

9 February 2022

CODA MINERALS AND TORRENS MINING TO MERGE VIA RECOMMENDED TAKEOVER OFFER

Consolidating 100% ownership of the Elizabeth Creek Copper Project

Highlights

- Coda and Torrens to merge to create a leading base and precious metals exploration company focused on the Elizabeth Creek Copper Project in South Australia
- **Coda to make off-market takeover offer to acquire Torrens with 0.23 new Coda shares offered for every 1 Torrens share held ("Offer")**
- Torrens' Board of Directors unanimously recommend that Torrens' shareholders accept the Offer, in the absence of a superior proposal
- **The Offer values Torrens' shares at \$0.202 per share each,¹ representing a:**
 - **30% premium to Torrens closing price on 8 February 2022**
 - **30% premium to 10-day VWAP of Torrens shares²**
 - **35% premium to 20-day VWAP of Torrens shares²**
- Shareholders collectively representing 42.2% of Torrens' shares have indicated support:
 - Torrens' Directors have advised they will accept the offer for all Torrens shares they own or control (representing 26.8% of Torrens shares), in the absence of a superior proposal
 - Separately, Torrens' shareholders representing 15.4% of Torrens shares on issue have provided intention statements, confirming they intend to accept the offer for all Torrens shares they own or control, in the absence of a superior proposal
- Transaction is accretive for Coda and is expected to unlock significant strategic and financial benefits for all participating shareholders by:
 - Consolidating 100% ownership of the Elizabeth Creek Copper Project into a single entity to provide Coda with full exploration optionality
 - Delivering cost synergies by simplifying ownership and streamlining management of the Elizabeth Creek Copper Project
 - Creating a company with increased scale, market relevance, funding capability and trading liquidity
- Torrens' shareholders will be expected to hold 21.2% interest in the enlarged Coda thereby:
 - Retaining significant exposure to the Elizabeth Creek Copper Project
 - Benefiting from the combined group's strong exploration and operating expertise, financial strength and ability to optimise exploration activity across an enlarged portfolio
- Coda to make available to Torrens an interim funding facility for up to \$2M, to assist with Torrens' funding requirements through the Offer period

¹ Based on 5-day volume weighted average price (VWAP) of Coda shares on ASX of \$0.879 prior to and including 8 February 2022

² VWAP of Torrens shares is calculated for the period up to and including the 8 February 2022, the last trading day prior to Coda announcing its intention to make the Offer.

Overview of Transaction

Coda Minerals Limited (“**Coda**”) (ASX: COD) and Torrens Mining Limited (“**Torrens**”) (ASX: TRN) are pleased to announce that they have entered into a Bid Implementation Deed (“**BID**”), for a recommended conditional off-market takeover offer (“**Offer**”), pursuant to which Coda will offer to acquire all the issued ordinary shares of Torrens.

The Board of Directors of Torrens unanimously recommend that Torrens’ shareholders accept the Offer, in the absence of a superior proposal.

Offer Consideration

Under the Offer, Torrens’ shareholders will receive 0.23 Coda shares for every 1 Torrens share held.

The Offer values the Torrens shares at \$0.202 each³ or approximately \$23.2 million⁴ equity value and delivers Torrens shareholders a:

- 30% premium to Torrens closing price of \$0.155 on 8 February 2022;
- 30% premium to 10-day VWAP of \$0.156²; and
- 35% premium to 20-day VWAP of \$0.150².

The Offer delivers a substantial premium to Torrens’ shareholders, who will retain ~21.2% ownership and participation in the future performance of Coda, subject to the Offer being successful. Moreover, Torrens shareholders are expected to benefit from the higher liquidity of Coda shares.

Transaction Strategic Rationale

The Offer, if successful, is expected to result in Coda consolidating 100% ownership of the Elizabeth Creek Copper Project (“**Elizabeth Creek**”) via the acquisition of Torrens’ current 30% joint venture interest and provides an attractive investment proposition for existing and new shareholders.

Key benefits of the transaction include:

- 100% ownership consolidation of Elizabeth Creek into a single entity to provide full exploration optionality and deliver management and cost synergies;
- Creating a company with increased scale, market relevance, funding capability and trading liquidity; and
- Strong board, management and technical team with a proven exploration track record.

In addition, post the Offer being fully implemented, Coda is expected to have an implied market capitalisation of approximately \$109 million⁵ (prior to any re-rate) and the nature of the all-scrip consideration of the Offer preserves Coda’s strong balance sheet which has current cash of \$14 million (as at 31 December 2021).

³ Based on the 5-day VWAP of Coda’s shares up to and including 8 February 2022, being the last trading day prior to the announcement of the Offer.

⁴ Based on the 5-day VWAP of Coda’s shares up to and including 8 February 2022 and 114.7 million Torrens shares on issue. The implied value of the Offer will change with fluctuations in the Coda share price.

⁵ Based on Coda’s closing share price of \$0.875 on 8 February 2022 and 124.1m shares on issue

Torrens' Board Recommendation and Shareholder Support

Torrens' Board of Directors unanimously recommend that Torrens' shareholders accept the Offer, in the absence of a superior proposal.

Torrens' Directors, who collectively own or control approximately 26.8% of Torrens shares have confirmed they will each accept the Offer in respect of all Torrens shares they own, in the absence of a superior proposal and subject to any restrictions in relation to any restricted shares.⁶

In addition, certain Torrens' shareholders (representing 15.4% of Torrens' shares on issue) have provided intention statements confirming their intention to accept the Offer, in the absence of a superior proposal and subject to any restrictions in relation to any restricted shares.⁷

As at the date of this joint announcement, 45 million Torrens shares are restricted securities as defined in the ASX Listing Rules following the initial public offering in January 2021 ("**Restricted Securities**"). The Restricted Securities represent approximately 39% of the total number of Torrens shares on issue. ASX Listing Rule 9.5 enables the holder of Restricted Securities to accept the Offer, if amongst other conditions, the holders of at least half of the shares in Torrens that are not Restricted Securities have accepted the Offer.

Management Commentary

Chief Executive Officer of Coda, Chris Stevens, commented:

"The combination with Torrens provides a compelling opportunity to create value for both sets of shareholders by unlocking important synergies in the exploration and development of our core asset, the Elizabeth Creek Copper Project in South Australia. The Offer provides an immediate premium of over 30%, while the consolidation of 100% ownership of Elizabeth Creek in a single company represents a logical and very positive next step in the project's evolution.

"We look forward to welcoming Torrens shareholders to Coda's register and for them to continue to benefit from further progress at Elizabeth Creek as we continue to progress the project through the next exciting phase of exploration and development in 2022."

Managing Director of Torrens, Steve Shedden, commented:

"Torrens acquired the Elizabeth Creek Project in 2015, brought Coda into the Project in 2017 via a farm-in-joint venture. Now in 2022, we are pleased that in addition to realising an attractive premium, the transaction provides Torrens' shareholders with the opportunity to become shareholders of a company with significantly increased scale and a clear focus on the Elizabeth Creek Copper Project.

"By accepting the Offer, Torrens' shareholders will continue to have a material interest in the upside associated with Elizabeth Creek, while at the same time mitigating funding risks and gaining exposure to a more diversified exploration portfolio. Torrens' shareholders will retain exposure to the company's existing gold assets in Victoria and NSW and its tenement applications in Papua New Guinea, while benefiting from Coda's strong balance sheet and also gaining exposure to its recently acquired Cameron River copper-gold project in the Mt Isa district of North Queensland.

"Torrens' Board believes that this transaction is in the best interests of Torrens and unanimously recommends it to our shareholders, in the absence of a superior proposal."

⁶ Of the 26.8% collectively owned or controlled by Torrens' directors, 24.8% are Restricted Securities.

⁷ Of the 15.4% of shareholders who have provided intention statements, 10.2% are Restricted Securities.

Bid Implementation Deed and Conditions to the Offer

The BID between Coda and Torrens (which is attached to this joint announcement) contains certain terms that are customary for a transaction of this nature.

These terms include deal protection mechanisms including “no shop, no talk” restrictions as well as notification and matching rights in the event of a competing proposal. A break fee may also be payable in certain circumstances. Separately private treaty arrangements will be entered into, in respect of the Torrens’ options on issue.

The Offer remains subject to certain conditions, the full list of which is set out in the BID, and includes:

- 90% minimum acceptance condition;
- no material adverse events or prescribed occurrences in relation to Torrens;
- no adverse regulatory event affecting Torrens;
- no material litigation; and
- other customary conditions for a transaction of this type.

Coda’s Intentions

If the Offer is successful, Torrens will become a wholly-owned subsidiary of Coda.

Upon completion of the Offer, Coda intends to continue to pursue the exploration activities at its core asset, Elizabeth Creek, and intends to conduct an evaluation of its other prospects, including strategic relevance and funding requirements as soon as possible.

Further details of Coda’s intentions will be included in its Bidder’s Statement.

Interim Funding

Coda and Torrens have entered into a Loan Facility Agreement pursuant to which Coda has agreed to provide Torrens with up to \$2 million to assist with Torrens’ short term funding requirements during the Offer period.

Further detail on the interim funding arrangement, including triggers for maturity and methods of repayment, will be provided in the Bidder’s and Target’s Statements.

Timetable

Coda’s Bidder’s Statement and Torrens’ Target’s Statement, which will set out important information in relation to the Offer, are expected to be dispatched to Torrens shareholders by late February 2022.

Advisors

Taylor Collison is acting as financial advisor and Blackwall Legal as legal advisor to Coda.

Longreach Capital is acting as financial advisor and Allens as legal advisor to Torrens.

For further information, please contact:

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TORRENS MINING

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Managing Director

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This ASX Announcement has been approved for release by the respective boards of Coda Minerals Limited and Torrens Mining Limited.

Disclaimer

SUMMARY INFORMATION

This joint announcement has been prepared by Coda Minerals Limited ("Coda") and Torrens Mining Limited ("Torrens") and includes information regarding the conditional takeover offer by Coda to acquire all of the shares on issue in Torrens (the **Transaction**). The information in this joint announcement concerning Torrens has been prepared by Torrens and information concerning Coda has been prepared by Coda. Neither party make any representation or warranty, express or implied, as to the accuracy or completeness of the information prepared by the other. This joint announcement should also be read in conjunction with Coda and Torrens' other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au and also available on Coda's website at www.codaminerals.com and on Torrens's website at www.torrensmining.com.

NO OFFER OR RECOMMENDATION

This joint announcement it is not a bidder's statement or disclosure document under Australian law or under any other law. It is for information purposes only and is not an invitation nor an offer of Coda securities. It does not provide or constitute legal, financial or investment advice, nor is it a recommendation to acquire Coda or Torrens shares. This joint announcement does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Coda by accepting the Offer nor does it contain all the information which would be required in a bidder's statement prepared in accordance with the requirements of the Corporations Act.

This joint announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

NO INVESTMENT ADVICE

This joint announcement has been prepared without taking into account the investment objectives, financial situation, taxation considerations or particular needs of any person. Before making an investment decision, prospective investors should consider the appropriateness of the information contained in, or referred to in, this joint announcement having regard to their own investment objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

FORWARD LOOKING STATEMENTS AND DISCLAIMERS

This joint announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward-looking statements in this joint announcement are based on current expectations, estimates, forecasts and projections about Coda and Torrens and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward-looking statements. The past performance of Coda and Torrens is no guarantee of future performance.

None of Coda, Torrens, or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this joint announcement reflect views held only as at the date of this joint announcement.

ANNEXURE A – BID IMPLEMENTATION DEED

BID IMPLEMENTATION DEED

Off-market, scrip takeover bid

Coda Minerals Ltd (ACN 625 763 957)

Bidder

Torrens Mining Limited (ACN 168 295 092)

Target



Level 26,
140 St Georges Terrace
Perth WA 6000

PO Box 8098
Cloisters Square
Perth WA 6850

Ref: 2111008

Contact: Hamish Taylor
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Bid Implementation Deed

Off-market, scrip takeover bid

Date: 8 February 2022

Parties

| | | |
|---------------|-----------------|-----------------------------------------------------|
| Bidder | Name: | Coda Minerals Ltd (ACN 625 763 957) |
| | Address: | 6 Altona Street, West Perth, Western Australia 6000 |
| | Postal: | 6 Altona Street, West Perth, Western Australia 6000 |
| | Email: | chris.stevens@codaminerals.com |
| | Contact: | Chris Stevens, Director & CEO |

| | | |
|---------------|-----------------|------------------------------------------------------------------------------|
| Target | Name: | Torrens Mining Limited (ACN 168 295 092) |
| | Address: | Level 11 London House, 216 St Georges Terrace, Perth, Western Australia 6000 |
| | Postal: | GPO Box 2517, Perth, Western Australia 6831 |
| | Email: | steve@torrensmining.com |
| | Contact: | Steve Shedden, Managing Director |

Recitals

- A. The Bidder has proposed to make the Takeover Bid for all the shares in the Target.
- B. The Target Directors propose to recommend that Target Shareholders accept the Offer in respect of their Target Shares, on the terms set out in this Deed, in the absence of a Superior Proposal.
- C. The Target and the Bidder have agreed to certain matters in relation to the conduct of the Takeover Bid on and subject to the terms of this Deed.

Operative Provisions

This Deed now provides:



1. DEFINED TERMS

Capitalised terms used in this Deed are defined in the Glossary located at Schedule 1.

2. TAKEOVER BID

2.1. Making the Takeover Bid

The Bidder agrees to make the Takeover Bid on terms and conditions no less favourable to Target Shareholders than the Agreed Takeover Bid Terms.

2.2. Announcement of Takeover Bid

As soon as reasonably practicable after both parties have executed this Deed, the Bidder and the Target must release to the ASX a joint public announcement regarding the Takeover Bid, substantially in the form annexed to this Deed.

2.3. Timetable

2.3.1. Subject to clause 2.3.2, the Timetable is indicative only and is not binding on the parties.

2.3.2. Each party must use reasonable endeavours to implement the Takeover Bid in accordance with the Timetable.

3. RECOMMENDATION AND ACCEPTANCE BY TARGET DIRECTORS

3.1. Recommendation

3.1.1. The Target represents and warrants to the Bidder that the Target Directors have met and considered the possibility of the Bidder agreeing to make the Takeover Bid and each of the Target Directors have informed the Target that, subject to the Bidder complying with clause 2.1:

- (a) the Target Directors will unanimously recommend that, in the absence of a Superior Proposal, the Target Shareholders accept the Offer in relation to their Target Shares (**Recommendation**);
- (b) each Target Director, in the absence of a Superior Proposal, intends to accept or procure the acceptance of the Offer in relation to any Target Shares the Target Director



owns, controls or in which they have a Relevant Interest within 2 days of the expiration of 21 days after the Offer Period commences); and

- (c) in addition to their obligations under clause 3.1.1(b), contemporaneously with the making of the joint public announcement in accordance with clause 2.2, each Target Director will publicly state their intention to accept or procure the acceptance of, the Offer in respect of all Target Shares that they hold or in which they otherwise have a Relevant Interest within the timeframe set out in clause 3.1.1(b).

3.1.2. The Target represents and warrants to the Bidder that:

- (a) the Target will include the Recommendation in all public statements and announcements relating to the Takeover Bid; and
- (b) each Target Director will not withdraw, revise or qualify or make any public statement or take any other public action that would indicate that the Takeover Bid is not recommended by the Target Board, or that is inconsistent with the Recommendation or the statement in clause 3.1.1(c), unless a Superior Proposal emerges and:
 - (i) that Superior Proposal was not procured or obtained by the Target in connection with a breach of clause 13 of this Deed;
 - (ii) the right to respond to a Rival Acquirer procedure in clause 13.6 has been fully complied with by the Target; and
 - (iii) the Target's legal adviser gives a written opinion to the Target Directors to the effect that it is open to the Target Directors to conclude that their legal obligations or fiduciary duties require them to take the action which is proposed to be taken under this clause 3.1.2(b).

4. BIDDER'S STATEMENT AND TARGET'S STATEMENT

4.1. Bidder's Statement

4.1.1. The Bidder must, before the Bidder lodges the Bidder's Statement with ASIC:

- (a) to the extent practicable, give the Target a reasonable opportunity (as set out in the Timetable) to review an advanced draft of the Bidder's Statement, and will consult in good faith with the Target in relation to any comments the Target may have on the draft Bidder's Statement, which comments the Target agrees to provide as promptly as possible; and
- (b) obtain the Target's written consent to the inclusion of information relating to the Target Group in the Bidder's Statement, in the form and context in which it appears (such consent by the Target not to be unreasonably withheld or delayed).



- 4.1.2. If requested in writing by the Bidder, the Target must, in any consent provided under clause 4.1.1(b), confirm that the information that is the subject of the consent is factually accurate and, in the form and context in which it appears, is not materially misleading or deceptive.

4.2. Target's Statement

- 4.2.1. The Target must, before the Target lodges the Target's Statement with ASIC:
- (a) to the extent practicable, give the Bidder a reasonable opportunity (as set out in the Timetable) to review an advanced draft of the Target's Statement, and will consult in good faith with the Bidder in relation to any comments the Bidder may have on the draft Target's Statement, which comments the Bidder agrees to provide as promptly as possible; and
 - (b) obtain the Bidder's written consent to the inclusion of information relating to the Bidder Group in the Target's Statement, in the form and context in which it appears (such consent by the Bidder not to be unreasonably withheld or delayed).
- 4.2.2. If requested in writing by the Target, the Bidder must, in any consent provided under clause 4.2.1(b), confirm that the information that is the subject of the consent is factually accurate and, in the form and context in which it appears, is not materially misleading or deceptive.
- 4.2.3. The Target must ensure that the Target's Statement:
- (a) prominently displays the Recommendation of the Target Directors referred to in clause 3.1.1(a); and
 - (b) includes a statement referred to in clause 3.1.1(c).

4.3. Bidder and Target information

- 4.3.1. The Bidder and the Target agree to assist each other, and provide the other, on a timely basis, with such information as may be reasonably requested by the other party to assist in the preparation of the Bidder's Statement or the Target's Statement (as applicable), subject to any obligations of confidentiality owed to any Third Party.

4.4. Dispatch of Bidder's Statement and Target's Statement

- 4.4.1. For the purposes of item 6 of section 633(1) of the Corporations Act, the Target agrees that the Bidder's Statement and accompanying documents may be sent by the Bidder to Target Shareholders on the day on which the finalised Bidder's Statement for the Takeover Bid is sent to the Target or within 28 days after that day.
- 4.4.2. The Target must use its reasonable endeavours to facilitate and arrange the dispatch of the Target's Statement to Target Shareholders at the same time as the Bidder's Statement and in the same mailing or as soon as practicable thereafter.



5. TERMS OF THE TAKEOVER BID

5.1. Offer Conditions

- 5.1.1. The Offer will be subject to the Offer Conditions set out in the Agreed Takeover Bid Terms.
- 5.1.2. The Bidder and the Target must, to the extent within their control, use best endeavours to ensure that the Offer Conditions are satisfied as soon as practicable after the date of this Deed (if applicable) and that the Offer Conditions are not breached.
- 5.1.3. To avoid any doubt, in this Deed, a reference to an Offer Condition being breached includes a reference to an Offer Condition not being, or not being capable of being, satisfied or fulfilled.
- 5.1.4. If a party becomes aware of any fact or matter that would, or would be reasonably likely to cause, any of the Offer Conditions to be breached or not satisfied or unreasonably delayed, that party must promptly notify in writing the other party of the relevant fact or matter.
- 5.1.5. Neither party will (and each party must procure that its Subsidiaries do not) take any action that will or is likely to hinder or prevent the satisfaction of any Offer Condition, except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, this Deed, or is required by law.

5.2. Varying the Takeover Bid

- 5.2.1. The Bidder may, subject to the Corporations Act:
 - (a) and subject to clause 5.2.2, vary the terms and conditions of the Offer in any manner that is permitted by the Corporations Act, provided that the varied terms and conditions are not less favourable to Target Shareholders than the Agreed Takeover Bid Terms; and
 - (b) declare the Offer to be free from any Offer Condition or extend the Offer Period at any time.
- 5.2.2. The Bidder must not without the prior written consent of the Target extend the Offer Period beyond a period of 6 months after the date the Offer first becomes open for acceptance.

6. CO-OPERATION AND FACILITATION

6.1. Access

- 6.1.1. During the Exclusivity Period, each party must use reasonable endeavours to procure that, when requested by the other party, the other party is provided with reasonable access to information, books and records, premises and senior executives of the first-mentioned party



during normal business hours, subject to any existing confidentiality obligations owed to Third Parties or applicable privacy laws, and provided such access:

- (a) is reasonably required to implement the Takeover Bid; and
- (b) would not cause undue disruption to the business of the first-mentioned party.

6.1.2. All information provided under this Deed is subject to the terms of the Confidentiality Document, provided that:

- (a) a party will not be restricted from including any information in the Bidder's Statement or Target's Statement for the purpose of, and only to the extent reasonably necessary for, complying with the Corporations Act, the Listing Rules or any other applicable law; and
- (b) to the extent reasonably practicable, a party must consult in good faith with the other party as to the form and content of any disclosures before information is disclosed in the Bidder's Statement or the Target's Statement (as the case may be).

6.2. Target to promote the Takeover Bid

6.2.1. During the Exclusivity Period, in the absence of a Superior Proposal, to the extent reasonably required to do so by the Bidder, the Target will support the Takeover Bid and participate in efforts reasonably required by the Bidder to promote the merits of the Takeover Bid, including meeting with key Target Shareholders, analysts, management, press and other parties mutually agreed (together with the Bidder, to the extent reasonable), but only to the extent that the Target Directors consider, after taking advice from the Target's legal adviser, that they may do so without breaching or being reasonably likely to breach their legal obligations or fiduciary duties.

6.2.2. During the Exclusivity Period, and unless the Target Directors have withdrawn their recommendation of the Offer in accordance with clause 3.1.2(b), the Target agrees:

- (a) to include in all public statements in relation to the Offer, a statement to the effect that the Target Directors unanimously recommend that Target Shareholders accept the Offer in the absence of a Superior Proposal; and
- (b) not to make any public statement or take any other public action which would suggest that, subject to a Superior Proposal emerging, the Offer is not unanimously recommended by the Target Directors.

6.3. Target Shareholder and Target Option Holder information

The Target must provide all necessary information and details (including in an electronic form nominated by the Bidder, acting reasonably) about the Target Shareholders and Target Option Holders (including the Share Register and the Option Register and any updates to those registers) which the Bidder reasonably requires in relation to the Takeover Bid, including providing requested information to a Representative of the Bidder for the purposes of making



the Offer and soliciting acceptances and selling Bidder Shares that Foreign Target Shareholders and Small Holding Target Shareholders would have been entitled to receive under the Offer.

7. TREATMENT OF TARGET OPTIONS

7.1. Offer to acquire or cancel

7.1.1. *Offer*

- (a) The Bidder must make an offer to each Target Option Holder for:
 - (i) the Bidder to acquire; or
 - (ii) the Target Option Holder's consent to the cancellation of,
all of the Target Options (outstanding as at such date) held by the Target Option Holder, for the Target Option Consideration (**Target Option Offer**).
- (b) The Bidder may make the Target Option Offer at any time after the date of this Deed but before the Takeover Bid becomes unconditional.

7.1.2. *Offer conditional*

- (a) Completion of the acquisition or cancellation of Target Options under the Target Option Offer (**Target Option Offer Completion**) is subject to and conditional upon each of the following conditions (**Target Option Offer Conditions**) being satisfied or waived in accordance with this clause 7.1.2:
 - (i) the Target obtaining all legal, regulatory and shareholder Authorisations (including under the Corporations Act and the Listing Rules) necessary to effect Target Option Offer Completion;
 - (ii) all Target Option Holders accepting the Target Option Offer; and
 - (iii) the Offer becoming unconditional in accordance with this Deed.
- (b) The Target must use its best endeavours to procure all Authorisations referred to in clause 7.1.2(a)(i) as soon as practicable, and in any event before the end of the Offer Period, and the Bidder must provide all reasonable assistance to the Target in relation to the same.
- (c) The parties must use their respective best endeavours to procure all Target Option Holders accept the Target Option Offer as soon as practicable, and in any event before the end of the Offer Period.
- (d) The Target Option Offer Conditions in clause 7.1.2(a)(i) and 7.1.2(a)(iii) are for the benefit of, and may only be waived, by both the Bidder and the Target.



- (e) The Target Option Offer Condition in clause 7.1.2(a)(ii) is for the benefit of, and may only be waived, the Bidder.
- (f) A waiver of a Target Option Offer Condition must be in writing and duly signed by the relevant waiving party.

7.1.3. *Completion*

Subject to clause 7.1.2, Target Option Offer Completion is to occur within 5 Business Days of the Takeover Bid becoming unconditional.

7.1.4. *Amendments and waivers*

The parties acknowledge and agree that, in order to effect the:

- (a) transfer of Target Options where their terms include a provision to the effect they are non-transferrable, the Target will need to agree to amend those terms (with the consent of the Target Option Holders) and it may be necessary to obtain a waiver of Listing Rules 6.23.4 and 9.1 (among others); and
- (b) cancellation of Target Options, it may be necessary for the Target to obtain a waiver from Listing Rules 6.23.2 and 9.1 (among others),

and, to the extent required, the Target agrees to apply to ASX for such waivers as soon as practicable after the date of this Deed and to consult with the Bidder in relation to any such application (including to give the Bidder a reasonable opportunity to review an advanced draft of any such application and after incorporating any reasonable comments received from the Bidder on the draft).

7.1.5. *Facilitation*

The Target must ensure the Target Board:

- (a) in addition to the obligation under clauses 7.1.2(b), 7.1.2(c) and 7.1.4, does all things and takes all actions required by the terms of the Target Options, the Corporations Act, the Listing Rules and the Target's constitution in relation to the Target Option and the Target Option Offer; and
- (b) other than to facilitate the Target Option Offer and to comply with clause 7.1.5(a), the Target and the Target Board:
 - (i) must not permit any Target Options to vest as a result of the execution of this Deed;
 - (ii) must not permit more than that number of Target Options specified in Part 1 of Schedule 2 to vest as a result of the Bidder obtaining a Relevant Interest in at least 50.1 % of the Target Shares and the Takeover Bid becoming unconditional or otherwise being declared by the Bidder to be free of all Takeover Bid Offer Conditions; and
 - (iii) must procure that any residual Target Options that have not vested in accordance with this clause immediately lapse and are cancelled.



7.2. Exercised Target Options

- 7.2.1. The Bidder agrees that, subject to section 617 of the Corporations Act, it will extend the Offer to all the Target Shares that are issued during the Offer Period as a result of any Target Options in existence as at the Register Date being exercised or vesting (or otherwise ceasing to be subject to any restrictions or performance conditions) during the period from the Register Date to the end of the Offer Period.
- 7.2.2. The Bidder agrees to, as soon as practicable:
- (a) seek from ASIC a modification to section 617(2) of the Corporations Act to permit the Offer to extend to any Target Shares issued under clause 7.2.1, if such a modification is required; and
 - (b) notify the Target in writing after such modification is obtained, including by providing the Target with a copy of the relevant ASIC instrument.

8. BUSINESS ACTIVITIES

8.1. Conduct of Target Business

Subject to clause 8.2, during the Exclusivity Period:

- (a) the Target must, and must procure that each Target Group Member:
 - (i) carries on and operates the Business as a going concern, in the ordinary and normal course and in substantially the same manner as it was conducted in the 12 months before the date of this Deed, consistent with the Approved Budget and otherwise in accordance with the terms of the Loan Facility Agreement; and
 - (ii) use reasonable endeavours to preserve its relationships with material customers, suppliers, landlords, employees and others having material business dealings with it.
- (b) Other than as fairly disclosed to the Bidder in writing at least 2 Business Days prior to the execution of this Deed, the Target must not, and must procure that each Target Group Member does not:
 - (i) make an election to form a consolidated tax group, whether for direct or indirect taxes;
 - (ii) purchase, lease, acquire or dispose of any assets, the value of which exceeds \$50,000 in aggregate;
 - (iii) enter into, terminate, amend or vary any material lease or material agreement;



- (iv) do anything that would have a material adverse effect on the goodwill of the Business, including the relationship of the Business with customers, suppliers, landlords and employees;
- (v) increase, reduce or otherwise alter its share capital or grant any options or performance rights for the issue of shares or other securities in the Target;
- (vi) declare or pay a dividend or make any other distribution to shareholders;
- (vii) change or agree to change the terms of employment, including salaries and benefits (including any change to or acceleration of termination benefits), of employees or officers or grant any bonus, severance or retention benefit to any employee or officer other than in accordance with that employee's or officer's contractual entitlements;
- (viii) incur additional borrowing, grant any loan or advance, or enter into any off balance sheet financing or assume, guarantee or endorse the obligations of any person;
- (ix) enter into any new agreements, arrangements or understandings involving more than \$100,000 in aggregate;
- (x) increase salaries and benefits of employees, other than in accordance with those employees' contractual or legal entitlements;
- (xi) hire, or agree to hire, any employee, agent or contractor, except in the ordinary course of business;
- (xii) give or agree to give a financial benefit to a related party of the Target;
- (xiii) amend its constitution;
- (xiv) drawdown on any existing debt facility in excess of \$50,000; or
- (xv) authorise, commit or agree to take any of the steps or actions set out in clause 8.1(b).

8.2. Target permitted activities

The obligations of the Target under clause 8.1 do not apply in relation to any matter that:

- (a) is required by any applicable law or Government Agency;
- (b) is required or permitted by this Deed or the Proposed Transaction; or
- (c) is consented to in writing by the Bidder.



8.3. Board changes

8.3.1. As soon as practicable after the Bidder:

- (a) acquires a Relevant Interest in more than 50% of the Target Shares; and
- (b) the Takeover Bid becomes or is declared unconditional,

the Bidder will have the right to appoint such number of nominee directors (**Nominee Directors**) so as to comprise the majority of the Target Board and the Target must procure the resignation and appointment of the Target Directors so that a majority of the Target Board comprise the Nominee Directors as directed by the Bidder in writing.

8.3.2. As soon as practicable after the Bidder:

- (a) acquires a Relevant Interest in at least 90% of the Target Shares; and
- (b) the Takeover Bid becomes or is declared unconditional,

the Target agrees to procure the resignation of all of the Target Directors other than the Nominee Directors.

9. WARRANTIES AND REPRESENTATIONS

9.1. Target warranties and representations

The Target represents and warrants to the Bidder that:

- (a) it is validly incorporated, registered and existing under the laws of Australia;
- (b) it has the power to enter into and perform its obligations under this Deed and to carry out the transactions contemplated by this Deed;
- (c) it has taken all necessary action to authorise its execution and performance of this Deed and to carry out the transactions contemplated by this Deed;
- (d) the Target's obligations under this Deed are valid and binding and enforceable against it in accordance with their terms and will not result in a breach or default under the Target's constitution (or the constitution of any of its Subsidiaries) or any agreement or deed or any writ, order or injunction, rule or regulation to which the Target or any of its Subsidiaries is a party or to which any of them are bound;
- (e) each member of the Target Group is solvent and no resolution has been passed nor has any other step been taken or legal proceedings commenced or threatened against any of them for their winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of their assets;



- (f) no regulatory action of any nature has been taken as at the date of this Deed which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Deed;
- (g) the Target will comply with Division 4 of Part 6.5 and Chapter 6B of the Corporations Act;
- (h) as at the date of this Deed, the Target is in compliance with its continuous disclosure obligations under the Listing Rules and is not withholding from disclosure to the ASX any material information in reliance on Listing Rule 3.1A, and immediately following release of the agreed public announcement in accordance with clause 2.2, the Target will not be withholding from disclosure to the ASX any material information in reliance on Listing Rule 3.1A;
- (i) all accounts, financial statements and reports forming part of the Due Diligence Material:
 - (i) disclose a true and fair view of the state of the affairs, financial position and assets and liabilities of the Target as at their applicable dates;
 - (ii) include all such reserves and provisions for tax as are adequate to cover all tax liabilities (whether or not assessed and whether actual, contingent, deferred or otherwise) of the Target up to applicable balance dates; and
 - (iii) are prepared:
 - (1) in accordance with the relevant Accounting Standards and were applied on a consistent basis and without making any revaluation of assets; and
 - (2) in the manner described in the notes to them;
- (j) the forecasts, budgets, estimates, projections and statements of opinion or intention contained in the Due Diligence Materials that have been prepared by members of the Target Group have been prepared in good faith, with due skill and care, on the basis of reasonable assumptions and in compliance with applicable law;
- (k) the Tenements are:
 - (i) in full force and effect;
 - (ii) in good standing;
 - (iii) not liable to be forfeited or cancelled for any reason;
 - (iv) not the subject of any current objections, Third Party complaints or applications for mining tenements; and
 - (v) all rent and rates and all expenditure conditions in respect of each of the Tenements have been paid or complied with by the relevant due date or will be paid or complied with if that date occurs during the Offer Period;



- (l) as at the date of this Deed:
 - (i) all securities on issue by the Target Group are as set out in Schedule 2, and there are no other shares, options, notes, performance rights or other securities of the Target Group on issue and no rights to be issued such shares, options, notes, performance rights or other securities; and
 - (ii) none of the members of the Target Group has issued, or agreed to issue, any other securities or instruments that may convert into Target Shares or any other securities in the Target Group, other than the Target Options listed in Schedule 2;
- (m) no person has any right (whether subject to conditions or not) to, as a result or otherwise in connection with the Bidder acquiring Target Shares:
 - (i) acquire, or require a member of the Target Group to dispose of, or offer to dispose of, any material asset of the Target Group;
 - (ii) terminate or vary any material agreement with a member of the Target Group; or
 - (iii) accelerate or adversely modify the performance of any obligation of a member of the Target Group in a material respect under any material agreement, arrangement or understanding;
- (n) as at the date it is provided to the Bidder, to the best knowledge of the Target Directors, the Due Diligence Materials are true and accurate in all material respects and the Target has not knowingly or recklessly:
 - (i) omitted from the Due Diligence Materials, information the disclosure of which might reasonably be expected to have resulted in the Bidder not entering into this Deed, or entering into it on materially different terms;
 - (ii) omitted anything from the Due Diligence Materials such as to make any part of that information materially false or misleading;
 - (iii) included anything materially false or misleading in the Due Diligence Materials; or
 - (iv) denied access to requested information with the intention of misleading the Bidder;
- (o) the Target is conducting its business in compliance in all material respects with all applicable laws (including the Listing Rules) and all necessary licences, consents, registrations, approvals, permits and authorisations necessary for the carrying on of the business of the Target;
- (p) there are no material actions, suits, arbitrations, mediations, conciliations or administrative proceedings taking place, pending or to the Target's knowledge threatened against any Target Group Member;



- (q) it is not aware of any act, omission, event or fact that would result in one or more of the Offer Conditions being breached; and
- (r) none of the Target Group Members will before the earlier of the termination of this Deed or the end of the Offer Period:
 - (i) materially breach, terminate or materially vary any material agreement to which the Target Group Member is a party; or
 - (ii) release, discharge or modify any substantial obligation owed to it by any person, firm or corporation or agree to do so.

9.2. Bidder warranties and representations

The Bidder represents and warrants to the Target that:

- (a) it is validly incorporated, registered and existing under the laws of Australia;
- (b) it has the power to enter into and perform its obligations under this Deed and to carry out the transactions contemplated by this Deed;
- (c) it has taken all necessary action to authorise its execution and performance of this Deed and to carry out the transactions contemplated by this Deed;
- (d) the Bidder's obligations under this Deed are valid and binding and enforceable against it in accordance with their terms and will not result in a breach or default under the Bidder's constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which the Bidder is a party or to which the Bidder is bound;
- (e) the Bidder is solvent and no resolution has been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets;
- (f) no regulatory action of any nature has been taken as at the date of this Deed which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Deed; and
- (g) it has, or will have at the end of the Offer Period, sufficient capacity under Listing Rule 7.1 to enable it to perform its obligations to issue the total consideration payable to the Target Shareholders under the Takeover Bid and to the Target Option Holders under the Target Option Offer.

9.3. Timing of warranties and representations

Each warranty and representation made or given under clause 9.1 and clause 9.2 (as applicable) is given:

- (a) at the date of this Deed; and



- (b) where expressed, at the time at which the warranty or representation is expressed to be given.

9.4. Qualification for joint venture activities

9.4.1. The warranties and representations by the Target in clause 9.1 are qualified to the extent the Bidder:

- (a) has knowledge of a fact, matter or circumstance by reason of the Bidder's participation in the Elizabeth Creek Project; and
- (b) caused or contributed to a warranty or representation being untrue, inaccurate or misleading in any material respect.

9.4.2. The warranties and representations by the Bidder in clause 9.2 are qualified to the extent the Target:

- (a) has knowledge of a fact, matter or circumstance by reason of the Target's participation in the Elizabeth Creek Project; and
- (b) caused or contributed to a warranty or representation being untrue, inaccurate or misleading in any material respect.

9.5. Reliance on warranties and representations

9.5.1. Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Deed except for representations or inducements expressly set out in this Deed.

9.5.2. Each party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this Deed.

9.5.3. Each party acknowledges and confirms that clauses 9.5.1 and 9.5.2 do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or ASX.

9.6. Notification

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations and warranties given by it under this clause 9.

9.7. Survival of warranties and representations

Each warranty and representation in clause 9.1 and clause 9.2:

- (a) is severable;
- (b) will survive the termination of this Deed; and



- (c) is given with the intent that liability under them will not be confined to breaches that are discovered before the date of termination of this Deed.

9.8. Indemnities

- 9.8.1. Subject to clause 9.4, the Target agrees with the Bidder to indemnify and keep indemnified the Bidder and each of the Bidder Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Bidder or any of the other Bidder Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the representations and warranties in clause 9.1.
- 9.8.2. Subject to clause 9.4, the Bidder agrees with the Target to indemnify and keep indemnified the Target and each of the Target Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Target or any of the other Target Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the representations and warranties in clause 9.2.
- 9.8.3. Each indemnity in this clause 9.8 is severable, is a continuing obligation, survives termination of this Deed, and constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Deed.

10. CONFIDENTIALITY AND ANNOUNCEMENTS

10.1. Confidentiality

- 10.1.1. Subject to clause 10.1.3, each party agrees and acknowledges that it is bound by the terms of the Confidentiality Document.
- 10.1.2. Nothing in this Deed is intended to vary the terms of the Confidentiality Document.
- 10.1.3. This Deed prevails to the extent of any inconsistency between the terms of this Deed and the terms of the Confidentiality Document.

10.2. Further public announcements

Subject to clause 10.4, any further public announcements by the Target or the Bidder in relation to the Proposed Transaction may only be made substantially in the form approved by each party in writing (acting reasonably) subject to where a party is required by law or the Listing Rules to make any announcement or to make any disclosure in relation to the Proposed Transaction.

10.3. Required announcement

Where a party is required by applicable law, the Listing Rules or any other applicable financial market regulation, to make any announcement or to make any disclosure in relation to the Proposed Transaction, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to give to the other party:



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

10.4. Statements on termination

The parties must use all reasonable endeavours to issue agreed statements to the ASX and on their respective websites in relation to any termination of this Deed and, to that end but without limitation, clause 10.2 and clause 10.3 apply to any such statements or disclosures.

11. TERMINATION

11.1. Termination by notice

11.1.1. A party may terminate this Deed by written notice to the other party if at any time after the date on which the Takeover Bid is announced under clause 2.2 and before the end of the Offer Period:

- (a) the other party is in material breach of this Deed (including and, to the extent that the breach is capable of remedy, that breach is not remedied by that other party within 10 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate);
- (b) a warranty or representation given by the other party under clause 9 is or becomes untrue, inaccurate or misleading in any material respect, and the breach of the warranty or representation is of a kind that, had it been disclosed to the first-mentioned party before its execution of this Deed, could reasonably be expected to have resulted in that first-mentioned party either:
 - (i) not executing this Deed; or
 - (ii) executing this Deed on materially different terms;
- (c) the Bidder withdraws the Takeover Bid in accordance with section 652B of the Corporations Act without breaching its obligations under this Deed or the Offer lapses for any reason, including non-fulfilment of an Offer Condition in relation to which non-fulfilment is not waived by the Bidder; or
- (d) an order, judgment, decree, decision or ruling (as applicable) is made by a court or Government Agency of competent jurisdiction that permanently restrains or prohibits the Takeover Bid, and either:
 - (i) the order, judgment, decree, decision or ruling (as applicable) is final and cannot be appealed or reviewed; or



- (ii) the first-mentioned party believes, acting reasonably and in good faith, that there is no realistic prospect of a successful appeal.

11.1.2. For the purposes of clause 11.1.1(a), a breach of clause 13 will be taken to be a material breach of this Deed.

11.2. Termination by the Bidder

The Bidder may terminate this Deed, with immediate effect, by notice in writing to the Target if:

- (a) any of the Target Directors:
 - (i) fail to make, or adversely modifies, their Recommendation;
 - (ii) publicly withdraw or change their Recommendation;
 - (iii) publicly recommend a Competing Proposal;
 - (iv) fail to accept or procure the acceptance of the Takeover Bid in relation to all Target Shares that they hold or in which they have a Relevant Interest as contemplated by clause 3.1.1(b); or
 - (v) fail to make, withdraws or adversely modifies the statement contemplated in clause 3.1.1(c);
- (b) the Target accepts or enters into an implementation (or similar) agreement or arrangement in relation to a Competing Proposal; or
- (c) a Superior Proposal is made or publicly announced by a Third Party.

11.3. Automatic termination

This Deed will automatically terminate on the End Date.

11.4. Effect of termination

11.4.1. In the event this Deed is terminated under clause 11.1 or clause 11.2, it will become void and not have any further effect, except that the provisions of clauses 9, 10.1, 10.4, 12, 14 and 17 (other than clause 17.10) survive termination.

11.4.2. Termination of this Deed does not affect any accrued rights of a party in relation to a breach of this Deed prior to termination or in relation to right to payment of an amount under clause 12.



12. REIMBURSEMENT OF COSTS

12.1. Acknowledgement

The Target and the Bidder acknowledge and agree that:

- (a) the Bidder has incurred and will continue to incur significant costs and expenses in pursuing and implementing the Takeover Bid;
- (b) the Reimbursement Payment represents a genuine and reasonable pre-estimate of the internal, external advisory, financial and opportunity costs (and associated out of pocket expenses) of the Bidder in relation to the Takeover Bid; and
- (c) the Bidder would not have entered into this Deed and agreed to proceed with the Takeover Bid without an agreement between the parties on the matters covered by this clause 12.

12.2. Reimbursement Payment

The Target must pay the Reimbursement Payment to the Bidder, within 10 Business Days after receipt of a written demand from the Bidder, if any of the following events occur:

- (a) on or before the End Date, any Target Director:
 - (i) fails to make, or adversely modifies, their Recommendation;
 - (ii) publicly withdraws or changes their Recommendation;
 - (iii) publicly recommends a Competing Proposal;
 - (iv) fails to accept or procure the acceptance of the Takeover Bid in relation to all Target Shares that they hold or in which they have a Relevant Interest as contemplated by clause 3.1.1(b);
 - (v) fails to make, withdraws or adversely modifies the statement contemplated in clause 3.1.1(c); or
 - (vi) does or omits to do anything, whether or not permitted by the terms of this Deed, which results in any of the Takeover Bid Offer Conditions being breached, unless the Bidder declares the Takeover Bid free of the unsatisfied Takeover Bid Condition (which the Bidder may do or not do, at the Bidder's absolute discretion);
- (b) a Competing Proposal is publicly announced by a Third Party after the date of this Deed and before the End Date, and, within 6 months after such announcement, the Third Party making the Competing Proposal acquires all or a majority of the Target Shares or otherwise acquires Control of the Target;



- (c) at any time before the End Date, the Target enters into any arrangement, agreement or understanding (in writing or otherwise) to implement a Competing Proposal;
- (d) there is a breach of clause 13 of this Deed by the Target;
- (e) there is a material breach of this Deed (whether clause 13 or otherwise) by the Target; or
- (f) the Bidder terminates this Deed in accordance with clauses 11.1.1(a), 11.1.1(b) or 11.2.

12.3. Qualifications to Reimbursement Payment

12.3.1. Despite the occurrence of any event under clause 12.2, an amount will not be payable under clause 12.2 if:

- (a) the Target terminates this Deed pursuant to clause 11.1, except any Reimbursement Payment to which the Bidder becomes entitled prior to the event or circumstance occurring which gives rise to the Target's right of termination; or
- (b) the Bidder becomes the registered holder of more than 50% of the Target Shares before the End Date.

12.3.2. If the Takeovers Panel or a court finds an "Unlawful Amount", and the period for lodging an application for review or a notice of appeal of that decision has expired without such application or notice having been lodged or if an application for review or a notice of appeal has been lodged with the Takeovers Panel or a court within the prescribed period and the relevant review Panel or court finds an Unlawful Amount, then despite the occurrence of any event under clause 12.2, the undertaking under clause 12.2 does not apply to the extent of the Unlawful Amount. If such payment has already been made, then the Bidder must within 10 Business Days after receiving written demand from the Target refund that part of the Reimbursement Payment to the Target. For the purposes of this clause 12.3.2, the term "**Unlawful Amount**" mean all or any part of the payment required to be made under clause 12.2 that is found by the Takeovers Panel or a court to be unlawful, involve a breach of director's duties or to constitute Unacceptable Circumstances

12.3.3. If the Reimbursement Payment has been paid by the Target and clause 12.3.1 or clause 12.3.2 applies, the Bidder must reimburse all (or the relevant portion specified by a court or the Takeovers Panel, as applicable) of that amount to the Target within 10 Business Days after receipt of a written demand for reimbursement from the Target.

12.3.4. Despite any other term of this Deed, the Reimbursement Payment is only payable once.

12.4. Maximum liability

The parties agree that:

- (a) the payment of the Reimbursement Payment by the Target to the Bidder is the Bidder's sole and exclusive remedy in relation to the matter giving rise to the payment of the Reimbursement Payment and otherwise in relation to this Deed and no further



damages, fees, expenses or reimbursements of any kind will be payable by the Target in relation to such matter or otherwise in relation to the Takeover Bid or this Deed;

- (b) the maximum liability of the Target and the maximum aggregate amount that the Target may be required to pay in relation to this Deed and the Takeover Bid (including any breach of this Deed by the Target) is the Reimbursement Payment; and
- (c) if the Reimbursement Payment is paid to the Bidder in accordance with clause 12.2, neither the Bidder nor any of its Related Bodies Corporate may make any claim (of any nature) against the Target or any other Target Party in relation to this Deed or the Takeover Bid.

13. EXCLUSIVITY

13.1. No existing discussions

Other than in relation to the discussions with the Bidder in relation to the Proposed Transaction and this Deed, the Target represents and warrants to the Bidder that, as at the date of this Deed:

- (a) neither itself nor any of its Representatives is a party to any agreement with a Third Party entered into for the purpose of facilitating a Competing Proposal; and
- (b) neither itself nor any of its Representatives is participating in any discussions or negotiations with a Third Party that concern, or that could reasonably be expected to lead to, a Competing Proposal or to the Target not proceeding with the Proposed Transaction and has ceased any such discussions or negotiations to the extent that they were on foot prior to the date of this Deed.

13.2. No-shop

During the Exclusivity Period, the Target must not, and must ensure that its Representatives do not, directly or indirectly solicit, invite, initiate or encourage any Competing Proposal or any enquiries, expressions of interest, offers, proposals, discussions or negotiations with any Third Party in relation to (or that could reasonably be expected to lead to) the making of, an actual, proposed or potential Competing Proposal (regardless of whether it becomes or may become a Superior Proposal) or to the Target not proceeding with the Proposed Transaction, or communicate any intention to do any of these things.

13.3. No-talk

Subject to clause 13.7, during the Exclusivity Period, the Target must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) negotiate or enter into or engage or participate in negotiations or discussions with any Third Party; or



- (b) communicate any intention to do any of these things,

in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that Competing Proposal was not directly or indirectly solicited, encouraged or initiated by the Target or any of its Representatives, or that Third Party has publicly announced the Competing Proposal.

13.4. No due diligence

13.4.1. During the Exclusivity Period, except with the prior written consent of the Bidder, the Target must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) solicit, invite, initiate, encourage, facilitate or permit, any Third Party to undertake due diligence investigations in relation to the Target Group Members or any of their businesses and operations (including the Tenements), in relation to such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
- (b) subject to clause 13.7, make available to any Third Party or permit any such person to receive any non-public information relating to the Target, its Related Bodies Corporate, or any of their businesses and operations, in relation to such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

13.4.2. If by any reason of the operation of clause 13.7, the Target proposes to provide any Third Party with non-public information relating to the Target, its Related Bodies Corporate, or any of their businesses and operations during the Exclusivity Period, it must first enter into a binding confidentiality agreement with that party on customary terms and which, in any event and taken as a whole, is no less favourable to the Target than the Confidentiality Document.

13.5. Notification of approaches

13.5.1. During the Exclusivity Period, the Target must promptly (and in any event within 2 Business Days) notify the Bidder in writing if the Target or any of its Representatives:

- (a) receives any approach, inquiry or proposal made by any Third Party to initiate any discussions or negotiations that could reasonably be expected to lead to a Competing Proposal;
- (b) receives any request made by any Third Party to the Target or any of its Representatives for any information relating to a Target Group Member, the Business, or any Target Group Member's business, assets or undertakings (including the Tenements or Tenement Interests), in relation to such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Proposal; or
- (c) provides any information relating to a Target Group Member, the Business, or any Target Group Member's business, assets or undertakings (including the Tenements or Tenement Interests) to any Third Party in relation to or for the purposes of any actual, proposed or potential Competing Proposal.



- 13.5.2. A notice given under clause 13.5.1 must be accompanied by all material details of the relevant event and Competing Proposal, including (as the case may be):
- (a) the identity of the Third Party who made the relevant approach, inquiry or proposal to initiate discussions or negotiations referred to in clause 13.5.1(a), or who made the relevant request for information referred to in clause 13.5.1(b); and
 - (b) the material terms and conditions (including price, conditions precedent, timetable and break free (if any)) of any Competing Proposal or any proposed Competing Proposal (to the extent known).
- 13.5.3. The Target will use its reasonable endeavours to ask the person who has made the applicable Competing Proposal for their consent to their name and other identifying details which may identify the competing party being provided by the Target to the Bidder on a confidential basis. If consent is refused, the Target may only withhold this information from the Bidder if the Target Directors, acting in good faith, after having obtained advice from Target's legal advisers, determines that failing to do so would, or would be likely to, involve a breach of the fiduciary or statutory obligations owed by any Target Director.
- 13.5.4. During the Exclusivity Period, the Target must promptly provide the Bidder with:
- (a) in the case of written materials, a copy of; or
 - (b) in any other case, a written statement of,
- any material non-public information relating to a Target Group Member, the Business, or any Target Group Member's business, assets or undertakings (including the Tenements or Tenement Interests) made available or received by any Third Party in relation to such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal and which has not previously been provided to the Bidder.
- 13.5.5. Nothing in this clause prevents the Target from:
- (a) providing information to its Representatives;
 - (b) providing information to any Government Agency;
 - (c) providing information to its auditors, advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
 - (d) providing information required to be provided by law or any Government Agency; or
 - (e) making presentations to brokers, portfolio investors, analysts and other third parties, in each case, in the ordinary course of business and without the purpose of circumventing the restrictions in this clause 13.



13.6. Target's response to Rival Acquirer and Bidder's right to respond

- 13.6.1. If the Target is permitted under clause 13.7 to engage in activity that would otherwise breach clause 13.3 or clause 13.4, the Target must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal (**Rival Acquirer**) on customary terms.
- 13.6.2. The Target must procure that none of the Target Directors publicly changes, withdraws or adversely modifies their Recommendation or any statement in accordance with clause 3.1.1(c) to publicly recommend a Competing Proposal, and must not enter into any agreement to implement a Competing Proposal, unless:
- (a) the Target Directors have determined, acting in good faith and after consultation with the Target's financial adviser, that the Competing Proposal is, or is reasonably likely to be, a Superior Proposal;
 - (b) the Target has provided to the Bidder:
 - (i) written notice of the material terms of the Competing Proposal (including the identity of the Third Party making the actual, proposed or potential Competing Proposal (together with any controlling entity of that Third Party));
 - (ii) a copy of any other information required to be provided to the Bidder under clause 13.5.1; and
 - (iii) details of the basis on which the Target Directors intend to change their Recommendation; and
 - (c) the Target has given the Bidder at least 10 Business Days after the date of the provision of the notice under clause 13.6.2(b) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal;
 - (d) after 10 Business Days of receiving notice from the Target under clause 13.6.2(b), the Bidder does not make an offer in writing to the Target in relation to a variation of the Takeover Bid, or proposing any other form of transaction (**Bidder Counterproposal**) that the Target Directors determine, acting in good faith, would result in an outcome for the Target Shareholders that is at least as favourable as under the Competing Proposal, taking into account all terms and conditions of the Counter Proposal and provided that a financial adviser, independent of the Target Board, has provided a written opinion to the Target Board which supports that determination.
- 13.6.3. If the Target Directors determine that the Bidder Counterproposal would be more favourable or no less favourable to the Target and the Target Shareholders than the Competing Proposal (having regard to the matters noted in clause 13.6.2(d)) then:
- (a) the Target and the Bidder must use reasonable endeavours to agree to the amendments to this Deed that are reasonably necessary to reflect the Bidder Counterproposal and to enter into an amended document to give effect to those amendments and to implement the Bidder Counterproposal; and



- (b) the Target must use its best endeavours to procure that the Target Directors recommend the Bidder Counterproposal to Target Shareholders and not recommend the applicable Competing Proposal.

13.6.4. The Target agrees that each material modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the requirements under this clause 13.6 and the Target must comply with this clause 13.6 in relation to any new Competing Proposal.

13.6.5. For the avoidance of doubt, in the event that the Bidder has not made a Bidder Counterproposal by the expiry of the 10 Business Days referred to in clause 13.6.2(d), the Target Directors may:

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

13.7. Fiduciary exception

The restrictions in clause 13.3, clause 13.4 do not apply to the extent they restrict the Target or any Director from taking or not taking any action in relation to a Competing Proposal (in relation to which there has been no contravention of clause 13.1 or clause 13.2) if:

- (a) the Competing Proposal is bona fide and is made by or on behalf of a person that the Target Directors reasonably consider is of sufficient commercial standing to implement the Competing Proposal; and
- (b) the Target Directors have determined in good faith:
 - (i) after consultation with the Target's independent financial advisers that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
 - (ii) after receiving written advice from the Target's external legal adviser practising in the area of corporate law, that taking the action or refusing to take the action (as the case may be) in relation to the Competing Proposal would be likely to constitute a breach of the fiduciary or statutory obligations of the Directors.

13.8. Legal advice

The Target represents and warrants to the Bidder that:

- (a) prior to execution of this Deed, it has received legal advice on this Deed and the operation of this clause 13; and
- (b) it, and the Target Board consider this clause 13 to be fair and reasonable and that it is appropriate to agree to the terms of this clause 13 in order to secure the significant benefits to it and the Target Shareholders resulting from the Proposed Transaction.



14. RELEASES

14.1. Target release

- 14.1.1. Subject to the Corporations Act, none of the directors or officers of the Target will be liable for anything done or purported to be done in connection with the Takeover Bid or the Proposed Transaction, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including by omission) or bad faith on the part of such a person.
- 14.1.2. The Target receives and holds the benefit of clause 14.1.1 as agent for its directors and officers.

14.2. Bidder release

- 14.2.1. Subject to the Corporations Act, none of the directors or officers of the Bidder will be liable for anything done or purported to be done in connection with the Takeover Bid or the Proposed Transaction, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including by omission) or bad faith on the part of such a person.
- 14.2.2. The Bidder receives and holds the benefit of clause 14.2.1 as agent for its directors and officers.

15. DIRECTORS' AND OFFICERS' INSURANCE

15.1. Continuation of arrangements

Subject to the Bidder acquiring Control of the Target and the Takeover Bid becoming unconditional or otherwise being declared by the Bidder to be free of all Offer Conditions, the Bidder must:

- (a) procure that each Target Group Member complies with any deeds of access, indemnity and insurance made by them in favour of their respective directors and officers from time to time; and
- (b) without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for such directors and officers of the Target Group Members is maintained (subject to any Corporations Act restrictions) for a period of 7 years from the retirement date of each such director and officer (**Run-off Period**), so long as it is available on commercially reasonable terms.

15.2. Corporations Act limitations

The undertakings contained in clause 15.1 are subject to any Corporations Act restrictions and will be read down accordingly.



15.3. Holding of benefits

Target receives and holds the benefit of clause 15.1, to the extent it relates to each Target Group Member and their respective directors and officers, as trustee for them.

16. GST

16.1. Definitions

Words used in this clause 16 that have a defined meaning in the GST Law have the same meaning as in the GST Law unless the context indicates otherwise.

16.2. GST

- 16.2.1. Unless expressly stated otherwise, the consideration for any supply in relation to this Deed is exclusive of GST.
- 16.2.2. To the extent that any supply made in relation to this Deed is a taxable supply (other than any supply made under another deed that contains a specific provision dealing with GST), the amount payable by the recipient is the consideration provided under this Deed for that supply (unless it expressly includes GST) plus an amount (**Additional Amount**) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in relation to the supply.
- 16.2.3. Without limiting clause 16.2.2, if the Target pays the Bidder the Reimbursement Payment under this Deed and that gives rise to a liability for GST, the Target must pay and indemnify the Bidder on demand against the amount of that GST.
- 16.2.4. The recipient must pay the Additional Amount at the same time as the consideration to which it is referable, and upon the issue of an invoice relating to the supply.
- 16.2.5. Whenever an adjustment event occurs in relation to any taxable supply to which clause 16.2.2 applies:
- (a) the supplier must determine the amount of the GST component of the consideration payable; and
 - (b) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.



17. MISCELLANEOUS PROVISIONS

17.1. Governing law and jurisdiction

- 17.1.1. This Deed is governed by the laws applicable in the State of Western Australia.
- 17.1.2. The parties submit to the non-exclusive jurisdiction of the courts of the State of Western Australia, the Federal Court of Australia and the Federal Circuit Court of Australia (as applicable), and those courts which hear appeals from the same.

17.2. Variation

The parties can vary this Deed if the variation is in writing and signed by each party.

17.3. Assignment

A party must obtain the prior written consent of each other party before it transfers, assigns or otherwise disposes of a right or obligation under this Deed, and any purported transfer, assignment or disposal without such consent is void.

17.4. Cumulative remedies

Except as provided in this Deed and permitted by law, the rights, powers and remedies provided in this Deed are cumulative with and not exclusive to the rights, powers or remedies provided by law independently of this Deed.

17.5. Exercise of rights

Any party may make any consent or approval required to be given by it under or in relation to this Deed, or a waiver of any of its rights, powers, authority, discretion or remedies arising in relation to this Deed, subject to conditions that must be complied with by the party seeking to rely upon the consent, approval or waiver.

17.6. Severability

If any part of this Deed is invalid, illegal or unenforceable, that part must be severed from and ignored in the interpretation of this Deed to the minimum extent necessary and with the intent that the remaining parts of this Deed remain in full force and effect.

17.7. Waiver

- 17.7.1. A party granting a waiver of a right under this Deed must give written notice of that waiver to the party which benefits from the waiver.



17.7.2. A party's failure, partial failure or delay in exercising a right relating to this Deed is not a waiver of that right.

17.7.3. A party may not claim that another party's delay or failure to exercise a right relating to this Deed constitutes a waiver of that right, or is a defence to its own action or inaction.

17.8. Entire agreement

17.8.1. Subject to clause 17.8.2, this Deed constitutes the entire agreement between the parties and supersedes all previous discussions, undertakings and agreements in relation to the subject matter of this Deed.

17.8.2. The Confidentiality Document continues to apply to the parties in accordance with its terms, except to the extent of any express inconsistency, in which case this Deed prevails.

17.9. No merger

On completion or termination of this Deed, the rights and obligations of the parties set out in this Deed will not merge and any provision that has not been fulfilled remains in force.

17.10. Further assurance

Each party must do all things (including completing and signing all documents) reasonably requested by the other party that are necessary to:

- (a) bind the party and any other person intended to be bound by this Deed;
- (b) show that it is complying with this Deed; and
- (c) give full effect to this Deed and the transactions contemplated by this Deed,

and use its reasonable endeavours to procure that any third parties do the same.

17.11. Independent advice

Each party acknowledges and agrees that the party has had an adequate opportunity to obtain independent legal and other professional advice on the effect of this Deed prior to executing this Deed.

17.12. No representations

Subject to the express provisions in this Deed:

- (a) neither a party nor its representative has made any representation to another party to induce that other party to enter into this Deed; and
- (b) neither a party nor a person acting on a party's behalf was induced to enter into this Deed by relying on a representation that another party has made.



17.13. Payments

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

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

17.14. Stamp Duty

- 17.14.1. The Bidder is responsible for lodging this Deed for assessment of Stamp Duty (if required).
- 17.14.2. The Bidder must pay all Stamp Duty assessed as payable (if any) in relation to this Deed, the Takeover Bid, or the steps to be taken under this Deed.

17.15. Expenses

Except as otherwise provided in this Deed, each party will pay its own costs and expenses in relation to the negotiation, preparation, execution and performance of this Deed and the proposed, attempted or actual implementation of this Deed and the Takeover Bid.

17.16. Notices

- 17.16.1. Each notice (including each communication, consent, approval, request and demand) given by a party to another party in relation to this Deed:
 - (a) must be in writing and in the English language;
 - (b) must be addressed to the recipient party using the contact details of the recipient party stated in this Deed or as otherwise notified by the recipient party to each other party from time to time;
 - (c) must be signed by the party making it or by that party's lawyer, attorney, director, secretary or authorised agent;
 - (d) must be delivered by hand, sent by prepaid post or sent by email to the recipient party at the address or using the contact details referred to in clause 17.16.1(b);
 - (e) if sent by post to a recipient in another country to the sender, must also be sent by email; and
 - (f) is taken to be received by the recipient on the earlier of the following:
 - (i) in the case of delivery by hand, upon delivery;
 - (ii) in the case of prepaid post to a recipient in the same country as the sender, on the earlier of receipt or the 3rd Business Day after the date of posting;



- (iii) in the case of prepaid post to a recipient in a different country to the sender, on the earlier of receipt or the 7th Business Day after the date of posting; or
- (iv) in the case of email, the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

17.16.2. Notwithstanding clause 17.16.1(f), if a communication given under clause 17.16.1 is taken to be received on a day that is not a Business Day or after 5.00pm in the place where the communication is received, it will be taken to be received at 9.00am on the next Business Day.

17.17. Counterparts

17.17.1. This Deed may be executed and delivered in any number of counterparts. Each counterpart is an original, and is evidence of the intention of each party who has executed and delivered that counterpart to be bound by its terms. All counterparts taken together constitute one instrument.

17.17.2. The parties agree that:

- (a) transmission by, or by a coordinating law firm on behalf of, any party to the other parties of a complete executed counterpart of this Deed (but, for the avoidance of doubt, an isolated signature page will not be sufficient for this purpose) by email (attached in PDF, JPEG or other agreed format), or other form of electronic file sharing and distribution that may be agreed between the parties as being appropriately reliable for the purpose of evidencing due execution, will constitute delivery of an executed counterpart of this Deed;
- (b) where one of the methods of delivery in clause 17.17.2(a) is used, the transmitting party must provide the other party with an original of the relevant executed counterpart as soon as reasonably possible thereafter (but any delay in providing any original counterpart does not prejudice the validity of the obligations formed on delivery under this clause 17.17.2(b)); and
- (c) a copy of an original executed counterpart transmitted by a method specified in clause 17.17.2(a), instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

17.17.3. Where this Deed is executed in counterparts:

- (a) despite anything else in this clause 17.17, a counterpart will not be effective and binding until each other party to this Deed has executed and delivered at least one counterpart; and
- (b) the date on which the last counterpart is executed and delivered is the effective date of this Deed.



17.18. Interpretation

In this Deed the following rules of interpretation apply, unless the contrary intention appears or context otherwise requires:

- (a) Headings and subheadings are for convenience only and do not affect the interpretation of this Deed.
- (b) References to clauses, Schedules, annexures, appendices, attachments and exhibits are references to the clauses of, and the Schedules, annexures, appendices, attachments and exhibits to, this Deed.
- (c) References to parties are references to the parties to this Deed.
- (d) Words denoting the singular include the plural and words denoting the plural include the singular.
- (e) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (f) The word “person” includes any individual, corporation or other body corporate, partnership, joint venture, trust, association and any Government Agency.
- (g) References to clauses are references to clauses of this Deed.
- (h) A reference to a law includes:
 - (i) legislation, regulations and other instruments made under legislation and any consolidations, amendments, re-enactments or replacements of them;
 - (ii) any constitutional provision, treaty or decree;
 - (iii) any judgment;
 - (iv) any rule or principle of common law or equity,and is a reference to that law as amended, consolidated, re-enacted, replaced or applied to new or different facts.
- (i) Specifying anything in this Deed after the terms “include”, “including”, “includes”, “for example”, “such as” or any similar expression does not limit the sense of the words, description, definition, phrase or term preceding those terms unless there is express wording to the contrary.
- (j) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (k) If a period of time begins on a given day or the day of an act or event, it is to be calculated exclusive of that day.
- (l) A reference to time is a reference to the time in Perth, Western Australia unless otherwise specified.



- (m) A reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (n) If any act is required to be performed under this Deed by a party on or by a specified day and the act is performed after 5.00 pm on that day, the act is deemed to be performed on the next day.
- (o) If any act is required to be performed under this Deed on or by a specified day and that day is not a Business Day, the act must be performed on or by the next Business Day.
- (p) This Deed includes all Schedules, annexures, appendices, attachments and exhibits to it.
- (q) A reference to “writing” or “written” includes email (unless otherwise expressly provided in this Deed).
- (r) The phrase ‘in relation to’ has the widest possible import and encompasses the phrases ‘in relation to’, ‘in connection with’, ‘in respect of’, ‘arising out of’, ‘caused by’ and ‘resulting from’.
- (s) No provision of this Deed will be construed adversely to a party because that party was responsible in any way for the preparation of any part of that provision or this Deed.

17.19. Consents or approvals

If the doing of any act, matter or thing under this Deed 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 unless expressly provided otherwise.

17.20. Listing requirements included as law

A Listing Rule or operating rule of a financial market or of a clearing and settlement facility will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

17.21. Reasonable or best endeavours

Any provision of this Deed that requires a party to use reasonable endeavours or best endeavours to procure that something is performed or occurs or does not occur, does not include any obligation:

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Agency; or
- (b) to commence any legal action or proceeding against any person, except where that provision expressly specifies otherwise.



Schedule 1 – Glossary

In this Deed, unless inconsistent with the context, the following words and phrases have the meanings given to them in the table below:

| | |
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| Accounting Standards | means: <ul style="list-style-type: none">(a) the applicable Accounting Standards under the Corporations Act (if any), including International Financial Reporting Standards as applied in Australia;(b) to the extent not inconsistent with the Accounting Standards described in paragraph (a) of this definition, generally accepted accounting principles and practices in Australia, consistently applied; and(c) to the extent not inconsistent with the Accounting Standards described in paragraphs (a) and (b) of this definition, the standards, requirements and practices consistently applied to the Target since its incorporation. |
| Agreed Takeover Bid Terms | means the terms and conditions set out in Schedule 4. |
| Approved Budget | means the expenditure budget for the Target as approved by the Target Directors and by the Bidder in accordance with the Loan Facility Agreement and as amended from time to time with the consent of the Bidder, acting reasonably with regard to the Business and without delay. |
| ASIC | means the Australian Securities and Investments Commission. |
| Associate | has the meaning given to that term in section 12 of the Corporations Act. |
| 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. |
| Authorisation | means any consent, authorisation, registration, filing, lodgement, document, notarisation, certificate, permit, licence, approval, authority or exemption prescribed by law or regulation or required by any Government Agency. |
| Bidder Counterproposal | has the meaning given to that term in clause 13.6.2(c). |
| Bidder Group | means the Bidder and each of its Subsidiaries (excluding, at any time, the Target and its Subsidiaries to the extent that the Target and its Subsidiaries are Subsidiaries of the Bidder at that time). A reference to a member of the Bidder Group or a Bidder Group Member is a reference to the Bidder or any such Subsidiary. |
| Bidder Indemnified Parties | means the Bidder, its Related Body Corporate and each of their respective Representatives. |
| Bidder Option | means an option to subscribe for Bidder Shares, granted by the Bidder. |



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| Bidder Parties | means the members of the Bidder Group and their respective Representatives. |
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| Bidder Share | means a fully paid ordinary share in the capital of the Bidder. |
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| Bidder's Statement | means the bidder's statement to be prepared by the Bidder in relation to the Takeover Bid in accordance with Chapter 6 of the Corporations Act. |
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| Business | means the Target's business at the date of this Deed, being a mineral exploration and development business with a focus on gold, copper and cobalt. |
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| Business Day | means a day on which banks are open for business in Perth, Western Australia, other than a Saturday, Sunday or public holiday in that city. |
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| Claim | in relation to a person, means a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent. |
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| Competing Proposal | <p>means any proposal, offer, agreement, arrangement or transaction, which if entered into or completed, would result in a Third Party (alone or with an Associate):</p> <ul style="list-style-type: none">(a) directly or indirectly acquiring a Relevant Interest, voting power, economic interest or derivative transaction in 20% or more of the voting shares (calculating having regard to securities convertible into voting shares) of any of the Target Group Member;(b) directly or indirectly acquiring or obtaining an interest (including an economic interest) in all or a substantial part or material part of the Business or assets or property of, the Target or any Target Group Member (where a material part means assets or property representing 20% or more of the value of the Target Group's total assets);(c) acquiring Control of the Target or any Target Group Member; or(d) acquiring, or merging with, the Target or any Target Group Member (including by way of takeover bid, scheme of arrangement, capital reduction, buy-back, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership), <p>or any proposal by the Target to implement any reorganisation of capital or any proposal, offer or transaction that is similar in structure to, or that would be reasonably regarded as being an alternative proposal to, the Proposed Transaction, or any proposal that would otherwise result in the Proposed Transaction not being able to be implemented on the basis set out in this Deed.</p> |
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| Confidentiality Document | means the Confidentiality Deed between the Target and the Bidder dated on or about 20 January 2022. |
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| Control | has the meaning given to that term in section 50AA of the Corporations Act. |
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| Corporations Act | means the <i>Corporations Act 2001</i> (Cth). |
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| Deed | means this Bid Implementation Deed. |
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Due Diligence Material means the written information, documents, materials and responses disclosed or made available to the Bidder or its Representatives by or on behalf of the Target on or before 5:30pm on 4 February 2022 in the Project Blackadder data room operated using the Dropbox platform (an index of which has been initialled for identification by the Target’s solicitors on behalf of the Target and by the Bidder’s solicitors on behalf of the Bidder).

Elizabeth Creek Project means the copper-cobalt exploration and development project known as ‘Elizabeth Creek’ conducted by the Bidder and Terrace Mining Pty Ltd, a wholly owned Subsidiary of the Target, over the land the subject of South Australian exploration licences EL6141, EL6265 and EL6518 by way of an unincorporated joint venture.

Encumbrance means any one or more of the following:

- (a) a ‘security interest’ within the meaning given to that term under the *Personal Property Securities Act 2009* (Cth);
- (b) any security for payment of money, performance of obligations or protection against default;
- (c) a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order or monetary claim, or a flawed deposit arrangement; or
- (d) a royalty, caveat, right of access, water right, pre-emptive right, lease, sub-lease, licence, sub-licence, profit à prendre, judgement debt, or similar interest.

End Date means the earlier of:

- (a) the expiry of the Offer Period, or any other date on which the Takeover Bid otherwise lapses or is withdrawn; and
- (b) the termination of this Deed in accordance with clause 11.

Exclusivity Period means the period commencing on the date of this Deed and ending on the End Date.

Fairly Disclosed means disclosed in writing to a member of the Bidder Group or their respective Representatives or, where the context requires, to the ASX in sufficient detail and with sufficient specificity so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in mergers and acquisitions transactions involving businesses of the same or similar nature to the businesses conducted by the Target Group to identify and understand the nature and scope of the relevant matter, event or circumstance.

Foreign Target Shareholder means a Target Shareholder:

- (a) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than Australia and its external territories; or
- (b) whose address shown in the Share Register is a place outside of Australia and its external territories, or who is acting on behalf of such a person,

unless the Bidder determines:

- (c) it is lawful and not unduly onerous or unduly impractical to provide that Target Shareholder with the consideration under the Takeover Bid on completion of the Takeover Bid; or



(d) it is lawful for that Target Shareholder to receive and participate in the Takeover Bid by the law of the relevant place outside of Australia and its external territories.

Government Agency means any government or governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

GST means goods and services tax in terms of the GST Act.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the meaning given to that term in the GST Act.

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

Loan Facility Agreement means the Loan Facility Agreement between the Bidder (as Lender), the Target (as borrower) and Terrace Mining Pty Ltd (ACN 161 377 340) (as guarantor) dated on or about the date of this Deed.

Marketable Parcel has the meaning given to that term in the ASX Operating Rules Procedures.

Nominee Director means the definition given to that term in clause 8.3.1.

Offer each offer by the Bidder for Target Shares under the Takeover Bid and **Offers** means all such offers.

Offer Conditions means the conditions of the Offer set out in the Agreed Takeover Bid Terms.

Offer Period means the period for which the Takeover Bid will remain open for acceptance as specified in the Bidder's Statement, as extended in accordance with the Corporations Act.

Option Register means the register of option holders of the Target maintained by or on behalf of the Target in accordance with the Corporations Act.

Proposed Transaction means:
(a) the Takeover Bid; and
(b) all associated transactions and steps contemplated by this Deed.

Recommendation has the meaning given to that term in clause 3.1.1(a).

Register Date means the date set by the Bidder pursuant to section 633(2) of the Corporations Act.

Reimbursement Payment means \$250,000 plus the amount of any GST payable, which amount is payable only once and without set-off or withholding.

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



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| Relevant Interest | has the meaning given to that term in sections 608 and 609 of the Corporations Act. |
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| Representatives | in relation to a party, means an employee, agent, officer, director, adviser or financier of or to that party (or of a Related Body Corporate of that party), and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable). |
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| Share Register | means the register of shareholders of the Target maintained by or on behalf of the Target in accordance with the Corporations Act. |
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| Small Holding Target Shareholder | means a Target Shareholder to whom, if they accept the Takeover Bid, Bidder Shares would be issued which would not constitute a Marketable Parcel. |
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| Stamp Duty | means any stamp duty, transfer duty, landholder duty, insurance duty, motor vehicle licence duty, transaction duty, loan duty, mortgage duty, instrument duty or other duty of a like kind, and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in relation to any of the preceding. |
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| Subsidiary | has the meaning given to that term in section 46 of the Corporations Act. |
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| Superior Proposal | <p>means a bona fide Competing Proposal that the Target Directors, acting in good faith, and in order to satisfy what the Target Directors reasonably consider to be their fiduciary or statutory duties, determine:</p> <ul style="list-style-type: none">(a) is reasonably capable of being valued and completed substantially in accordance with its terms, taking into account all aspects of the transaction or proposed transaction, including the nature of the Competing Proposal, the conditions associated with the Competing Proposal and the likelihood of those conditions being satisfied within a reasonable period of time and the person or persons making it; and(b) would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Target Shareholders than the Proposed Transaction (as modified by any Bidder Counterproposal), having regard to all relevant matters including consideration, conditionality, funding, certainty and timing, <p>provided that a financial adviser, independent of the Target Board, has provided a written opinion to the Target Board which supports the determination of the matters in paragraphs (a) and (b) above.</p> |
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| Takeover Bid | means an off-market takeover bid under Chapter 6 of the Corporations Act made by the Bidder for all the issued Target Shares. |
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| Takeovers Panel | means the Takeovers Panel established under section 171 of the <i>Australian Securities and Investments Commission Act 2001</i> (Cth). |
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| Target Board | means the board of directors of the Target as constituted from time to time (or any committee of the board of directors of the Target constituted from time to time to consider the Proposed Transaction on behalf of the Target). |
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| Target Director | means a director of the Target. |
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| Target Group | means the Target and each of its Subsidiaries. |
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| Target Group Member | means a member of the Target Group. |
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| Target Indemnified Parties | means the Target, its Related Body Corporate and each of their respective Representatives. |
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| Target Option | means an option to subscribe for Target Shares, granted by the Target. |
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| Target Option Consideration | means: <ul style="list-style-type: none">(a) for each Target Option which has an exercise price of \$0.30 and an expiry date of 22 December 2023, 0.164 unquoted Bidder Options each with an exercise price of \$1.50 and an expiry date of 22 December 2023; and(b) for each Target Option which has an exercise price of \$0.30 and an expiry date of 12 April 2024, 0.051 Bidder Shares. |
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| Target Option Holder | means each person who is registered with the Target as a holder of one or more Target Options. |
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| Target Option Offer | has the meaning given to that term in clause 7.1.1(a). |
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| Target Option Offer Completion | has the meaning given to that term in clause 7.1.2(a). |
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| Target Option Offer Conditions | has the meaning given to that term in clause 7.1.2(a). |
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| Target Parties | means each Target Group Member and their Related Bodies Corporate and Representatives. |
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| Target Prescribed Occurrence | means the occurrence of any of the following on or after the date of this Deed: <ul style="list-style-type: none">(a) the Target converts all or any of its shares into a larger or smaller number of shares;(b) any Target Group Member resolves to reduce its share capital in any way;(c) any Target Group Member:<ul style="list-style-type: none">(i) enters into a buy-back agreement; or(ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;(d) any Target Group Member issues, or agrees to issue, convertible notes or any other security or instrument that is convertible into shares;(e) any Target Group Member issues shares, or grants a performance right or an option over its shares, or agrees to make such an issue or grant such a right or an option other than pursuant to the exercise of an option or performance right before the End Date where that option or performance right was on issue immediately before the date of this Deed; |
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- (f) any Target Group Member disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (g) any Target Group Member creates or agrees to create, any Encumbrance over the whole, or a substantial part, of its business, assets or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
 - (h) any Target Group Member resolves to be wound up;
 - (i) a court makes an order for the winding up of any Target Group Member;
 - (j) a liquidator or provisional liquidator of any Target Group Member is appointed;
 - (k) an administrator of any Target Group Member is appointed under section 436A, section 436B or section 436C of the Corporations Act;
 - (l) any Target Group Member executes a deed of company arrangement;
 - (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any Target Group Member; or
 - (n) the Target declares or pays a dividend, provided that a Target Prescribed Occurrence will not include any matter required to be done or procured by the Target pursuant to this Deed or which is otherwise contemplated by this Deed or the Takeover Bid,
- other than:
- (o) to the extent it is Fairly Disclosed in filings of the Target with the ASX or ASIC before the date of this Deed;
 - (p) to the extent it is Fairly Disclosed in the Due Diligence Materials; or
 - (q) the undertaking of which the Bidder has consented to in writing.

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

Target Shareholder means each person who is registered in the Share Register as a holder of one or more Target Shares.

Target Warranties means the warranties and representations of the Target set out in clause 9.1.

Target's Statement means the target's statement to be issued by the Target under section 638 of the Corporations Act in response to the Takeover Bid.

Tenement Interest means the Target's rights or interests in a Tenement.

Tenements means:

- (a) the mining tenements listed in Schedule 3;
 - (b) any other mining, exploration or other tenement which may be granted in lieu of or relate to the same ground as, any of the tenements specified in paragraph (a) of this definition; and
 - (c) all rights to mine, explore, prospect and other privileges appurtenant to the tenement specified in paragraph (a) of this definition.
-



Third Party means any person or entity other than a member of the Bidder Group or a Target Group Member.

Timetable means the indicative timetable in relation to the Proposed Transaction set out in the Schedule 5.



Schedule 2 – Target Group Capital Structure

1. TORRENS MINING LIMITED (ACN 168 295 092)

| Security type | Number on issue |
|------------------------------------------------------------------------|--------------------|
| Target Shares | |
| Fully paid ordinary shares (unrestricted) | 69,664,938 |
| Fully paid ordinary shares (restricted) | 45,036,724 |
| TOTAL | 114,701,662 |
| Target Options | |
| Unquoted options (exercisable at \$0.30 on or before 22 December 2023) | 6,047,583 |
| Unquoted options (exercisable at \$0.30 on or before 12 April 2024) | 7,500,000 |
| TOTAL | 13,547,583 |

2. TERRACE MINING PTY LIMITED (ACN 161 377 340)

| Security type | Number on issue | Registered holder |
|-------------------------------------------|-----------------|------------------------|
| Fully paid ordinary shares (unrestricted) | Three (3) | Torrens Mining Limited |

3. TORRENS GOLD EXPLORATION PTY LIMITED (ACN 624 938 076)

| Security type | Number on issue | Registered holder |
|-------------------------------------------|-----------------|------------------------|
| Fully paid ordinary shares (unrestricted) | Sixty (60) | Torrens Mining Limited |



4. TORRENS MINING (HOLDINGS) PTY LIMITED (ACN 622 768 683)

| Security type | Number on issue | Registered holder |
|-------------------------------------------|-----------------|------------------------|
| Fully paid ordinary shares (unrestricted) | Sixty (60) | Torrens Mining Limited |

5. TORRENS MINING (PNG) LIMITED (1-116287)

| Security type | Number on issue | Registered holder |
|-------------------------------------------|-----------------|-----------------------------------------------------|
| Fully paid ordinary shares (unrestricted) | Sixty (60) | Torrens Mining (Holdings) Pty Ltd (ACN 622 768 683) |



Schedule 3 – Tenements

| Holder / applicant | Jurisdiction | Tenement number | Interest | Status |
|---------------------------------------------------|-----------------|-----------------|------------|-------------|
| Mt Piper Gold Project | | | | |
| Torrens Gold Exploration Pty Ltd | Victoria | EL6775 | 100% | Granted |
| Torrens Gold Exploration Pty Ltd | Victoria | EL7331 | 100% | Granted |
| Torrens Gold Exploration Pty Ltd | Victoria | EL7337 | 100% | Granted |
| Torrens Gold Exploration Pty Ltd | Victoria | EL7366 | 100% | Granted |
| Torrens Gold Exploration Pty Ltd | Victoria | EL7380 | 100% | Granted |
| Torrens Gold Exploration Pty Ltd | Victoria | ELA7481 | 100% | Application |
| Balmoral Gold Project | | | | |
| Torrens Gold Exploration Pty Ltd | Victoria | ELA7637 | 100% | Application |
| Club Terrace Copper-Gold Project | | | | |
| Torrens Gold Exploration Pty Ltd | Victoria | EL5455 | 100% | Granted |
| Torrens Gold Exploration Pty Ltd | Victoria | ELA7342 | 100% | Application |
| Torrens Gold Exploration Pty Ltd | Victoria | ELA7584 | 100% | Application |
| Torrens Gold Exploration Pty Ltd | New South Wales | EL9238 | 100% | Granted |
| Elizabeth Creek Copper-Cobalt IOCG Project | | | | |
| Coda Mineral Ltd Terrace Mining Pty Ltd | South Australia | EL6141 | 70% 30% | Granted |
| Coda Mineral Ltd Terrace Mining Pty Ltd | South Australia | EL6265 | 70% 30% | Granted |
| Coda Mineral Ltd Terrace Mining Pty Ltd | South Australia | EL6518 | 70% 30% | Granted |



| Holder / applicant | Jurisdiction | Tenement number | Interest | Status |
|----------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|----------|---------------------------------------------------------------------------------------------------------|
| Laloki & Rigo Copper-Gold Project | | | | |
| Torrens Mining (PNG) Limited (Company No 1-116287), which is wholly-owned by Torrens Mining (Holdings) Pty Ltd (ACN 622 768 683) | Papua New Guinea | ELA2557 | 100% | Grant refused by the Mining Minister on 26 January 2021 – subject to litigation in Supreme Court of PNG |
| Torrens Mining (PNG) Limited (Company No 1-116287), which is wholly-owned by Torrens Mining (Holdings) Pty Ltd (ACN 622 768 683) | Papua New Guinea | ELA2690 | 100% | Application. Warden's Hearing held in May 2021. |



Schedule 4 – Agreed Takeover Bid Terms

1. OFFER CONSIDERATION

The Bidder offers to each Target Shareholder 0.23 Bidder Shares for every one Target Share held.

2. OFFER PERIOD

The Offer Period will initially last for one month from the date the Offer opens, and, subject to clause 5.2, is subject to the Bidder's right to extend the Offer Period in accordance with the Corporations Act.

3. FOREIGN TARGET SHAREHOLDERS

The Bidder will issue the Bidder Shares to which Foreign Target Shareholders would otherwise become entitled due to acceptance of the Takeover Bid or due to compulsory acquisition under the Corporations Act, to a nominee appointed by the Bidder who will sell those Bidder Shares and pay those Foreign Target Shareholders the proceeds of sale received (after having deducted any applicable brokerage, taxes and charges) in accordance with the Takeover Bid, unless:

- (a) the Bidder is satisfied that the laws of a Foreign Target Shareholder's country of residence (as shown in the Share Register) permit the issue of Bidder Shares to the Foreign Target Shareholder, either unconditionally or after compliance with conditions which the Bidder reasonably regards as not unduly onerous or unduly impracticable; or
- (b) applicable law or ASIC relief permits otherwise.

4. SMALL HOLDING TARGET SHAREHOLDERS

Subject to the Corporations Act, the Bidder will issue Bidder Shares to which a Small Holding Target Shareholders would otherwise become entitled due to acceptance of the Takeover Bid or due to compulsory acquisition under the Corporations Act, to a nominee appointed by the Bidder who will sell those Bidder Shares and pay those Small Holding Target Shareholders the proceeds of sale received (after having deducted any applicable brokerage, taxes and charges) calculated on an average basis per Bidder Share so that all Small Holding Target Shareholders receive the same price per Bidder Share (subject to rounding).

5. TAKEOVER BID OFFER CONDITIONS

The Takeover Bid and any contract resulting from the acceptance of the Takeover Bid are subject to the fulfilment of the following conditions:



(a) *Minimum acceptance*

At the end of the Offer Period, the Bidder has a Relevant Interest in at least 90% of all Target Shares.

(b) *Target Options*

The Target Option Offer is accepted by all Target Option Holders and the Bidder enters binding agreements with each Target Option Holder to record such transaction.

(c) *Authorisations*

Before the end of the Offer Period, all Authorisations that are required by law, or by any other Third Party, as are necessary to permit:

- (i) the Offer to be lawfully made to, and be accepted by, the Target Shareholders;
- (ii) the transactions contemplated by the Bidder's Statement to be completed; and
- (iii) the Target Group to be in material compliance with its contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(d) *Regulatory actions*

Between the date of this Deed and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order, judgment, or decree issued by any Government Agency;
- (ii) an action or investigation has not been announced, commenced or threatened by any Government Agency; and
- (iii) an application is not made to any Government Agency (other than by the Bidder or any associate of the Bidder),

as a consequence of or in relation to the Takeover Bid (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which:

- (iv) restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Takeover Bid and the completion of any transaction contemplated by the Bidder's Statement; or
- (v) requires the divestiture by the Bidder of any Target Shares or any material assets of a Target Group Member (including any Tenement Interest).



(e) *Target Prescribed Occurrence*

Between the date of this Deed and the end of the Offer Period (each inclusive), none of the Target Prescribed Occurrences having occurred other than expressly permitted under this Deed.

(f) *Exercise of certain contractual rights*

Between the date of this Deed and the end of the Offer Period (each inclusive), no person (other than the Bidder) exercises any rights under any provision of any agreement, deed, instrument or other binding arrangement to which a Target Group Member is a party, or by or to which a Target Group Member or any of its assets (including any Tenement Interest) may be bound or be subject to which:

- (i) requires monies borrowed by, or other financial accommodation provided to, a Target Group Member to be paid or repaid immediately or earlier than the repayment or maturity date stated in such agreement or other instrument;
- (ii) terminates or modify any such agreement, deed, instrument or other binding arrangement, or requires that any action be taken pursuant to the same (including the acceleration of the performance of any obligation);
- (iii) terminates or modifies the interest of a Target Group Member in any company, partnership, trust, joint venture or other business structure (or any arrangements relating to such interest);
- (iv) terminates or modifies the interest of a Target Group Member in any farm-in, farm-out or similar arrangement (or any arrangements relating to such interest);
or
- (v) requires that any assets (including any Tenement Interest), shares or business of a Target Group Member be sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, as a result of the acquisition of Target Shares by the Bidder.

(g) *No change of control rights*

Between the date of this Deed and the end of the Offer Period (each inclusive), no person has or will have any right as a result of the Bidder making the Takeover Bid or announcing its intention to make the Takeover Bid, or acquiring Target Shares under the Takeover Bid, to:

- (i) acquire, or require the disposal of, or require any entity within the Target Group to offer to dispose of, any Tenement, asset, shares or business (or any interest in) of any entity within the Target Group;
- (ii) terminate, or vary the term of performance of, any agreement with any entity within the Target Group; or
- (iii) terminate, or vary the terms of any material approvals, licenses or permits issued by any Government Agency to any entity within the Target Group.



(h) *Material adverse events*

Between the date of this Deed and the end of the Offer Period (each inclusive), none of the following occurs:

- (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (ii) information is disclosed or announced by the Target concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (iii) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to the Bidder (whether or not becoming public),

(each a **Material Adverse Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (iv) a material adverse effect on the business, assets (including the Tenement Interest), liabilities, financial or trading position, profitability or prospects of a Target Group Member taken as a whole; or
- (v) without limiting the generality of item 5(g)(iv), the effect of a diminution in the value of the consolidated net assets of the Target Group, taken as a whole, by at least \$3,000,000 against what it would reasonably have been expected to have been but for such Material Adverse Event,

other than:

- (vi) an event, matter, change or circumstance caused, or materially contributed to, by the Bidder;
- (vii) anything required or permitted to be done or not done under this Deed or otherwise required to be done in relation to the legal obligations to implement the Takeover Bid;
- (viii) any event, matter, change or circumstance:
 - (1) Fairly Disclosed by the Target to the Bidder or any Representative of the Bidder;
 - (2) disclosed in public filings by the Target to ASIC;
 - (3) disclosed in announcements by the Target released on the ASX market announcements platform; or
 - (4) otherwise known by the Bidder,



at any time prior to the date of this Deed, provided that the event, matter, change or circumstances (as the case may be) continues to be, in all material respects, as disclosed or otherwise known to the Bidder at that time;

- (ix) an event, matter, change or circumstance in or relating to:
 - (1) economic, business, regulatory or political conditions in general;
 - (2) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (3) any change affecting the industry in which the Target operates generally; or
 - (4) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which the Target's insurers have agreed to pay; or
- (x) anything done with the prior written consent of the Bidder.

(i) *Market announcement*

Between the date of this Deed and the end of the Offer Period (each inclusive), the Target not having released any announcement to ASX which is untrue, inaccurate, incomplete or misleading in any material respect (including by way of material omission) that, if known by the Bidder, could reasonably be expected to have resulted in the Bidder either:

- (i) not proceeding with the Takeover Bid; or
- (ii) proceeding with the Takeover Bid on materially different terms

(j) *Tenement Interests*

Between the date of this Deed and the end of the Offer Period (each inclusive), other than in the ordinary course of business, none of the Target Group Members does or agrees to do any of the following, nor announces any intention to do so:

- (i) enters into, agrees to enter into or announces any agreement to enter into any contract, deed, commitment or arrangement (including without limitation any ore sale, mineral rights, ore processing, split commodity, joint venture, partnership, farm-in, royalty, marketing or off-take arrangement) in relation to any of the Tenements or the Tenement Interests;
- (ii) relinquishes (except as required under applicable law), sells or disposes of any interest or creates any Encumbrance over any of the Tenements or the Tenement Interests;
- (iii) takes or omits to take any action that results in or may reasonably be expected to result in a disposal of, or a breach of the terms of any of the Authorisations in relation to any Tenement or Tenement Interest; or



- (iv) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Tenements, Tenement Interests, or any Authorisation relating to the same.

(k) *Material transactions*

Except for any proposed transaction or item Fairly Disclosed by Target in an announcement released to ASX within 6 months prior to this Deed, and to the extent included in a work program and budget for the Target approved by the Target Directors and Fairly Disclosed to the Bidder before this Deed, none of the following events occur between the date of this Deed and the end of the Offer Period (each inclusive):

- (i) a Target Group Member disposes of, offers to dispose of, or agrees to dispose of, one or more Target Group Members, Tenement Interests or assets (or any interest in the same) either:
 - (1) for an amount or consideration in excess of \$50,000 (either alone or in aggregate); or
 - (2) relating in any way to the Elizabeth Creek Project referred to in Schedule 3;
- (ii) a Target Group Member enters into or agrees to enter into any purchase, sale, farm-in, farm-out, joint venture or partnership or other agreement (or series of agreements) that requires or is reasonably likely to involve payments, expenditure or the foregoing of revenue, by a Target Group Member in excess of \$50,000 in aggregate with other such matters; or
- (iii) a Tenement in which any Target Group Member has a Tenement Interest is revoked, surrendered, relinquished or terminated, or a Target Group Member agrees to the same, without there being a reasonable likelihood of such Tenement being allowed to continue, renewed or extended on terms which are no less favourable to the Target Group Member.

(l) *Litigation*

Between the date of this Deed and the end of the Offer Period (each inclusive), litigation is not threatened or commenced against a Target Group Member which could reasonably result in a judgment or order:

- (i) of more than \$100,000 against a Target Group Member; or
- (ii) which could reasonably be expected to have a material adverse effect on a Target Group Member's Tenement Interest,

nor is any such litigation announced or made known to the Bidder (whether or not becoming public) or the Target, regardless of whether the subject of prior resolution or otherwise.



(m) *No breach*

At the end of the Offer Period, the Target not being in breach of any material term of this Deed.



Schedule 5 – Timetable

| Event | Date |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Release of agreed announcement to ASX regarding the Takeover Bid | 9 February 2022 |
| Bidder provides advanced draft Bidder's Statement to Target | 15 February 2022 |
| Target provides advanced draft of Target's Statement to Bidder | 18 February 2022 |
| Lodgement of Bidder's Statement with ASIC Service of Bidder's Statement on the Target Release of Bidder's Statement to ASX by Bidder and Target | 24 February 2022 |
| Lodgement of Target's Statement with ASIC Service of Target's Statement on the Bidder Release of Target's Statement to ASX by Bidder and Target | 24 February 2022 |
| Dispatch of Bidder's Statement and Target's Statement to the Target Shareholders | 28 February 2022 |
| Offer Period commences | 28 February 2022 |
| Offer Period ends (unless extended) | 29 March 2022 |



Signing Page:

Executed by the parties as a deed.

Bidder

EXECUTED by **Coda Minerals Ltd (ACN 625 763 957)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of Director

KEITH JONES

Full Name (please print)

Date

Signature of Director/Secretary

OWEN PALMER STEVENS

Full Name (please print)

Date

Target

EXECUTED by **Torrens Mining Limited (ACN 168 295 092)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of Director

Full Name (please print)

Date

Signature of Director/Secretary

Full Name (please print)

Date



Signing Page:

Executed by the parties as a deed.

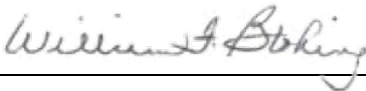

Bidder

EXECUTED by **Coda Minerals Ltd (ACN 625 763 957)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

| | |
|-----------------------------------|----------------------------------------------|
| _____ Signature of Director | ← _____ ← Signature of Director/Secretary |
| _____ Full Name (please print) | _____ Full Name (please print) |
| _____ Date | _____ Date |

Target

EXECUTED by **Torrens Mining Limited (ACN 168 295 092)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

| | |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
|  _____ Signature of Director | ←  _____ Signature of Director/Secretary |
| William Frederick Bloking _____ Full Name (please print) | Benjamin Thomas Smith _____ Full Name (please print) |
| _____ Date | _____ Date |



Annexure – Announcement of Intended Takeover Bid

(attached as a separate document)

9 February 2022

CODA MINERALS AND TORRENS MINING TO MERGE VIA RECOMMENDED TAKEOVER OFFER

Consolidating 100% ownership of the Elizabeth Creek Copper Project

Highlights

- **Coda and Torrens to merge to create a leading base and precious metals exploration company focussed on the Elizabeth Creek Copper Project in South Australia**
- **Coda to make off-market takeover offer to acquire Torrens with 0.23 new Coda shares offered for every 1 Torrens share held ("Offer")**
- **Torrens' Board of Directors unanimously recommend that Torrens' shareholders accept the Offer, in the absence of a superior proposal**
- **The Offer values Torrens' shares at \$0.202 per share each,¹ representing a:**
 - **30% premium to Torrens closing price on 8 February 2022**
 - **30% premium to 10-day VWAP of Torrens shares²**
 - **35% premium to 20-day VWAP of Torrens shares²**
- **Shareholders collectively representing 42.2% of Torrens' shares have indicated support:**
 - **Torrens' Directors have advised they will accept the offer for all Torrens shares they own or control (representing 26.8% of Torrens shares), in the absence of a superior proposal**
 - **Separately, Torrens' shareholders representing 15.4% of Torrens shares on issue have provided intention statements, confirming they intend to accept the offer for all Torrens shares they own or control, in the absence of a superior proposal**
- **Transaction is accretive for Coda and is expected to unlock significant strategic and financial benefits for all participating shareholders by:**
 - **Consolidating 100% ownership of the Elizabeth Creek Copper Project into a single entity to provide Coda with full exploration optionality**
 - **Delivering cost synergies by simplifying ownership and streamlining management of the Elizabeth Creek Copper Project**
 - **Creating a company with increased scale, market relevance, funding capability and trading liquidity**
- **Torrens' shareholders will be expected to hold 21.2% interest in the enlarged Coda thereby:**
 - **Retaining significant exposure to the Elizabeth Creek Copper Project**
 - **Benefiting from the combined group's strong exploration and operating expertise, financial strength and ability to optimise exploration activity across an enlarged portfolio**
- **Coda to make available to Torrens an interim funding facility for up to \$2M, to assist with Torrens' funding requirements through the Offer period**

¹ Based on 5-day volume weighted average price (VWAP) of Coda shares on ASX of \$0.879 prior to and including 8 February 2022

² VWAP of Torrens shares is calculated for the period up to and including the 8 February 2022, the last trading day prior to Coda announcing its intention to make the Offer.

Overview of Transaction

Coda Minerals Limited (“**Coda**”) (ASX: COD) and Torrens Mining Limited (“**Torrens**”) (ASX: TRN) are pleased to announce that they have entered into a Bid Implementation Deed (“**BID**”), for a recommended conditional off-market takeover offer (“**Offer**”), pursuant to which Coda will offer to acquire all the issued ordinary shares of Torrens.

The Board of Directors of Torrens unanimously recommend that Torrens’ shareholders accept the Offer, in the absence of a superior proposal.

Offer Consideration

Under the Offer, Torrens’ shareholders will receive 0.23 Coda shares for every 1 Torrens share held.

The Offer values the Torrens shares at \$0.202 each³ or approximately \$23.2 million⁴ equity value and delivers Torrens shareholders a:

- 30% premium to Torrens closing price of \$0.155 on 8 February 2022;
- 30% premium to 10-day VWAP of \$0.156²; and
- 35% premium to 20-day VWAP of \$0.150².

The Offer delivers a substantial premium to Torrens’ shareholders, who will retain ~21.2% ownership and participation in the future performance of Coda, subject to the Offer being successful. Moreover, Torrens shareholders are expected to benefit from the higher liquidity of Coda shares.

Transaction Strategic Rationale

The Offer, if successful, is expected to result in Coda consolidating 100% ownership of the Elizabeth Creek Copper Project (“**Elizabeth Creek**”) via the acquisition of Torrens’ current 30% joint venture interest and provides an attractive investment proposition for existing and new shareholders.

Key benefits of the transaction include:

- 100% ownership consolidation of Elizabeth Creek into a single entity to provide full exploration optionality and deliver management and cost synergies;
- Creating a company with increased scale, market relevance, funding capability and trading liquidity; and
- Strong board, management and technical team with a proven exploration track record.

In addition, post the Offer being fully implemented, Coda is expected to have an implied market capitalisation of approximately \$109 million⁵ (prior to any re-rate) and the nature of the all-scrip consideration of the Offer preserves Coda’s strong balance sheet which has current cash of \$14 million (as at 31 December 2021).

³ Based on the 5-day VWAP of Coda’s shares up to and including 8 February 2022, being the last trading day prior to the announcement of the Offer.

⁴ Based on the 5-day VWAP of Coda’s shares up to and including 8 February 2022 and 114.7 million Torrens shares on issue. The implied value of the Offer will change with fluctuations in the Coda share price.

⁵ Based on Coda’s closing share price of \$0.875 on 8 February 2022 and 124.1m shares on issue

Torrens' Board Recommendation and Shareholder Support

Torrens' Board of Directors unanimously recommend that Torrens' shareholders accept the Offer, in the absence of a superior proposal.

Torrens' Directors, who collectively own or control approximately 26.8% of Torrens shares have confirmed they will each accept the Offer in respect of all Torrens shares they own, in the absence of a superior proposal and subject to any restrictions in relation to any restricted shares.⁶

In addition, certain Torrens' shareholders (representing 15.4% of Torrens' shares on issue) have provided intention statements confirming their intention to accept the Offer, in the absence of a superior proposal and subject to any restrictions in relation to any restricted shares.⁷

As at the date of this joint announcement, 45 million Torrens shares are restricted securities as defined in the ASX Listing Rules following the initial public offering in January 2021 ("**Restricted Securities**"). The Restricted Securities represent approximately 39% of the total number of Torrens shares on issue. ASX Listing Rule 9.5 enables the holder of Restricted Securities to accept the Offer, if amongst other conditions, the holders of at least half of the shares in Torrens that are not Restricted Securities have accepted the Offer.

Management Commentary

Chief Executive Officer of Coda, Chris Stevens, commented:

"The combination with Torrens provides a compelling opportunity to create value for both sets of shareholders by unlocking important synergies in the exploration and development of our core asset, the Elizabeth Creek Copper Project in South Australia. The Offer provides an immediate premium of over 30%, while the consolidation of 100% ownership of Elizabeth Creek in a single company represents a logical and very positive next step in the project's evolution.

"We look forward to welcoming Torrens shareholders to Coda's register and for them to continue to benefit from further progress at Elizabeth Creek as we continue to progress the project through the next exciting phase of exploration and development in 2022."

Managing Director of Torrens, Steve Shedden, commented:

"Torrens acquired the Elizabeth Creek Project in 2015, brought Coda into the Project in 2017 via a farm-in-joint venture. Now in 2022, we are pleased that in addition to realising an attractive premium, the transaction provides Torrens' shareholders with the opportunity to become shareholders of a company with significantly increased scale and a clear focus on the Elizabeth Creek Copper Project.

"By accepting the Offer, Torrens' shareholders will continue to have a material interest in the upside associated with Elizabeth Creek, while at the same time mitigating funding risks and gaining exposure to a more diversified exploration portfolio. Torrens' shareholders will retain exposure to the company's existing gold assets in Victoria and NSW and its tenement applications in Papua New Guinea, while benefiting from Coda's strong balance sheet and also gaining exposure to its recently acquired Cameron River copper-gold project in the Mt Isa district of North Queensland.

"Torrens' Board believes that this transaction is in the best interests of Torrens and unanimously recommends it to our shareholders, in the absence of a superior proposal."

⁶ Of the 26.8% collectively owned or controlled by Torrens' directors, 24.8% are Restricted Securities.

⁷ Of the 15.4% of shareholders who have provided intention statements, 10.2% are Restricted Securities.

Bid Implementation Deed and Conditions to the Offer

The BID between Coda and Torrens (which is attached to this joint announcement) contains certain terms that are customary for a transaction of this nature.

These terms include deal protection mechanisms including “no shop, no talk” restrictions as well as notification and matching rights in the event of a competing proposal. A break fee may also be payable in certain circumstances. Separately private treaty arrangements will be entered into, in respect of the Torrens’ options on issue.

The Offer remains subject to certain conditions, the full list of which is set out in the BID, and includes:

- 90% minimum acceptance condition;
- no material adverse events or prescribed occurrences in relation to Torrens;
- no adverse regulatory event affecting Torrens;
- no material litigation; and
- other customary conditions for a transaction of this type.

Coda’s Intentions

If the Offer is successful, Torrens will become a wholly-owned subsidiary of Coda.

Upon completion of the Offer, Coda intends to continue to pursue the exploration activities at its core asset, Elizabeth Creek, and intends to conduct an evaluation of its other prospects, including strategic relevance and funding requirements as soon as possible.

Further details of Coda’s intentions will be included in its Bidder’s Statement.

Interim Funding

Coda and Torrens have entered into a Loan Facility Agreement pursuant to which Coda has agreed to provide Torrens with up to \$2 million to assist with Torrens’ short term funding requirements during the Offer period.

Further detail on the interim funding arrangement, including triggers for maturity and methods of repayment, will be provided in the Bidder’s and Target’s Statements.

Timetable

Coda’s Bidder’s Statement and Torrens’ Target’s Statement, which will set out important information in relation to the Offer, are expected to be dispatched to Torrens shareholders by late February 2022.

Advisors

Taylor Collison is acting as financial advisor and Blackwall Legal as legal advisor to Coda.

Longreach Capital is acting as financial advisor and Allens as legal advisor to Torrens.

For further information, please contact:

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TORRENS MINING

Steve Shedden

Managing Director

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This ASX Announcement has been approved for release by the respective boards of Coda Minerals Limited and Torrens Mining Limited.

Disclaimer

SUMMARY INFORMATION

This joint announcement has been prepared by Coda Minerals Limited ("Coda") and Torrens Mining Limited ("Torrens") and includes information regarding the conditional takeover offer by Coda to acquire all of the shares on issue in Torrens (the **Transaction**). The information in this joint announcement concerning Torrens has been prepared by Torrens and information concerning Coda has been prepared by Coda. Neither party make any representation or warranty, express or implied, as to the accuracy or completeness of the information prepared by the other. This joint announcement should also be read in conjunction with Coda and Torrens' other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au and also available on Coda's website at www.codaminerals.com and on Torrens's website at www.torrensmining.com.

NO OFFER OR RECOMMENDATION

This joint announcement is not a bidder's statement or disclosure document under Australian law or under any other law. It is for information purposes only and is not an invitation nor an offer of Coda securities. It does not provide or constitute legal, financial or investment advice, nor is it a recommendation to acquire Coda or Torrens shares. This joint announcement does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Coda by accepting the Offer nor does it contain all the information which would be required in a bidder's statement prepared in accordance with the requirements of the Corporations Act.

This joint announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

NO INVESTMENT ADVICE

This joint announcement has been prepared without taking into account the investment objectives, financial situation, taxation considerations or particular needs of any person. Before making an investment decision, prospective investors should consider the appropriateness of the information contained in, or referred to in, this joint announcement having regard to their own investment objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

FORWARD LOOKING STATEMENTS AND DISCLAIMERS

This joint announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward-looking statements in this joint announcement are based on current expectations, estimates, forecasts and projections about Coda and Torrens and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward-looking statements. The past performance of Coda and Torrens is no guarantee of future performance.

None of Coda, Torrens, or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this joint announcement reflect views held only as at the date of this joint announcement.

ANNEXURE A – BID IMPLEMENTATION DEED