

ASX ANNOUNCEMENT

28 December 2017

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW, 2001

By e-lodgment

ASX WAIVERS FROM LISTING RULES AND APPROVAL OF TERMS OF PERFORMANCE SHARES

ACN 009 161 522 Limited (Formerly Subzero Group Limited) (ASX: SZG) (**Company**) refers to its announcement dated 24 November 2017 regarding its proposed acquisition of Timok Resources Pty Ltd (the **Acquisition**).

As part of the Acquisition and for the purposes of re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Company is proposing to undertake a capital raising to issue 250,000,000 fully paid ordinary shares under a public offer to raise \$5,000,000 via the prospectus issued by the Company dated 13 December 2017 (**Capital Raising**). The Company is also proposing to undertake a number of ancillary issues of securities, which are disclosed in detail in the prospectus. The public offer and ancillary security issues are subject to the receipt of prior shareholder approval, to be sought at the 2017 annual general meeting scheduled for 8 January 2018.

To facilitate the Acquisition and Capital Raising and ancillary security issues, the Company applied for certain waivers and confirmations from ASX Limited (**ASX**).

The Company advises that ASX has granted the Company the following waivers from ASX Listing Rules 1.1 condition 12, 2.1 condition 2 and has confirmed the terms of the performance shares proposed to be issued by the Company (subject to Shareholder approval) for the purposes of Listing Rule 6.1 on the terms set out below.

DECISION

1. Based solely on the information provided, in relation to the agreement entered into between A.C.N. 009 161 522 Limited (the "Company") and Timok Resources Pty Ltd ("Timok") to acquire 100% of Timok ("Acquisition"), and the two option deeds pursuant to which Timok will acquire 100% of the issue capital of Kingstown Resources d.o.o. and Skarnore Resources d.o.o., and the public offers to raise up to \$5,100,000 and the issue of the following securities:
 - Up to 250,000,000 fully paid ordinary shares at an issue price of \$0.02 per share pursuant to a public offer made under a prospectus ("Public Offer").
 - Up to \$100,000 of convertible notes ("Convertible Notes") which will convert into shares at completion of the Proposed Transaction at a deemed price of \$0.02 with one free attaching option exercisable at \$0.02 and expiring 3 years after the date of issue ("Convertible Note Options").
 - Up to 32,000,000 free attaching options exercisable at \$0.02 and expiring 3 years after the date of issue ("Interim Capital Raising Options") which will attach to 32,000,000 fully paid ordinary shares at an issue price of \$0.02 per share issued with shareholder approval granted on 8 September 2017.

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- Up to 40,000,000 ordinary fully paid shares and 13,000,000 options exercisable at \$0.02 and expiring 3 years after the date of issue to Otsana Pty Ltd (“Otsana Options”).
- 200,000,000 performance shares to the non-related vendors of Timok (“Performance Shares”) with a zero exercise price;

ASX Limited (“ASX”) does each of the following:

- 1.1. Grants a waiver from listing rule 1.1 condition 12 to the extent necessary to permit the exercise price of the Interim Capital Raising Options and the Otsana Options proposed to be issued in conjunction with the Acquisition not to be at least \$0.20, on the following conditions.
 - 1.1.1. Security holders specifically approve the exercise price of the Interim Capital Raising Options and the Otsana Options as part of the approvals obtained under listing rule 11.1.2 for the Acquisition.
 - 1.1.2. The terms and conditions of the Interim Capital Raising Options and Otsana Options are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under listing rule 11.1.2 in respect of the Acquisition (“Notice”) and in the prospectus to be issued in respect of the Public Offer (“Prospectus”).
 - 1.1.3. The terms of this waiver are immediately disclosed to the market.
- 1.2. Grants a waiver from listing rule 2.1 condition 2 to the extent necessary to permit the issue price of the Shares issued under the Public Offer not to be at least \$0.20 each on the following conditions:
 - 1.2.1. The issue price of the Public Offer shares is not less than \$0.02 each.
 - 1.2.2. Security holders approve the issue price of the Public Offer shares as part of the approvals obtained under listing rule 11.1.2 for the Acquisition.
 - 1.2.3. The terms of this waiver are immediately disclosed to the market.
- 1.3. Confirms that the terms of the Performance Shares proposed to be issued by the Company as part consideration for the Acquisition are appropriate and equitable for the purposes of listing rule 6.1, subject to the following conditions.
 - 1.3.1. The Company obtains shareholder approval for the issue of the Performance Shares, and the Notice includes the full terms and conditions of the Performance Shares including, if applicable, approval for the issue of the Performance Shares which are to be held by a related party pursuant to Chapter 2E of the Corporations Act 2001 (Cth).
 - 1.3.2. The Performance Shares are not quoted.
 - 1.3.3. The Performance Shares are not transferable.

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- 1.3.4. The Performance Shares do not have voting rights, subject to those required by law.
- 1.3.5. The Performance Shares do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
- 1.3.6. The Performance Shares do not carry an entitlement to a dividend.
- 1.3.7. Each Performance Share is converted into one share on achievement of the relevant milestone.
- 1.3.8. The Performance Shares do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- 1.3.9. The Performance Shares do not confer any right to participate in the surplus profit or assets of the Company upon a winding up.
- 1.3.10. If a Performance Share has not converted into a share by the relevant expiry date, each of the Performance Shares will be cancelled for nil or nominal consideration per Performance Share.
- 1.3.11. The Company makes an announcement immediately upon the conversion of any Performance Shares.
- 1.3.12. The terms and conditions of the Performance Shares, including without limitation the relevant vesting conditions that have to be satisfied before each class of Performance Shares is converted into shares, are not to be changed without the prior approval of ASX and the Company's shareholders.
- 1.3.13. Upon conversion of the Performance Shares into shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.
- 1.3.14. The Company discloses the following in each annual report, annual audited accounts, half-yearly report and quarterly cashflow report issued by the Company in respect of any period during which any of the Performance Shares remain on issue or were converted or cancelled.
 - a) The number of Performance Shares on issue during the relevant period.
 - b) A summary of the terms and conditions of the Performance Shares, including without limitation the number of shares into which they are convertible and the relevant performance milestones.
 - c) Whether any of the Performance Shares were converted or cancelled during that period.
 - d) Whether any vesting conditions were met during the period.
- 1.3.15. The Company discloses the following in item 9 of each Appendix 3B lodged by the Company while any of the Performance Shares remain on issue.
 - a) The number of Performance Shares on issue at the time of lodgement of the Appendix 3B.

**A.C.N 009 161 522 LIMITED (FORMERLY
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- b) The conversion ratio of the Performance Shares into shares upon achievement of a performance milestone.

1.3.16. The terms of this waiver are immediately disclosed to the market and in the Prospectus.

2. ASX has only considered the application of listing rules 1.1 condition 12, 2.1 condition 2 and 6.1 only and makes no statement as to the Company's compliance with other listing rules.

For corporate matters, please contact joint corporate advisors:



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