8. ADJUSTMENT FOR BONUS ISSUES OF SHARES**

- 8.1 If AMR makes a bonus issue of AMR Shares or other securities to existing AMR Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- 8.1.1 the number of AMR Shares (or if applicable, the related AMR Share CDIs) which must be issued on the exercise of an AMR Warrant will be increased by the number of AMR Shares which the Holder would have received if the Holder had exercised the AMR Warrant before the record date for the bonus issue; and
- 8.1.2 no change will be made to the Exercise Price.

## **9. ADJUSTMENT FOR RIGHTS ISSUE**

- 9.1 If AMR makes an issue of AMR Shares pro rata to existing AMR Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an AMR Warrant will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

- O = the old Exercise Price of the AMR Warrant.
- E = the number of underlying AMR Shares into which one AMR Warrant is exercisable.
- P = average market price per AMR Share weighted by reference to volume of the underlying AMR Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of an AMR Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying AMR Shares (except those to be issued under the pro rata issue).
- N = the number of AMR Shares with rights or entitlements that must be held to receive a right to one new share.

## **10. ADJUSTMENTS FOR REORGANISATION**

- 10.1 If there is any reorganisation of the issued share capital of AMR, the rights of the Holders of AMR Warrants will be varied to comply with the Listing Rules and TSX-V Rules which apply to the reorganisation at the time of the reorganisation.

## **11. AMR WARRANTS TRANSFERABLE**

- 11.1 The AMR Warrants are freely transferable.

## **12. QUOTATION**

- 12.1 The AMR Warrants are quoted securities on TSX-V and the associated AMR Warrant CDIs are quoted securities on ASX.

## **13. AMENDMENTS**

- 13.1 The terms and conditions of the AMR Warrants may only be amended subject to compliance with the Listing Rules and TSX-V Rules.

## **14. LODGEMENT INSTRUCTIONS**

- 14.1 The exercise price of the AMR Warrants may be paid by direct deposit into the bank account of AMR (specified by AMR from time to time) or by cheque in Australian currency made payable to AMR and crossed "Not Negotiable". The application for shares on exercise of the AMR Warrants with the appropriate remittance/evidence of direct deposit should be lodged at or sent to (by courier, mail, email or facsimile) AMR's office marked for the attention to the Company Secretary.

## **15. WARRANT TRUSTEE**

AMR shall be entitled to appoint an agent or trustee to administer the AMR Warrants and the AMR Warrant CDIs.