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19 January 2023

Online lodgement

The Manager
Market Announcements Office
ASX Limited
Central Park
Level 152-158 St Georges Terrace
Perth WA 6000

FOR IMMEDIATE RELEASE TO THE MARKET

Dear Sir/Madam

Takeover bid by Mineral Resources Limited for Norwest Energy NL — First Supplementary Bidder's Statement

We act for Mineral Resources Limited (ACN 118 549 910) (**MinRes**) in relation to its off-market takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the ordinary shares in Norwest Energy NL (ACN 078 301 505) (**Norwest**) (**Offer**).

We attach, pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**), MinRes' first supplementary bidder's statement in relation to the Offer (**First Supplementary Bidder's Statement**).

The First Supplementary Bidder's statement will today also be lodged with ASIC pursuant to section 647(3)(a) of the *Corporations Act* and sent to Norwest.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Justin Mannolini'.

Justin Mannolini
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A handwritten signature in black ink, appearing to read 'Simon Rear'.

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



First Supplementary Bidder's Statement

Accept the Offer

by

Mineral Resources Limited (ACN 118 549 910)

to purchase all of your ordinary shares in

Norwest Energy NL (ACN 078 301 505)

MinRes Offer Information Line
1300 916 995 (toll free for callers within Australia)
+61 3 9415 4653 (for callers outside Australia)

The Offer closes at 7:00pm (Sydney time)
on 6 February 2023, unless extended or withdrawn

Financial Adviser

J.P.Morgan

Legal Adviser



1 Important notice

This document is a supplementary bidder's statement under section 643(1) of the Corporations Act 2001 (Cth). It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by Mineral Resources Limited (ACN 118 549 910) (**MinRes**) in relation to its off-market takeover bid for all the shares in Norwest Energy NL (ACN 078 301 505) (**Norwest**). This First Supplementary Bidder's Statement supplements, and should be read together with, MinRes' bidder's statement dated 16 December 2022 (**Original Bidder's Statement**).

Capitalised terms in this First Supplementary Bidder's Statement have the same meaning given in the Original Bidder's Statement, unless the context otherwise requires. The rules of interpretation in section 13.2 of the Original Bidder's Statement also apply to this First Supplementary Bidder's Statement. This First Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement.

This First Supplementary Bidder's Statement is dated 19 January 2023. A copy of this First Supplementary Bidder's Statement was lodged with ASIC and given to ASX on 19 January 2023. Neither ASIC, the ASX nor any of their respective officers take any responsibility for its contents.

If you have any questions in relation to the Offer, please contact the Offer Information Line on 1300 916 995 (within Australia) or +61 3 9415 4653 (from outside of Australia), Monday to Friday between 8.30am to 5.00pm (EST).

2 Acquisition of 19.17% shareholding in Warrego Energy Limited

On 17 January 2023 MinRes published a substantial shareholder notice on the ASX in relation to Warrego Energy Limited (ACN 125 394 667) (**Warrego**) noting that it had acquired a relevant interest in 19.17% of the issued shares of Warrego. Warrego is currently the subject of two competing takeover bids from Hancock Energy (PB) Pty Ltd and Strike Energy Limited.

On 18 January 2023 MinRes made an announcement to the ASX noting that this shareholding is considered to be a strategic stake and MinRes does not intend to make a takeover bid or other offer for Warrego. A copy of that announcement is attached as Annexure A to this First Supplementary Bidder's Statement.

3 Response to the Norwest Target's Statement

Attached as Annexure B to this First Supplementary Bidder's Statement is an ASX announcement by MinRes dated 19 January 2023 in relation to the Norwest Target's Statement dated 10 January 2023.

4 Clarifications in relation to Original Bidder's Statement

This First Supplementary Bidder's Statement amends the following sections of the Original Bidder's Statement:

4.1 Total Shareholder Return information

Figure 2 in the section titled 'Why You should the accept the Offer' provides information in relation to the Total Shareholder Return received by shareholders of target companies who accepted MinRes shares as consideration.

MinRes reiterates that the depiction of the returns in relation to the Atlas Iron offer and the AWE offer are hypothetical returns only, given those offers were not completed. It is possible, in relation to these hypothetical cases, that MinRes' Total Shareholder Return would have been significantly impacted

(whether advantageously or otherwise) by the acquisition of new assets or businesses of the relevant target companies.

4.2 MinRes rights on issue

Section 3.3(d) of the Original Bidder's Statement is amended by deleting the table in that section and replacing it with the following:

| Plan | Grant Date | Expected vesting date | Rights on foot |
|--|------------|-----------------------|----------------|
| FY20 ORP | FY20 | FY25 | 874,223 |
| FY20 LTIP | FY20 | FY23 | 195,310 |
| FY20 KMP LTIP | FY20 | FY24 | 359,413 |
| FY20 KMP STIP - T1 | FY20 | FY21 | - |
| FY20 KMP STIP - T2 | FY20 | FY22 | - |
| FY21 ORP | FY21 | FY26 | 114,318 |
| FY21 LTIP | FY21 | FY24 | 377,573 |
| FY21 KMP LTIP | FY21 | FY25 | 268,101 |
| FY21 KMP STIP - T1 | FY21 | FY23 | - |
| FY21 KMP STIP - T2 | FY21 | FY24 | 12,740 |
| FY22 ORP | FY22 | FY27 | 36,669 |
| FY22 LTIP | FY22 | FY25 | 226,305 |
| FY22 KMP LTIP | FY22 | FY26 | 108,621 |
| FY22 KMP STIP - T1 | FY22 | FY24 | 13,598 |
| FY22 KMP STIP - T2 | FY22 | FY25 | 13,598 |
| FY23 ORP | FY23 | FY28 | 33,526 |
| FY23 LTIP | FY23 | FY26 | 344,564 |
| FY23 KMP LTIP | FY23 | FY27 | 176,773 |
| FY23 KMP STIP - T1 | FY23 | FY25 | - |
| FY23 KMP STIP - T2 | FY23 | FY26 | - |
| Dividend equivalent rights KMP * | | | 81,889 |
| Dividend equivalent rights - non-KMP * | | | 233,425 |

* Vesting in line with expected vesting above

4.3 Constitution

Section 3.4 of the Original Bidder's Statement notes that the rights attaching to MinRes shares are set out in the constitution. A full copy of the constitution is available via the following link: <https://www.mineralresources.com.au/constitution>. Alternatively, Norwest shareholders may request a copy of the constitution from MinRes free of charge.

4.3 Rationale for the Offer – carbon emissions

Section 8.2 of the Original Bidder's Statement notes that the Offer aligns with and supports MinRes' energy strategy, which is focused on delivering a low-cost, long-life secure energy supply, including for MinRes' lithium and iron ore mining operations in Western Australia, to facilitate displacement of diesel with gas. MinRes notes that its pathway to reducing carbon emissions by 50% by 2035 and to achieve net zero emissions by 2050, is limited to Scope 1 and Scope 2 emissions only.

4.4 Risks relating to the Offer – MinRes Shares

In section 9.3(a) of the Original Bidder's Statement, the underlined word is added to the following sentence:

"The Total Shareholder Return information contained in this Bidder's Statement is provided for historical reference purposes only and should not be taken as a representation, express or implied, that similar Total Shareholder Returns will be achieved by Norwest Shareholders who accept the Offer."

4.5 Prescribed Occurrences

In section 12.9 of the Original Bidder's Statement, the words 'date which is three (3) Business Days after' is deleted so that the paragraph now states:

"Subject to this Section 12.9, the completion of this Offer and any contract that results from an acceptance of this Offer is conditional upon there being no Prescribed Occurrences in the period between the Announcement Date and the end of the Offer Period."

4.6 Definition of Prescribed Occurrence

In section 13.1 of the Original Bidder's Statement, the definition of "Prescribed Occurrence" is deleted and replaced with the following:

"Prescribed Occurrence means any of the following events:

- (a) NWE converts all or any of its shares into a larger or smaller number of shares;
- (b) NWE or a subsidiary of NWE resolves to reduce its share capital in any way;
- (c) NWE or a subsidiary of NWE:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) NWE or a subsidiary of NWE issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) NWE or a subsidiary of NWE issues, or agrees to issue, convertible notes;
- (f) NWE or a subsidiary of NWE disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) NWE or a subsidiary of NWE grants, or agrees to grant, a security interest in the whole or a substantial part, of its business or property;
- (h) NWE or a subsidiary of NWE resolves that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of NWE or of a subsidiary of NWE;
- (j) a court makes an order for the winding up of NWE or of a subsidiary of NWE;
- (k) an administrator of NWE, or of a subsidiary of NWE, is appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) NWE or a subsidiary of NWE executes a deed of company arrangement;
- (m) a restructuring practitioner for NWE, or a subsidiary of NWE, is appointed under section 453B of the Corporations Act;
- (n) NWE, or a subsidiary of NWE, makes a restructuring plan under Division 3 of Part 5.3B of the Corporations Act; or

- (o) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of NWE or of a subsidiary of NWE."

4.7 Definition of Norwest

In section 13.1 of the Original Bidder's Statement, the definition of "**Norwest**" is deleted and replaced with the following:

"**Norwest** means Norwest Energy NL ACN 078 301 505."

4.8 Insertion of definitions of **kdmt**, **FOB costs** and **Mining Services volumes**

In section 13.1 of the Original Bidder's Statement, the following definitions are inserted:

"**kdmt** means thousand dry metric tonnes."

"**FOB costs** means free on board costs."

"**Mining Services volumes** means production-related contract tonnes based on total material moved, crushed, processed, transported and other logistical services provided."

5 Further information

Norwest shareholders who have any questions in relation to the Offer or who would like another acceptance form should contact the Offer Information Line on 1300 916 995 (within Australia) or +61 3 9415 4653 (from outside of Australia), Monday to Friday between 8.30am to 5.00pm (EST).

6 Approval of First Supplementary Bidder's Statement

This First Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the directors of MinRes.

Date: 19 January 2023

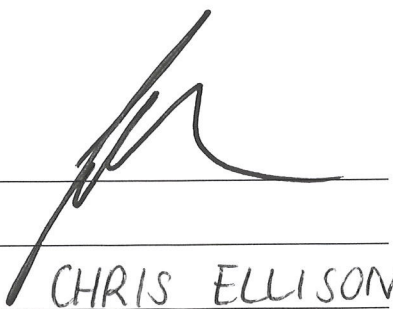
Signed for and on behalf of
Mineral Resources Limited

by

Sign here ►


Director

Print name



CHRIS ELLISON

Annexure A – ASX Announcement of 18 January 2023



18 January 2023

Shareholding in Warrego Energy Limited

Mineral Resources Limited (ASX:MIN) (MinRes or Company) lodged a substantial shareholder notice on 17 January 2023 which confirmed that the Company has acquired approximately 234 million shares in Warrego Energy Limited (ASX:WGO) (Warrego), representing a 19.17% interest in Warrego.

This shareholding is considered to be a strategic stake. MinRes does not intend to make a takeover bid or other offer for WGO, and is of the opinion that gas asset prices in the Perth Basin are now over-inflated.

ENDS

This announcement dated 18 January 2023 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary. For further information, please contact:

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About Mineral Resources

Mineral Resources Limited (ASX: MIN) is a Perth-based leading mining services provider, with a particular focus on the iron ore and lithium sectors in Western Australia. Using technical know-how and an innovative approach to deliver exceptional outcomes, Mineral Resources has become one of the ASX's best-performing contractors since listing in 2006. For more information, visit www.mineralresources.com.au

Annexure B – ASX Announcement of 19 January 2023

19 January 2023

Mineral Resources Reiterates that Norwest Shareholders Should Accept its Offer

On 3 January 2023, Mineral Resources Limited (**ASX:MIN**) (**MinRes** or **Company**) despatched its Bidder's Statement to the shareholders of Norwest Energy NL (**ASX:NWE**) (**Norwest**) in relation to its takeover offer to acquire all of the fully paid ordinary shares (**Norwest Shares**) in Norwest that it does not already own (**the Offer**). The Offer is now open and Norwest shareholders can ACCEPT the MinRes Offer.

The Offer is the only one currently available and will close on 6 February 2023 (unless further extended).

MinRes has reviewed the Norwest Target's Statement released to the ASX on 10 January 2023 (**Target's Statement**) and draws Norwest shareholders' attention on the following points:

- 1. The Target's Statement contains no supportive information regarding the valuation of Norwest shares. MinRes' implied Offer valuation is fair and reasonable, providing Norwest shareholders with the opportunity to join the MinRes family via a scrip offer priced at a generous premium.**

Based on the last closing price of MinRes shares, the Offer implies a \$431 million equity value¹ for Norwest and represents a 43% premium to the undisturbed Norwest share price (as at 15 December 2022). The Offer implies a valuation of over \$2 billion for the Lockyer Gas Project, which is generous given only one exploration well has been drilled. The Norwest Directors have not provided an alternative valuation. Therefore, the Norwest Directors have provided shareholders with no basis to consider that the MinRes Offer is anything other than fair and reasonable.

- 2. There is inherent risk with future drilling. As Norwest's minority interest in the Lockyer Gas Project is its principal asset, any material adverse events arising from further exploration or development could mean Norwest shares are worth significantly less than MinRes' Offer implies.**

Success of the Lockyer drilling program and any follow-on exploration potential is subject to significant development and funding risks. Norwest shareholders are currently exposed to these risks.

MinRes' size, diversified portfolio and strong balance sheet means that Norwest shareholders' exposure to these risks will be significantly reduced if they accept the Offer. MinRes' expert management team and Board overseeing development in a simplified corporate structure would further de-risk the project if consolidated ownership is achieved.

- 3. Norwest currently does not have the funding necessary to meet its share of the development costs for the Lockyer Gas Project if exploration is successful and a decision is taken to develop.**

As noted in the Target's Statement², Norwest has \$20.5 million in cash as at 31 December 2022. This balance is barely enough to cover its share of budgeted exploration and drilling in FY23 and FY24 and corporate overheads during that time.

As Norwest's share of development costs is likely to be significant, it will need to raise additional funding. Based on standard industry metrics³, this share could be hundreds of millions of dollars. As the Target's Statement admits, significant funding will need to be secured, which may require Norwest shareholders to contribute further capital to avoid dilution.

¹ Based on 6,713,571,592 Norwest Shares on issue and MinRes closing share price on 18 January 2023 of \$87.69

² ASX: NWE 10 January 2023

³ Waitsia stage 2 capital cost estimate \$700-800 million for 250 TJpd plant

The Target's Statement also notes that the Norwest Directors have agreed to incur transaction costs which are currently "not expected to exceed \$10 million". It is unclear from the Target's Statement whether these costs will be incurred regardless of the outcome of the Offer. This creates considerable uncertainty and balance sheet risk for Norwest shareholders who do not accept the MinRes Offer.

4. The Lockyer Gas Project is already operated and majority owned by MinRes.

The Target's Statement asserts that MinRes is paying an insufficient premium for control of Norwest. MinRes is already the operator and majority owner of Norwest's principal asset, the Lockyer Gas Project. While Norwest does have contractual rights as a minority interest holder in the Lockyer exploration permits, it does not control and is not developing the Lockyer Gas Project. The MinRes' Offer implies a significant premium for what is a minority interest.

5. Prior to the announcement of the Offer, the Norwest share price traded at a substantial discount to the current implied value of the Offer.

MinRes first acquired Norwest shares on 18 December 2019, buying an 18.8% stake for \$4.6 million. The value of Norwest at that time was approximately \$24 million. By 29 April 2021, MinRes had increased its holding to 19.9% for an additional \$1.3 million. As operator, MinRes secured the drilling rig and operated the drilling programme in mid-2021 that led to the announcement of the Lockyer Deep discovery well in September 2021. The Norwest share price had not traded above 1 cent since 2015 until the announcement on 6 July 2021 that Lockyer Deep would be drilled.

6. MinRes has delivered strong returns for shareholders in its previous successful scrip-bids.

As detailed in the Bidder's Statement, MinRes' previous successful scrip-bids have delivered strong annual returns for accepting shareholders. For example, Mesa Minerals shareholders who accepted MinRes' offer in 2010 have benefitted with a total shareholder return of 1,642% (26% per annum)⁴.

7. Exposure to MinRes' world-class portfolio of diverse mining assets and highly prospective onshore Carnarvon basin energy exploration assets, provides an attractive value generation opportunity for Norwest shareholders.

MinRes has an enviable portfolio of iron ore and lithium assets, as well as a top-performing mining services business. In addition, MinRes is the largest acreage holder of onshore conventional gas exploration permits in the Carnarvon and Perth Basins and announced on 17 January 2023 a 19.17% interest in Warrego Energy Limited.

Far from being a negative, as suggested in the Target's Statement, this diversification provides Norwest shareholders with an attractive hedge against the inevitable risks involved with being a shareholder of a single-asset exploration company with one completed exploration well.

8. Norwest shareholders who accept the Offer will also benefit from MinRes' future dividends and franking credits.

Since listing on the ASX in 2006, MinRes has an enviable track record as the second best performing ASX 200 company for total shareholder returns. The Company has distributed \$9.56 in fully franked dividends which have grown at 20% per annum⁵. Accepting Norwest shareholders will share in MinRes' growth, with a diverse portfolio of commodities and long-term contracts that provide MinRes with the potential for long-term dividend growth and access to franking credits⁶.

⁴ Total Shareholder Returns calculated from 27 August 2010 to 18 January 2023. Past performance is not an indication of future performance. There is no guarantee that similar returns will be achieved in the Offer and these returns should not be seen as representing the actual or forecast premium implied by the Offer. This example has been included as an example from a prior transaction involving MinRes. Total Shareholder Return calculation assumes the Mesa Minerals shareholders acquired MinRes shares at the specified date (27 August 2010), retained those MinRes shares and reinvested all dividends received on those MinRes shares. See the risk disclosure in section 9.3(a) of the Bidder's Statement.

⁵ Dividends per share declared from July 2006 to 30 June 2022.

⁶ Franking credits available as at 30 June 2022 of \$809.7 million.

9. The potential for rollover relief is a significant tax benefit of the all-scrip Offer that could allow Norwest shareholders to defer paying any capital gains tax. The more shareholders who accept the Offer, the more likely that this significant tax benefit is made available.

If MinRes acquires at least 80% of Norwest under the Offer, Norwest shareholders may be eligible for rollover relief (subject to individual shareholder circumstances). This means they could gain a significant tax benefit by deferring the payment of capital gains tax on disposal of their Norwest shares. See Section 10 of the Bidder's Statement for further information on the potential taxation implications of the Offer for Norwest shareholders.

For these reasons, and those previously outlined in the Bidder's Statement, MinRes strongly believes that its Offer provides significant benefits to Norwest shareholders and is a superior proposal to Norwest's status quo business plan that is currently in place.

MinRes Managing Director Chris Ellison said:

"The MinRes offer is generous considering that only one well has been drilled and the inherent risks associated with additional drilling and resource definition.

"The Target's Statement itself acknowledges there's a risk in holding onto Norwest shares if the results of the drill campaign are below expectations.

"By rejecting our compelling offer without providing any alternative valuation, the Norwest Board is failing its shareholders.

"We've got the balance sheet and team to get this project done, and a portfolio of assets that will underpin strong growth for decades to come.

"By accepting our offer, Norwest shareholders will maintain exposure to Lockyer Deep, as well as MinRes' world-class portfolio of iron ore, lithium, mining services operations and our highly prospective energy position in the Carnarvon Basin.

"Accepting the offer will enable Norwest shareholders to capture value in a potentially tax-effective manner and be part of the next exciting chapter of MinRes' growth.

"Accepting the MinRes offer provides a unique and compelling opportunity to gain a share in one of Australia's fastest growing companies with a proven management team."

Additional information

An information line has been established for the purposes of the Offer. Shareholders can contact the Offer Information Line on 1300 916 995 (within Australia) or +61 3 9415 4653 (from outside of Australia), Monday to Friday between 8:30am to 5:00pm (AEST).

Advisers

MinRes is being advised by J.P. Morgan as financial adviser and Gilbert + Tobin as legal adviser.

ENDS

This announcement dated 19 January 2023 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary.

For further information, please contact:

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About Mineral Resources

Mineral Resources Limited (ASX: MIN) (MinRes) is a leading diversified resources company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX's best-performing companies since listing in 2006. For more information, visit www.mineralresources.com.au.