

**ASX Announcement**

7 November 2022

## AIC Mines and Demetallica Agree to Combine

### Logical consolidation to build an exciting new Australian copper and gold mining company

AIC Mines Limited (ASX: A1M) (“**AIC Mines**”) and Demetallica Limited (ASX: DRM) (“**Demetallica**”) are pleased to announce that they have executed a Bid Implementation Deed (“**Agreement**”) to implement AIC Mines’ off-market takeover offer (“**Offer**”) for Demetallica on a recommended basis.

Under the terms of the Agreement, AIC Mines has agreed to improve its Offer consideration to 1 AIC Mines share for every 1.3 Demetallica shares held, and the Board of Demetallica has agreed to unanimously recommend the improved Offer (“**Recommended Offer**”).

The Recommended Offer represents an implied offer price of approximately \$0.39<sup>1</sup> per Demetallica share based on the last closing price of AIC Mines immediately prior to the initial announcement of the Offer on 19 September 2022.

The Recommended Offer is best and final and will not be increased<sup>2</sup>.

### HIGHLIGHTS

- Logical combination of AIC Mines’ Eloise mine and processing facility with Demetallica’s Jericho copper deposit which are located only 4 kilometres from each other.
- Quickest and most efficient means of developing, mining and processing the Jericho deposit and potentially other deposits within Demetallica’s broader Chimera project.
- Creates a stronger company with enhanced scale, market relevance and trading liquidity.
- Potential for staged expansion to increase combined mine life to over 10 years and production to over 20,000tpa Cu and 10,000ozpa Au in concentrate – a 60% increase on the current production rate at Eloise.
- Creates a complementary exploration portfolio that can be more effectively explored as part of a larger and financially stronger mining company.

The Recommended Offer follows a period of constructive engagement between the companies since the Offer was announced on 19 September 2022. The Recommended Offer delivers logical consolidation to grow an exciting growth-oriented mid-tier Australian copper and gold mining company which will deliver strong benefits for both AIC Mines and Demetallica shareholders.

Under the Recommended Offer, Demetallica shareholders will own approximately 21.0% of the combined company.

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<sup>1</sup> Based on AIC Mines’ last traded price on 16 September 2022, being the trading day immediately prior to original announcement by AIC Mines of its takeover offer for Demetallica on 19 September 2022.

<sup>2</sup> In the absence of a Competing Proposal. Refer to the Bid Implementation Deed attached to this announcement for what constitutes a Competing Proposal.

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## Recommended Offer with Strong Support

The Board of Demetallica unanimously recommends that Demetallica shareholders accept the Offer in the absence of a superior proposal, and each member of the Demetallica Board has provided undertakings to accept the Offer in respect of the shares held or controlled by them, subject to no superior proposal.

AIC Mines had a relevant ownership interest in Demetallica of approximately 10.2% and the Recommended Offer is unconditional.

Further to AIC Mines' current relevant interest, Demetallica has received letters from seven shareholders (**Shareholder Intention Statements**) who collectively own or control 24.4% of Demetallica, to the effect that they intend to accept the takeover offer by AIC Mines on the terms of no less than 1 AIC Mines share for every 1.3 Demetallica shares, in the absence of a superior proposal, within 5 Business Days of the announcement of the Recommended Offer<sup>3</sup>.

### **AIC Mines' Managing Director, Aaron Colleran, said:**

*"Combining AIC Mines and Demetallica is a logical consolidation and unlocks significant value for both AIC Mines and Demetallica shareholders. I look forward to working with Andrew to efficiently close the transaction and integrate the Demetallica assets, people and knowledge base with AIC Mines. This is a great outcome for everyone involved"*

### **Demetallica's Managing Director, Andrew Woskett, said:**

*"The consolidation of our Chimera Project with the Eloise Mine makes obvious sense. We are pleased to have reached commercial agreement with AIC Mines such that both AIC Mines and Demetallica shareholders can enjoy the synergies this consolidation can deliver.*

*"Given the uniqueness of the situation, in terms of the assets so plainly being worth more together than they are individually, we have strong support for the transaction from a large number of our shareholders, and expect similar support from the market more broadly as it understands the robust long-term copper-gold producer this creates.*

*"I am extremely proud of the exploration team I have around me, moving quickly to elevate the prominence of Jericho as one of Australia's most exciting copper-gold growth projects, as demonstrated by the recent MRE and new Exploration Targets outlined for Jericho.*

## Accelerated Acceptance Processing and Timetable

To facilitate the full, and optimal combination of Demetallica with AIC Mines, Demetallica and AIC Mines have agreed that AIC Mines will accelerate the processing of Demetallica shareholder acceptances into AIC Mines shares and that the closing date for the Offer will be extended to 28 November 2022.

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<sup>3</sup> Where a Demetallica Shareholder is subject to restrictions on disposing of their Demetallica Shares under the ASX Listing Rules (ASX Restriction) the Shareholders will accept the Offer in the absence of a Superior Proposal within 5 Business Days of the ASX Restriction ceasing to apply.

## How to Accept

The Demetallica Board encourages all Demetallica shareholders to accept the Recommended Offer.

### **For Issuer Sponsored Holdings of Shares (Securityholder Reference Number beginning with 'I')**

To accept the Offer, complete the Acceptance Form (that has been mailed to you) in accordance with the instructions on it. The Acceptance Form can be returned by either:

- posting it to the address on the Acceptance Form; or
- scanning it and emailing to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au)

### **For CHESS Holdings of Shares (Holder Identification Number beginning with 'X')**

To accept the Offer, either contact your Controlling Participant (usually your broker) and instruct them to accept the Offer on your behalf, or complete the Acceptance Form (that has been mailed to you) in accordance with the instructions on it. The Acceptance Form can be returned by either:

- posting it to the address on the Acceptance Form; or
- scanning it and emailing to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au)

Acceptances must be received before the end of the Offer Period. The Offer is due to close at 7.00pm (Sydney time) on 28 November 2022, unless extended.

Refer to Section 10 of the AIC Mines Bidder's Statement for full details about how to accept the Offer.

If you require a replacement Acceptance Form or have any questions in relation to the Offer please contact the Offer Information Line on 1300 528 219 (from within Australia) or +61 3 9415 4822 (from outside Australia) between 8.30am and 5pm (Sydney time) Monday to Friday.

## Further Information

The Agreement is attached to this announcement and further information in relation to the Offer is contained in AIC Mines' Second Supplementary Bidder's Statement also released today.

In the coming days Demetallica will provide its shareholders with a Supplementary Target's Statement which will include an Independent Expert's Report which is currently being finalised by KPMG Financial Advisory Services (Australia) Pty Ltd to reflect the improved Offer consideration.

## Advisors

Argonaut PCF is acting as financial advisor and HopgoodGanim as legal advisor to AIC Mines.

Demetallica is being advised by ICA Partners as corporate advisor, Euroz Hartleys as corporate broker, and Steinepreis Paganin as its legal advisor.

### **For further information contact:**

Enquiries regarding this announcement regarding AIC Mines may be directed to Aaron Colleran via [info@aicmines.com.au](mailto:info@aicmines.com.au).

Enquiries regarding this announcement regarding Demetallica may be directed to Andrew Woskett via [admin@demetallica.com.au](mailto:admin@demetallica.com.au).

This announcement has been approved for issue by AIC Mines Managing Director Aaron Colleran and Demetallica Managing Director, Andrew Woskett.

# Bid Implementation Deed

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AIC Mines Limited ACN 060 156 452 (**Bidder**)

Demetallica Limited ACN 061 595 051 (**Target**)

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# Bid Implementation Deed



**Date** 5 November 2022

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## Parties

AIC Mines Limited ACN 060 156 452 (**Bidder**)

Demetallica Limited ACN 061 595 051 (**Target**)

## Background

- A. The Bidder has made the Takeover Bid for the Target.
- B. The Bidder is proposing to revise the offer terms under the Takeover Bid contemplated under the Bidder's Statement (supplemented by the Supplementary Bidder's Statement) to reflect the Agreed Bid Terms.
- C. The Directors of the Target are proposing to recommend the Takeover Bid, in accordance with the Agreed Bid Terms, in the absence of a Superior Proposal.
- D. The parties have agreed that the Takeover Bid will be facilitated on the terms set out in this deed.

## It is agreed

### 1. Definitions and interpretation

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#### 1.1 Definitions

In this deed:

**Adviser** means, in relation to an entity, a person who in the ordinary course of its business provides services as a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant and who has been engaged in that capacity in connection with the Takeover Bid, or any response to it, by the entity.

**Agreed Announcement** means the announcement in relation to varying the Current Takeover Bid to the Agreed Bid Terms, the Target Director's recommending the Takeover Bid in accordance with the terms of this deed to be made jointly by the Bidder and the Target to the ASX following execution of this deed, in the form set out in Schedule 1.

**Agreed Bid Terms** means a variation to the Current Takeover Bid terms to:

- (a) increase the Offer price to 1 Bidder Share for every 1.3 Target Shares;
- (b) extend the current Offer period by three weeks, and may be extended on one or more occasion by the Bidder in accordance with the Corporations Act; and
- (c) otherwise be in accordance with the Bidder's Statement as varied by the Notice of Variation

**Announcement Date** means:

- (a) the Execution Date; or



- (b) if this deed is executed on a day that is not a Trading Day, the first Trading Day immediately following the Execution Date.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means the ASX Limited.

**Authorised Officer** of a party which is a corporation means:

- (a) an employee of the party whose title contains either of the words Director or Manager;
- (b) where the party is the Bidder, a solicitor acting on behalf of the party; or
- (c) a person appointed by the party to act as an Authorised Officer for the purposes of this deed and notified to the others.

**Bidder Group** means the Bidder and its Subsidiaries.

**Bidder Shares** means fully paid ordinary shares in the capital of the Bidder.

**Bidder's Statement** means the bidder's statement dated 19 September 2022, lodged with ASIC by the Bidder in respect of the Current Takeover Bid, and any supplementary bidder's statement including the Supplementary Statement.

**Business Day** means a day on which banking institutions generally are open in Perth, Western Australia but excluding Saturdays, Sundays and public holidays.

**Claim** means any claim, demand, legal proceedings or cause of action including any claim demand, legal proceeding or cause of action based in contract, based in tort, under common law or under statute.

**Competing Proposal** means any expression of interest, proposal, offer, transaction, arrangement or arrangement:

- (a) which, if entered into or completed, would result in a Third Party (either alone or together with any Associate):
  - (1) holding a Relevant Interest or economic interest in (or the have the right to acquire a Relevant Interest or economic interest in) 50% or more of the Target Shares;
  - (2) directly or indirectly acquiring or obtaining an economic interest in all or substantially all of the business conducted by, or assets or property of, the Target Group;
  - (3) acquiring Control of the Target; or
  - (4) otherwise acquiring, or merging with, the Target,

whether by way of takeover bid, scheme of arrangement, shareholder-approved transaction, capital reduction, share buy-back, sale or purchase of securities, issue of securities, sale of assets, strategic alliance, dual listed company structure (or other synthetic merger), joint venture, partnership, or other transaction or arrangement; or



- (b) which requires or would require the Target or any Director to change, withdraw or modify their recommendation of the Takeover Bid.

**Confidential Information** means any information provided by one party to another party, or otherwise obtained by a party, whether obtained before or after execution of this deed, in connection with this deed including:

- (a) any confidential business information, documents, records, financial information, reports, technical information and forecasts which relate to a party or the business of a party;
- (b) any information which is by its nature confidential or which the other party knows, or ought to know, is confidential;
- (c) any intellectual property of a party;
- (d) the fact that the Confidential Information may be or has been provided; and
- (e) the terms and conditions of this deed,

but does not include:

- (f) information which is in or becomes part of the public domain, other than through a breach of this deed or an obligation of confidence owed to a party; or
- (g) information which a party can prove was independently acquired or developed without breaching any of its obligations set out in this deed.

**Control** has the meaning given in section 50AA of the Corporations Act.

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

**Current Takeover Bid** means the offer by the Bidder for all the Target Shares as contained in the Bidder's Statement as varied under the Notice of Variation and to be varied in accordance with this deed.

**Directors** means all of the directors of the Target from time to time.

**Execution Date** means the date of execution of this deed.

**Government Body** means:

- (a) any person, body or other thing exercising an executive, legislative, judicial or other governmental function of any country or political subdivision of any country;
- (b) any public authority constituted by or under a law of any country or political subdivision of any country; and
- (c) any person deriving a power directly or indirectly from any other Government Body.

**Independent Expert's Report** means the Independent Expert's Report to be prepared by KPMG as referenced in the Demetallica ASX announcement dated 28 October 2022 with such report to provide an opinion whether the Takeover Bid is in the best interests of Target Shareholders.

**Listing Rules** means the Official Listing Rules of the ASX.



**Notice of Variation** means a Notice pursuant to Section 650F of the Corporations Act declaring the Current Takeover Bid free of any defeating conditions dated 24 October 2022.

**Offer** has the meaning given to that term in clause 2.2(b).

**Offer Period** means the period during which the Offer is open for acceptance as extended in accordance with the Agreed Bid Terms.

**Officer** means, in relation to an entity, its directors, officers and employees.

**Public Authority** means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

**Related Body Corporate** has the meaning given to that term in the Corporations Act.

**Relevant Interest** has the meaning given to that term in the Corporations Act.

**Representative** means, in relation to a person:

- (a) a Related Body Corporate of the person;
- (b) a Subsidiary of the person;
- (c) an Officer of the person or any of the person's Subsidiaries; or
- (d) an Adviser to the person or any of the person's Subsidiaries.

**Subsidiary** has the meaning given to that term in the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal after the Execution Date which the Directors have determined, acting in good faith and in order to satisfy what the Directors consider to be their fiduciary or statutory duties (and after having taken written advice from their external financial and legal advisers):

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal, including the identity of the person making it, and any legal, financial, regulatory and timing considerations and any conditions precedent; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to Target Shareholders (as a whole) than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal and the identity of the person making the Competing Proposal.

**Supplementary Bidders Statement** means the supplementary bidder's statement dated 21 October 2022 lodged by the Bidder pursuant to section 643 of the Corporations Act.

**Takeover Bid** has the meaning given to that term in clause 2.2(a).

**Target Board** means the board of directors of the Target.

**Target Business** means the business or businesses carried on by the Target and its Subsidiaries at the Execution Date.



**Target Group** means the Target and its Subsidiaries.

**Target Shares** means fully paid ordinary shares in the capital of the Target.

**Target Shareholder** means a registered holder of one or more Target Shares.

**Target's Statement** means the target's statement lodged with ASIC by the Target on 12 October 2022 in respect of the Current Takeover Bid in accordance with the Corporations Act, and any supplementary target's statement.

**Tax** means any present or future tax, levy, deduction, impost, withholding, charge or duty which is levied or imposed by any Government Body together with any interest, penalty or fine on those amounts.

**Third Party** means a person other than an entity within the Bidder Group.

**Trading Day** has the meaning given in the Listing Rules.

## 1.2 Interpretation

- (a) Unless the contrary intention appears, a reference in this deed to:
- (1) this deed or another document includes any variation or replacement of it despite any change in the identity of the parties;
  - (2) one gender includes the others;
  - (3) the singular includes the plural and the plural includes the singular;
  - (4) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;
  - (5) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
  - (6) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
  - (7) money is to Australian dollars, unless otherwise stated; and
  - (8) a time is a reference to Perth time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this deed.
- (e) A provision of this deed must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of the deed or the inclusion of the provision in the deed.



- (f) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.
- (g) If an act is required to be done on a particular day it must be done before 5.00pm on that day or it will be considered to have been done on the following day.
- (h) Where a warranty is given 'so far as the Target is aware' or with a similar qualification as to the Target's awareness or knowledge, the Target will be deemed to know or be aware of a particular fact, matter or circumstance only if a director or employee of the Target is actually aware of that fact, matter or circumstance as at the Execution Date following reasonable inquiry.

## 1.3 Parties

- (a) If a party consists of more than one person, this deed binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

## 2. Announcements

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### 2.1 Agreed Announcement

The Target must release the Agreed Announcement to the ASX, and the Bidder must also release the Agreed Announcement, on the Announcement Date.

### 2.2 Bidder's Obligations

The Bidder will:

- (a) on the Announcement Date, prepare and lodge a notice of variation to vary the Current Takeover Bid to reflect the Agreed Bid Terms (**Takeover Bid**);
- (b) make offers for the Target Shares under the Takeover Bid on terms no less favourable than that publicly proposed in accordance with the Agreed Bid Terms (**Offer**); and
- (c) prepare and lodge as soon as reasonably practicable after the Announcement Date and either contemporaneously with or prior to lodgement of the Prescribed Supplementary Target's Statement, a supplementary Bidder's Statement, which includes the Agreed Bid Terms, in accordance with the Corporations Act.

### 2.3 Target's Obligations

The Target will:

- (a) prepare and lodge, as soon as reasonably practicable after the Announcement Date, a supplementary Target's Statement, which includes the statements contemplated by clause 2.4, in accordance with the Corporations Act (**Prescribed Supplementary Target's Statement**); and
- (b) release the Independent Expert's Report with the Prescribed Supplementary Target's Statement.

## 2.4 Target Director Recommendations

The Target represents and warrants that all of the Directors have informed the Target that they will unanimously recommend that Shareholders accept the Offer (and it is their intention to accept the Offer in respect of all of the Target Shares that they or their respective associates own or control or otherwise have a Relevant Interest in), in each case subject only to the qualification that there is no Superior Proposal.

## 3. Target recommendations

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### 3.1 Directors' recommendations

Subject to clause 3.2, the Target undertakes to use its best endeavours to procure that:

- (a) the Directors will unanimously recommend (including in the Target's Statement) that Target Shareholders accept the Offer, in the absence of a Superior Proposal; and
- (b) the Target's Statement and each other public announcement or document publicly released by the Target in relation to the Offer will include a statement by the Directors to that effect and to the effect that it is the intention of each Director to accept the Offer in respect of all of the Shares that they own or control or otherwise have a Relevant Interest in, in the absence of a Superior Proposal.

### 3.2 Change, withdrawal or modification of recommendations

A Director must not change, withdraw or modify his or her recommendation under clause 3.1(a) or statement under clause 3.1(b) or make a recommendation or statement that is inconsistent with such recommendation or statement, unless that Director, acting in good faith, determines (after taking written advice from the Target's or his or her own external financial and legal advisers) that he or she, is by virtue of his or her fiduciary or statutory duties, required to change, withdraw or modify such recommendation or statement or make a recommendation or statement that is inconsistent with it.

## 4. Facilitation of Takeover Bid

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### 4.1 Promote and assist with the Takeover Bid

From the Announcement Date until the end of the Offer Period (or, if the Offer Period does not end at the time required by this deed, the time at which the Offer Period should have ended in accordance with this deed), the Target will procure that the managing director and such other senior executives as reasonably requested by Bidder will participate in efforts reasonably required by the Bidder to promote the merits of the Takeover Bid, including but not limited to:

- (a) meeting with key Target Shareholders if requested to do so by the Bidder; and
- (b) communicating with the Target's employees, customers and contractual counterparties.

### 4.2 Conduct of business

- (a) From the Announcement Date until the earlier of the end of the Offer Period (or, if the Offer Period does not end at the time required by this deed, the time at which the Offer Period should have ended in accordance with this deed) and termination of this deed, the Target will, and will procure that each of its Subsidiaries will:

- (1) conduct the Target Group's business and operations in the usual and ordinary course consistent with the manner in which each such business and operations were conducted immediately prior to the Execution Date, and must consult with the Bidder on the manner of conduct of the Target Group's business and operations;
  - (2) make all reasonable efforts to:
    - (A) keep available the services of their officers and employees; and
    - (B) preserve their relationships with Public Authorities, customers, suppliers, landlords, trade unions, licensors, licensees and others with whom they have business dealings;
  - (3) respond to any reasonable request from the Bidder for information concerning the Target Group and its business and operations;
  - (4) ensure that there is no material decrease in the amount of cash in the Target Group other than as used in the ordinary course of business.
- (b) Nothing in clause 4.2(a) restricts the ability of the Target to take any action which:
- (1) is required, permitted or contemplated by this deed (including without limitation clause 7);
  - (2) the Target has fully and fairly disclosed in an announcement made to ASX prior to the Execution Date or to the Bidder in writing prior to execution of this deed;
  - (3) is required 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);
  - (4) has been agreed to in writing by the Bidder; or
  - (5) involves the incurring of reasonable costs in relation to the transactions contemplated by the Takeover Bid.

#### 4.3 Appointment of Directors to Board

- (a) Subject to (c) below, the Target represents and warrants to the Bidder that, if and when the Bidder acquires a Relevant Interest in more than 50% of the Target Shares, each Director will take all actions necessary to ensure that:
  - (1) Two (2) nominees of the Bidder are lawfully appointed as Directors; and
- (b) all Directors, other than the Bidder's nominees and two (2) current Target Directors agreed to by the Bidder and the Target, resign and each such resigning Director provides a written acknowledgement and confirmation for the benefit of the Target Group that the Director has, other than in respect of director's fees accrued prior to the date of resignation or as disclosed to the Bidder prior to the date of this deed, no claim against any entity within the Target Group for salary, fees, compensation for loss of office or loans which that Director has made to any entity within the Target Group in respect of that Director holding office as or ceasing to be a Director.
- (c) The Bidder acknowledges that the Target's annual general meeting will be held on 24 November 2022. Where the require to appoint any nominees under (a) above or procure the resignation of any Directors under (b) above, occurs prior to 24 November

2022, those appointments and resignations will be held over until the date that is 2 Business Days following the conclusion of the Target's Annual General Meeting on 24 November 2022.

#### 4.4 Treatment of executives and employees

- (a) The Target covenants in favour of the Bidder that as and from the date of this deed it has not and will not seek to amend or vary the terms of any employee or engagement letters with any senior executives or other employees arising as a result of the Takeover Bid or this deed.
- (b) The Bidder covenants to the Target for the benefit of the Target's employees (and to engender goodwill with those employees) that following the completion of the Takeover Bid, for all existing long term employees of the Target, notwithstanding the terms of their respective employment agreements, the Bidder will extend a period of not less than three (3) month's notice for the termination or redundancy of those long term employees. For the purpose of this clause 'long term employees' constitute employees employed or engaged by the Target or its previous parent company Minotaur Exploration Ltd, for a period of not less than three (3) years as at the date of conclusion of the Takeover Bid.

## 5. Takeover Bid – variation

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The Bidder may only vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act after good faith consultation with the Target.

## 6. Warranties

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### 6.1 Target's warranties

The Target represents and warrants to the Bidder that, at the Execution Date:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the power to enter into and perform its obligations under this deed and to carry out the transactions contemplated by this deed;
- (c) it has taken all necessary corporate action to authorise its entry into this deed and has taken or will take all necessary corporate action to authorise the performance of this deed;
- (d) this deed constitutes legal, valid and binding obligations enforceable on the Target in accordance with its terms;
- (e) the execution and performance by it of this deed and each transaction contemplated by this deed does not and will not violate in any respect a provision of:
  - (1) a law, judgement, ruling, order or decree binding on it;
  - (2) its constitution; or
  - (3) any other document or agreement that is binding on its assets.

### 6.2 Qualifications to Target warranties

The Bidder acknowledges and agrees that the Target has disclosed or is deemed to have disclosed against the Target's representations and warranties set out in this deed, and the Bidder is aware of, and will be treated as having actual knowledge of, all facts, matters and circumstances that:

- (a) are provided for or described in this deed;
- (b) are within the actual knowledge of the Bidder Group.

## 6.3 Bidder warranties

The Bidder represents and warrants to the Target that, at the Execution Date:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the power to enter into and perform its obligations under this deed and to carry out the transactions contemplated by this deed;
- (c) it has taken all necessary corporate action to authorise its entry into this deed and has taken or will take all necessary corporate action to authorise the performance of this deed;
- (d) this deed constitutes legal, valid and binding obligations enforceable on the Bidder in accordance with its terms;
- (e) the execution and performance by it of this deed and each transaction contemplated by this deed does not and will not violate in any respect a provision of:
  - (1) a law, judgement, ruling, order or decree binding on it;
  - (2) its constitution; or
  - (3) any other document or agreement that is binding on its assets;
- (f) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets, and no regulatory action of any nature has been taken, which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this deed.

## 6.4 Reliance by parties

Each party (**Warrantor**) acknowledges that:

- (a) in entering into this deed, the other parties have relied on the warranties provided by the Warrantor under this clause 6; and
- (b) it has not entered into this deed in reliance on any warranty made by or on behalf of the other parties or any of their officers, employees or advisers except those warranties of the parties set out in this deed.

## 6.5 Notifications

Each party will promptly advise the other parties in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the warranties given by it under this clause 6.

## 6.6 Status of warranties

Each warranty in this clause 6:

- (a) is severable;
- (b) will survive the termination of this deed; and
- (c) is given with the intent that liability under it will not be confined to breaches that are discovered prior to the Execution Date.

## 7. Public announcements

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### 7.1 Requirement for consultation

- (a) Subject to clause 7.1(b), each of the Bidder and the Target party must use its best endeavours to consult with the other prior to making any public announcements in connection with this deed or the Offer (other than the Agreed Announcement which has already been agreed).
- (b) Where a party is required by applicable law or stock exchange rules to make any announcement or make any disclosure relating to matters the subject of the Offer (including any supplementary Bidder's Statement or Target's Statement), it may do so only after it has, to the maximum extent possible in the circumstances:
  - (1) given the other parties as much notice as is reasonably practicable in the context of any deadlines imposed by law or a Public Authority; and
  - (2) consulted with the other parties and acted reasonably as to the content of that announcement or disclosure.

## 8. Termination

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### 8.1 Termination by either the Bidder or the Target

This deed may be terminated by either the Bidder or the Target by written notice to the other if the other is in material breach of this deed and that breach is not remedied by that other within 5 Business Days of it receiving notice from the non-defaulting party of the details of the breach and the non-defaulting party's intention to terminate this deed;

### 8.2 Termination by Target

The Target may terminate this deed by written notice to the Bidder if all of the Directors recommend a Superior Proposal, provided always that clause 3.2 has been complied with.

### 8.3 Termination by Bidder

The Bidder may terminate this deed if:

- (a) a Superior Proposal is publicly announced by a Third Party in respect of the Target; or
- (b) a Director of the Target does not recommend the Offer to holders of Target Shares as described in clause 3 or recommends against, qualifies their support of or withdraws their recommendation or approval of the Offer; or



- (c) a Competing Proposal is announced or made and any of the Directors recommends that Competing Proposal.

## 8.4 Effect of termination

If this deed is terminated by a party under this clause 8, from the date of termination this deed will have no further force or effect and no party will have any further obligations under this deed, other than in respect of any accrued rights or remedies including in respect of any liability for an antecedent breach of this deed and provided that this clause 8 and clauses 1, 9, 10, 11 and 12 (with the exception of clause 12.8) survive termination.

## 9. Confidentiality

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### 9.1 Disclosure of Confidential Information

A party (**Receiving Party**) must not disclose any Confidential Information of another party (**Supplying Party**) except:

- (a) to representatives of the Receiving Party or its Related Bodies Corporate requiring the information for the purposes of this deed;
- (b) with the written consent of the Supplying Party;
- (c) if required to do so by law or by the Listing Rules; or
- (d) if the Receiving Party is required to do so in connection with legal proceedings.

### 9.2 Disclosure by recipient of Confidential Information

- (a) A party disclosing information under clause 9.1 must use all reasonable endeavors to ensure that any person receiving Confidential Information from it does not disclose the information except in the circumstances permitted by this clause 9.
- (b) A party who has received Confidential Information from another under this deed must, on the request of the other party after the termination of this Deed, immediately deliver to that party all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clause 9.1.

### 9.3 Exceptions

- (a) The obligations of confidentiality under this clause 9 do not extend to Confidential Information that (whether before or after this deed is executed):
  - (1) is rightfully known or in the possession or control of the Receiving Party and is not subject to an obligation of confidence (including an obligation under this deed);
  - (2) is lawfully generally available to the public, other than as a result of a breach of this deed; or
  - (3) the Receiving Party is required by law or by the Listing Rules or by order of a court of competent jurisdiction to disclose.
- (b) The Receiving Party must, whenever practicable and permitted by law, prior to making any disclosure permitted by paragraph 9.3(a)(3), advise the Supplying Party of the

form and content of the proposed disclosure and will provide the Supplying Party with a reasonable opportunity to comment on the proposed disclosure.

## 9.4 Termination

This clause 9 will survive termination of this deed.

## 10. Notices

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### 10.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 10.4 of this deed or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by an Authorised Officer of the sender.

### 10.2 Manner

In addition to any other method of service authorised by law, notice to a party may be:

- (a) personally served on the party;
- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail; or
- (d) sent by electronic mail to the party's electronic mail address.

### 10.3 Time

If a notice is sent or delivered in the manner provided in clause 10.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post the second Business Day after posting; or
- (c) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00pm on a Business Day it must be treated as received on the next Business Day in that place.

### 10.4 Initial details

The addresses and numbers for service are initially:

#### **Bidder**

Address: A8 345 Roberts Road, Subiaco WA 6008



Electronic Mail: [REDACTED]

Attention: Aaron Colleran

Copy to: Michael Hansel, [REDACTED]  
HopgoodGanim Lawyers

## Target

Address: Level 1, 8 Beulah Road, Norwood SA 5067

Electronic Mail: [REDACTED]

Attention: Andrew Woskett

Copy to: Toby Hicks, [REDACTED]  
Steinepreis Paganin Lawyers & Consultants

## 10.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.

## 11. Governing law and jurisdiction

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### 11.1 Governing law

This deed is governed by and construed in accordance with the laws of Western Australia.

### 11.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph (a).

## 12. Miscellaneous

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### 12.1 Exercise rights

A single or partial exercise or waiver by a party of any right under or relating to this deed will not prevent any other exercise of that right or the exercise of any other right.

### 12.2 Legal effect

Each party acknowledges and agrees for the benefit of each other party that this document is intended to take effect as a deed. Each party executes this document with the intention that it will be immediately legally bound by this document.



## 12.3 Merger

If the liability of a party to pay money under this deed becomes merged in any deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this deed and that fixed by or payable under that deed, judgment, order or other thing.

## 12.4 Moratorium legislation

Any law which varies, prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed is excluded to the extent permitted by law.

## 12.5 No assignment

A party must not assign, transfer or novate all or any part of its rights or obligations under or relating to this deed or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other party.

## 12.6 Remedies cumulative

The rights and remedies under this deed are cumulative and not exclusive of any rights or remedies provided by law.

## 12.7 Severability

If anything in this deed is or is determined to be unenforceable, illegal, voidable or void in a jurisdiction then it is severed for that jurisdiction and the rest of this deed remains in full force and effect in all other jurisdictions.

## 12.8 Further assurance

Each party must promptly at its own cost do all things (including executing and delivering all documents) necessary and reasonable to give full effect to this deed and the transactions contemplated by it.

## 12.9 Costs

Each party is responsible for all its own costs (including legal costs) incurred in the negotiation of, and the performance of, this deed and the implementation or attempted implementation of the Takeover Bid.

## 12.10 Time

- (a) Time is of the essence of this deed.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed.
- (c) An agreement to vary a time requirement must be in writing.

## 12.11 Variation

An amendment or variation to this deed is not effective unless it is in writing and signed by the parties.



## 12.12 Waiver

- (a) A party's waiver of a right under or relating to this deed, whether prospectively or retrospectively is not effective unless it is in writing and signed by that party.
- (b) No other act, omission or delay by a party will constitute a waiver of a right.

## 12.13 Counterparts

This deed may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed may deliver it to, or exchange it with, another party by emailing a pdf (portable document format) copy of, the executed counterpart to that other party.

## 12.14 Whole agreement

This deed:

- (a) is the entire agreement and understanding between the parties relating to the subject matter of this deed; and
- (b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.

# Bid Implementation Deed



## Signing page

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**Executed as a deed** by AIC Mines Limited ACN  
060 156 452

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Director

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Director/Secretary (if applicable)

Aaron Colleran

Audrey Ferguson

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Print full name of Director

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Print full name of Director/Secretary

**Executed as a deed** by Demetallica Limited  
ACN 061 595 051

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Director

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Director/Secretary (if applicable)

Andrew Woskett

Varis Lidums

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Print full name of Director

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Print full name of Director/Secretary