

Merger Implementation Agreement

Adamus Resources Limited
Endeavour Mining Corporation

Allens Arthur Robinson
Level 27
530 Collins Street
Melbourne VIC 3000
Tel +61 3 9614 1011
Fax +61 3 9614 4661
www.aar.com.au

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1. Background

- 1.1 Adamus and Endeavour have entered into the Confidentiality Agreement.
- 1.2 Adamus and Endeavour have agreed to merge by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Adamus and Adamus Shareholders (**Scheme**) as set out in this agreement.
- 1.3 The parties acknowledge and agree that the overriding principle of the merger is that it is a merger of equals in which neither party is taking over the other party and that a new merged group is being formed, irrespective of the legal structure that is being adopted to implement the merger.
- 1.4 Adamus and Endeavour agree to implement the Scheme and other Transactions upon the terms and conditions of this agreement.
- 1.5 Capitalised terms in this agreement have the meaning given to them in clause 19, and the interpretation rules in clause 20 apply to this agreement.
- 1.6 This agreement constitutes binding, enforceable legal obligations.

2. Agreement to propose Scheme

Subject to and upon the terms and conditions of this agreement, Adamus agrees to propose the Scheme in such form as the parties agree in writing (acting reasonably) under which all of the Adamus Shares held by Participants will be transferred to Endeavour or its nominee (being a wholly owned subsidiary of Endeavour) and Endeavour will provide to each Participant the Scheme Consideration being 0.285 New Endeavour Shares for each Adamus Share.

3. Scheme Structure

- 3.1 Adamus and Endeavour must implement the Scheme and other Transactions in the most commercially effective manner possible.
- 3.2 Subject to clause 2 and to the Scheme becoming Effective, as part of implementation of the Scheme:
 - (a) all existing Adamus Shares at the Adamus Record Date will be transferred to Endeavour or its nominee, being a wholly owned subsidiary of Endeavour;
 - (b) in exchange, each Participant will receive the Scheme Consideration; and
 - (c) for certainty, the transfer of the Adamus Shares by a Canadian Participant in exchange for the Scheme Consideration which will consist of New Endeavour Shares will occur on a tax-deferred basis pursuant to subsection 85.1(5) of the ITA.

4. Allotment and issue of New Endeavour Shares

- 4.1 Subject to the Scheme becoming Effective, Endeavour must:
 - (a) allot and issue the New Endeavour Shares to Participants in accordance with the Scheme on terms such that each New Endeavour Share will rank equally in all respects with each existing Endeavour Share;
 - (b) do everything reasonably necessary to ensure that Endeavour is admitted to the official list of ASX and the New Endeavour Shares are approved for official



quotation on the ASX and listed on the TSX and that trading in the New Endeavour Shares commences on each of the ASX and TSX by the first Business Day after the Implementation Date; and

- (c) ensure that on issue, each New Endeavour Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4.2 Unless Endeavour is satisfied that the laws of an Ineligible Adamus Shareholder's country of residence (as shown in the register of Adamus Shareholders) permit the issue of New Endeavour Shares to the Ineligible Adamus Shareholder either unconditionally or after compliance with terms which Endeavour reasonably regards as acceptable and practical, Endeavour will not issue any New Endeavour Shares to Ineligible Adamus Shareholders, and instead will issue the New Endeavour Shares that would otherwise have been issued to the Ineligible Adamus Shareholders to a nominee appointed by Endeavour. Endeavour will procure that the nominee sells those New Endeavour Shares on-market and remits the proceeds from that sale (after deducting any selling costs and taxes) to the Ineligible Adamus Shareholders in accordance with their entitlement.

4.3 Any fractional entitlement of a Participant to a part of a New Endeavour Share will be rounded down to the nearest whole number of New Endeavour Shares.

5. Conditions Precedent

5.1 The Scheme will not become Effective and Endeavour will not be required to procure the provision of the Scheme Consideration unless each of the following conditions precedent is satisfied or waived:

Conditions for the benefit of Adamus and Endeavour

- (a) before 8am on the Second Court Date;
 - (i) the Treasurer of the Commonwealth of Australia:
 - (A) giving (either by himself or by his delegate) an approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) to the proposed acquisition of Adamus Shares by Endeavour, and that approval is not subject to conditions, or is subject only to conditions that Endeavour reasonably considers to be acceptable;
 - (B) providing (either by himself or by his delegate) written advice or confirmation that there is no objection to the proposed acquisition of Adamus Shares by Endeavour under the FATA or the foreign investment policy of the Australian Government, and that advice or confirmation is not subject to conditions, or is subject only to conditions that Endeavour reasonably considers to be acceptable;
 - (C) ceasing to be empowered to make any order under Part II of the FATA in respect of the proposed acquisition of Adamus Shares by Endeavour;
 - (ii) ASIC issuing or providing such consents, waivers, modifications, exemptions and approvals, and doing such other acts, that the parties agree (acting reasonably) are necessary to implement the Scheme and such consents, waivers, modifications, exemptions and approvals are not



- withdrawn, cancelled or revoked or varied in a manner that is materially adverse to the parties;
- (iii) ASX issuing or providing such consents, waivers, modifications, exemptions and approvals, and doing such other acts, that the parties agree (acting reasonably) are necessary to implement the Scheme and any Option Deed, including ASX providing approval for the official quotation of the New Endeavour Shares to be issued pursuant to the Scheme, subject to any conditions that ASX may reasonably require (including customary pre-quotation conditions and conditions relating to the Scheme becoming Effective) and such consents, waivers, modifications, exemptions and approvals are not withdrawn, cancelled or revoked or varied in a manner that is materially adverse to the parties;
 - (iv) TSX conditionally approving the listing of the New Endeavour Shares to be issued to Participants under the Scheme and any Endeavour Shares to be issued to Adamus Optionholders upon exercise of the New Endeavour Options issued under any Option Deed and issuing or providing such other consents, waivers, modifications, exemptions and approvals, and doing such other acts, as are necessary to implement the Scheme;
 - (v) the Government of the Republic of Ghana issuing or providing such consents, waivers, modifications, exemptions and approvals, and doing such other acts, that the parties agree (acting reasonably) are necessary to implement the Scheme and such consents, waivers, modifications, exemptions and approvals are not withdrawn, cancelled or revoked or varied in a manner that is materially adverse to the parties;
 - (vi) all other Regulatory Approvals required to implement the Scheme being granted or obtained and those Regulatory Approvals not being withdrawn, cancelled, revoked or varied in a manner that is materially adverse to the parties;
- (b) the Independent Expert providing an Independent Expert's Report to Adamus that, in the opinion of the Independent Expert, the Scheme is in the best interests of Adamus Shareholders;
 - (c) the Scheme being approved at the Adamus Shareholders' Meeting by the requisite majorities of Adamus Shareholders in accordance with section 411(4)(a)(ii) of the Corporations Act;
 - (d) the approval by Endeavour Shareholders at the Endeavour Shareholders' Meeting by the requisite majority of Endeavour Shareholders in accordance with applicable Cayman Islands company laws of the issuance of the New Endeavour Shares under the Scheme in accordance with applicable TSX requirements;
 - (e) the Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act;
 - (f) no order or legislative restraint, whether permanent or temporary, being issued by a Governmental Agency that prohibits, materially restricts, makes illegal or restrains the completion of the Transactions;



- (g) all Adamus Optionholders entering into an option deed with Adamus, in a form reasonably acceptable to Endeavour and permitted under applicable laws, under which the Adamus Optionholders agree to the exercise or to the cancellation of their Adamus Options, including all rights associated with their Adamus Options (**Option Deed**);
- (h) to the extent that implementation of the Scheme would require consent or trigger any right of termination or other material right in favour of a person (other than an Adamus Group member or an Endeavour Group member), or any material liability owed by an Adamus Group member under an Adamus Key Material Contract or by an Endeavour Group member under an Endeavour Key Material Contract (**Third Party Approval**), each required consent, waiver of each such right, and release of each such liability, being obtained (including in favour of the post Scheme entity on terms no more onerous than those applying to Adamus, and on terms no more onerous than those applying to Endeavour, as applicable) and not being withdrawn, cancelled, revoked or varied in a manner that is materially adverse to the parties (and, where given conditionally, subject to conditions acceptable to the parties, acting reasonably);

Conditions for the benefit of Adamus alone

- (i) no Endeavour Regulated Event nor Endeavour Material Adverse Change occurring between the date of this agreement and 8am on the Second Court Date;
- (j) each representation and warranty of Endeavour in clause 11 is true and correct in all material respects, in each case as at the times specified in clause 11; and
- (k) the Endeavour Board unanimously recommends that Endeavour Shareholders vote in favour of the Endeavour Resolutions at the Endeavour Shareholders' Meeting, in the absence of a Superior Proposal for Endeavour, and including that recommendation in the Endeavour Circular and not withdrawing or varying that recommendation;

Conditions for the benefit of Endeavour alone

- (l) no Adamus Regulated Event nor Adamus Material Adverse Change occurring between the date of this agreement and 8am on the Second Court Date;
- (m) each representation and warranty of Adamus in clause 11 is true and correct in all material respects, in each case as at the times specified in clause 11; and
- (n) the Adamus Board unanimously recommends that Adamus Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal for Adamus and in the absence of the Independent Expert finding that the Scheme is not in the best interests of Adamus Shareholders and including that recommendation in the Scheme Booklet and not withdrawing or varying that recommendation.

5.2 The conditions precedent in paragraphs (a)(i), (a)(iv), (c), (d), (e), (f) and (g) of clause 5.1 cannot be waived. Subject to clause 5.3, the conditions precedent in paragraphs (a)(ii), (a)(iii), (a)(v), (a)(vi), (b) and (h) of clause 5.1 may only be waived by both Adamus and Endeavour by giving their written consent. The conditions precedent in paragraphs (i) to (k) (both inclusive) of clause 5.1 may only be waived by Adamus by giving its written



consent. The conditions precedent in paragraphs (l) to (n) (both inclusive) of clause 5.1 may only be waived by Endeavour by giving its written consent.

5.3 If ASX:

- (a) imposes conditions on the admission of Endeavour to the official list of the ASX or the approval for official quotation of the New Endeavour Shares (either in the form of shares or CDIs), which conditions Endeavour does not reasonably consider to be acceptable; or
- (b) otherwise refuses to admit Endeavour to the official list of the ASX or refuses approval for official quotation of the New Endeavour Shares (either in the form of shares or CDIs),

the parties must consult in good faith to determine whether:

- (c) the application for admission of Endeavour to the official list of the ASX and for official quotation of the New Endeavour Shares shall be withdrawn; and
- (d) the condition precedent in clause 5.1(a)(iii) will be waived but only in so far as it relates to these matters.

5.4 Each of Adamus and Endeavour must use its best endeavours to, and cooperate with each other to, satisfy the conditions precedent. Adamus and Endeavour must promptly update each other with respect to their progress in satisfying the conditions precedent.

5.5 If, despite clause 5.4, a condition precedent is not satisfied or waived, or is unable to be satisfied or waived as at 8am two Business Days before the Second Court Date (other than the condition precedent in clause 5.1(e)), the parties must consult in good faith to determine whether the Scheme, or any part of it, can be implemented on varied terms or by an alternative means.

5.6 Each party must promptly apply for all relevant Regulatory Approvals and Third Party Approvals, provide a copy to the other party of all such applications and keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards obtaining the relevant Regulatory Approval or Third Party Approval (provided that a party is not obliged to provide the other party with any information which is commercially sensitive or if the provision would breach an obligation of confidence owed to any third party), and must take all steps it is responsible for as part of the approval process for the Scheme, including responding to requests for information at the earliest practicable time.

5.7 Each party must use best endeavours to consult with the other in advance in relation to all material communications with any Governmental Agency relating to any Regulatory Approval and each relevant party relating to any Third Party Approval and provide the other party with all information reasonably requested in connection with the application for any Regulatory Approval or Third Party Approval (as the case may be).

6. Implementation

6.1 Each of Adamus and Endeavour must take all necessary steps, and cooperate with each other, to propose and implement the Scheme and (subject to clause 6.3(p)) give effect to the orders of the Court approving the Scheme, and in accordance with the Timetable (although the Timetable may be amended with the consent of the parties).

*Obligations of Endeavour*

6.2 Without limiting clause 6.1, Endeavour must take the following steps in accordance with the Timetable:

- (a) prepare and provide the Endeavour Provided Information to Adamus in a form which complies with all applicable regulatory, compliance and content requirements (and update the Endeavour Provided Information for any material developments);
- (b) ensure that the Endeavour Provided Information is not misleading or deceptive in any material respect and does not contain any material omissions, in the form and context in which it appears in the Scheme Booklet, and promptly inform Adamus if it becomes aware that the Scheme Booklet contains a statement that is or has become misleading or deceptive in a material respect or contains a material omission;
- (c) ensure that the Endeavour Provided Information is not misleading or inaccurate in any material respect and does not contain any material omissions, in the form and context in which it appears in the Endeavour Circular, and promptly inform Adamus if it becomes aware that the Endeavour Circular contains a statement that is or has become misleading or inaccurate in a material respect or contains a material omission;
- (d) provide all reasonable assistance and information to enable the preparation of the Scheme Booklet (including the preparation and the provision of the Endeavour Provided Information to Adamus) and the Independent Expert's Report;
- (e) prepare the Endeavour Circular which complies with all applicable regulatory, compliance and content requirements (and update the Endeavour Circular for any material developments), and include in the Endeavour Circular the Endeavour Board's unanimous recommendation pursuant to clause 9.1(c) and each Endeavour Director's statement pursuant to clause 9.1(d);
- (f) procure a meeting of the Endeavour Board to consider and, if thought fit, approve the Endeavour Provided Information, the Scheme Booklet and the Endeavour Circular;
- (g) as soon as practicable:
 - (i) make application for the New Endeavour Shares to be approved for official quotation on the ASX in the form of shares (rather than in the form of CDIs) and for the New Endeavour Shares to be listed on the TSX and do everything reasonably necessary to advance such applications; and
 - (ii) if the ASX refuses to approve for official quotation on the ASX the New Endeavour Shares in the form of shares (rather than in the form of CDIs) or will approve for official quotation on the ASX such New Endeavour Shares subject to conditions which Endeavour does not reasonably consider to be acceptable, make application for the New Endeavour Shares to be approved for official quotation on the ASX in the form of CDIs and for the



New Endeavour Shares to be listed on the TSX and do everything reasonably necessary to advance such applications;

- (h) do everything reasonably necessary to ensure that trading in the New Endeavour Shares on the ASX and TSX is permitted to commence by the first Business Day after the Implementation Date;
- (i) prior to the First Court Date, execute the Deed Poll undertaking in favour of Adamus Shareholders and on the Implementation Date issue the New Endeavour Shares to Participants in accordance with the Scheme;
- (j) on the Second Court Date provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not, as at 8am on the Second Court Date, the conditions precedent in clause 5.1 (other than the condition precedent in clause 5.1(e)) have been satisfied or waived in accordance with this agreement; and
- (k) do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.

Obligations of Adamus

6.3 Without limiting clause 6.1, Adamus must take the following steps in accordance with the Timetable:

- (a) review all Adamus Material Contracts to identify any consent required for the, or any right of termination or other material right in favour of a person (other than an Adamus Group member), or any material liability owed by an Adamus Group member, that would be triggered on, implementation of the Scheme, use its best endeavours to obtain all such consents, waivers of such rights and releases of such liabilities on conditions (if any) acceptable to Endeavour, and keep Endeavour informed of its progress in relation to the preceding;
- (b) prepare the Scheme Booklet (including the form of scheme of arrangement, which is to be approved by Endeavour, acting reasonably) which complies with all applicable regulatory, compliance and content requirements (and update the Scheme Booklet for any material developments), and include in the Scheme Booklet the Adamus Board's unanimous recommendation pursuant to clause 9.1(a) and each Adamus Director's statement pursuant to clause 9.1(b);
- (c) prepare and provide to Endeavour any information regarding the Adamus Group which Endeavour reasonably requires in order to prepare the information regarding the combined Adamus / Endeavour group (following implementation of the Scheme) for inclusion in the Scheme Booklet;
- (d) ensure that the Adamus Provided Information is not misleading or deceptive in any material respect and does not contain any material omissions, in the form and context in which it appears in the Scheme Booklet, and promptly inform Endeavour if it becomes aware that the Scheme Booklet contains a statement that is or has become misleading or deceptive in a material respect or contains a material omission;



- (e) instruct the Independent Expert to prepare the Independent Expert's Report as soon as reasonably practicable and procure that the Independent Expert (and any technical specialist engaged by the Independent Expert to prepare a report for inclusion in the Independent Expert's Report) each provide their consent to the reference to the Independent Expert's Report in the Endeavour Circular;
- (f) as soon as reasonably practicable after the date of this agreement but no later than 14 days before the First Court Date, provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act and, without limiting clause 6.6:
 - (i) provide a copy of that draft of the Scheme Booklet to Endeavour;
 - (ii) to the extent reasonably practicable, keep Endeavour reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those matters); and
 - (iii) use its best endeavours, in cooperation with Endeavour, to resolve any such matters (which will include allowing Endeavour to participate in Adamus' meetings and discussions with ASIC);
- (g) apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (h) as soon as practicable after ASIC has confirmed that it has no objection to the Scheme or, if ASIC raises any objection to the Scheme, after that objection has been resolved, procure a meeting of the Adamus Board to consider and, if thought fit, approve the Scheme Booklet;
- (i) provide to Endeavour the Adamus Circular Information (and update the Adamus Circular Information for any material developments);
- (j) ensure that the Adamus Circular Information is not misleading or inaccurate in any material respect and does not contain any material omissions, in the form and context in which it appears in the Endeavour Circular, and promptly inform Endeavour if it becomes aware that the Endeavour Circular contains a statement that is or has become misleading or inaccurate in a material respect or contains a material omission;
- (k) provide all reasonable assistance and information to enable the preparation of the Endeavour Circular, (including provision of the Adamus Circular Information to Endeavour);
- (l) procure a meeting of the Adamus Board to consider and, if thought fit, approve the Adamus Circular Information in the Endeavour Circular;
- (m) prepare and lodge with the Court all documents required in the Court proceedings in relation to the Scheme;
- (n) apply to the Court for orders to convene the Adamus Shareholders' Meeting and, subsequently, if the Endeavour Resolutions and resolutions submitted to the Adamus Shareholders' Meeting in relation to approval of the Scheme are passed



- by the required majorities, to approve the Scheme (such application to be made as soon as practicable after all such resolutions are passed);
- (o) comply with all Court orders (including to convene the Adamus Shareholders' Meeting and dispatch the Scheme Booklet to Adamus Shareholders and, subsequently, to effect the Scheme), and lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, as soon as possible after the Court makes those orders;
 - (p) if the Court refuses to make orders convening the Adamus Shareholders' Meeting or approving the Scheme (either altogether or on terms not acceptable to Endeavour or Adamus), appeal the Court's decision to the fullest extent possible (provided that the parties, acting reasonably, agree that an appeal would have reasonable prospects of success);
 - (q) on the Second Court Date provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not, as at 8am on the Second Court Date, the conditions precedent in clause 5.1 (other than the condition precedent in clause 5.1(e)) have been satisfied or waived in accordance with this agreement; and
 - (r) do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.

Responsibility for and contents of Scheme Booklet and Endeavour Circular

- 6.4 Adamus and Endeavour agree that Adamus is solely responsible for the Adamus Provided Information and Endeavour is solely responsible for the Endeavour Provided Information and each of the Scheme Booklet and the Endeavour Circular will contain a statement to this effect.
- 6.5 Endeavour must provide to Adamus regular drafts of the Endeavour Circular and Endeavour must consider in good faith any comments by Adamus in relation to the contents of the Endeavour Circular, but Endeavour reserves the right to determine, in good faith as it sees fit, any dispute as to the contents of the Endeavour Circular (other than any dispute as to the Adamus Circular Information, which will be determined by Adamus in good faith as it sees fit).
- 6.6 Adamus must provide to Endeavour regular drafts of the Scheme Booklet (including any draft of the Independent Expert's Report) and drafts of the documents required for the Court hearings, and Adamus must consider in good faith any comments by Endeavour in relation to the contents of those documents but Adamus reserves the right to determine, in good faith as it sees fit, any dispute as to the contents of the Scheme Booklet (other than any dispute as to the Endeavour Provided Information, which will be determined by Endeavour in good faith as it sees fit).

Proxy information

- 6.7 Endeavour must ensure that, in respect of the resolutions submitted to the Endeavour Shareholders' Meeting, the Endeavour Share Registrar delivers to Adamus:



(a) on the date that is 10 Business Days prior to the proxy deadline in respect of the Endeavour Shareholders' Meeting; and

(b) on each of the last 5 Business Days prior to the proxy deadline in respect of the Endeavour Shareholders' Meeting (inclusive),

a computerised list of the total number of voting proxies delivered by Endeavour Shareholders to Endeavour, providing details of the aggregate number of proxies in favour of, against and abstaining from the relevant resolutions and the aggregate number of Endeavour Shares to which those proxies relate.

6.8 Adamus must ensure that, in respect of the resolutions submitted to the Adamus Shareholders' Meeting in relation to approval of the Scheme, the Adamus Share Registrar delivers to Endeavour:

(a) on the date that is 10 Business Days prior to the proxy deadline in respect of the Adamus Shareholders' Meeting; and

(b) on each of the last 5 Business Days prior to the proxy deadline in respect of the Adamus Shareholders' Meeting (inclusive),

a computerised list of the total number of voting proxies delivered by Adamus Shareholders to Adamus, providing details of the aggregate number of proxies in favour of, against and abstaining from the relevant resolutions and the aggregate number of Adamus Shares to which those proxies relate.

7. Conduct of Business and Requests for Access

7.1 Each of Adamus and Endeavour undertake that it and its subsidiaries will:

(a) in the period from the date of this agreement to the earlier of the Implementation Date and the date this agreement is terminated:

(i) conduct its business and operations in the ordinary course and consistent with the manner conducted prior to this agreement and in compliance with all applicable laws and regulations;

(ii) preserve its current business organisation, the services of its current officers and its current relationship with third parties (including governmental agencies, rating agencies, customers, suppliers, licensors and licensees);

(b) in the period from the date of this agreement to the earlier of 5pm on the Business Day before the Second Court Date and the date this agreement is terminated (and subject to the provisions of the Confidentiality Agreement and to the proper performance by its officers of their fiduciary duties):

(i) respond promptly to reasonable requests from the other party for information regarding its business and operations (subject to maintaining confidentiality of all confidential information which may be provided); and

(ii) consult with the other party (to the extent legally permissible) with respect to any material dealings with a Governmental Agency or any action required to be taken in respect of:

(A) any Regulatory Approval; and



- (B) any consent, waiver or release contemplated under clause 6.3(a).
- 7.2 Each of Adamus and Endeavour undertakes that it and its subsidiaries will in the period from the date of this agreement to the earlier of 5pm on the Business Day before the Second Court Date and the date this agreement is terminated (and subject to the provisions of the Confidentiality Agreement and to the proper performance by its officers of their fiduciary duties) provide to the other party reasonable access during its normal business hours to its officers and records and cooperate for the purposes of implementing the Scheme and integrating the Adamus Group and Endeavour Group.
- 7.3 Endeavour undertakes to procure that, in relation to each Endeavour Group member, the following does not occur without Adamus' prior consent in writing:
- (a) the entry into, renewal or change of the terms of any contract of service with any director or senior executive; and
 - (b) the payment of a bonus or increase in remuneration or compensation paid to any officer or personnel, other than in accordance with existing employment terms (and to the extent such terms are discretionary, in accordance with existing remuneration policy and past practice).
- 7.4 Adamus undertakes to procure that, in relation to each Adamus Group member, the following does not occur without Endeavour's prior consent in writing:
- (a) the entry into, renewal or change of the terms of any contract of service with any director or senior executive; and
 - (b) the payment of a bonus or increase in remuneration or compensation paid to any officer or personnel, other than in accordance with existing employment terms (and to the extent such terms are discretionary, in accordance with existing remuneration policy and past practice).
- 7.5 Without limiting any other provisions of this agreement, during the period from the date of this agreement up to and including the Implementation Date:
- (a) Endeavour must:
 - (i) ensure to the extent within the control of any member of the Endeavour Group, that no Endeavour Regulated Event occurs, without the prior written consent of Adamus (such consent not to be unreasonably withheld or delayed); and
 - (ii) promptly notify Adamus in writing if it is aware that an Endeavour Regulated Event or Endeavour Material Adverse Change has occurred or may reasonably be likely to occur; and
 - (b) Adamus must:
 - (i) ensure, to the extent within the control of any member of the Adamus Group, that no Adamus Regulated Event occurs, without the prior written consent of Endeavour (such consent not to be unreasonably withheld or delayed); and



- (ii) promptly notify Endeavour in writing if it is aware that an Adamus Regulated Event or Adamus Material Adverse Change has occurred or may reasonably be likely to occur.

8. Appointments of Directors and Officers

On and from the Effective Date, each of Adamus and Endeavour must take all actions necessary to:

- (a) reconstitute its board so that it consists of the persons set out in Schedule 3; and
- (b) appoint the persons specified in Schedule 3 to the positions specified in Schedule 3,

subject to the relevant persons agreeing to become directors of the relevant board and meeting the regulatory requirements for a director set out in any applicable laws and the rules of any applicable securities exchange.

9. Board Recommendations and Intentions

9.1 The public announcement to be issued by Adamus and Endeavour following execution of this agreement must state that:

- (a) the Adamus Board unanimously recommends to Adamus Shareholders that they approve the Scheme (in the absence of a Superior Proposal for Adamus and subject to the Independent Expert opining that the Scheme is in the best interests of Adamus Shareholders);
- (b) each Adamus Director will vote the voting rights attached to all Adamus Shares over which he or she has control in favour of any Adamus Shareholder resolutions to implement the Scheme and any other Transaction (in the absence of a Superior Proposal for Adamus and subject to the Independent Expert opining that the Scheme is in the best interests of Adamus Shareholders);
- (c) the Endeavour Board unanimously recommends to Endeavour Shareholders that they vote in favour of the Endeavour Resolutions at the Endeavour Shareholders' Meeting (in the absence of a Superior Proposal for Endeavour); and
- (d) each Endeavour Director will vote the voting rights attached to all Endeavour Shares over which he or she has control in favour of the Endeavour Resolutions (in the absence of a Superior Proposal for Endeavour).

9.2 Adamus must use its best endeavours to procure that the Adamus Board and each Adamus Director:

- (a) does not change, qualify or withdraw any of the statements or the recommendation contemplated under clauses 9.1(a) or 9.1(b); and
- (b) does not make any public statement or take any action that is, or may be reasonably construed as being, inconsistent with any of the statements or the recommendation contemplated under clauses 9.1(a) or 9.1(b),

unless:

- (c) the Independent Expert opines in the Independent Expert's Report that the Scheme is not in the best interests of Adamus Shareholders; or



- (d) the Adamus Board determines, after the operation of clause 12.15, that an announced Competing Proposal for Adamus is a Superior Proposal for Adamus, and a majority of the Adamus Board determines in good faith and acting reasonably that the Scheme is no longer in the best interests of Adamus Shareholders (having regard to their fiduciary and statutory duties).

9.3 Endeavour must use its best endeavours to procure that the Endeavour Board and each Endeavour Director:

- (a) does not change, qualify or withdraw any of the statements or the recommendation contemplated under clauses 9.1(c) or 9.1(d); and
- (b) does not make any public statement or take any action that is, or may be reasonably construed as being, inconsistent with any of the statements or the recommendation contemplated under clauses 9.1(c) or 9.1(d),

unless the Endeavour Board determines, after the operation of clause 12.8, that an announced Competing Proposal for Endeavour is a Superior Proposal for Endeavour, and a majority of the Endeavour Board determines in good faith and acting reasonably that the Scheme is no longer in the best interests of Endeavour Shareholders (having regard to their fiduciary and statutory duties).

10. Public Announcements and Communications

10.1 Adamus and Endeavour agree to jointly issue on the date of this agreement a public release in the form agreed between the parties which announces the Scheme, sets out the Adamus Board's and Endeavour Board's unanimous recommendations as contemplated in clause 9.1 and discloses this agreement (**Public Announcement**).

10.2 Prior to making any public announcement or disclosure in connection with this agreement (including its termination), the Scheme or any other Transaction, each party must use its reasonable endeavours to consult with the other party as to, and to seek to agree with the other party (each acting reasonably and in good faith), the form and content of that announcement or disclosure.

10.3 Nothing in this clause 10 precludes communications or disclosures by a party which are necessary or advisable to implement the provisions of this agreement or to comply with or satisfy legal requirements or legal obligations imposed on the parties, including any communications or disclosures required by a Governmental Agency or by the rules of a relevant securities exchange, provided that it may do so only after it has given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by applicable law or regulations (but in any event prior notice) and has to the extent reasonably practicable consulted with the other party as to the form and content of that communication or disclosure and has taken all reasonable steps to restrict that disclosure to the extent permitted by applicable law or regulation.

10.4 Adamus and Endeavour agree to consult with each other in advance in relation to:

- (a) overall communication plans;
- (b) approaches to Adamus Shareholders or Endeavour Shareholders;
- (c) approaches to media; and



- (d) written presentations, concerning the Scheme or any other Transaction (including to provide each other a reasonable advance opportunity to comment on drafts) and to ensure that the information used in (a) to (d) above is consistent with the information in the Scheme Booklet.

10.5 For the avoidance of doubt, this clause 10 does not apply in the event of any release or announcement:

- (a) made by Adamus that relates to a Competing Proposal for Adamus; or
- (b) made by Endeavour that relates to a Competing Proposal for Endeavour.

11. Representations, Warranties and Indemnities

Representations and warranties for the benefit of Adamus and Endeavour

11.1 Each of Adamus and Endeavour represent and warrant to the other party, on each date from the date of this agreement until and including the Second Court Date, except as otherwise provided for in this agreement, that:

- (a) it has all of the necessary capacity, power and authority (whether corporate, regulatory or otherwise) to enter into and perform this agreement;
- (b) in entering into and performing this agreement it will not violate any law, order or its constitution or any other document or agreement that is binding on its assets; and
- (c) this agreement constitutes its legal, valid and binding obligations enforceable against it in accordance with its terms.

Representations and warranties for the benefit of Adamus alone

11.2 Endeavour represents and warrants to Adamus that:

- (a) on the date of this agreement and the Second Court Date, except as consented to in writing by Adamus:
 - (i) each Endeavour Group member is solvent and in compliance with applicable laws, regulations and rules of any applicable securities exchange, has all material licences, permits and authorities to conduct its activities as conducted on the date of the agreement and, as far as Endeavour is aware, is not the subject of any action or investigation by a Governmental Agency; and
 - (ii) it has no reason to believe, acting reasonably, that all Regulatory Approvals which the Endeavour Group requires to operate its business as operated at the date of this agreement will not be granted or issued in due course, or, if already granted or issued, will not remain in force after the date of this agreement (including as a result of implementation of the Scheme) on materially the same terms that currently exist;
- (b) as at the date of this agreement, the total securities of Endeavour on issue that are Endeavour Shares or are convertible into Endeavour Shares are as follows:
 - (i) 114,674,946 Endeavour Shares;
 - (ii) 10,641,330 options to subscribe for Endeavour Shares issued under the Endeavour Option Plans; and



- (iii) 33,664,873 common share purchase warrants to subscribe for Endeavour Shares,

and no member of the Endeavour Group has issued (or is actually or contingently required to issue) any other securities that are still outstanding (or may become outstanding) and that may convert into Endeavour securities other than in connection with an employee incentive arrangement (including any security issued upon conversion or exercise of rights attaching to any security issued under an employee incentive arrangement);
- (c) as at the date of this agreement and the Second Court Date, Endeavour has used reasonable endeavours in good faith to provide to Adamus all material information reasonably requested by Adamus, and Endeavour has not knowingly or recklessly:
 - (i) omitted anything from such information as to make any part of that information materially false, misleading or inaccurate, or likely to mislead; or
 - (ii) included anything that is materially false, misleading or inaccurate, or likely to mislead, in such information;
- (d) on the First Court Date, the date of the Scheme Booklet, the date of the Endeavour Circular and the Second Court Date, the Endeavour Provided Information:
 - (i) has been prepared and provided in good faith, with its consent and on the understanding that the Endeavour Provided Information will be relied on by Adamus to prepare the Scheme Booklet and to provide it to Adamus Shareholders and to propose the Scheme and by the Independent Expert to prepare the Independent Expert's Report;
 - (ii) complies with applicable laws, regulations or rules of any applicable securities exchange; and
 - (iii) is not misleading or deceptive (in the case of the Scheme Booklet), or misleading or inaccurate (in the case of the Endeavour Circular), in each case in any material respect and does not contain any material omissions, in the form and context in which it appears in the Scheme Booklet or in the Endeavour Circular (as the case may be); and
- (e) on the date of this agreement (following the making by Endeavour of the Public Announcement), the First Court Date, the date of the Scheme Meeting and the Second Court Date, Endeavour is not in breach of its continuous disclosure obligations under any applicable listing rule or law and is not withholding any information from Adamus that is being withheld from public disclosure in reliance on any exemption under any applicable listing rule or law.

Representations and warranties for the benefit of Endeavour alone

11.3 Adamus represents and warrants to Endeavour that:

- (a) on the date of this agreement and on the Second Court Date, except as consented to in writing by Endeavour:



- (i) each Adamus Group member is solvent and in compliance with applicable laws, regulations and rules of any applicable securities exchange, has all material licences, permits and authorities to conduct its activities as conducted on the date of the agreement and, as far as Adamus is aware, is not the subject of any action or investigation by a Governmental Agency; and
 - (ii) it has no reason to believe, acting reasonably, that all Regulatory Approvals which the Adamus Group requires to operate its business as operated at the date of this agreement will not be granted or issued in due course, or, if already granted or issued, will not remain in force after the date of this agreement (including as a result of implementation of the Scheme) on materially the same terms that currently exist;
- (b) as at the date of this agreement, the total securities of Adamus on issue that are shares in Adamus or are convertible into shares in Adamus are as follows:
 - (i) 450,679,191 Adamus Shares;
 - (ii) 550,000 options to subscribe for Adamus Shares under the Adamus Employee Option Plan; and
 - (iii) 2,600,000 rights to subscribe for Adamus Shares under the Adamus Employee Share Rights Plan,and no member of the Adamus Group has issued (or is actually or contingently required to issue) any other securities that are still outstanding (or may become outstanding) and that may convert into Adamus securities;
- (c) as at the date of this agreement and the Second Court Date, Adamus has used reasonable endeavours in good faith to provide to Endeavour all material information reasonably requested by Endeavour, and Adamus has not knowingly or recklessly:
 - (i) omitted anything from such information as to make any part of that information materially false, misleading or inaccurate, or likely to mislead; or
 - (ii) included anything that is materially false, misleading or inaccurate, or likely to mislead, in such information;
- (d) on the First Court Date, the date of the Scheme Booklet, the date of the Endeavour Circular and the Second Court Date, the Adamus Provided Information:
 - (i) has been prepared in good faith, with its consent and on the understanding that Endeavour will rely on that information in preparing and approving the Endeavour Provided Information in the form and context in which it appears in the Scheme Booklet or the Endeavour Circular (as the case may be);
 - (ii) complies with applicable laws, regulations or rules of any applicable securities exchange; and



- (iii) is not misleading or deceptive (in the case of the Scheme Booklet), or misleading or inaccurate (in the case of the Endeavour Circular), in each case in any material respect and does not contain any material omissions, in the form and context in which it appears in the Scheme Booklet or the Endeavour Circular (as the case may be);
 - (e) on the date of this agreement (following the making by Adamus of the Public Announcement), the First Court Date, the date of the Scheme Meeting and the Second Court Date, Adamus is not in breach of its continuous disclosure obligations under ASX Listing Rule 3.1A and is not withholding any information from Endeavour that is being withheld from public disclosure in reliance on ASX Listing Rule 3.1A.
- 11.4 Endeavour agrees with Adamus (on Adamus' own behalf and separately as trustee for each of the Adamus Indemnified Parties) to indemnify and keep indemnified the Adamus Indemnified Parties from and against all Losses which an Adamus Indemnified Party may suffer or incur by reason of or in relation to:
 - (a) a breach by Endeavour of any of the representations and warranties in clauses 11.1 or 11.2; or
 - (b) any breach by Endeavour of any obligation of Endeavour under this agreement or the Deed Poll.
- 11.5 Adamus agrees with Endeavour (on Endeavour's own behalf and separately as trustee for each of the Endeavour Indemnified Parties) to indemnify and keep indemnified the Endeavour Indemnified Parties from and against all Losses which an Endeavour Indemnified Party may suffer or incur by reason of or in relation to:
 - (a) a breach by Adamus of any of the representations and warranties in clauses 11.1 or 11.3; or
 - (b) any breach by Adamus of any obligation of Adamus under this agreement or the Scheme.
- 11.6 Each indemnity provided by Endeavour in clause 11.4 and provided by Adamus under clause 11.5 will:
 - (a) be severable;
 - (b) be a continuing obligation;
 - (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this document; and
 - (d) survive the termination of this agreement.

12. Commitment to Scheme

Endeavour Commitment

- 12.1 Endeavour undertakes that, as at the date of this agreement, it will cease any existing negotiations or discussions in respect of any:
 - (a) Competing Proposal for Endeavour; or



- (b) other material asset disposals or spin-off or other restructuring, other than any matter in respect of which Adamus provides its prior written consent after the date of this agreement.
- 12.2 During the Exclusivity Period, Endeavour must not (and must not communicate an intention to) solicit, invite or initiate any Competing Proposal for Endeavour or any enquiries, negotiations or discussions with a third party which may lead to a Competing Proposal for Endeavour.
- 12.3 Subject to clause 12.4, Endeavour undertakes that during the Exclusivity Period, it will not (and will not communicate an intention to):
 - (a) enter into, continue or participate in any negotiation, discussion, arrangement or understanding in connection with a possible Competing Proposal for Endeavour, other material asset disposals or spin-off or other restructuring; or
 - (b) permit any third party to receive any non-public information in respect of any Endeavour Group member which may lead to that third party formulating, developing or finalising a Competing Proposal for Endeavour, other material asset disposals or spin-off or other restructuring,except with the prior written consent of Adamus.
- 12.4 The restrictions in clauses 12.3(a) and 12.3(b) do not apply to the extent they require the Endeavour Board to take or refuse to take any action with respect to a Competing Proposal for Endeavour (which was not solicited, invited or initiated (whether directly or indirectly) by an Endeavour Group member or any of its representatives or advisers in contravention of clause 12.2) provided that the Endeavour Board determines in good faith and acting reasonably that:
 - (a) such Competing Proposal for Endeavour is, or is likely to result in, a Superior Proposal for Endeavour; and
 - (b) after having taken advice from their legal advisers, failing to respond to such Competing Proposal for Endeavour would reasonably be likely to constitute a breach of the Endeavour Board's fiduciary or statutory duties.
- 12.5 If Endeavour proposes to provide any non-public information in respect of any Endeavour Group member to a third party pursuant to clause 12.4, it must, to the extent such information has not been disclosed to Adamus, provide such information to Adamus at the same time as the third party.
- 12.6 During the Exclusivity Period, Endeavour must promptly notify Adamus in writing if Endeavour proposes or is asked to take any of the actions referred to in clause 12.3 and such notice must include all material terms of the relevant event (including the price or implied value under any Competing Proposal for Endeavour), however the notice will not be required to include details of the identity of the relevant third party.
- 12.7 If Endeavour gives Adamus a notice under clause 12.6, it will still be required to, in accordance with clause 12.6, notify Adamus of all future events of a kind referred to in clause 12.6 which relate to the first-mentioned event.
- 12.8 If Endeavour receives a Competing Proposal for Endeavour that the Endeavour Board determines, acting in good faith and acting reasonably, is, or is likely to result in, a Superior



Proposal for Endeavour which requires the Transaction not to proceed and therefore wishes to terminate this agreement under clause 15.1(c), it must notify Adamus 5 Business Days prior to doing so and, with that notice (to the extent that Endeavour has not already provided that information under clause 12.6), provide Adamus with all material terms of that Competing Proposal for Endeavour (including the price or implied value under the Competing Proposal for Endeavour and the identity of the relevant third party) to allow Adamus to propose a variation to the terms of the Scheme or to propose an alternative transaction between the parties so that such Competing Proposal for Endeavour would no longer be a Superior Proposal for Endeavour. Endeavour must consider the proposed variation or transaction in good faith and if it considers that proposed variation or transaction would result in such Competing Proposal for Endeavour no longer being a Superior Proposal for Endeavour, it must use its best endeavours to agree any amendments to the terms of the Scheme and this agreement or to agree to implement the transaction, as applicable.

- 12.9 References in this clause 12 to Endeavour extend to Endeavour Group members, and Endeavour undertakes to procure that no Endeavour Group member takes or refuses to take any action that would breach this clause 12.

Adamus Commitment

- 12.10 Adamus undertakes that, as at the date of this agreement, it will cease any existing negotiations or discussions in respect of any:
- (a) Competing Proposal for Adamus; or
 - (b) other material asset disposals or spin-off or other restructuring, other than any matter in respect of which Endeavour provides its prior written consent after the date of this agreement.
- 12.11 During the Exclusivity Period, Adamus must not (and must not communicate an intention to) solicit, invite or initiate any Competing Proposal for Adamus or any enquiries, negotiations or discussions with a third party which may lead to a Competing Proposal for Adamus.
- 12.12 Subject to clause 12.13, Adamus undertakes that during the Exclusivity Period, it will not (and will not communicate an intention to):
- (a) enter into, continue or participate in any negotiation, discussion, arrangement or understanding in connection with a possible Competing Proposal for Adamus or other material asset disposals or spin-off or other restructuring; or
 - (b) permit any third party to receive any non-public information in respect of any Adamus Group member which may lead to that third party formulating, developing or finalising a Competing Proposal for Adamus or other material asset disposals or spin-off or other restructuring,
- except with the prior written consent of Endeavour.
- 12.13 The restrictions in clauses 12.12(a) and 12.12(b) do not apply to the extent they require the Adamus Board to take or refuse to take any action with respect to a Competing Proposal for Adamus (which was not solicited, invited or initiated (whether directly or indirectly) by an Adamus Group member or any of its representatives or advisers in contravention of



clause 12.11) provided that the Adamus Board determines in good faith and acting reasonably that:

- (a) such Competing Proposal for Adamus is, or is likely to result in, a Superior Proposal for Adamus; and
- (b) after having taken advice from their legal advisers, failing to respond to such Competing Proposal for Adamus would reasonably be likely to constitute a breach of the Adamus Board's fiduciary or statutory duties.

12.14 If Adamus proposes to provide any non-public information in respect of any Adamus Group member to a third party as permitted pursuant to clause 12.13, it must provide such information to Endeavour at the same time as providing it to the third party.

12.15 During the Exclusivity Period, Adamus must promptly notify Endeavour in writing if Adamus proposes or is asked to take any of the actions referred to in clause 12.12 and such notice must include all material terms of the relevant event (including the price or implied value under any Competing Proposal for Endeavour), however the notice will not be required to include details of the identity of the relevant third party.

12.16 If Adamus gives Endeavour a notice under clause 12.15, it will still be required to, in accordance with clause 12.15, notify Endeavour of all future events of a kind referred to in clause 12.15 which relate to the first-mentioned event.

12.17 If Adamus receives a Competing Proposal for Adamus that the Adamus Board determines, acting in good faith and acting reasonably, is, or is likely to result in, a Superior Proposal for Adamus and therefore wishes to change, qualify or withdraw its recommendation that Adamus Shareholders approve the Scheme, it must notify Endeavour 5 Business Days prior to doing so and, with that notice (to the extent that Adamus has not already provided that information under clause 12.15), provide Endeavour with all material terms of that Competing Proposal for Adamus (including the price or implied value under the Competing Proposal for Adamus and the identity of the relevant third party) to allow Endeavour to propose a variation to the terms of the Scheme so that such Competing Proposal would no longer be a Superior Proposal for Adamus. Adamus must consider the proposed variation in good faith and if it considers that the proposed variation would result in such Competing Proposal no longer being a Superior Proposal for Adamus, it must use its best endeavours to agree any amendments to the terms of the Scheme and this agreement.

12.18 References in this clause 12 to Adamus extend to Adamus Group members, and Adamus undertakes to procure that no Adamus Group member takes or refuses to take any action that would breach this clause 12.

Compliance with law

12.19 If it is finally determined by a court, or the Panel, that the agreement by the parties under this clause 12 or any part of it:

- (a) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the members of the Adamus Board; or
- (b) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the members of the Endeavour Board; or



- (c) constituted, or constitutes, or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or
 - (d) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent), the relevant party will not be obliged to comply with the relevant provision of this clause 12.

12.20 The parties must not make, or cause or permit to be made, any originating application to a court or the Panel for or in relation to a determination referred to in clause 12.19.

13. Break Fee Amount Payments

- 13.1 Each of Adamus and Endeavour acknowledge that the other party would not have entered into this agreement without this clause 13 and that each of the Adamus Break Fee Amount and the Endeavour Break Fee Amount is a reasonable amount to compensate the actual costs (including adviser costs and out of pocket expenses) and reasonable opportunity costs of the party to which it is payable.
- 13.2 The parties agree that this clause 13 does not limit the rights of Adamus or Endeavour in respect of any other claims that they may have against each other, whether under this agreement or otherwise.

Endeavour Break Fee Amount Payments

- 13.3 Endeavour must pay Adamus the Endeavour Break Fee Amount in accordance with clause 13.5 (only once and without withholding or set off) if:
- (a) the Endeavour Board fails to make the unanimous recommendation contemplated in clause 9.1(c) or any Endeavour director fails to make the statement contemplated in clause 9.1(d);
 - (b) the Endeavour Board or any Endeavour Director changes, qualifies or withdraws any statement or recommendation contemplated in clauses 9.1(c) or 9.1(d) or makes any public statement that is fundamentally inconsistent with any statement or recommendation contemplated in clauses 9.1(c) or 9.1(d);
 - (c) a Superior Proposal for Endeavour is announced and recommended or supported by the Endeavour Board and Adamus or Endeavour terminates under clause 15.1(c), except where Adamus terminates in the circumstances described in paragraph (b)(ii) of the definition of Superior Proposal for Endeavour;
 - (d) a Competing Proposal for Endeavour is announced before the End Date and, as contemplated by that Competing Proposal for Endeavour, a third party (consisting of any person, company or combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding), acquires beneficial ownership (as determined under Part XX of the *Securities Act* (Ontario)) or control or direction over more than 50% of all Endeavour Shares and the Competing Proposal for Endeavour is (or has become) free from any defeating conditions before the first anniversary of the date of this agreement, except where Adamus terminates under clause 15.1(c) in the circumstances described in paragraph (b)(ii) of the definition of Superior Proposal for Endeavour; or
 - (e) this agreement is terminated by Adamus pursuant to clauses 15.1(b) or 15.3(a).



13.4 Despite any other term of this agreement, the Endeavour Break Fee Amount will not be payable to Adamus if Endeavour is entitled to terminate this agreement under clause 15.1(b) or 15.4 (other than under clause 15.4(b)).

13.5 The Endeavour Break Fee Amount is exclusive of Australian goods and services tax (**GST**). The Endeavour Break Fee Amount (inclusive of GST) is payable only when due and then within five Business Days after a written demand being made by Adamus.

Adamus Break Fee Amount Payments

13.6 Adamus must pay Endeavour the Adamus Break Fee Amount in accordance with clause 13.8 (only once and without withholding or set off) if:

- (a) the Adamus Board fails to make the unanimous recommendation contemplated in clause 9.1(a) or any Adamus director fails to make the statement contemplated in clause 9.1(b);
- (b) the Adamus Board or any Adamus Director changes, qualifies or withdraws any statement or recommendation contemplated in clauses 9.1(a) or 9.1(b) or makes any public statement that is fundamentally inconsistent with any statement or recommendation contemplated in clauses 9.1(a) or 9.1(b), in either case other than where in the Independent Expert's Report, the Independent Expert opines that the Scheme is not in the best interests of Adamus Shareholders (provided that the reasons for the Independent Expert's conclusions do not include the existence of a Competing Proposal for Adamus);
- (c) a Superior Proposal for Adamus is announced and recommended or supported by the Adamus Board;
- (d) a Competing Proposal for Adamus is announced before the End Date and, as contemplated by that Competing Proposal for Adamus, a third party acquires voting power (within the meaning of section 610 of the Corporations Act) of 50% or more of Adamus and the Competing Proposal for Adamus is (or has become) free from any defeating conditions, before the first anniversary of the date of this agreement; or
- (e) this agreement is terminated by Endeavour pursuant to clause 15.1(b) or 15.4(a).

13.7 Despite any other term of this agreement, the Adamus Break Fee Amount will not be payable to Endeavour if:

- (a) the Scheme becomes Effective notwithstanding the occurrence of any event in clause 13.6; or
- (b) Adamus is entitled to terminate this agreement under clause 15.1(b), 15.1(c) or 15.3 (other than under clause 15.3(b)).

13.8 The Adamus Break Fee Amount is exclusive of Australian goods and services tax (**GST**). The Adamus Break Fee Amount (inclusive of GST) is payable only when due and then within five Business Days after a written demand being made by Endeavour.

14. Standstill

14.1 Except in relation to carrying out the Transaction, each party agrees with the other party that it will not, and will make sure that its Related Entities (alone or with others) do not, until



the earlier of the completion of the Transaction and the date on which this agreement is terminated:

- (a) acquire, purchase or sell or offer or agree to acquire, purchase or sell any securities (or direct or indirect rights, warrants or options to acquire any securities) of the other party;
- (b) enter into any agreement or arrangement which confers rights the economic effect of which is equivalent or substantially equivalent to the acquisition, holding or disposal of securities of the other party (including cash-settled derivative contracts, contracts for difference or other derivative contracts);
- (c) solicit proxies from security holders of the other party or any of its associates, or otherwise seek to influence or control the management or policies of the other party; or
- (d) assist, encourage, counsel, induce, instruct or ask any other person to do any of the acts referred to in clauses 14.1(a) to 14.1(c),

except with the prior written consent of the other party.

14.2 The obligations under clause 14.1 will cease to apply to:

- (a) Adamus:
 - (i) on the first date on which Adamus becomes aware of a Competing Proposal for Endeavour; or
 - (ii) if Endeavour Shareholders do not approve the Endeavour Resolutions at the Endeavour Shareholders' Meeting by the requisite majority; and
- (b) Endeavour:
 - (i) on the first date on which Endeavour becomes aware of a Competing Proposal for Adamus;
 - (ii) if Adamus Shareholders do not approve the Scheme at the Adamus Shareholders' Meeting by the requisite majorities under the Corporations Act.

15. Termination

Termination rights of both parties

15.1 A party may terminate this agreement by notice to the other party:

- (a) if a condition precedent for the benefit of that party is not satisfied (or waived, where permitted) (subject, in relation to the condition precedent in clause 5.1(e), to any appeal process pursuant to clause 6.3(p)) by 5pm on the last Business Day before the Second Court Date;
- (b) if the other party breaches any term of this agreement at any time before 8am on the Second Court Date and the breach can reasonably be regarded as material in the context of the Scheme as a whole (provided that, if such breach is reasonably capable of remedy, notice of the material breach is given by the party not in breach and the material breach has not been remedied within 5 Business Days from the



time such notice is given (or any shorter period ending at 5pm on the last Business Day before the Second Court Date));

- (c) if, at any time before 8am on the Second Court Date, a Superior Proposal for Endeavour is announced and recommended or supported by the Endeavour Board; or
- (d) if the Independent Expert issues the Independent Expert's Report in which it states that in its opinion the Scheme is not in the best interests of Adamus Shareholders.

15.2 Before it may terminate this agreement under clause 15.1(c) in the circumstances described in paragraph (b)(ii) of the definition of Superior Proposal for Endeavour, Adamus must consult with Endeavour in good faith in relation to its intention to terminate.

Termination rights of Adamus

15.3 Adamus may terminate this agreement at any time before 8am on the Second Court Date by notice to Endeavour:

- (a) if there is an Endeavour Regulated Event or Endeavour Material Adverse Change, provided that notice is provided to Endeavour of the relevant circumstances upon which Adamus proposes to rely in terminating this agreement and such circumstances have continued to exist for a period of 5 Business Days from the time such notice is given (or any shorter period ending at 5pm on the last Business Day before the Second Court Date);
- (b) if the Adamus Break Fee Amount is payable by Adamus and has been paid in full to Endeavour; or
- (c) if an Endeavour Director publicly changes, qualifies or withdraws their statement that the Transaction is in the best interests of Endeavour Shareholders or their recommendation that Endeavour Shareholders approve the Endeavour Resolutions, or publicly recommends, promotes or endorses a Superior Proposal for Endeavour; or
- (d) if a Competing Proposal for Endeavour is announced, made or becomes open for acceptance and, pursuant to that Competing Proposal for Endeavour, the bidder for Endeavour (consisting of any person, company or combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding), acquires beneficial ownership (as determined under Part XX of the *Securities Act* (Ontario)) or control or direction over more than 50% of all Endeavour Shares and the Competing Proposal for Endeavour is (or has become) free from any defeating conditions).

Termination rights of Endeavour

15.4 Endeavour may terminate this agreement at any time before 8am on the Second Court Date by notice to Adamus:

- (a) if there is an Adamus Regulated Event or Adamus Material Adverse Change, provided that notice is provided to Adamus of the relevant circumstances upon which Endeavour proposes to rely in terminating this agreement and such circumstances have continued to exist for a period of 5 Business Days from the



time such notice is given (or any shorter period ending at 5pm on the last Business Day before the Second Court Date);

- (b) if the Endeavour Break Fee Amount is payable by Endeavour and has been paid in full to Adamus;
- (c) if an Adamus Director publicly changes, qualifies or withdraws their statement that the Scheme is in the best interests of Adamus Shareholders or their recommendation that Adamus Shareholders approve the Scheme, or publicly recommends, promotes or endorses a Superior Proposal for Adamus;
- (d) if, at any time before 8am on the Second Court Date, the Adamus Board recommends a Superior Proposal for Adamus; or
- (e) if a Competing Proposal for Adamus is announced, made, or becomes open for acceptance and, pursuant to that Competing Proposal for Adamus, the bidder for Adamus acquires voting power (within the meaning of section 610 of the Corporations Act) of 50% or more of Adamus and that Competing Proposal for Adamus is (or has become) free from any defeating conditions).

Effect of termination

15.5 This clause 15 and clauses 11, 13, 16, 17, 19 and 20 will survive termination of this agreement.

16. Notices

16.1 Notices and communications under this agreement (**Notices**) must be made in writing and delivered by post, hand, email or fax to the address or facsimile details below:

- (a) to Adamus: Level 2, 45 Richardson Street
West Perth WA 6005
AUSTRALIA

Fax number: + 61 8 9322-5907
Email: mark.connelly@adamusresources.com.au
Attention: Mark Connelly
- (b) to Endeavour: Bureau 76
7 Boulevard des Moulins
98000 Monaco

Fax number: +377 9798 7131
Email: cmilau@endeavourmining.com
Attention: Christian Milau

16.2 Notices will be conclusively taken to be duly given or made:

- (a) in the case of delivery in person, when delivered;
- (b) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (where posted to an address in another country);
- (c) in the case of email, on the first to occur of:



- (i) receipt by the sender of an email acknowledgement from the recipient's information system showing that the Notice has been delivered to the email address stated above;
 - (ii) the time that the Notice enters an information system which is under the control of the recipient; and
 - (iii) the time that the Notice is first opened or read by an employee, director, officer or authorised representative of the recipient; and
- (d) in the case of fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax machine number and or name of recipient indicating that the transmission has been made without error,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 4pm (local time) it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

17. **Governing Law**

This agreement is governed by and will be construed according to the laws of Western Australia and each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of courts competent to determine appeals from those courts.

18. **Severability of provisions**

Any provision of this agreement that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

19. **Definitions**

Adamus means Adamus Resources Limited (ABN 80 094 543 389) of Level 2, 45 Richardson Street, West Perth, Western Australia 6005, Australia.

Adamus Board means the Board of Directors of Adamus.

Adamus Break Fee Amount means A\$2.9 million.

Adamus Circular Information means all information regarding Adamus and its past, present or future operations, affairs, business or strategic plans which is included in the Endeavour Circular and as may be required to ensure that the Endeavour Circular complies with all applicable regulatory, compliance and content requirements.

Adamus Disclosed Information means all information provided by Adamus and its representatives to Endeavour and its representatives in connection with the Scheme or which relates to the past, present or future operations, affairs, business or strategic plans of the Adamus Group.

Adamus Employee Option Plan means the share option plan entitled 'Adamus Employee Option Plan' established by Adamus.



Adamus Employee Share Rights Plan means the share rights plan entitled 'Employee Performance Share Rights Plan' established by Adamus.

Adamus Group means Adamus and its subsidiaries.

Adamus Indemnified Parties means each member of the Adamus Group and the directors, officers and employees of each of those entities.

Adamus Key Material Contract means an agreement or commitment involving any one or more Adamus Group members which Adamus and Endeavour agree in writing is to be an "Adamus Key Material Contract" for the purpose of this agreement.

Adamus Material Adverse Change means an event or occurrence after the date of this agreement, that individually or when aggregated with all other such events or occurrences:

- (a) is reasonably likely to have a material adverse effect on the mining and exploration business, operations, properties, assets or liabilities, obligations (whether absolute, accrued, conditional or otherwise), condition, financial position or prospects of the Adamus Group; or
- (b) results or is reasonably likely to result in the Adamus Group being unable to carry on its business in substantially the same manner as at the date of this agreement,

and, without limiting the generality of paragraphs (a) and (b), diminishes or is reasonably likely to diminish the value of the net assets of the Adamus Group as at 30 June 2011 by an amount of A\$30 million or more, other than any event or occurrence:

- (i) which arises from adverse changes in benchmark gold price quotations or exchange rates;
- (ii) which arises from general changes in economic, political or business conditions;
- (iii) which arises from changes in law, regulation or policy of Governmental Agencies in jurisdictions in which the Adamus Group operates except where such change specifically refers to the business of Adamus and not companies or businesses or types of companies and businesses generally;
- (iv) which is required to be done or undertaken pursuant to the Scheme;
- (v) which took place with the prior approval of Endeavour; or
- (vi) to the extent that event or occurrence was known to Endeavour prior to the date of this agreement (which does not include knowledge of the risk of an event or occurrence happening).

Adamus Material Contract means any agreement or commitment between any one or more Adamus Group members and any one or more other persons, or any lease, licence, permit or approval in relation to a mine, which:

- (a) has a term of one year or more; or
 - (b) contemplates, during its entire term, payments of A\$5 million or more in aggregate,
- and, in any case, includes the Adamus Key Material Contracts.

Adamus Optionholder means a person who holds Adamus Options.



Adamus Option means an option to acquire an Adamus Share under the Adamus Employee Option Plan, as set out in Schedule 2.

Adamus Provided Information means:

- (a) in the case of the Scheme Booklet, all information included in the Scheme Booklet prepared by or on behalf of Adamus other than the Endeavour Provided Information and the Independent Expert's Report; and
- (b) in the case of the Endeavour Circular, the Adamus Circular Information;

Adamus Record Date means 7pm on the date that is 5 Business Days after the date on which the Scheme becomes Effective.

Adamus Regulated Event means, in relation to any Adamus Group member, the occurrence of any of the following (other than in connection with the Scheme or as fairly disclosed prior to the date of this agreement in the Adamus Disclosed Information):

- (a) any change to a constituent document;
- (b) the passing of any special resolution;
- (c) the acquisition or disposal (whether directly or indirectly and by whatever means, including by way of spin-off or other restructuring) of any entity, business or assets (other than trade inventories or consumables) exceeding A\$10 million in aggregate;
- (d) the incurring of any capital expenditure exceeding A\$10 million in aggregate;
- (e) except to the extent provided under the terms of the Adamus Employee Option Plan or the Adamus Employee Share Rights Plan, the purchase, buy-back, cancellation, redemption or repayment of any shares or other reduction of any share capital in any way, or consolidation or subdivision of all or any part of any share capital or other conversion of any shares into a larger or smaller number or other changes to, or reconstruction of, any part of any share capital;
- (f) creation of any new security interest or encumbrance, individually or in aggregate, over the whole or a substantial part of the business or assets;
- (g) the incurring of any new financial indebtedness in excess of A\$5 million (other than any indebtedness incurred in the ordinary course of Adamus' business or any draw down of funds under existing credit facilities where such funds are used for purposes announced to ASX before the date of this agreement or refinancing of those existing credit facilities) or entry into any gold hedging or forward sales (other than under existing gold hedging or forward sale arrangements) or any amendment of existing gold hedging or forward sale arrangements;
- (h) issuance of any equity, debt or hybrid security (including any security convertible into shares of any class) or rights, warrants or options to subscribe for or acquire any such securities other than as publicly disclosed before the date of this agreement or to satisfy any share rights that have vested or may vest prior to the Implementation Date under the Adamus Employee Option Plan or the Adamus Employee Share Rights Plan;



- (i) the provision of any financial accommodation or capital contributions to a person other than another Adamus Group member;
- (j) the entry into or variation of any Adamus Material Contract (other than pursuant to an approved capital project announced to ASX before the date of this agreement or the renewal of any existing Adamus Material Contract on substantially the same terms);
- (k) the entry into, or resolution to enter into, or the variation of, a transaction with a related party (other than a related party which is a member of the Adamus Group) as defined in section 228 of the Corporations Act;
- (l) the recommendation, declaration, payment or resolving to recommend, declare or pay to Adamus Shareholders any bonus, dividend or other distribution in cash, in specie or otherwise;
- (m) the passing of a resolution in respect of any Adamus Member that it be wound up;
- (n) an application or order is made by a court with relevant jurisdiction for the winding up or dissolution of any Adamus Group member other than where the application or order (as the case may be) is set aside within 14 days or any shorter period ending at 5pm on the last Business Day before the Second Court Date;
- (o) a liquidator or provisional liquidator is appointed to any Adamus Group member;
- (p) an administrator of any Adamus Group member is appointed under section 436A, 436B or 436C of the Corporations Act;
- (q) any Adamus Group member executes a deed of company arrangement;
- (r) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any Adamus Group member;
- (s) any Adamus Group member is deregistered as a company or otherwise dissolved; or
- (t) any Adamus Group member is or becomes unable to pay its debts when they fall due,

other than to the extent it is provided for in the Approved Adamus Budget or consented to in writing by Endeavour.

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

Adamus Shareholder means a person who is registered as a holder of Adamus Shares.

Adamus Shareholders' Meeting means the meeting of Adamus Shareholders to be ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Adamus Share Registrar means, in Australia, Computershare Investor Services Pty Limited (ACN 078 279 277) and, in Canada, Computershare Investor Services Inc (corporation number 391631-6).

Agreed Conversion Rate means a rate of conversion between US\$ and A\$ where US\$1 = A\$0.9673 (and, accordingly, A\$1 = US\$1.0338).



Approved Adamus Budget means the budget for the Adamus Group for the calendar year 2011 as approved by the Adamus Board and in force as at the date of this agreement (to the extent it relates to capital projects approved by the Adamus Board, including existing operating and exploration assets of the Adamus Group as at the date of this agreement).

Approved Endeavour Budget means the budget for the Endeavour Group for the calendar year 2011 as approved by the Endeavour Board and in force as at the date of this agreement (to the extent it relates to capital projects approved by the Endeavour Board, including existing operating and exploration assets of the Endeavour Group as at the date of this agreement).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

ASX Listing Rules means the official listing rules of ASX.

Business Day means a day in Perth or Toronto which is not a Saturday, Sunday or public holiday and on which banks and ASX and TSX are open for trading.

Canadian Participant means a Participant who is a resident of Canada for purposes of the ITA.

CDI means CHESS Depositary Interest, being a unit of beneficial ownership in a New Endeavour Share registered in the name of CHESS Depositary Nominees Pty Limited (ACN 071 346 506).

Competing Proposal for Adamus means any expression of interest, proposal, offer, transaction or arrangement which, if either entered into or completed, would result:

- (a) in a third party (other than as nominee, custodian or bare trustee) acquiring an interest of 20% or more of the Adamus Shares, acquiring a direct or indirect economic interest in all or a substantial part of the assets or business of any Adamus Group member, acquiring control (within the meaning of section 50AA of the Corporations Act) of any Adamus Group member, or acquiring or assuming or otherwise holding a significant beneficial, economic or other interest in any Adamus Group member or a substantial part of their respective business or assets, by whatever means; or
- (b) in Adamus being required to abandon or otherwise not proceed with the Scheme, by whatever means.

Competing Proposal for Endeavour means any expression of interest, proposal, offer, transaction or arrangement which, if either entered into or completed, would result:

- (a) in a third party (other than as nominee, custodian or bare trustee) acquiring an interest of 20% or more of the Endeavour Shares (including the Endeavour Shares after Endeavour has acquired all of the Adamus Shares pursuant to the Scheme), acquiring a direct or indirect economic interest in all or a substantial part of the assets or business of any Endeavour Group member, acquiring control (within the meaning of section 50AA of the Corporations Act, as if the provisions of the Corporations Act applied) of any Endeavour Group member, or acquiring or



assuming or otherwise holding a significant beneficial, economic or other interest in any Endeavour Group member or a substantial part of their respective business or assets, by whatever means; or

- (b) in Endeavour being required to abandon or otherwise not proceed with the Scheme, by whatever means.

Confidentiality Agreement means the agreement of that name between Adamus and Endeavour dated 21 June 2011.

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

Court means the Federal Court of Australia or such other court of competent jurisdiction as Adamus and Endeavour may agree in writing.

Deed Poll means a deed poll to be executed by Endeavour in the form agreed between the parties under which Endeavour agrees to procure the provision of the Scheme Consideration to the Participants.

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court 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.

End Date means 31 December 2011, or such later date as agreed in writing between the parties.

Endeavour means Endeavour Mining Corporation of Cayman Corporate Centre, 1st Floor, 27 Hospital Road, PO Box 1793, George Town, Grand Cayman KY1-1109, Cayman Islands.

Endeavour Board means the Board of Directors of Endeavour.

Endeavour Break Fee Amount means US\$3 million.

Endeavour Circular means the management information circular of Endeavour to be delivered to Endeavour Shareholders in connection with the Endeavour Shareholders' Meeting.

Endeavour Disclosed Information means all information provided on or prior to the date of this agreement by Endeavour and its representatives to Adamus and its representatives in connection with the Scheme or which relates to the Endeavour Group's past, present or future operations, affairs, business or strategic plans.

Endeavour Group means Endeavour and its subsidiaries.

Endeavour Indemnified Parties means each member of the Endeavour Group and the directors, officers and employees of each of those entities.

Endeavour Key Material Contracts means an agreement or commitment involving any one or more Endeavour Group members which Adamus and Endeavour agree in writing is to be an "Endeavour Key Material Contract" for the purpose of this agreement.

Endeavour Material Adverse Change means an event or occurrence after the date of this agreement, that individually or when aggregated with all other such events or occurrences:



- (a) is reasonably likely to have a material adverse effect on the mining and exploration business, operations, properties, assets or liabilities, obligations (whether absolute, accrued, conditional or otherwise), condition, financial position or prospects of the Endeavour Group;
- (c) results or is reasonably likely to result in the Endeavour Group being unable to carry on its business in substantially the same manner as at the date of this agreement,

and, without limiting the generality of paragraphs (a) and (b), diminishes or is reasonably likely to diminish the value of the net assets of the Endeavour Group as at 30 June 2011 by an amount of US\$31.0 million (being an amount approximately equal to A\$30 million, converted at the Agreed Conversion Rate) or more, other than any event or occurrence:

- (i) which arises from adverse changes in benchmark gold price quotations or exchange rates;
- (ii) which arises from general changes in economic, political or business conditions;
- (iii) which arises from changes in law, regulation or policy of Governmental Agencies in jurisdictions in which the Endeavour Group operates except where such change specifically refers to the business of Endeavour and not companies or businesses or types of companies and businesses generally;
- (iv) which is required to be done or undertaken pursuant to the Scheme;
- (v) which took place with the prior approval of Adamus;
- (vi) to the extent that event or occurrence was known to Adamus prior to the date of this agreement (which does not include knowledge of the risk of an event or occurrence happening);
- (vii) in the ordinary course of Endeavour's proprietary and client-related corporate finance and investment banking business; or
- (viii) which arises from any changes to the value of Endeavour's investment portfolio as a result of mark-to-market valuation.

Endeavour Material Contract means any agreement or commitment between any one or more Endeavour Group members and any one more other persons, or any lease, licence, permit or approval in relation to a mine, which:

- (a) has a term of one year or more; or
- (b) contemplates, during its entire term, payments of US\$5.2 million (being an amount approximately equal to A\$5 million, converted at the Agreed Conversion Rate) or more in aggregate,

and, in any case, includes the Endeavour Key Material Contracts.

Endeavour Option Plans means the following option plans established by Endeavour consisting of:



- (a) the stock option plan titled 'Incentive Stock Option Plan' dated January 14, 2003 (as amended); and
- (b) the stock option plan titled 'Replacement Stock Option Plan'.

Endeavour Provided Information means all information regarding the Endeavour Group and the New Endeavour Shares to enable the Endeavour Circular and the Scheme Booklet to be prepared (which for the avoidance of doubt in the case of the Scheme Booklet, will be the level of disclosure required if the issue of the New Endeavour Shares under the Scheme were a public offering of securities under the Corporations Act).

Endeavour Record Date means the record date to determine the entitlements of Endeavour Shareholders to vote at the Endeavour Shareholders' Meeting.

Endeavour Regulated Event means, in relation to any Endeavour Group member, the occurrence of any of the following (other than in connection with the Scheme or as fairly disclosed, and accepted for inclusion by Adamus, in the Endeavour Disclosed Information, and other than in the ordinary course of Endeavour's proprietary and client-related corporate finance and investment banking business):

- (a) any change to a constituent document;
- (b) the passing of any special resolution;
- (c) the acquisition or disposal (whether directly or indirectly and by whatever means, including by way of spin-off or other restructuring) of any entity, business or assets (other than trade inventories or consumables) exceeding US\$10.3 million (being an amount approximately equal to A\$10 million, converted at the Agreed Conversion Rate) in aggregate;
- (d) the incurring of any capital expenditure exceeding US\$10.3 million (being an amount approximately equal to A\$10 million, converted at the Agreed Conversion Rate) in aggregate;
- (e) the purchase, buy-back, cancellation, redemption or repayment of any shares or other reduction of any share capital in any way, or consolidation or subdivision of all or any part of any share capital or other conversion of any shares into a larger or smaller number or other changes to, or reconstruction of, any part of any share capital;
- (f) creation of any new security interest or encumbrance, individually or in aggregate, over the whole or a substantial part of the business or assets;
- (g) the incurring of any new financial indebtedness in excess of US\$5.2 million (being an amount approximately equal to A\$5 million, converted at the Agreed Conversion Rate) (other than any indebtedness incurred in the ordinary course of Endeavour's business or any draw down of funds under existing credit facilities where such funds are used for purposes announced to TSX before the date of this agreement or refinancing of those existing credit facilities) or entry into any gold hedging or forward sales (other than under existing gold hedging or forward sale arrangements) or any amendment of existing gold hedging or forward sale arrangements;



- (h) issuance of any equity, debt or hybrid security (including any security convertible into shares of any class) or rights, warrants or options to subscribe for or acquire any such securities other than the New Endeavour Shares or as publicly disclosed before the date of this agreement or in connection with the Endeavour Option Plans (including to satisfy any share rights that have vested or may vest prior to the Implementation Date under those plans);
- (i) the provision of any financial accommodation or capital contributions to a person other than another Endeavour Group member;
- (j) the entry into or variation of any Endeavour Material Contract (other than pursuant to an approved capital project announced to TSX before the date of this agreement or the renewal of any existing Endeavour Material Contract on substantially the same terms);
- (k) the recommendation, declaration, payment or resolving to recommend, declare or pay to Endeavour Shareholders any bonus, dividend or other distribution in cash, in specie or otherwise;
- (l) the entry into, or resolution to enter into, or the variation of, a transaction with a related party (other than a related party which is a member of the Endeavour Group) as defined in section 228 of the Corporations Act (as if the provisions of the Corporations Act applied to Endeavour);
- (m) the prepayment or early repayment of any financial accommodation or borrowings by any member of the Endeavour Group (other than any financial accommodation or borrowings provided by a member of the Endeavour Group);
- (n) the passing of a resolution in respect of any Endeavour Group member that it be wound up;
- (o) an order is made by a court with relevant jurisdiction for the winding up or dissolution of any Endeavour Group member other than where the order is set aside within 14 days or any shorter period ending at 5pm on the last Business Day before the Second Court Date;
- (p) a liquidator, court appointed receiver or provisional liquidator is appointed to any Endeavour Group member;
- (q) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any Endeavour Group member;
- (r) any Endeavour Group member is deregistered as a company or otherwise dissolved; or
- (s) any Endeavour Group member is or becomes unable to pay its debts when they fall due,

other than to the extent it is provided for in the Approved Endeavour Budget or consented to in writing by Adamus.

Endeavour Resolutions means the resolution(s) of the Endeavour Shareholders required to implement the actions contemplated in clause 5.1(d).

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



Endeavour Shareholder means a person who is registered as a holder of Endeavour Shares.

Endeavour Shareholders' Meeting means the meeting of shareholders of Endeavour held to obtain their consent to the issuance of the New Endeavour Shares required by the Scheme.

Endeavour Share Registrar means Computershare Trust Company of Canada.

Exclusivity Period means the period commencing on the date of this agreement and ending on the earlier of the date of termination of this agreement, the Implementation Date and the End Date.

First Court Date means the first day of hearing of an application made to the Court by Adamus for orders, pursuant to 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.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or similar entity or organisation, or applicable securities exchange.

Implementation Date means the date that is 3 Business Days after the Adamus Record Date, or such other date agreed in writing by the parties or required by a Governmental Agency.

Independent Expert means an independent expert to be engaged by Adamus to express an opinion on whether the Scheme is in the best interests of Adamus Shareholders.

Independent Expert's Report means the report from the Independent Expert commissioned by Adamus for inclusion in the Scheme Booklet (and any update to such report prior to the Adamus Shareholders' Meeting).

Ineligible Adamus Shareholder means a Participant whose address as shown in Adamus' members' register is located outside Australia and its external territories, the United States of America or Canada and any other jurisdictions as may be agreed in writing by Adamus and Endeavour (unless Endeavour is satisfied, acting reasonably, that it is permitted to allot and issue New Endeavour Shares to that Participant pursuant to the Scheme by the laws of that place).

ITA means the *Income Tax Act* (Canada) and the regulations thereto, as amended from time to time.

Losses means all claims, actions, proceedings, liabilities, obligations, damages, loss, charges, costs, expenses and duties or other outgoings.

New Endeavour Options means options to subscribe for Endeavour Shares issued to Adamus Optionholders on equivalent terms as the outstanding Adamus Options.

New Endeavour Shares means the new Endeavour Shares (in the form of CDIs, if applicable) to be issued under the terms of the Scheme as Scheme Consideration.

Option Deed has the meaning given in clause 5.1(g).

Panel has the meaning given in the *Corporations Act*.



Participant means each Adamus Shareholder as at the Adamus Record Date.

Public Announcement has the meaning given in clause 10.1.

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

Related Entity means, in relation to an entity (the **first entity**):

- (a) a Subsidiary of the first entity;
- (b) an entity of which the first entity is a Subsidiary; or
- (c) a Subsidiary of another entity of which the first entity is also a Subsidiary.

Scheme has the meaning given in clause 1.2.

Scheme Booklet means the explanatory memorandum to be prepared in accordance with the Corporations Act in relation to the Scheme, which annexes the Independent Expert's Report, scheme of arrangement by Adamus, the deed poll by Endeavour and the Notice of Meeting and Proxy Form as required by the Court.

Scheme Consideration means the consideration to be provided to Participants under the terms of the Scheme, as described in clause 2.

Second Court Date means the first day of the hearing of an application made to the Court by Adamus for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Subsidiary has the meaning given in the Corporations Act, but an entity will also be taken to be a Subsidiary of an entity if it is controlled by that entity (as defined in section 50AA of the Corporations Act) and:

- (a) a trust may be a Subsidiary, for the purpose of which a unit or other beneficial interest will be regarded as a share; and
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.

Superior Proposal for Adamus means a bona fide Competing Proposal for Adamus that the Adamus Board, acting reasonably and in good faith in order to satisfy what the Adamus Board considers to be their fiduciary or statutory duties (after having taken advice from their financial and legal advisers), determines:

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal for Adamus and the party making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedent; and



- (b) would or would be reasonably likely to, if completed in accordance with its terms, be more favourable to Adamus Shareholders from a financial perspective (as a whole) than the Scheme, after taking into account all of the terms and conditions of, and the identity, reputation and standing of the party making, the Competing Proposal for Adamus.

Superior Proposal for Endeavour means a bona fide Competing Proposal for Endeavour that the Endeavour Board, acting reasonably and in good faith in order to satisfy what the Endeavour Board considers to be their fiduciary or statutory duties (after having taken advice from their financial and legal advisers), determines:

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal for Endeavour and the party making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedent; and
- (b) either:
 - (i) in the context of a Competing Proposal for Endeavour which requires the Transaction not to proceed, would or would be reasonably likely to, if completed in accordance with its terms, be more favourable to Endeavour Shareholders from a financial perspective (as a whole) than the Transactions, after taking into account all of the terms and conditions of, and the identity, reputation and standing of the party making, the Competing Proposal for Endeavour; or
 - (ii) in the context of a Competing Proposal for Endeavour which requires the Transaction to proceed, would or would reasonably be likely to, if completed in accordance with its terms, be in the best interests of Endeavour Shareholders, including those persons who will become Endeavour Shareholders as a result of the Transaction.

Third Party Approval has the meaning given in clause 5.1(h).

Timetable means the indicative timetable for the Scheme set out in Schedule 1, as varied by agreement between the parties.

Transaction means:

- (a) the Scheme and any other transaction in connection with the Scheme; and
- (b) any related transaction to be implemented in any jurisdiction other than Australia so as to give effect to the purposes of the Scheme,

including any transaction contemplated by this agreement.

TSX means the Toronto Stock Exchange.

20. Interpretation

20.1 The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A reference to a *person* includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.



- (c) A reference to a party, clause or schedule is a reference to a party to, clause or schedule of this agreement.
- (d) A reference to an agreement or document (including a reference to this agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this agreement or that other agreement or document.
- (e) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
- (f) A reference to a party to this agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (g) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (h) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (i) A reference to an *asset* includes any real or personal, present or future, tangible or intangible property or asset (including intellectual property) and any right, interest, revenue or benefit in, under or derived from the property or asset.
- (j) A reference to time is to the time in Perth, Western Australia.
- (k) A reference to "A\$" is a reference to the currency of Australia and a reference to "US\$" is a reference to the currency of the United States of America.
- (l) Mentioning anything after *includes*, *including*, *for example*, or similar expressions, does not limit what else might be included.
- (m) If the doing of any act, matter or thing under this agreement is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion.

20.2 Where an amount stated in US\$ has been calculated by reference to an A\$ amount converted at the Agreed Conversion Rate, such amount stated in US\$ has been rounded in a manner acceptable to the parties.



Schedule 1 – Indicative Timetable

Event	Business Days post date of execution of Merger Implementation Agreement (T)
Notice of Endeavour Record Date	No later than T+29, if Endeavour Record Date is T+39
Endeavour Record Date	No earlier than T+19 and no later than T+39
Adamus provides draft Scheme Booklet to ASIC for review	T+20
First Court Date	T+34
Despatch of Scheme Booklet	T+37
Despatch of Endeavour Circular	No later than T+42
Adamus Shareholders' Meeting	T+61
Endeavour Shareholders' Meeting	T+61
Second Court Date	T+65
Effective Date	T+66
Adamus Record Date	T+71
Implementation Date	T+74

Schedule 2 – Adamus Options

400,000 options exercisable at \$0.30 per option on or before 31 January 2012 entitling the holder to the issue of one share for each option exercised.

150,000 options exercisable at \$0.50 per option on or before 30 June 2012 entitling the holder to the issue of one share for each option exercised.

Schedule 3 – Appointments of Directors and Officers

Endeavour Board

Michael E. Beckett

Neil Woodyer

Mark Connelly

Antony Harwood

Martin Reed

Jorge L. Gamarci

Wayne McManus

Endeavour Chief Executive Officer

Neil Woodyer

Endeavour Chief Operating Officer

Mark Connelly

Adamus Board

Neil Woodyer

Mark Connelly


Ian Cunningham

Christian Milau




Executed as an agreement on 21st August 2011

Executed in accordance with section 127 of
the *Corporations Act 2001* by Adamus
Resources Limited:



Director Signature
MARK CONNELLY

Print Name



Director/Secretary Signature
MARTIN REED

Print Name

Executed by Endeavour Mining Corporation:

Director/Officer Signature

Print Name

Director/Officer Signature

Print Name



Executed as an agreement on 21 August 2011

Executed in accordance with section 127 of
the *Corporations Act 2001* by Adamus
Resources Limited:

Director Signature

Director/Secretary Signature

Print Name

Print Name

Executed by Endeavour Mining Corporation:



Director/Officer Signature



Print Name



Director/Officer Signature



Print Name