

15 November 2018

ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear ASX

**Intrepid Mines Limited off-market takeover bid for AIC Resources Limited -
Supplementary bidder's statement**

We act for Intrepid Mines Limited ACN 060 156 452 (**Intrepid**).

We **attach** by way of service under section 647(3)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**) a copy of Intrepid's supplementary bidder's statement.

Yours sincerely



Derek Pocock
Partner

51203276v1

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Supplementary Bidder's Statement

In relation to the Offer by Intrepid Mines Limited to
acquire all of your shares in AIC Resources Limited

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 legal, financial, tax or other professional advisor immediately.**

LEGAL ADVISER

McCullough Robertson Lawyers



Important notices

WARNING

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

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Supplementary Bidder's Statement

1 Introduction

This document is the first supplementary bidder's statement issued by Intrepid Mines Limited ACN 060 156 452 (**Intrepid**) to the bidder's statement dated and lodged with ASIC and ASX on 3 October 2018 (**Original Bidder's Statement**) in relation to Intrepid's off-market takeover offer for all of the ordinary shares in AIC Resources Limited ACN 619 035 737 (**AIC Resources**) (**Supplementary Bidder's Statement**). It is dated 15 November 2018 and is given under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement. This document will prevail in the event of any inconsistency with the Original Bidder's Statement.

Unless the context requires otherwise, terms defined in the Original Bidder's Statement have the same meaning where used in this document.

2 Extension of the Offer

The Directors of Intrepid have resolved to extend the Offer. The Offer is now scheduled to close (unless extended further or withdrawn in accordance with the Corporations Act) at 7.00pm (Sydney time) on **16 January 2018**.

3 Independent expert's report for approval under Listing Rule 10.1

3.1 Background

The Offer is subject to a number of Defeating Conditions, including Intrepid Shareholders approving the acquisition by Intrepid of all of the AIC Resources Shares held by Brahman Pure Alpha Pte Ltd (**Brahman Pure Alpha**) under the Offer for the purposes of Listing Rule 10.1.

As summarised in Intrepid's notice of extraordinary general meeting (for the meeting convened for 14 December 2018), which was provided to ASX today (**EGM Notice**), Listing Rule 10.1 has the effect that Intrepid cannot acquire a substantial asset from, or dispose of a substantial asset to, a person in a position of influence with Intrepid without the approval of Intrepid Shareholders.

The Directors have determined that Brahman Pure Alpha is an entity to which Listing Rule 10.1 applies. Relevant to that determination, Brahman Pure Alpha is a shareholder of AIC Resources and a substantial holder in Intrepid (within the meaning given under Listing Rule 10.1.3).

Under Listing Rule 10.2, an asset is substantial if its value is 5% or more of the equity interest of Intrepid in the latest accounts provided to ASX under the Listing Rules. The Directors have determined that the acquisition of AIC Resources Shares from Brahman Pure Alpha may, depending on the price of Intrepid Shares and AIC Resources Shares at the relevant time, involve a transaction in relation to a substantial asset for the purposes of Listing Rule 10.2.

Accordingly, the Directors have resolved to seek Shareholder approval for the purposes of Listing Rule 10.1 and, as required by the Listing Rule 10.10.2, commissioned the preparation of



an independent expert's report, a copy of which is attached to the EGM Notice (**Independent Expert's Report**). The Directors appointed BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045 as the independent expert to prepare the Independent Expert's Report (**Independent Expert**).

3.2 Findings of the Independent Expert

The Independent Expert's Report was prepared for Intrepid Shareholders, and contained an opinion that the acquisition of AIC Resources Sharers by Intrepid from Brahman Pure Alpha (**Transaction**) is **not fair but reasonable** to Intrepid Shareholders. While the opinion of the Independent Expert was not intended for AIC Resources Shareholders, and was not an opinion prepared under Chapter 6 of the Corporations Act (as to the fairness and reasonableness of the Offer to AIC Resources Shareholders), elements of the Independent Expert's Report might be relevant to AIC Resources Shareholders' consideration of the Offer, as outlined below.

Fairness

The Independent Expert appointed by Intrepid in connection with the Transaction identified how the value of an Intrepid Share (on a combined and control basis) given as consideration compares to the value of three AIC Resources Shares received (on a control basis), as detailed in the table below. In assessing the value of Intrepid on a combined basis, the Independent Expert determined that the 'net asset valuation' methodology (or 'NAV methodology') was the most appropriate valuation methodology, which is reflected below.

	Low	Preferred	High
Value of an Intrepid Share (on a combined basis) offered as consideration	\$0.547	\$0.594	\$0.651
Value of three AIC Resources Shares acquired[#]	\$0.450	\$0.522	\$0.610

[#] The Independent Expert's Report also contains a technical report in respect of the Marymia Project tenements, which includes a valuation of the tenements, prepared by Paul Dunbar of Dunbar Resource Management (**Technical Report**). The Technical Report concludes that: (a) the Marymia Project contains several encouraging prospects and historical targets; (b) there are significant high-grade drill intersections in several prospects which require additional investigation; (c) there is good exploration potential within the Marymia Project, especially given the lack of recent exploration and the highly encouraging exploration from the early 1990s; and (d) additional data compilation and work to validate the historical exploration activities is required.

The Independent Expert has also compared the value of the shareholding in the Merged Group received by AIC Resources Shareholders (in the net assets of the Merged Group), with the value of net assets of AIC Resources acquired as a result of the Offer, as detailed in the table below.

	Low ('000)	Preferred ('000)	High ('000)
Value of the share of AIC Resources Shareholders in the net assets of the Merged Group	\$13,684	\$14,844	\$16,263
Value of the net assets of AIC Resources acquired	\$11,248	\$13,048	\$15,248



As such, the Independent Expert concluded that the resulting share of an AIC Resources Shareholder in Intrepid's net assets (on a combined basis) is higher than the net assets of AIC Resources which are acquired. On the basis of the above pricing, in the Independent Expert's opinion, the Transaction is not fair for Intrepid Shareholders.

Reasonableness

In the opinion of the Independent Expert, the Transaction is reasonable because the advantages (to Intrepid Shareholders) outweighed the disadvantages.

The Independent Expert identified the following key advantages and disadvantages:

Advantages

- (a) Intrepid Shareholders will get access to the Marymia Project;
- (b) combining the two companies will deliver a large contiguous landholding which is prospective for gold and base metals in Western Australia;
- (c) possible synergies will be delivered through cost savings;
- (d) the Merged Group will have an experienced board and management team;
- (e) there will be immediate liquidity for Intrepid Shareholders;
- (f) the Merged Group will have a diverse shareholder base;
- (g) the Merged Group will have better access to capital; and
- (h) there will be increased liquidity of shares of the Merged Group.

Disadvantages

- (a) there will be dilution of existing Intrepid Shareholders' interests; and
- (b) investment in an early stage exploration company is subject to a number of key dependencies and risks.

3.3 Caution on reliance of Independent Expert's Report

While AIC Resources Shareholders are encouraged to read the Independent Expert's Report in full, which contains further detail which may be relevant to an AIC Resources Shareholder in assessing the Offer, AIC Resources Shareholders should:

- (a) exercise caution when reviewing the Independent Expert's Report, and contact their legal, financial, tax or other professional advisers as appropriate; and
- (b) be aware that the Independent Expert's Report has been prepared for the purposes of Listing Rule 10.1 (and not specifically for the benefit of AIC Resources Shareholders in making their assessment of whether or not to accept the Offer).

Further information in relation to the Offer, and the factors which the Directors consider relevant to the assessment of the Offer, are also set out in the Original Bidder's Statement.

4 Extension of Offer to AIC Resources Shareholders in Hong Kong, the United Kingdom, Thailand, and Egypt

Section 12.7 of the Original Bidder's Statement states that if you are a Foreign Shareholder, unless Intrepid otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with Intrepid Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive Intrepid Shares as consideration for your AIC Resources Shares. Instead, the Nominee sale procedure (as summarised in section 12.7 of the Original Bidder's Statement) will apply in respect of Foreign Shareholders.

In accordance with section 12.7 of the Original Bidder's Statement, the Directors have resolved to extend the Offer to those AIC Resources Shareholders whose address on the AIC Resources Share register is in Hong Kong, the United Kingdom, Thailand, and Egypt (**Eligible Foreign Jurisdictions**), having determined that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to AIC Resources Shareholders in the Eligible Foreign Jurisdictions and to issue those AIC Resources Shareholders in the Eligible Foreign Jurisdictions with Intrepid Shares on acceptance of the Offer; and
- (b) it is not unlawful for AIC Resources Shareholders in the Eligible Foreign Jurisdictions to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand.

AIC Resources Shareholders whose address on the AIC Resources Share register is in a jurisdiction other than Australia or its external territories, New Zealand, Hong Kong, the United Kingdom, Thailand, and Egypt will still be regarded as Foreign Shareholders to whom the Nominee sale procedure (as summarised in section 12.7 of the Original Bidder's Statement) will apply.

5 Approval of Supplementary Bidder's Statement

This Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the Directors of Intrepid, effective 15 November 2018.

Signed by Richard Baumfield for and on behalf of Intrepid

A handwritten signature in black ink that reads "Richard Baumfield".

Richard Baumfield
Intrepid Mines Limited
Chairman