

PERSEUS MINING ANNOUNCES INTENTION TO MAKE TAKEOVER BID FOR ORECORP LIMITED

- Perseus Mining Limited (ASX/TSX: PRU) (**Perseus** or the **Company**) announces its intention to make an off-market takeover offer (**Offer**) for all of the issued shares in OreCorp Limited (ASX: ORR) (**OreCorp**) that it does not already own (**OreCorp Shares**) for cash consideration of A\$0.55 per OreCorp Share.
- Full details of the Perseus Offer will be contained within a bidder's statement that is expected to be lodged with ASIC, provided to OreCorp and released to the ASX prior to the end of January 2024.
- This Offer to OreCorp's shareholders is valued at a 4.0% premium¹ to the currently implied value of a takeover offer made by Silvercorp Metals Inc (**Silvercorp**) (**Silvercorp Takeover**), as announced to the ASX on 27 December 2023 and as amended on 16 January 2024.
- The conditions of the Offer are materially the same as those of the Silvercorp Takeover, including being conditional on acquiring 50.1% of OreCorp ordinary shares.
- Perseus's Offer, unlike the Silvercorp Takeover, provides OreCorp shareholders the certainty of receiving a cash payment equal to 100% of the stated value of the consideration for their shares.
- OreCorp's shareholders who wish to accept Perseus's Offer, once made, should **NOT** accept the Silvercorp Takeover as Shareholders who accept the Silvercorp Takeover will be unable to accept Perseus's Offer. OreCorp shareholders do not need to take any action at this time but should be guided by Perseus's bidder's statement which will be provided to OreCorp shareholders before the end of January 2024.

Perseus's Executive Chairman and CEO Jeff Quartermaine said:

"Perseus has put this new Offer directly to OreCorp shareholders on the basis that it represents a compelling opportunity for the shareholders of both OreCorp and Perseus.

The acquisition of OreCorp's shares aligns with Perseus's growth strategy of building an asset portfolio comprised of geopolitically diverse, high-quality gold assets located on the African continent. At the same time, this Offer is demonstrably superior to the Silvercorp Takeover in terms of price, based on recent Silvercorp trading, and in terms of consideration certainty, being an all cash. In other words, it would ensure that OreCorp's shareholders receive full value and certainty for their shares in OreCorp.

Perseus has the financial capacity, technical expertise, and in-country relationships required to optimally develop OreCorp's Nyanzaga Gold Project and bring the gold mine into production. This development would enable Perseus to continue to deliver on its Corporate Mission of creating material benefits for all of our stakeholders, including the Government and people of Tanzania.

If the acquisition is completed, Perseus will have three operating mines producing gold at a rate of over 535,000 ounces per year in FY2023 and two high-quality development projects that, when brought on stream, as intended, will enable Perseus to maintain or exceed that targeted production level well into the next decade."

¹ Based on NYSE American trading data for Silvercorp shares, and assuming a current AUD:USD exchange rate of 0.6597 as at close of trading on 19 January 2024.

PERSEUS OFFER

Perseus intends to acquire the OreCorp Shares by way of an off-market takeover offer, with OreCorp shareholders receiving cash consideration of A\$0.55 per OreCorp Share. The Offer implies a total OreCorp equity value of approximately A\$258m².

The Offer will be funded from Perseus’s existing cash and bullion reserves which amounted to US\$594m as at 30 September 2023.

This Offer is also subject to a 50.1% minimum acceptance condition and other customary conditions that are no less favourable than the Silvercorp Takeover. Perseus reserves the right to waive some or all of these conditions – details are provided in **Schedule 1**.

Perseus intends to submit its requisite approval forms to relevant Tanzanian government agencies for this transaction early this week. Perseus has recently met with the Tanzanian Government, and based on these discussions does not foresee any challenges in obtaining the requisite approvals in a timely manner.

Further details on the Perseus Offer will be contained within a bidder’s statement which is expected to be lodged with ASIC, provided to OreCorp and released to ASX prior to the end of January 2024.

RELATIVE VALUE AND CONSIDERATION CERTAINTY

The table below compares the value of Perseus’s all cash Offer with the Silvercorp Takeover which includes a significant proportion of Silvercorp scrip:

Premium of Perseus’s Offer to the Silvercorp Takeover³

Reference period up to 19 Jan 2024	Silvercorp Price (AUD)	Implied Value of Silvercorp Scrip and Cash Takeover (AUD)	Perseus Previous All Cash Offer Price (AUD)	Perseus Premium of All Cash Offer
19 Jan 2024 close	3.50	0.529	0.55	4.0%
2-day VWAP	3.49	0.527	0.55	4.3%
3-day VWAP	3.49	0.528	0.55	4.2%
5-day VWAP	3.57	0.535	0.55	2.8%
10-day VWAP	3.62	0.540	0.55	1.9%

The Silvercorp share price, and therefore the Silvercorp Takeover consideration, has demonstrated significant volatility since the original offer was made. As such, there is no certainty as to the value of the Silvercorp Takeover consideration at the time OreCorp shareholders would receive their shares.

Furthermore, if Silvercorp is the successful bidder for OreCorp, there is a material risk of Silvercorp share price downside relative to the current Silvercorp share price, if a large number of OreCorp shareholders wish to sell the Silvercorp shares received, to obtain cash consideration. Shareholders who are not residents of Canada or the USA where Silvercorp currently trades will also be exposed to foreign exchange risk.

To this point, Perseus notes that it was able to secure 19.9% of OreCorp’s shares at a price of \$0.525 in November 2023, with a key driver for many of the sellers of OreCorp shares being a preference for cash consideration as opposed to Silvercorp shares if Silvercorp was successful.

Receiving Silvercorp shares introduces risk exposure for OreCorp shareholders, including to:

- Foreign listing and exchange risk/complexity (no existing ASX listing and noting that the NYSE listing is not the main NYSE board but rather the smaller NYSE American exchange);

² Based on 469,408,892 OreCorp ordinary shares outstanding at the Offer price of \$0.55 per share.

³ Based on NYSE American trading data for Silvercorp shares, and assuming a current AUD:USD exchange rate of 0.6597 as at close of trading on 19 January 2024.

- Commodity risk outside of gold, including base metals being lead and zinc; and
- Jurisdictional risks outside of Africa. In particular, the risk stated in the Replacement Bidder’s Statement dated 16 January 2024 is relevant and material, including that “the Chinese government currently allows foreign investment in certain mining projects under central government guidelines. There can be no assurance that these guidelines will not change in the future.”

These risks are exacerbated if Silvercorp is successful in acquiring OreCorp given:

- Silvercorp does not currently have sufficient funding to finance the development of the Nyanzaga Gold Project. This introduces funding execution and cost risk, including potential dilution with equity raisings and/or high-cost debt/royalties. The Government of Tanzania highlighted to Perseus the complexity that external project debt funding would have with respect to their interest in the project, particularly if debt funding requires security. Silvercorp has also stated that US\$22.7 million of capital gains tax may be payable under Tanzanian legislation upon completion of an acquisition of OreCorp⁴;
- Notwithstanding Silvercorp’s assertions regarding the potential quantum of change of control tax payable on completion of the Silvercorp Takeover, there remains considerable uncertainty as to the tax outcome and thus Silvercorp’s ability to fund this tax liability along with the cost of development of the Nyanzaga Gold Project;
- Silvercorp has no experience in developing or operating gold projects in Africa;⁵ and
- Silvercorp has outlined the possibility of ‘shrinking’ OreCorp’s Nyanzaga Gold Project, at least in the first few years⁶. Based on Perseus’s significant experience of developing and operating gold mines in Africa, Perseus believes that this could have a negative impact on the investment returns of the Nyanzaga Gold Project which are especially important to its stakeholders including the Government and people of Tanzania.

Perseus believes that the above concerns regarding the risks associated with Silvercorp shares, and particularly the material potential selling by OreCorp shareholders of the Silvercorp shares received that may occur if the Silvercorp Takeover is successful, are reflected in the inverse relationship between Silvercorp share price and the perceived probability of the Silvercorp Takeover proceeding. This may also reflect a general lack of support from Silvercorp shareholders for the Silvercorp Takeover.

The Silvercorp share price, and therefore value of Silvercorp Takeover consideration; (i) fell materially post announcement of the previous scheme of arrangement with OreCorp; then (ii) increased post the announcement of Perseus’s 19.9% ownership interest in OreCorp and lack of support for the scheme; and (iii) fell upon Silvercorp announcing the Silvercorp Takeover.

Silvercorp Share Price Over Time⁷



Given the above trend, any appreciation in Silvercorp shares post the announcement of this Offer should be scrutinised by OreCorp shareholders to ascertain whether it demonstrates an increase in value, or whether it is attributable to a reduced probability of success for the Silvercorp Takeover that would unwind if the Silvercorp Takeover is ultimately successful.

⁴ Silvercorp Replacement Bidder’s Statement dated 16 January 2024 pg 109.

⁵ Silvercorp Replacement Bidder’s Statement dated 16 January 2024 pg 128.

⁶ See slide 16 of the Silvercorp Corporate Presentation December 2023 available at https://silvercorpmetals.com/wp-content/uploads/2023/12/20231204_SVM_Presentation.pdf.

⁷ Based on NYSE American trading data for Silvercorp shares converted to AUD.

INDICATIVE TIMETABLE

Perseus is well advanced on its bidder's statement and if OreCorp consents to opening the offer after service of Perseus's bidder statement, Perseus's Offer could be open within the next two weeks.

OreCorp shareholders who wish to accept Perseus's Offer once made should NOT accept the Silvercorp Takeover. Shareholders who accept the Silvercorp Takeover will be unable to accept Perseus's Offer. Accordingly, OreCorp shareholders do not need to take any action at this time.

OVERVIEW OF ORECORP

OreCorp is an emerging mineral development company listed on the ASX under the code ORR. OreCorp's key project is the Nyanzaga Gold Project in northwest Tanzania.

The Special Mining License (SML) for the Project was granted on 13 December 2021 and Framework and Shareholders Agreements were subsequently signed with the Government of Tanzania (GoT). The SML was granted to the new joint venture company, Sotta Mining Corporation Limited (SMCL), for an initial term of fifteen years. OreCorp holds an 84% interest in SMCL through its wholly owned subsidiary, Nyanzaga Mining Company Limited (NMCL). The Treasury Registrar of the GoT holds the 16% free carried interest in SMCL in accordance with the Mining Act [CAP. 123 R.E. 2019]. Following the grant of the SML, OreCorp announced the results of its definitive feasibility study in August 2022.

OVERVIEW OF PERSEUS

Perseus (ASX/TSX: PRU) is an ASX and TSX listed mining company, with a market capitalisation of approximately A\$2.45 billion.

Perseus currently operates three gold mines in West Africa, including Yaouré and Sissingué in Côte d'Ivoire and Edikan in Ghana and has been preparing for the development of a fourth mine (Meyas Sand Gold Project) in Sudan. In FY2023, Perseus produced more than 535,000oz of gold at a weighted average AISC of approximately US\$960 per ounce.

Perseus has embarked on an organic growth programme focussed on known deposits and targets located near its existing mining operations and existing infrastructure. Perseus expects this programme will materially increase Perseus's Mineral Reserves and Resources inventory and enable Perseus to maintain existing production rates until towards the end of the decade. In addition, Perseus continues to assess and, where considered commercially appropriate, acquire other shareholder wealth-creating opportunities to complement its organic growth.

Perseus has a demonstrated track record of responsibly and sustainably managing its business generally in line with international standards and principles as clearly documented in its 2023 Sustainability Report. Its social licence to operate in Ghana, Côte d'Ivoire and Sudan is evidenced by the close cooperation between Perseus and its host governments and communities.

Perseus's Board and management team are experienced in gold exploration, project development and operating gold mines in Africa, and as Perseus's track record demonstrates, it has the available internal resources and capabilities together with external relationships to efficiently finance and manage new development projects.

ADVISERS

Perseus is being advised by Sternship Advisers and Euroz Hartleys Limited as financial advisers and by Corrs Westgarth Chambers as Australian legal counsel.

This market announcement was authorised for release by the Board of Perseus Mining Limited.

IMPORTANT NOTICES

COMPETENT PERSON STATEMENT

All production targets referred to in this release are underpinned by estimated Ore Reserves which have been prepared by competent persons in accordance with the requirements of the JORC Code.

Edikan

The information in this release that relates to the Open Pit and Underground Mineral Resources and Ore Reserve at Edikan was updated by the Company in a market announcement “Perseus Mining updates Mineral Resources and Ore Reserves” released on 24 August 2023. The Company confirms that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, in that market release continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in “Technical Report — Edikan Gold Mine, Ghana” dated 7 April 2022 continue to apply.

Sissingué, Fimbiasso and Bagoé

The information in this release that relates to the Mineral Resources and Ore Reserve at the Sissingué complex was updated by the Company in a market announcement “Perseus Mining updates Mineral Resources and Ore Reserves” released on 24 August 2023. The Company confirms that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, in that market release continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in “Technical Report — Sissingué Gold Project, Côte d’Ivoire” dated 29 May 2015 continue to apply.

Yaouré

The information in this release that relates to the Open Pit and Underground Mineral Resources and Ore Reserve at Yaouré was updated by the Company in a market announcement “Perseus Mining announces Open Pit and Underground Ore Reserve update at Yaouré” released on 23 August 2023. The Company confirms that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, in that market release continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in “Technical Report — Yaouré Gold Project, Côte d’Ivoire” dated 19 December 2023 continue to apply.

CAUTION REGARDING FORWARD LOOKING INFORMATION:

This report contains forward-looking information which is based on the assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management of the Company believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Assumptions have been made by the Company regarding, among other things: the price of gold, continuing commercial production at the Yaouré Gold Mine, the Edikan Gold Mine and the Sissingué Gold Mine without any major disruption, the receipt of required governmental approvals, the accuracy of capital and operating cost estimates, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of current exploration, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company’s publicly filed documents. The Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions have been made regarding, among other things, the Company’s ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of gold, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers should not place undue reliance on forward-looking information. Perseus does not undertake to update forward-looking information, except in accordance with applicable securities laws.

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SCHEDULE 1

OFFER CONDITIONS⁸

- 1 **Minimum acceptance:** Before the end of the Offer Period, Perseus has a Relevant Interest in such number of OreCorp Shares as represents at least 50.1% of all OreCorp Shares (on a fully diluted basis);
- 2 **No regulatory action:** between date of this statement and the end of the Offer Period:
 - (a) there is not in effect any preliminary or final decision, order or ruling issued by any Government Agency;
 - (b) no application is made to any Government Agency; and
 - (c) no action or investigation is announced, commenced or threatened by any Government Agency in connection with the Perseus's Offer,which could reasonably be expected to restrain, impede or prohibit or otherwise have a material adverse effect on the making of the Offer and the completion of the Perseus's Offer or any other transaction contemplated by this statement, other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act.⁹
- 3 **No material adverse change:** between date of this statement and the end of the Offer Period, no Material Adverse Change occurs.¹⁰
- 4 **No prescribed occurrences:** between date of this statement and the end of the Offer Period, there is no prescribed occurrence.¹¹
- 5 **No other prescribed events:** between date of this statement and the end of the Offer Period, none of the following events occurs:
 - (a) any member of the OreCorp Group resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;
 - (b) any member of the OreCorp Group issues shares or securities convertible into shares or grants, vests or accelerates a performance right or an option or any other securities convertible into shares or similar right over its shares or agrees to make such an issue or grant, vesting or acceleration in relation to such an option, performance right, share, security or similar right (other than an issue of shares in OreCorp pursuant to the conversion of convertible securities or the exercise of options where the existence of those convertible securities or options has been disclosed to ASX before the date of this statement);
 - (c) any member of the OreCorp Group (other than a wholly-owned subsidiary of OreCorp) announces, declares or determines to pay any dividend or announces or makes any other distribution to its members;
 - (d) any member of the OreCorp Group makes any change to its constitution or equivalent documents;
 - (e) any member of the OreCorp Group incurs any financial indebtedness or issues any debt securities (including convertible notes or hybrid securities), other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of this statement where the funds drawn pursuant to those advances are used in the ordinary course of business;
 - (f) any member of the OreCorp Group makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in OreCorp or to another direct or indirect wholly owned Related Entity of OreCorp in the ordinary course of business or to Perseus), other than in the ordinary course of business;
 - (g) any member of the OreCorp Group entering, varying or terminating any material contract, joint venture, partnership or other commitment which is material in the context of the business of the OreCorp Group as a whole, other than in the ordinary course of business;
 - (h) any member of the OreCorp Group entering into or resolving to enter into a transaction with a related entity of OreCorp (as defined in the Corporations Act, but excluding transactions between members of the OreCorp Group);
 - (i) any member of the OreCorp Group settling or compromising a material dispute;
 - (j) OreCorp ceases to be admitted to the official list of ASX or OreCorp Shares cease to be quoted by ASX; or
 - (k) any member of the OreCorp Group authorising, committing, announcing or agreeing to take any of the actions referred to preceding subparagraphs under this paragraph 5.

⁸ Terms not otherwise defined have the meanings ascribed to them in the Corporations Act

⁹ In connection with this condition Perseus like Silvercorp appreciates that the need for FCC approval means that this condition could be breached (Appendix 2 paragraph (c) of the Silvercorp Bidder's Statement as the absence of an approval could reasonably be expected to restrain, impede or prohibit or otherwise have a material adverse effect on the making or completion of the Perseus Offer. Perseus intends (like Silvercorp) to submit an initial application for the approval to the FCC, requesting the FCC to review the information provided in relation to the Perseus Offer. Perseus will engage with the FCC in order to seek a confirmation from the FCC of its approval to the Perseus Offer (**Offer Approval**). Perseus undertakes:

1. not to exercise any rights it has in relation to the FCC possible intervention under the Perseus Offer unless and until the FCC has made a decision that would restrain, impede or prohibit or otherwise have a material adverse effect on the making or completion of the Perseus Offer; and
2. to keep the Offer open until at least 15 March 2024 (to allow the FCC to decide in relation to the Offer Approval, although Perseus reserves the right not to extend the Offer Period if FCC has not made such determination by the end of the Offer Period).

¹⁰ This condition will be on terms materially similar to the Silvercorp Offer – Appendix 2 paragraph (d) of the Silvercorp Bidder's Statement.

¹¹ This condition will be on terms materially similar to the Silvercorp Offer – Appendix 2 paragraph (e) of the Silvercorp Bidder's Statement.