



# ASX ANNOUNCEMENT

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17 April 2020

## ASX Waiver Decision – Listing Rule 10.11.3

Metro Mining Limited (ASX:MMI) (Metro) refers to its Announcement of 11 July 2016 in relation to the making of a strategic investment in Metro by a now substantial holder of Metro, Greenstone Resources II LP (Greenstone). In the agreements effecting that strategic investment, Greenstone is, subject to various conditions, able to maintain its percentage shareholding in Metro by participating in certain new issues of Metro securities (Top-Up Right). On 27 July 2016, ASX granted Metro a Waiver in respect of ASX Listing Rule 6.18 to enable Greenstone to exercise this Top-Up Right.

As a result of the amendments to ASX Listing Rule 10.11 that came into effect on 1 December 2019 (specifically, the introduction of ASX Listing Rule 10.11.3) an issue of equity securities in Metro to Greenstone now requires approval of Metro's shareholders unless a specific exception applies. Greenstone's exercise of its pre-existing Top-Up Right is not an exception to this requirement.

In ASX Guidance Note 25, ASX invited companies that had granted top-up rights prior to the introduction of the amendments to ASX Listing Rule 10.11 to apply for a Waiver to allow issues of securities in accordance with those pre-existing top-up rights to continue, without shareholder approval. Following discussions with ASX, Metro applied for a Waiver in respect of ASX Listing Rule 10.11.3 and sought confirmation from ASX that Metro's ASX Listing Rule 6.18 Waiver remains effective.

Metro is pleased to announce that ASX has granted the necessary Waiver from ASX Listing Rule 10.11.3 for a period of 3 years (commencing on 14 April 2020) and has otherwise confirmed that Metro's existing Waiver in respect of ASX Listing Rule 6.18 remains effective. The terms of the Waiver granted to Metro in respect of ASX Listing Rule 10.11.3 are set out in the Annexure.



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This ASX Announcement has been authorised by, Metro Mining Director, Simon Finnis.

**FORWARD LOOKING STATEMENT** Statements & material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events & expectations and, as such, involve known and unknown risks & uncertainties. Although reasonable care has been taken to ensure facts stated in this Release are accurate and/or that the opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results & developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this Release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

# Annexure

## Decision

"ASX's formal decision is as follows:

1. Based solely on the information provided, ASX Limited ('ASX') grant Metro Mining Limited (the 'Company') a waiver from listing rule 10.11.3 to the extent necessary to permit the Company to issue shares to Greenstone Resources LP and its related bodies corporate ('Greenstone') so that Greenstone can maintain, pursuant to the strategic alliance (encompassing a subscription agreement, offtake and technical support between the Company and Greenstone), by way of a right to participate in any issue of securities, its percentage interest in the issued share capital of the Company up to a maximum of 19.98% ('Anti-Dilution Right').
2. This Waiver is Granted on the following conditions.
  - 2.1. The listing rule 6.18 waiver granted by ASX on 19 July 2016 with respect to the Anti-Dilution Right is complied with in all respects.
  - 2.2. The waiver is granted for an initial term of three years only from 14 April 2020.
  - 2.3. Any securities issued under the Anti-dilution Right are offered to Greenstone for cash consideration that is:
    - 2.3.1. No more favourable than cash consideration offered by third parties (in the case of issues of securities to arm's length parties for cash consideration); or
    - 2.3.2. Equivalent in value to non-cash consideration offers by arm's length third parties (in the case of issues of securities to third parties for non-cash consideration).
  - 2.4. The Company immediately releases the terms of the waiver to the market.
3. ASX has considered Listing Rule 10.11.3 and 6.18 only and makes no statement as to the Company's compliance with other listing rules.

## Basis for Waiver Decision - Listing Rule 10.11.3

4. Listed entities are required to obtain the prior approval of security holders for an issue of equity securities to persons in a position of influence. This rule is directed at preventing these parties from obtaining securities on advantageous terms and increasing their holding proportionate to the holdings of other security holders, without the prior consent of the ordinary security holders. The rule protects ordinary security holders' interests by supplementing the related party provisions of the Corporations Act (and any related party provisions applying to foreign entities under relevant legislation). A number of exceptions from the requirement for prior security holder approval are permitted under listing rule 10.12, including where securities are issued under a pro rata entitlement offer.

## Facts and Reasons for Granting the Waiver

5. In July 2016, the Company was granted a waiver of listing rule 6.18 to allow the operation of the Anti-Dilution Right, subject to conditions. New listing rule 10.11.3 and Guidance Note 25 were introduced on 1 December 2019. Due to the application of listing rule 10.11.3 to Greenstone, any further issue of securities to Greenstone would require specific shareholder approval without a waiver of that rule, despite the waiver of listing rule 6.18. Guidance Note 25 contemplates that entities which have obtained the benefit of a listing rule 6.18 waiver prior to 1 December 2019 can apply to ASX for a concurrent listing rule 10.11.3 waiver. ASX must be satisfied that the basis for the listing rule 6.18 waiver remains true, that there is a continuing and genuine strategic relationship between the listed entity and the security holder, that the security holder and its related bodies corporate have maintained their holding in the entity at the agreed percentage throughout the life of their anti-dilution right and that the terms of the anti-dilution right continue to be appropriate and equitable. The waiver is granted for an initial term of three years only. The listing rule 10.11.3 waiver is only granted on the basis to entitle Greenstone to be able to utilise its top-up right to maintain a 19.98% interest in the Company.

## Conditions of Waiver

The waiver is subject to certain conditions. Under Listing Rule 18.1, these conditions must be complied with for the waiver and confirmation to be effective.

## ASX's Power to Vary or Revoke Waiver

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke the waiver at any time."