



NRW Holdings Limited

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2 December 2020

The Manager
Market Announcements Office
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Dear Sir / Madam

Bidder's Statement – Off-market takeover bid by NRW Holdings Limited

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we enclose a copy of the bidder's statement dated 2 December 2020 (**Bidder's Statement**) prepared by NRW Holdings Limited ACN 118 300 217 (ASX:NWH) (**NRW**) in relation to the conditional off-market takeover bid by NRW under Chapter 6 of the Corporations Act for all of the fully paid ordinary shares in Primero Group Limited (ASX:PGX) (**Primero**).

For the purposes of section 633(2) and section 633(4)(a) of the Corporations Act and pursuant to a written notice provided to Primero on 1 December 2020, NRW hereby gives ASX notice that NRW has set the time and date for determining the people to whom the Bidder's Statement is to be sent in accordance with items 6 and 12 of section 633(1) of the Corporations Act as those on the register as at 7.00pm (Sydney time) on 1 December 2020.

The Bidder's Statement is being lodged today with the Australian Securities and Investments Commission and served on Primero.

Yours faithfully



Kim Hyman
Company Secretary
NRW Holdings Limited



BIDDER'S STATEMENT RECOMMENDED OFFER

By **NRW Holdings Limited**

ACN 118 300 217

to acquire all of your ordinary shares in

Primero Group Limited

ACN 149 964 045

for \$0.275 cash and 0.106 NRW Shares
for each of your Primero Shares

ACCEPT NOW

This is an important document and requires your attention.
If you are in any doubt about how to deal with this document, you should
contact your broker, financial adviser or legal adviser.

Offer Information Line

Please call 1300 222 378 (from within Australia) or +61 1300 222 378
(from outside Australia), if you have any questions or require assistance
with your acceptance. Further information relating to the Offer can be
obtained from NRW's Offer website at nrw.com.au/investors/primero-takeover.



**LONGREACH
CAPITAL**

Financial Adviser

**CORRS
CHAMBERS
WESTGARTH**

Legal Adviser

BIDDER'S STATEMENT

KEY DATES AND IMPORTANT INFORMATION

KEY DATES

Announcement Date	24 November 2020
Date of Bidder's Statement	2 December 2020
Date of the Offer	2 December 2020
Offer scheduled to close (unless extended or withdrawn*)	7.00pm (Sydney time) on 22 January 2021

* The Offer may be extended to the extent permitted under the Bid Implementation Agreement and the Corporations Act.

IMPORTANT INFORMATION

Bidder's Statement

This document is the Bidder's Statement dated 2 December 2020 given by NRW Holdings Limited ACN 118 300 217 (**NRW**) to Primero Group Limited ACN 149 964 045 (**Primero**) in relation to the off-market takeover offer for all Primero Shares under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC and filed with ASX on 2 December 2020. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the content of this Bidder's Statement.

Definitions and interpretation

A number of important words and phrases with particular meanings are used in this Bidder's Statement. These terms are explained in **section 11** of this Bidder's Statement. **section 11** of this Bidder's Statements also includes certain rules of interpretation which apply to this Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Primero Shareholder or any other person. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer made to you.

Information regarding Primero and the Combined Group

The information relating to Primero contained in **sections 3** and **4.1** to **4.5** has been provided, and the information on the Combined Group in this Bidder's Statement, to the extent that it incorporates or reflects information on Primero, has been prepared using information provided, by Primero and is the sole responsibility of Primero. That information has not been independently verified by NRW and neither NRW nor any of its officers, employees or advisers assumes any responsibility for the accuracy or completeness of that information.

Any other information in this Bidder's Statement concerning Primero or Primero's assets and securities, including information on the Combined Group to the extent that it incorporates or reflects information on Primero, has been prepared from publicly available information and limited information made available by Primero to NRW. This information has not been independently verified by NRW, and accordingly to the extent permitted by the Corporations Act, NRW makes no representations and warranties, express or implied, as to the accuracy or completeness of such information.

The information in this Bidder's Statement relating to Primero should not be considered comprehensive. Further information relating to Primero may be included in the Target's Statement which will be sent to you by Primero.

Forward looking statements

This Bidder's Statement may contain forward looking statements, which include statements other than statements of historical fact. You should be aware that such statements

are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Primero and NRW operate as well as general economic conditions, prevailing exchange rates and interest rates, and conditions in the financial markets and other factors, many of which are beyond the control of NRW. Actual events, results, values, performance or achievements may differ materially from events, results, values, performance or achievements expressed or implied in any forward looking statement. The past performance of NRW is no guarantee of future performance.

None of NRW, any of the NRW Directors, officers or advisers, or any other person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Bidder's Statement will actually occur. Accordingly, you are cautioned not to place undue reliance on any forward looking statements.

The forward looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

Value of NRW Shares

As you are being offered NRW Shares as consideration for your Primero Shares, the implied value of the Offer will vary with the market price of NRW Shares. Further information on the implied value of the Offer is contained in the 'Reasons why you should accept the Offer' section of this Bidder's Statement.

Foreign Shareholders

Primero Shareholders should note that part of the consideration under the Offer is NRW Shares, which are shares in an Australian public company listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries.

Subject to the paragraphs below, Primero Shareholders whose addresses in Primero's registers of securityholders are not in Australia, New Zealand, Canada, Thailand or the United States of America will not be entitled to receive NRW Shares on acceptance of the Offer (unless NRW determines otherwise including where NRW forms the view that making the offer to Primero Shareholders registered in a jurisdiction other than Australia is unlawful or unduly onerous). Foreign Shareholders who accept the Offer will be paid a cash amount calculated in accordance with **section 10.10** of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such securities would be unlawful.

BIDDER'S STATEMENT

KEY DATES AND IMPORTANT INFORMATION

United States of America

This Bidder's Statement has not been filed with, or reviewed by, the US Securities and Exchange Commission (**SEC**) or any state securities authority and none of them has passed upon or endorsed the merits of the offer of NRW Shares or the accuracy, adequacy or completeness of this document. Any representation to the contrary is a criminal offence.

The NRW Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The NRW Shares are not being offered in any US state or other jurisdiction where it is not legally permitted to do so.

Primero shareholders should note that the Offer is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Offer is subject to the disclosure requirements of Australia that are different from those of the US. Any financial statements included in the Bidder's Statement have been prepared in accordance with Australian accounting standards and may not be comparable to the financial statements of US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since NRW is incorporated in Australia and some of its officers and directors are residents of Australia. You may not be able to sue NRW or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel NRW and its affiliates to subject themselves to a US court's judgment.

You should be aware that NRW may purchase securities other than under the Offer, such as in privately negotiated purchases.

Any pro forma historical financial information included in this Bidder's Statement does not purport to be in compliance with Article 11 of the SEC's Regulation S-X. The pro forma adjustments made in arriving at the pro forma historical financial information included in this Bidder's Statement may not be permissible under the SEC's rules and regulations on pro forma financial presentations.

New Zealand

This Bidder's Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Financial Markets Conduct Act 2013* or any other New Zealand law.

The offer of NRW Shares is being made to existing shareholders of Primero in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

Canada

This Bidder's Statement, and the Offer contained in it, have not been prepared in accordance with securities laws and other legal requirements of any Canadian jurisdiction. This Offer is being made in and to residents of Quebec on the basis of an exemption from the take-over bid requirements under the *Securities Act* (Quebec). This Offer is not being made in and to residents of any other Canadian province or territory.

This Bidder's Statement is not a Canadian prospectus and is only being filed with the Autorité des marchés financiers in Quebec in order that NRW may rely on an exemption from the take-over bid requirements. Shareholders of Primero who accept the Offer and are issued NRW Shares will receive such shares pursuant to an exemption from the prospectus requirement of *Securities Act* (Quebec). Any resale of the NRW Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Thailand

This Bidder's Statement is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Bidder's Statement has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Bidder's Statement and any other document relating to the offer, sale or invitation for subscription or purchase, of the NRW Shares may not be circulated or distributed, nor may the NRW Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This Bidder's Statement may be distributed, and the NRW Shares issued, only to shareholders of Primero.

No internet site is part of this Bidder's Statement

NRW maintains an internet site at www.nrw.com.au. Any references in this Bidder's Statement to an internet site are a textual reference for information only and no information in any internet site forms part of this Bidder's Statement.

Privacy

NRW has collected your information from the registers of securityholders of Primero for the purposes of making the Offer, recording acceptances over your Primero shareholding and, if accepted, accounting to you for the Offer consideration including issuing your new shareholding in NRW. Under the Corporations Act, the name and address of security holders are required to be held in a public register. NRW and the share registry may disclose your personal information to their Related Bodies Corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. The registered address of NRW is 181 Great Eastern Highway, Belmont, WA 6104.

ASX codes

NRW: ASX: NWH

Primero: ASX: PGX

Miscellaneous

All amounts are in Australian currency unless otherwise specified. All references to time are to the local time in Perth, Western Australia, unless otherwise noted. A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly actual figures may differ.



CHAIRMAN'S LETTER

Dear Primero Shareholders

Recommended off-market takeover bid for Primero

On behalf of the NRW Board, I am pleased to present you with this Bidder's Statement which details NRW's Offer to acquire all of your Primero Shares.

Under the Offer you will be paid for \$0.275 cash plus 0.106 NRW Shares for each of your Primero Shares.

The Offer is structured so that Primero Shareholders receive both an attractive price and consideration comprising both cash and NRW Shares. As a result, you can realise part of your investment for cash and become a shareholder in a leading diversified provider of contract services to the resources and infrastructure sectors in Australia.

The Offer values Primero at approximately \$100 million or \$0.55¹ per Primero Share based on NRW's closing share price of \$2.59 on 23 November 2020 on a fully diluted basis. This represents a premium of:

- 14.6%, to the price of a Primero Share on the ASX at the close of trading on 23 November 2020, the day prior to announcement of the Offer;
- 30.1% to the 30 trading day VWAP of Primero Shares;² and
- 50.5% to the 60 trading day VWAP of Primero Shares.²

The Offer has been unanimously recommended by the Primero Board and each Primero Director intends to accept the Offer in respect of all Primero Shares they own and control no earlier than 21 days after the date of the Offer, in the absence of a Superior Proposal.

The Primero Directors own or control approximately 51.9 million Primero Shares representing approximately 30% of Primero Shares on issue as at 27 November 2020, being the last practicable date before the date of this Bidder's Statement.

An investment in NRW brings with it a profitable and financially secure company with diversified revenue streams, attractive growth opportunities and a proven management team which the Primero management team will become a part of. Moreover, you will benefit from the higher liquidity of NRW shares, the potential to receive dividends and may be eligible for partial CGT rollover relief.

The Offer is subject to a 90.1% minimum acceptance condition and other customary conditions, including no regulatory actions, no material adverse change or no prescribed occurrences. A full list of those conditions is provided in **section 10.11** of this Bidder's Statement.

The Offer is open for your acceptance until 7.00pm Sydney time on Friday, 22 January 2021, unless extended. To accept the Offer, please follow the instructions in this Bidder's Statement and the enclosed acceptance form.

If you have any questions about the Offer, please contact your legal, financial or other professional adviser, or call the offer information line on 1300 222 378 (toll free) (within Australia) or +61 1300 222 378 (normal charges apply) (outside of Australia).

I encourage you to read this Bidder's Statement carefully and to accept this Offer.

Yours sincerely

Michael Arnett
Chairman
NRW Holdings Limited

¹ The implied value of the Offer will change with fluctuations in the NRW share price.

² VWAP of Primero shares is calculated for the period up to and including the 23 November 2020, the last trading day prior to NRW announcing its intention to make the Offer.

BIDDER'S STATEMENT

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BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

The Offer provides significant benefits to you as a Primero Shareholder. The key reasons why you should accept the Offer are as follows:

-
- 1** **The Offer is unanimously recommended by Primero Directors.**
 - 2** **The Offer represents a meaningful premium to pre-announcement trading prices of Primero Shares.**
 - 3** **You will become a shareholder in a larger diversified company with proven management expertise and established operating track record.**
 - 4** **You will become a shareholder in a financially stronger company with a compelling strategic platform and clear growth outlook.**
 - 5** **You will benefit from NRW's higher liquidity, attractive dividend policy and may be eligible for partial CGT rollover relief.**
 - 6** **The trading price of Primero Shares may fall if the Offer is unsuccessful.**
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BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

1. Unanimous recommendation from the Primero Directors

The Primero Directors have announced that they will unanimously recommend that Primero Shareholders accept the Offer, in the absence of a Superior Proposal.

Each Primero Director has also confirmed that he or she intends to accept the Offer in respect of all Primero Shares they own and control no earlier than 21 days after the date of the Offer, again in the absence of a Superior Proposal. This also includes accepting the Offer in respect of any Primero Shares issued as a result of the exercise of any Primero Options (which those Primero Directors have confirmed they intend to immediately exercise should those Primero Options vest in accordance with their terms).

Collectively, the Primero Directors own or control approximately 51.9 million Primero Shares representing approximately 30%³ of all Primero Shares as at 27 November 2020, being the last practicable date prior to the date of this Bidder's Statement and a further approximately 5.1 million Primero Options which, if exercised, will account for a further 5.1 million Primero Shares.

If you accept the Offer made to you and the Offer becomes or is declared unconditional, you will receive:

- \$0.275 cash; plus
- 0.106 NRW Shares,

for each of your Primero Shares.

As at the date of this Bidder's Statement, NRW is not aware of any Superior Proposal having been received by Primero and Primero has not made NRW aware of any party having an intention to make such a proposal.

2. The Offer represents a meaningful premium to pre-announcement trading prices of Primero Shares

Under the Offer, Primero Shareholders will receive \$0.275 cash and 0.106 NRW Shares for each of your Primero Shares held.

The Offer values Primero at approximately A\$100 million⁴ or \$0.55⁵ per Primero Share. This represents a:

- 14.6% premium to Primero's closing share price of \$0.48 on 23 November 2020, being the day prior to the Announcement Date;
- 30.1% premium to Primero's 30 trading day VWAP of Primero Shares of \$0.423;⁶ and
- 50.5% premium to Primero's 60 trading day VWAP of Primero Shares of \$0.365.⁶

Since the Announcement Date, Primero's share price has traded from \$0.48 to \$0.555. As at 27 November 2020, the last practicable date prior to the finalisation of this Bidder's Statement, the Offer valued each Primero Share at \$0.563 per share.⁷ The implied value of the Offer will continue to fluctuate with movements in the NRW Share price.

³ Based on current Primero Shares on issue and excludes any new Primero Shares to be issued upon exercise/vesting of Primero Options.

⁴ Based on NRW closing share price on 23 November 2020 and Primero on a fully diluted basis. The implied value of the Offer will change with fluctuations in the NRW share price.

⁵ Based on NRW closing share price on 23 November 2020. The implied value of the Offer will change with fluctuations in the NRW share price.

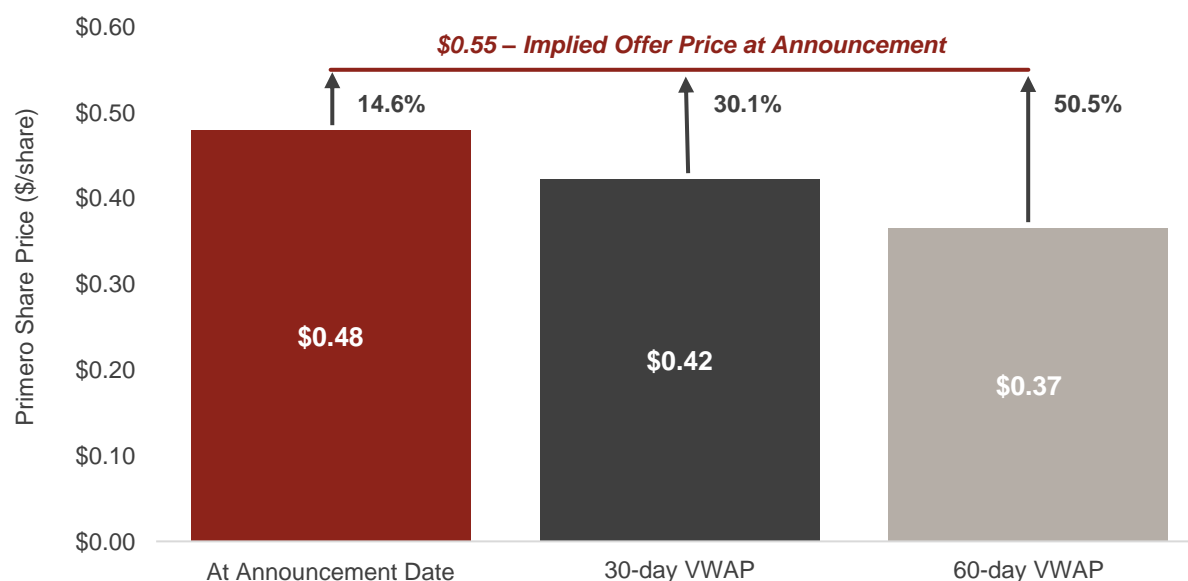
⁶ VWAP of Primero shares is calculated for the period up to and including the 23 November 2020, the last trading day prior to NRW announcing its intention to make this Offer

⁷ Based on the closing price of NRW shares on ASX on 27 November 2020 of \$2.72 per share.

BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

IMPLIED PREMIUM AT ANNOUNCEMENT



Source: IRESS

IMPLIED OFFER PRICE VS PRIMERO 12 MONTH SHARE PRICE



Source: IRESS

3. You will become a shareholder in a larger diversified company with proven management expertise and established operating track record.

NRW is a leading, diversified provider of contract services to the resources and infrastructure sectors in Australia, with extensive operations in Western Australia, South Australia, New South Wales, Queensland, Northern Territory and Victoria.

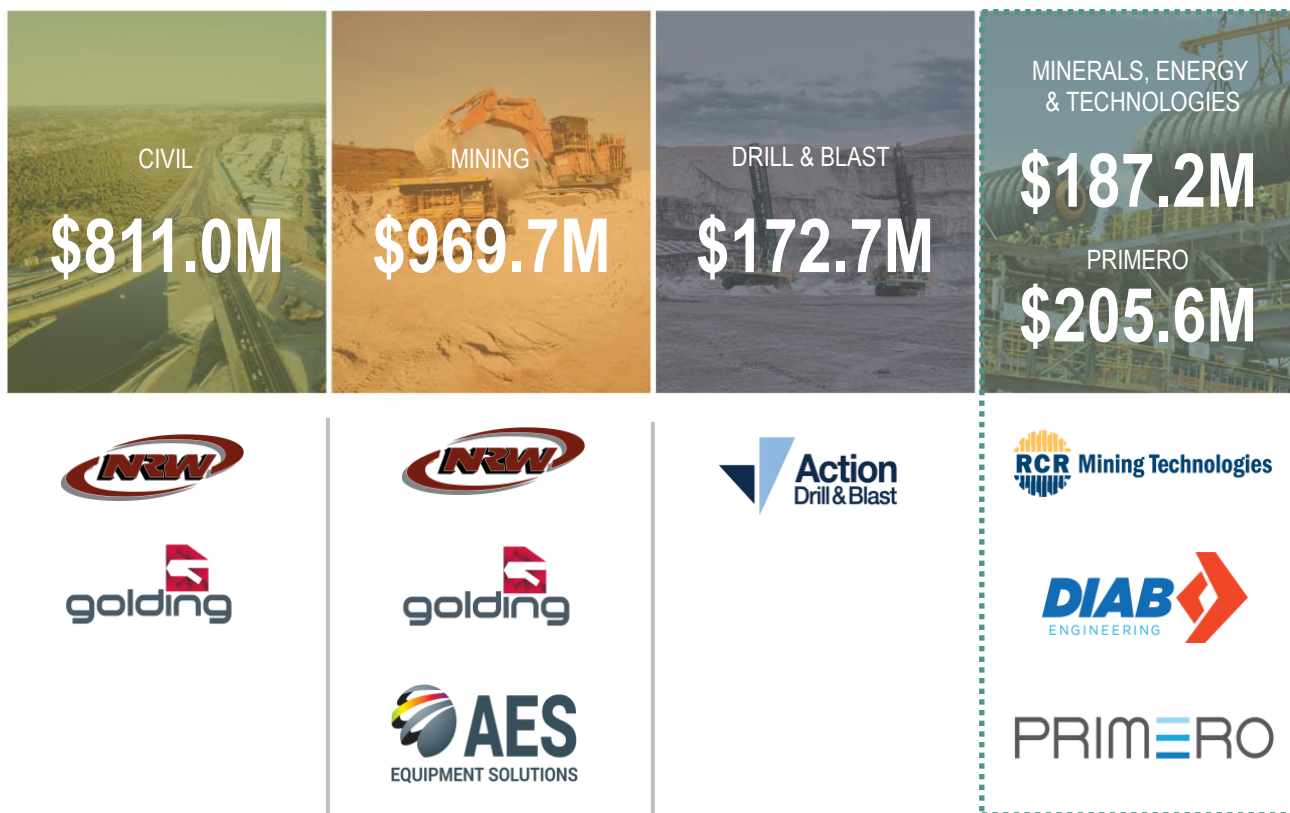
Listed on the ASX, NRW with a market capitalisation of approximately \$1.15 billion has a growth strategy focused on creating value for all stakeholders.

BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

NRW's geographical diversification is complemented by its delivery of a wide range of services across four key divisions.

NRW OPERATION DIVISIONS – FY2020 REVENUE⁸



NRW management has a demonstrated track record in successfully executing and integrating strategic acquisitions to create value for all stakeholders. Recent acquisitions successfully completed include:

- **Golding** – In August 2017, NRW acquired Golding, one of the largest civil construction and mining services contractors in Queensland, which operates three core divisions - Civil, Mining and Urban - across Queensland and New South Wales. Since the acquisition, Golding has added strongly to group performance.
- **RCR Mining Technologies** – In January 2019, NRW acquired RCR Mining Technologies and RCR Heat Treatment (creating the Mining Technologies division, which was recently renamed "*Minerals, Energy and Technologies*"), a leading national and international original equipment manufacturer (**OEM**) and innovative materials handling designer with an extensive product range. The addition of Minerals, Energy and Technologies to the NRW Group delivered annuity style income and provided a platform to continue to build a broader service offering across an expanded resources and oil and gas client base.
- **BGC Contracting (including DIAB Engineering)** – In November 2019, NRW broadened its service capability through the acquisition of BGC Contracting (renamed NRW Contracting), which delivered an enhanced platform across the entire mining lifecycle. In addition, the acquisition has brought a significant delivery capability in public infrastructure construction works to NRW. This capability together with the strong outlook for Government public infrastructure works is a major focus for NRW's future growth plans. NRW Contracting provided a step change in scale and diversity whilst DIAB Engineering strengthened NRW's "*Minerals, Energy and Technologies*" division.

NRW has a current workforce of around 7,000 people supporting clients across the infrastructure, resources, industrial engineering, maintenance and urban sectors and importantly, NRW intends to continue the Primero business and utilise the expertise of its management team and workforce to further grow the success of the Combined Group, including the Minerals, Energy and Technologies division.

⁸ NRW figures include share of revenue from associates.

BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

4. You will become a shareholder in a financially stronger company with a compelling strategic platform and clear growth outlook.

By accepting the Offer you will become a shareholder in a financially stronger company with a positive growth outlook and continue to participate in the growth of Primero's business as its competencies are complementary to NRW's compelling strategic platform.

- **Broader service offering** – Primero is a vertically integrated engineering group that specialise in the design, construction and operation of resource projects. By becoming a NRW Shareholder, you will benefit from the broader service offering of NRW and the Minerals, Energy and Technologies division, including the ability to offer a more complete set of services to existing and potential clients.
- **Continuity of service to clients across the lifecycle of mining projects** – By becoming a shareholder in NRW, you will benefit from greater exposure to NRW Minerals, Energy and Technologies division and the ability to offer clients continuity of services across the whole lifecycle of resource projects – from early planning, design, development, construction to operations and maintenance.
- **Broadened market diversification** – Primero's end-market exposure is very concentrated and revenue is directly exposed to factors impacting the resources industry, including commodity prices, the number of new mining projects and the level of capital expenditure in the sector. By becoming a shareholder in NRW, you will have exposure to an expanded service offering to a high-profile client base with a long track record of contract renewal and extension.

If the Offer is successful, Primero Shareholders will have a relevant interest of approximately 4.4%⁹ of NRW.

PRIMERO ACQUISITION ALIGNS WITH NRW STRATEGIC GROWTH PLAN



⁹ Primero – fully diluted basis

BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

NRW has a history of growth and a strong balance sheet to help support the increased planned initiatives of Primero.

FIVE YEAR SNAPSHOT

Measure	2020	2019	2018	2017	2016
Total Revenue – \$ million	\$2,004	\$1,078	\$685	\$345	\$288
EPS	18.2 cents	8.6 cents	11.6 cents	9.1 cents	7.7 cents
EPS Growth	109.3%	n/a	27.5%	18.2%	n/a
Comparative EBITDA – \$million ¹	\$250.0	\$143.9	\$93.4	\$58.8	\$47.2
Net Profit / (Loss) After Tax - \$ million	\$73.7	\$32.2	\$42.2	\$28.5	\$21.5
NPATA - \$ million ²	\$89.7	\$40.4	\$33.9	\$16.5	\$9.8
Interim Dividend Paid	2.5 cents	2.0 cents	-	-	-
Final Dividend Declared In Respect of the Year	4.0 cents	2.0 cents	2.0 cents	-	-
Annual Total Shareholder Return (%)	n/a	49%	194%	216%	17%

(1) Comparative EBITDA – Earnings before interest, tax, depreciation, amortisation, transaction costs, Gascoyne impairment and RCR Mining Technologies gain on acquisition and or impairment losses.

(2) NPATA – Net profit after Tax adjusted for acquisition amortisation and or impairment losses at normal tax rates.

However, if you do not accept the Offer, you will remain exposed to the risks and uncertainties associated with being an investor in Primero. Primero's size and balance sheet may well impact its ability to successfully implement its stated business plan. Primero noted in the transaction announcement (announced on the Announcement Date) that it may need to raise external capital to fund its operations and growth plans and working capital needs, which may include a potential significantly dilutive capital raising.

NRW has agreed to assist with managing these working capital issues through the provision of a \$10 million second ranking secured loan (ie the Loan Facility). In the event that the Offer does not complete, this loan will become repayable in accordance with its terms. Further details regarding the Loan Facility are set out in **section 9.9**.

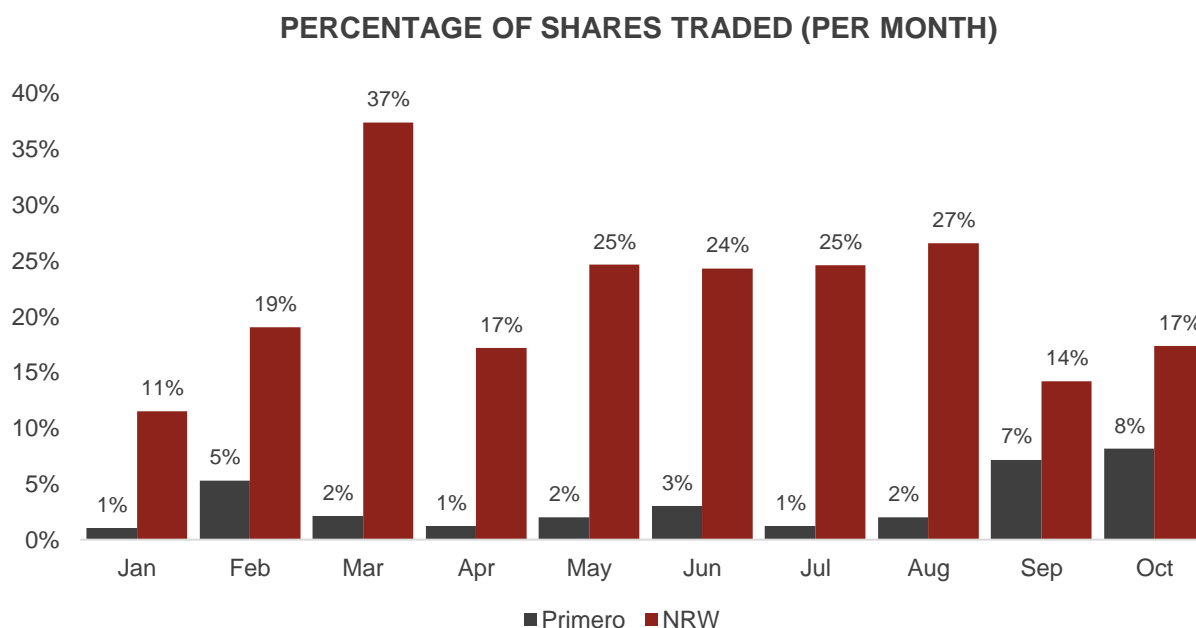
BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

5. You will benefit from NRW's higher liquidity, attractive dividend policy and may be eligible for partial CGT rollover relief.

By accepting the Offer, Primero Shareholders will receive NRW Shares as part of their Offer consideration. NRW has significantly greater relative trading liquidity compared to Primero, which would provide Primero Shareholders with an enhanced ability to realise the inherent value in their shareholding through NRW versus a shareholding in Primero.

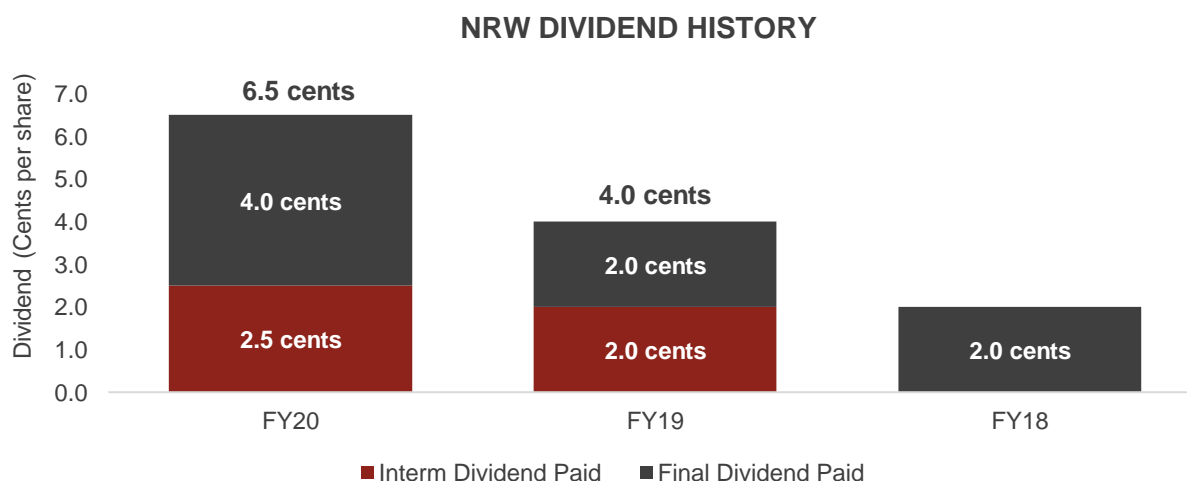
The historical monthly liquidity during 2020 of NRW Shares relative to Primero Shares is shown in the chart below.



Source: IRESS

In addition, NRW has a track record of paying dividends and declared a final fully-franked dividend of \$0.04 per share for the financial year ending on 30 June 2020, bringing the total dividend for the financial year to \$0.065 per share following an interim dividend paid in June 2020.

The NRW Board's current dividend policy is to ensure that NRW has appropriate liquidity to maintain dividend payments at both the full year and half year. The Board also seeks to grow dividend payments year on year subject to ensuring that NRW has appropriate liquidity to support ongoing operations and strategic initiatives. Primero Shareholders holding NRW Shares at any future dividend record date would be eligible to receive any associated future dividends paid by NRW.



Source: NRW

BIDDER'S STATEMENT

REASONS WHY YOU SHOULD ACCEPT THE OFFER

If you accept the Offer, you may also be eligible for partial CGT rollover relief if the disposal of your Primero Shares would otherwise give rise to a capital gain, provided that NRW gains acceptances for at least 80% of all Primero Shares (regardless of what form of consideration is accepted for these shares).

Information in relation to CGT rollover relief and general Australian taxation implications of accepting the Offer are set out in **section 7**. You should consult your own independent professional tax advisor for tax advice, taking into account your individual circumstances.

6. The trading price of Primero Shares may fall if the Offer is unsuccessful

Since the Announcement Date, Primero Shares have traded at a level that reflects the implied value of the Offer.

If the Offer is not successful and an alternative Competing Proposal does not emerge, the Primero Share price may decline and may trade below the implied value of the Offer.

NRW's Offer significantly mitigates the risks associated with Primero remaining as a stand-alone entity, whilst enabling Primero Shareholders to continue to participate in the future operations of Primero through being a shareholder of the Combined Group.

BIDDER'S STATEMENT

SUMMARY OF THE OFFER

The information set out in this section is a summary of the Offer and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement and Primero's Target's Statement in their entirety before deciding whether to accept the Offer made to you.

Question	Answer	Further information
Who is NRW?	<p>NRW is an Australian public listed company with a market capitalisation of approximately \$1.15 billion as at 27 November 2020, being the last practicable date before the date of this Bidder's Statement. NRW provides diversified services to the resources, civil infrastructure and urban development sectors. NRW has structured its business reporting into four segments, namely Civil, Mining, Drill and Blast and Minerals, Energy and Technologies.</p> <p>See section 1.2 of this Bidder's Statement for further details regarding NRW and its business units.</p>	Refer to section 1 .
What is NRW offering to buy?	<p>NRW is offering to buy all of your Primero Shares on the terms set out in this Bidder's Statement.</p> <p>This includes Primero Shares that are issued during the Offer Period as a result of the exercise of Primero Options.</p> <p>You may only accept the Offer for all the Primero Shares you own.</p>	Refer to section 10 .
What will you receive if you accept the Offer?	<p>If you accept the Offer in respect of your Primero Shares and that Offer becomes or is declared unconditional, you will be paid \$0.275 and be issued 0.106 new NRW Shares for each Primero Share that you own.¹⁰</p>	Refer to section 10 .
What is the value of the consideration under the Offer?	<p>The consideration under the Offer is comprised of 0.106 NRW Shares for each of your Primero Shares plus \$0.275 cash for each of your Primero Shares. The aggregate value of the Offer consideration is approximately \$0.55 per Primero Share, based on the closing price of \$2.59 per NRW Share on 23 November 2020, the day prior to the Announcement Date, and the cash consideration of \$0.275 per Primero Share.</p> <p>As NRW Shares are listed on the ASX, the market price of NRW Shares can fall as well as rise and may be subject to varied and unpredictable influences.</p> <p>Accordingly, there is no guarantee that a NRW Share will continue to be worth equal to or above \$2.59.</p> <p>See section 2.3 of this Bidder's Statement for further details regarding the value of NRW Shares.</p>	Refer to section 10
When will you receive the Offer consideration?	<p>If you validly accept the Offer made to you, NRW will generally pay you the Offer consideration on or before the earlier of:</p> <ul style="list-style-type: none"> one month after the date of your acceptance or if the Offer is subject to a defeating condition when you accept the Offer, within one month after the Offer becoming or being declared unconditional; or 21 days after the end of the Offer Period. <p>Foreign Shareholders will be paid the cash proceeds of the sale to which they are entitled under the Offer in accordance with sections 10.10.</p>	Refer to section 10.9 .
Will you need to pay brokerage or stamp duty on acceptances?	<p>Brokerage or stamp duty is not payable by you in respect of your acceptance.</p> <p>If your Primero Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Primero Shares are registered in the name of a broker, bank custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.</p>	Refer to section 7 and section 10.10 .
Do the Primero Directors support the Offer?	<p>Yes, the Primero Directors have announced that they will unanimously recommend that Primero Shareholders accept the Offer, in the absence of a Superior Proposal.</p> <p>Each Primero Director has also confirmed that he or she intends to accept the Offer in respect of all Primero Shares they own and control no earlier than 21 days after the date of the Offer, again in the absence of a Superior Proposal.</p>	Refer to "Reasons why you should accept the Offer" section.

¹⁰ If you are a Foreign Shareholder, you should refer to the 'What if you are a Foreign Shareholder' question below.

BIDDER'S STATEMENT

SUMMARY OF THE OFFER

This also includes accepting the Offer in respect of any Primero Shares issued as a result of the exercise of any Primero Options (which those Primero Directors have confirmed they intend to immediately exercise should those Primero Options vest in accordance with their terms).

Collectively, the Primero Directors own or control Primero Shares representing approximately 30% of all Primero Shares as at 27 November 2020, being the last practicable date prior to the date of this Bidder's Statement and a further approximate 5.1 million Primero Options which, if exercised, will account for a further approximately 5.1 million Primero Shares.

Can you accept the Offer for a portion of your holding?	No. You may only accept the Offer for ALL the Primero Shares you own.	Refer to section 10.6 .
Can you sell your Primero Shares on market	Yes, you can sell some or all of your Primero Shares on market, but only if you have not accepted the Offer.	N/A
What if you are a Foreign Shareholder?	Foreign Shareholders that accept the Offer will not receive new NRW Shares. Instead, Foreign Shareholders will be paid the net proceeds of the sale by the Sale Nominee of those NRW Shares that you would otherwise have been entitled to in respect of the Offer.	Refer to section 10.10 .
When will the Offer close?	The Offer is scheduled to close at 7.00pm (Sydney time) on Friday, 22 January 2021 unless the Offer is extended or withdrawn.	Refer to section 10.3 .
Can NRW extend the time at which the Offer are to close?	Yes. NRW can extend the Offer Period in accordance with the Corporations Act.	Refer to section 10.3 .
Is the Offer subject to conditions?	<p>The Offer is subject to a number of conditions, including:</p> <ul style="list-style-type: none"> • a minimum acceptance condition of 90.1%; • receipt of any regulatory approvals required; • no order, investigation or application is made which restrains, prohibits or impedes the Offer and the Takeover Bid; • no material adverse change in Primero occurs; • absence of 'prescribed occurrences' in Primero; • restrictions on the conduct of the business; • no litigation in relation to Primero is announced or commenced; • no financial indebtedness of any kind is incurred; • no distributions are made; • no material breach of the Bid Implementation Agreement; and • each Primero Option holder, still holding Primero Options as the end of the Offer Period, accepting NRW's Primero Options Offer and that holder and Primero executing option cancellation deeds. 	Refer to section 10.11 .
Can NRW waive the conditions to the Offer?	NRW may in its sole discretion declare the Takeover Bid to be free from any conditions at any time.	Refer to section 10.14 .
What happens if the conditions of the Offer are not satisfied or waived?	If the conditions of the Offer are not satisfied or waived by the end of the Offer Period, the Offer will lapse and your acceptance will be void.	Refer to section 10.16 .
Offer in respect of Primero Options	<p>NRW is not making a separate takeover offer to holders of Primero Options.</p> <p>However, Primero Optionholders whose Primero Options are exercised into Primero Shares during the Offer Period will be able to accept the Offer in respect of the Primero Shares which they are issued.</p> <p>In addition, if before the end of the Offer Period and conditional upon NRW becoming entitled to compulsorily acquire all Primero Shares, its offer becomes unconditional and all required regulatory waivers or approvals have been granted, NRW will make Primero Options Offers to each remaining holder of Primero Options in a form approved by NRW to cancel each of their Primero Options. The consideration payable for any cancellation will, for those Primero Options issued under Primero's existing employee incentive schemes, be equal to the consideration payable under the Offer.</p> <p>For the Other Option Holders, the offer for their Primero Options will be a cash payment equal to a Black-Scholes option valuation.</p>	Refer to section 9.10 .
How do you accept the Offer?	<p>Issuer sponsored security holders</p> <p>If your Primero Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' prefix to your holder number on the accompanying Acceptance Form(s)), to accept the Offer, you must complete and sign the Acceptance Form accompanying this Bidder's Statement in relation to the Offer made to you, in accordance with the instructions on it and return it</p>	Refer to section 10.6 .

BIDDER'S STATEMENT

SUMMARY OF THE OFFER

(using the accompanying pre-addressed envelope if you wish, or by email to primerotakeover@linkmarketservices.com.au, ensuring the original documents follow immediately by post) together with all documents required by the instructions on it, so that they are received at the address (or email address, as applicable) given on the Acceptance Form before the end of the Offer Period.

CHESS security holders

If your Primero Shares are registered in a CHESS Holding (such holdings will be evidenced by an 'X' prefix to your holder number on the accompanying Acceptance Form), you may accept the Offer by either:

- completing and signing the relevant Acceptance Form accompanying this Bidder's Statement in relation to the Offer made to you, in accordance with the instructions on it so that it is received in sufficient time for your Controlling Participant to act on your instruction before the end of the Offer Period. Return the Acceptance Form (using the accompanying pre addressed envelope if you wish, or by email to primerotakeover@linkmarketservices.com.au ensuring the original documents follow immediately by post) and include all other documents required by those instructions on the Acceptance Form; or
- instructing your Controlling Participant (normally your broker) to accept the Offer made to you on your behalf, in sufficient time for that acceptance to be processed before the end of the Offer Period.

Participants

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for that acceptance to be processed before the Offer closes.

Are there any risks in accepting the Offer?

If you accept the Offer and the Offer is declared unconditional, you will become a NRW Shareholder (unless you are a Foreign Shareholder).
There are risks associated with holding NRW Shares, summarised in **section 8**. In deciding whether or not to accept the Offer, you should carefully consider those risks.

Refer to **section 8**.

What are the tax implications if I accept the Offer?

Refer to **section 7** of this Bidder's Statement for some general comments around potential tax implications of this Offer. However, tax implications for accepting the Offer for your Primero Shares will vary for each individual and you are advised to consult your financial, tax or other professional adviser on the tax implications of acceptance.

Refer to **section 7**.

Can you withdraw your acceptance of the Offer?

No. You will not be able to withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act.
A withdrawal right will arise if, after you accept the Offer, the Offer remains subject to conditions and NRW varies the Offer in a way that postpones the time that NRW has to meet its obligations under the Offer for more than one month (for example, if NRW extends the Offer for more than one month while the Offer remains subject to any of the conditions of the Offer).

Refer to **section 10.8**.

What happens if you do not accept the Offer?

In those circumstances, you will remain a Primero Shareholder but if NRW becomes entitled to compulsorily acquire your Primero Shares, it will proceed with the compulsory acquisition. If this happens, you will need to claim the consideration under the Offer from Primero. You will receive the consideration sooner if you accept the Offer rather than having your Primero Shares compulsorily acquired.

Refer to **sections 6.2, 6.3 and 6.4**

Where you should go for more information

For further information on how to accept the Offer made to you, please see the enclosed Acceptance Forms.

For all queries in relation to the Offer, please contact your legal, financial or other professional adviser, or call the offer information line on 1300 222 378 (toll free) (within Australia) or +61 1300 222 378 (normal charges apply) (outside of Australia).

Please note that any calls to these numbers may be recorded.

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

1 INFORMATION ABOUT NRW

1.1. Overview of NRW

NRW is a public company incorporated in Western Australia. NRW was admitted to the official list of ASX on 3 September 2007 (ASX:NWH).

NRW is the holding company for a group of companies that provide diversified services to the civil, mining and construction industries.

The NRW Group consists of Perth based contractor NRW Civil & Mining, Perth based manufacturing and maintenance service provider AES Equipment Solutions, Queensland based civil and mining business Golding, Bunbury based RCR Mining Technologies, Geraldton based DIAB Engineering and Perth based drill and blast service provider Action Drill & Blast.

NRW has structured its business reporting into four segments, Civil, Mining, Drill & Blast, and Minerals, Energy & Technologies.

NRW OPERATING DIVISIONS – FY2020 REVENUE¹¹



¹¹ NRW figures include share of revenue from associates.

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

Further details regarding NRW are available on its website www.nrw.com.au.

For information about NRW's current interests in Primero, please refer to **section 4.7** of this Bidder's Statement.

There are a number of risks and uncertainties, which are both specific to NRW and the Combined Group and of a more general nature, that may affect the future operating and financial performance of the Combined Group and the value of NRW Shares. There are also additional risks relating to the Offer and the Combined Group, to which Primero Shareholders will be exposed through their holding Primero Shares. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, while others can be covered by insurance, but some are outside the control of NRW and the Combined Group and cannot be mitigated or insured against. Many of these risks also affect the businesses of other companies operating in the same industry. For further information about the risks of an investment in NRW and the Combined Group, please refer to **section 8**.

1.2. Structure and ownership of NRW

a) History

Since its inception in 1994, NRW has continued to diversify its service offering and expand its geographical presence. These services encompass civil expertise including bulk earthworks and concrete installation, contract and drill and blast. NRW also offers a leading original equipment manufacturing (**OEM**), specialist maintenance (shutdown services and onsite maintenance), industrial engineering and innovative materials handling design capability with comprehensive additional experience for refurbishment and rebuild service for earthmoving equipment and machinery.

NRW has demonstrated an ability to grow "organically" and through acquisitions including through the recent acquisitions of Golding in August 2017, RCR Mining Technologies and RCR Heat Treatment from the administrators of RCR Tomlinson Limited in January 2019 and BGC Contracting (renamed NRW Contracting) in November 2019.

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

b) Structure

The wholly owned controlled entities of NRW are listed below

Parent Entity	Principal Activities	Country of Incorporation	Ownership	
			2020	2019
NRW Holdings Limited (ACN 118 300 217)	Holding Company	Australia	-	-
Actionblast Pty Ltd (ACN 058 473 331)	Mining Equipment Solutions	Australia	100%	100%
Action Drill & Blast Pty Ltd (ACN 144 682 413)	Drill & Blast	Australia	100%	100%
Hughes Drilling 1 Pty Ltd (ACN 011 007 702)	Drill & Blast	Australia	100%	100%
NRW Pty Ltd (ACN 067 272 119)	Civil & Mining	Australia	100%	100%
The trustee for NRW Unit Trust (ABN 69 828 799 317)	Civil & Mining	Australia	100%	100%
NRW Contracting Pty Ltd (ACN 008 766 407)	Civil, Mining & Urban	Australia	100%	-
NRW Contracting (NO.2) Pty Ltd (ACN 621 008 473)	Mining	Australia	100%	-
DIAB Engineering Pty Ltd (ACN 611 036 689)	Minerals, Energy & Technologies	Australia	100%	-
NRW Intermediate Holdings Pty Ltd (ACN 120 448 179)	Intermediary	Australia	100%	100%
Indigenous Mining & Exploration Company Pty Ltd (ACN 114 493 579)	Investment Shell	Australia	100%	100%
NRW International Holdings Pty Ltd (ACN 138 827 451)	Investment Shell	Australia	100%	100%
RCR Heat Treatment Pty Ltd (ACN 631 155 032)	Heat Treatment	Australia	100%	100%
RCR Mining Technologies Pty Ltd (ACN 107 724 274)	Minerals, Energy & Technologies	Australia	100%	100%
NRW Mining Pty Ltd (ACN 117 524 277)	Investment Shell	Australia	100%	100%
Golding Group Pty Ltd (ACN 129 247 025)	Holding Company	Australia	100%	100%
Golding Employee Equity Pty Ltd (ACN 134 623 680)	Dormant	Australia	100%	100%
Golding Finance Pty Ltd (ACN 128 839 056)	Holding Company	Australia	100%	100%
Golding Contractors Pty Ltd (ACN 009 734 794)	Civil, Mining & Urban	Australia	100%	100%
Golding Civil Pty Ltd (ACN 628 709 777)	Civil	Australia	100%	100%
Golding Mining Pty Ltd (ACN 628 709 740)	Mining	Australia	100%	100%
Golding Services Pty Ltd (ACN 628 709 768)	Civil, Mining & Urban	Australia	100%	100%
Golding Urban Pty Ltd (ACN 628 709 759)	Urban	Australia	100%	100%
Golding PNG Limited	Mining	Papua New Guinea	100%	100%
NRW Guinea SARL	Dormant	Guinea	100%	100%
The Trustee for NRW Holdings Employee Share Trust (ABN 85 324 493 658)	Dormant	Australia	100%	100%

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

c) Ownership of NRW

NRW is listed on ASX and has a diverse shareholder base. As at 25 November 2020, NRW had 8,181 shareholders. To the best of NRW's knowledge, it is not controlled by one or an associated group of shareholders.

1.3. Principal activities of NRW

NRW's business is structured into Civil, Mining, Drill & Blast and Minerals, Energy and Technologies operated through group business units including NRW Civil & Mining, Golding, RCR Mining Technologies, Action Drill & Blast, DIAB Engineering and AES Equipment Solutions.

a) Civil

NRW's civil business unit is one of the leading civil services in the Australian resources and infrastructure sectors. NRW's civil services, which comprise of the delivery of private and public civil infrastructure projects, mine development, bulk earthworks and commercial and residential subdivisions, are delivered to the highest of standards by NRW Civil, Golding Civil and Golding Urban.

NRW Civil

NRW Civil specialises in the delivery of private and public civil infrastructure projects, mine development and bulk earthworks. The strong growth of NRW's civil division has been built on a foundation of consistently delivering projects to the highest standards. As a tier one civil contractor, NRW's extensive plant list provides cost and scheduling efficiencies on each project undertaken and ultimately results in saving for clients.

Golding Civil

A core part of Golding Civil's business is civil construction solutions with a diverse client base ranging from major mining houses, energy companies to government and infrastructure investors. Golding Civil's expertise has been employed to build a diverse range of projects from power stations, processing plants, wharves and jetties to industrial subdivisions, including complex civil projects in challenging traffic, climatic, marine and land-based environments, in urban, remote and regional areas of Queensland and New South Wales.

Golding Urban

Golding Urban specialises in the full suite of urban development services associated with subdivisions. This includes complex earthworks, drainage roads, and utilities. Golding Urban's clients include highly regarded residential, industrial and commercial property developers.

b) Mining

NRW mining business unit operates nationwide delivering an extensive range of services, such as mine management, contract mining, load and haul, dragline operations, coal handling prep plants, maintenance services and the fabrication of water and service vehicles, through its leading providers NRW Mining, Golding and AES Equipment Solutions.

NRW Mining

NRW Mining is one of Australia's leading mining contractors, with proven capability to safely deliver mining projects that meet timeframes and budgets. NRW Mining has become the contractor of choice for many of Australia's leading resource companies.

With a fully mobile workforce and an extensive list of plant and equipment, NRW Mining has demonstrated comprehensive experience in developing and operating mines in remote locations throughout Western Australia, South Australia and Northern Territory. Significant works have been undertaken in the iron ore, gold, diamond, and lithium sectors.

Golding

Golding Mining delivers a full range of open cut mining services in the coal and metalliferous mining sectors, spanning the entire mine development and operations. Services include mine planning, drilling and blasting, mining of overburden and ore/coal, plant maintenance and coal processing.

AES Equipment Solutions

AES Equipment Solutions offers a comprehensive services division providing affordable mining equipment solutions to customers.

c) Drill and Blast

NRW's drill & blast subsidiary company, Action Drill & Blast (**ADB**), is the market leader in the provision of integrated, full scope production drill and blast services to the mining and civil construction sectors across Australia.

ADB has one of the largest and most capable production drilling fleets in the country which, together with specialist engineering capability and extensive blasting experience, ensures ADB delivers safe, efficient, and fully integrated drill and blast solutions.

With numerous major mining houses and contractors as clients, ADB has been involved in more than 100 projects since its establishment in 2010, including many of Australia's most notable resources projects across the spectrum of

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

commodities. ADB employs a team of more than 500 experienced and skilled personnel.

With offices in Perth and Brisbane, together with associated support networks, including safety, quality, training, technical services and maintenance, ADB is uniquely positioned to service any mining project.

d) Minerals, Energy and Technologies

NRW's Minerals, Energy and Technologies business units, RCR Mining Technologies and DIAB Engineering operate in Western Australia and Victoria delivering an extensive range of integrated engineering solutions.

RCR Mining Technologies

RCR Mining Technologies is a market leader in the design and manufacture of innovative, award-winning solutions. The development of materials handling solutions extends to turnkey plants and ore transfer including conveying and innovative rail transport and unloading through strategic partnerships. RCR Mining Technologies has built a proud history and enviable reputation for delivering high quality mining technologies to both national and international markets.

The product portfolio, which includes apron and belt feeders, conveyors, stackers, spreaders, fully track-mounted in-pit mining units, sizers, scrubbers and screeners, features some of the world's largest fully tracked mobile mining machines, some of which are over 1,300 tonnes.

RCR Mining Technologies' development of equipment and solutions span all commodities from coal to diamonds with an emphasis on bulk materials handling in the iron ore, gold, zinc, copper, bauxite and mineral sands industries.

DIAB Engineering

DIAB Engineering provides industrial maintenance/construction and fabrication services to the mining industry and has a proven track record in safe, quality execution of major projects in remote and difficult terrains on time and on budget. Operating from facilities in Western Australia and Victoria, DIAB Engineering maintains permanent mining maintenance services operations at remote mining sites across Australia and internationally.

1.4. Directors and Company Secretary of NRW

The profiles of the NRW's Directors as at the date of this Bidder's Statement are set out below.

Michael Arnett

Chairman and Non-Executive Director

Mr Arnett was appointed as a Non-Executive Director on 27 July 2007 and appointed Chairman on 9 March 2016. Mr Arnett is a former consultant to, partner of and member of the Board of Directors and national head of the Natural Resources Business Unit of the law firm Norton Rose Fulbright (formally Deacons). He has been involved in significant corporate and commercial legal work for the resource industry for over 20 years.

Julian Pemberton

Chief Executive Officer and Managing Director

Mr Julian (Jules) Pemberton was appointed as a Director on 1 July 2006 and appointed as Chief Executive Officer and Managing Director on 7 July 2010. Mr Pemberton has more than 25 years' experience in both the resources and infrastructure sectors. He joined NRW in 1996, and prior to his appointment as Chief Executive Officer and Managing Director he held a number of senior management and executive positions at NRW including Chief Operating Officer.

Jeff Dowling

Non-Executive Director

Mr Dowling was appointed as a Non-Executive Director on 21 August 2013. Mr Dowling has 36 years' experience in professional services with Ernst & Young. He has held numerous leadership roles within Ernst & Young which focused on the mining, oil and gas and other industries. Mr Dowling has a Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute of Australasia. Mr Dowling has held the following directorships of listed companies in the three years immediately before 30 June 2020:

- Non-Executive Director, S2 Resources Limited (Appointed 29 May 2015)
- Non-Executive Director, Fleetwood Corporation Limited (Appointed 1 July 2017)
- Non-Executive Director, Battery Minerals Limited (Appointed 25 January 2018)

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

Peter Johnston

Non-Executive Director

Mr Johnston was appointed as a Non-Executive Director on 1 July 2016. Mr Johnston has served with a number of national and international companies. Mr Johnston graduated from the University of Western Australia with a Bachelor of Arts majoring in psychology and industrial relations. He is also a Fellow of the Australian Institute of Company Directors and AusIMM. Mr Johnston has held the following directorships of listed companies in the three years immediately before 30 June 2020:

- Non-Executive Director, Tronox Ltd (NYSE) (Appointed 1 August 2012)
- Chairman, Jervois Mining Ltd (Appointed 19 June 2018)

Fiona Murdoch

Non-Executive Director

Ms Murdoch was appointed as a Non-Executive Director on 24 February 2020. Ms Murdoch has 30 years resource and infrastructure experience in Australia and overseas, holding senior operational roles with AMCI investments, MIM Holdings and Xstrata Qld. She has extensive domestic and international experience with major projects in Western Australia, Northern Territory and Queensland, and in South America, Dominican Republic, Papua New Guinea and the Philippines. Fiona is a Graduate of the Australian Institute of Company Directors Company Director program and holds an MBA as well as an Honours degree in Law. Ms Murdoch has held the following directorships of listed companies in the three years immediately before 30 June 2020:

- Non-Executive Director, Metro Mining Limited (Appointed 11 May 2019)
- Non-Executive Director, KGL Resources Limited (Appointed 12 June 2018)

In addition, Fiona serves on the Board of Building Queensland and the Joint Venture Committee for the West Pilbara Iron Ore Project. Fiona is also Chair of The Pyjama Foundation, a not-for-profit organisation providing learning-based activities for children in foster care.

Kim Hyman

Company Secretary

Mr Hyman was appointed to the position of Company Secretary on 10 July 2007. Mr Hyman has responsibility for company secretarial services and co-ordination of general legal services, as well as the insurance portfolio.

1.5. Key Management Personnel

NRW has a quality management team that has a proven track record of exploration, mine development and disciplined operating capabilities. The key management personnel listed in NRW's most recent Annual Report are listed below.

Andrew Walsh

Chief Financial Officer

Andrew joined NRW in January 2014, bringing 25 years of experience in the international financial arena.

Andrew has held senior finance and executive roles in project based companies including defence, manufacturing, oil and gas and resources. He has considerable experience in corporate finance, major project accounting, M&A transactions and strategy development.

Andrew holds a Post Graduate Diploma in Management and is a qualified Accountant.

Geoff Caton

Executive General Manager (Golding)

Geoff joined NRW Holdings in August 2017 as Executive General Manager of Golding when the business was acquired. Geoff's previous role at Golding was Chief Executive Officer.

Geoff's background is in operations and project management. Before commencing with Golding in 2006 as the Civil General Manager, he held various operational leadership roles in the Bowen Basin in Queensland. These included project management roles, with both a leading Australian mining contractor and one of the largest global mining companies.

Geoff holds an undergraduate qualification in Civil Engineering and Economics and post-graduate qualifications in Management.

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INFORMATION ABOUT NRW

Ric Buratto

Executive General Manager (NRW Civil & Mining)

Ric commenced his role with NRW Holdings in October 2017 after more than 40 years' experience in the civil and mining industries.

Ric has held numerous senior executive positions for leading Australian construction and mining companies including the National Executive General Manager for Construction with Thiess and the Chief Operating Officer of Macmahon.

Prior to his employment at NRW, Ric was the Chief Executive Officer of Decmil's Civil & Engineering business. Ric holds a Bachelor of Engineering (Hons) from the University of Adelaide and is a Fellow of Engineers Australia.

Andrew Broad

Executive General Manager (Action Drill & Blast)

Andrew joined Action Drill & Blast in March 2020 with over 30 years of international experience in the contract mining services industry.

He has spent a large part of his career at the successful mining service group Ausdrill Limited, where he held several key roles including Chief Operating Officer of the Australian operations.

Andrew has operated at a senior corporate level for over 30 years with public and private board positions held over a variety of industries.

Ian Gibbs

Executive General Manager (RCR Mining Technologies)

Ian joined NRW Holdings in February 2019 as Executive General Manager of RCR Mining Technologies (**RCRMT**) when the business was acquired. Ian's previous role at RCRMT was General Manager appointed in 2001.

Ian's career spans over 45 years in senior management, design, project management and product development including 32 years with RCRMT and 13 years with Telecom Australia (Telstra).

Glen Payne

Executive General Manager (DIAB Engineering)

Glen joined NRW Holdings in December 2019 as Executive General Manager of DIAB Engineering when the business was acquired. Glen has been with DIAB Engineering since 1989 and was previously appointed Managing Director in 2007 prior to the acquisition of DIAB Engineering by BGC Contracting in 2016.

Glen has 34 years of extensive mining industry knowledge and experience and values client relations highly.

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

1.6. Financial information of NRW

The historical consolidated financial information below relates to NRW and does not reflect any impact of the Offer. It is an extract only. The full consolidated financial accounts for the financial periods ending 30 June 2018, 30 June 2019 and 30 June 2020, which includes notes to the accounts, can be found in NRW's Annual Reports for those periods. Copies of those Annual Reports are available from NRW's website at www.nrw.com.au.

a) Consolidated statement of financial position

The historical consolidated statements of financial position of NRW set out below have been extracted from the audited consolidated statement of financial position of NRW for the years ending 30 June 2018, 30 June 2019 and 30 June 2020, being the last three audited statements of financial position prior to the date of this Bidder's Statement.

	Consolidated		
	2020	2019	2018
	\$'000	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	170,229	65,031	58,846
Receivables	369,906	158,039	120,699
Lease receivable	2,546	-	-
Inventories	51,358	30,581	22,477
Other current assets	8,771	6,445	4,591
Total current assets	602,810	260,096	206,613
Non-current assets			
Property, plant and equipment	437,825	239,927	209,503
Lease assets (right of use)	58,276	-	-
Lease receivable	2,545	-	-
Investments in associates	2,610	2,652	4,736
Intangibles	33,961	23,741	19,785
Goodwill	81,913	40,103	40,103
Deferred tax assets	-	22,057	39,447
Total non-current assets	617,130	328,480	313,574
Total assets	1,219,940	588,576	520,187
LIABILITIES			
Current liabilities			
Payables	331,642	157,756	127,730
Financial debt	81,799	45,434	36,921
Lease debt	14,757	-	-
Current tax liability	-	-	1,218
Provisions	78,442	31,664	20,166
Total current liabilities	506,640	234,854	186,035
Non-current liabilities			
Financial debt	162,996	55,025	56,291
Lease debt	50,301	-	-
Provisions	17,871	7,249	5,218
Deferred tax liabilities	9,743	-	-
Total non-current liabilities	240,911	62,274	61,509
Total liabilities	747,551	297,128	247,544
Net assets	472,389	291,448	272,643
EQUITY			
Contributed equity	332,863	206,126	206,126
Reserves	8,453	6,824	5,341
Retained profits	131,073	78,498	61,176
Total equity	472,389	291,448	272,643

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b) Consolidated statement of profit and loss

The historical consolidated statements of profit and loss of NRW set out below have been extracted from NRW's audited consolidated profit and loss of the NRW for the years ending 30 June 2018, 30 June 2019 and 30 June 2020, being the last three audited statements of profit and loss prior to the date of this Bidder's Statement.

	Consolidated		
	2020 \$'000	2019 \$'000	2018 \$'000
REVENUE	2,004,362	1,078,124	685,431
Lease income	311	-	-
Gain on acquisition	-	5,120	-
Finance income	506	739	493
Finance costs	(13,310)	(7,236)	(6,869)
Share of profit / (loss) from associates	(42)	(2,084)	1,382
Materials and consumables	(390,599)	(237,099)	(116,374)
Employee benefits expense	(570,183)	(295,353)	(196,826)
Subcontractor costs	(441,929)	(246,304)	(176,235)
Depreciation and amortisation expenses	(122,081)	(62,053)	(48,205)
Plant and equipment costs	(343,961)	(145,651)	(99,870)
Impairment of financial assets (Gascoyne Resources)	-	(33,522)	-
Other expenses	(22,856)	(8,944)	(6,852)
Profit before income tax	100,218	45,737	36,075
Income tax (expense) / benefit	(26,469)	(13,467)	6,091
Profit for the year	73,749	32,270	42,166
Profit and Other Comprehensive Income Attributable to:			
Equity holders of the Company	73,749	32,270	42,166
EARNINGS PER SHARE	Cents	Cents	Cents
Basic earnings per share	18.2	8.6	11.6
Diluted earnings per share	18.0	8.4	11.4

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

c) Consolidated statement of cashflows

The historical consolidated statements of cashflow of NRW set out below have been extracted from NRW's audited consolidated cashflow of NRW for the years ending 30 June 2018, 30 June 2019 and 30 June 2020, being the last three audited statements of cashflow prior to the date of this Bidder's Statement.

	Consolidated		
	2020	2019	2018
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	2,120,573	1,111,610	742,732
Payments to suppliers and employees	(1,892,067)	(1,004,508)	(660,690)
Interest paid ¹²	(13,310)	(7,236)	(6,869)
Interest received	506	739	493
Income tax paid	-	(789)	(907)
Net cash flow from operating activities	215,702	99,816	74,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant and equipment	1,377	1,333	3,566
Advances paid to associate	-	-	(504)
Acquisition of property, plant and equipment	(82,622)	(77,263)	(45,971)
Payment for subsidiary	(111,759)	(10,000)	(71,904)
Net cash used in investing activities	(193,004)	(85,930)	(114,813)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of equity instruments of the Company	130,000	-	30,024
Payment for share issue costs	(4,694)	-	(1,142)
Proceeds from borrowings	68,469	88,602	62,631
Repayment of borrowings	(82,434)	(81,355)	(34,877)
Repayment of lease debt ¹²	(10,552)	-	-
Payment of dividends to shareholders	(18,289)	(14,948)	-
Net cash from / (used in) financing activities	82,500	(7,701)	56,636
NET INCREASE IN CASH AND CASH EQUIVALENTS	105,198	6,185	16,582
Cash and cash equivalents at beginning of the year	65,031	58,846	42,264
Cash and cash equivalents at the end of the year	170,229	65,031	58,846

d) Management comments on historical results and outlook

The financial year ending 30 June 2020 was eventful on a number of fronts. NRW delivered record revenue, strong earnings growth and excellent cash conversion. The successful acquisitions of BGC Contracting Pty Ltd (**BGC Acquisition**) and RCR Mining Technologies Pty Ltd (**RCRMT**) both completed in calendar year 2019 and made significant contributions to the strategic development of NRW.

All of this was achieved despite having to deal with an entirely new set of challenges created by the responses needed to address the COVID-19 pandemic. Most of NRW's activities were classified as essential services in the early days of Federal and State virus measures. Whilst NRW has seen significant cost impacts to its operations as a consequence of the COVID-19 pandemic, revenue was maintained in line with guidance provided post the BGC Acquisition. Cost impacts included dealing with roster changes, border closures, social distancing and staff logistics. NRW has not accessed any of the State or Federal support packages for any part of its operations.

¹² In accordance with the new accounting standard AASB 16 Leases, adopted from 1 July 2019, the Group has classified:

- Cash payments for the principal portion of lease payments as financing activities;
- Cash payments for the interest portion of lease payments as operating activities; and
- Short term lease payments and payments for leases of low-value assets as operating activities.

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

NRW remains vigilant across all parts of the business and, while NRW have not seen any material change to its activities, the ever-changing threat brought about by COVID-19 requires NRW to be ready to respond at all times.

A summary of the key financial performance metrics for the financial year ending 30 June 2020 compared to the prior comparative period (ie for financial year ending on 30 June 2019 compared to financial year ending on 30 June 2018) is provided below.

Overview of Operations (FY20-FY18)

Revenue including associates at \$2,062 million for the 2020 financial year increased by 83% compared to \$1,126 million in the 2019 financial year. The increase in revenue was a result of continued growth in NRW's Civil & Mining businesses, a full year's contribution from RCRMT (acquired in February 2019) and seven months contribution from the newly acquired BGC Contracting business.

Profit before income tax increased to \$100.2 million in the 2020 financial year compared to \$45.7 million in the 2019 financial year, a 119% increase mostly reflecting the growth in sales. The 2019 financial year earnings were impacted by impairments related to Gascoyne Resources Limited further details of which can be found in NRW's 2019 Annual Report.

	FY20		FY19		FY18	
	Revenue	Earnings	Revenue	Earnings	Revenue	Earnings
	\$M	\$M	\$M	\$M	\$M	\$M
Total Revenue / EBITDA	2,062.4	250.0	1,126.3	143.9	754.3	93.5
Revenue from Associates	(58.1)		(48.2)		(68.9)	
Depreciation		(109.1)		(51.3)		(38.6)
Gascoyne impairment / RCR		-		(28.4)		-
Operating EBIT		140.9		64.2		54.9
Amortisation of Acquisition Intangibles		(13.0)		(10.8)		(9.6)
Transaction costs		(14.9)		(1.2)		(2.8)
EBIT		113.0		52.2		42.5
Interest		(12.8)		(6.5)		(6.4)
Profit before income tax		100.2		45.7		36.1
Tax		(26.5)		(13.5)		6.1
Statutory Revenue / Net earnings	2,004.3	73.7	1,078.1	32.2	685.4	42.2
NPAT (N)		89.7		40.4		33.9

Net earnings before transaction costs and amortisation of acquisition intangibles at normal tax rates.

Net earnings increased to \$73.7 million in the 2020 financial year compared to \$32.2 million in the 2019 financial year as a result of the revenue increase and continued margin growth compared to the 2019 financial year.

Non statutory measures of earnings including earnings before interest, tax, depreciation, and amortisation (EBITDA) increased to \$250.0 million in the 2020 financial year compared to \$143.9 million in the 2019 financial year. The increase of around 74% was due to higher business activity (revenue). This result also includes the impact of the adoption of AASB16 which increased EBITDA by \$14.0 million in the 2020 financial year compared to the 2019 financial year. One-off costs associated with the BGC Acquisition have been shown separately in the table above and have been excluded from EBITDA and operating EBIT. Net earnings excluding non-cash costs for acquisition intangibles at standard tax rates increased to \$89.7 million in the 2020 financial year compared to \$40.4 million in the 2020 financial year.

The Balance Sheet as at 30 June 2020 includes the BGC Acquisition. The BGC Acquisition was funded through new equity and the assumption of asset financing debt in BGC Contracting Pty Ltd. Consequently, overall financial debt increased in the 2020 financial year to \$245 million and by a further \$65 million of lease debt recognised through the adoption of AASB16.

Cash balances reflected the very strong cash conversion delivered in the 2020 financial year. Cash increased to \$170 million at 30 June 2020 compared to \$65 million at the start of the 2020 financial year.

NRW continued to maintain strong relationships with its banking partner, Bankwest and negotiated a new \$55 million facility with Bank of China to support the BGC Acquisition. All banking covenants were in compliance at all times during the 2020 financial year and as at 30 June 2020.

BIDDER'S STATEMENT

INFORMATION ABOUT NRW

Overview of Operations (FY19-FY18)

Total revenue including associates was up 49% in the 2019 financial year compared to the 2018 financial year mostly due to higher volumes of work across the business especially NRW's Mining business and the initial contribution from RCRMT.

Earnings pre amortisation of intangibles arising from acquisitions and transaction costs at \$64.2 million for the 2019 financial year were up 17% from the 2018 financial year after impairing \$33.5 million of Gascoyne Resources Limited pre-administration balances which included work in progress, loan balances and equity investment. The result included a gain on acquisition of RCRMT of \$5.1 million.

The 2019 financial year results included an income tax expense, compared to a tax benefit recorded in the 2018 financial year as unbooked tax losses were brought to account that year.

NRW ended the 2019 financial year with a cash balance of \$65 million compared to \$58.8 million at the start of the 2019 financial year. Debt increased to \$100.5 million in the 2019 financial year from \$93.2 million in the 2018 financial year to fund mining equipment acquired in support of a number of key contract extensions. Gearing at 12% in the 2019 financial year was at a similar level to the 2018 financial year. Cash movements included reinstatement of dividend payments for both the final dividend for the 2018 financial year and interim dividend for the 2019 financial year. NRW had strong relationships with its banking partner and was in compliance with all financing covenants as at 30 June 2019.

1.7. Corporate Governance

The NRW Board aims to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles for Good Corporate Governance and Best Practice Recommendations.

Details on NRW's corporate governance procedures, policies and practices can be obtained at NRW's website www.nrw.com.au.

1.8. Further information on NRW

Due to the fact that NRW is offering NRW Shares as consideration for the acquisition of Primero Shares, the Corporations Act requires this Bidder's Statement to include all information that would be required for a prospectus for an offer of NRW Shares under sections 710 to 713 of the Corporations Act. NRW does not need to issue a prospectus for the Offer as the Offer is occurring under a takeover bid.

NRW is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations imposed by the Listing Rules and the Corporations Act. In particular, NRW is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or value of NRW Shares, subject to certain limited exceptions.

ASX maintains files containing publicly disclosed information about all listed companies. NRW's file is available for inspection at ASX during normal business hours. Copies of announcements made by NRW to ASX are available from the ASX website or from www.nrw.com.au. A list of announcements made by NRW since the lodgement of the Annual Report for the year ended 30 June 2020 with ASX is contained in **Annexure 1**.

In addition, NRW is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by or in relation to NRW may be obtained from, or inspected at, any office of ASIC.

NRW will provide a copy of the following documents free of charge to any Primero Shareholders who requests such documents during the Offer Period:

- NRW's annual financial report for the year ended 30 June 2020 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- any continuous disclosure notices given by NRW after the lodgement of the Annual Report for the year ended 30 June 2020 with ASIC and before the lodgement of this Bidder's Statement with ASIC; and
- any half year financial report lodged with ASIC by NRW after the lodgement of this Bidder's Statement with ASIC.

Requests for copies of these documents may be made by contacting NRW on +61 8 9232 4200 between 9.00am and 5.00pm (Perth time) Monday to Friday.

BIDDER'S STATEMENT

INFORMATION ON NRW SECURITIES

2 INFORMATION ON NRW SECURITIES

2.1. Securities on issue in NRW

As at 27 November 2020, being the last practicable date prior to the date of this Bidder's Statement, NRW had on issue the following securities:

- 426,685,384 NRW Shares; and
- 4,187,762 performance rights (entitling the holder to acquire NRW Shares) which are subject to vesting conditions.

2.2. NRW's substantial shareholders

As at 27 November 2020, being the last practicable date prior to the date of this Bidder's Statement, there were approximately 8,181 NRW Shareholders including the following substantial shareholders:

NRW substantial shareholder	NRW Shares	Voting power
Blackrock Group	30,911,018	7.24%
Vanguard Group	22,704,233	5.32%

2.3. Recent trading in NRW Shares

NRW Shares are quoted on ASX. Set out below is a table showing relevant trading prices of NRW Shares on ASX:

Comparative trading price of NRW Shares	Price (A\$)
Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$2.84
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$1.64
Closing trading price for NRW Shares traded on ASX on 23 November 2020, being the last full trading day prior to the Announcement Date	\$2.59
Closing price of NRW Shares traded on ASX on the last practicable date prior to the date this Bidder's Statement was lodged with ASIC	\$2.72

2.4. NRW's dividend history

a) Dividend history

NRW has previously paid dividends, as follows:

Record date	Payment date	Fully franked cents per NRW Share	Total dividends (\$)
29 September 2020	14 October 2020	4.0	17,067,415
30 March 2020	9 June 2020	2.5	10,667,143
2 December 2019	16 December 2019	2.0	7,621,429
24 April 2019	8 May 2019	2.0	7,517,830

b) Dividend policy

NRW has a recent track record of paying dividends and declared a final fully fully-franked dividend of \$0.04 per share for the financial year ending on 30 June 2020, bringing the total dividend for the financial year to \$0.065 per share following an interim dividend paid in June 2020.

The NRW Board's current dividend policy is to ensure that NRW has appropriate liquidity to maintain dividend payments at both the full year and half year. The NRW Board also seeks to grow dividend payments year on year subject to ensuring that NRW has appropriate liquidity to support ongoing operations and strategic initiatives.

BIDDER'S STATEMENT

INFORMATION ON NRW SECURITIES

2.5. Rights and liabilities attaching to NRW Shares

a) Introduction

The rights and liabilities attaching to the NRW Shares which will be issued as part of the consideration under the Offer will be issued fully paid and will rank equally for dividends and other rights in all respects with all existing NRW Shares from the date of issue.

NRW will apply for the NRW Shares to be issued under the Offer to be quoted on the ASX within 7 days after the date of this Bidder's Statement. Quotation of these NRW Shares will not be automatic but will depend on the ASX exercising its discretion. However, as NRW is already admitted to the official list of the ASX and NRW Shares in the same class as to those to be issued under the Offer are already quoted, NRW believes quotation of the new NRW Shares will be granted. In accordance with the Corporations Act, the quotation of the NRW Shares to be issued under the Offer is a condition to the Offer under **section 10.12** of this Bidder's Statement.

The rights and liabilities attaching to the NRW Shares which will be issued as part of the Offer consideration under the Offer are set out in NRW's constitution (**NRW Constitution**) and in the Corporations Act. Under section 140(1) of the Corporations Act, the NRW Constitution has effect as a contract between NRW and each member and between a member of NRW and each other member. Accordingly, if you accept the Offer and are issued NRW Shares you will, as a result, become liable to comply with the NRW Constitution.

The main rights and liabilities attaching to the NRW Shares are summarised below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of NRW Shareholders. On request to NRW, and free of charge, Primero Shareholders may obtain a copy of NRW's Constitution.

b) Issue of further NRW Shares

The NRW Directors may, on behalf of NRW, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the NRW Directors must act in accordance with the restrictions imposed by the NRW Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to NRW Shares or classes of NRW shares.

c) Transfer of Shares

Subject to the NRW Constitution, the Corporations Act, the ASX Settlement Operating Rules and the Listing Rules, ordinary shares are freely transferable. The shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the NRW Directors that is permitted by the Corporations Act. NRW may decline to register a transfer of shares in the circumstances described in the NRW Constitution and where permitted to do so under the ASX Listing Rules. If NRW declines to register a transfer, NRW must give the lodging party written notice of the refusal and the reasons for refusal. The NRW Directors must decline to register a transfer of shares when required by law, by the ASX Listing Rules or by the ASX Settlement Operating Rules.

d) Variation of rights

At present, NRW only has one class of shares on issue, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of NRW and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

e) General meeting

Each member is entitled to receive notice of, and to attend and vote at, general meetings of NRW and to receive all notices, accounts and other documents required to be sent to members under the NRW Constitution, the Corporations Act or the Listing Rules.

f) Voting rights

Subject to any rights or restrictions for the time being attached to NRW Shares at a general meeting of NRW Shareholders, every NRW Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and one vote per NRW Share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the NRW share. A member is not entitled to vote in respect of those NRW shares on which calls are outstanding unless all calls payable by the member in respect of NRW shares have been paid. Where there are two or more joint holders of a NRW Share and more than one of them is present at a meeting and tenders a vote in respect of an NRW Share (whether in person or by proxy, attorney or representative), NRW will count only the vote cast by the member whose name appears before the other(s) in NRW's register of members.

BIDDER'S STATEMENT

INFORMATION ON NRW SECURITIES

g) Dividends

Holders of NRW Shares will have the right to participate fully in all dividends, other distributions and entitlements declared by NRW.

h) Winding up

If NRW is wound up, the liquidator can divide the assets of NRW among its contributories in any way the liquidator thinks fit.

i) NRW Directors

The NRW Constitution states that the minimum number of NRW Directors is three and that at least two NRW Directors must reside ordinarily in Australia.

j) Powers of the NRW Board

The NRW Directors have the power to manage the business of NRW subject to the Corporations Act, the Listing Rules and the NRW Constitution.

k) Unmarketable parcels

If a NRW Shareholder holds a number of NRW Shares that is less than a marketable parcel (as defined in the ASX Listing Rules), NRW has the power to sell or dispose of such Shares unless otherwise instructed by the NRW Shareholder. The net proceeds from the sale will be paid to the relevant NRW Shareholder.

2.6. NRW incentive plans

As at the date of this Bidder's Statement, NRW operates the NRW Holdings Limited Performance Rights Plan (**PR Plan**) pursuant to which the NRW Board can award performance rights to acquire NRW Shares to eligible participants.

Performance rights granted under the PR Plan are not entitled to dividends nor have voting rights. One fully paid ordinary share in NRW is allocated on vesting of a performance right. The shares allocated on vesting will rank equally in all respects with previously issued fully paid ordinary shares when issued.

The full terms of the PR Plan are set out in NRW's notice of annual general meeting for 2019, released to the ASX on 21 October 2019.

BIDDER'S STATEMENT

PROFILE OF PRIMERO

3 PROFILE OF PRIMERO

3.1. Disclaimer

This overview of Primero and all information concerning Primero contained in this Bidder's Statement has been prepared by NRW using publicly available information and has been consented to by Primero.

The information in this Bidder's Statement concerning Primero has not been independently verified. Subject to the Corporations Act, no NRW Group Member makes any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Further information relating to Primero will be contained in Primero's Target's Statement.

3.2. Overview of Primero

Primero is an engineering contracting company specialising in providing engineering design and construction services to the minerals, energy and infrastructure sectors. Primero was admitted to the official list of the ASX on 6 July 2018.

Primero has developed its business strategy around services delivery to three main industry sectors as follows:

a) Mineral Processing

Primero has clients across the minerals spectrum that require assistance to develop projects. Clients range from junior companies in the early stages of geochemical interpretation of ore bodies through to established mining companies that are expanding existing operations.

Primero also offers professional services that extend from the initial geo-metallurgical sample selection process through to all aspects of study, detailed design, execution, operation and maintenance of process infrastructure.

Primero remains accountable for each of the project phases and capital cost efficiency and operational excellence are priorities of Primero from the outset. Plant operability and reliability are continuously optimised as lessons learnt from Primero's production teams are repurposed into the basis of design for future resource projects.

Further, knowledge retention throughout feasibility, detailed design, construction, commissioning and ramp-up underpins a project development capability that unlocks schedule opportunity, reduces pre-production capex and accelerates the achievement of nameplate production.

BIDDER'S STATEMENT

PROFILE OF PRIMERO

A summary of Primero's key project engagements in the mineral processing sector are detailed below.

Project	Status
Precious metals	
Merdeka Copper Gold's Tujuh Bukit Project – Ore Preparation Plant FEED (Stages 1 and 2)	Completed May 2018
Egan Street Resources Limited's Rothsay Gold Project - ECI	Completed October 2018
Resolute Mining Limited's Syama Gold Mine – Sulphide Crushing Circuit Debottlenecking FEED	Completed March 2018
Newcrest Mining Limited's Telfer Gold Mine – Miscellaneous Sustaining Capital Projects	Completed March 2019
Northern Star Resources Limited's Pogo Mine – Process Plant Throughput Expansion EPCM	Ongoing
Base metals	
Lynas Corporation Limited's Mt Weld Concentrator - Stack Cell Upgrade	Completed July 2017
Tungsten Mining NL's Mount Mulgine Project - ECI	Completed October 2018
Northern Minerals Limited's Browns Range Project – Pilot Plant Construction	Completed December 2018
Superior Lake Resources Limited's Superior Lake Zinc Project – Feasibility Study	Completed October 2019
Heron Resources Limited's Woodlawn Zinc-Copper Project – Ramp-up Acceleration and Plant Modification	Completed February 2020
Neometals' battery recycling and valuable metal recovery – Process Design and Studies	Ongoing
Ferrous metals	
Rio Tinto's Marandoo Southern Waste Fines Storage Facility – Pumping, Piping and Electrical Upgrade	Completed October 2019
Fortescue Metal Group's Hopper 9 Primary Crushing Plant Construction	Completed June 2020
Fortescue Metal Group's Christmas Creek OPF2 Vertical WHIMS Project	Ongoing
Industrial minerals	
Atlantic Limited's Windimurra Vanadium Screening and Beneficiation Plant	Completed February 2015
Galaxy Resources Limited's Mt Cattlin Project – Construction Completion and O&M Support	Completed August 2017
Alliance Mineral Assets Limited's Bald Hill Project – PFS, EPC and Contract Operation and Maintenance	Completed August 2019
Altura Mining Limited's Altura Lithium Project – Plant Modification and Ramp-up Support	Completed June 2020
The Altura Lithium Mine Crushing Facility Upgrade	Completed June 2020
Pilbara Minerals Limited's Pilgangoora Project – DMS circuit FEED, construction and commissioning support, plant modification and ramp-up support, asset management and MOS consultancy	Completed June 2020
Agrimin Limited's Mackay Sulphate of Potash Project – Process Inputs for DFS	Completed August 2020
Core Lithium Limited's Finiss Lithium Project – DFS and FEED	Completed July 2019
Piedmont Lithium's Piedmont Lithium Project – PFS, DFS, FEED	Ongoing
Sigma Lithium's Xuxa Lithium Project – DFS and FEED	Ongoing

b) Energy

Primero's energy division specialises in the design and construction of hydrocarbon production, processing, storage and distribution infrastructure together with generation facilities. Primero's services in respect to its clients in the energy and new energy sectors include technical engineering solutions in respect to the entire production chain inclusive of forms of new energy such as hydrogen production (ranging from minor modification to offshore production facilities to the multi-disciplinary construction of a 211MW power station).

Primero's oil and gas professionals are proficient in the execution of design and construction projects for offshore and onshore production, processing, storage and transmission in both green and brownfields environments. The Primero Group also provides ongoing engineering, modification and maintenance services for a wide range of operators.

Primero has extensive experience in gas compressor station design, modification and installation projects. Additionally, the Primero Group has designed pipelines and associated supporting metering, pressure reduction, heating and filtration infrastructure.

BIDDER'S STATEMENT

PROFILE OF PRIMERO

A summary of Primero's key project engagements in the energy sector are detailed below.

Project	Status
Metering, delivery and processing	
Empire Oil & Gas NL's Red Gully Gas and Condensate Processing Project – Construction	Completed July 2015
Chevron's Wheatstone DOMGAS metering facility	Completed July 2016
APA's gas delivery and metering infrastructure – Yamarna and Donaldson Road Metering Stations	Completed December 2018
Power generation	
Wärtsilä's Barker Inlet Power Station – Construction	Completed February 2020
Energy Development Limited's Hill 60 Power Station upgrade	Completed April 2020
Hydrocarbon storage and distribution	
Santos' Varanus Island tank life extension	Completed May 2019
Offshore production	
Vermillion Energy's Wandoo Platform – Maintenance and Industrial Services	Ongoing
Hydrogen Production	
Hazer Group Limited's commercial demonstration plant	Ongoing

c) Non-Process Infrastructure

Primero's process infrastructure division services mining and energy clients that have processing facilities or are developing mineral or energy projects. The Primero Group adopts a holistic approach to resource project development which is underpinned by extensive, demonstrated experience in the safe and timely delivery of non-process infrastructure solutions.

Primero has extensive experience in mobile equipment maintenance, diesel storage and unloading, hydrocarbon storage and distribution, mobile equipment tyre maintenance, fixed plant maintenance, balanced machinery and final product storage infrastructure.

A summary of Primero's key project engagements in the non-process infrastructure sector are detailed below.

Project	Status
Maintenance facility	
BHP's Mining Area C MEM Precinct – Detailed Design	Completed July 2014
Fortescue Metals Group's Solomon HME Maintenance Precinct – EPC	Completed July 2016
RioTinto's Marandoo HME Workshop extension – EPC	Completed September 2019
Diesel storage and refuelling	
RioTinto's West Angelas and Brockman Fuel Hubs – Detailed Design	Completed February 2014
RioTinto's Yandi Junction Fuel Facility – EPC	Completed July 2015
Citic Pacific Mining's Tug Fuel Facility – EPC	Completed February 2018
BHP's South Flank NPI – PC1, PC2 and MEM Precinct Fuel Infrastructure. MEM precinct hydrocarbon storage. EPC	Completed September 2020
Heavy and light vehicle washdown	
RioTinto's East Intercourse Island Light Vehicle Washdown - EPC	Completed July 2017
Independence Group NL's Nova – HV and LV Washdown	Completed August 2019
Material handling a product storage	
Rio Tinto's Dolphin Remediation	Completed November 2016
Rio Tinto's Lake Macleod Radial Stacker Replacement	Completed November 2019
Thyssenkrupp Industrial Solutions – South Flank Balanced Machinery Pre-assembly, discrete construction, modification, and commissioning	Ongoing
Water infrastructure	
Newcrest Mining Limited's Telfer Main Dome Dewatering	Completed January 2017

BIDDER'S STATEMENT

PROFILE OF PRIMERO

3.3. Primero's other activities and assets

Primero's other principal activities during the financial year ended 30 June 2020 include:

- engineering and design services which includes full plant design and feasibility studies;
- project management and planning;
- complete turnkey in-house construction in civil, structural, mechanical, piping, electrical, instrumentation and control systems disciplines;
- commissioning; and
- operations and maintenance.

3.4. Major Projects

Further details regarding some of Primero's major projects are included below.

Project	Details	Status
Northern Minerals – Browns Range	Northern Minerals is focused on becoming a significant producer of the heavy rare earth (HRE) dysprosium outside of China. Northern Minerals' 100% owned Browns Range Project is its flagship project, where it has a number of deposits and prospects containing high value dysprosium and other HREs hosted in xenotime mineralisation. Primero was engaged to construct the beneficiation and hydrometallurgical plant, co-located at Browns Range in the East Kimberley region of WA. Primero's scope of work included civil design construction as well as onsite installation works. The remote location of the project highlights Primero's ability to successfully deliver complex projects in challenging and often hazardous environments.	Completed December 2018
Alliance Mineral Assets Limited - Bald Hill	Primero was engaged by the Tawana Resources and Alliance Mineral Assets Limited joint venture to complete the design, procurement and operation of the Dense Media Separation (DMS) at their Bald Hill Lithium and Tantalum mine in the Eastern Goldfield region of Western Australia.	Completed August 2019
Wärtsilä – Barker Inlet Power Station (BIPS)	Primero was engaged by Wärtsilä to execute the design of the site diesel, UREA and lube-oil storage tanks, as well as all aspects of onsite construction including earthworks, piling, civil, structural, mechanical, tanks, piping, electrical and instrumentation works and site management at the Barker Inlet Power Station (BIPS).	Completed February 2020
Rio Tinto Iron Ore – Robe Valley Sustaining	Rio Tinto's Robe Valley Sustaining Project, involves the development of three open-pits on three new deposits namely Mesa B, Mesa C, and Mesa H, as well as the construction of supporting infrastructure for continued operations at Mesa A and Mesa J. Primero were awarded the construction of the ANFO facility and miscellaneous civil works.	Ongoing
Rio Tinto Iron Ore – Koodaideri Central Facilities	Koodaideri iron ore mine is an open-cut project being developed in the Pilbara region of Western Australia. Primero was awarded the contract for the turnkey design, construction and commissioning of the central facilities (NPI) scope of work inclusive HV and LV maintenance facilities, warehouse, fixed plant maintenance facilities, offices, site access and ancillary NPI.	Ongoing
Fortescue Metals Group – Christmas Creek OPF2 WHIMS Project	Fortescue is implementing a process plant upgrade at its Christmas Creek mine, utilising Vertical Wet High Intensity Magnetic Separation (Vertical WHIMS) technology to increase recovery and upgrade performance for fine material currently processed in the Desands circuit. Primero was awarded Fortescue's OPF2 Vertical WHIMS Project at Christmas Creek, initially engaged by way of early contractor involvement. Ore commissioning is currently in progress.	Ongoing

3.5. Directors of Primero

As at the date of this Bidder's Statement, the Primero Directors are as follows:

Cameron Henry Managing Director

As the founding Managing Director of Primero Group Mr Henry has lead the strategic and operational direction of Primero to now be an ASX listed company, operating in several regions globally with annual revenues of circa \$200 million. With over 20 years industry experience in the development and delivery of minerals processing, energy and infrastructure projects across Australia, Indonesia, North and South America Mr Henry leads Primero Group with a technical and commercial understanding across multiple disciplines, geographies and market segments. His entrepreneurial skills have developed with the continual growth of Primero and are reflected in the organic nature and culture of the business that has become Primero since inception in 2011.

Since listing on the ASX in 2018 Primero Group has grown significantly under the leadership of Mr Henry transitioning from a privately owned enterprise to an ASX listed entity. With Primero Group's expansive footprint and ever expanding reputation Mr Henry has been instrumental in positioning Primero Group to grow within the resources sector as a leader

BIDDER'S STATEMENT

PROFILE OF PRIMERO

in sub \$150 million capex EPC projects ensuring that Primero can differentiate with its services offering across design, construction & operation.

Mr Henry has a Masters in Project Management and is a member of the Australian Institute of Company Directors. He has previously held non-executive roles of ASX listed Titan Minerals Limited.

Mr Henry is also currently a non-executive director of RareX Limited.

Dean Ercegovic Executive Director

Mr Ercegovic has nearly 20 years of experience in project managing EPC and EPCM contracts in mineral resources and energy sectors across Australia and neighbouring countries. His extensive experience within engineering and project management has seen the delivery of projects across the energy and minerals sector valued through to A\$100 million.

In leading Primero's operations, Mr Ercegovic is directly responsible for the health, safety, environment, quality and support services of Primero. As the operations manager of Primero, he works in a 'hands on' position ensuring that Primero's project delivery strategy and implementation is upheld through Primero's individual project managers. Mr Ercegovic holds a Bachelor of Engineering (Mechanical) with Honours.

Brett Grosvenor Executive Director

Mr Grosvenor brings additional strength and capability to Primero across a range of commodities, including over 25 years' experience in the Mining and Power industry. Mr Grosvenor has previously held senior and key roles in major national and international companies for both client and contractor sides such as Alstom, Laing O'Rourke, Sinclair Knight Mertz and Alinta Energy.

With a dual tertiary qualification in Engineering and a Master in Business, Mr Grosvenor is able to balance the business requirements with his understanding of site based technical engineering and construction issues to bring a significant level of expertise to Primero Group and its clients.

As a Primero Director, his proven leadership skills, including managing, motivating other staff and team members has been invaluable in helping Primero achieve its business strategies and project objectives.

Mr Grosvenor is also a non-executive director of Perpetual Resources Limited.

Mark Connelly Non-Executive Chairman

Mr Connelly has more than 30 years of experience in the mining industry and has held senior positions with Newmont Mining Corporation and Inmet Mining Corporation. He has extensive experience in financing, development, construction and operation of mining projects in a variety of commodities including gold, base metals and other resources in West Africa, Australia, North America and Europe.

Mr Connelly was the former Managing Director and Chief Executive Officer of Papillon Resources Limited, a Mali-based gold developer which merged with Vancouver-based B2Gold Corp. Previously, he was Chief Operating Officer of Endeavour Mining Corporation following its merger with Adamus Resources Limited where he was Managing Director and CEO. Mr Connelly holds a Bachelor of Business and is a Member of the Australian Institute of Company Directors. Mr Connelly is currently non-executive Chairman of Oklo Resources, Tao Commodities Limited, Calidus Resources Limited, Chesser Resources Limited, BeMetals Corp and Emmerson Plc.

Kristie Young Non-Executive Director

Ms Young has more than 20 years' experience across technical engineering, strategy, business development and marketing, commercial and client management, diversity and inclusion, governance, and human resources. She has most recently held senior growth and business development executive roles with leading professional services firms, PwC and EY. Ms Young is a member of the Australian Institute of Company Directors, WA Mining Club, WA School of Mines Alumni, Women in Mining WA and the Petroleum Club of WA. She also sits on the Wesley College Board and the Board of the Petroleum Club of WA. Ms Young holds a Bachelor of Engineering (Mining) (Hons), a Post Graduate Diploma of Education (Mathematics & IT).

Bryn Hardcastle Non-Executive Director

Mr Hardcastle specialises in corporate, commercial and securities law and has significant experience in equity capital markets, mergers and acquisitions, and general corporate advisory matters across various industries. Mr Hardcastle was previously Managing Partner at Bellanhouse, a boutique corporate law firm he established in 2013 which merged with HWL Ebsworth in November 2019. Previously he has worked at several major law firms in Australia and internationally, including Freehills in Melbourne and Allen & Overy in London and Dubai.

Mr Hardcastle holds a Bachelor of Laws and Bachelor of Arts. He is a member of the Law Society of Western Australia and a member the Australian Institute of Company Directors. Mr Hardcastle is currently a non-executive director of New Century Resources Limited and Fargo AI Limited.

BIDDER'S STATEMENT

PROFILE OF PRIMERO

3.6. Financial information of Primero

Primero released its full consolidated financial accounts for the financial period ending 30 June 2020 on 25 September 2020. An electronic copy of this report can be obtained from Primero's website www.primero.com.au or from ASX. The historical financial information below relates to Primero on a stand-alone basis and does not reflect any impact of the Offer. It is an extract only. The full consolidated financial accounts for the financial periods ending 30 June 2018, 30 June 2019 and 30 June 2020, being the last three audited financial statements prior to the date of this Bidder's Statement, which includes notes to the accounts, can be found in Primero's Annual Reports for those periods. Copies of those Annual Reports are available from Primero's website at www.primero.com.au.

d) Consolidated statement of financial position

The consolidated statements of financial position of Primero set out below have been extracted from the audited financial statements of Primero for the years ending 30 June 2018, 30 June 2019 and 30 June 2020, being the last three audited financial statements prior to the date of this Bidder's Statement.

	Consolidated Group		
	2020 \$000	2019 \$000	2018 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	15,241	21,865	424
Trade and other receivables	31,302	13,378	15,486
Inventories	2,917	1,137	658
Work in progress and accrued Income	55,204	28,264	4,337
Other assets	580	522	1,151
Total Current Assets	105,244	65,166	22,056
Non-Current Assets			
Investments in other companies	2,014	95	110
Property, plant and equipment	6,182	5,775	3,793
Deferred tax assets	986	1,195	715
Right to Use Asset – Buildings	2,707	-	-
Total Non-Current Assets	11,889	7,065	4,618
Total Assets	117,133	72,231	26,674
LIABILITIES			
Current Liabilities			
Trade and other payables	45,566	30,339	12,300
Current tax liabilities	2,413	1,778	1,641
Employee benefits	2,251	1,905	1,059
Unearned Revenue	14,010	155	1,207
Borrowings	1,371	896	857
Total Current Liabilities	65,611	35,073	17,064
Non-Current Liabilities			
Borrowings	4,333	2,067	1,060
Employee benefits	439	318	173
Total Non-Current Liabilities	4,772	2,385	1,233
Total Liabilities	70,383	37,458	18,297
Net Assets	46,750	34,773	8,377
EQUITY			
Issued capital	27,007	19,688	348
Reserves	1,006	996	(4)
Retained earnings	18,737	14,089	8,033
Total Equity	46,750	34,773	8,377

BIDDER'S STATEMENT

PROFILE OF PRIMERO

e) Consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income of Primero set out below for the years ending 30 June 2018, 30 June 2019 and 30 June 2020 has been extracted from Primero's audited consolidated statement of financial performance for those periods.

	Consolidated Group		
	2020 \$000	2019 \$000	2018 \$000
REVENUE	205,595	151,680	85,217
Other Income	483	144	61
Expenses			
Cost of Sales	(187,452)	(131,674)	(71,327)
Depreciation and amortisation of expense	(1,876)	(1,200)	(847)
Other overhead expenses	(8,825)	(8,230)	(4,900)
Finance Costs	(609)	(240)	(207)
IPO Costs	-	(185)	(606)
Employee Incentive Scheme	(192)	(124)	-
Bad Debts	(493)	(337)	-
Due diligence cost for potential business acquisition	-	(119)	-
Share based payments expense – employees	48	(512)	-
Profit before income tax	6,679	9,203	7,391
Tax expense	(2,031)	(3,014)	(2,176)
Net profit for the year	4,648	6,189	5,215
OTHER COMPREHENSIVE INCOME			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax	(23)	37	(4)
Unrealised gain/(loss) on investments	(110)	24	-
Gain/(loss) on investments	-	152	-
Total other comprehensive income/(loss) for the year	(133)	213	(4)
Total comprehensive income for the year	4,515	6,402	5,211
Total comprehensive income attributable to:			
Owners of the parent entity	4,515	6,402	5,211
EARNINGS PER SHARE	2020	2019	2018
Basic earnings per share	\$0.029	\$0.042	\$0.056
Diluted earnings per share	\$0.028	\$0.042	\$0.056

BIDDER'S STATEMENT

PROFILE OF PRIMERO

f) Consolidated statement of cash flows

The consolidated statements of cash flows of Primero set out below for the years ending 30 June 2020 and 30 June 2019 has been extracted from Primero's audited consolidated statement of financial performance for those periods.

	Consolidated Group		
	2020 \$000	2019 \$000	2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	160,169	143,596	78,343
Payment to suppliers and employees	(171,408)	(137,732)	(72,399)
Interest received	31	315	26
Other revenue	392	142	35
Income tax paid	(1,081)	(3,240)	(1,324)
Net cash generated by operating activities	(11,897)	3,081	4,681
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment	363	-	3
Proceeds from sale of investments	-	1,121	103
Purchase of property, plant and equipment	(2,109)	(3,192)	(1,360)
Purchase of investments	(2,000)	-	(40)
Repayment/(advance) of loans made to employees	-	285	(94)
Net cash (used in)/generated by investing activities	(3,746)	(1,786)	(1,388)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings other	3,082	3,624	1,022
Repayment of borrowings other	(959)	(2,271)	(2,555)
Finance costs	(267)	(7)	(48)
Dividends paid by parent entity	-	-	(559)
Proceeds from issue of shares	7,634	20,010	-
Payments for issue of shares	(449)	(1,247)	(457)
Net cash provided by/(used in) financing activities	9,041	20,109	(2,597)
Net increase in cash and cash equivalents	(6,602)	21,404	696
Cash and cash equivalents at the beginning of financial year	21,865	424	(268)
Effects of Foreign Exchange	(22)	37	(4)
Cash and cash equivalents at the end of financial year	15,241	21,865	424

3.7. Wärtsilä dispute

Primero continues to pursue Wärtsilä Australia Pty Ltd (**Wärtsilä**) for the recovery of monies owed on the Barker Inlet Power Station project that was completed in February 2020. The project has been successfully delivering power into the South Australian network since December 2019.

Changes to the design and variations directed by Wärtsilä saw progressive and significant extension of the scope, the contract period, and the value of works performed by Primero for Wärtsilä under this contract. The changes were performed through the contract via a typical 'remeasurable contract' process whereby quantities installed are remeasured and verified by the principal prior to payment being made.

Primero recently submitted a follow-up adjudication application via the *South Australian Security of Payment Act* (SA) (**SOPA**) provisions, after the previous adjudication award in its favour was overturned due to reference date provisions under the legislation.

The current adjudication application relates to 100% of the claimed monies owed and pursued by Primero under the Wärtsilä contract. The adjudicator's decision is expected to be handed down in the coming weeks.

BIDDER'S STATEMENT

PROFILE OF PRIMERO

3.8. Further information on Primero

Primero is a listed disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Primero is subject to the Listing Rules which require continuous disclosure of any information Primero has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

In addition, Primero is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Primero may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Primero, including its ASX announcements, is available in electronic form from its website www.primero.com.au.

The most recent audited financial statements of Primero for the year ended 30 June 2020 were lodged with the ASX on 25 September 2020. Primero's reviewed financial statements for the half year ended 31 December 2019 were lodged with the ASX on 25 February 2020.

Further information about Primero will be contained in its Target's Statement.

BIDDER'S STATEMENT

INFORMATION ON PRIMERO'S SECURITIES

4 INFORMATION ON PRIMERO'S SECURITIES

4.1. Securities on issue in Primero

According to documents provided by Primero to the ASX, as at 27 November 2020, being the last practicable before the date of this Bidder's Statement, Primero's issued securities consisted of:

- 170,826,197 Primero Shares; and
- 14,413,229 Primero Options detailed below.

Number	Exercise Price	Expiry
1,000,000	\$0.50	9 July 2021
1,000,000	\$0.60	9 July 2021
184,094	Nil	3 December 2022
721,075	Nil	3 December 2023
1,396,075	\$0.558	3 December 2022
2,140,956	Nil	25 November 2023
738,816	\$0.543	25 November 2023
74,963	Nil	30 November 2021
103,920	Nil	19 August 2021
6,038,327	Nil	30 November 2024
1,015,003	\$0.37	30 November 2024

4.2. Primero's substantial shareholders

Based on material lodged with ASX as at 27 November 2020, being the last practicable date before the date of this Bidder's Statement, each of the following persons had disclosed the following substantial shareholdings in the issued ordinary share capital of Primero:

Primero Shareholder	Number	Percentage
Cameron Henry and Associated Entities	23,869,872	13.97%
Perennial Value Management Limited	22,033,107	12.90%
Dean Ercegovic and Associated Entities	18,791,040	11.00%
Peter Grigsby and Associated Entities	14,062,595	8.23%
Mitsubishi UFJ Financial Group, Inc.	9,720,947	5.66%
Ben Davies and Associated Entities	9,491,082	5.56%
Brett Grosvenor and Associated Entities	9,135,177	5.35%

4.3. Recent trading in Primero Shares

Primero Shares are quoted on ASX. Set out below is a table showing relevant trading prices of Primero Shares on ASX:

Comparative trading period price of Primero Shares	Price of Primero Shares A\$
Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.555
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.225
Closing trading price on 23 November 2020, being the last full trading day prior to the Announcement Date	\$0.48
Closing price of Primero Shares traded on ASX on the last practicable date prior to the date this Bidder's Statement was lodged with ASIC	\$0.55

4.4. Primero's dividend history

No dividend has been declared since its initial public offering on 9 July 2018.

BIDDER'S STATEMENT

INFORMATION ON PRIMERO'S SECURITIES

4.5. Primero Incentive Plans

According to documents provided by Primero to ASX, as at the date of this Bidder's Statement, Primero currently has an employee incentive plan (**EIP**) in place. Under the EIP, Primero may invite nominated persons to participate in the EIP and receive Primero Shares, Primero Options and/or performance rights.

Each Primero Option confers on its holder the right to subscribe for one Primero Share at a specified exercise price and subject to specified vesting conditions. Primero Options do not carry any dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

Details of Primero Options issued as at the last practicable date before the date of this Bidder's Statement are set out in **section 4.1b** above.

Under the terms of the Bid Implementation Agreement, before the end of the Offer Period, NRW will make Primero Options Offers to each remaining holder of Primero Options in a form approved by NRW to cancel each of their Primero Options. The consideration payable for any cancellation will, for those Primero Options issued under Primero's existing employee incentive schemes, be equal to the consideration payable under the Offer. Under the terms of the Bid Implementation Agreement, the Primero Options Offer will be conditional only on (unless NRW otherwise determines or waives the condition):

- a) NRW being entitled to compulsorily acquire all Primero Shares;
- b) the Offer made in relation to Primero Shares becoming unconditional or is declared by NRW to be free of all conditions; and
- c) any necessary or desirable Listing Rules waivers being granted to facilitate the Primero Options Offer.

For the Other Option Holders, the offer will be a cash payment equal to a Black-Scholes option valuation.

Primero Optionholders may exercise their Primero Options and accept the Offer in respect of the Primero Shares issued. The Offer will extend to Primero Shares issued on the exercise of Primero Options after the Record Date but before the end of the Offer Period, provided those Primero Options were on issue as at the Record Date.

So far as NRW is aware, Primero has not issued any performance shares and performance rights under the EIP.

4.6. Acquisition by NRW in past 4 months

Neither NRW nor any Associate of NRW has provided, or agreed to provide, consideration for Primero Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

4.7. NRW's interest in Primero Shares

As at the date of this Bidder's Statement, NRW and its Associates do not have a Relevant Interest in, or voting power in relation to, Primero Shares.

As at the date of this Bidder's Statement, the NRW Directors have no Relevant Interest in any Primero Shares.

4.8. No collateral or other benefits

During the period of 4 months before the date of this Bidder's Statement, neither NRW nor any Associate of NRW gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of Primero Shares,

and which is not offered to all holders of Primero Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither NRW nor any Associate of NRW gave, or offered to give, or agreed to give a benefit to another person which was likely to include the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of Primero Shares,

and which is not offered to all holders of Primero Shares under the Offer.

4.9. No escalation agreements

Neither NRW nor any Associate of NRW has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

BIDDER'S STATEMENT

PROFILE OF THE COMBINED GROUP

5 PROFILE OF THE COMBINED GROUP

5.1. Overview of the Combined Group

Following completion of the Offer you will become a shareholder in a financially stronger company with a positive growth outlook and continue to participate in the growth of Primero's business as its competencies are complementary to NRW's compelling strategic platform.

- **Broader service offering** – Primero is a vertically integrated engineering group that specialise in the design, construction and operation of resource projects. By becoming a NRW Shareholder, you will benefit from the broader service offering of NRW and the Minerals, Energy and Technologies division, including the ability to offer a more complete set of services to existing and potential clients.
- **Continuity of service to clients across the lifecycle of mining projects** – By becoming a shareholder in NRW, you will benefit from greater exposure to NRW's Minerals, Energy and Technologies division and the ability to offer clients continuity of services across the whole lifecycle of resource projects – from early planning, design, development, construction to operations and maintenance.
- **Broadened market diversification** – Primero's market exposure is very concentrated and revenue is directly exposed to factors impacting the resources industry, including commodity prices, the number of new mining projects and the level of capital expenditure in the sector. By becoming a shareholder in NRW, you will have exposure to an expanded service offering to a high-profile client base with a long track record of contract renewal and extension.

PRIMERO ACQUISITION ALIGNS WITH NRW STRATEGIC GROWTH PLAN



BIDDER'S STATEMENT

PROFILE OF THE COMBINED GROUP

NRW OPERATING DIVISIONS – NRW FY2020 REVENUE¹³



The strategic benefits referred to above assume NRW achieves 100% ownership in Primero. These strategic benefits may not be achievable or may only be achievable to a lesser degree at lower levels of NRW ownership in Primero.

5.2. Capital structure of the Combined Group

Under the Offer, NRW is offering to issue NRW Shares to Primero Shareholders. The actual number of NRW Shares on issue at completion of the Offer will depend on the level of acceptances of the Offer and the number of Primero Options exercised during the Offer Period.

The potential effect of the Offer on NRW's capital structure, post-transaction, is summarised in the table below.

Capital structure of Combined Group	Number held by NRW Security-holders	Number held by Primero Security-holders	Total for Combined Group ²
Ordinary shares ¹	426,685,384	19,423,378	446,108,762
Performance rights	4,187,762	0	4,187,762
Total	430,873,146	19,423,378	450,296,524
Diluted percentage	95.7%	4.3%	
Undiluted percentage	95.6%	4.4%	

Notes and assumptions:

- (1) Assumes that the Offer is accepted by all Primero Shareholders and Primero Options and the conditions to the Offer are satisfied or waived prior to the close of the Offer Period.
- (2) Assumes no new securities are issued by NRW, except for as contemplated under the Offer contained in this Bidder's Statement.

¹³ NRW Figures include share of revenue from associates.

BIDDER'S STATEMENT

PROFILE OF THE COMBINED GROUP

Based on information known to NRW as at 27 November 2020, being the last practicable date before the date of this Bidder's Statement, and the information provided by Primero at **section 4.2**, the table below summarises the substantial shareholders of the Combined Group assuming that NRW acquires 100% of Primero Shares and Primero Options.

Name	Number of NRW Shares held post completion of the Takeover Bid	Current Relevant Interest in NRW (%)	Relevant Interest following completion of the Takeover Bid (%)
Blackrock Group	30,911,018	7.24%	6.93%
Vanguard Group	22,704,233	5.32%	5.09%

5.3. Offer Consideration

The consideration for the acquisition of the Primero Shares to which the Offer relates will be satisfied by the payment of a combination of cash and the issue of NRW Shares. Based on the number of Primero Shares on issue on 27 November 2020, being the last practicable date before the date of this Bidder's Statement, the maximum amount of cash payable is \$46,977,204 and the maximum number of NRW Shares which would be required to be issued under the Offer if every Primero Shareholder accepted the Offer is 18,107,577 NRW Shares.

In addition, if all holders of Primero Options on issue as at the last practicable date before the date of this Bidder's Statement exercise their Primero Options and accept the Offer in respect of the Primero Shares issued to them during the Offer Period, then an additional amount of approximately \$3,413,636 and an additional 1,315,802 NRW Shares would become payable. NRW has the capacity to issue the maximum number of NRW Shares which it may be required to issue under the Offer. NRW intends to apply for the quotation of NRW Shares issued under the Offer on the ASX within 7 days of the date of the Offer in accordance with the Corporations Act (refer to **section 10.12**).

The funds required by NRW to satisfy its obligation to pay the aggregate cash consideration required under the Offer will be able to be sourced from a combination of existing cash reserves and headroom available in NRW's existing debt facilities.

NRW currently has in place existing multi-option general banking facilities with Bankwest and Bank of China which may be used for a range of purposes including paying the cash consideration under the Offer. These facilities will be available for the entire Offer Period and for so long as NRW has obligations in terms of the compulsory acquisition of any outstanding Primero Shares. As part of these arrangements, NRW is currently working with Bankwest to have in place a new \$50 million acquisition facility prior to the end of the Offer Period. The conditions precedent to draw down under this acquisition facilities are customary for facilities of this nature and include for example:

- the acquisition being consistent with core operations of the NRW Group and is forecast to generate additional earnings and cash flow within a reasonable time frame;
- compliance with all covenants post acquisition;
- no default; and
- acquired business acceding as a guarantor and becoming a security provider subject to complying with any applicable financial assistance legislation.

NRW has no reason to believe that these conditions precedent will not be satisfied in the ordinary course. The aggregate amount undrawn under the existing facilities (excluding the new acquisition facility from Bankwest) together with existing cash and cash equivalents (which at 30 June 2020 was approximately \$170,229,000) exceed the maximum cash amount under the Offer and associated transaction costs.

The Offer itself is not subject to any financing conditions.

5.4. Pro-forma Historical Consolidated Financial Information for the Combined Group

This section contains pro-forma historical financial information in relation to the Combined Group comprising the Combined Group historical statement of financial position as at 30 June 2020 (**Combined Group Pro-Forma Historical Financial Information**).

In this Bidder's Statement, references to the Combined Group Pro-Forma Historical Financial Information, means the corporate group that will be formed as it will exist immediately following implementation of the Offer and refers to the Combined Group on an aggregated basis.

a) Basis of presentation of pro-forma financial information

This section should be read in conjunction with the underlying financial information from which it is derived, NRW's current intentions regarding Primero set out in section 6, the risk factors set out in **section 8**, NRW's accounting policies and other information contained within this Bidder's Statement and Primero's Target's Statement.

This section provides an overview of the financial effects of the Offer on NRW, based on the audited consolidated statements of financial position for each of NRW and Primero as at 30 June 2020, assuming that NRW acquires 100%

BIDDER'S STATEMENT

PROFILE OF THE COMBINED GROUP

of Primero Shares under the Offer and with the pro-forma adjustments explained in section 5.4c) below. NRW's and Primero's annual reports are available from their respective websites or the ASX website (www.asx.com.au).

This financial information has been prepared for illustrative purposes only, to give an indication of the financial position of the Combined Group as if the Offer had been implemented as at 30 June 2020 and has been prepared on an abbreviated basis. It does not provide all the disclosure usually provided in an Annual Report in accordance with the Corporations Act.

The Combined Group Pro-Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (AAS) (including Australian Accounting Interpretations) adopted by the AASB, which comply with the recognition and measurement principles of the International Accounting Standards Board and interpretations adopted by the International Accounting Standards Board.

The Combined Group Pro-Forma Historical Financial Information has been prepared in accordance with and should be read in conjunction with the accounting policies detailed in NRW's Annual Report for the year ended 30 June 2020. A preliminary assessment has not identified any material differences between the accounting policies adopted by NRW and Primero as at 30 June 2020.

Pro-forma adjustments and assumptions have also been made to reflect the terms of the Offer. It is assumed that the acquisition will be accounted for as a business combination in accordance with applicable accounting standards. The Combined Group Pro-Forma Historical Financial Information has been prepared using preliminary purchase price accounting estimates. Comprehensive fair value assessments of the Primero assets and liabilities will be completed upon completion of the Offer including fair value purchase price allocation and related tax effect accounting.

BIDDER'S STATEMENT

PROFILE OF THE COMBINED GROUP

b) Combined Group pro-forma historical consolidated statement of financial position as at 30 June 2020

At 30 June 2020	NRW	Primero	Pro-forma adjustments (7)			Consolidation (Adj 4)	Combined Group
	standalone	standalone	Adj 1: Loan issued by NRW	Adj 2: Loan received by Primero	Adj 3: Acquisition of Primero		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS							
Current assets							
Cash and cash equivalents	170,229	15,241	(10,000)	10,000	(50,391)	-	135,079
Receivables	369,906	86,506	10,000	-	-	(10,000)	456,412
Lease receivable	2,546	-	-	-	-	-	2,546
Inventories	51,358	2,917	-	-	-	-	54,275
Other current assets	8,771	580	-	-	-	-	9,351
Total current assets	602,810	105,244	-	10,000	(50,391)	(10,000)	657,663
Non-current assets							
Property, plant and equipment	437,825	6,182	-	-	-	-	444,007
Lease assets (right of use)	58,276	2,707	-	-	-	-	60,983
Lease receivable	2,545	-	-	-	-	-	2,545
Investments in associates	2,610	2,014	-	-	-	-	4,624
Investments in subsidiaries	-	-	-	-	100,782	(100,782)	-
Intangibles	115,874	0	-	-	-	54,032	169,906
Deferred tax assets	-	986	-	-	-	-	986
Total non-current assets	617,130	11,889	-	-	100,782	(46,750)	683,051
Total assets	1,219,940	117,133	-	10,000	50,391	(56,750)	1,340,714
LIABILITIES							
Current liabilities							
Payables	331,642	45,566	-	-	-	-	377,208
Financial debt	81,799	-	-	10,000	-	(10,000)	81,799
Lease debt	14,757	1,371	-	-	-	-	16,128
Unearned revenue	-	14,010	-	-	-	-	14,010
Current tax liabilities	-	2,413	-	-	-	-	2,413
Provisions	78,442	2,251	-	-	-	-	80,693
Total current liabilities	506,640	65,611	-	10,000	-	(10,000)	572,251
Non-current liabilities							
Financial debt	162,996	-	-	-	-	-	162,996
Lease debt	50,301	4,333	-	-	-	-	54,634
Provisions	17,871	439	-	-	-	-	18,310
Deferred tax liabilities	9,743	-	-	-	-	-	9,743
Total non-current liabilities	240,911	4,772	-	-	-	-	245,683
Total liabilities	747,551	70,383	-	10,000	-	(10,000)	817,934
Net assets	472,389	46,750	-	-	50,391	(46,750)	522,780
EQUITY							
Contributed equity	332,863	27,007	-	-	50,391	(27,007)	383,254
Reserves	8,453	1,006	-	-	-	(1,006)	8,453
Retained profits	131,073	18,737	-	-	-	(18,737)	131,073
Total equity	472,389	46,750	-	-	50,391	(46,750)	522,780

c) Pro-forma adjustments and assumptions

The following adjustments and assumptions have been made in the preparation of the pro-forma historical consolidated statement of financial position of the Combined Group under the scenario set out in **section 5.4b)**:

- The pro-forma adjustments assume NRW provides the \$10 million Loan Facility to Primero pre-acquisition and 100% of Primero Shares are acquired under the Offer;

BIDDER'S STATEMENT

PROFILE OF THE COMBINED GROUP

- (ii) Adjustment 1 and 2 reflects the recognition of the \$10 million Loan Facility provided from NRW to Primero prior to the acquisition in order to fund working capital requirements. The Loan Facility subsequently eliminates on consolidation in Adjustment 4. Refer to **section 9.9** for further details of the proposed Loan Facility;
- (iii) Adjustment 3: recognition of investment in Primero as a subsidiary of NRW. Consideration is calculated from the issue of 0.106 new NRW Shares per Primero Share which amounts to \$50.4 million plus a cash payment of \$50.4 million;
- (iv) Adjustment 4: Consolidation
 - (A) elimination of the \$10 million Loan Facility that is assumed to be provided from NRW to Primero pre-acquisition;
 - (B) the elimination of Primero's pre-acquisition share capital, reserves and retained profits;
 - (C) elimination of the investment in Primero with the uplift in net assets being disclosed as Intangibles until a more detailed purchase price allocation exercise is completed;
 - (D) tax effect accounting of the consideration has not been adjusted; and
 - (E) transaction costs have been excluded from the pro-forma adjustments

d) Material changes in the Combined Group's financial position since the most recent balance date

Other than as disclosed to the market by NRW and Primero (in accordance with their reporting and disclosure obligations) since the date of the release of their respective 2020 Annual Reports (including the transaction announcement on the Announcement Date), or as disclosed in this Bidder's Statement, there are no material changes in the Combined Group's financial position since the most recent balance date.

5.5. Forecast financial outlook for the Combined Group

NRW has given consideration as to whether a reasonable basis exists to produce reliable and meaningful forward looking financial information in relation to the Combined Group (including revenue, earnings or profit forecasts). NRW has concluded that it would be difficult to do so at this stage, particularly given the focus on the post Offer completion business reviews of Primero's operations referenced in **section 6** of this Bidder's Statement. Until such time as completion of the review of Primero's operations, NRW does not believe it is appropriate to provide any such combined forward looking financial projections.

5.6. Dividends

NRW intends to continue using its current dividend policy in relation to the Combined Group.

BIDDER'S STATEMENT

INTENTIONS OF NRW

6 INTENTIONS OF NRW

6.1. Approach and intentions of NRW

This **section 6** sets out the intentions of NRW on the basis of facts and public information concerning Primero which are known to NRW as at 27 November 2020, being the last practicable date before the date of this Bidder's Statement, in relation to the following:

- a) the continued operation of Primero;
- b) any major changes to be made to the operation of Primero, including any redeployment of the fixed assets of Primero;
- c) the future employment of Primero employees; and
- d) the compulsory acquisition of Primero Shares and the removal of Primero from the official list on the ASX.

While NRW has conducted due diligence on Primero, NRW does not have detailed knowledge of all material information necessary to reach final decisions as to its intentions and NRW will only reach final decisions in light of material facts and circumstances at the relevant time and following completion of the review of Primero's operations referred to below.

Accordingly, the statements set out in these sections are statements of current intentions only and may vary as new information becomes available or circumstances change.

6.2. Intentions for Primero as a wholly owned controlled entity

This section describes NRW's intentions if NRW acquires a Relevant Interest in 90% or more of the Primero Shares so as to become entitled to proceed to compulsory acquisition of the outstanding Primero Shares in accordance with Part 6A.1 of the Corporations Act.

NRW intends (based on the information currently available to it) to implement its strategy for the Combined Group as set out below.

a) Corporate matters

NRW intends to:

- proceed with the compulsory acquisition of any Primero Shares not acquired under the Offer when it is entitled to do so in accordance with the Corporations Act;
- arrange for Primero to be removed from the official list of the ASX; and
- appoint its own nominees to the Primero Board and its Subsidiaries and seek the retirement of all current members of the Primero Board. NRW has not made any decision as to who would be nominated for appointment.

b) Business review

After the end of the Offer Period, NRW intends to conduct an immediate, broad based review of Primero's operations on both a strategic and financial level to determine mechanisms for improving performance and realise any potential operational and financial synergies.

The detailed outcome of the review is not able to be determined at this stage, although NRW intends to:

- (i) preserve and grow the existing business of Primero;
- (ii) identify opportunities to integrate the Primero with the Minerals, Energy and Technologies division operated by NRW;
- (iii) make the technical, commercial and managerial skills of the NRW available for the benefit of Primero;
- (iv) assess synergies by eliminating duplicated functions arising as a result of the acquisition of Primero; and
- (v) continue to employ Primero's present employees who are still employees at the end of the Offer Period or who have not given notice of resignation before the end of the Offer Period.

c) Intentions in regards to Primero's executives and employees

NRW believes that the acquisition of Primero by NRW would offer Primero executives and employees new and exciting opportunities as part of a larger and well-resourced company that is poised for continued growth.

It is NRW's current intention to retain the vast majority of Primero's executives and employees. NRW would aim to identify suitable alternative roles for any Primero employees in business areas that are adversely affected by any integration. Where this is not feasible or the employee does not wish to accept an alternative role, those individuals would receive redundancy payments and other benefits in accordance with their legal and contractual entitlements.

BIDDER'S STATEMENT

INTENTIONS OF NRW

6.3. Intentions for Primero as a part owned controlled entity

NRW reserves the right to declare the Offer free from the 90.1% minimum acceptance condition to the Offer (refer to **section 10.14**). However, it has made no decision as to whether it will do so. This **section 6.3**, describes NRW's intentions if NRW were to declare the Offer free from the 90.1% minimum acceptance condition and, on completion of the Offer, NRW may hold a sufficient number of Primero Shares to exercise control over the management and operations of Primero, but may not be entitled to compulsorily acquire all outstanding Primero Shares.

NRW's intentions under this situation are as follows:

a) Corporate matters

As soon as practicable after NRW acquires a Relevant Interest in 50.1% of the Primero Shares and the Offer becomes unconditional, NRW intends:

- subject to the Corporations Act and Primero's constitution, to seek to appoint its nominees to the Primero Board such that a majority of the Primero Directors are directors nominated by NRW. NRW would consider the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Primero Board. No decision has been made as to the identity of NRW's nominees at this point in time.
- to cause Primero to apply to the ASX for removal from the official list as soon as it is in a position to do so, subject to meeting the ASX's requirements.

Even if NRW is not entitled to proceed to the compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. This could occur, for example, if NRW acquired further Primero Shares in reliance on the 3% creep exception provided in item 9 of section 611 of the Corporations Act. If any such rights of compulsory acquisition arise, NRW intends to exercise those rights.

b) Funding

New external capital may be required to fund Primero's operations in the future. NRW will review how best to fund Primero's activities which, depending on the circumstances at the time, may include raising new equity.

c) Distributions

NRW will review the existing distribution policy for Primero but intends to limit distributions in the near term given Primero's current cash on balance sheet, expected operating cash flow generation and potential capital requirements in the future.

d) Information

To agree information and disclosure protocols with the Primero Board for the purpose of facilitating NRW's financial results preparation and reporting.

e) Additional intentions

Unless specifically detailed in this **section 6.3**, NRW will implement the intentions in **section 6.2** to the extent possible.

f) Limitations in giving effect to intentions

The ability of NRW to implement any of the intentions set out in this **section 6.3** will be subject to, among other things:

- the legal obligations of the Primero Directors to have regard to the interests of Primero and Primero Shareholders;
- the requirements of the Corporations Act relating to transactions between related parties; and
- potentially the Listing Rules relating to transactions between related parties.

It should be noted that NRW expects that each of its nominees to the Primero Board will exercise their own independent judgement and skill when it comes to the operational, financial and business decisions relating to Primero. NRW's only influence will be through its position as a majority shareholder in Primero.

BIDDER'S STATEMENT

INTENTIONS OF NRW

6.4. Intentions for Primero if not controlled by NRW

This **section 6.4** describes NRW's intentions if NRW were to declare the Offer free from the 90% minimum acceptance condition and if Primero does not become controlled by NRW.

NRW's intentions under this situation are as follows:

- a) NRW does not expect to be in a position to give effect to the intentions set out in **sections 6.2** and **6.3** of this Bidder's Statement other than NRW's intention to request appointment of the NRW nominees as Primero Directors that at least corresponds to NRW's voting power in Primero; and
- b) NRW's current intention is to continue to hold any Primero Shares acquired with a view to maximising returns for NRW Shareholders (this may result in NRW or its Associates acquiring additional Primero Shares, to the extent permitted by law).

6.5. Limitations in giving effect to intentions

The ability of NRW to implement the intentions set out in this **section 6** will be subject to the legal obligations of the NRW Directors to have regard to the interests of NRW and all NRW Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties. NRW will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

6.6. Intentions generally

Subject to the above, NRW currently intends, on the basis of the facts and information concerning Primero which are known to it:

- to generally continue the operations of Primero; and
- not to make any major changes to the operations of Primero or redeploy any of the fixed assets of Primero.

BIDDER'S STATEMENT

AUSTRALIAN TAX IMPLICATIONS

7 AUSTRALIAN TAX IMPLICATIONS

7.1. Introduction

The following is intended only as a general guide of the Australian tax consequences for Primero Shareholders who accept the Offer, under current Australian tax law and administrative practice as at the date of this Bidder's Statement.

The comments set out below are relevant only to those Primero Shareholders who hold their Primero Shares on capital account for tax purposes.

Primero Shareholders who:

- hold their Primero Shares as revenue assets or as trading stock;
- acquired their Primero Shares pursuant to an employee share, option or rights plan;
- are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Primero Shares;
- are non-residents of Australia who hold their Primero Shares in carrying on a business through a permanent establishment in Australia;
- are financial institutions, insurance companies, partnerships, tax exempt organisations, sovereign entities, trusts or superannuation funds; or
- are temporary residents, or have changed their tax residence while holding Primero Shares, should seek their own tax advice.

Primero Shareholders who are tax residents of a country other than Australia (whether or not they are also Australian tax residents, or are temporary tax residents of Australia) should take into account the tax consequences under the laws of their country of tax residence, as well as under Australian tax law, and any applicable tax treaty between Australia and that country, of acceptance of the Offer.

The following description is based upon the Australian tax law and administrative practice in effect at the date of this Bidder's Statement, but the descriptions are general in nature and are not intended to be an authoritative or complete statement of the tax laws applicable to the particular circumstances of every Primero Shareholder. Primero Shareholders should seek independent professional tax advice in relation to their own particular circumstances.

7.2. Australian resident shareholders

a) Shareholders who accept the Offer

If the Offer becomes unconditional, acceptance of the Offer will involve the disposal by Primero Shareholders of their Primero Shares by way of transfer to NRW. This will constitute a CGT event for Australian tax purposes.

The date of disposal for CGT purposes will be the date the contract to dispose of the Primero Shares is formed. As the conditions to which the Offer is subject are all conditions subsequent that do not prevent formation of a contract by acceptance of the Offer, the date of disposal will be the date that the Offer is accepted.

b) Compulsory acquisition

If a Primero Shareholder does not dispose of their Primero Shares under the Offer and their Primero Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those Primero Shareholders will also be treated as having disposed of their Primero Shares for CGT purposes.

In that case, the date of disposal for CGT purposes will be the date when NRW becomes the owner of the Primero Shares.

c) CGT

Calculation of capital gain or capital loss (apart from scrip for scrip rollover relief)

Primero Shareholders who are Australian residents may make a capital gain or capital loss on the disposal of Primero Shares. Primero Shareholders will make a capital gain to the extent that their capital proceeds from the disposal of the Primero Shares are more than their cost base. Conversely, Primero Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Primero Shares.

The cost base of the Primero Shares generally includes the cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the shareholder. The capital proceeds will be the total of the cash consideration of \$0.275 per Primero Share (**Cash Consideration**) and the market value of the 0.106 NRW Shares received per Primero Share (**Share Consideration**), calculated at the date of CGT disposal.

BIDDER'S STATEMENT

AUSTRALIAN TAX IMPLICATIONS

Individuals, complying superannuation entities or trustees that have held Primero Shares for at least 12 months before the date of disposal (which may be the date of contract rather than the date of completion - see above) should be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Primero Shares. The discount is 50% in the case of individuals and trusts or 33% for complying superannuation entities. For trusts the ultimate access to the discount may depend on a beneficiary's entitlement to the discount.

Shareholders should seek specific advice on the availability of the CGT discount in their own circumstances. Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain (after discount) is included in assessable income and is subject to income tax at the taxpayer's marginal tax rate. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

Partial scrip for scrip rollover relief

Partial scrip for scrip rollover relief will be available if members of the NRW tax consolidated group attain at least an 80% shareholding in Primero through the Offer, including any Primero Shares already held. In this case, Australian resident Primero Shareholders who have a capital gain on their Primero Shares can choose to apply rollover for that part of their Primero Shares for which they receive the Share Consideration. They cannot choose rollover for that part of their Primero Shares (the ineligible part) for which they receive the Cash Consideration. In determining the capital gain made in respect of the Cash Consideration, the cost base of the ineligible part will be that part of the cost base of the Primero Shares as is reasonably attributable to the ineligible part.

In order to choose the partial scrip for scrip rollover relief, Primero Shareholders must make an election prior to lodging their income tax return for the income year in which the CGT event occurs. NRW will not make a choice under section 124-795(4) of the *Income Tax Assessment Act 1997* (Cth) to deny scrip for scrip rollover relief.

Rollover is not available if a capital loss arises on the exchange of the Primero Shares.

d) Implications of holding NRW Shares

As a consequence of accepting the Offer, a Primero Shareholder will cease to be a shareholder of Primero and will become a shareholder of NRW. Dividends received by an Australian resident shareholder of NRW would generally be included in the assessable income of such a shareholder, and, if franked, may qualify for benefits under the dividend imputation regime.

e) CGT on subsequent disposal of NRW Shares

A subsequent disposal of NRW Shares will generally result in Australian CGT implications as described above. These will differ depending upon whether or not, and the extent to which, scrip for scrip rollover relief was claimed in relation to the disposal of Primero Shares pursuant to the Offer.

Where scrip for scrip rollover relief was not claimed or available

Where scrip for scrip rollover relief was not claimed or was not available in relation to the disposal of the Primero Shares, the cost base of the NRW Shares (spread equally over those NRW Shares) would include the market value of the Primero Shares disposed of under the Offer at the time the Offer is accepted less the Cash Consideration.

The acquisition date of the NRW Shares will be when the contract for disposal of the Primero Shares was formed (as set out in **section 7.2a**) above) or the date the NRW Shares are issued if the Primero Shares were compulsorily acquired. CGT discount may be available for certain shareholders if the NRW Shares are held for more than 12 months.

Where scrip for scrip rollover available

Where a Primero Shareholder chooses scrip for scrip rollover relief the cost base for the NRW Shares will be the cost base of the original Primero Shares, reduced by so much of the cost base as is attributable to the ineligible part of the Primero Shares for which the Cash Consideration is received (see above).

Other amounts may be included in the cost base of the NRW Shares, such as any incidental costs to sell the NRW Shares.

A shareholder will be taken to have acquired the NRW Shares at the time the Primero Shares were originally acquired for CGT purposes, including the CGT discount.

BIDDER'S STATEMENT

AUSTRALIAN TAX IMPLICATIONS

7.3. Non-resident shareholders

For a Primero Shareholder who:

- is not, and has not been, a resident of Australia for Australian tax purposes;
- holds their Primero Shares on capital account; and
- does not hold their Primero Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Primero Shares will generally only result in Australian CGT implications if:

- that shareholder together with its associates held 10% or more of the Primero Shares at the time of disposal or for any continuous 12 month period within two years preceding the disposal; and
- more than 50% of Primero's value is due to direct or indirect interests in Australian real property, which is defined to include Australian mining and exploration leases and licences.

(collectively referred to here as the **TARP Test**).

NRW is entitled to withhold 12.5% of the consideration payable to Primero Shareholders if several conditions are satisfied, including the TARP Test. NRW is currently of the view that the TARP Test should not be satisfied and therefore does not expect to withhold any amount in respect of tax from the consideration. This should apply to both the cash component of the consideration payable under the Offer and the proceeds distributed to non-resident Primero Shareholders in accordance with the process referred to in **section 10.9**.

Non-residents should seek their own advice as to the tax treatment of dividends on the NRW Shares and any subsequent disposal of the NRW Shares. In general franked dividends will not attract dividend withholding tax; unfranked dividends will attract withholding tax prima facie at a rate of 30% of the gross amount of the dividend, but subject to rate reduction under tax treaties.

7.4. Stamp Duty

If you accept the Offer you will not be required to pay any stamp duty on the disposal of your Primero Shares under the Offer or on the acquisition of NRW Shares under the Offer.

7.5. GST

Holders of Primero Shares should not be liable to pay any GST in respect of a disposal of those Primero Shares or acquisition of NRW Shares.

The disposal and acquisition of shares are 'financial supplies' for GST purposes. If Primero Shareholders incur any costs which include GST (such as advisor fees) relating to their participation in the Offer, they may only be entitled to input tax credits for such costs in certain circumstances and should seek specific advice.

BIDDER'S STATEMENT

RISK FACTORS

8 RISK FACTORS

8.1. Overview

If the Offer becomes unconditional, Primero Shareholders who accept the Offer (other than Foreign Shareholders) will become shareholders in NRW, and NRW will acquire an interest in Primero.

A number of risks and uncertainties, which are both specific to NRW and the Combined Group and of a more general nature, may affect the future operating and financial performance of the Combined Group and the value of NRW Shares. There are also additional risks relating to the Offer and the Combined Group, to which Primero Shareholders will be exposed through their holding Primero Shares. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, while others can be covered by insurance, but some are outside the control of NRW and the Combined Group and cannot be mitigated or insured against. Many of these risks also affect the businesses of other companies operating in the same industry.

The risks set out in this **section 8** are not exhaustive of all the risks faced or that may be faced by NRW Shareholders. The risks are general only and do not take into account your individual objectives, financial situation or needs. You should carefully consider the following risk factors, as well as other information provided by NRW, and consult your professional advisers before deciding whether to accept the Offer.

8.2. Specific risks relating to NRW and the Combined Group

Reliance on key personnel

NRW depends substantially on its executive director, senior management and key personnel to oversee the day-to-day operations and the strategic management of NRW.

There can be no assurance that there will be no detrimental impact on NRW if directors or employees cease their employment.

Regulatory compliance

NRW must meet regulatory requirements that are subject to continual review, including inspection by regulatory authorities. Failure by NRW to continuously comply with regulatory requirements or failure to take satisfactory corrective action in response to adverse inspection could result in enforcement actions. NRW operates in a regulated environment with the potential for significant penalties for non-compliance with applicable laws and regulations. NRW's future growth prospects are reliant on its ability to market its services and any regulatory change, event or enforcement action which would restrict those activities could have a material impact on NRW's growth and future financial performance. Amendments to current law and regulations governing operations or more stringent implementation of laws and regulations could have an adverse impact on NRW, including increases in expenses, capital expenditure and costs. The impact of future regulatory and legislative change upon the business of NRW cannot be predicted.

Competition risk

The industries in which NRW's and Primero's businesses are involved are highly competitive and are subject to increasing competition. NRW has a competitive advantage in its experience and expertise gained through long-standing and successful relationships with clients in its business sector.

However, due to the high level of competition, there is a risk NRW and Primero may not compete as successfully in the future. While NRW and Primero will undertake all reasonable due diligence in its business decisions and operations, it has no influence or control over the activities or actions of its competitors. Those competitors' activities and actions may positively or negatively affect the operating and financial performance of NRW's and Primero's projects and business.

Market Risk

NRW's financial performance is influenced by the level of activity in the resources and mining industry, which is impacted by a number of factors outside the control of NRW. These factors include:

- demand for mining production, which may be influenced by factors including (but not limited to) prices of commodities, exchange rates, the competitiveness of Australian mining operations and government policy on infrastructure spend;
- the policies of mine owners including their decisions to undertake their own mining operations or to outsource these functions; and
- the availability and cost of key resources including people, earth moving equipment, and critical consumables.

Further, NRW operates in a competitive market and it is difficult to predict whether new contracts will be awarded due to multiple factors influencing how clients evaluate potential service providers.

BIDDER'S STATEMENT

RISK FACTORS

Reputational risk

The reputation of NRW and its products and services is important in attracting and retaining existing business, and in obtaining new business and key employees.

Reputational damage could occur due to a number of circumstances, including errors or defects, inadequate services, or unsatisfactory client outcomes.

Negative publicity could adversely affect the reputation of NRW, which may result in a fall in the number of clients seeking NRW's products and services.

Litigation

NRW is exposed to the risk of actual and threatened litigation or legal disputes in the form of client claims, personal injury claims, employee claims, subcontractor claims, and other litigation and disputes.

If any claim were successfully pursued, it may adversely impact the financial performance, financial position or cashflow of NRW.

NRW is often required to provide contract guarantees which can be called as part of a legal dispute, or, given the normal unconditional nature of most guarantees, for any other reason (although usually for breach or non-performance). Whilst the risk of a guarantee being called remains low (particularly given NRW's historical experience) it cannot be ruled out.

If any guarantee were called, NRW's financial position and financial performance may be materially adversely affected.

Primero's contracts are generally 'lump sum' in nature and to the extent costs exceed the contracted price, there is a risk these amounts may not be recovered. From time to time variations to the planned scope occurs or issues arise during the construction phase of a project, not anticipated at the time of bid. This may give rise to claims under the contract with the principal in the ordinary course of business (such as Primero's current dispute with Wärtsilä Australia Pty Ltd of which there can be no guarantee that satisfactory amounts can or will be recovered). Where such claims are not resolved in the ordinary course of business they may enter formal dispute and the outcome upon resolution of these claims may be materially different to the position taken by Primero.

Insurance

NRW faces various risks in connection with its business including blowouts, explosions, fires, damages or lost equipment and damage or loss from inclement weather or natural disasters. Any of these hazards could result in personal injury or death, damage to or destruction of equipment and facilities, suspension of operations, environmental damage and damage to the property of others. NRW may lack adequate insurance coverage, or may not have the relevant insurance coverage to mitigate the adverse effects if one or more of these risks materialise.

Additionally, warranty and indemnity provisions in mining services contracts could leave NRW exposed to the risk and liability associated with the services performed under such contracts.

NRW maintains insurance coverage for its employees, as well as professional indemnity, product liability, third party liability and business interruption insurance, as well as insurance against claims for certain property damage.

NRW reviews its insurance requirements periodically.

If NRW incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, NRW's financial position and financial performance may be materially adversely affected.

In future insurance renewals, NRW may choose to increase self-insurance retentions (and this assume a greater degree of risk) in order to reduce costs associated with increased insurance premiums.

Engineer Design Risk

Primero operates as a "Design, Construct and Operate" contractor in the engineering sector. Such projects and contracts place an obligation on Primero to design "Fit for Purpose" infrastructure and to give warranties to such effect. Any failure in design may see Primero exposed to contractual claims for breach of "Fit for Purpose" or design obligations and, from time to time, to performance and liquidated damages. Primero manages this risk by maintaining Professional Indemnity insurance and also engaging appropriate third party design consultants for complex or specialist design expertise.

Tender processes

NRW's revenue is dependent on winning new contracts with acceptable terms and conditions. NRW operates in increasingly competitive markets and it is difficult to predict whether and when NRW will be awarded new contracts due to the factors influencing how clients evaluate potential service providers, such as maintenance and safety standards, experience, reputation, client relationships and financial strength. Consequently, NRW is subject to the risk of losing new awards to competitors which will adversely impact its business, results of operations and financial condition. NRW's results of operations and cash flows may fluctuate from quarter to quarter depending on the timing and size of new contract awards.

BIDDER'S STATEMENT

RISK FACTORS

Primero is dependent on various technical and financial accreditations to operate the business. These include safety accreditations, quality assurance standards, technical accreditations and various financial accreditations. Any failure to maintain or comply with an accreditations can impact the eligibility of Primero to participate in certain projects and sectors.

Loss of contracts

NRW's revenue is subject to underlying contracts with varying terms.

There is a risk that NRW's contracts may be cancelled (whether for convenience or with cause) or may not be renewed if NRW's clients decide to reduce their level of spending, potentially reducing their revenue.

Contract operations are vulnerable to the risk of interruption as a result of a number of factors, which may be beyond NRW's control, including:

- variations to reduce scope of works;
- prolonged heavy rainfall or cyclone;
- geological instability, including strong seismic activity, landslides, mudslides, rock falls, cave-ins, or conditions that threaten to result in such an event;
- accidents or unsafe conditions;
- equipment breakdowns;
- industrial relations issues; and
- scarcity of materials and equipment.

Interruptions to existing operations or delays in commencing operations experienced by NRW's clients may result in lost revenue for NRW, and, in some circumstances, NRW incurring additional costs, which may have a material adverse effect on NRW's business, results of operations and financial condition.

NRW is also dependent on client assessments of the financial viability of their projects. If a client fails to obtain sufficient funding to successfully develop its project or otherwise fails to meet its working capital or debt covenant requirements, the client may seek to scale-back or cancel its contract with NRW, which may have a material adverse impact on NRW's financial performance.

Contract termination

If NRW does not perform its obligations under a contract in accordance with the terms of the contract, NRW is at risk of the contract being terminated. Any such performance issues may result in contract guarantees being relied upon by its clients, and may materially adversely affect NRW's reputation in the marketplace and its ability to secure new contracts.

In addition, NRW's contracts may be subject to termination for convenience by clients without cause. In the event of a contract termination, NRW may not be able to redeploy the assets and resources used on the relevant project to other projects on the same terms or at all, and NRW may experience downtime between demobilisation and redeployment. Further, NRW may not receive all of the projected revenue associated with that contract, which NRW may have already taken into account in preparing financial statements and models, and making decisions in relation to its business generally. Any of these factors could materially adversely affect NRW's margins and results of operations.

Contract operations are vulnerable to the risk of interruption as a result of a variety of factors, which may be beyond NRW's control, including the following: (i) accidents or unsafe conditions; (ii) equipment breakdowns; (iii) industrial relations issues; (iv) geological instability, including strong seismic activity, landslides, mudslides, rock falls, cave-ins, or conditions that threaten to result in such an event; (v) prolonged heavy rainfall or cyclone; (vi) scarcity of materials and equipment; and (vii) variations to reduce scope of works. Interruptions to existing operations or delays in commencing operations experienced by clients may result in lost revenue and, in some circumstances, result in NRW incurring additional costs, which may have a material adverse effect on its business, results of operations and financial condition.

Delivery performance

NRW's execution and delivery of projects involves judgement regarding the planning, development and management of complex operating facilities and equipment. As a result, NRW's operations, cash flows and liquidity could be adversely affected if the resources, expenditure or time needed to complete a project are miscalculated, or if NRW otherwise fails to meet its contractual obligations, or encounters delays.

Decline in mining activities

Demand for NRW's services depends significantly on the level of production activities conducted by NRW's clients, which are predominantly in the mining and infrastructure sectors.

Activity levels and results of operations are dependent on production levels at clients' mines and mining remaining economic to continue production at current mines. Growth is dependent on mine operators seeking to expand production at existing mines or bring new mines into production. If the price of particular commodities falls below the

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level at which any client's project is profitable, the owner may suspend or close the project, in which case the mining services contract would likely be terminated. While there may be significant variation among projects as to the commodity price at which a project ceases to be profitable, in the event of a significant fall in the price of the relevant commodity, several projects may close around the same time. A significant economic downturn may also impair the ability of clients to pay for mining services and, thus, a portion of receivables could become uncollectible. Consequently, results of operations could fluctuate during an economic downturn.

The mining sector in Australia is heavily influenced by globally economic conditions and commodity prices. Mining companies are regularly focused on cost reductions in adverse economic conditions and this can result in an even more competitive environment which impacts pricing and NRW's revenue.

Primero is exposed to a number of macro-economic cycles, in particular capital expenditure in natural resources. These cycles are in turn impacted by a variety of factors inclusive of fiscal conditions in the economy, exchange rates, and commodity prices.

Any weakness in the broader construction and engineering sector and a reduction in growth capital expenditure across major new natural resource projects will impact Primero.

Joint venture risk

Joint venture arrangements form part of NRW's growth strategies. There can be no assurance that these joint venture arrangements will be successful.

Subject to the relevant joint venture agreements, NRW may be unable to control the actions of its joint venture partners and therefore cannot guarantee that the joint venture arrangements will be operated or managed in accordance with NRW's preferred direction or strategy.

The joint venture arrangements may contain deadlock provisions which result in the joint venture counterparty being able to acquire NRW's interest in the joint venture at a pre-determined value or based upon formulae which may or may not be equal to market value, or entirely subject to deferred consideration.

Environmental risk

Environmental management and compliance is an important part of a number of the business of NRW's clients. These client's operations are subject to numerous laws, regulations and guidelines relating to the protection of the environment, including those governing the management, transportation and disposal of hazardous substances and other waste materials. These include laws relating to spills, releases, emissions and discharges of hazardous substances or other waste materials into the environment, requiring removal or remediation of pollutants or contaminants and imposing civil and criminal penalties for violations.

Additionally, operations may be conducted in or near ecologically sensitive areas, such as wetlands, which are subject to special protective measures and which may expose us to additional operating costs and liabilities for non-compliance with applicable laws. Onsite, NRW works together with their clients to ensure that their equipment and maintenance services operate in alignment with their onsite policies, management systems and procedures.

NRW's actions or failure to act may result in the client for which NRW performs services incurring environmental liability, regulatory penalties, or having licenses suspended, cancelled or subjected to additional conditions.

Available personnel

NRW's ability to remain productive, profitable and competitive and to effect its planned growth initiatives, depends on its ability to attract and retain skilled labour. Mining services projects are often in remote locations and sometimes require employees to endure harsh conditions or to "fly-in, fly-out" from a city to a remote location. As a result, there can be shortages of labour that make it challenging to recruit employees with relevant industry and technical experience who are willing to relocate or endure such conditions. Tightening of the labour market in key regions due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may inhibit NRW's ability to hire and retain employees and may lead to exposure to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour could limit NRW's ability to grow its business or lead to a decline in productivity and an increase in training costs and could adversely affect its safety record. Each of these factors could materially adversely impact its revenue and, if costs increase or productivity declines, its operating margins

Industrial relations risk

NRW may face industrial relations issues in connection with its employees and the employees of suppliers, including strikes, work stoppages, work slowdowns, grievances, complaints and claims of unfair practices or other industrial activity. Any such activity could cause production delays, increased labour costs and adversely impact its ability to fulfil its existing contracts or win new contracts. As a result, operating results may be materially adversely affected. NRW's workforce is regulated by common law contract arrangements or through enterprise bargaining agreements.

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Interruption in supply

When NRW enters new contracts, it may need to acquire new capital equipment, typically mining equipment, if it does not have existing equipment available.

NRW relies on preferred suppliers to source new equipment and related parts to perform under its existing and new contracts. Any change in NRW's preferred supplier relationship may result in a shortage of equipment and parts which could constrict its ability to enter new contracts or fulfil existing contracts and adversely impact NRW's earnings and financial performance.

To meet contractual obligations, NRW depends on the availability of critical pieces of equipment which will sometimes be put out of service unexpectedly as a result of failures, unplanned maintenance or otherwise. The nature of NRW's operations requires the availability of equipment and spare parts, the supply of which can sometimes be insufficient to deal with demand. An inability to secure an uninterrupted supply of all such necessary equipment at prices and times assumed within works plans could, if supply disruptions persist, lead to an increase in costs and a slowdown in production and development.

Safety management

NRW's ability to retain existing clients and to attract new business depends on factors including NRW's ability to demonstrate that it can reliably and safely deliver its services. Existing and potential clients consider the safety record of service providers to be of high importance in their decision to award service contracts.

Some of NRW's activities are, by their nature, higher risk. If one or more accidents occur at an operating site, the affected client may terminate or cancel NRW's contract and may be less likely to continue to use NRW's services.

Since NRW's clients require NRW to report its safety metrics to them as part of the bidding process, and because the majority of NRW's clients are companies with high safety standards, a general deterioration in NRW's safety record could have a material adverse effect on NRW's business, including its ability to bid for new contracts and to renew existing contracts.

NRW could also be subject to liability for damages as a result of any accidents, and could incur penalties or fines for violations of applicable safety laws and regulations.

In addition, any safety incidents or a deterioration in NRW's safety record could materially adversely affect its ability to attract and retain qualified employees.

Operational risk

NRW's operations may be subject to delays in obtaining equipment and supplies and the availability of transportation for the purpose of mobilising equipment, particularly where equipment or mines are located in remote areas with limited infrastructure support. In addition, NRW's operations are subject to adverse weather conditions, natural disasters and mine accidents or unscheduled stoppages or closings. If operations are interrupted or suspended for a prolonged period as a result of any such events, NRW's revenues could be adversely affected.

Margins and operating costs

Cost overruns, unfavourable contract outcomes, serious or continued operational failures, disruption at key facilities, disruptions to communication systems or safety incidents have the potential to have an adverse financial impact on NRW's margins. NRW is also exposed to input costs through its operations, such as the cost of fuel and energy sources, equipment and personnel. To the extent that these costs cannot be passed on to clients in a timely manner, at full cost, or at all, financial performance could be adversely affected.

Future financing requirements

NRW may require further financing support in the future to support additional capital expenditure or to meet future objectives. Despite NRW's capital raising track record, there is no certainty that it will be successful in obtaining the financing required as and when needed, on favourable terms or at all. Failure to obtain future financing on a timely basis may compromise NRW's ability to commence new contracts, perform existing contracts or may prevent it from achieving other objectives.

Earnings guidance

NRW has from time to time provided earnings guidance. This guidance is based on assumptions and forecasts which may subsequently prove to be incorrect, resulting in different actual results. Earnings guidance is not a guarantee of future performance, and involves known and unknown risks, many of which are beyond the control of NRW. Key identified risks that may result in a failure to meet earnings guidance include the other risk factors summarised in this section, termination of key contracts, variability in cost and productivity assumptions, and inability to recover claims and variations from clients.

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Pandemic

The ongoing challenges related to the COVID-19 pandemic require constant monitoring. To date, the impact of the virus has not materially impacted operations, however, there is no certainty that this position will be maintained in the future. NRW's clients depend on open access to international markets without which they may need to reduce or temporarily suspend operations currently performed by NRW. NRW employs over 7,000 people across the NRW Group and rely on them to apply social distancing both at work and when not at work. NRW cannot assume that it is immune to a local infection which may require operations to be temporarily suspended.

NRW's supply chain is not heavily reliant on overseas sourcing but nonetheless remains dependant on the few overseas suppliers to remain in normal operations and local (Australian) suppliers being able to meet delivery obligations which in turn could be impacted by the need for State or Federal responses to the ongoing COVID-19 pandemic.

There is a risk that a material impact related to the COVID-19 pandemic may impact operations which could result in the carrying values of certain assets being overstated. NRW has carried out additional impairment testing to ensure the carrying value of assets can continue to be supported.

Climate Related Risks

NRW recognises the potential challenges posed by a number of factors which can be grouped under the heading "Climate risk". These risks mainly relate to the operations of NRW's clients which NRW currently works for but could nonetheless impact operations over the medium to long term. Risks include reduction to current activity levels, and potential disruption to operations from activists. NRW operates within the strict environmental obligations defined by its clients which requires the project "environmental footprint" to be respected at all times. NRW will continue to monitor the effect that climate related risks have on its operations and take appropriate action to ensure there is a balanced approach to capital allocation and the sustainable growth objectives of NRW.

8.3. Risks specifically relating to the Offer

Issue of NRW Shares as consideration

Part of the consideration offered to Primero Shareholders under the Offer consists of a specified number of NRW Shares, rather than a number of NRW Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the NRW Shares.

Furthermore, under the Offer, NRW will issue a significant number of NRW Shares. Some Primero Shareholders may not intend to continue to hold NRW Shares and may wish to sell them on the ASX. There is a risk that if a significant number of Primero Shareholders seek to sell their NRW Shares, this may adversely impact the price of NRW Shares.

Change of control risk

The acquisition of Primero may trigger change of control clauses in some material contracts to which Primero is a party. Where triggered, the change of control clause will, in most cases, require NRW to seek the counterparty's consent in relation to the acquisition of Primero.

There is a risk that a counterparty may not provide their consent to the acquisition, which may trigger a termination right in favour of that counterparty, or that the counterparty may require a payment from NRW or renegotiation of terms to obtain such consent.

If any of the material contracts containing a change of control clause are terminated by the counterparty or renegotiated on less favourable terms, it may have a material adverse effect on NRW's post-acquisition (assuming this occurs) financial performance and prospects. There can be no assurance that NRW will be able to negotiate such contracts on commercially reasonable terms, if at all.

Additionally, as a result of the acquisition, clients of Primero that are not bound by contract or that have rights to terminate for convenience, may elect to terminate their relationship with Primero. If any material clients terminate their relationship with Primero, NRW's financial performance and prospects post-acquisition (assuming this occurs) may be materially adversely affected.

Reliance on information provided by Primero

A material unidentified misstatement of the recent financial performance of Primero's business could potentially have a material adverse impact on Primero into the future.

NRW undertook a due diligence process in respect of Primero, which relied in part on the review of financial, legal and other information provided by Primero. While NRW considers the due diligence process undertaken to be appropriate, NRW has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, NRW has prepared (and made assumptions in the preparation of) the financial information relating to Primero on a stand-alone basis, and also to NRW should NRW become Primero's ultimate parent company.

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If any of the data or information provided to and relied upon by NRW in its due diligence process and its preparation of this Bidder's Statement proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of NRW may be materially different to the financial position and performance expected by NRW and reflected in this Bidder's Statement.

Shareholders should also note there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition of Primero have been identified and avoided or managed appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on NRW (for example, NRW may later discover liabilities or defects which were not identified through due diligence or for which there is no protection for NRW). This could adversely affect the operations, financial performance or position of NRW.

Further, the information reviewed by NRW includes forward-looking information. Forward-looking information is inherently unreliable and based on assumptions that may not be achieved or satisfied in future.

Analysis of acquisition

NRW has undertaken financial, business and other analyses of Primero to determine its attractiveness to NRW, and whether to pursue its acquisition. It is possible that such analyses, and the best-estimate assumptions made by NRW, draw conclusions and make forecasts that are inaccurate or which may not be realised.

To the extent that the actual results achieved by Primero are different to those indicated by NRW's analysis, there is a risk that the profitability and future earnings of the operations of NRW may be materially different from the profitability and earnings expected as reflected in this Bidder's Statement.

Integration risk

There are risks that any integration between the businesses of NRW and Primero may be more complex than anticipated, take longer than expected, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits and this may affect NRW's operating and financial performance. Further, the integration of Primero's accounting functions may lead to revisions, which may impact on NRW's reported financial results.

Historical liability

If NRW becomes Primero's ultimate parent company, NRW may become directly or indirectly liable for any liabilities that Primero has incurred in the past as a result of prior acts or omissions, including liabilities which were not identified during NRW's due diligence or which are greater than expected, and for which the various forms of protections negotiated by NRW in its agreement to acquire Primero turn out to be inadequate in the circumstances. Such liabilities may adversely affect the financial performance or position of NRW post-acquisition.

Loss of Primero personnel

NRW is committed to providing attractive employment conditions and prospects, and an attractive employee environment to assist in the retention of Primero's key management personnel throughout the acquisition process. However, there can be no assurance that there will be no loss of key staff leading up to and following Primero's acquisition by NRW, assuming this occurs.

8.4. General risks

Economic risk

General economic conditions may negatively affect NRW's performance and the performance of NRW's shares. Any protracted slowdown in economic conditions or factors such as movements in inflation or interest rates and industrial disruption may have a negative impact on NRW's costs and revenue.

Interest rate risk

Changes in interest rates will affect borrowings which bear interest at floating rates to the extent NRW has not hedged against this interest rate risk. An increase in interest rates will affect NRW's cost of servicing these borrowings, which may adversely impact its business, financial condition and financial performance.

Changes in accounting policy

Accounting policy standards may change. This may affect the reported earnings of NRW and its financial position from time to time. There are multiple pending changes to accounting standards that may impact NRW, including those governing revenue recognition, leases and financial instruments. NRW has previously and will continue to assess and disclose, when known, the impact of these change in its periodic financial reporting.

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Taxation

Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in NRW shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which NRW operates, may impact the future tax liabilities of NRW.

Market price of NRW shares

The market price of NRW shares may fluctuate over time as a result of a number of factors including the financial performance and prospects of NRW, prevailing market conditions, general investor sentiment in those markets, inflation, interest rates, commodity prices and the liquidity and volume of shares being bought or sold at any point in time. It should be noted that there can be no guarantee that there will be an active or liquid market in shares traded on ASX and there is no guarantee that the NRW Shares issued to Primero Shareholders pursuant to the Offer will trade at or above the issue price. It should also be noted that the historic share price performance of NRW shares does not necessarily provide any guidance as to the future share price performance.

Labour market and key personnel risks

NRW is dependent upon a number of key management personnel and executives to manage the day-to-day requirements of its businesses. Although NRW enters into employment and incentive arrangements with such personnel to secure their services, it cannot guarantee the retention of their services. The loss of the services of one or more key management personnel could have an adverse effect on the Combined Group.

Changes in Australian government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Combined Group, and consequent returns to investors. The activities of the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards, occupational health and safety and other matters.

Insurance and uninsurable risks

In connection with its business NRW faces various risks, including unexpected or unusual geological operating conditions or other natural or man-made events or occurrences that can have an adverse effect on the demand for NRW's products services, fires, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of assets, properties or producing facilities, personal injury or death, environmental damage, delays in operations caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and NRW may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of operating is not generally available to NRW or to other companies in the mining industry on acceptable terms.

Although NRW maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations and services, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of NRW Shares.

Dividends

Any future determination as to the payment of dividends by the Combined Group will be at the discretion of the NRW Directors and will depend on the financial condition of the Combined Group, future capital requirements and general business and other factors considered relevant by the NRW Directors at the time. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Combined Group.

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9 Additional information

9.1. Bid Implementation Agreement

On 24 November 2020, NRW and Primero entered into the Bid Implementation Agreement which sets out the basis on which NRW will make the Offer and the respective obligations of NRW and Primero in relation to the Offer.

This section contains a summary of some of the material terms of the Bid Implementation Agreement. A complete copy of the Bid Implementation Agreement was released to the ASX on 24 November 2020.

a) Offer

The Offer is for \$0.275 cash plus 0.106 NRW Shares for each Primero Share. The Offer made in respect of Primero Shares will extend to Primero Shares that are issued during the Offer Period as a result of the exercise of Primero Options that are on issue as at the Record Date, subject always to any necessary ASIC modifications and/or ASX waivers being obtained to extend the Offer to those Primero Shares.

b) Extension of Offer Period

The Offer Period will last for at least one month (refer to **section 10.3** below), subject to NRW's right to extend the period in accordance with the Corporations Act.

c) Exclusivity

Clause 6 of the Bid Implementation Agreement sets out the exclusivity obligations of Primero in connection with the implementation of the Takeover Bid. A summary of the key exclusivity obligations of Primero during the Exclusivity Period is set out below:

- (i) **(no talk and no shop)** Primero must not, and must ensure that each of its Related Persons do not, directly or indirectly:
 - (A) **(no shop)** solicit, invite, encourage or initiate any inquiry, expression of interest, offer proposal, negotiations or discussions by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal or communicate to any person an intention to do anything referred to above; or
 - (B) **(no talk):**
 - facilitate, participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer or proposal by any person to make, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal or participate in or continue any negotiations or discussions with respect to any Competing Proposal;
 - negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal;
 - disclose or otherwise provide or make available any non-public information about the business or affairs of Primero Group to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, a Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of Primero Group) whether by that Third Party or another person; or
 - communicate to any person an intention to do anything referred to above.
- (ii) **(notification of approaches)** During the Exclusivity Period, Primero must immediately notify NRW in writing if Primero or any of its Related Persons becomes aware of any:
 - (A) written approach or written attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
 - (B) written proposal made to Primero or any of its Related Persons in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
 - (C) provision by Primero or any of its Related Persons of any non-public information concerning the business or operations of Primero or Primero Group to any Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal,whether direct or indirect, solicited or unsolicited, and in writing or otherwise.

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A notification must include the identity of the relevant person making or proposing the relevant Competing Proposal and all material terms and conditions of the Competing Proposal (including the implied offer price per Primero Share).

- (iii) **(fiduciary exception)** The no talk and notification of approaches are subject to a 'fiduciary exception' where in the opinion of Primero Board, acting in good faith after receiving written advice from its external legal adviser and financial advisers, the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal and compliance with the no talk provision would constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the Primero Directors, provided that the Competing Proposal was not directly or indirectly brought about by, or facilitated by a breach of the exclusivity clause in the Bid Implementation Agreement.
- (iv) **(matching right)** During the Exclusivity Period, Primero must not, and must procure that each Primero Group Member does not, enter into any legally binding agreement pursuant to which one or more of a Third Party, Primero or any Primero Group Member proposes or propose to undertake or give effect to a Competing Proposal and must procure that none of its directors change their recommendation in favour of the Takeover Bid, public recommend a Competing Proposal or make any public statement to the effect that they may do so at a future point unless:
 - (A) the Primero Board, acting in good faith and in order to satisfy what Primero Directors consider to be their statutory or fiduciary duties (having received written legal advice from their external legal adviser), determine that the Competing Proposal would be or would be reasonably likely to be a Superior Proposal;
 - (B) Primero has provided NRW with the material terms and conditions of the Competing Proposal, including price and the identity of the Third Party making the Competing Proposal;
 - (C) Primero has given NRW at least five Business Days after the date of the provision of the information to announce or formally provide to Primero proposed amendments to the Agreed Bid Terms (as that term is defined in the Bid Implementation Agreement) or a new proposal (**NRW Counterproposal**); and
 - (D) either:
 - i. NRW has not announced or otherwise formally provided to Primero a NRW Counterproposal by the expiry of the five Business Day period; or
 - ii. NRW has announced or otherwise formally provided to Primero a NRW Counterproposal by the expiry of the five Business Day period and the Primero Board has reviewed the NRW Counterproposal and concluded that the NRW Counterproposal does not constitute a Matching or Superior Proposal (as defined below).
 - (E) If NRW formally provides to Primero, or announces, a NRW Counterproposal that constitutes a superior proposal to the terms of the Competing Proposal by the expiry of the five Business Day period above, Primero must procure that the Primero Board considers the NRW Counterproposal and if the Primero Board, acting reasonably and in good faith, determines that the NRW Counterproposal would provide an equivalent or superior outcome for Primero Shareholders as a whole (other than those Associated with NRW) compared with the Competing Proposal (Matching or Superior Proposal), taking into account all of the terms and conditions of NRW Counterproposal, then Primero and NRW must use reasonable endeavours to agree the amendments to this agreement and the Takeover Bid (as applicable) that are reasonably necessary to reflect the NRW Counterproposal and to implement the NRW Counterproposal, in each case as soon as reasonably practicable, and Primero must use reasonable endeavours to procure that each of the directors of Primero continues to recommend the Takeover Bid (as modified by the NRW Counterproposal) to Primero Shareholders.
 - (F) The provisions set out in this **section 9.1(c)(iv)** have repeat application so that if any further proposal is made after NRW has made an NRW Counterproposal, NRW will again have the right to match the further proposal.

d) Reimbursement fee

Clause 7 of the Bid Implementation Agreement sets out the circumstances in which Primero has to pay a reimbursement fee of \$1,000,000 to NRW. The reimbursement fee will be payable if any one of the following events occurs:

- (i) During the Exclusivity Period, any Primero Director fails to recommend that Primero Shareholders accept the Takeover Bid, withdraws, adversely revises or adversely qualifies their recommendation that Primero Shareholders accept the Takeover Bid, or recommends that Primero Shareholders accept or vote in favour of or otherwise supports or endorses a Competing Proposal of any kind that is announced during the Exclusivity Period, unless Primero is entitled to terminate pursuant to clause 8 of the Bid Implementation Agreement.
- (ii) A Competing Proposal of any kind is announced during the Exclusivity Period and, within 12 months of the date of such announcement, the Third Party or any Associate of that Party:
 - (A) completes a Competing Proposal of a kind referred to in the definition of Competing Proposal;

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- (B) enters into a binding agreement, arrangement or understanding with Primero or another Primero Group Member to undertake or give effect to a Competing Proposal; or
- (C) acquires (either alone or in aggregate) a relevant interest in, and an unconditional right to acquire, more than 50% of Primero Shares or acquires (either alone or in aggregate) Control of Primero.
- (iii) NRW has validly terminated the Bid Implementation Agreement pursuant to a material breach by Primero of the Bid Implementation Agreement or a representation or warranty given by Primero becoming untrue.

e) Representations and warranties

NRW and Primero, in clause 9 to the Bid Implementation Agreement, have each given representations and warranties to the other, customary for a transaction of this nature.

f) No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), Primero does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

g) Third party consents

To the extent that any Third Party Consents have not already been obtained on terms acceptable to NRW (acting reasonably), at NRW's request:

- (i) Primero must, to the extent it has not already done so, in conjunction with NRW, apply to the counterparties from which these Third Party Consents are required;
- (ii) Primero must use, and must procure that each relevant Related Person of Primero uses, in conjunction with NRW, reasonable endeavours to obtain the Third Party Consents as expeditiously as possible; and
- (iii) Primero must work, and must procure that each relevant Related Person of Primero works, co-operatively with NRW in seeking to obtain those Third Party Consents.

h) Termination

Clause 8 of the Bid Implementation Agreement sets out the termination rights of each party. These are summarised below.

- (i) NRW may terminate the Bid Implementation if at any time before the end of the Offer Period:
 - (A) any Primero Director fails to recommend that Primero Shareholders accept the Offer, or having recommended the Offer, withdraws, revises, revokes or qualifies their recommendation in relation to the Takeover Bid;
 - (B) other than in respect of a breach of a representation or warranty provided by Primero, Primero is in material breach of this agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by Primero within 5 Business Days of it receiving notice from NRW of the details of the breach and NRW's intention to terminate;
 - (C) a representation or warranty given by Primero is or becomes untrue, has not been remedied within 5 Business Days of notice of the breach and this is material in the context of the Takeover Bid taken as a whole;
 - (D) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Takeover Bid, and the action is final and cannot be appealed or reviewed or NRW, acting reasonably, believes that there is no realistic prospect of a successful appeal or review; or
 - (E) NRW withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a condition to the Takeover Bid.
- (ii) Primero may terminate the Bid Implementation if at any time before the end of the Offer Period:
 - (A) any Primero Director fails to recommend that Primero Shareholders accept the Offer, or having recommended the Offer, withdraws, revises, revokes or qualifies their recommendation in relation to the Takeover Bid, in either case as a result of the Primero Board having determined that Primero has received a Superior Proposal, provided that:
 - i. the Superior Proposal did not emanate from a breach by Primero of any of its exclusivity obligations under the Bid Implementation Agreement;

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- ii. no NRW Counterproposal has arisen either because of the operation of the provisions under **section 9.1(c)(D)** above; and
 - iii. Primero has paid NRW the reimbursement fee set out in **section 9.1d)** above prior to exercising its termination right;
- (B) other than in respect of a breach of a representation or warranty provided by NRW, NRW is in material breach of this agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by NRW within 5 Business Days of it receiving notice from Primero of the details of the breach and Primero's intention to terminate;
- (C) a representation or warranty given by NRW is or becomes untrue, has not been remedied within 5 Business Days of notice of the breach and this is material in the context of the Takeover Bid taken as a whole;
- (D) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Takeover Bid, and the action is final and cannot be appealed or reviewed or Primero, acting reasonably, believes that there is no realistic prospect of a successful appeal or review; or
- (E) NRW withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a condition to the Takeover Bid.

i) Escrow arrangements

Clause 4.14 of the Bid Implementation Agreement requires Primero to procure that certain senior Primero Key Management Personnel enter into voluntary escrow agreements with NRW such that, in the event that those persons decide to accept the Offer, they agree not to sell the NRW Shares received as consideration for the Offer for a period of 18 months (for half of that consideration) and 24 months (for the balance) from the date of the issue. This obligation has now been discharged.

j) Customary provisions

The Bid Implementation Agreement contains such other provisions as is customary for an agreement of this nature including reciprocal release provisions, conduct of business restrictions and board appointment arrangements.

9.2. Status of defeating conditions

The Offer is subject to a number of conditions set out in **section 10.11** NRW will provide updates on any material developments relating to the status of these conditions through announcements to the ASX.

NRW is not aware of any events or circumstances which would result in the non-fulfilment of any of the defeating conditions.

9.3. Disclosure of interests/fees and benefits payable to NRW Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- a) NRW Director;
 - b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
 - c) promoter of NRW; or
 - d) broker or underwriter in relation to the issue of NRW Shares pursuant to the Offer,
- has, or had within 2 years before the date of this Bidder's Statement, any interest in:
- e) the formation or promotion of NRW;
 - f) any property acquired or proposed to be acquired by NRW in connection with its formation or promotion or in connection with the issue of NRW Shares under the Offer; or
 - g) the offer or issue of NRW Shares under this Bidder's Statement.

No amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a NRW Director or expert NRW or otherwise for services rendered by him or her in connection with the formation or promotion of NRW or the issue of NRW Shares under this Bidder's Statement.

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9.4. Directors' security interests

The NRW Directors have the following interests in NRW securities (either held directly or held by their Associates) as at 27 November 2020, being the last practicable date before the date of this Bidder's Statement.

Director	NRW Shares	NRW Performance Rights
Julian Pemberton	9,320,997	3,301,992
Michael Arnett	1,012,534	N/A
Jeffrey Dowling	364,705	N/A
Peter Johnston	112,771	N/A
Fiona Murdoch	13,700	N/A

The NRW Directors do not have any interest (either held directly or held by their Associates) in Primero securities as at the date of this Bidder's Statement.

9.5. Advisers' fees and benefits

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a director or proposed director of NRW to induce him or her to become, or to qualify as, a director of NRW; or
- for services provided by an Interested Person in connection with the formation or promotion of NRW or the offer of NRW Shares under the Offer.

The persons named in this Bidder's Statement as performing a function in a professional or advisory capacity in connection with the Offer and with the preparation of this Bidder's Statement on behalf of NRW are Longreach Capital as financial adviser and Corrs Chambers Westgarth as legal adviser for NRW in relation to the Offer.

The fee for professional services paid or payable to Longreach Capital as financial adviser to NRW is \$950,000. The fee for professional services paid or payable to Corrs Chambers Westgarth as legal adviser to date is approximately \$275,000.

9.6. Consents

Corrs Chambers Westgarth has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as legal adviser (other than in relation to taxation matters) to NRW in relation to the Offer in the form and context in which it is named.

Longreach Capital has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement in the form and context in which it is named and to the inclusion of the statements in this Bidder's Statement by it, or based on statements made by it, in the form and context in which they appear.

Link Market Services as share registry of NRW has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement in the form and context in which it is named and to the inclusion of the statements in this Bidder's Statement by it, or based on statements made by it, in the form and context in which they appear.

Each of the persons named above has not withdrawn its consent prior to the lodgement of this Bidder's Statement with ASIC.

Primero has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named and to the inclusion of the Primero Information in this Bidder's Statement in the form and context in which they appear.

For the purposes of the consent, the term "Primero Information" means information relating to Primero in the following sections of this Bidder's Statement:

- **Section 3** (Profile of Primero);
- **Section 4** (Information of Primero's securities);
- The use of the information contained in **section 3** and **4** and in other sections of the Bidder's Statement (including specifically any Primero Information used in **section 5** (Profile of the Combined Group) (but expressly limited to that Primero Information being accurate), as it relates to Primero.

These consents have been given on the basis that the person named as giving its consent:

- a) did not authorise or cause the issue of this Bidder's Statement; and

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- b) does not make, or purport to make, any statement in this Bidder's Statement other than as specified in this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (**Corporations Instrument 2016/72**), this Bidder's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person; or
- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by Corporations Instrument 2016/72, this Bidder's Statement contains trading data sourced from IRESS provided without its consent.

9.7. No material litigation

NRW is not party to any material litigation and is not involved in any material disputes.

9.8. Foreign Shareholders

For the purposes of the Offer, a Primero Shareholder is considered to be a Foreign Shareholder if their address in the register of members is a place outside of Australia, New Zealand, Canada, the United States of America or Thailand, unless NRW determines (in its absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Offer to that Primero Shareholder in the relevant jurisdiction (including those jurisdictions other than Australia) and to issue to that Primero Shareholder with NRW Shares, on the completion of the Offer and that it is lawful for that Primero Shareholder to participate in the Offer by the law of the relevant jurisdiction (including those jurisdictions other than Australia) (**Foreign Shareholder**).

If you are a Foreign Shareholder and you accept the Offer, the NRW Shares which would otherwise have been issued to Foreign Shareholder will instead be issued to a Sale Nominee approved by ASIC, who will then sell these securities. The net proceeds of the sale of such securities will then be remitted to the relevant Foreign Shareholder.

See **section 10.10** of the Offer.

The Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept these Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

9.9. NRW loan facility

NRW and Primero have entered into a binding term sheet, dated 24 November 2020, pursuant to which NRW has agreed to provide Primero with a \$10 million second ranking secured loan facility (**Loan Facility**) to assist Primero fund its short-term working capital requirements during the Offer Period (if required). The Loan Facility can be draw down by way of multiple drawdowns (to a maximum of eight outstanding loans) based on expected Primero cash flow requirements.

Interest is payable from day 61 post draw on amounts drawn down under the Loan Facility at an interest rate reflecting the prevailing one month bank bill swap rate (as published on the ASX website) plus 6.5% per cent per annum. The Loan Facility includes a draw down fee of 2.3% on the total of each drawing which includes the first 61 days of interest.

Any amounts advanced under the Loan Facility are repayable on the date that is 12 months from the date of entry into the Bid Implementation Agreement although there is an obligation to repay those amounts in full in certain prescribe circumstances including:

- a majority of the Primero Directors recommending Primero shareholders accept a Competing Proposal (repayment within 5 Business Days of that recommendation);
- any of the bid conditions under the Bid Implementation Agreement fail or are not satisfied by the relevant date and NRW has not declared the Offer unconditional prior to the end of the Offer Period (repayment within 3 months of the close of the Offer);
- the Bid Implementation Agreement is terminated by NRW because the Primero Directors fail to recommend the Offer, Primero is in material breach of the Bid Implementation Agreement or a representation by Primero becomes untrue and it is material in the context of the Offer or the Primero terminates the Bid Implementation Agreement on the basis of the Primero Directors receiving a Superior Proposal subject to certain conditions (repayment within 14 business days of termination); or

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- the Bid Implementation Agreement is terminated by NRW because a governmental agency's actions permanently restrict or prohibit the Takeover Bid (repayment within 3 months of the date of termination).

Primero may prepay the Loan Facility at any time in minimum amounts of \$1,000,000.

The Loan Facility may be terminated and all moneys advanced (including accrued interest or other amounts payable in connection with it) become due and payable on 5 days' notice at the election of NRW, in the following circumstances:

- a third party obtaining control of Primero, or obtaining a relevant interest in over 20% of the Primero Shares, under a takeover offer that is or becomes unconditional; or
- \$10 million being raised by Primero (by means of debt or equity), subject to agreed exceptions.

The security provided by Primero to secure any drawdowns under the Loan Facility is second ranking security in respect of all present and after acquired property of the Borrower.

The Loan Facility otherwise contains terms and conditions customary for an arrangement of this type. Drawdown under the Loan Facility remains subject to conditions including execution of a formal facility agreement reflecting the binding term sheet, Primero granting of security (subject to either the Primero Shareholders having approved the grant of the security or confirmation from ASX that it will not apply Listing Rule 10.1), no event of defaults, NRW financier consent to the facility arrangement and other customary draw down requirements.

As part of this arrangement, NRW has or will enter into a priority deed with Primero's key lender, NAB. The key effect of this document is:

- to provide consent to the existence, registration and perfection of each of NAB and NRW's security interests in Primero;
- to give NAB's security interests in Primero priority over NRW's in respect of any enforcement and the application of the proceeds of such enforcement up to \$31,000,000 and all interest, costs and charges;
- where an event of default occurs under a security interest granted by Primero in favour of NRW or NAB or their financing arrangements with Primero, Primero may only make payments to NAB and must not make payments to NRW unless otherwise agreed by NAB.
- NRW may not take any steps under its security interest in Primero without NAB's prior consent; and
- NRW will be notified if NAB takes any actions under its security interests.

9.10. Primero Options

Under the terms of the Bid Implementation Agreement, before the end of the Offer Period, NRW will make Primero Options Offers to each remaining holder of Primero Options in a form approved by NRW to cancel each of their Primero Options. The consideration payable for any cancellation will, for those Primero Options issued under Primero's existing employee incentive schemes, be equal to the consideration payable under the Offer. Under the terms of the Bid Implementation Agreement, the Primero Options Offer will be conditional only on (unless NRW otherwise determines or waives the condition):

- a) NRW being entitled to compulsorily acquire all Primero Shares;
- b) the Offer made in relation to Primero Shares becoming unconditional or is declared by NRW to be free of all conditions; and
- c) any necessary or desirable Listing Rules waivers being granted to facilitate the Primero Options Offers.

For the Other Option Holders, the offer will be a cash payment equal to a Black-Scholes option valuation.

Primero Optionholders may exercise their Primero Options and accept the Offer in respect of the Primero Shares issued.

The Offer will extend to Primero Shares issued on the exercise of Primero Options after the Record Date but before the end of the Offer Period, provided those Primero Options were on issue as at the Record Date.

Further details of the Primero Options on issue are listed in **section 4.1b**).

9.11. ASX relief

Customary relief will also be sought from ASX to give effect to the offers for Primero Options set out in more detail in **section 9.10** above.

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9.12. Other material information

There is no other information that:

- a) is material to the making of a decision by a holder of Primero Shares as to whether or not to accept the Offer;
 - b) is known to NRW; and
 - c) has not previously been disclosed to Primero Shareholders,
- other than as is contained elsewhere in this Bidder's Statement.

9.13. Date for determining holders

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is 7.00pm (Sydney time) on 1 December 2020 (**Record Date**).

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10.1. General terms

- a) NRW offers to acquire all of your Primero Shares, together with all Rights attached to them, on the terms and conditions set out in this Offer.
- b) The consideration being offered by NRW for the acquisition of all of your Primero Shares is \$0.275 and 0.106 NRW Shares for every Primero Share you own, subject to the terms and conditions set out in this Offer.
- c) If you are a Foreign Shareholder and you accept the Offer then, despite any other provision of this Offer, you will not receive NRW Shares but are instead offered and will be paid a cash amount calculated under **section 10.10**.
- d) The NRW Shares to be issued pursuant to this Offer will be credited as fully paid and will, from their date of issue, rank equally in all respects with existing NRW Shares currently on issue.

10.2. Official Quotation

NRW will apply for Official Quotation on ASX of the NRW Shares to be issued under the Offer. Quotation will not be automatic but will depend on ASX exercising its discretion. NRW has already been admitted to the official list of ASX and the NRW Shares to be issued under the Offer are of the same class as NRW Shares already quoted on ASX. NRW cannot guarantee, and does not represent or imply, that NRW Shares will be listed on ASX following their issue.

10.3. Offer Period

Unless extended or withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on 22 January 2021. NRW reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act. The Offer Period may be automatically extended in accordance with section 624(2) of the Corporations Act if, within the last 7 days of the Offer Period, either of the following events occur:

- a) the Offer is varied to improve the consideration offered; or
- b) NRW's voting power in Primero increases to more than 50%,

in which case the Offer Period will be automatically extended so that it ends 14 days after the relevant event described in **sections 10.3a) or 10.3b)** above.

10.4. Who may accept the Offer

- a) This Offer is being made to each person registered as the holder of Primero Shares in the register of Primero Shareholders as at the Record Date. It also extends to:
 - (i) holders of any Primero Shares that are issued during the period from the Record Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by Primero Options which are on issue as at the Record Date; and
 - (ii) any person who becomes registered as the holder.
- b) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of the Primero Shares to which this Offer relates:
 - (i) a corresponding offer on the same terms as this Offer will be deemed to have been made to that other person in respect of those Primero Shares;
 - (ii) a corresponding offer on the same terms as this Offer will be deemed to have been made to you in respect of any other Primero Shares you hold to which the Offer relates; and
 - (iii) this Offer will be deemed to have been withdrawn immediately at that time in respect of those Primero Shares.
- c) If, at any time during the Offer Period and before this Offer is accepted, any person holds one or more distinct parcels of Primero Shares (for example, as trustee, nominee or otherwise on account of another person) within the meaning of section 653B of the Corporations Act then:
 - (i) this Offer is deemed to consist of a separate corresponding Offer to that person in relation to each distinct parcel of Primero Shares; and
 - (ii) acceptance by that person of the Offer for any distinct parcel of Primero Shares is ineffective unless the person gives written notice to NRW in accordance with section 653B(3) of the Corporations Act stating that

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the NRW Shares consist of distinct portions and the acceptance specifies the number of the Primero Shares in each separate parcel to which the acceptance relates.

- d) If your Primero Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.
- e) This Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

10.5. Fractional entitlements

If the number of Primero Shares you hold is such that your entitlement to NRW Shares or cash under this Offer is not a whole number, your entitlement to NRW Shares will be rounded up or down to the nearest whole number and your entitlement to cash will be rounded up or down to the nearest whole cent.

10.6. How to accept this Offer

General

- a) Subject to **sections 10.4b) and 10.4c)**, you may only accept this Offer in respect of all of your Primero Shares (and not a lesser number). For example, if you have 10,000 Primero Shares and you wish to accept the Offer, you may only accept this Offer in respect of 10,000 Primero Shares.
- b) You may only accept this Offer during the Offer Period.

Primero Shares held in your name on Primero's issuer sponsored subregister

- c) To accept the Offer for Primero Shares held in your name on Primero's issuer sponsored subregister (in which case your Security Holder Reference Number will be prefixed with 'I') you must:
 - (i) complete and sign the accompanying Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
 - (ii) return the Acceptance Form (using the accompanying reply paid envelope if you wish, or by email to primerotakeover@linkmarketservices.com.au with the original documents to follow immediately by post) together with all other documents required by the instructions on it to the address (or email address, as applicable) specified on the Acceptance Form so that they are received before the end of the Offer Period.

Primero Shares held in your name in a CHESS Holding

- d) If your Primero Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will be prefixed with 'X') and you are:
 - (i) not a Participant, you should instruct your broker or Controlling Participant (this is normally the stockbroker through whom you bought your Primero Shares or ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules so as to be effective before the end of the Offer Period; or
 - (ii) a Participant, you should complete and sign the Acceptance Form in accordance with the instructions on it. Once completed and signed, you need to return the Acceptance Form (using the accompanying reply paid envelope if you wish, or by email to primerotakeover@linkmarketservices.com.au with the original documents to follow immediately by post) together with all other documents required by those instructions so that they are received at the address (or email address, as applicable) given on the Acceptance Form in sufficient time for your acceptance to be processed before the end of the Offer Period. This will authorise NRW to request your Controlling Participant to initiate, acceptance of this Offer on your behalf in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. You must ensure that the Acceptance Form (and the other required documents) is received in sufficient time for the Bidder to relay your instructions to your Controlling Participant, and for your Controlling Participant, to carry out those instructions, before the end of the Offer Period.
- e) If your Primero Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will be prefixed with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.
- f) Neither NRW nor Link Market Services (being NRW's share registry) will be responsible if your Controlling Participant does not acknowledge and confirm your acceptance in sufficient time.

Acceptance Form and other documents

- g) The Acceptance Form forms part of the Offer.

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- h) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post or by email, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by NRW at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- i) When using the Acceptance Form to accept this Offer in respect of Primero Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by NRW in time for NRW to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- j) The postage and transmission of the Acceptance Form and other documents is at your own risk.

10.7. Validity of acceptances

- a) Subject to this **section 10.7**, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in **section 10.6**.
- b) NRW will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. NRW is not required to communicate with you prior to making this determination. The determination of NRW will be final and binding on all parties.
- c) Notwithstanding **section 10.6**, NRW may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your Primero Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by NRW.
- d) Where you have satisfied the requirements for acceptance in respect of only some of your Primero Shares, NRW may, in its sole discretion, regard the Offer to be accepted in respect of those of your Primero Shares but not the remainder.
- e) NRW will provide the consideration to you in accordance with **section 10.9**, in respect of any part of an acceptance determined by NRW to be valid.

10.8. The effect of acceptance

- a) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of your Primero Shares to which the Offer relates, except as follows:
 - (i) if, by the relevant times specified in **section 10.8b**, the conditions in contained in **section 10.11** have not been fulfilled or waived, the Offer will automatically terminate and your Primero Shares the subject of your acceptance will be returned to you; or
 - (ii) if the Offer Period is extended for more than one month and the obligations of NRW to deliver the consideration are postponed for more than 1 month and, at the time, the Offer remains subject to one or more of the conditions contained in **section 10.11**, you may be able to withdraw your acceptance in relation to your Primero Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.
- b) The relevant times for the purposes of **section 10.8(i)** are:
 - (i) in relation to the condition in **section 10.11e** (**No Prescribed Occurrences**), the end of the third business day after the end of the Offer Period; and
 - (ii) in relation to all other conditions in **section 10.11**, the end of the Offer Period.
- c) By accepting the Offer pursuant to **section 10.6**, you will be deemed to have:
 - (i) accepted this Offer (and any variation to it subject to section 650E of the Corporations Act) in respect of the Primero Shares registered in your name to which this Offer relates, regardless of the number of Primero Shares specified in the Acceptance Form, subject to **sections 10.4b** and **10.4c**;
 - (ii) agreed to the terms of the Offer and, subject to the conditions contained in **section 10.11** being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to NRW all of your Primero Shares;
 - (iii) agreed to accept the consideration being offered by NRW and agreed to be bound by the NRW Constitution;

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- (iv) authorised NRW (and any director, secretary or nominee of NRW) to alter the Acceptance Form on your behalf by inserting correct details of your Primero Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by NRW:
 - (A) to make the Acceptance Form an effective acceptance of this Offer; and/or
 - (B) to enable registration of the transfer to NRW of your Primero Shares;
- (v) irrevocably authorised and directed Primero to pay to NRW or to account to NRW for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your Primero Shares (subject to NRW accounting to you for any Rights received by it if your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
- (vi) if you signed the Acceptance Form in respect of Primero Shares which are held in a CHESS Holding, irrevocably authorised NRW (or any director, secretary or agent of NRW) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of your Primero Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (vii) if you signed the Acceptance Form in respect of Primero Shares which are held in a CHESS Holding, irrevocably authorised NRW (or any director, secretary or agent of NRW) to give any other instructions in relation to your Primero Shares to your Controlling Participant, as determined by NRW acting in its own interests as a beneficial owner and intended registered holder of those Primero Shares;
- (viii) irrevocably authorised NRW to notify Primero on your behalf that your place of address for the purpose of serving notices upon you in respect of your Primero Shares is the address specified by NRW in the notification;
- (ix) agreed to indemnify NRW in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Primero Shares to NRW being registered by Primero without production of your Holder Identification Number or your Securityholder Reference Number for your Primero Shares;
- (x) represented and warranted to NRW that, unless you have notified NRW in accordance with **section 10.4c**, your Primero Shares do not consist of separate parcels of Primero Shares;
- (xi) subject to all the conditions in **section 10.11** being fulfilled or waived, irrevocably authorised NRW (and any nominee) to transfer ownership of your Primero Shares, including transmitting a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your Primero Shares to NRW Takeover Transferee Holding, or transfer of your Issuer Sponsored holding by master transfer, regardless of whether it has paid the consideration due to you under this Offer;
- (xii) represented and warranted to NRW as a fundamental condition going to the root of the contract resulting from your acceptance that:
 - (A) NRW will acquire good title to and beneficial ownership of all of your Primero Shares free from all mortgages, charges, liens, Encumbrances (whether legal or equitable) and other third party interests of any kind;
 - (B) you have paid Primero all amounts which are due in respect of your Primero Shares;
 - (C) all of your Primero Shares are fully paid; and
 - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Primero Shares (together with all Rights attached to them) to NRW;
- (xiii) unless you are a Foreign Shareholder, agreed to accept the NRW Shares to which you become entitled by accepting this Offer, subject to NRW's Constitution and the terms of issue of the NRW Shares and to have authorised NRW to place your name on its register of shareholders as the holder of the NRW Shares issued to you under the Offer;
- (xiv) acknowledged and agreed that if you are a Foreign Shareholder, NRW will arrange for any NRW Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in **section 10.10**;
- (xv) if you reside outside of Australia and are not a Foreign Shareholder for the purposes of the Offer, represented and warranted to NRW that the making by NRW to you, and your acceptance of this Offer is

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lawful under any law of a country other than Australia which apply to you to the making of this Offer and to your acceptance of this Offer;

- (xvi) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, irrevocably appointed (and agreed not to revoke that appointment) NRW and each of NRW's Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Primero Shares or in exercise of any right or power derived from the holding of your Primero Shares including, without limitation:

- (A) attend and vote in respect of your Primero Shares at any and all meetings of Primero;
- (B) requisition or join with other holders of Primero Shares in requisitioning and/or convening a meeting of the members of Primero;
- (C) demand a poll for any vote to be taken at any meeting of Primero Shareholders;
- (D) propose or second any resolutions to be considered at any and all meetings of Primero Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a NRW Director as a proxy in respect of all or any of your Primero Shares and a transfer form for your Primero Shares), proxies, consents, agreements, and resolutions relating to your Primero Shares;
- (F) request Primero to register in the name of NRW or its nominee your Primero Shares which you hold on any register of Primero; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by the power of attorney, the attorney shall be entitled to act in the interests of NRW as the beneficial owner and intended registered holder of your Primero Shares in respect of which you will do all such acts, matters and things that NRW may require to give effect to the matters the subject of this section (including the execution of a written form of proxy to the same effect as this section which complies in all respects with the requirements of the constitution of Primero) if required by NRW. This appointment is irrevocable and terminates upon registration of a transfer to NRW of your Primero Shares; and

- (xvii) for as long as **section 10.8(c)(xvi)** applies, agreed not to vote in person, by proxy or otherwise at any general meeting of Primero or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on NRW and the NRW Directors, secretaries and other officers of NRW by **section 10.8(c)(xvi)**.
- d) The representations, warranties, undertakings and authorities referred to in this **section 10.8** will (unless otherwise stated) remain in force after you receive the consideration for your Primero Shares and after NRW becomes registered as the holder of them.

10.9. Provision of consideration

- a) Subject to the terms of this Offer and the Corporations Act, NRW will provide the consideration for your Primero Shares on or before the earlier of:
- (i) one month after this Offer is accepted or if this Offer is subject to a defeating condition when you accept the Offer, within one month after this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period.
- b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- c) If you are a Foreign Shareholder and you have accepted the Offer, you will be paid your share of the proceeds from the sale of the NRW Shares in accordance with **section 10.10**.
- d) Subject to **sections 10.10** and **10.11**, the obligations of NRW to:
- (i) pay any cash consideration will be satisfied by way of payment by way of cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to your address as shown on the register copy supplied by Primero from time to time; and
 - (ii) allot and issue any NRW Shares to which you are entitled under the Offer will be satisfied:
 - (A) by entering your name on the register of members of NRW;

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- (B) dispatching or procuring the dispatch to you by prepaid post to your address recorded in Primero's register of members at the Record Date, an uncertificated holding statement in your name. If your Primero Shares to which the Offer relates are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Primero's register of members as shown on the register copy supplied by Primero from time to time.
- e) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is given with your Acceptance Form, NRW will provide the consideration in accordance with **section 10.9a**;
 - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, NRW will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) within one month after this Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, NRW will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) within one month after that document is given; or
 - (B) 21 days after the end of the Offer Period; and
 - (iv) if that document is given after the end of the Offer Period and the Offer is not subject to a defeating condition, NRW will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, NRW will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- f) If you accept this Offer, NRW is entitled to all Rights in respect of your Primero Shares. NRW may require you to provide all documents necessary to vest title to those Rights in NRW, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to NRW, or if you have received the benefit of those Rights, NRW will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by NRW) of those Rights, together with the value (as reasonably assessed by NRW) of the franking credits, if any, attached to the Rights. Any such deduction will be made from any cash consideration otherwise due to you.
- g) If, at the time you accept the Offer, any of the following:
 - (i) *Banking (Foreign Exchange) Regulations 1959* (Cth);
 - (ii) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
 - (iii) *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
 - (iv) any other regulations made under Part 4 of the *Charter of the United Nations Act 1945* (Cth);
 - (v) *Autonomous Sanctions Regulations 2011* (Cth); or
 - (vi) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Government Agency be obtained before you receive any consideration for your Primero Shares, or would make it unlawful for NRW to provide any consideration to you for your Primero Shares, you will not be entitled to receive any consideration for your Primero Shares until all requisite authorities, clearances or approvals have been received by NRW.

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10.10. Foreign Shareholders

- a) If you have accepted the Offer and you are a Foreign Shareholder, you will not be entitled to receive NRW Shares as consideration for your Primero Shares. Instead NRW will:
- (i) arrange for the issue to a Sale Nominee of the number of NRW Shares to which you and all other Foreign Shareholders would have been entitled but for this section of the Offer;
 - (ii) cause those NRW Shares to be offered for sale on ASX as soon as practicable after the end of the Offer Period, in such manner, at such price and on such other terms and conditions as are determined by the Sale Nominee; and
 - (iii) promptly pay, or procure that the Sale Nominee pays, to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Foreign Shareholders who accept the Offer receive the same value per Primero Share, subject to rounding):

Net Proceeds of Sale x A

B

Where:

Net Proceeds of Sale is the amount remaining after deducting the expenses of the sale and of appointing the Sale Nominee (including brokerage, stamp duty (applied at standard market rates) and other selling costs, taxes and charges) from the proceeds of sale;

A is the number of NRW Shares which would, but for **section 10.10**, have been allotted and issued to you; and

B is the total number of NRW Shares allotted and issued to the Sale Nominee under this section in respect of the Primero Shares held by all Foreign Shareholders.

- b) You will be paid your share of the net proceeds of the sale of the NRW Shares by the Sale Nominee in Australian currency.
- c) Payment will be made by cheque posted to you at your risk by pre-paid mail as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the Primero register provided to NRW before your consideration cheque is produced.
- d) Under no circumstances will interest be paid on your share of the net proceeds of the sale of NRW Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.
- e) The Sale Nominee may sale the Primero Shares in such manner, at such price or prices and on such terms as the Sale Nominee determines (and at the sole risk of each Foreign Shareholder). As market prices will change from time to time, the proceeds of the sale cannot be guaranteed and neither the Sale Nominee gives any assurance of what price may be achieved. The Sale Nominee will not be acting as agent or sub agent of any Foreign Shareholder and does not have any duty or obligation to them.
- f) If NRW determines amounts must be withheld to comply with Australia taxation laws, NRW may do so.

10.11. Conditions of this Offer

The Offer and any contract that results from acceptance of the Offer is subject to the fulfilment of the following conditions:

a) Minimum acceptance

At the end of the Offer Period, NRW has a relevant interest in at least 90.1% of all Primero Shares (on a fully diluted basis).

b) Regulatory approvals

Before the end of the Offer Period, any approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency to permit:

- (i) the Offer to be lawfully made to and accepted by Primero Shareholders; and
- (ii) the Takeover Bid to be completed,

are granted, given, made or obtained on an unconditional basis and 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.

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c) No regulatory action

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

- (i) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by NRW or any Associate of NRW),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of the Takeover Bid or which requires the divestiture by NRW of any Primero Shares or any material assets of Primero Group or any subsidiary of Primero.

d) No material adverse change

- (i) Subject to **section 10.11d)(ii)**, between the Announcement Date and the end of the Offer Period (each inclusive), none of the following occurs:

- (A) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (B) information is disclosed or announced by Primero concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (C) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to NRW (whether or not becoming public),

(each of **section 10.11d)(i)(A)**, **(B)** and **(C)** being a Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred, will occur or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (D) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Primero Group, taken as a whole; or
- (E) without limiting the generality of **section 10.11d)(i)(D)**:

- i. the effect of a diminution in the value of the consolidated net assets of Primero Group, taken as a whole, by at least \$6,000,000 against Primero's most recent audited financial statements as at the date of the Bid Implementation Agreement (calculated in accordance with the accounting principles and practices applied by Primero in respect of the financial year ended 30 June 2020); or
- ii. the effect of a diminution in the consolidated earnings before interest, tax, depreciation and amortization (**EBITDA**), of the Primero Group, taken as a whole, to below \$15,000,000 for the financial year ending 30 June 2021 (calculated in accordance with the accounting principles and practices applied by Primero in respect of the financial year ended 30 June 2020),

provided that any events which have occurred after the date of the Bid Implementation Agreement which have a positive effect on the EBITDA and/or consolidated net assets of the Primero Group are taken into account in calculating whether the threshold in **sections 10.11d)(i)(D)** and **(E)** have been reached.

- (ii) **Section 10.11d)(i)** will not apply to events, changes, conditions, matters, circumstances or things that:

- (A) have been fairly disclosed by Primero in its public filings with ASX before the Announcement Date;
- (B) have been fairly disclosed in the Data Room before the Announcement Date;
- (C) are required to be done or procured by Primero to be done pursuant to the Bid Implementation Agreement or the Offer or the transactions contemplated by either;
- (D) arise as a result of any change in Australian accounting standards, changes in interest rates, changes in foreign exchange rates' or commodity prices whether in Australia or elsewhere; or
- (E) comprise or result from general economic, political or business conditions, including material adverse changes in financial markets;
- (F) affect the resources construction industry in Australia generally;
- (G) relate to prospective contracts which are not the subject of binding agreements as at the date of the Bid Implementation Agreement;
- (H) comprise or resulting from acts of terrorism, war (whether or not declared), pandemic or natural disaster;
- (I) relate to the Excluded Claims; and

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(J) NRW has previously approved in writing.

e) No Prescribed Occurrences

Between the Announcement Date and the date three business days after the end of the Offer Period (each inclusive), none of the following happen:

- (i) Primero converting all or any of its shares (as applicable) into a larger or smaller number of shares;
- (ii) other than in respect of the Permitted Buyback, Primero or any other Primero Group Member resolving to reduce its capital in any way;
- (iii) other than in respect of the Permitted Buyback, Primero or any other Primero Group Member:
 - (A) entering into a buyback agreement; or
 - (B) resolving to approve the terms of a buyback agreement;
- (iv) Primero or any other Primero Group Member issuing securities (including Primero Shares), or granting an option over securities or a performance right convertible into securities, or agreeing to make such an issue or grant such an option or performance right, other than:
 - (A) the Primero Options proposed to be issued immediately after the 2020 Primero AGM, subject to Primero obtaining the requisite Primero Shareholder approval;
 - (B) the issue of securities by one Primero Group Member to Primero or another Primero Group Member that is directly or indirectly wholly-owned by Primero; and
 - (C) the issue of new Primero Shares on the exercise of a Primero Option;
- (v) Primero or any other Primero Group Member issuing, or agreeing to issue, convertible notes;
- (vi) Primero or any other Primero Group Member disposing or agreeing to dispose, of the whole, or a substantial part, of the business or property of Primero Group as a whole;
- (vii) Primero or any other Primero Group Member granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of the business or property of Primero Group as a whole;
- (viii) Primero resolving that it be wound up or any other Primero Group Member resolving to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Primero or any other Primero Group Member;
- (x) the making of an order by a court for the winding up of Primero or any other Primero Group Member; or
- (xi) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Primero or any other Primero Group Member,

provided that a prescribed occurrence will not include a matter:

- (xii) required to be done or procured by Primero to be done pursuant to this agreement or the Offer or the transactions contemplated by either;
- (xiii) required by law or by an order of a court of Government Agency;
- (xiv) required by law or by an order of a court of Government Agency;
- (xv) fairly disclosed in the Data Room;
- (xvi) fairly disclosed by Primero in its public filings with ASX and ASIC before the Announcement Date;
- (xvii) relating to any Permitted Indebtedness or Approved Financing;
- (xviii) relating to the Cash Incentive Payments; or
- (xix) NRW has previously approved in writing.

f) No material acquisitions, disposals, capital expenditure or changes in the conduct of business

Between the Announcement Date and the end of the Offer Period (each inclusive), other than with the consent of NRW, neither Primero nor any other Primero Group Member:

- (i) acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset

BIDDER'S STATEMENT

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or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:

- (A) the manner in which Primero or Primero Group as a whole, conducts its business; or
 - (B) the nature (including balance sheet classification), extent or value of the assets or liabilities of Primero or Primero Group as a whole;
- (ii) without limiting the generality of **section 10.11f)(i)**, enters into or agrees to enter into or announces any transaction which would, or would be likely to, involve Primero or any other Primero Group Member:
- (A) acquiring or disposing of, or agreeing to acquire or dispose of, one or more trusts, companies or businesses (or any interest therein) other than an acquisition or disposal of one or more trusts in connection with the acquisition or disposal of an indirect interest in the underlying assets held by those trusts and where the value of the gross assets held directly or indirectly by those trusts is in aggregate less than \$1,000,000;
 - (B) acquiring or disposing of, or agreeing to acquire or dispose of, any assets (including any real property, units in trusts or shares in companies) which have an aggregate value in excess of \$500,000;
 - (C) entering into any contract or commitment that is not in the ordinary course of business, other than a contract or commitment in relation to a Competing Proposal where permitted under exclusivity arrangements in the Bid Implementation Agreement or a contract or commitment entered into to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property),

except for such acquisitions, disposals, agreements, waivers or compromises as have been fairly disclosed by Primero in its public filings with ASX, or in the Data Room, before the date of the Bid Implementation Agreement.

g) No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any Primero Group Member which may reasonably result in a judgement of \$1,000,000 or more is commenced, is threatened to be commenced, is announced, or is made known to NRW (whether or not becoming public) or Primero, other than that which is fairly disclosed by Primero in its public filings with ASX, or is fairly disclosed in the Data Room as at the date of the Bid Implementation Agreement.

h) Financing

Other than with the prior written consent of NRW, between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) except for any transaction fairly disclosed by Primero in its public filings with the ASX, or in the Data Room, prior to the date of the Bid Implementation Agreement, no Primero Group Member:
 - (A) incurs, increases or guarantees any financial indebtedness of any kind (including any Debt), other than incurring or increasing Permitted Indebtedness or in relation to an Approved Financing, or incurring or increasing any financial indebtedness to Primero or to a Primero Group Member that is directly or indirectly wholly-owned by Primero; or
 - (B) provides any financial accommodation to any entity other than Primero or to a Primero Group Member that is directly or indirectly wholly-owned by Primero,

in either case, of an amount in excess of \$1,000,000.

i) No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), Primero does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

j) No material breach of the Bid Implementation Agreement

Between the Announcement Date and the end of the Offer Period (each inclusive), NRW does not become entitled to terminate the Bid Implementation Agreement as a result of any of the representations and warranties given by Primero under the Bid Implementation Agreement becoming untrue or incorrect in any material respect.

k) Option cancellation

Prior to the end of the Offer Period, each Primero Optionholder (other than the Other Option Holders) still holding Primero Options has accepted the Primero Options Offer and each Primero Optionholder and Primero have executed and delivered to NRW Option Cancellation Deeds.

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10.12. ASX quotation of new NRW Shares

- a) NRW has been admitted to the official list of the ASX. Shares of the same class as those to be issued as consideration have been granted Official Quotation by the ASX.
- b) An application will be made within seven days after the start of the Offer Period to the ASX for the granting of Official Quotation of the NRW Shares to be issued in accordance with the Offer. However, Official Quotation is not granted automatically on application.
- c) Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to Official Quotation by the ASX of the NRW Shares to be issued pursuant to the Offer is granted no later than seven days following the end of the Offer Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void.

10.13. Nature and benefit of conditions

- a) The Conditions in **section 10.11** are conditions subsequent. The non-fulfilment of any condition **subsequent** does not, until the end of the Offer Period (or in the case of the conditions in **section 10.11e**) until the end of the third Business Day after the end of the Offer Period), prevent a contract to sell Primero Shares from arising, but non-fulfilment of any of those conditions will have the consequence set out in **section 10.14b**).
- b) Subject to the Corporations Act and **section 10.14** NRW alone is entitled to the benefit of the conditions in **section 10.11** or to rely on any non-fulfilment of any of them.
- c) Each condition in **section 10.11** is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any condition.

10.14. Freeing the Offer of conditions

- a) NRW may free this Offer, and any contract resulting from its acceptance, from all or any of the Conditions in **section 10.11**, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Primero and to the ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
 - (i) in the case of the condition in **section 10.11e**) (no prescribed occurrences), not later than three Business Days after the end of the Offer Period; and
 - (ii) in the case of all the other conditions in **section 10.11** not less than seven days before the end of the Offer Period.
- b) If, at the end of the Offer Period (or in the case of the conditions in **section 10.11e**), at the end of the third Business Day after the end of the Offer Period), the Conditions have not been fulfilled and NRW has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

10.15. Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is 14 January 2021 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

10.16. Withdrawal of Offer

- a) NRW may withdraw this Offer but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, NRW will give notice of the withdrawal to ASX and to Primero and will comply with any other conditions imposed by ASIC.
- b) If, at the time this Offer is withdrawn, the Offer has been freed of all the conditions contained in **section 10.11**, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- c) If the Offer remains subject to one or more of the conditions in **section 10.11** at the time the Offer is withdrawn, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- d) A withdrawal under **section 10.16a**) will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

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10.17. Variation

NRW may vary this Offer in accordance with the Corporations Act and the Bid Implementation Agreement.

10.18. Stamp duty or other costs

- a) All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp or other duty payable in respect of the transfers will be paid by NRW.
- b) No brokerage is payable by you if you accept this Offer.

10.19. Governing law

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Western Australia.

10.20. Date of Offer

This Offer is dated 2 December 2020.

BIDDER'S STATEMENT

DEFINITIONS AND INTERPRETATION

11 DEFINITIONS AND INTERPRETATION

11.1. Definitions

In this Bidder's Statement, unless the context otherwise requires:

2020 Primero AGM	Primero's annual general meeting to be held on 25 November 2020.
A\$	Australian dollars.
Acceptance Form	The form of acceptance form for the Offer enclosed with this Bidder's Statement or alternatively an acceptance form sent to a Primero Shareholder by NRW's share registry in relation to the Offer.
Announcement Date	The date the Takeover Bid was announced, being 24 November 2020.
Approved Financing	Has the meaning given to that term in the Bid Implementation Agreement.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this agreement and Primero was the designated body and Associated has a corresponding meaning.
ASX	ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by it, as the context requires.
ASX Settlement	ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement.
Bid Implementation Agreement	The Bid Implementation Agreement entered into by NRW and Primero on 24 November 2020, which provides the manner in which NRW and Primero have agreed the Offer will be implemented.
Bidder's Statement	This document.
Business Day	A day on which trading takes place on the stock market of ASX.
Cash Incentive Payments	The specific employee incentive cash payments totalling \$905,523 to be made by Primero to specified Primero employees as disclosed in the Data Room.
CGT	Capital gains tax.
CHESS	The Clearing House Electronic Subregister System, which provides for electronic transfer of listed securities in Australia.
CHESS Holding	A number of Primero Shares which are registered on Primero's share register being a register administered by ASX Settlement and which records uncertificated holdings of Primero securities.
Combined Group	NRW and its Subsidiaries following NRW acquiring control of Primero.
Competing Proposal	<p>Any proposal, offer, agreement or transaction by a party (other than NRW or any NRW Group Member or any of their Associates) that, if entered into or completed, would mean:</p> <p>a) a Third Party (either alone or together with any Associate) would directly or indirectly:</p> <ul style="list-style-type: none"> (i) acquire a relevant interest, or an economic interest under a cash settled equity swap or similar derivative or right to acquire either a legal, beneficial or economic interest, in more than 10% of Primero Shares on issue; (ii) acquire or obtain an interest (including an economic interest) in all or the majority of the business conducted by, or assets or property of, Primero Group; (iii) acquire Control of Primero or any Primero Group Member; (iv) a person may otherwise directly or indirectly acquire, merge with Primero or any Primero Group Member; or <p>b) that the Takeover Bid could not be implemented or implementation of the Takeover Bid would be materially adversely affected,</p> <p>in each case whether by way of takeover bid, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership, or other transaction or arrangement with a similar outcome.</p> <p>For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.</p>
Control	The meaning given to that term in the Corporations Act.
Controlling Participant	In relation to your Primero Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Data Room	The data room maintained by Primero in relation to the potential transactions contemplated by the Takeover Bid, subject to such additions or exclusions of documents as the parties have agreed.
Encumbrance	<p>Any of:</p> <ul style="list-style-type: none"> a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement; b) a notice under section 255 of the <i>Income Tax Assessment Act 1936</i> (Cth), subdivision 260-A in schedule 1 to the <i>Taxation Administration Act 1953</i> (Cth) or any similar legislation; c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money); d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or e) an agreement to create anything referred to above or to allow any of them to exist.
Excluded Claims	Those claims agreed in writing by Primero and NRW prior to the date of the Bid Implementation Deed to be 'Excluded Claims'.

BIDDER'S STATEMENT

DEFINITIONS AND INTERPRETATION

Exclusivity Period	The period from the date of the Bid Implementation Agreement until: a) the date of termination of the Bid Implementation Agreement; b) the end of the Offer Period, and c) the date that is 6 months after the date of the Bid Implementation Agreement, d) whichever is earliest.
Fairly Disclosed	Sufficient information has been disclosed so as to enable a sophisticated investor with experience in transactions of the nature of the Takeover Bid and familiar with the business of gold exploration, development and production, would be aware of the substance and significance of the relevant information.
Foreign Shareholder	Has the meaning given to that term in section 9.8 .
Government Agency	Any foreign or Australian government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, any other federal, state, provincial, or local government, and including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.
Holder Identification Number	Has the same meaning as "HIN" in the ASX Settlement Operating Rules
Interested Person	Any of: a) a Director or proposed director of NRW; b) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or c) a promoter of NRW.
Issued Sponsored Holdings	A holding of Primero Shares on the Primero issuer sponsored subregister.
Listing Rules	The official listing rules of ASX, as amended from time to time.
Loan Facility	Has the meaning given to that term in section 9.9 .
NRW	NRW Holdings Limited ACN 118 300 217.
NRW Board	The board of directors of NRW.
NRW Constitution	The constitution of NRW as amended or varied from time to time.
NRW Director	A director of NRW.
NRW Group	NRW and its Subsidiaries.
NRW Group Member	A member of the NRW Group.
NRW Share	A fully paid ordinary share in the capital of NRW.
NRW Shareholder	A holder of an NRW Share.
NRW Option	An unlisted option to subscribe for a NRW Share.
NRW Option Cancellation Deeds	Means a deed facilitating the cancellation of Primero Options or the transfer of the Primero Options to NRW for the consideration set out in those option cancellation deeds.
Offer	The offer for Primero Shares by NRW under Chapter 6 of the Corporations Act contained in this Bidder's Statement (or, if the context so requires, this Bidder's Statement itself).
Offer Period	The period referred to in section 10.3 , during which the Offer remains open for acceptance.
Official Quotation	Official quotation on ASX.
Other Option Holders	The holders of: (i) 1,000,000 Primero Options expiring 9 July 2021 and exercisable at \$0.50; and (ii) 1,000,000 Primero Options expiring 9 July 2021 and exercisable at \$0.60.
Participant	An entity admitted to participate in CHESS under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Permitted Buyback	The proposed buyback of 913,750 Primero Shares as detailed in the notice of the 2020 Primero AGM announced to the market on 23 October 2020.
Permitted Indebtedness	a) Any financial indebtedness, including any debt, under the financial accommodation available to the Primero Group from its financiers as at the Bid Implementation Agreement, a facility agreement or credit approved term sheet (as such financial accommodation, agreement or term sheet may be amended to reflect the terms of any consent provided by the relevant financiers) existing as at the date of the Bid Implementation Agreement, provided that the relevant facility agreements, credit approved term sheet, any applicable consent and any amendments or proposed amendments to an agreement or term sheet were fairly disclosed to NRW in the Data Room on or before the date of the Bid Implementation Deed; b) any financial indebtedness under any new or amended facility provided by NAB to the Primero Group after the date of the Implementation Deed up to a maximum of \$5,000,000; c) any financial indebtedness incurred to finance the acquisition of a MAC25 mobile crane from Terex Australia Pty Ltd; d) any financial indebtedness under equipment finance leases entered into by the Primero Group in the ordinary course of business after the date of the Bid Implementation Agreement up to a maximum amount of \$200,000; and e) any financial indebtedness under the NRW loan facility (details of which are set out in section 9.9) or such other financial accommodation as may be provided by NRW to Primero from time to time.
Primero	Primero Group Limited ACN 149 964 045.
Primero Board	The board of directors of Primero.
Primero Director	A director of Primero.
Primero Group	Primero and its Subsidiaries.
Primero Group Member	A member of the Primero Group.
Primero Key Management Personnel	Each of: a) Cameron Henry;

BIDDER'S STATEMENT

DEFINITIONS AND INTERPRETATION

	<ul style="list-style-type: none"> b) Brett Grosvenor; c) Dean Ercegovic; d) Ryan McFarlane; and e) Peter Grigsby.
Primero Share	A fully paid ordinary share in the capital of Primero.
Primero Shareholder	A registered holder of Primero Shares.
Primero Optionholder	A registered holder of a Primero Option.
Primero Options	The unlisted options issued by Primero as set out in section 4.1b) of this Bidder's Statement.
Primero Options Offer	An offer by NRW to each Primero Optionholder in respect of the Primero Options held by them.
Record Date	The date set by NRW under section 633(2) of the Corporations Act, being 7.00pm (Sydney time) on 1 December 2020.
Related Body Corporate	The meaning given to that term in the Corporations Act.
Related Person	<ul style="list-style-type: none"> a) In respect of Primero: <ul style="list-style-type: none"> (a) each Primero Group Member; and (b) each Representative of any Primero Group Member.
Relevant Interest	Has the meaning given to that term in sections 608 and 609 of the Corporations Act.
Representative	In relation to a party, its directors, employees, Officers, agents and advisers.
Rights	All accretions, rights or benefits attaching to or arising from Primero Shares on or after the Announcement Date (including dividends and all rights to receive dividends, bonuses or other shares of its profits or assets as well as rights to receive or subscribe for shares, stock units, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Primero or any of its Subsidiaries).
Sale Nominee	Has the meaning given to that term in section 10.10(i) of this Bidder's Statement.
Security Holder Reference Number	Has the same meaning as in the ASX Settlement Operating Rules.
Subsidiary	A subsidiary within the meaning given to that term in section 9 of the Corporations Act.
Superior Proposal	<ul style="list-style-type: none"> b) A bona fide Competing Proposal received after the date of the Bid Implementation Agreement that in the unanimous determination of the Primero Board: <ul style="list-style-type: none"> (a) acting in good faith and reasonably; and (b) in order to satisfy what the Primero Board reasonably considers to be its fiduciary or statutory duties after consultation with and receipt of written advice from its external legal and financial advisers who have relevant expertise to provide advice in this area, <p>determine:</p> <ul style="list-style-type: none"> (c) is reasonably capable of being completed substantially in accordance with its terms; (d) would, if completed substantially in accordance with its terms, be reasonably likely to be more favourable to Primero Shareholders (as a whole) than the Takeover Bid (as completed), <p>in each case taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, any conditions precedent, whether the Competing Proposal remains subject to due diligence and/or finance, regulatory conditions and associated material delays, the identity of the proponent or other matters affecting the probability of the Competing Proposal being completed and being completed in a timely manner) and of the Takeover Bid.</p>
Takeover Bid	The off-market takeover bid constituted by the dispatch of the Offer.
Takeover Transferee Holding	Has the same meaning as in the ASX Settlement Operating Rules
Target's Statement	The target's statement required to be sent to Primero Shareholders by Primero.
Third Party	A person other than NRW, any other NRW Group Member and any Associate of any NRW Group Member.
Third Party Consent	The consents, approvals, waivers or acknowledgements required from Third Parties in any way linked to the change in control of Primero resulting from the Takeover Bid.
US	United States
US\$ or US dollars	United States dollars
VWAP	The daily volume weighted average price of all shares sold on ASX's trading platform

BIDDER'S STATEMENT

DEFINITIONS AND INTERPRETATION

11.2. Interpretation

The following rules of interpretation apply unless the intention appears or the context requires otherwise:

- a) a reference to a time is a reference to Perth time, unless specifically otherwise indicated;
- b) headings are for convenience only and do not affect interpretation;
- c) the singular includes the plural and conversely;
- d) a reference to a section is to a section of this Bidder's Statement or a section of the annexure to this Bidder's Statement, as applicable;
- e) a gender includes all genders;
- f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- g) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- h) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- i) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- j) a reference to any instrument or document includes any variation or replacement of it;
- k) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;
- l) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- m) a reference to you is to a person to whom an Offer is made; and
- n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

BIDDER'S STATEMENT

APPROVAL OF BIDDER'S STATEMENT

This Bidder's Statement has been approved by a unanimous resolution passed by all the NRW Directors.

Signed for and on behalf of

NRW Holdings Limited



Michael Arnett

Chairman

BIDDER'S STATEMENT

ANNEXURE 1

ASX announcements since 30 June 2020

The following announcements have been made to ASX concerning NRW since the release of its 2020 Annual Report on 23 October 2020.

Date lodged	Description of document
23 October 2020	Appendix 4G & Corporate Governance Statement
26 October 2020	Notice of Annual General Meeting/Proxy Form
26 October 2020	Virtual Annual General Meeting
27 October 2020	Altura Mining Update
24 November 2020	Takeover Offer for Primero Group Limited
24 November 2020	Takeover offer for Primero Group – Presentation
24 November 2020	Primero offer – Conference Call Detail
24 November 2020	Proposed issue of Securities – NWH
24 November 2020	PGX: Recommended Takeover Offer for Primero Group
25 November 2020	Proposed issue of Securities - NWH
26 November 2020	Chairman's Address to Shareholders
26 November 2020	Results of Meeting

BIDDER'S STATEMENT

CORPORATE DIRECTORY

Directors

Julian Alexander Pemberton

Chief Executive Officer and Managing Director

Michael Norman Arnett

Non-Executive Director and Non-Executive Chairman

Jeffrey Phillip Dowling

Non-Executive Director

Peter Brendan Johnston

Non-Exec

utive Director

Fiona Jane Murdoch

Non-Executive Director

Company Secretary

Kim Hyman

Principal and Registered Office

181 Great Eastern Highway

Belmont WA 6104

Financial Advisers to the Offer

Longreach Capital

Level 1, 317 Rokeby Road

Subiaco WA 6008

Australian Legal Advisers to the Offer

Corrs Chambers Westgarth

Level 6, 123 St Georges Terrace

Perth WA 6000

Auditor

Deloitte Touche Tohmatsu

Tower 2 Brookfield Place

Level 9 123 St Georges Terrace

Perth WA 6000

Share Registry

Link Market Services Limited

Primero Group Limited Takeover

Locked Bag A14

Sydney South NSW 1235



NRW HOLDINGS LIMITED

181 Great Eastern Highway
Belmont, Western Australia 6104
+ 61 8 9232 4200

nrw.com.au

Need help?

Contact NRW Offer Information Line
Phone 1300 222 378 (from within Australia)
Phone +61 1300 222 378 (from outside Australia)

A Your name

SAMPLE NAME 1
 SAMPLE NAME 2
 <SAMPLE A/C>
 SAMPLE ADDRESS 1
 SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910

Primero Shares
 held as at the Record Date 99,999,999

If your holding has changed between the Record Date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding (even if different to the number stated above).

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

CONTROLLING PARTICIPANT'S NAME

Broker's Name printed here

Acceptance Form – CHESS Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to your Controlling Participant to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Primero Shares.

Offer Consideration – A\$0.275 and 0.106 NRW Shares for each of your Primero Shares

To accept the Offer you may either:

- directly instruct your Controlling Participant to accept the Offer on your behalf; or
- sign and return this Acceptance Form to the address shown overleaf so NRW can contact your Controlling Participant on your behalf and relay your instructions.

If your Controlling Participant acts on your instruction CHESS will send you a confirmation notice.

Non-Withholding Declaration

Unless I/we notify NRW otherwise in writing, by submitting this Acceptance Form or otherwise accepting the Offer, I/we declare that either:

- I/we am/are Australian tax resident(s); or
- I/we am/are not Australian tax resident(s) and the Primero Shares I/we, hold are 'membership interests' but not 'indirect Australian real property interests' (as those terms are defined in the Tax Act) Income Tax Assessment Act 1936 (Cth) and Income Tax Assessment Act 1997 (Cth).

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Primero Shares and hereby agree to transfer to NRW all my/our Primero Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



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Broker PID



Holding

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Further Important Instructions

Your Primero Shares are in a CHESS Holding, and you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither NRW, nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated 2 December 2020 which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement have the same meaning in this Acceptance Form unless otherwise defined.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
 - **Please note** your consideration will be issued in the names as they appear on the Primero Group Limited register, as provided to NRW (which is printed overleaf). If you have recently bought or sold Primero Shares, your holding may differ from that shown. If you have already sold all of your Primero Shares, do not complete or return this form.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Individuals:** Where the holding is in one name, the securityholder must sign;
 - **Joint Shareholders:** If your Primero Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Overseas Companies:** Where the holding is in the name of an overseas company (ie. a company incorporated outside of Australia), the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 8.30am–5.30pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address	OR	Email Address
Link Market Services Limited		Primerotakeover@linkmarketservices.com.au
Primero Group Limited Takeover		
Locked Bag A14		
SYDNEY SOUTH NSW 1235		
- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney Time) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the NRW Offer Information Line on the following numbers:

within Australia: 1300 222 378
outside Australia: +61 1300 222 378

Need help?

Contact NRW Offer Information Line
Phone 1300 222 378 (from within Australia)
Phone +61 1300 222 378 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: I12345678910

Primero Shares
held as at the Record Date 99,999,999

If your holding has changed between the Record Date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding (even if different to the number stated above).

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Primero Shares.

Offer Consideration – A\$0.275 and 0.106 NRW Shares for each of your Primero Shares

Non-Withholding Declaration

Unless You notify NRW otherwise in writing, by submitting this Acceptance Form or otherwise accepting the Offer, You declare that either:

- You are Australian tax resident(s); or
- You are not Australian tax resident(s) and the Primero Shares you hold are 'membership interests' but not 'indirect Australian real property interests' (as those terms are defined in the Income Tax Assessment Act 1936 (Cth) and Income Tax Assessment Act 1997 (Cth)).

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

()

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

You, the person(s) named above, accept the Offer in respect of all your Primero Shares and hereby agree to transfer to NRW all our Primero Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



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Holding

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Further Important Instructions

Your Primero Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated 2 December 2020 which accompanies this Acceptance Form. Terms defined in the Bidder's Statement have the same meaning in this Acceptance Form unless otherwise defined.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Primero Group Limited registry.
 - **Please note** your consideration will be issued in the names as they appear on the Primero Group Limited register, as provided to NRW (which is printed overleaf). If you have recently bought or sold Primero Shares, your holding may differ from that shown. If you have already sold all of your Primero Shares, do not complete or return this form.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
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 - **Joint Shareholders:** If your Primero Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
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 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
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Mailing Address	OR	Email Address
Link Market Services Limited Primero Group Limited Takeover Locked Bag A14 SYDNEY SOUTH NSW 1235		Primerotakeover@linkmarketservices.com.au

Return the Acceptance Form in accordance with instructions on it so that it is received no later than the end of the Offer Period.

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney Time) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the NRW Offer Information Line on the following numbers:

within Australia: 1300 222 378
outside Australia: +61 1300 222 378