

8 June 2017

Anova & Exterra to Merge Creating a Diversified Gold Company

Anova Metals Limited ("**Company**" or "**Anova**") (ASX: AWV) and Exterra Resources Limited ("**Exterra**") (ASX: EXC) today announce that they have entered into a Merger Implementation Agreement ("**MIA**") under which Anova has agreed to acquire all of the issued capital of Exterra by way of a Scheme of Arrangement ("**Scheme**").

The merged entity will have an outstanding portfolio of production, development and exploration projects under the guidance of an experienced and proven management team. The Boards of both Anova and Exterra believe that the combination of Anova's strong balance sheet and Exterra's near term production Linden gold project is compelling for shareholders of both companies.

The Board of Exterra have unanimously recommended that all Exterra shareholders vote in favour of the Scheme in the absence of a superior proposal emerging and subject to an independent expert's report concluding that the Scheme is in the best interests of Exterra shareholders. Exterra shareholders who collectively hold 19.92% of Exterra have executed Statements of Intention stating that they will vote in favour of the Scheme, subject to the same qualifications.

Transaction Summary

- Advances the combined entity towards becoming a multi-jurisdictional gold producer with a project portfolio in Western Australia and Nevada, USA.
- JORC compliant Mineral Resources totalling 1.23m oz gold and JORC compliant Ore Reserves totalling 65k oz gold (refer to Table 1 for details) across two advanced projects with outstanding exploration upside:
 - Exterra's Second Fortune gold mine, located in Linden, Australia, is commencing production; and
 - Anova's Big Springs gold project located in Nevada, USA is project permitted and ready for production.
- The merger will be implemented via a Scheme of Arrangement under the Australian Corporations Act 2001 (Cth), with Anova being the surviving entity.
- Exterra shareholders are to receive one (1) Anova share for every two (2) Exterra shares held.
- Based on the closing price of \$0.125 of Anova shares last traded on ASX prior to this announcement:
 - the Anova shares to be issued to Exterra shareholders values Exterra at approximately \$21.3 million; and
 - the merged entity will have a combined pro forma market capitalisation of approximately \$78 million¹.
- The Scheme will result in Anova issuing approximately 171,094,353 Anova shares to acquire all Exterra shares, with Anova shareholders to hold approximately 73% of the shares in the merged entity and Exterra shareholders to hold approximately 27%².
- The consideration payable to Exterra shareholders under the proposed merger represents a:
 - 64% premium to the closing price of Exterra shares on the ASX of \$0.038 on 5 June 2017, compared to the closing price of Anova shares of \$0.125 on 5 June 2017;
 - a 61% premium to the volume weighted average (VWAP) price of Exterra shares traded on ASX over the 5 trading days prior to this announcement, compared to the VWAP of Anova shares over the same period; and
 - a 52% premium to the VWAP of Exterra shares traded on ASX over the 30 days prior to this announcement, compared to the VWAP of Anova shares over the same period.
- The Scheme is subject to approval by Exterra shareholders at a general meeting expected to be held late August/early September 2017.
- The combined entity will have a strong balance sheet with pro forma cash as at 31 March 2017 of approximately A\$10.5 million and no debt.

¹ Based on the Anova Metals closing share price on ASX of 12.5c on 5 June 2017, and Anova's pro forma undiluted issued share capital on completion of the Scheme of 624,494,645.

² Assumes no Exterra options are exercised before the Scheme is implemented.

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Transaction Rationale

The Boards of Anova and Exterra believe that the combination of the two companies has a clear strategic rationale and will generate significant value for shareholders of both companies.

Shareholders will have exposure to Exterra's production and exploration projects and will also benefit from the growth potential of Anova's near term production asset and exploration projects. Anova will also explore the benefits of utilising Exterra's ore sorting technology at its Big Springs Project.

The merged entity will have a pro forma market capitalisation of ~\$78 million, with shareholders of both companies expected to benefit from the increased scale and liquidity associated with an investment in the merged entity. Further, the strengthened balance sheet together with cashflow expected to be generated from operations which should enable the merged entity to accelerate development of its projects and planned exploration programs.

In addition, the merged entity will have a diversified asset base with excellent leverage to the gold price, as well as a strengthened Board and management team with a proven track record of taking development assets into production.

Exterra Board Recommendation

The proposed merger has the full support of the boards of Exterra and Anova.

The directors of Exterra intend to unanimously recommend to Exterra shareholders that they vote in favour of approving the Scheme, subject to an independent expert report concluding that the Scheme is in the best interests of Exterra's shareholders and no superior proposal being received in relation to Exterra.

The reasons for the Exterra Board's unanimous recommendation include:

- provides access to short term funding for the development of the Linden gold project and working capital;
- provides Exterra shareholders with access to a larger and more liquid market through the increased scale of the merged entity; and
- the merged entity will have an additional 1,029,900oz of Mineral Resource (2012 JORC, refer to Table 1 for details) through Anova's Big Springs near-production project, with significantly greater exposure to exploration and development upside.

Shareholder Statement of Intentions

Exterra has received Statement of Intentions from three key shareholders (Bernard Stephens, Montezuma Mining Company and Seamus Cornelius, who collectively hold 19.92% of the ordinary shares in Exterra) stating that they intend to vote in favour of approving the Scheme, subject to an independent expert report concluding that the Scheme is in the best interests of Exterra's shareholders and no superior proposal being received in relation to Exterra.

Director Comments

Executive Director for Anova Metals, Mr Bill Fry said: *"This transaction creates a diversified company with a portfolio of projects in two great mining jurisdictions. We look forward to working with the team at Exterra Resources as they bring their Second Fortune project into production, utilising the strong balance sheet of Anova Metals. The Exterra project portfolio has close similarities with Anova in terms of imminent production and outstanding exploration potential."*

Executive Director of Exterra Resources, Mr Geoff Laing added: *"This is a compelling transaction for both Exterra and Anova that will combine near term cashflows with exploration upside. We look forward to working with the Anova team to advance Big Springs to production and particularly to applying sorting technology where it provides a competitive advantage. The combined entity will have a strong project portfolio experienced development team and a balance sheet that allows progress to development."*

Board of Merged Company

Following implementation of the MIA, existing Exterra directors Mr John Davis and Mr Geoff Laing will be invited to join to the Board of Anova with Mr Laing in the role of Executive Director.

As Exterra's Executive Director, Mr Laing has been instrumental to the development of the Second Fortune mine, including the recently completed Feasibility Study (refer ASX release 25 May 2017). Mr Davis has been a director of Exterra since its admission to the ASX and has been intimately involved in the strategic development of Exterra.

The skills, knowledge and expertise of Mr Laing and Mr Davis will complement the Anova board comprising Mr Mal James (Non-Executive Chair), Mr Bill Fry (Executive Director) and Mr Alasdair Cooke (Non-Executive Director).

Transaction Implementation

The merger will be implemented by way of a Court-approved scheme of arrangement under the Australian Corporations Act, under which Exterra shareholders are to receive 1 Anova share for every 2 Exterra shares they hold. To facilitate the proposed transaction, Exterra and Anova have entered into a Merger Implementation Agreement ("**MIA**"), a copy of which is set out in Annexure A.

The implementation of the proposed merger is subject to a number of conditions which are customary for a transaction of this type, including:

- the Exterra directors not changing or withdrawing their recommendation that Exterra shareholders vote in favour to approve the Scheme³;
- an independent expert's report concluding that the Scheme is in the best interests of Exterra's shareholders;
- no material adverse change or prescribed event for either company occurring (as defined in MIA);
- Exterra shareholder approval for the merger to be implemented, a resolution in favour of the Scheme must pass by simple majority of Exterra shareholders present and voting in person or by proxy and by at least 75% of the votes cast on the resolution, at the meeting of Exterra's shareholders called to approve the Scheme;
- the aggregate of Anova's cash assets and receivables, less trade creditors, being above \$5.5 million at the final Court hearing date; and
- Court approval to the Scheme being received.

If the Scheme is approved, all shareholders of Exterra whose registered address is in Australia, New Zealand and Hong Kong on the relevant record date will be eligible to receive Anova shares under the Scheme. Shareholders with registered addresses in other countries whom Anova and Exterra determines are not able to receive Anova shares will receive the cash proceeds of the sale of the Anova shares that would otherwise be issued to them.

The MIA contains customary and reciprocal deal protection mechanisms, including no shop and no talk provisions, matching and notification rights in the event of a competing proposal and a reciprocal break fee payable in specified circumstances.

Treatment of Exterra Options

Exterra and Anova have agreed that they will cooperate to procure the agreement of all holders of Exterra options which remain unexercised and have not expired before the final Court hearing to approve the Scheme, to be cancelled or acquired by Anova, on terms whereby each holder of an eligible Exterra option will receive one (1) Anova option for every two (2) Exterra options cancelled or transferred to Anova, on the terms set out in the MIA. This will result in Anova issuing up to total 33,916,238 Anova options with varying exercise prices and expiry dates to Exterra optionholders.

Meeting of Exterra Shareholders

Exterra will convene a meeting of Exterra shareholders to approve the Scheme ("**Scheme Meeting**") following an order by the Court to do so.

In due course, Exterra shareholders will receive notice of the Scheme Meeting and a comprehensive explanatory statement that will contain full details of the proposed Scheme, the basis for Exterra's Board's recommendation and an independent expert's report ("**Scheme Booklet**").

³ Under the MIA, the recommendation of the Exterra directors is subject to the independent expert's report concluding that the Scheme is in the best interests of Exterra shareholder and to no "Superior Proposal" (as defined in the MIA) being made in relation to Exterra.

Indicative Timetable for Completion

Announcement of proposed merger	8 June 2017
First Court Hearing to convene Scheme Meeting and approve Scheme Booklet	Mid / Late July 2017
Dispatch Scheme Booklet to Exterra Shareholders for the Scheme Meeting	Mid / Late July 2017
Exterra Scheme Meeting	Late August 2017 / Early September 2017
Final Court Hearing to approve the Scheme	Early September 2017
Implementation of merger	Early September 2017

Interim Funding Arrangements

To ensure that Exterra is able to continue to progress the development of the Second Fortune project whilst the Scheme is being implemented, Anova has agreed to advance up to \$2 million in loan funding to Exterra prior to completion of the Scheme.

The key terms of the Loan Facility are:

Principal	Up to \$2,000,000, able to be drawn up until the earlier of completion or termination of the Scheme.
Interest	8%, calculated daily and capitalised monthly until Maturity.
Maturity	18 months from first drawdown.
Drawdown	Initial drawdown amount of \$100,000, thereafter in minimum multiples of \$50,000. No further drawdown permitted if the Scheme is not implemented or terminated.
Repayment	Exterra can elect to prepay amounts drawn down under the facility in cash without penalty at any time prior to Maturity. There is no requirement to prepay amounts drawn down under the facility early if the Scheme does not proceed.
Conversion	If amounts drawn down under the facility have not been prepaid prior to Maturity, then outstanding amounts are to be converted into Exterra shares to be issued at the lower of (i) a 20% discount to the 30 day VWAP immediately prior to the date of Maturity; and (ii) 7 cents per share (subject always to Exterra having sufficient capacity to convert such amounts under ASX Listing Rule 7.1, and to Anova not acquiring voting power to more than 20% of Exterra). Any amounts not converted into Exterra shares are immediately repayable in cash.
Security	Secured – mining mortgage granted over the mining tenements and mining information comprising Exterra's Second Fortune mine.

The Loan Facility agreement contains terms for the repayment of all outstanding monies owed in the event of default, which are considered standard for agreements of this nature.

Advisers to Transaction

Corrs Chambers Westgarth are acting as legal adviser to Exterra.

Bell Potter Securities Limited are acting as Corporate Advisor and Jackson McDonald as legal advisor to Anova.

Further Information

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Table 1: Combined AWW and EXC JORC Mineral Resource

Project	Measured			Indicated			Inferred			Combined		
	kT	Grade	Koz	kT	Grade	Koz	kT	Grade	Koz	kT	Grade	Koz
Anova Metals Limited												
Big Springs¹	641	5.6	116.1	4,762	2.2	343.3	10,630	1.7	570.4	16,032	2.0	1,029.9
Anova Metals Total	641	5.6	116.1	4,762	2.2	343.3	10,630	1.7	570.4	16,032	2.0	1,029.9
Exterra Resources Limited												
Second Fortune (Linden)												
Main Lode (JORC 2012) ²	-	-	-	211.8	9.8	66.7	35.4	8.0	9.1	247.2	9.5	75.8
Hangingwall Lode (JORC 2004) ^{3,4, 5}	-	-	-	-	-	-	58.2	8.2	15.3	58.2	8.2	15.3
Footwall Lode (JORC 2004) ^{3,4, 5}	-	-	-	18.5	8.9	5.4	52.9	7.4	12.5	71.4	7.8	17.9
West Lode (JORC 2004) ^{3,4, 5}	-	-	-	4.2	4.2	0.6	107.2	6.1	21.0	111.4	6.0	21.6
Second Fortune Sub-Total	-	-	-	234.5	9.6	72.7	253.7	7.1	57.9	488.2	8.3	130.6
Zelica (JORC 2004)^{3,6}	-	-	-	358.2	1.7	19.0	212.6	1.6	11.0	570.8	1.6	30.0
Malcolm (JORC 2004)^{3,7}	-	-	-	-	-	-	142.2	8.3	37.9	142.2	8.3	37.9
Exterra Resources Total⁸	-	-	-	593	4.8	91.7	608	5.5	106.8	1,201	5.1	198.5
Combined Total	641	5.6	116.1	5,355	2.5	435.0	11,238	1.9	677.2	17,233	2.2	1,228.4

Note: Appropriate rounding applied

1. Refer to Anova's ASX Announcement titled 1 Million Oz Measured, Indicated and Inferred Resource and dated 26 June 2014 for further information in relation to the Big Springs Mineral Resource. Anova confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Big Springs Mineral Resource estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. Big Springs weighted average of domains estimated with either 1.0 g/t and 0.8 g/t cut-off grades.
2. Refer to Exterra's ASX Announcement titled Feasibility Study Confirms Robust High Grade Gold Mine and dated 25 May 2017 for further information in relation to the Second Fortune Mineral Resource estimate for the Main Lode. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Second Fortune Mineral Resource estimate for the Main Lode and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. Second Fortune Main Lode (JORC 2012) - 1.0m Min Mining Width diluted resource at 4.0 g/t Au lower cut-off (minor rounding variations may occur).
3. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
4. Refer to Exterra's ASX Announcement titled Feasibility Study Confirms Robust High Grade Gold Mine and dated 25 May 2017 for further information in relation to the Second Fortune Mineral Resource estimates for the Hangingwall Lode, the Footwall Lode and the West Lode. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to those Mineral Resource estimates and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. The information was prepared and disclosed under the JORC Code 2004.
5. Second Fortune other veins - 4.0 g/t Au lower cut-off (minor rounding variations may occur)
6. Refer to Exterra's ASX Announcement titled Quarterly Activities and Cashflow Report and dated 30 July 2012 for further information in relation to the Zelica Mineral Resource. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Zelica Mineral Resource estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. Zelica - reported above a 0.5 g/t Au block model grade with a 12.0 g/t Au top cut.
7. Refer to Exterra's ASX Announcement titled Increased Gold Resources Through Acquisition of High Grade Malcolm Project and dated 29 August 2012 for further information in relation to the Malcolm Mineral Resource. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Malcolm Mineral Resource estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.
8. Excludes Eucalyptus – previously highlighted as subject to forfeiture action and forfeited on 2 June 2017

Table 2: Combined AWW and EXC JORC 2012 Mineral Reserve

Project	Proven			Probable			Combined		
	kT	Grade	Koz	kT	Grade	Koz	kT	Grade	Koz
Exterra Resources Limited									
Second Fortune¹	-	-	-	339.0	6.0	65.0	339.0	6.0	65.0
Exterra Resources Total	-	-	-	339.0	6.0	65.0	339.0	6.0	65.0
Combined Total	-	-	-	339.0	6.0	65.0	339.0	6.0	65.0

1. Refer to Exterra's ASX Announcement titled Feasibility Study Confirms Robust High Grade Gold Mine and dated 25 May 2017 for further information in relation to the Second Fortune Ore Reserve estimate for the Second Fortune project. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to this Ore Reserve estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.

Competent Person Statement – Anova Metals Limited, Big Springs Project

The information in this report that relates to Exploration Results and Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes (Principal Consultant Geologist, Trepanier Pty Ltd). Mr Barnes is a shareholder of Anova Metals. Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Competent Person Statement – Exterra Resources Limited, Second Fortune (Linden) Project

The information in this report that relates to the Second Fortune Main Lode Mineral Resource is extracted from the summary report entitled 'Second Fortune Feasibility Study' prepared by Mining Plus Pty Ltd included in the Company's ASX announcement dated 25 May 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this report that relates to the Second Fortune Hanging Wall, Footwall and West Lode Mineral Resources fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists), who is a director of and consultant to the Company. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

The information in this report that relates to Ore Reserves is extracted from the summary report entitled 'Second Fortune Feasibility Study' prepared by Mining Plus Pty Ltd included in the Company's ASX announcement dated 25 May 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this report that relates to production targets and forecast financial information derived from the production target is extracted from the summary report entitled 'Second Fortune Feasibility Study' prepared by Mining Plus Pty Ltd included in the Company's ASX announcement dated 25 May 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by John Davis (Member of the Australasian Institute of Mining and Metallurgy and the AIG), who is a director of and consultant to the Company. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Competent Person Statement – Exterra Resources Limited, Zelica Project

The information in this report that relates to Mineral Resources for the Zelica Project is based on and fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Information in this report that relates to the Zelica Mineral Resources is based on information compiled by Don Maclean (Member of the Australian Institute of Geoscientists). Mr Maclean is a principal consultant for Ravensgate Mining Industry Consultants Pty Ltd. Mr Maclean has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maclean consents to the inclusion in the report of the statements based on his information in the form and context in which they appear.

Competent Person Statement – Exterra Resources Limited, Malcolm Project

The information in this report that relates to Mineral Resources for the Malcolm Project is based on and fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.



Merger Implementation Agreement

Anova Metals Limited

ACN 147 678 779

Anova

and

Exterra Resources Limited

ACN 138 222 705

Exterra

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Date 5 June 2017

Parties

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Recitals

- A. Exterra and Anova have agreed to effect a transaction by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Exterra and Exterra Shareholders, pursuant to which Anova will acquire all of the Scheme Shares and Exterra will become a wholly-owned Subsidiary of Anova, in accordance with this Agreement.
- B. Exterra intends to propose the Scheme to Exterra Shareholders and issue the Scheme Booklet.
- C. Exterra and Anova have agreed in good faith to implement the Transaction on the terms and conditions of this Agreement.

Agreement

1. Definitions and interpretation

1.1 Definitions

In this Agreement, unless the context otherwise requires:

Agreement means this Merger Implementation Agreement.

Alternative Proposal means, in relation to Exterra:

- (a) any bona fide, proposal, offer or transaction by any person (other than Anova) made in writing to Exterra to evaluate or enter into any transaction which is similar to the Transaction (whether a scheme of arrangement, a takeover bid or otherwise) or under which other than as required or contemplated by the Scheme:
 - (i) that person (together with its associates) may acquire a relevant interest in 10% or more of the Exterra Shares;
 - (ii) that person (together with its associates) may acquire Exterra Options which, if exercised, would result in the holder acquiring 10% or more of Exterra's issued share capital;
 - (iii) that person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure, strategic alliance or

otherwise), all or a substantial part of the Business or assets of Exterra; or

- (iv) that person may otherwise acquire control of or merge or amalgamate with Exterra;
- (b) any acquisition of, or agreement to acquire, an interest referred to in clauses (a)(i) and (a)(ii) above

Each successive modification or variation to the fundamental commercial terms of any proposal, offer or transaction in relation to an Alternative Proposal will constitute a new Alternative Proposal.

Announcement means a press release, announcement or other public statement other than an explanatory statement or supplementary explanatory statement required by the Corporations Act.

Anova Due Diligence Material means all documents and information disclosed by or on behalf of Anova or its Subsidiaries (including all written responses provided in response to written questions to requests for information) contained in the online data room established for the purposes of the Transaction.

Anova Material means the information provided by Anova to Exterra in accordance with clause 9(b) for inclusion in the Scheme Booklet, other than information:

- (a) relating to the financial or trading position of Anova following Implementation to the extent that such information has been prepared by Anova in reliance on information provided by Exterra; and
- (b) for which Anova disclaims responsibility under clause 8(f)(ii).

Anova Material Adverse Change means a Material Adverse Change in relation to Anova and its Subsidiaries.

Anova Material Permits means:

- (a) Anova's mining permits listed in Schedule 5; and
- (b) any and all other mining permits applied for or granted in renewal, substitution, variation or extension, in whole or in part, of those permits.

Anova Material Transaction means any of the following transactions concerning Anova or its Subsidiaries:

- (a) **(acquisition of an asset)** an acquisition, offer to acquire or agreement to acquire any asset or interest in an asset;
- (b) **(disposal of asset)** a disposal, offer to dispose or agreement to dispose of any asset or interest in an asset;
- (c) **(joint venture)** a joint venture, partnership or off-take agreement in respect of any asset or undertaking;

(d) **(contractual or other commitment)** a new, renewed, or any variation of, any contractual or other commitment (including any undertaking to a Government Agency); or

(e) **(exercise of a contractual right)** an exercise of a contractual right or other option to renew or extend an existing agreement (including under any lease),

that:

(f) is not in the ordinary course of its Business; or

(g) individually or when aggregated with related transactions has a value or involves a liability (whether actual, contingent or prospective) or expenditure, as the case may be, of \$500,000 or more,

but does not include any such transaction:

(a) to the extent it is fairly disclosed in writing to Exterra prior to the date of this Agreement;

(b) as expressly contemplated by this document or the Transaction; or

(c) with the prior consent of Exterra.

Anova Option means an option to subscribe for an Anova Share.

Anova Prescribed Event means, except as required by this Agreement or by the Share Scheme (or with the prior written consent of Exterra), the occurrence of any of the following:

(a) **(convert shares)** Anova or a Subsidiary of Anova converts all or any of its shares into a larger or smaller number of shares;

(b) **(reduce share capital)** Anova or a Subsidiary of Anova resolves to reduce its share capital in any way or reclassify, combine, split, redeem or repurchase directly or indirectly any of its shares;

(c) **(buy-back)** Anova or a Subsidiary of Anova:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the repurchase of any of its issued capital;

(d) **(issue shares or options)** Anova or a Subsidiary of Anova issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option or right to a share, excluding any shares issued by Anova as a result of the exercise of existing options over unissued Anova Shares or the vesting of existing performance rights to acquire Anova Shares;

(e) **(change to terms of options)** Anova (or the board of directors of Anova) makes any amendment to the terms of issue of any option over unissued Anova Shares, where, as a consequence, any one or more of the following occurs:

- (i) the period for exercise of any such option is extended;
- (ii) the number of such options that are exercisable at any time is increased;
- (iii) the earliest date for exercise of any such option is brought forward;
- (iv) the exercise price of any such option is reduced; or
- (v) the number of shares in Anova to be issued on exercise of any such option is increased;
- (f) **(issue convertible securities)** Anova or a Subsidiary of Anova issues, or agrees to issue, securities or other instruments convertible into shares;
- (g) **(declare dividend)** other than any dividend paid, declared or announced by Anova on or before the date of this Agreement in accordance with its ordinary dividend policy, Anova declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets;
- (h) **(Insolvency Event)** an Insolvency Event occurring in relation to Anova;
- (i) **(change to constitution)** Anova makes any change or amendment to its constitution;
- (j) **(change to accounting practice or policies)** Anova making any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or electing to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997* (Cth);
- (k) **(debentures)** Anova or a Subsidiary of Anova issues, agrees to issue or grants an option to subscribe for debentures (as defined in section 9 of the Corporations Act);
- (l) **(disposal)** Anova or a Subsidiary of Anova disposes, or agrees to dispose, of the whole, or a substantial part, of its Business or property;
- (m) **(security)** Anova or a Subsidiary of Anova charges, or agrees to charge, the whole or a substantial part, of its Business or property, or creates or alters, or agrees to create or alter, any mortgage, charge lien, security interest or other encumbrance over the whole or a substantial part of its Business or property;
- (n) **(share disposal)** Anova or a Subsidiary of Anova disposes, or agrees to dispose, of shares in a Subsidiary of that party;
- (o) **(litigation)** Anova or a Subsidiary of Anova commences any material litigation;
- (p) **(financial indebtedness)** except in the ordinary course of Business, Anova or a Subsidiary of Anova incurs any financial indebtedness or issues any debt securities;

- (q) **(benefits to officers and employees)** other than in accordance with an existing contract in place at the date of this Agreement or with the consent of Exterra (such consent not to be unreasonably withheld), Anova:
- (i) increases the remuneration of, or otherwise varies, the employment arrangements with any of its directors or employees;
 - (ii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including under any executive or employee share plans); or
 - (iii) pays any of its directors or officers a termination or retention payment;
- (r) **(Material Contracts)** Anova or a Subsidiary of Anova:
- (i) changes the terms of any Material Contract to the material detriment of Anova or a Subsidiary of Anova;
 - (ii) terminates any Material Contract;
 - (iii) pays, discharges or satisfies any claims, liabilities or obligations under any Material Contract other than in accordance with past practice and consistent with the contract terms; or
 - (iv) waives any material claims or rights under or waives the benefit of any provisions of any Material Contract;
- (s) **(Anova Material Transaction)** Anova or a Subsidiary of Anova or enters into or undertakes an Anova Material Transaction; or
- (t) **(Anova Material Permits)** Anova or a Subsidiary of Anova disposes of, relinquishes or surrenders all or part of any of the Anova Material Permits or any interest in the Anova Material Permits,

provided that (if otherwise caught by the terms of this definition) an acquisition of any business, assets (or interest in such assets), entity or undertaking by Anova or a Subsidiary of Anova, or a contract or commitment of the kind referred to in clause (r) above, will not be an Anova Prescribed Event if the terms of that acquisition, or potential contract or commitment, as the case may be, have been fairly disclosed either to the market generally or to Exterra in writing prior to the execution of this Agreement and the acquisition, contract or commitment as the case may be, proceeds substantially in accordance with those terms.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the "Australian Securities Exchange".

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal

or amendment and any condition attaching to it, from or by a Government Agency; and

- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

Business means:

- (a) in relation to Exterra, the business presently carried on by Exterra; and
- (b) in relation to Anova and its Subsidiaries, the business presently carried on by Anova and its Subsidiaries.

Business Day means a day as defined in the Listing Rules (other than any day which banks are not open for general banking business in Perth, Western Australia).

Claim means a claim, action, proceeding or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Condition means a condition precedent to completion of the Share Scheme in clause 3.2.

Convertible Loan Facility means the agreement between Exterra and Anova in respect of the \$2,000,000 loan facility that is convertible into Shares in Exterra entered into on or about the date of this Agreement.

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

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

Court means the Federal Court of Australia or such other court of competent jurisdiction as agreed by Anova and Exterra in writing.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act of the order of the Court made under sections 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) in relation to the Share Scheme.

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

Environmental Law means any law or regulation relating to the environment including relating to:

- (a) the discharge or emission of substances (whether solid, liquid or gaseous) to air, water or land;
- (b) contamination of air, water or land;
- (c) the production, use, handling, storage, disposal or transport of waste, hazardous substances;
- (d) the presence of asbestos; or

- (e) any other aspect of protection of the environment or the enforcement of any such law.

Environmental Permit means any permit, licence, authority, approval, certificate of approval, consent or authorisation required by Environmental Laws.

Exclusivity Period means the period between the date of this Agreement and ending on the earlier of:

- (a) the date this document is terminated in accordance with its terms;
- (b) the Sunset Date; and
- (c) the Effective Date.

Exterra Board means the board of directors of Exterra.

Exterra Directors means the directors of Exterra.

Exterra Due Diligence Material means all documents and information disclosed by or on behalf of Exterra (including all written responses provided in response to written questions to requests for information) contained in the online data room established for the purposes of the Transaction.

Exterra Material Adverse Change means a Material Adverse Change in relation to Exterra.

Exterra Material Permits means Exterra's mining tenements comprising:

- (a) Mining Leases M39/0255, M39/0649, M39/0650, M39/0386, M39/0387, M39/0500, M39/0629, M39/0780, M39/0781 and M39/0794;
- (b) Miscellaneous Licences L39/0012, L39/0230, L39/0013 and L39/0014;
- (c) Exploration Licences E39/1232, E39/1539, E39/1754, E39/1977 and E39/1972 (when granted); and
- (d) Prospecting Licence P39/5599,

and all other mining tenements applied for or granted in renewal, substitution, variation or extension, in whole or in part, of those tenements.

Exterra Material Transaction means any of the following transactions concerning Exterra:

- (a) **(acquisition of an asset)** an acquisition, offer to acquire or agreement to acquire any asset or interest in an asset;
- (b) **(disposal of asset)** a disposal, offer to dispose or agreement to dispose of any asset or interest in an asset;
- (c) **(joint venture)** a joint venture, partnership or off-take agreement in respect of any asset or undertaking;

- (d) **(contractual or other commitment)** a new, renewed, or any variation of, any contractual or other commitment (including any undertaking to a Government Agency); or
- (e) **(exercise of a contractual right)** an exercise of a contractual right or other option to renew or extend an existing agreement (including under any lease),

that is not in the ordinary course of its Business, but does not include any such transaction:

- (a) comprising a contract entered into for the development or operation of the Linden Project which has a value or involves a liability (whether actual, contingent or prospective) or expenditure, as the case may be, of an amount not exceeding \$500,000;
- (b) to the extent it is fairly disclosed in writing to Anova prior to the date of this Agreement;
- (c) as expressly contemplated by this document or the Transaction; or
- (d) with the prior consent of Anova.

Exterra Option means an option to subscribe for an Exterra Share.

Exterra Prescribed Event means, except as required by this Agreement or the Share Scheme (or with the prior written consent of Anova), the occurrence of any of the following:

- (a) **(convert shares)** Exterra converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduce share capital)** Exterra resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) **(buy-back)** Exterra:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(issue shares or options)** Exterra issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option or right to an Exterra Share, excluding:
 - (i) any issue or grant contemplated by the Share Scheme; and
 - (ii) any Exterra Shares issued by Exterra as a result of the exercise of existing Exterra Options.
- (e) **(change to terms of Exterra Options)** Exterra (or the Exterra Board) makes any amendment to the terms of issue of any Exterra Option, where, as a consequence, any one or more of the following occurs:

- (i) the period for exercise of any Exterra Option is extended;
- (ii) the number of Exterra Options that are exercisable at any time is increased;
- (iii) the earliest date for exercise of any Exterra Option is brought forward;
- (iv) the exercise price of any Exterra Option is reduced; or
- (v) the number of Exterra Shares to be issued on exercise of any Exterra Option is increased;
- (f) **(issue convertible securities)** Exterra issues, or agrees to issue, securities or other instruments convertible into shares, other than pursuant to the Convertible Loan Facility;
- (g) **(declare dividend)** other than any dividend paid, declared or announced by Exterra on or before the date of this Agreement in accordance with its ordinary dividend policy, Exterra declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets;
- (h) **(Insolvency Event)** an Insolvency Event occurring in relation to Exterra;
- (i) **(change to constitution)** Exterra makes any change or amendment to its constitution;
- (j) **(change to accounting practice or policies)** Exterra making any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or electing to form a consolidated group for the purposes of the *Income Tax Assessment Act 1997* (Cth);
- (k) **(debentures)** Exterra issues, agrees to issue or grants an option to subscribe for debentures (as defined in section 9 of the Corporations Act);
- (l) **(disposal)** Exterra disposes, or agrees to dispose, of the whole, or a substantial part, of its Business or property;
- (m) **(security)** Exterra charges, or agrees to charge, the whole or a substantial part, of its Business or property, or creates or alters, or agrees to create or alter, any mortgage, charge lien, security interest or other encumbrance over the whole or a substantial part of its Business or property, other than pursuant to the Convertible Loan Facility;
- (n) **(litigation)** Exterra commences any material litigation;
- (o) **(financial indebtedness)** Other than in the ordinary course of Business, Exterra incurs any financial indebtedness or issues any debt securities other than advances under the Convertible Loan Facility;
- (p) **(benefits to officers and employees)** other than in accordance with an existing contract in place at the date of this Agreement or with the consent of Anova (such consent not to be unreasonably withheld), Exterra:

- (i) increases the remuneration of, or otherwise varies, the employment arrangements with any of its directors or employees;
- (ii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including under any executive or employee share plans); or
- (iii) pays any of its directors or officers a termination or retention payment;
- (q) **(Material Contracts)** Exterra:
 - (i) changes the terms of any Material Contract to the material detriment of Exterra;
 - (ii) terminates any Material Contract;
 - (iii) pays, discharges or satisfies any claims, liabilities or obligations under any Material Contract other than in accordance with past practice and consistent with the contract terms; or
 - (iv) waives any material claims or rights under, or waives the benefit of, any provisions of any Material Contract;
- (r) **(Exterra Material Transaction)** Exterra enters into or undertakes an Exterra Material Transaction; or
- (s) **(Exterra Material Permit)** Exterra disposes of, relinquishes or surrenders all or part of any of the Exterra Material Permits or any interest in the Exterra Material Permits,

provided that (if otherwise caught by the terms of this definition) an acquisition of any business, assets (or interest in such assets), entity or undertaking by Exterra, or a contract or commitment of the kind referred to in clause (r) above, will not be an Exterra Prescribed Event if the terms of that acquisition, or potential contract or commitment, as the case may be, have been fairly disclosed either to the market generally or to Anova in writing prior to the execution of this Agreement and the acquisition, contract or commitment as the case may be, proceeds substantially in accordance with those terms.

Exterra Share means each fully paid ordinary share in Exterra.

Exterra Shareholder means each person entered in the Register as a holder of Exterra Shares.

Exterra Shareholder Approval means a resolution in favour of the Share Scheme passed by the required majorities of Exterra Shareholders under section 411(4)(a)(ii) of the Corporations Act.

Exterra Unexpired Options means Exterra Options which expire after 30 June 2017 and which have not been exercised into Exterra Shares before the Record Date.

First Court Date means the first day of the hearing by the Court of an application for an order under section 411(1) of the Corporations Act convening the Scheme

Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Government Agency means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, environmental agency or regulatory body, tribunal, or person charged with the administration of a law or agency, whether in Australia, the United States of America or elsewhere, including ASIC, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

GST means the same as in the GST Law.

GST Law means the same as "GST law" means in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

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

Implementation means the implementation of the Share Scheme, on the Share Scheme becoming Effective.

Implementation Date means the fifth Business Day following the Record Date or such other date after the Record Date agreed to in writing between the parties.

Independent Expert means the independent expert in respect of the Scheme appointed by Exterra.

Independent Expert's Report means the report (including any updates to such report) prepared by the Independent Expert stating whether or not, in its opinion the Share Scheme is in the best interests of the Exterra Shareholders, and setting out the reasons for that opinion.

Ineligible Foreign Holder means a Scheme Shareholder whose address in the Register of Exterra Shareholders is in a jurisdiction outside Australia and its external territories, New Zealand and Hong Kong, except where Anova and Exterra are reasonably satisfied that the issue of New Anova Shares in that jurisdiction under the Share Scheme would be neither prohibited by law nor unduly onerous.

Insolvency Event means, in relation to an entity:

- (a) the entity resolving to be wound up or liquidated;
- (b) the appointment of a liquidator, provisional liquidator or administrator of the entity;
- (c) the making of an order by a court for the winding up of the entity;
- (d) the entity executing a deed of company arrangement; or
- (e) the appointment of a receiver or a receiver and manager, in relation to the whole, or a substantial part, of the property of the entity.

Linden Project means Exterra's Linden gold project in the North Eastern Goldfields region of Western Australia, which includes the Exterra Material Permits and the Second Fortune gold mine.

Listing Rule means a listing rule of ASX.

Loss means a damage, loss, cost, expense or liability incurred by the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Material Adverse Change means in relation to a party, any matter, event or circumstance that occurs, is announced or becomes known to that party (whether or not it becomes public) where that matter, event or circumstance is, or could reasonably be expected to be, individually or when aggregated with all such matters, events or circumstances, materially adverse to the business, financial condition, results, material licences, operations or prospects of that party, provided that:

- (a) any change required to be done or procured by a party pursuant to this document and the Transaction;
- (b) any change to interest rates, gold price or currency exchange rates;
- (c) any change which is, and to the extent that it is, a consequence of Losses covered by insurance which that party's insurers have agreed to pay;
- (d) any change in the market price or trading volume of shares of that party after the date of this Agreement; and
- (e) any change as regards to one party (the first party) (which change is otherwise caught by the terms of this definition) that has been fairly disclosed either to the market generally or otherwise to the other party (the second party) in writing immediately prior to the execution of this Agreement and the change occurs as regards the first party substantially in accordance with those terms,

will not be taken into account in determining whether there has been a Material Adverse Change.

Material Contract means any contract which is or may reasonably be expected to be material to the assets, liabilities, financial position, profits, losses or operation of the entity which is party to it.

Meeting Date means 5.00pm on the date on which Exterra Shareholders vote on a resolution to approve the Share Scheme under section 411(4)(a) of the Corporations Act.

New Anova Shares means those Anova Shares to be issued to Scheme Shareholders in consideration for their Scheme Shares pursuant to the Share Scheme.

Record Date means 5.00pm on the fifth Business Day following the Effective Date, or any other date agreed by the parties in writing.

Register means:

- (a) in respect of the Exterra Shareholders, the register of members of Exterra; and
- (b) in respect of the Exterra Optionholders, the register of optionholders of Exterra.

Regulatory Approvals means the consents, approvals, clearances, decisions, determinations or other acts by a Government Agency necessary to effect Implementation (if any).

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

Relevant Date means, in relation to a Condition, the date or time specified in this Agreement for its fulfilment or, if no date or time is specified, 8.00am on the Second Court Date, subject, in either case, to extension under clause 3.6.

Scheme or Share Scheme means the scheme of arrangement under part 5.1 of the Corporations Act between Exterra and the Scheme Shareholders, the form of which is attached as Annexure 1, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Anova and Exterra.

Scheme Booklet means the information memorandum in respect of the Share Scheme to be approved by the Court and despatched to Exterra Shareholders, and includes the Scheme, Share Scheme Deed Poll, an explanatory statement complying with the requirements of the Corporations Act and the Corporations Regulations, the Independent Expert's Report and the notice of meeting and proxy form.

Scheme Meeting means the meeting of Exterra Shareholders, to be convened by the Court, to consider the Share Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Shareholders means each Exterra Shareholder as at 5.00pm on the Record Date (taking into account registration of all registrable transfers and transmission applications received at Exterra's share registry by the Record Date).

Scheme Share means an Exterra Share on issue at 5.00pm on the Record Date.

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

Share Scheme Consideration means the consideration to be provided by Anova to each Scheme Shareholder for the transfer to Anova of each Scheme Share, as determined in accordance with clause 4.2.

Share Scheme Deed Poll means a deed poll to be executed by Anova in the form of Annexure 2 (or such other form as is agreed between Anova and Exterra, including any alterations made with approval or at the discretion of the Court which are agreed by Anova and Exterra (each acting reasonably)) under which Anova covenants in favour of the Scheme Shareholders to perform its obligations under the Share Scheme.

Share Splitting means an Exterra Shareholder splitting its holding of Exterra Shares into two or more parcels, or a number of affiliated persons acquiring a number of parcels in different names or other manipulative conduct with the purpose or artificially increasing the number of shareholders in Exterra.

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2, Division 6 of the Corporations Act, or is a subsidiary or otherwise controlled by the first within the meaning of any approved accounting standard.

Sunset Date means, subject to any extension under clause 3.6, the date that is 6 months after the date of this Agreement.

Superior Proposal means an Alternative Proposal in relation to Exterra that:

- (a) in the determination of a majority of the Exterra Board acting in good faith (having taken advice from Exterra's legal advisers), is reasonably capable of being valued and completed, taking into account both the nature of the Alternative Proposal and the person or persons making it; and
- (b) in the determination of a majority of the Exterra Board acting in good faith and in order to satisfy what that board considers to be its fiduciary or statutory duties (having taken advice from Exterra's legal advisers), would, if completed substantially in accordance with its terms, result in a transaction more favourable to Exterra Shareholders than the Transaction.

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Third Party Consent means any consent, agreement, waiver, licence or approval from or by a party in respect of a contract involving Exterra or Anova or a Subsidiary of Anova, which the parties have agreed, or subsequently agree, in writing is required for Implementation of the Share Scheme.

Timetable means the indicative timetable for the implementation of the Transaction set out in Schedule 4.

Transaction means:

- (a) the proposed acquisition of all the issued Exterra Shares by Anova; and
- (b) the proposed cancellation or acquisition of all the issued Exterra Options, on the terms set out in this Agreement.

1.2 Interpretation

In this Agreement, unless inconsistent with the context:

- (a) headings are for convenience only and do not affect interpretation; and
- unless the context indicates otherwise:

- (b) a word or phrase in the singular number includes the plural, a word or phrase in the plural number includes the singular, and a word indicating a gender includes every other gender;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to:
- (i) a clause or schedule is a reference to a clause or schedule of this Agreement;
 - (ii) a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation;
 - (iii) a document in writing includes a document produced by means of typewriting, printing, lithography, photography and other modes of representing or reproducing words in a visible form, recorded by any electronic, magnetic, photographic or other medium by which information may be stored or reproduced;
 - (iv) a document (including this Agreement) includes a reference to all schedules, exhibits, attachments and annexures to it, and is to that document as varied, novated, ratified or replaced from time to time;
 - (v) legislation or to a provision of legislation includes any consolidation, amendment, re-enactment, substitute or replacement of or for it, and refers also to any regulation or statutory instrument issued or delegated legislation made under it;
 - (vi) a person includes an individual, the estate of an individual, a corporation, an authority, an unincorporated body, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (e) a reference to a day is to a period of time commencing at midnight and ending twenty four (24) hours later;
- (f) a reference to a Chapter, Part, Division or section is a reference to a Chapter, Part, Division or section of the Corporations Act;
- (g) the word “**includes**” in any form is not a word of limitation;
- (h) the word “**applicable**” when used with respect to a law is used to refer to any relevant law (including any subordinate or delegated legislation or statutory instrument of any kind) of a jurisdiction in or out of Australia, and also to any relevant judgment, order, policy, guideline, official directive or request (even if it does not have the force of law) of any Government Agency within or outside Australia;
- (i) a reference to “**information**” is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programmes, concepts, data, drawings, ideas,

knowledge, procedures, source codes or object codes, technology or trade secrets;

- (j) the words “**associate**”, “**controller**”, “**entity**”, “**officer**”, “**related body corporate**”, “**relevant interest**” and “**subsidiary**” have the same meaning as in section 9 of the Corporations Act, and “**control**” has the same meaning as in section 50AA of the Corporations Act;
- (k) time is a reference to time in Perth, Western Australia;
- (l) a reference to “\$” or “**dollar**” is to Australian currency;
- (m) a contravention of or a breach of any of the representations and warranties includes any of the representations and warranties not being complete, true and correct;
- (n) each representation and warranty is a separate representation and warranty, and its meaning is not affected by any other representation or warranty;
- (o) a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (p) when a day on or by which anything to be done is not a Business Day, that thing may be done on or by the next Business Day.

2. Agreement to implement Transaction

- (a) Exterra agrees to propose the Scheme on and subject to the terms of this Agreement.
- (b) Anova agrees to assist Exterra to propose the Scheme on and subject to the terms of this Agreement.
- (c) The parties agree to implement the Transaction on and subject to the terms of this Agreement.

3. Conditions

3.1 Obligations to complete Share Scheme not binding until Conditions satisfied

Subject to this clause 3, the Share Scheme will not become Effective unless each of the Conditions in clause 3.2 are satisfied or waived to the extent and in the manner set out in this clause 3.

3.2 Conditions to the Share Scheme

The Conditions to the Share Scheme are:

	Condition	Party entitled to benefit
(a)	(Board recommendation) between the date of this Agreement and the date on which the Share Scheme is approved by Exterra Shareholders, the Exterra Directors do not change or withdraw their recommendation to Exterra Shareholders as set out in the form in the agreed Announcement the subject of clause 12.1 to vote in favour of the Share Scheme and all resolutions (if any) incidental to the Share Scheme;	Anova
(b)	(orders convening the Scheme Meeting) the Court orders the convening of the Scheme Meeting;	Both
(c)	(Independent Expert's Report) the Independent Expert's Report concludes that the Share Scheme is in the best interests of Exterra Shareholders and, upon consideration of all available relevant information from time to time, the Independent Expert does not change that conclusion or withdraw its report prior to 8.00am on the Second Court Date;	Both
(d)	(Exterra Shareholder Approval) a resolution in favour of the Share Scheme is passed by the required majorities of Exterra Shareholders under section 411(4)(a)(ii) of the Corporations Act;	Both
(e)	(Court approval of the Share Scheme) the Court makes orders under section 411(4)(b) of the Corporations Act approving the Share Scheme;	Both
(f)	(orders lodged with ASIC) an office copy of the Court orders approving the Share Scheme is lodged with ASIC under section 411(10) of the Corporations Act;	Both
(g)	(orders and injunctions) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of Implementation is in effect at 8.00am on the Second Court Date;	Both

	Condition	Party entitled to benefit
(h)	(no Exterra Material Adverse Change) from the date of this Agreement until 8.00am on the Second Court Date, no Exterra Material Adverse Change occurs, is announced or otherwise is disclosed or becomes public;	Anova
(i)	(no Anova Material Adverse Change) from the date of this Agreement until 8.00am on the Second Court Date, no Anova Material Adverse Change occurs, is announced or otherwise is disclosed or becomes public;	Exterra
(j)	(Exterra representations and warranties) the representations and warranties of Exterra set out in clauses 14.1 and 14.2 being true and correct as at the date of this Agreement and as at 8.00am on the Second Court Date;	Anova
(k)	(no Exterra Prescribed Event) from the date of this Agreement until 8.00am on the Second Court Date, no Exterra Prescribed Event occurs;	Anova
(l)	(Anova representations and warranties) the representations and warranties of Anova set out in clauses 14.1 and 14.3 being true and correct as of the date of this Agreement and as at 8.00am on the Second Court Date;	Exterra
(m)	(no Anova Prescribed Event) from the date of this Agreement until 8.00am on the Second Court Date, no Anova Prescribed Event occurs;	Exterra
(n)	(Third Party Consents) all Third Party Consents are granted or obtained in respect of Implementation and those consents, agreements, waivers, licences or approvals are not withdrawn, cancelled or revoked;	Both
(o)	(ASX quotation of the shares) the New Anova Shares to be issued as the Scheme Consideration pursuant to the terms of the Share Scheme are approved for official quotation by ASX (conditional only on the issue of those shares and on Anova providing ASX with a completed Appendix 3B as required by the Listing Rules) prior to 5.00pm on the day before the Second Court Date;	Both

	Condition	Party entitled to benefit
(p)	(no prohibitive action) no Government Agency or judicial entity or authority taking any action or making any order or decree which action, order or decree restrains or prohibits the Implementation of the Share Scheme or any transaction contemplated by this Agreement;	Both
(q)	(Exterra Unexpired Options) before 8.00am on the Second Court Date, binding agreements have been entered into for a sufficient number of Exterra Unexpired Options in accordance with clause 5 so as to permit Anova to compulsorily the remaining Exterra Unexpired Options in accordance with Part 6A.2, Div 1 of the Corporations Act; and	Anova
(r)	(Cash balance) The aggregate of Anova's cash assets and receivables, less any trade creditors, is above \$5,500,000 as at 8.00am on the Second Court Date.	Exterra

3.3 Waiver of a Condition

- (a) **(If only one party benefiting, that party only may waive)** If a Condition has been included for the benefit of one party only (as specified in relation to a Condition in the third column of the table in clause 3.2), only that party may, in its sole and absolute discretion, waive the breach or non fulfilment of the Condition.
- (b) **(If both parties benefiting, both must waive)** If a Condition has been included for the benefit of both parties (as specified in relation to a Condition in the third column of the table in clause 3.2), the breach or non fulfilment of the Condition may be waived only by the consent of both parties.
- (c) **(Conditional waiver)** If a waiver by a party of a Condition is itself made subject to a condition and the other party accepts that condition, the terms of that condition apply accordingly. If the other party does not accept a conditional waiver of a Condition, that Condition has not been waived.
- (d) **(Waiver precludes litigation)** If a party waives the breach or non fulfilment of a Condition, that waiver precludes the party from suing the other party for any breach of this Agreement that resulted in the breach or non fulfilment of the Condition.
- (e) **(Waiver restricted)** Unless specified in the waiver, a waiver of the breach or non-fulfilment of any Condition will not constitute:

- (i) a waiver of breach or non-fulfilment of any other Condition resulting from events or circumstances giving rise to the breach or non-fulfilment of the first Condition; or
 - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event or circumstance.
- (f) **(Waiver in writing)** Any waiver must be in writing.

3.4 Fulfilment of each Condition

Each party must:

- (a) **(procure satisfaction of Condition)** use its reasonable endeavours to procure that each Condition is satisfied as soon as practicable after the date of this Agreement, including providing all reasonable assistance to the other party as is necessary to satisfy each Condition; this obligation does not require any party to pay any money (other than nominal amounts) to or for a person from whom a Third Party Consent is sought to secure fulfilment of the Condition in clause 3.2(n);
- (b) **(not prevent satisfaction of Condition)** not take any action (except as required by law including, for the avoidance of doubt, an action taken to avoid a potential breach of directors' fiduciary duties or statutory obligations) which is designed to prevent the Conditions being satisfied, without the prior consent of the other party (such consent not to be unreasonably withheld); and
- (c) **(promptly notify)** promptly notify the other party of the fulfilment or waiver of a Condition and must keep the other party informed of any material developments of which it becomes aware in relation to a Condition.

3.5 When a Condition is fulfilled

Each Condition is deemed to be fulfilled on the Relevant Date unless the party for whose benefit the Condition has been included (or, in the case of a Condition included for the benefit of all those parties, either party) gives notice to the other party on or before the Relevant Date of the non-fulfilment of the Condition.

3.6 If a Condition is not fulfilled or waived

- (a) Subject to clauses 3.6(b) and (c), if a Condition to the Share Scheme has not been fulfilled or waived by the Relevant Date, or the Effective Date has not occurred or is incapable of occurring by the Sunset Date, the parties:
 - (i) will consult in good faith to determine whether the Share Scheme may proceed by way of alternative means or methods; and
 - (ii) may agree to extend the Relevant Date or the Sunset Date, or both.
- (b) If the condition precedent in clause 3.2(d) is not satisfied by reason only of the non-satisfaction of the Headcount Test and:

- (i) either Anova or Exterra considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or materially contributed to the Headcount Test not having been satisfied; and
- (ii) legal advisers to Exterra have opined that an application under clause 3.6(b)(ii)A would have not less than a 50% prospect of success,

then Exterra must:

- A. apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
 - B. make such submissions to the Court and file such evidence as counsel engaged by Exterra to represent it in Court proceedings related to the Scheme, in consultation with Anova, considers is reasonably required to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.
- (c) If the Court agrees to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test, it will not be necessary to meet the Headcount Test in order to satisfy the condition precedent in clause 3.2(d).
 - (d) If the parties are unable to reach agreement under clause 3.6(a) within 5 Business Days of the earlier of becoming aware of the relevant occurrence or relevant date or by the Sunset Date (or any shorter period ending at 8:00am on the Second Court Date), then unless that condition is waived in accordance with clause 3.3, either party may (subject to clause 3.6(e)) terminate this Agreement without liability to the other party because of that termination. In this event, each party will retain any rights and remedies that accrued prior to termination, including any rights and remedies in respect of any past breach of this Agreement.
 - (e) A party may not terminate this Agreement under clause 3.6(d) if the relevant Condition in clause 3.2 has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the relevant Condition being satisfied by the date specified in this Agreement for its satisfaction, as a result of an act or omission by that party which results in a material breach of this Agreement.

3.7 Certificate

Exterra and Anova must provide the Court at the hearing on the Second Court Date with a certificate confirming that all of the Conditions (other than the Conditions in clauses 3.2(e) and 3.2(f)) have been satisfied or waived in accordance with the terms of this Agreement.

4. Share Scheme

4.1 Share Scheme

Exterra agrees to propose the Share Scheme upon and subject to the terms of this Agreement, under which, subject to the Share Scheme becoming Effective:

- (a) all of the Scheme Shares held by the Scheme Shareholders will be transferred to Anova; and
- (b) Scheme Shareholders will be entitled to receive the Share Scheme Consideration for each Scheme Share held on the Record Date.

4.2 Share Scheme Consideration

- (a) Subject to clause 4.2(d), the parties will procure that each Scheme Shareholder receives one (1) New Anova Share for every two (2) Scheme Shares held as at 5.00pm on the Record Date in accordance with the terms of this Agreement.
- (b) Subject to clauses 4.2(c), 4.4 and 4.5, Anova undertakes and warrants to Exterra that in consideration for the transfer to Anova of each Scheme Share held by a Scheme Shareholder under the terms of the Share Scheme, on the Implementation Date, Anova will provide to each Scheme Shareholder the Share Scheme Consideration in accordance with the terms of this Agreement and the Share Scheme.
- (c) Anova will procure that the New Anova Shares to be issued as Share Scheme Consideration will be validly issued, fully paid, and rank equally with Anova's other issued fully paid ordinary shares from their date of issue and that application will be made to ASX for quotation of the New Anova Shares.
- (d) Any fractional entitlement of a Scheme Shareholder to New Anova Shares will be rounded up to the nearest whole number of New Anova Shares.

4.3 No amendments to Share Scheme without consent

Exterra 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 Share Scheme without the prior consent of Anova, such consent not to be unreasonably withheld or delayed.

4.4 Ineligible Foreign Holders

Where a Scheme Shareholder is an Ineligible Foreign Holder, the number of New Anova Shares to which the Scheme Shareholder would otherwise be entitled, will be allotted to a nominee approved by Anova, Exterra and (if necessary) ASIC, who will sell those New Anova Shares as soon as practicable (at the risk of that Ineligible Foreign Holder) and pay the proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, and selling costs, to that Ineligible Foreign Holder in full satisfaction of that Ineligible Foreign Holder's rights under this Agreement to Share Scheme Consideration.

4.5 Small shareholders

Scheme Shareholders who are entitled to receive 4,000 or less New Anova Shares (or such other number as may be agreed between Anova and Exterra in writing) under the Share Scheme will be given the option to have those New Anova Shares allotted to a nominee approved by Anova, Exterra and (if necessary) ASIC, who will sell those New Anova Shares as soon as practicable (at the risk of the Scheme Shareholder) and pay the proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to that Scheme Shareholder in full satisfaction of that Scheme Shareholder's rights under this Agreement to Share Scheme Consideration.

5. Transfer or cancellation of Outstanding Exterra Options

- (a) The parties must use reasonable endeavours (acting co-operatively and in good faith) to procure that, as soon as practicable after the date of this Agreement, each holder of Exterra Unexpired Options enters into a deed in a form reasonably acceptable to Anova, under which:
 - (i) the holder agrees to the transfer or cancellation of all of their Exterra Unexpired Options in exchange for Anova Options being granted:
 - A. at the ratio of on one (1) Anova Option for every two (2) Exterra Unexpired Options transferred or cancelled; and
 - B. on terms set out in Schedule 3;
 - (ii) the transfer or cancellation of the Exterra Unexpired Options is subject to the Scheme becoming Effective and is to take effect on the Implementation Date; and
 - (iii) Anova agrees to issue the Anova Options to the holder on the Implementation Date.
- (b) Within 20 Business Days of the date of this Agreement, Exterra must apply to the ASX for a waiver from Listing Rule 6.23.2 to allow the Exterra Options to be cancelled for consideration.

6. Conduct of business

6.1 Conduct of Exterra's business

From the date of this Agreement up to and including the Implementation Date, Exterra must conduct its Business in the ordinary course, in substantially the same manner and at the same locations as previously conducted and, to the extent consistent, use reasonable efforts to:

- (a) preserve intact its current business organisation;
- (b) keep available the services of its current officers and employees;
- (c) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it; and

- (d) maintain the Business and its assets and keep its assets in good working order, including maintaining at least its current level of insurance.

6.2 Access to Exterra information

From the date of this Agreement up to and including the Implementation Date, Exterra must ensure that Anova and a reasonable number of persons authorised by Anova:

- (a) are given reasonable, non-disruptive access during normal business hours and on reasonable notice to inspect the assets, premises, books and records of Exterra; and
- (b) have reasonable access to the senior management of Exterra.

6.3 Conduct of Anova's business

From the date of this Agreement up to and including the Implementation Date, Anova must, and Anova must ensure that each of its Subsidiaries, conduct the Business in the ordinary course, in substantially the same manner and at the same locations as previously conducted and, to the extent consistent, use reasonable efforts to:

- (a) preserve intact its current business organisation;
- (b) keep available the services of its current officers and employees;
- (c) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it; and
- (d) maintain the Business and its assets and keep its assets in good working order, including maintaining at least its current level of insurance.

6.4 Access to Anova information

From the date of this Agreement up to and including the Implementation Date, Anova must ensure that Exterra and a reasonable number of persons authorised by Exterra:

- (a) are given reasonable, non-disruptive access during normal business hours and on reasonable notice to inspect the assets, premises, books and records of Anova and its Subsidiaries; and
- (b) have reasonable access to the senior management of Anova.

7. Obligations of both parties in relation to the Share Scheme

- (a) Each party must use its reasonable endeavours to give effect to the Share Scheme, subject to this Agreement and compliance with their respective obligations, powers and duties under this Agreement, their constituent documents and all applicable law and the proper performance by the directors of Exterra and Anova of their fiduciary duties and statutory obligations.
- (b) Each party agrees to use its best endeavours to complete its obligations in this Agreement.

8. Exterra obligations

Exterra must take all steps reasonably necessary to implement the Share Scheme in accordance with the Timetable and otherwise on and subject to the terms of this Agreement and, without limiting the generality of the foregoing, must:

- (a) **(commission Independent Expert's Report)** appoint the Independent Expert and commission the preparation of the Independent Expert's Report and provide all assistance and information reasonably requested by the Independent Expert to enable the preparation or updating of the Independent Expert's Report;
- (b) **(prepare Scheme Booklet)** prepare a Scheme Booklet in accordance with all applicable law, including the Corporations Act and Corporations Regulations, the Listing Rules and applicable ASIC regulatory guides;
- (c) **(Scheme Booklet to contain statement)** use its reasonable endeavours to ensure the Scheme Booklet includes a statement that subject to the Independent Expert concluding that the Scheme is in the best interests of Exterra Shareholders that:
 - (i) the Exterra Directors recommend the approval of the Share Scheme; and
 - (ii) the Exterra Directors intend to vote or cause the voting of any Shares in which they have a relevant interest in favour of the Share Scheme,
 in each case in the absence of a Superior Proposal.
- (d) **(apply for ASX and ASIC relief)** use its reasonable endeavours to obtain all waivers, exemptions and modifications from ASX and ASIC as may be required to facilitate Implementation of the Share Scheme;
- (e) **(Exterra information)** prepare and provide to Anova such information as Anova reasonably requires to prepare the Anova Material for inclusion in the Scheme Booklet;
- (f) **(consult with Anova on form of Scheme Booklet)** consult with Anova in good faith in relation to the form and content of the Scheme Booklet, including taking into account Anova's reasonable comments and incorporating the Anova Material, and:
 - (i) if after a reasonable period of consultation, the parties are unable to agree on the form or content of the Scheme Booklet, Exterra must make the final determination as to the form and content of the Scheme Booklet; and
 - (ii) if Anova disagrees with the final form and content, Exterra must include a statement to that effect in the Scheme Booklet and, if it relates to the Anova Material, Exterra must include a statement that Anova takes no responsibility for the relevant form or content;
- (g) **(lodge Regulator's Draft)** as soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, lodging a

Regulator's Draft with ASIC in accordance with section 411(2) of the Corporations Act;

- (h) **(prepare Court documents)** prepare all documents necessary for the Court proceedings relating to the Share Scheme:
 - (i) in accordance with all applicable law; and
 - (ii) in consultation with Anova as to the form and content of the Court documents;
- (i) **(seek Court order to convene Scheme Meeting)** apply to the Court under section 411(1) of the Corporations Act for an order directing Exterra to convene the Scheme Meeting;
- (j) **(convene Scheme Meeting)** convene the Scheme Meeting, in accordance with the orders made by the Court under section 411(1) of the Corporations Act;
- (k) **(register explanatory statement)** take all reasonable measures necessary to cause ASIC to register the explanatory statement relating to the Share Scheme in accordance with section 412(6) of the Corporations Act;
- (l) **(ASIC review)** keep Anova regularly informed of any matters raised by ASIC in relation to the Scheme Booklet, and use all reasonable endeavours, in co-operation with Anova, to resolve any such matters;
- (m) **(despatch Scheme Booklet)** despatch a copy of the Scheme Booklet to each Exterra Shareholder and to all other persons entitled to receive notice of the Scheme Meeting in accordance with the orders made by the Court under section 411(1) of the Corporations Act;
- (n) **(inform shareholders of relevant post-Scheme Booklet information)** if it becomes aware of any further or new information after the date of despatch of the Scheme Booklet which is material for disclosure to Exterra Shareholders in deciding whether to approve the Share Scheme, inform shareholders and optionholders of the information in an appropriate and timely manner, provided that Exterra must consult with Anova and reasonably consider Anova's views on the form and content of any correspondence with Exterra Shareholders in relation to such matters;
- (o) **(section 411(17)(b) statement)** if a resolution in favour of the Share Scheme is passed by the required majority of Exterra Shareholders under section 411(4)(a)(ii) of the Corporations Act is obtained, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act in relation to the Share Scheme;
- (p) **(apply for Court approval of Share Scheme)** subject to satisfaction or waiver of all Conditions in clause 3.2, apply to the Court for orders approving the Share Scheme under section 411(4) of the Corporations Act;
- (q) **(Implementation of Share Scheme)** if the Court approves the Share Scheme:

- (i) immediately notify ASX of the Court order approving the Share Scheme;
- (ii) promptly lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act;
- (iii) determine who are the Scheme Shareholders and their entitlements to the Scheme Consideration as at 5.00pm on the Record Date in accordance with the Share Scheme;
- (iv) in accordance with section 672A of the Corporations Act, direct those of the Exterra Shareholders notified to Exterra by Anova (acting reasonably) in writing to make the disclosures required by section 672B of the Corporations Act and provide the resulting information to Anova within 5 days of its receipt; and
- (v) register all transfers of Exterra Shares to Anova on the Implementation Date;
- (r) **(Register information)** give to Anova (or as it directs) details of the names, registered addresses and holdings of Exterra Shares of every Exterra Shareholder as shown in the Register as at 5.00pm on the Record Date and as at any other time reasonably requested by Anova in such form as Anova may reasonably require;
- (s) **(communications with Exterra Shareholders)**: participate in, and ensure the Exterra Board participates in, all communications, presentations and other measures reasonably requested by Anova to promote the merits of the Transaction, subject always to a majority of the Exterra Directors not changing or withdrawing their recommendation to Exterra Shareholders to vote in favour of the Share Scheme because of a Superior Proposal or because the Independent Expert concludes that the Scheme is not in the best interests of Exterra Shareholders; and
- (t) **(post Implementation Exterra board)**: on the Effective Date, Exterra will use its best endeavours to ensure that:
 - (i) all directors nominated by Anova in writing to Exterra at least 5 Business Days prior to the Effective Date are appointed to the Exterra Board subject to such nominees providing written consents to act as a director of Exterra; and
 - (ii) each Exterra Director, other than those appointed by Anova in accordance with clause 8(t)(i), resigns in writing to Exterra acknowledging that the director has no Claim against Exterra or Anova.

9. Anova obligations

Anova must take all steps reasonably necessary to implement the Share Scheme in accordance with the Timetable and otherwise on and subject to the terms of this Agreement and, without limiting the generality of the foregoing, must:

- (a) **(assist preparation of Independent Expert's Report)** as expeditiously as practicable, provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation or updating of the Independent Expert's Report;
- (b) **(supply information for Scheme Booklet)** as expeditiously as practicable, supply to Exterra for inclusion in the Scheme Booklet such information (including providing reasonable access to Anova management) regarding Anova which is reasonably required under all applicable law, including the Corporations Act and Corporations Regulations, the Listing Rules and applicable ASIC regulatory guides, to be included in the Scheme Booklet (Anova acknowledges and agrees that the Scheme Booklet will include a statement that the Anova Material has been provided by Anova and is the responsibility of Anova, and that Exterra assumes no responsibility for the accuracy or completeness of the Anova Information);
- (c) **(supply any further information required)** as expeditiously as practicable, supply to Exterra any further information reasonably required by Exterra before the Meeting Date to ensure that the Anova Material is not misleading or deceptive and contains no material omissions and to enable Exterra to inform Exterra Shareholders of any further or new information after the date of despatch of the Scheme Booklet, which is material for disclosure to Exterra Shareholders in deciding whether to approve the Share Scheme;
- (d) **(verify Anova Material)**: verify to Exterra the accuracy of the Anova Material in the Scheme Booklet (and retain verification materials in a reproducible form for a period of not less than 7 years from the date of the Scheme Booklet) and consent to the inclusion of that information in the form and context in which it appears;
- (e) **(apply for ASX and ASIC relief)** use its reasonable endeavours to obtain all waivers, exemptions and modifications from ASX or ASIC as may be required to facilitate Implementation of the Share Scheme;
- (f) **(Deed poll)** before the First Court Date, enter into the Share Scheme Deed Poll;
- (g) **(representation)** ensure that, if requested by Exterra, Anova is represented at Court hearings convened for the purpose of section 411(4)(b) of the Corporations Act, and, through counsel, undertakes, if requested by the Court, to do all things and take all steps within its power necessary to fulfil its obligations under this Agreement;
- (h) **(not act inconsistently)** not act in a manner inconsistent with obtaining Court approval for the Share Scheme;
- (i) **(maintain ASX listing)** take all reasonable and appropriate steps to maintain Anova's listing on ASX, notwithstanding any suspension of the quotation of Anova Shares, up to and including the Effective Date;
- (j) **(communications with Exterra Shareholders)**: participate in, and ensure the appropriate members of Anova senior management participate in, all communications, presentations and other measures reasonably requested by Exterra to promote the merits of the Transaction;

- (k) **(approval of the Scheme Booklet)** as soon as reasonably practicable after conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the Board of Anova is held to approve those sections of the Scheme Booklet that relate to Anova as being in a form appropriate for despatch to Exterra Shareholders, subject to approval of the Court;
- (l) **(post Implementation Anova Board)**: on the Effective Date, Anova must ensure that:
 - (i) Geoff Laing and John Davis are appointed to the Anova Board subject only to Anova receiving from such nominees written consents to act as directors of Anova; and
 - (ii) the total number of directors on the Anova Board, including Geoff Laing and John Davis, does not exceed 5.

10. Exclusivity

10.1 No other existing discussions

- (a) Subject to clause 10.1(b), Exterra represents and warrants that it is not, as at the date of this Agreement, in negotiations or discussions in respect of any Alternative Proposal with any other person.
- (b) To the extent that Exterra is in negotiations or discussions in respect of any Alternative Proposal as at the date of this Agreement, Exterra undertakes to terminate those negotiations and discussions within two (2) Business Days following its entry into this Agreement.

10.2 No-shop restriction

During the Exclusivity Period, Exterra must not, and must use its reasonable endeavours to ensure that none of its directors, officers or employees or (to the extent that it is reasonably able to influence them) its associates, agents or advisers, directly or indirectly solicit, invite, facilitate, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to an Alternative Proposal.

10.3 No-talk restriction

Subject to clause 10.4, during the Exclusivity Period, Exterra must not, and must use its reasonable endeavours to ensure that none of its directors, officers or employees or (to the extent that it is reasonably able to influence them) its associates, agents or advisers, negotiates or enters into, continues or participates in negotiations or discussions with any other person regarding an Alternative Proposal, even if:

- (a) the Alternative Proposal was not directly or indirectly solicited, initiated or encouraged by Exterra; or
- (b) the other person has publicly announced its Alternative Proposal.

10.4 Exception to no-talk

The restrictions in clause 10.3 do not apply to the extent that they restrict Exterra from taking or refusing to take any action with respect to a bona fide proposal in relation to an Alternative Proposal (which was not encouraged, solicited or invited, facilitated or initiated in contravention of clause 10.2) provided that the Exterra Board has determined, after receiving written legal advice from its external legal advisers, that failing to respond would in Exterra's reasonable opinion (acting in good faith) be likely to constitute a breach of Exterra's directors' fiduciary or statutory duties or could reasonably lead to a contravention of the law.

10.5 Disclosure of Alternative Proposal

During the Exclusivity Period, Exterra must promptly notify Anova in writing of:

- (a) any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with Exterra or any of its representatives with respect to any bona fide Alternative Proposal (whether unsolicited or otherwise); and
- (b) any request for information relating to Exterra or any of their businesses or operations or any request for access to Exterra's books or records, which Exterra has reasonable grounds to suspect is likely to relate to a current or future Alternative Proposal,

which notice must include reasonable details of the applicable matter (including reasonable details of the Alternative Proposal made by the person making the approach (including the identity of that person and all material terms of the Alternative Proposal)).

10.6 Fiduciary obligations in relation to clause 10.5

Exterra is not required to comply with its obligations under clause 10.5 in any particular case to the extent that compliance with clause 10.5 would, or would be reasonably likely to, constitute, in the reasonable opinion of the Exterra Board, after receiving written legal advice from its external legal advisers, a breach of any of the legal and fiduciary obligations of the directors of Exterra or could reasonably lead to a contravention of the law.

10.7 Matching right

If, at any time during the Exclusivity Period, Exterra receives a proposal in relation to a bona fide Superior Proposal, the following provisions apply:

- (a) Exterra must immediately give Anova notice in writing of that fact and that notice must provide all material details of the Superior Proposal as required by clauses 10.5 and 10.6;
- (b) if Exterra gives Anova a notice under clause 10.7(a), Exterra agrees that it will not, until the end of the day which is three (3) Business Days following the receipt of that notice by Anova, enter into any legally binding agreement with respect to the Superior Proposal;

- (c) if Exterra gives Anova a notice under clause 10.7(a), Anova agrees that the notice and its contents are to be kept confidential;
- (d) if Exterra gives Anova a notice under clause 10.7(a), Anova will have the right, but not the obligation, at any time until the end of the day which is three (3) Business Days following receipt of the notice to:
- (i) offer to amend the terms of the Transaction; or
 - (ii) propose any other transaction,
- (each a **Counterproposal**), and if Anova does so, the Exterra Board must review the Counterproposal in good faith and in what the Exterra Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Counterproposal is more favourable to Exterra Shareholders than the Superior Proposal;
- (e) if the Exterra Board determines, in good faith and in order to satisfy what the Exterra Board considers to be its fiduciary and statutory duties, that the Counterproposal is more favourable to Exterra Shareholders than the Superior Proposal, then:
- (i) if the Counterproposal contemplates an amendment to the Transaction, the parties must enter into a document amending this Agreement in relation to the Transaction and reflecting the Counterproposal; and
 - (ii) Exterra must make an announcement as soon as reasonably practicable recommending the Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Counterproposal in good faith.
- (f) Despite anything in this clause 10.7, to the extent required to satisfy what the Exterra Board have determined in good faith to be their fiduciary or statutory obligations, the Exterra Board may release a public announcement acknowledging the receipt of a Alternative Proposal and:
- (i) recommending the Exterra Shareholders take no action in relation to a Alternative Proposal; and
 - (ii) reserving its position in relation to its recommendation of the Alternative Proposal and the Scheme.

10.8 Announcement of a Superior Proposal

Subject to Exterra complying with clause 10.7, nothing in this clause 10 prevents or restricts Exterra making any Announcement in respect of any Superior Proposal.

11. Break fee

11.1 Rationale

The parties acknowledge and agree, for the purposes of this clause 11, as follows:

- (a) the parties have required the inclusion of this clause 11, in the absence of which they would not have entered into this Agreement or otherwise agreed to implement the Transaction;
- (b) the parties and their respective boards believe that the Transaction will provide significant benefits to their respective members and that it is reasonable and appropriate that each party agrees to the inclusion of this clause 11, in order to secure the other party's execution of this Agreement and agreement to implement the Transaction; and
- (c) the amount payable by Exterra pursuant to clause 11.2 and Anova pursuant to clause 11.3, is an amount to compensate the other party for the costs and expenses incurred, directly or indirectly, by the other party as a result of the Transaction not being implemented in accordance with this Agreement and all costs and expenses incurred by the other party in connection with the investigation and assessment of the other party, and the investigation, assessment, negotiation, documentation and pursuit of approval and implementation of the Transaction, and the performance of the other party's obligations and the enforcement of its rights under this Agreement, including the following:
 - (i) all advisory costs (including costs of its legal, financial and other expert advisers and agents other than success fees);
 - (ii) costs of management time;
 - (iii) all out of pocket expenses; and
 - (iv) all commitment fees and other financing costs (whether associated with debt or equity finance).

11.2 Undertaking to reimburse fees, costs, losses and expenses – Exterra

Subject to this Agreement and to the extent permitted by law, Exterra undertakes to Anova that it will pay to Anova a fee of \$250,000 as compensation for costs and expenses incurred by Anova in relation to the Share Scheme and performing its obligations under this Agreement, if any of the following events occurs:

- (a) an Exterra Prescribed Event and Anova exercises its rights under clause 3.6 to terminate this Agreement;
- (b) a majority of the Exterra Directors fail to recommend the Share Scheme or make a public statement that they no longer support the Share Scheme or the Transaction, or a majority of the Exterra Directors withdraw a recommendation that they had previously made, in each case other than because of an Anova Material Adverse Change or because the Independent Expert has concluded (either initially or in any updated report) that the Share Scheme or the Transaction is not in the best interests of Exterra Shareholders;
- (c) a member of the Exterra Board disposes of any interest in any Exterra Share which he owns or controls other than in circumstances disclosed in writing to Anova on or prior to the date of this Agreement;

- (d) Anova terminates this Agreement in accordance with clause 13.1(d)(i).

11.3 Undertaking to reimburse fees, costs, losses and expenses – Anova

Subject to this Agreement and to the extent permitted by law, Anova undertakes to Exterra that it will pay to Exterra a fee of \$250,000 as compensation for costs and expenses incurred by Exterra in relation to the Share Scheme and performing its obligations under this Agreement, if either of the following events occurs: [

- (a) an Anova Prescribed Event and Exterra exercises its rights under clause 3.6 to terminate this Agreement; or
- (b) Exterra terminates this Agreement in accordance with clause 13.1(d)(ii).

11.4 Limits on compensation

- (a) No amount is payable under clause 11.2, and any amount paid under clause 11.2 is immediately repayable by the payee, if the Share Scheme becomes Effective or Anova proceeds with the Transaction the subject of the Share Scheme by alternative means or methods and through those alternative means or methods Anova acquires more than 50% of the Exterra Shares, despite the occurrence of any event referred to in clause 11.2.
- (b) No amount is payable under clause 11.2, and any amount paid under clause 11.2 is immediately repayable by Anova, if the Independent Expert (on the request of either party) concludes, or changes its original conclusion to conclude, that the Share Scheme is not in the best interests of Exterra Shareholders, because of an Anova Material Adverse Change.

11.5 Compliance with law

If it is found that the undertakings of Exterra or Anova under clause 11.2 or clause 11.3, or any payment made in accordance with those clauses, or all or any part of any such payment (**Impugned Amount**):

- (a) is or was or would be unlawful;
- (b) involves or involved or would involve a breach of the duties of the directors of the company making the payment (**Payer**); or
- (c) constitutes, constituted or would constitute "Unacceptable Circumstances" as that term is defined in the Corporations Act,

then:

- (d) the undertaking shall not apply to the extent of the Impugned Amount;
- (e) the Payer shall have a good defence to any claim for the Impugned Amount; and
- (f) if the other party has been paid the Impugned Amount, the payee must immediately refund the Impugned Amount to the Payer.

11.6 Fee as sole remedy

Notwithstanding any other provision of this Agreement, if a party makes any payment in full and in accordance with clause 11.2 or clause 11.3, the parties agree that such payment will be the sole remedy of the payee in respect of each and every breach of this Agreement and the payee will not be entitled to commence proceedings seeking any other remedy including, without limitation, for an injunction or damages.

11.7 Demand

A party must make any payment in full and in accordance with clause 11.2 or clause 11.3 within 5 Business Days of receipt of a demand for payment from the other party and such demand may only be made after:

- (a) the Share Scheme fails to become Effective by the Sunset Date; or
- (b) this Agreement is terminated in accordance with its terms.

12. Announcement

12.1 Announcement of Share Scheme

Immediately after the execution of this Agreement, Exterra and Anova must issue either a joint or separate public announcements in agreed terms, including a statement by the Exterra Directors that, subject to the Independent Expert concluding, and continuing to conclude, that the Share Scheme is in the best interests of Exterra Shareholders, they intend to recommend that Exterra Shareholders vote in favour of the Share Scheme subject to no Superior Proposal being made.

12.2 No Announcement

Neither party may make an Announcement relating to the subject matter of this Agreement or its termination or make public this Agreement (or any of its terms) unless the Announcement or publication:

- (a) is required by clause 12.1 or any other provision of this Agreement;
- (b) has the prior approval of the other party, such approval not to be unreasonably withheld or delayed; or
- (c) is required to be made by any applicable law or stock exchange rules.

12.3 Notice of Announcement

If a party is required to make an Announcement under clause 12.2(c), it must, to the extent practicable without that party breaching any applicable law, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the Announcement; and
- (b) a draft of the Announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft Announcement.

12.4 Alternative or Superior Proposal

The requirements of clauses 12.2 and 12.3 do not apply to either party if an Alternative Proposal or a Superior Proposal has been announced and publicly recommended, promoted or otherwise endorsed by any of the Exterra Board and has not been publicly withdrawn.

12.5 Termination of this Agreement

If this Agreement is terminated under clause 12, either party may disclose by way of announcement to ASX the fact that this Agreement has been terminated, where such disclosure is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed, and provided, where reasonably practicable, that party consults with the other party as to (and gives the other party a reasonable opportunity to comment on) the form and content of the announcement prior to its disclosure.

13. Termination

13.1 When a party may terminate

Without limiting clause 3, this Agreement may be terminated:

- (a) **(before Relevant Date if Condition cannot be satisfied)** subject to clause 3.6, by either party, if, before the Relevant Date, a Condition solely or jointly for its benefit cannot be satisfied and is not waived by the time required in this Agreement for it to be satisfied or waived;
- (b) **(after Relevant Date if Condition has not been satisfied)** subject to clause 3.6, by either party, if, after the Relevant Date applicable to a Condition solely or jointly for its benefit, that Condition has not been satisfied or waived at that time;
- (c) **(after Sunset Date)** subject to clause 3.6, by either party, if the Effective Date has not occurred by the Sunset Date;
- (d) **(termination for breach)** before the Second Court Date:
 - (i) by Anova – if Exterra is in breach of this Agreement (including a breach of a representation or warranty under clause 14) and that breach is material and is not remedied by Exterra within 5 Business Days (or such shorter period ending on the Second Court Date) of Exterra receiving notice from Anova of the details of the breach and its intention to terminate; and
 - (ii) by Exterra – if Anova is in breach of this Agreement (including a representation or warranty under clause 14) and that breach is material and is not remedied by Anova within 5 Business Days (or such shorter period ending on the Second Court Date) of Anova receiving notice from Exterra of the details of the breach and its intention to terminate,

by giving notice in writing to the other party.

13.2 Obligations on termination

- (a) If a party terminates this Agreement, all obligations of the parties under this Agreement, other than under this clause 13, clause 12 (**Announcement**), clause 14 (**Representations and Warranties**), clause 15 (**Indemnities**), clause 16 (**Release**), clause 17 (**GST**), clause 18 (**Notices**), clause 19 (**Amendment and Assignment**) and clause 20 (**General**), immediately cease to be of further force or effect.
- (b) The termination of this Agreement does not affect any Claim arising before this Agreement is terminated, that a party may have against another party.

14. Representation and warranties

14.1 Mutual representations and warranties

Each party represents and warrants to the other party that:

- (a) (**status**) it is a company limited by shares and is validly existing under relevant law;
- (b) (**power**) it has full legal capacity and power to:
 - (i) own its property and to carry on its business; and
 - (ii) enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) (**corporate authority**) it has taken all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out the transactions that this Agreement contemplates;
- (d) (**Authorisations**) subject to obtaining those Authorisations contemplated under clauses 3.2(e) and 3.2(o), it holds each Authorisation that is necessary or desirable to:
 - (i) enable it to execute this Agreement properly and to carry out the transactions that this Agreement contemplates;
 - (ii) ensure that this Agreement is legal, valid, binding and admissible in evidence; and
 - (iii) enable it to carry on its Business properly,

and it is complying in all material respects with any conditions to which any Authorisation is subject;
- (e) (**Agreement effective**) this Agreement constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (f) (**no contravention**) neither its execution of this Agreement nor the carrying out by it of the transactions that this Agreement contemplates, does or will contravene:

- (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
- (ii) any material Authorisation;
- (iii) any undertaking or instrument binding on it or any of its property; or
- (iv) its constitution;
- (g) **(no litigation):**
 - (i) no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge after due enquiry, threatened which, if adversely decided, could have a material adverse effect on it or any of its Subsidiaries;
 - (ii) it or its Subsidiaries is not subject to any material pending or, or to its knowledge after due enquiry, material threatened investigation by a Government Agency;
 - (iii) it or its Subsidiaries nor the respective assets, properties or Business of it or any of its Subsidiaries is the subject to any judgment, order, writ, forfeiture application, injunction or decree or any court, Government Agency or arbitration tribunal; and
 - (iv) there is no agreement, judgement, injunction, order or decree binding on it or its Subsidiaries that has or would be reasonably likely to have the effect of prohibiting, restricting or materially impairing the Business of it or its Subsidiaries.
- (h) **(no Insolvency Event)** it is not affected by an Insolvency Event; and
- (i) **(not representative)** it is not entering into this Agreement in a representative capacity.

14.2 Exterra representations and warranties

Exterra represents and warrants to Anova that:

- (a) **(exchanged information not false or misleading)** the information relating to the Business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Exterra, provided by Exterra to Anova prior to the date of this Agreement in connection with this Transaction, is true and accurate in all material respects as at the date at which it was provided to Anova, and Exterra has not knowingly or recklessly:
 - (i) omitted to disclose information to Anova, the disclosure of which would reasonably be expected to have resulted in Anova not entering into this Agreement, or entering into it on materially different terms;
 - (ii) omitted anything such as to make any part of the information provided to Anova materially false or misleading;
 - (iii) included anything materially false or misleading; or

- (iv) denied access to requested information with the intention of misleading Anova;
- (b) **(Exterra Due Diligence Material)** Exterra has:
- (i) collated and prepared all of the Exterra Due Diligence Material in good faith for the purposes of a confirmatory due diligence exercise (but which exercise does not include diligence on information of commercial or competitive sensitivity) and in this context, as far as Exterra is aware, such material has been collated with all reasonable care and skill; and
 - (ii) as at the date that the Regulator's Draft is lodged with ASIC, not intentionally withheld from the Exterra Due Diligence Material any written information that is known to Exterra to be material to Anova as a purchaser of Exterra as a whole, provided that for the purposes of this paragraph (ii), all disclosure documents of Exterra publicly filed with ASX prior to the date prior to date of this Agreement will be deemed to have been provided to Anova;
- (c) **(Scheme Booklet not misleading or deceptive)** as at the date of despatch of the Scheme Booklet, the Scheme Booklet (other than the Anova Material and the Independent Experts Report) will not contain any material statement which is misleading or deceptive in any material respect (including because of any material omission);
- (d) **(complied with applicable law)** Exterra has complied with all applicable laws, to the extent that any instance of non-compliance, individually or in aggregate, could not reasonably be expected to be an Exterra Material Adverse Change;
- (e) **(Exterra Material Permits):**
- (i) Exterra is the sole unencumbered legal and beneficial owner of the Exterra Material Permits and, other than as disclosed to Anova in the Exterra Due Diligence Materials, there are no royalties payable to any third party (other than a Government Agency) in respect of future production from the Exterra Material Permits;
 - (ii) the Exterra Material Permits are valid, subsisting, in full force and effect and in good standing in terms of applicable laws and regulations in Western Australia;
 - (iii) Exterra is not in default in the due and punctual observance a performance of its obligations under the provisions of the Exterra's Material Permits;
 - (iv) so far as Exterra is aware, Exterra has:
 - A. complied in all material respects with all laws and regulations applicable to the Exterra Material Permits and with all orders of Governmental Agencies having jurisdiction over the Exterra Material Permits;

- For personal use only
- B. not been convicted of any material offence under any Environmental Law and to, Exterra's knowledge, there are no orders issued by any Government Agency or any claims relating to the breach of any Environmental Law or Environmental Permits against Exterra; and
 - C. complied in all material respects with all applicable Environmental Laws and all Environmental Permits necessary for the conduct and operation of its Business as presently conducted; and
 - (v) so far as Exterra is aware, Exterra has not received any notice or information regarding any circumstances that would result in a material breach of the terms and conditions of the Exterra Material Permits or any application for renewal not being granted; and
 - (vi) all fees, charges, penalties, fines and royalties in respect of the Exterra Material Permits which have fallen due for payment have been paid and all renewal applications submitted on time and in accordance with the terms of applicable mining laws in Western Australia;
 - (f) **(continuous disclosure)** Exterra has complied in all material respects with the continuous disclosure obligations under the Listing Rules and is not withholding any information pursuant to an exception in Listing Rule 3.1A (save in respect of the Transaction);
 - (g) **(no other approvals necessary)** it is not aware of any consents, approvals or other acts by a Government Agency that are necessary to effect Implementation;
 - (h) **(financial statements)** the consolidated financial statements of Exterra for the full financial year ended 30 June 2016 and the half-year ended 31 December 2016 comply as to form in all material respects with the Corporations Act and all applicable accounting requirements applicable to the preparation of those financial statements (including off balance sheet financing and contingent liabilities), have been prepared in accordance with generally accepted accounting principles in Australia (Australian GAAP) or AIFRS as applicable at the relevant date and fairly represent in all material respects the consolidated financial position of Exterra as of the dates of the relevant financial statements and the consolidated results of its operations and cash flows for the periods then ended;
 - (i) **(no default)** Exterra is not in default under any document or agreement binding on it or its assets and nothing has occurred which is, or would, with the giving of notice or lapse of time or both, constitute, an event of default, prepayment event or similar event under any such document or agreement, which individually or in aggregate could reasonably be expected to be an Exterra Material Adverse Change;
 - (j) **(termination events)** so far as Exterra is aware, Exterra is not a party to a Material Contract under which any of the other parties may take a step unfavourable to Exterra (such as to terminate or suspend the agreement or arrangement or to require a payment or the adoption of less favourable terms) because of any change in the control of Exterra, any transaction

contemplated by this Agreement or compliance with any provision of this Agreement;

- (k) **(Third Party Consents)** so far as the Exterra Board is aware, no Third Party Consents are required in order to implement the Transaction; and
- (l) **(Exterra issued securities)** Schedule 1 accurately records the total number and details of all securities issued by Exterra.

14.3 Anova representations and warranties

Anova represents and warrants to Exterra that:

- (a) **(exchanged information not false or misleading)** the information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Anova, provided by Anova to Exterra prior to the date of this Agreement in connection with this Transaction, is true and accurate in all material respects as at the date at which it was provided to Exterra, and Anova has not knowingly or recklessly:
 - (i) omitted to disclose information to Exterra, the disclosure of which would reasonably be expected to have resulted in Exterra not entering into this Agreement, or entering into it on materially different terms;
 - (ii) omitted anything such as to make any part of the information provided to Exterra materially false or misleading;
 - (iii) included anything materially false or misleading; or
 - (iv) denied access to requested information with the intention of misleading Exterra;
- (b) **(Anova Due Diligence Material)** Anova has:
 - (i) collated and prepared all of the Anova Due Diligence Material in good faith for the purposes of a confirmatory due diligence exercise (but which exercise does not include diligence on information of commercial or competitive sensitivity) and in this context, as far as Anova is aware, such material has been collated with all reasonable care and skill; and
 - (ii) as at the date that the Regulator's Draft is lodged with ASIC, not intentionally withheld from the Anova Due Diligence Material any written information that is known to Anova to be material to Exterra in light of the Transaction, provided that for the purposes of this paragraph (ii), all disclosure documents of Exterra publicly filed with ASX prior to date prior to date of this Agreement will be deemed to have been provided to Exterra;
- (c) **(Anova Material not misleading or deceptive)** the Anova Material as at the date of despatch of the Scheme Booklet will not contain any material statement which is misleading or deceptive (including because of any material omission);

- (d) **(complied with applicable law)** Anova has complied with all applicable laws to the extent that any instance of non-compliance individually or in aggregate, could not reasonably be expected to be an Anova Material Adverse Change;
- (e) **(Anova Material Permits):**
- (i) Anova or a Subsidiary of Anova is the sole unencumbered legal and beneficial owner of the Anova Material Permits and, other than as disclosed to Exterra in the Anova Due Diligence Materials, there are no royalties payable to any third party (other than a Government Agency) in respect of future production from the Anova Material Permits;
 - (ii) the Anova Material Permits are valid, subsisting, in full force and effect and in good standing in terms of applicable laws and regulations in Nevada, USA;
 - (iii) Anova and its Subsidiaries are not in default in the due and punctual observance a performance of its obligations under the provisions of the Anova's Material Permits;
 - (iv) so far as Anova is aware, Anova and its Subsidiaries have:
 - A. complied in all material respects with all laws and regulations applicable to the Anova Material Permits and with all orders of Governmental Agencies having jurisdiction over the Anova Material Permits;
 - B. not been convicted of any material offence under any Environmental Law and to, Anova's knowledge, there are no orders issued by any Government Agency or any claims relating to the breach of any Environmental Law or Environmental Permits against Anova or its Subsidiaries; and
 - C. complied in all material respects with all applicable Environmental Laws and all Environmental Permits necessary for the conduct and operation of their Business as presently conducted; and
 - (v) so far as Anova is aware, Anova and its Subsidiaries have not received any notice or information regarding any circumstances that would result in a material breach of the terms and conditions of the Anova Material Permits or any application for renewal not being granted; and
 - (vi) all fees, charges, penalties, fines and royalties in respect of the Anova Material Permits which have fallen due for payment have been paid and all renewal applications submitted on time and in accordance with the terms of applicable mining laws in the State of Nevada, in the United States of America;
- (f) **(continuous disclosure)** Anova has complied in all material respects with the continuous disclosure obligations under the Listing Rules and is not

withholding any information pursuant to an exception in Listing Rule 3.1A (save in respect of the Transaction);

- (g) **(no other approvals necessary)** it is not aware of any consents, approvals or other acts by a Government Agency that are necessary to effect Implementation;
- (h) **(financial statements)** the consolidated financial statements of Anova for the full financial year ended 30 June 2016 and the half-year ended 31 December 2016 comply as to form in all material respects with the Corporations Act and all applicable accounting requirements applicable to the preparation of those financial statements (including off balance sheet financing and contingent liabilities), have been prepared in accordance with generally accepted accounting principles in Australia (Australian GAAP) or AIFRS as applicable at the relevant date and fairly represent in all material respects the consolidated financial position of Anova as of the dates of the relevant financial statements and the consolidated results of its operations and cash flows for the periods then ended;
- (i) **(no default)** Anova is not in default under any document or agreement binding on it or its assets and nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement, which individually or in aggregate could reasonably be expected to be an Anova Material Adverse Change;
- (j) **(termination events)** Anova is not a party to a Material Contract under which any of the other parties may take a step unfavourable to Anova (such as to terminate or suspend the agreement or arrangement or to require a payment or the adoption of less favourable terms) because of any change in the control of Anova, any transaction contemplated by this Agreement or compliance with any provision of this Agreement;
- (k) **(Third Party Consents)** so far as the Anova Board is aware, having made all reasonable enquiry, no Third Party Consents are required in order to implement the Transaction; and
- (l) **(Anova issued securities)** Schedule 2 accurately records the total number and details of all securities issued by Anova.

14.4 No representations made on economic or future matters

Neither Exterra nor Anova makes any representation or warranty in relation to the achievability of:

- (a) any economic, fiscal or other interpretations or evaluations by Exterra or Anova; or
- (b) future matters, including future or forecast costs, prices, revenues or profits.

14.5 Reliance on representations and warranties

Each party acknowledges that the other party has executed this Agreement and agreed to take part in the transactions that this Agreement contemplates in reliance on the representations and warranties that are made in clauses 14.1, 14.2 and 14.3.

14.6 When warranties are given

Each representation and warranty given or made under clauses 14.1, 14.2 and 14.3 is given:

- (a) as at the date of this Agreement; and
- (b) as at 8.00am on the Second Court Date; and
- (c) at any other date at which the representation or warranty is expressed to be given.

15. Indemnities

15.1 Indemnity by Exterra

Exterra indemnifies Anova, its directors, officers and employees against any Loss or Claim arising from or in connection with a breach of the representations and warranties given by Exterra in clauses 14.1 and 14.2.

15.2 Indemnity by Anova

Anova indemnifies Exterra, its directors, officers and employees against any Loss or Claim arising from or in connection with a breach of the representations and warranties given by Anova in clause 14.1 and 14.3.

15.3 Survival

Each representation, warranty and indemnity in clause 14 and this clause 15:

- (a) is severable; and
- (b) will survive termination of this Agreement.

16. Release

- (a) **(Officers not liable)** Subject to section 199A of the Corporations Act and clause 16(b), no officer or employee of a party is liable for anything done or purported to be done in connection with implementation of this Agreement, the Share Scheme or any one of them.
- (b) **(Except wilful misconduct)** Clause 16(a) does not exclude an officer or employee from any liability which may arise from wilful misconduct or a grossly negligent act or omission on the part of the person.

- (c) **(Benefit held for officers and employees)** Each party receives and holds the benefit of this release, to the extent that it relates to its officers and employees as agent for them.

17. GST

17.1 GST interpretation

In this Agreement:

- (a) any reference in this clause 17 to a term defined or used in the GST Law is, unless the context indicates otherwise, a reference to that term as defined or used in that Act;
- (b) if a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled; and
- (c) references to GST extend to any notional liability of any person for GST and to any amount which is treated as GST under the GST Law, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.

17.2 GST payable in addition to consideration for taxable supplies

A recipient of a taxable supply made under or in connection with this Agreement must:

- (a) pay to the supplier, in addition to the consideration for the taxable supply, an amount equal to any GST paid or payable by the supplier in respect of the taxable supply, without deduction or set-off of any other amount; and
- (b) make the payment either when the consideration for the taxable supply is payable, or upon demand.

17.3 Tax invoice

The supplier must issue a tax invoice to the recipient for any supply for which the supplier may recover GST from the recipient under or in connection with this Agreement.

17.4 Consideration exclusive of GST

Any consideration or payment obligation in this Agreement is exclusive of GST unless stated otherwise.

18. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this Agreement:

- (a) must be in writing;

- (b) must be addressed to the address notified by the recipient to the other party from time to time; at the date of this Agreement, the parties' respective addresses are the addresses as set out at page 1 of this Agreement;
- (c) must be signed by the party making it or (on that party's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that party;
- (d) must be delivered by hand or posted by prepaid post to the address, sent by fax to the number, or sent by email to the email address, of the addressee in accordance with clause (c); and
- (e) is taken to be received by the addressee:
 - (i) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
 - (ii) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting;
 - (iii) (in the case of facsimile) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the facsimile machine from which it was sent or other verification from the time of sending;
 - (iv) (in the case of email) at the time that the email reaches the addressee's email address; and
 - (v) (in the case of delivery by hand) on delivery,

but if the communication would, on the application of clauses (i) to (v), be taken to be received on a day that is not a Business Day or after 5.00pm on a Business Day, it is taken to be received at 9.00am on the next Business Day.

19. Amendment and assignment

19.1 Amendment

This Agreement can only be amended, supplemented, replaced or novated by another document signed by the parties.

19.2 Assignment

A party cannot:

- (a) assign, novate or otherwise deal with any of its rights or obligations under this Agreement; or
- (b) dispose of, declare a trust over or otherwise create an interest in its rights under this Agreement,

without the prior written consent of the other party.

20. General

20.1 Governing law

This Agreement is governed by and must be construed according to the law applying in Western Australia.

20.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia, and any courts competent to determine appeals from any of those courts, with respect to any proceedings that may be brought at any time relating to or in connection with this Agreement; and
- (b) waives any objection that it may now or in the future have to the venue of any proceedings, and any claim that it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 20.2(a).

20.3 Liability for expenses

- (a) Anova must pay for all stamp duty payable on this Agreement or any instrument or transaction contemplated in or necessary to give effect to this Agreement.
- (b) Each party must pay its own expenses incurred in negotiating, preparing, executing and performing this Agreement and the proposed, attempted or actual implementation of this Agreement, the Share Scheme, the Scheme Booklet and this Agreement.

20.4 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give full effect to this Agreement and the transactions contemplated by this Agreement.

20.5 Continuing obligations

Any provision of this Agreement remaining to be performed or observed by the parties or having effect after the termination, completion or expiration of this Agreement remains in full force and effect and is binding on the parties and their personal representatives.

20.6 Waiver of rights

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this Agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this Agreement.

- (b) A waiver or consent given by a party under this Agreement is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this Agreement operates as a waiver of another breach of that term or of a breach of any other term of this Agreement.

20.7 No partnership or agency

Nothing in this Agreement is to be treated as creating a partnership and, except as specifically provided in this Agreement, no party may act as agent of or in any way bind another party to any obligation.

20.8 Indemnities

- (a) Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this Agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this Agreement.
- (c) A party must pay on demand any amount it must pay under an indemnity in this Agreement.

20.9 Liability for breach

Notwithstanding any other provision in this Agreement, neither party (first party) shall be liable to the other party (other party) for any indirect or consequential Loss that may be suffered or incurred by the other party as a result of breach of this Agreement by the first party, howsoever arising, including without limitation loss of profits, loss of chance, increasing financing costs, loss of goodwill and business interruption to the extent it constitutes indirect or consequential Loss.

20.10 Consents

Where this Agreement contemplates that a party may agree or consent to something (however it is described), the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions,

unless this Agreement expressly contemplates otherwise.

20.11 Severance and enforceability

Any provision, or the application of any provision, of this Agreement that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Agreement in that or any other jurisdiction.

20.12 No merger

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

20.13 Entire agreement

To the extent permitted by law, in relation to its subject matter this Agreement:

- (a) embodies the entire understanding of the parties, and constitutes the entire terms agreed by the parties; and
- (b) supersedes any prior written or other agreement of the parties.

20.14 Counterparts

This Agreement may be executed in any number of counterparts and by the parties on separate counterparts, including by facsimile. Each counterpart constitutes an original of this Agreement and all together constitute one agreement.

20.15 Attorneys

Each person who executes this Agreement on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

Schedule 1 – Exterra's issued securities

1. Shares

342,188,706 Exterra Shares

2. Other securities

Exterra has the following Exterra Options on issue:

	Exterra Options		
Tranche	Number	Exercise price	Expiry date
1	9,000,000	\$0.0215	19 June 2020
2	3,000,000	\$0.035	15 June 2017
3	5,125,000	\$0.06	15 June 2017
4	9,375,000	\$0.06	1 July 2019
5	5,000,000	\$0.06	4 July 2018
6	2,500,000	\$0.10	26 August 2019
7	2,500,000	\$0.125	26 August 2019
8	17,853,737	\$0.06	29 July 2019
9	17,853,737	\$0.08	29 July 2019
10	1,000,000	\$0.10	1 December 2019
11	2,750,000	\$0.10	28 November 2021
Total	75,957,474		

Schedule 2 – Anova's issued securities

1. **Shares**

453,400,292 Anova Shares.

2. **Other securities**

2,250,000 performance rights entitling the holder to subscribe for Anova Shares on their terms of issue.

Schedule 3 – Consideration for cancellation of Exterra Unexpired Options

	Exterra Options			Anova Options		
Tranche	Number	Exercise price	Expiry date	Number	Exercise price	Expiry date
1	9,000,000	\$0.0215	19 June 2020	4,500,000	\$0.043	19 June 2020
2	*3,000,000	\$0.035	15 June 2017	Nil	N/A	N/A
3	*5,125,000	\$0.06	15 June 2017	Nil	N/A	N/A
4	9,375,000	\$0.06	1 July 2019	4,687,500	\$0.12	1 July 2019
5	5,000,000	\$0.06	4 July 2018	2,500,000	\$0.12	4 July 2018
6	2,500,000	\$0.10	26 August 2019	1,250,000	\$0.20	26 August 2019
7	2,500,000	\$0.125	26 August 2019	1,250,000	\$0.25	26 August 2019
8	17,853,737	\$0.06	29 July 2019	8,926,869	\$0.12	29 July 2019
9	17,853,737	\$0.08	29 July 2019	8,926,869	\$0.16	29 July 2019
10	1,000,000	\$0.10	1 December 2019	500,000	\$0.20	1 December 2019
11	2,750,000	\$0.10	28 November 2021	1,375,000	\$0.20	28 November 2021
Total	75,957,474			33,916,238		

* Denotes is not an Exterra Unexpired Option

Schedule 4 – Indicative Timetable

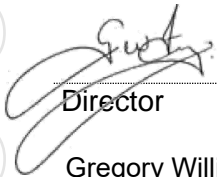
Event	Target date
Announcement of Transaction	8 June 2017
Regulator's Draft of the Scheme Booklet lodged with ASIC	Early July 2017
First Court Hearing	Mid / Late July 2017
Scheme Meeting	Late August 2017 / Early September 2017
Second Court Hearing	Early September 2017
Effective Date	Early September 2017
Record Date	Early September 2017
Implementation Date	Early September 2017

Schedule 5 – Anova Material Permits

Project Name	Prospect	Location	Mining Claim Name
Big Springs	Big Springs	USA	NDEEP-31, NDEEP-32
Big Springs	Big Springs	USA	TT-108 to TT-157, TT-163, TT-164, TT-185, TT-187, TT-189 to TT-204, TT-220 to TT-267, TT-327 to TT-344
Big Springs	Dorsey Creek	USA	NDEEP-18, NDEEP-19, NDEEP-35, NDEEP-36, NDEEP-52, NDEEP-53
Big Springs	Dorsey Creek	USA	TT-158 to TT-162, TT-169 to TT-184, TT-186, TT-188, TT-275 to TT-277, TT-290, TT-291, TT-297 to TT-301, TT-305 to TT-311
Big Springs	Golden Dome	USA	DOME-1 to DOME-51
Big Springs	Golden Dome	USA	GD-52 to GD-61, GD-63, GD-67 to GD-76, GD-79 to GD-90, GD-92 to GD-136, GD-139 to GD-154, GD-157, GD-164 to GD-173, GD-176, GD-181, GD-182, GD-185, GD-186, GD-189, GD-190, GD-193, GD-194, GD-197 to GD-199, GD-201, GD-203, GD-205, GD-207, GD-209, GD-211, GD-213, GD-215, GD-217, GD-219, GD-221, GD-223, GD-225, GD-265 to GD-286, GD-297 to GD-318, GD-381 to GD-428
Big Springs	Golden Dome	USA	MP-14, MP-16, MP-18, MP-41, MP-43, MP-45, MP-47, MP-49 to MP-54
Big Springs	Golden Dome	USA	NDEEP-1 to NDEEP-16, NDEEP-44 to NDEEP-90
Big Springs	Jack Creek	USA	JAK-14, JAK-16, JAK-18, JAK-20 to JAK-38, JAK-99 to JAK-116, JAK-170, JAK-172, JAK-174, JAK-176, JAK-178 to JAK-186
Big Springs	Mac Ridge	USA	BS-500 to BS-550, BS-557 to BS-579
Big Springs	Mac Ridge	USA	MR-500 to MR-524, MR-526, MR-528, MR-530 to MR-537
Big Springs	Mac Ridge	USA	NDEEP-33, NDEEP-34
Big Springs	Mac Ridge	USA	TT-205 to TT-219

Executed as an agreement

Executed by Anova Metals Limited ACN)
147 678 779 pursuant to section 127 of the)
Corporations Act)



Director

Gregory William Fry
Full name (please print)



~~Director~~ /Secretary

Steven Luke Jackson
Full name (please print)

Executed by Exterra Resources Limited)
138 222 705 pursuant to section 127 of the)
Corporations Act)

Director

Full name (please print)

Director /Secretary

Full name (please print)

Executed as an agreement

Executed by Anova Metals Limited ACN)
147 678 779 pursuant to section 127 of the)
Corporations Act)

Director

Director /Secretary

Full name (please print)

Full name (please print)

Executed by Exterra Resources Limited)
138 222 705 pursuant to section 127 of the)
Corporations Act)



Director

Director

John Davis

Justin Brown

Full name (please print)

Full name (please print)

Annexure 1 – Share Scheme of Arrangement

Annexure 1

Share Scheme of Arrangement

pursuant to section 411 of the Corporations Act

Exterra Resources Limited

ACN 138 222 705

and

Each Scheme Shareholder

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Annexure 1

Share Scheme of Arrangement

Date

2017

Parties

Exterra Resources Limited ACN 138 222 705 of Ground Floor, 20 Kings Park Road, West Perth, Western Australia (**Exterra**)

Each Scheme Shareholder

1. Definitions and interpretation

1.1 Definitions

Anova means Anova Metals Limited ACN 147 678 779 of Suite 1, 245 Churchill Avenue, Subiaco, Western Australia.

Anova Register means the register of members of Anova maintained by Link Market Services and Anova Registry has a corresponding meaning.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the "Australian Securities Exchange".

ASX Operating Rules means the operating rules of ASX Settlement.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

Business Day means a day as defined in the Listing Rules other than any day which banks are not open for general banking business in Perth, Western Australia.

CHESS means the Clearing House Electronic Sub-register System, for the electronic transfer of securities, operated by ASX Settlement.

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

Court means the Federal Court of Australia.

Duty means a tax on a dutiable transaction under the *Duties Act 2008* (WA) or a similar tax imposed in another jurisdiction, including a jurisdiction outside Australia.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme.

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

Exterra means Exterra Resources Limited ACN 138 222 705.

Exterra Option means an option to subscribe for an Exterra Share.

Exterra Share means a fully paid ordinary share in Exterra.

Implementation Date means the fifth Business Day immediately following the Record Date or such other date after the Record Date agreed to in writing between the parties.

Ineligible Foreign Holder means a Scheme Shareholder whose address in the Share Register is in a jurisdiction outside Australia and its external territories, New Zealand and Hong Kong, except where Anova and Exterra are reasonably satisfied that the issue of New Anova Shares in that jurisdiction under the Scheme would be neither prohibited by law nor unduly onerous.

Listing Rule means a listing rule of ASX.

Merger Implementation Agreement means the merger implementation agreement between Exterra and Anova dated <date> June 2017.

New Anova Shares means those Anova Shares to be issued to Scheme Shareholders in consideration for their Scheme Shares under the terms of this Scheme.

Record Date means 5.00pm on the day which is 5 Business Days after the Effective Date, or any other date agreed by the parties in writing.

Registered Address means, in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the Share Register.

Sale Agent means the person approved by Exterra, Anova and (if necessary) ASIC to sell the New Anova Shares that are attributable to Ineligible Foreign Holders and

Small Shareholders under the terms of this Scheme (or any nominee of such person).

Scheme or **Share Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act recorded in this document subject to any modifications or conditions made or required by the Court under section 411(6) of the Corporations Act.

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

Scheme Shares means the Exterra Shares on issue as at the Record Date.

Scheme Shareholder means each person who is registered in the Share Register as a holder of Scheme Shares as at the Record Date.

Second Court Date means the first day of the Second Court Hearing, or if the application at such hearing is adjourned or subject to an appeal for any reason, the first day on which the adjourned or appealed application is heard.

Second Court Hearing means the hearing of the Court of the application for an order pursuant to section 411(4)(b) of the Corporations Act approving this Scheme.

Shareholder means a holder of an Exterra Share.

Share Register means the register of Exterra members maintained by Security Transfer Australia Pty Ltd and Share Registry has a corresponding meaning.

Share Scheme Consideration means the consideration to be provided by Anova to Scheme Shareholders for the transfer of their Scheme Shares under the terms of the Scheme, being one (1) New Anova Share for every two (2) Scheme Shares held as at the Record Date.

Share Scheme Deed Poll means the deed poll executed by Anova on or about <date> in favour of each Scheme Shareholder as set out in Annexure A.

Small Shareholder means a Scheme Shareholder who is entitled to receive 4,000 or less New Anova Shares (or such other number as may be agreed between Anova and Exterra in writing) as at 5.00pm on the Record Date.

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of Division 6 of Part 1.2 of the Corporations Act or is a subsidiary or otherwise controlled by the first within the meaning of any approved accounting standard.

Sunset Date means the date that is 6 months after date of the merger implementation agreement 2017.

1.2 Interpretation

In this Scheme:

- (a) headings are for convenience only and do not affect interpretation; and unless the context indicates otherwise:
- (b) a word or phrase in the singular number includes the plural, a word or phrase in the plural number includes the singular, and a word indicating a gender includes every other gender;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to:
 - (i) a clause or schedule is a reference to a clause or schedule of thmallis Scheme;
 - (ii) a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation;
 - (iii) a document in writing includes a document produced by means of typewriting, printing, lithography, photography and other modes of representing or reproducing words in a visible form, recorded by any electronic, magnetic, photographic or other medium by which information may be stored or reproduced;
 - (iv) a document (including this Scheme) includes a reference to all schedules, exhibits, attachments and annexures to it, and is to that document as varied, novated, ratified or replaced from time to time;
 - (v) legislation or to a provision of legislation includes any consolidation, amendment, re-enactment, substitute or replacement of or for it, and refers also to any regulation or statutory instrument issued or delegated legislation made under it;
 - (vi) a person includes an individual, the estate of an individual, a corporation, an authority, an unincorporated body, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;

- (e) a reference to a day is to a period of time commencing at midnight and ending twenty four (24) hours later;
- (f) a reference to a Chapter, Part, Division or section is a reference to a Chapter, Part, Division or section of the Corporations Act;
- (g) the word “**includes**” in any form is not a word of limitation;
- (h) a reference to “**information**” is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programmes, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets;
- (i) the words “**entity**” and “**officer**” have the same meaning as in section 9 of the Corporations Act, and “control” has the same meaning as in section 50AA of the Corporations Act;
- (j) time is a reference to time in Perth, Western Australia;
- (k) a reference to “\$” or “**dollar**” is to Australian currency;
- (l) a contravention of or a breach of any of the representations and warranties includes any of the representations and warranties not being complete, true and correct;
- (m) each representation and warranty is a separate representation and warranty, and its meaning is not affected by any other representation or warranty;
- (n) a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (o) when a day on or by which anything to be done is not a Business Day, that thing may be done on or by the next Business Day.

2. Preliminary

2.1 Exterra

- (a) Exterra is a public company limited by shares, incorporated in Australia and registered in Western Australia.
- (b) As at the date of this document:
 - (i) [342,188,706] Exterra Shares were on issue; and

- (ii) [75,957,474] Exterra Options were on issue.
- (c) Exterra has been admitted to the official list of ASX and its shares have been granted official quotation.

2.2 Anova

- (a) Anova is a public company limited by shares, incorporated in Australia and registered in Western Australia.
- (b) As at the date of this document:
 - (i) [453,400,292] Anova Shares were on issue; and
 - (ii) [2,250,000] performance rights entitling the holder to subscribe for Anova Shares on their terms of issue, were on issue.
- (c) Anova has been admitted to the official list of ASX and its shares have been granted official quotation.

2.3 Scheme summary

If this Scheme becomes Effective, then:

- (a) in consideration for the transfer of each Scheme Share to Anova, Anova will be obliged to provide the Share Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Holders who will be dealt with in accordance with clause 4.9 and those Small Shareholders who elect to receive cash proceeds instead of New Anova Shares in accordance with clause 4.10);
- (b) each Scheme Shareholder will be bound to transfer their Scheme Shares, and all rights and obligations attaching to them as at the Implementation Date, to Anova;
- (c) Exterra will enter Anova's name and registered address in the Share Register as the holder of all Scheme Shares; and
- (d) on the transfer of all Scheme Shares to Anova, Exterra will become a wholly owned Subsidiary of Anova.

2.4 Implementation

- (a) Anova has entered into the Share Scheme Deed Poll pursuant to which it has, among other things, covenanted to carry out its obligations (including its obligation to provide the Share Scheme Consideration, subject to clauses 4.9

and 4.10 of this Scheme, to Scheme Shareholders) as contemplated by this Scheme.

- (b) Exterra and Anova have also entered into the Merger Implementation Agreement, which sets out the terms on which Exterra and Anova have agreed to implement the Scheme.

3. Conditions precedent and effectiveness

3.1 Conditions precedent

The conditions precedent to this Scheme becoming Effective are:

- (a) **(Scheme approval)** this Scheme being approved with or without modification, in accordance with section 411(4)(a) of the Corporations Act, at the Scheme Meeting or, if the Scheme is not agreed to by the requisite majority of Shareholders, the Court orders otherwise in accordance with section 411(4)(a) of the Corporations Act;
- (b) **(Conditions precedent to Merger Implementation Agreement)** all of the conditions set out in clause 3.2 of the Merger Implementation Agreement being satisfied or waived in accordance with the terms of the Merger Implementation Agreement by the times indicated in the Merger Implementation Agreement;
- (c) **(No termination)** the Merger Implementation Agreement or Share Scheme Deed Poll not being terminated prior to 8.00am on the Second Court Date;
- (d) **(Court approval)** the approval by the Court of this Scheme, pursuant to section 411(4)(b) of the Corporations Act, being given with or without modifications which are acceptable to both Anova and Exterra; and
- (e) **(Court conditions)** such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme as are acceptable to Anova and Exterra being satisfied.

The satisfaction of each of paragraphs (a) to (e) of this clause 3.1 is a condition precedent to the operation of this Scheme and this Scheme will be of no effect unless the conditions precedent in this clause 3.1 are satisfied.

3.2 Certificate

- (a) Anova and Exterra will provide to the Court at the Second Court Hearing a certificate confirming whether or not all of the conditions in clause 3.2 of the Merger Implementation Agreement (other than those set out in clauses 3.2(e) and (f) of the Merger Implementation Agreement) have been satisfied or

waived in accordance with the terms of the Merger Implementation Agreement.

- (b) The giving of a certificate by each of Anova and Exterra in accordance with clause 3.2(a) will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

3.3 Merger Implementation Agreement

If the Merger Implementation Agreement is terminated in accordance with its terms prior to 8.00am on the Second Court Date, Anova and Exterra are each immediately released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme,

provided that Anova and Exterra will retain the rights they have against each other in respect of any prior breach of the Merger Implementation Agreement in accordance with the terms of that agreement.

3.4 Sunset Date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

4. Implementation of the Scheme

4.1 Court order

This Scheme will become binding on Exterra and each Scheme Shareholder if and only if the Court makes an order under section 411(4)(b) of the Corporations Act approving this Scheme and that order becomes effective under section 411(10) of the Corporations Act.

4.2 Lodgement with ASIC

Exterra will lodge with ASIC an office copy of the order of the Court made under section 411(4)(b) of the Corporations Act approving this Scheme as soon as practicable and, in any event, by 5.00pm on the first Business Day after:

- (a) the Court approves the Scheme; or
- (b) the date of satisfaction of the conditions precedent referred to in clause 3.1 of this Scheme,

whichever is the later.

4.3 Transfer of Scheme Shares

Subject to clause 4.4, all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to Anova on the Implementation Date (without the need for any further act by a Scheme Shareholder other than acts performed by Exterra pursuant to the authority in clause 4.10) by Exterra effecting a valid transfer or transfers under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:

- (a) Exterra executing and delivering to Anova, pursuant to the authority in clause 4.10, a valid share transfer form or forms (which may be a master transfer) to transfer all of the Scheme Shares to Anova;
- (b) Anova executing and delivering that share transfer form or those forms to Exterra; and
- (c) Exterra, immediately upon receipt of the executed share transfer form or forms, entering the name and address of Anova in the Share Register as the holder of all Scheme Shares.

4.4 Consideration under this Scheme

Subject to and in accordance with the other terms and conditions of this Scheme (including clauses 4.6, 4.7, 4.9 and 4.10) and the Share Scheme Deed Poll, in consideration for the transfer of each Scheme Share to Anova, Anova will on the Implementation Date issue to each Scheme Shareholder the number of New Anova Shares as are due to that Scheme Shareholder as Share Scheme Consideration.

4.5 Joint holders

In the case of Scheme Shares held in joint names, any certificates or uncertificated holding statements for New Anova Shares to be issued to Scheme Shareholders will be issued in the names of the joint holders and will be forwarded to the holder whose name appears first in the Share Register on the Record Date.

4.6 Fractional entitlements

Where the calculation of the total number of New Anova Shares to be issued to (or in respect of) a particular Scheme Shareholder would result in a fractional entitlement to a New Anova Share, then, any such fractional entitlement will be rounded up to the nearest whole number.

4.7 Shareholding splitting or division

If Anova is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 4.6 or each of whom holds less than or equal to the number of Scheme Shares required to classify as a Small Shareholder) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Anova may give notice to those Scheme Shareholders:

- (a) setting out their names and Registered Addresses;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

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

4.8 Scheme Shareholders bound

Each Scheme Shareholder who is to receive New Anova Shares under this Scheme agrees (for all purposes including section 231 of the Corporations Act) to:

- (a) become a member of Anova and to accept the New Anova Shares issued to them under this Scheme subject to, and to be bound by, Anova's constitution and other constituent documents; and
- (b) have their name and address entered into the Anova Register.

4.9 Ineligible Foreign Holders

- (a) Anova will be under no obligation under this Scheme to issue, and will not issue, any New Anova Shares to Ineligible Foreign Holders, and instead:

- (i) all the New Anova Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Scheme, if they were eligible to receive them, will be issued to the Sale Agent;
- (ii) Anova will procure that, as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date), the Sale Agent sells on ASX all of the New Anova Shares issued to the Sale Agent pursuant to clause 4.9(a)(i) in such manner, at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to Anova the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**); and
- (iii) Anova will pay to each Ineligible Foreign Holder such fraction of the Proceeds as is equal to the number of New Anova Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive New Anova Shares) divided by the total number of New Anova Shares issued to the Sale Agent under clause 4.9(a)(i), promptly after the last sale of New Anova Shares by the Sale Agent,

in full satisfaction of Anova's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Share Scheme Consideration.

- (b) Anova will pay the relevant fraction of the Proceeds to each Ineligible Foreign Holder by either:
 - (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
 - (ii) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Foreign Holder to Exterra (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars.

- (c) Each Ineligible Foreign Holder appoints Exterra as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Holders under the Corporations Act.

4.10 Small Shareholders

Each Small Shareholder may elect to either:

- (a) be allotted its entitlement to Anova Shares in accordance with clause 4.4; or
- (b) have the New Anova Shares to which it is entitled issued to the Sale Agent, in which case:
 - (i) Anova will procure that, as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date), the Sale Agent sells on ASX all of the New Anova Shares issued to the Sale Agent pursuant to this clause 4.10(b) in such manner, at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of the Small Shareholder), and remits to Anova the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
 - (ii) Anova will pay to each Small Shareholder such fraction of the Proceeds as is equal to the number of New Anova Shares which would have been issued to that Small Shareholder divided by the total number of New Anova Shares issued to the Sale Agent under clause 4.10(b)(i), promptly after the last sale of New Anova Shares by the Sale Agent, in full satisfaction of Anova's obligations to those Small Shareholders under the Scheme in respect of the Share Scheme Consideration;
 - (iii) Anova will pay the relevant fraction of the Proceeds to each Small Shareholder by either:
 - A. dispatching, or procuring the dispatch, to that Small Shareholder by prepaid post to that Small Shareholder's Registered Address (at the Record Date), a cheque in the name of that Small Shareholder; or
 - B. making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Small Shareholder to Exterra (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date, for the relevant amount, with that amount being denominated in Australian dollars; and
- (c) for the purposes of clause 4.10(b), each Small Shareholder appoints Exterra as its agent to receive on its behalf any financial services guide or other

notices (including any updates of those documents) that the Sale Agent is required to provide to Small Shareholders under the Corporations Act.

4.11 Authority given to Exterra

Each Scheme Shareholder will be deemed (without the need for any further act) to have irrevocably authorised Exterra (and each of its directors and officers, jointly and severally) as agent and attorney to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement and give full effect to this Scheme and the transactions contemplated by it, including (without limitation):

- (a) executing a proper instrument of transfer (including for the purposes of section 1071B of the Corporations Act) of their Scheme Shares in favour of Anova, which may be a master transfer of some or all Scheme Shares; and
- (b) where Scheme Shares are held in a CHESS holding, causing a message to be transmitted to ASX Settlement in accordance with the ASX Operating Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS sub-register to the issuer sponsored sub-register operated by Exterra and subsequently completing a proper instrument of transfer under paragraph (a) above.

4.12 Appointment of sole proxy

Upon the Share Scheme Consideration being issued by Anova pursuant to this clause 4 and until Exterra registers Anova as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Anova as attorney and agent (and directed Anova in such capacity) to appoint the chairman of Anova as its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 4.12(a)); and
- (b) must take all other actions in the capacity of a registered holder of Scheme Shares as Anova reasonably directs.

5. Anova's obligations and ancillary matters

5.1 Exterra notice and Scheme Shareholder consent

- (a) As soon as practicable after the Record Date, and in any event at least 2 Business Days before the Implementation Date, Exterra will give to Anova (or procure that Anova be given) details of the names and addresses shown in the Share Register of all Scheme Shareholders and the number of Scheme Shares held by each of them at the Record Date (in such form as may be reasonably requested by Anova).
- (b) Scheme Shareholders agree that any information referred to in clause 5.1(a) may be disclosed to Anova, Anova's advisors, Exterra's advisors and other service providers (including the Anova Registry) to the extent necessary to effect the Scheme.

5.2 Provision of Share Scheme Consideration

Subject to clauses 4.6, 4.7 and 4.9, Anova will provide to each Scheme Shareholder the Share Scheme Consideration to which that Scheme Shareholder is entitled by:

- (a) on the Implementation Date, issuing to that Scheme Shareholder 1 New Anova Share for every 2 Scheme Shares registered in the name of that Scheme Shareholder in the Share Register at the Record Date, which obligation will be satisfied by causing the name and Registered Address (at the Record Date) of that Scheme Shareholder to be entered into the Anova Register as the holder of the New Anova Shares issued to that Scheme Shareholder; and
- (b) within 5 Business Days after the Implementation Date, procuring the dispatch to that Scheme Shareholder of a certificate or uncertificated holding statement in the name of that Scheme Shareholder relating to the number of New Anova Shares issued to that Scheme Shareholder.

5.3 Status of New Anova Shares

The New Anova Shares to be issued in accordance with this Scheme will:

- (a) be validly issued;
- (b) be fully paid;
- (c) be free from any mortgage, charge, lien, encumbrance or other security interest; and
- (d) rank equally in all respects with all other Anova Shares then on issue (other than in respect of any dividend already declared and not yet paid by Anova,

where the record date for entitlement to that dividend occurred prior to the Implementation Date).

5.4 Deferred settlement trading

Anova will use its best endeavours to ensure that the New Anova Shares are quoted on ASX initially on a deferred settlement basis on and from the Business Day after the Effective Date, and on an ordinary settlement basis on and from the Business Day following the Implementation Date.

5.5 Appointment of Anova as attorney and agent

Each Scheme Shareholder, without need for any further act, irrevocably appoints Anova and each of its directors and officers, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any form of application required for New Anova Shares to be issued to that Scheme Shareholder under the Scheme.

6. Dealings in Exterra Shares

6.1 No allotment or issue

No Exterra Shares will be allotted or issued by Exterra after the Effective Date and before the Implementation Date.

6.2 No dealings after Record Date

Where this Scheme becomes binding as provided by clause 4.1, for the purposes of determining who are Scheme Shareholders, dealings in Exterra Shares will only be recognised if:

- (a) in the case of dealings of a type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the Exterra Shares at the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Share Registry at or before the Record Date.

Exterra will register registrable transfers or transmission applications of the kind referred to in clause 6.2(b) on or before the Record Date.

6.3 No registration of transfers

Exterra will not accept for registration nor recognise for any purpose any transmission application, transfer or other dealing in respect of Scheme Shares

received after the Record Date, other than a transfer to Anova in accordance with this Scheme.

6.4 Statements of holding

All statements of holdings (or certificates) for Scheme Shares will cease to have any effect from the Record Date as documents of title in respect of such Scheme Shares. As from the Record Date, each entry current at that date on the Share Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Share Scheme Consideration.

6.5 Maintenance of Share Register

In order to determine entitlements to the Share Scheme Consideration, Exterra will maintain, or procure the maintenance of, the Share Register in accordance with this clause 6 until the Share Scheme Consideration has been provided to Scheme Shareholders, and the Share Register in this form will solely determine entitlements to the Share Scheme Consideration.

7. Quotation of Exterra Shares

7.1 Suspension of trading

Exterra will apply to ASX for suspension of trading of Exterra Shares on ASX after the close of trading on ASX on the Effective Date. It is expected that suspension of trading in Exterra Shares will occur from the commencement of the Business Day following the day on which Exterra notifies ASX of this Scheme becoming Effective.

7.2 Termination of quotation

After the Implementation Date, Exterra will apply for termination of the official quotation of Exterra Shares and to have itself removed from the official list of ASX.

8. General

8.1 Scheme binding

Each Scheme Shareholder will transfer their Scheme Shares to Anova (together with all rights and entitlements attaching to those Scheme Shares) in accordance with the terms of this Scheme and this Scheme binds Exterra and all Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting, or vote against this Scheme at the Scheme Meeting).

8.2 Enforcement of Share Scheme Deed Poll

- (a) Each Scheme Shareholder appoints Exterra as its agent and attorney to enforce the Share Scheme Deed Poll against Anova.
- (b) Exterra undertakes in favour of each Scheme Shareholder to enforce the Share Scheme Deed Poll against Anova on behalf of, and as agent and attorney for, the Scheme Shareholders.

8.3 Modifications and amendments

Exterra may by its counsel or solicitors (but only with the prior consent of Anova, which consent may not be unreasonably withheld or delayed) consent on behalf of all persons concerned (including the Scheme Shareholders) to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of this Scheme.

8.4 Accidental omissions and non-receipt of notice

The accidental omission to give notice of the Scheme Meeting to any holder of Exterra Shares or the non-receipt of such a notice by any holder of Exterra Shares will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings at the Scheme Meeting.

8.5 Status of Scheme Shares

- (a) Each Scheme Shareholder is deemed to have warranted to Exterra, in its own right and for the benefit of Anova, that all of their Scheme Shares which are transferred to Anova under the Scheme will, at the date of transfer of them to Anova, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares to Anova.
- (b) Anova will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Exterra of the name and registered address of Anova in the Share Register as the holder of the Scheme Shares.

8.6 Binding instruction or notification

Except for a Scheme Shareholder's tax file number, any binding instruction or notification from a Scheme Shareholder to Exterra relating to Scheme Shares at the Record Date (including any instructions relating to the payment of dividends or communications) will, from the Record Date, be deemed (except to the extent inconsistent with the other provisions of this Scheme or as determined otherwise by Anova in its sole discretion) to be a similarly binding instruction or notification to Anova in respect of the New Anova Shares issued to the Scheme Shareholder until

such time as it is revoked or amended in writing addressed to Anova at the Anova Registry.

8.7 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post:

- (a) to Exterra, it will not be deemed to be received in the ordinary course of post or on a day other than the date (if any) on which it was actually received at Exterra's registered office or the Share Registry; and
- (b) to a Scheme Shareholder, it will be sent by ordinary pre-paid post (or by airmail in the case of Scheme Shareholders with overseas Registered Addresses) or courier to the Registered Address of the relevant Scheme Shareholder at the Record Date, or delivered to that address by any other means at no cost to the recipient.

8.8 Further obligations

Exterra and Anova must each execute all deeds and other documents (including transfers) and do all acts and things as may be necessary or expedient on its part to implement and give full effect to this Scheme in accordance with its terms.

8.9 No liability

Neither Exterra nor Anova, nor any of their respective officers, is liable to Scheme Shareholders for anything done or for anything omitted to be done in performance of this Scheme in good faith.

8.10 Costs and Duty

Exterra will pay the costs of the Scheme other than Duty. All Duty (if any) payable and any related fines, interest and penalties in connection with the transfer of the Scheme Shares to Anova will be payable by Anova.

8.11 Governing law

- (a) The Scheme is governed by the laws of Western Australia.
- (b) Exterra, Scheme Shareholders and Anova each submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waive any right they might have to claim that those courts are an inconvenient forum.

Annexure A – Share Scheme Deed Poll

Annexure 2 – Share Scheme Deed Poll

Annexure 2

Share Scheme Deed Poll

Anova Metals Limited
ACN 147 678 779

Date

2017

Parties

Anova Metals Limited ACN 147 678 779 of Suite 1, 245 Churchill Avenue, Subiaco, Western Australia (**Anova**)

In favour of each holder of fully paid ordinary shares in the capital of Exterra Resources Limited ACN 138 222 705 (**Exterra**) on issue as at 5.00pm on the Record Date (each a **Scheme Shareholder**)

Recitals

- A. Anova and Exterra have entered into the Merger Implementation Agreement.
- B. Exterra has agreed in the Merger Implementation Agreement to propose the Share Scheme.
- C. Under the Share Scheme, all Exterra Shares held by Scheme Shareholders will be transferred to Anova for the Share Scheme Consideration.
- D. In accordance with the Merger Implementation Agreement, Anova is entering into this Deed to covenant in favour of the Scheme Shareholders to perform its obligations under the Share Scheme.

1. Definitions and interpretation

1.1 Definitions

In this Deed, unless the context requires otherwise:

Deed means this Share Scheme Deed Poll.

Merger Implementation Agreement means the merger implementation agreement between Exterra and Anova dated <date> June 2017.

Scheme or **Share Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Exterra and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to by Exterra and Anova.

Terms that are not defined in this Deed and that are defined in the Merger Implementation Agreement or the Scheme have the same meaning in this Deed as

given to the term in the Merger Implementation Agreement, unless the context makes it clear that a definition is not intended to apply.

1.2 Interpretation

The rules specified in clause 1.2 of the Merger Implementation Agreement apply in interpreting this Deed, unless the context makes it clear that a rule is not intended to apply.

1.3 Nature of Deed Poll

Anova acknowledges that:

- (a) this Deed may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Exterra and any of Exterra's directors as its agent and attorney, inter alia, to enforce this Deed against Anova.

2. Condition precedent and termination

2.1 Condition

Anova's obligations under clause 3 are subject to the Share Scheme becoming Effective.

2.2 Termination

If the Share Scheme does not become Effective on or before the Sunset Date, or the Merger Implementation Agreement is terminated in accordance with its terms, Anova's obligations under this Deed will automatically terminate and the terms of this Deed will be of no further force or effect, unless Anova and Exterra otherwise agree in writing in accordance with the Merger Implementation Agreement.

2.3 Consequences of termination

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

- (a) Anova is released from its obligations to further perform this Deed except those obligations contained in clause 9.3; and

- (b) each Scheme Shareholder retains any rights, power or remedies it has against Anova in respect of any breach of this Deed by Anova which occurred before termination of this Deed.

3. Payment of Scheme Consideration

3.1 Performance of obligations generally

Anova must comply with its obligations under the Merger Implementation Agreement and do all things necessary or desirable on its part to implement the Scheme.

3.2 Undertaking to pay Scheme Consideration

Subject to clauses 2, 3.4 and 3.5, in consideration of the transfer of each Exterra Share to Anova, Anova must on or as soon as practicable after the Implementation Date:

- (a) acquire all Exterra Shares on issue at the Record Date from Scheme Shareholders, in accordance with the provisions of the Share Scheme;
- (b) issue and allot the Scheme Consideration to each Scheme Shareholder (other than to Ineligible Foreign Holders who will be dealt with in accordance with clause 3.4 and those Small Shareholders who elect to receive cash proceeds instead of New Anova Shares in accordance with clause 3.5); and
- (c) otherwise do all things necessary or expedient on its part to implement the Share Scheme.

3.3 Satisfaction of obligation to provide Scheme Consideration

The obligation of Anova to provide the Scheme Consideration referred to in clause 3.2(b) will be satisfied by Anova:

- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the New Anova Shares comprising the Scheme Consideration due to that Scheme Shareholder (other than an Ineligible Foreign Holder and Small Shareholders who elect to receive cash proceeds instead of New Anova Shares) and entering in the register of members of Anova the name and registered address of each Scheme Shareholder, in relation to all the New Anova Shares issued to each Scheme Shareholder as Scheme Consideration in accordance with the Share Scheme;
- (b) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue to the Sale Agent all the New Anova Shares required to be issued to the Sale Agent under the Scheme rather than

to an Ineligible Foreign Holder or a Small Shareholder who elects to receive cash proceeds instead of New Anova Shares, and entering the name and registered address of the Sale Agent in the register of members of Anova as the holder of those New Anova Shares;

- (c) on or as soon as practicable after the Implementation Date (and in any event within 5 Business Days), dispatching to each Scheme Shareholder, by pre-paid post to his or her address as recorded in Exterra's share register at the Record Date or to the Sale Agent (as the case may be), a certificate or uncertificated holding statement in the name of that Scheme Shareholder representing the number of New Anova Shares issued to that Scheme Shareholder;
- (d) on the Implementation Date, if required by Exterra, executing a valid share transfer form or forms (which may be a master transfer) as contemplated by clause 4.3 of the Scheme effecting the transfer of the Scheme Shares from the Scheme Shareholders to Anova and must deliver such executed share transfer form or forms to Exterra for registration; and
- (e) procuring, as soon as reasonably practicable (and in any event not more than 15 Business Days after the Implementation Date) that the Sale Agent sell any New Anova Shares issued to it and remit the proceeds to the relevant Ineligible Foreign Holders and Small Shareholders, in accordance with the Scheme.

3.4 Ineligible Foreign Holders

Anova will be under no obligation under the Share Scheme to issue, and will not issue, any New Anova Shares to an Ineligible Foreign Holder, and instead where a Scheme Shareholder is an Ineligible Foreign Holder, the number of New Anova Shares to which the Scheme Shareholder would otherwise be entitled, will be allotted to a nominee approved by Anova, Exterra and (if necessary) ASIC who will sell those New Anova Shares as soon as practicable (at the risk of that Ineligible Foreign Holder) and pay the proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to that Ineligible Foreign Holder in full satisfaction of that Ineligible Foreign Holder's rights under the Share Scheme to Scheme Consideration.

3.5 Small Shareholders

Scheme Shareholders who are entitled to receive 4,000 or less New Anova Shares (or such other number as may be agreed between Anova and Exterra in writing) under the Share Scheme will be given the option to have those New Anova Shares allotted to a nominee approved by Anova, Exterra and (if necessary) ASIC who will sell those New Anova Shares as soon as practicable (at the risk of the Scheme Shareholder) and pay the proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to that Scheme Shareholder in

full satisfaction of that Scheme Shareholder's rights under this Agreement to Share Scheme Consideration.

3.6 Joint holders

In the case of Exterra Shares held by Scheme Shareholders in joint names:

- (a) any entry in the register of members of Anova required to be made must record the names and registered addresses of the joint holders; and
- (b) any certificates or uncertificated holding statement for New Anova Shares must be issued to Scheme Shareholders in the names of the joint holders and must be forwarded to the holder whose name first appears in Exterra's share register at the Record Date.

4. Quotation of New Anova Shares

Anova must use its best endeavours to procure that the New Anova Shares to be issued pursuant to the Share Scheme will be quoted on ASX initially on a deferred settlement basis on and from the Business Day after the Effective Date, and on an ordinary settlement basis on and from the Business Day following the Implementation Date.

5. Representations and warranties

Anova represents and warrants that:

- (a) **(status)** it is a company limited by shares and validly existing;
- (b) **(power)** it has full legal capacity and power to enter into this Deed and to carry out the transactions that this Deed contemplates;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this Deed and its carrying out the transactions this Deed contemplates;
- (d) **(Deed effective)** this Deed constitutes legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping; and
- (e) **(Rank equally)** the New Anova Shares to be issued pursuant to the Scheme will be validly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest and will rank equally in all respects with all other Anova Shares then on issue (other than in respect of any

dividend already declared and not yet paid by Anova, where the record date for entitlement to that dividend occurred prior to the Implementation Date).

6. Continuing obligations

This Deed is irrevocable and, subject to clause 2, remains in full force and effect until Anova has completely performed its obligations under this Deed or the earlier termination of this Deed under clause 2.

7. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed to the address notified by the recipient to the sender from time to time; at the date of this Deed, Anova's address is the address as set out at the start of this Deed;
- (c) must be signed by the sender or (on the sender's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that sender;
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, or sent by email to the email address, of the addressee in accordance with (c); and
- (e) is taken to be received by the addressee:
 - (i) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
 - (ii) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting;
 - (iii) (in the case of facsimile) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the facsimile machine from which it was sent or other verification from the time of sending;
 - (iv) (in the case of email) at the time that the email reaches the addressee's email address; and
 - (v) (in the case of delivery by hand) on delivery,

but if the communication would, on the application of clauses (i) to (v), be taken to be received on a day that is not a Business Day or after 5.00pm on a Business Day, it is taken to be received at 9.00am on the next Business Day.

8. Amendment and assignment

8.1 Amendment

This Deed may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Exterra; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Exterra and is approved by the Court,

and, in which case, Anova will enter into a further deed poll in favour of Scheme Shareholders giving effect to that amendment.

8.2 Assignment

The rights and obligations of a person under this Deed are personal. They cannot be assigned, novated, encumbered, charged or otherwise dealt with, and no person shall attempt or purport to do so.

9. General

9.1 Governing law

This Deed is governed by and must be construed according to the law applying in Western Australia.

9.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia, and any courts competent to determine appeals from any of those courts, with respect to any proceedings that may be brought at any time relating to or in connection with this Deed; and
- (b) waives any objection that it may now or in the future have to the venue of any proceedings, and any claim that it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 9.2(a).

9.3 Liability for expenses

Anova is solely responsible for, and must indemnify each Scheme Shareholder against, and must pay each Scheme Shareholder on demand the amount of, any duty that is payable and any related fines, interest and penalties in respect of or in connection with this Deed, the performance of this Deed and each transaction effected by or made or any instrument executed under this Deed or the Scheme, including the transfer of Scheme Shares under the Scheme.

9.4 Waiver of rights

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this Deed by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this Deed.
- (b) A waiver or consent given by a party under this Deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this Deed operates as a waiver of another breach of that term or of a breach of any other term of this Deed.

9.5 Consent

Anova consents to Exterra producing this Deed to the Court.

9.6 Further acts and documents

Anova must promptly do all further acts and execute and deliver all further documents (in such form and content reasonably satisfactory to Exterra) required by law or reasonably requested by Exterra to give full effect to this Deed and the transactions contemplated by this Deed.

9.7 Severance and enforceability

Any provision, or the application of any provision, of this Deed that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Deed in that or any other jurisdiction.

For personal use only

Executed as a deed poll by)
Anova Metals Limited ACN 147 678 779)
pursuant to section 127 of the Corporations)
Act:

Signature of Director

Signature of Director/Secretary

Print name of Director

Print name of Director/Secretary