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3 May 2011

Your Ref: Elizabeth Harris  
Our Ref: DAN:RCS:3070-2  
Contact: Roger Steinepreis  
Partner  
[roger@steinpag.com.au](mailto:roger@steinpag.com.au)

ASX Limited  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**By Email**

**Attention: Ms Elizabeth Harris**

Dear Ms Harris

**OFF-MARKET TAKEOVER OFFER BY GGG RESOURCES PLC FOR ALL OF THE ORDINARY SHARES IN AUZEX RESOURCES LIMITED**

We act for GGG Resources plc (UK Registration Number 05277251 and ARBN 143 978 376) (**GGG**).

GGG has today sent its first bidder's statement to Auzex Resources Limited (**Auzex**) shareholders in relation to GGG's off-market takeover offer for all of the ordinary shares in Auzex.

GGG's offer is dated 3 May 2011 and closes at 5.00pm (Perth time) on 6 June 2011, unless extended or withdrawn.

In accordance with section 633(1C) of the Corporations Act (as inserted by ASIC Class Order (C0 01/1543)), we enclose a copy of the bidder's statement sent to Auzex shareholders.

Yours faithfully

  
**STEINEPREIS PAGANIN**

Encl.

THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

# **GGG** Resources plc

**(UK REGISTRATION NUMBER 05277251 and ARBN 143 978 376)**

## **Bidder's Statement**

**in relation to an offer by GGG Resources plc to acquire  
ALL of your ordinary shares in**

## **AUZEX RESOURCES LIMITED**

**(ABN 74 106 444 606)**

**Consideration offered is:  
Seven (7) GGG Shares for every five (5) Auzex Shares you own.**

Legal adviser to GGG Resources plc

Corporate adviser to GGG Resources plc

**STEINEPREIS PAGANIN**  
Lawyers & Consultants





**Drilling at Bullabulling**

## **IMPORTANT INFORMATION**

### **Bidder's Statement**

This document (**Bidder's Statement**), dated 15 April 2011, is issued by GGG Resources plc (UK Registration Number 05277251 and ARBN 143 978 376) under Part 6.5 of the Corporations Act in relation to an off-market offer by GGG to acquire Auzex Shares and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 15 April 2011. ASIC takes no responsibility for the contents of this Bidder's Statement.

### **Investments Risks**

There are a number of risks that may have a material impact on the value of the Offer, the future performance of the Merged Entity and the value of GGG Shares. These are described in Section 8 of this Bidder's Statement.

### **Foreign Jurisdictions**

The distribution of this document and the making of the Offer may be restricted by the laws or regulations of foreign jurisdictions. Persons who come into possession of this Bidder's Statement should seek advice and observe these restrictions.

The Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

The entitlements of Auzex Shareholders who are located in jurisdictions outside Australia, its external territories and New Zealand are set out in Section 1.8 of Annexure A.

No action has been taken to register or qualify GGG or to otherwise permit the offering of GGG Shares outside Australia, its external territories and New Zealand.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These disclosure requirements may differ from those of other countries.

This Bidder's Statement is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand) (or any other relevant New Zealand law). This Bidder's Statement may not contain all the information that a prospectus or an investment statement under the New Zealand law is required to contain.

The only members of the public in New Zealand to whom GGG Shares are being offered to under the Offer are Auzex Shareholders. The Offer is being made in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

### **Disclosure Regarding Forward Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on GGG's current expectations and predictions about future events including GGG's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of GGG, Auzex and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 8.

None of GGG, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned

not to place reliance on these statements in the event that the outcome is not achieved. The forward looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

#### **Disclaimer Regarding Auzex and the Merged Entity Information**

In preparing the information relating to Auzex and the Merged Entity contained in this Bidder's Statement, GGG has relied on publicly available information relating to Auzex which has not been independently verified by GGG or its Directors. Risks may exist in relation to Auzex (which will affect the Merged Entity) of which GGG is unaware. If any material risks are known to the directors of Auzex, they must be disclosed in the target's statement to be issued by Auzex.

Accordingly, subject to any applicable law, GGG makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

Further information on Auzex may be included in Auzex's target's statement which Auzex is required to provide to all Auzex Shareholders in response to this Bidder's Statement.

#### **Value of GGG Shares**

The implied value of the Offer will vary with the market price of GGG's Shares. Further information on the implied value of the Offer is contained in this document. Before accepting the Offer, Auzex Shareholders should obtain current quotes for GGG Shares and Auzex Shares from their stockbroker or other financial adviser.

In addition, all references to the implied value of the Offer are subject to the effects of rounding.

#### **Investment Advice**

This Bidder's Statement does not take into account the individual investment objectives, financial situation or

particular needs of each Auzex Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

#### **Privacy**

GGG has collected your information from the registers of Auzex for the purposes of making the Offer and administering your acceptance in Auzex. GGG and its share registry may use your personal information in the course of making and implementing the Offer. GGG and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by GGG, please contact GGG at the address set out in the Corporate Directory.

#### **Defined Terms**

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 10.

#### **Internet Sites**

GGG and Auzex each maintain internet sites. The URL location for GGG is [www.gggresources.com](http://www.gggresources.com) and for Auzex is [www.auzex.com](http://www.auzex.com). Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement is for information purposes only.

#### **Estimates and Assumptions**

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by GGG's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or

outcomes may materially differ from those estimates or assumptions.

### **Effect of Rounding**

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

### **Currencies**

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia, and references to "£", "British Pound Sterling" or "pence" are to the lawful currency of the United Kingdom.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of GGG or Auzex in respect of which different exchange rates may have been, or may be, used.

### **Queries**

You should contact your legal, financial or professional advisor if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Offer, please contact the contact the GGG Offer Information Line on 1300 710 755 (local call charges apply) from within Australia or +61 2 8022 7902 (normal call charges apply) from outside Australia or your professional financial advisor.



# GGG Resources plc

15 April 2011

Dear Auzex Shareholder

On behalf of the Directors of GGG Resources plc (**GGG**), I am pleased to enclose an offer by GGG, Auzex Resources Limited's (**Auzex**) Bullabulling Gold Project joint venture partner. The Offer provides an opportunity for Auzex shareholders to join with GGG shareholders and for both shareholder groups to share in the significant benefits of the consolidation of ownership of the Bullabulling Gold Project.

On 14 March 2011 (**Announcement Date**), GGG announced its intention to make an off-market takeover offer for all of the fully paid ordinary shares in the capital of Auzex which GGG does not own. GGG is currently Auzex's second largest shareholder holding 8,000,000 shares representing approximately 8.42% of Auzex's current fully paid ordinary share capital.

By accepting GGG's offer you will, subject to the terms and conditions of the offer, receive seven (7) GGG Shares for every five (5) of your Auzex Shares (the **Offer**).

Based on the closing price of GGG Shares on AIM and Auzex Shares on ASX on the last trading day prior to the announcement of the Offer (**Pre-Announcement Price**),<sup>1</sup> the Offer represents an implied value of A\$0.87 per Auzex Share<sup>2</sup> (total equity value circa A\$94.9 million)<sup>3</sup> and a premium of:

- 39.3% to Auzex's closing share price on the ASX of A\$0.625 on 11 March 2011, using GGG's closing share price on AIM on 11 March 2011 of A\$0.622<sup>4</sup>;
- 21.2% to Auzex's one month VWAP on the ASX of A\$0.672 to 11 March 2011, using GGG's one month VWAP on AIM to 11 March 2011 of A\$0.581<sup>4</sup>;
- 10.7% to Auzex's three month VWAP on the ASX of A\$0.596 to 11 March 2011, using GGG's three month VWAP on AIM to 11 March 2011 of A\$0.471<sup>4</sup>.

The Offer is conditional upon GGG becoming entitled to at least 50.1% of Auzex's Shares and certain other conditions included in this Bidder's Statement.

The Directors of GGG believe the Offer is a compelling proposition for Auzex Shareholders.

- 
1. The Offer was announced to ASX and AIM on 14 March 2011. The last trading day prior to the announcement of the Offer was 11 March 2011.
  2. Based on the closing share price of GGG of A\$0.622 as at 11 March 2011, the last trading day prior to the announcement of the Offer and converted at a £ to A\$ exchange rate of 0.625 (1£=A\$1.60).
  3. Calculated on a fully diluted basis using the number of Auzex Shares on issue prior to the announcement of the Offer and assuming that all existing Auzex UK Options are exercised but otherwise no other Auzex Shares are issued.
  4. GGG's share price has been converted at a £ to A\$ exchange rate of 0.625 (1£=A\$1.60).

If the Offer is successful, it will:

- consolidate the ownership of the Bullabulling Gold Project into a single corporate group which will focus on the Bullabulling Gold Project;
- rationalise future decision-making processes in relation to the Bullabulling Gold Project;
- allow for the potential improvement of the efficiency and timeliness in the development of the Bullabulling Gold Project to maximise shareholder value by accelerating exploration and development;
- align the interests of the two shareholder groups into a like-minded, single group of shareholders;
- reduce corporate overheads and duplicated roles;
- allow GGG to appoint a Western Australian-based team which will manage the development and operations of the Bullabulling Gold Project in the future; and
- potentially provide the Merged Entity with greater access to capital markets in the United Kingdom as well as Australia.

GGG's listing on ASX has been delayed as a result of difficulties in obtaining endorsement from Auzex of GGG's proposed future expenditure program for the Bullabulling Joint Venture in relation to the Bullabulling Gold Project. As a result, GGG has extended its current application to list on ASX, with its offer under its prospectus now scheduled to close on 2 May 2011. As part of this extension, existing subscribers under the prospectus have a one month right to withdraw their application. GGG has issued a supplementary prospectus dated 1 April 2011 setting out details of the extension and withdrawal rights.

Auzex's lack of co-operation towards GGG's listing in Australia influenced GGG to announce the Offer with a view to ensuring, going forward, that the interests of stakeholders in the Bullabulling Gold Project are aligned through a unified decision-making process, rather than being fragmented under the existing corporate decision-making process.

If GGG successfully lists on ASX, this will provide the Merged Entity with access to capital markets in the United Kingdom as well as Australia and GGG Shareholders will have the benefit of a company which is dual-listed with trading in shares on AIM and CDIs on ASX. If the Offer is successful and GGG successfully lists on ASX, Auzex Shareholders who accept the Offer and become GGG Shareholders will have the option of trading their GGG Shares on AIM or trading GGG CDI's on ASX.

I encourage you to read this important document carefully. The Offer is open for your acceptance until 5.00 pm (Perth Time) on 6 June 2011, unless extended. If you wish to accept the Offer, you should follow the instructions on the relevant Acceptance Form enclosed.

If you have any questions about the Offer, please contact the GGG Offer Information Line on 1300 710 755 (local call charges apply) from within Australia or +61 2 8022 7902 (normal call charges apply) from outside Australia, or your professional financial advisor.

GGG's Directors look forward to having Auzex Shareholders join GGG following the successful completion of this transaction.

Yours sincerely



Dr. Peter Antony Ruxton  
Chairman





**Bacchus South Pit**

## KEY DATES

Date of this Bidder's Statement	15 April 2011
Date this Bidder's Statement is lodged with ASIC	15 April 2011
Date of Offer	3 May 2011
Offer Closes (unless otherwise extended)	5.00pm (Perth time) on 6 June 2011

## KEY CONTACTS

Share registrar for the Offer	GGG Offer Information Line
Computershare Investor Services Pty Limited GPO Box 52 MELBOURNE VIC 3001	1300 710 755 (local call charges apply) from within Australia  +61 2 8022 7902 (normal call charges apply) from outside Australia

Auzex Shareholders should also note the key dates of the IPO disclosed in Section 2.9 of this Bidder's Statement.

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# WHY YOU SHOULD ACCEPT THE OFFER

GGG believes you should ACCEPT the Offer for the following reasons:

1. You will receive a significant premium to Auzex's recent trading value.
2. You will become a shareholder of the Merged Entity which will own 100% of the Bullabulling Gold Project if the Offer is successful.
3. You will become a shareholder of the Merged Entity which should have improved market presence.
4. The Merged Entity will be better positioned to raise project funding.
5. There are potential cost savings from synergies by combining GGG and Auzex.
6. There is no alternative proposal.
7. There are risks in not accepting the Offer.

The above is only a headline summary of some of the reasons why you should accept the Offer. Each of the reasons is explained below.

If you wish to accept this Offer, you must return the signed Acceptance Form by 5:00 pm (Perth Time) on 6 June 2011.

## Detailed reasons why you should ACCEPT the Offer

### 1. You will receive a significant premium to Auzex's recent trading value.

The Offer comprises seven (7) GGG Shares for every five (5) of your Auzex Shares.

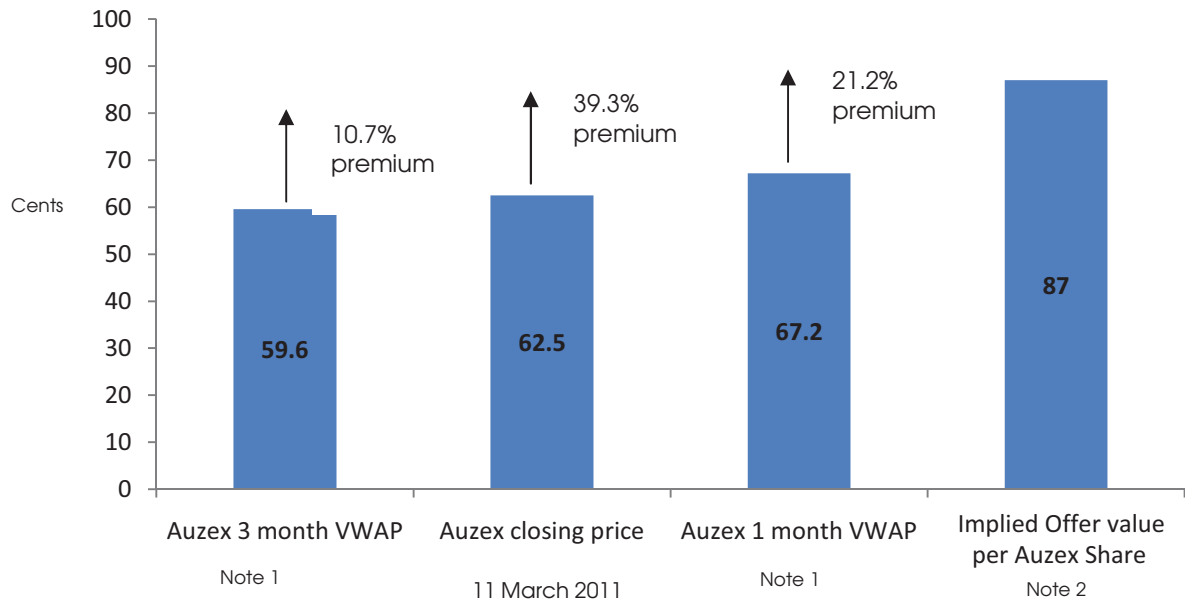
Based on the closing price of GGG Shares on AIM and Auzex Shares on ASX on the last trading day prior to the announcement of the Offer, the Offer represents an implied value of A\$0.87 per Auzex Share<sup>1</sup> (total equity value circa A\$94.9 million)<sup>2</sup> and a premium of:

- 39.3% to Auzex's closing share price on ASX of A\$0.625 on 11 March 2011, using GGG's closing share price on AIM on 11 March 2011 of A\$0.622<sup>3</sup>;
- 21.2% to Auzex's one month VWAP on ASX of A\$0.672 to 11 March 2011, using GGG's one month VWAP on AIM to 11 March 2011 of A\$0.581<sup>3</sup>;
- 10.7% to Auzex's three month VWAP on ASX of A\$0.596 to 11 March 2011, using GGG's three month VWAP on AIM to 11 March 2011 of A\$0.471<sup>3</sup>.

#### Notes:

1. Based on the closing share price of GGG of A\$0.622 as at 11 March 2011, the last trading day prior to the announcement of the Offer and converted at a £ to A\$ exchange rate of 0.625 (1£=A\$1.60).
2. Calculated on a fully diluted basis using the number of Auzex Shares on issue prior to the announcement of the Offer and assuming that all existing Auzex Options are exercised but otherwise no other Auzex Shares are issued.
3. GGG's share price has been converted at a £ to A\$ exchange rate of 0.625 (1£=A\$1.60). The last trading day prior to the announcement of the Offer was 11 March 2011.

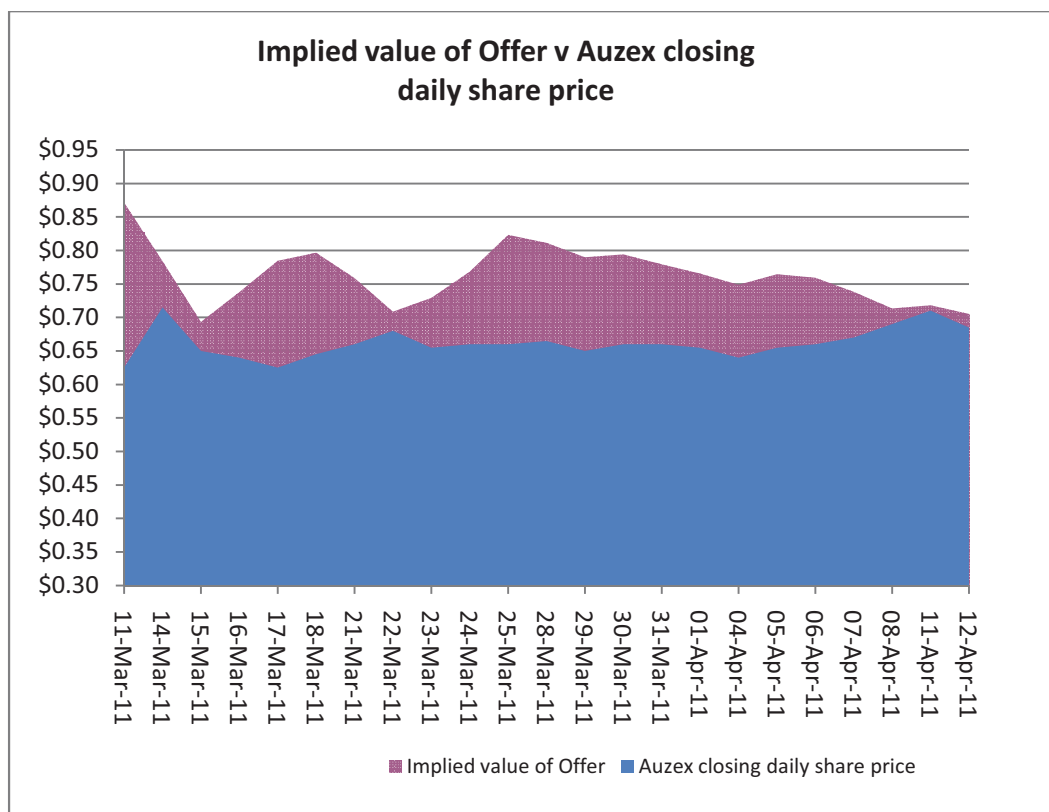
**Premium to closing price, 1 month VWAP and 3 month VWAP to 11 March 2011**



**Notes:**

1. The 1 month VWAP and 3 month VWAP means the volume weighted average price for the 1 month and 3 month periods respectively prior to the last trading day prior to the announcement of the Offer, being 11 March 2011.
2. Implied Offer value based on share consideration of 7 GGG Shares for every 5 Auzex Shares and the closing price of GGG Shares on the AIM on 11 March 2011 converted at an A\$ exchange rate \$0.625 (1£ = A\$0.60).

The following chart tracks the implied value of the Offer<sup>1</sup> against Auzex's daily closing share price on the ASX and highlights the daily change in the Offer premium.



**Notes:**

1. For the period 11 March 2011 to 12 April 2011.
2. The implied value of the Offer has been calculated based on the daily closing share price of GGG on AIM and converted to Australian dollars based on the £/A\$ daily exchange rate published by the Reserve Bank of Australia website.

**2. You will become a shareholder of the Merged Entity which will own 100% of the Bullabulling Gold Project if the Offer is successful.**

Accepting the Offer will enable Auzex Shareholders to:

- retain exposure to the Bullabulling Gold Project;
- become part of an enlarged company which aligns the interests of the shareholders of GGG and Auzex into a like-minded, single group of shareholders; and
- benefit from the rationalisation of future decision-making processes in relation to the Bullabulling Gold Project.

Following the successful completion of the Offer, the Merged Entity will be well positioned to advance the development of the Bullabulling Gold Project in a timely and efficient manner.

**3. You will become a shareholder of the Merged Entity which should have improved market presence.**

GGG intends to list on the ASX. If GGG successfully lists on the ASX, this will provide the Merged Entity with access to capital markets in the United Kingdom as well as Australia. GGG Shareholders will have the benefit of being a member of a dual-listed company with shares on AIM and CDIs on ASX. If the Offer is successful and GGG successfully lists on the ASX, Auzex Shareholders who

accept the Offer and become GGG Shareholders will have the option of trading their GGG Shares on AIM or trading CDIs on ASX.

GGG expects that the Merged Entity owning a 100% interest in the Bullabulling Gold Project:

- should be better positioned to attract stronger investor support and wider analyst coverage than with GGG or Auzex alone; and
- should result in a higher equity market rating and increased market liquidity for the Merged Entity than presently exists for either company.

**4. The Merged Entity will be better positioned to raise project funding.**

It is envisaged that significant project funding will be required in the future to bring the Bullabulling Gold Project into production. Project financing is expected to be sourced from both equity and debt markets. With an improved market presence as outlined in reason 3, the post-merger GGG will be better positioned to raise additional equity funds.

If the Offer is successful, GGG believes that project debt funding will be easier to obtain and offered on more favourable terms to the Merged Entity as compared to the existing ownership structure of the Bullabulling Gold Project.

**5. There are potential cost savings from synergies by combining GGG and Auzex.**

Combining GGG and Auzex should create cost-savings, eliminate duplicated roles and improve efficiencies by rationalising future decision-making processes in relation to the Bullabulling Gold Project.

GGG intends undertaking a detailed review of Auzex following the conclusion of the Offer. It is proposed that functions such as company secretarial and financial management functions be centralised. It is intended that the centralised corporate office be in Perth, Western Australia to ensure that support services to the Bullabulling Gold Project are provided in an efficient and timely manner. Auzex's corporate office is located in Brisbane which GGG regards as an inferior location to Perth for the purpose of developing the Bullabulling Gold Project.

Additional cost savings and efficiencies are also likely to result from having a technical base in Western Australia focused on managing the development and operations of the Western Australian located Bullabulling Gold Project.

**6. There is no alternative proposal.**

GGG announced its intention to make an off-market takeover offer for Auzex on 14 March 2011. Neither Auzex nor any third party has made any announcement with respect to a competing takeover proposal for Auzex.

GGG is not aware of any other proposals being made to Auzex. The emergence of another bidder may be unlikely if GGG acquires sufficient Auzex Shares under the Offer to prevent another bidder proceeding to compulsory acquisition or achieving effective control of Auzex.

**7. There are risks in not accepting the Offer.**

If the conditions of the Offer are not satisfied or are not waived prior to the end of the Offer Period, GGG is not required to acquire Auzex Shares from any Auzex Shareholder who accepts the Offer.



If the Offer lapses there is a risk that Auzex's share price will fall.

If you do not accept the Offer and the Offer becomes or is declared unconditional before GGG has received acceptances resulting in it being entitled to a Relevant Interest of at least 90% (by number) of Auzex Shares, then you would remain a minority Auzex Shareholder. The implications of being a minority shareholder include that:

- it is unlikely that Auzex's share price will include any takeover premium;
- the liquidity of Auzex Shares may be lower than at present, making it more difficult for you to dispose of your Auzex Shares in the future;
- Auzex may be delisted from the ASX which would materially impact on the liquidity of Auzex Shares; and
- Auzex will be controlled by GGG.

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## 1. SUMMARY OF THE OFFER

The information in this Section 1 is a summary of the Offer only and is qualified by the information set out elsewhere in this Bidder's Statement.

You should read this Bidder's Statement in its entirety and the separate target's statement which will be sent to you directly by Auzex before deciding how to deal with your Auzex Shares. The detailed terms of the Offer are set out in Annexure A.

If you have any questions about the Offer, please contact the GGG Offer Information Line on 1300 710 755 (local call charges apply) from within Australia or +61 2 8022 7902 (normal call charges apply) from outside Australia or your professional financial advisor. Calls to these numbers may be recorded.

<b>What is GGG offering to buy?</b>	<p>GGG is offering to buy all Auzex Shares it does not currently own, including Auzex Shares that are issued during the Offer Period due to the conversion of Auzex Options, on the terms set out in this Bidder's Statement.</p> <p>You may only accept the Offer in respect of all the Auzex Shares held by you.</p>
<b>Who is GGG?</b>	<p>GGG is a company with a board of directors which has previous experience in the exploration and development of gold and base metal projects. GGG is currently a 50:50 joint venture partner with Auzex in relation to the Bullabulling Gold Project.</p> <p>GGG is a UK incorporated company listed on AIM. GGG has applied to become admitted to the Official List of the ASX.</p> <p>Please refer to Sections 2 and 3 for further information on GGG.</p>
<b>What will you receive if you accept the Offer?</b>	<p>If you accept the Offer, subject to satisfaction of the conditions of the Offer, you will receive <b>seven (7) GGG Shares for every five (5) Auzex Shares</b> held by you.</p> <p>If you accept the Offer and you are a Foreign Shareholder or an Unmarketable Parcel Shareholder, you will not be entitled to receive GGG Shares as consideration for your Auzex Shares. In these circumstances, the GGG Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those GGG Shares and remit the net proceeds of such sale will be remitted to you by cheque in Australian dollars. See Sections 9.12 and 9.13 for further details.</p>
<b>What is the value</b>	<p>The implied value of the offer is A\$0.87 per Auzex Share<sup>1</sup>, and represents a premium to the Pre-Announcement Price</p>

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<sup>1</sup> Based on the closing share price of GGG of \$0.622 as at 11 March 2011, the last trading day prior to the announcement of the Offer and converted at a £ to A\$ exchange rate of 0.625 (1£=A\$1.60).

<b>of the Offer?</b>	of the Auzex Shares. The value of the Offer may change as a consequence of changes in the market price of GGG Shares and the A\$/£ exchange rate from time to time.
<b>When will you receive your consideration?</b>	<p>If you accept the Offer, GGG will issue your GGG Shares as consideration for your Auzex Shares on or before the earlier of:</p> <ul style="list-style-type: none"> <li>(a) one month after you have validly accepted the Offer or the contract resulting from its acceptance becomes unconditional (whichever is later); and</li> <li>(b) 21 days after the end of the Offer Period, provided that the Offer has become unconditional.</li> </ul> <p>If you accept the Offer and you are a Foreign Shareholder, or you are an Unmarketable Parcel Shareholder, you will not be entitled to receive GGG Shares as consideration for Auzex Shares held by you pursuant to the Offer. In these circumstances, the GGG Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those GGG Shares and remit the net proceeds of such sale to you by cheque in Australian dollars.</p>
<b>How long will the offer remain open?</b>	The Offer opens on 3 May 2011. Unless withdrawn or extended in accordance with the Corporations Act, the Offer is scheduled to close at 5:00 pm (Perth Time) on 6 June 2011.
<b>Can the Offer Period be extended?</b>	The Offer Period can be extended at GGG's election, up to a maximum Offer Period of 12 months. Auzex Shareholders will be sent written notice of any extension, and the extension will be announced to ASX.
<b>Are there conditions to the Offer?</b>	<p>The Offer is subject to the conditions set out in Section 1.10(a) of Annexure A and include:</p> <ul style="list-style-type: none"> <li>(a) GGG and its Associates acquiring a Relevant Interest in at least 50.1% of Auzex Shares;</li> <li>(b) Consent of the Treasurer (if required) on an unconditional basis under the Foreign Acquisitions and Takeovers Act 1975 (Cth); and</li> <li>(c) Receipt by GGG of all required regulatory and shareholder approvals and consents in connection with the Offer.</li> </ul> <p>Section 1.10(a) of Annexure A contains full terms of the conditions.</p>
<b>Is there an offer in respect of my Auzex Options?</b>	<p>GGG is not making a separate offer to holders of Auzex Options.</p> <p>The holders of any Auzex Options which are converted into Auzex Shares which are issued during the Offer Period are able to accept the Offer in respect of such Auzex Shares,</p>

	<p>provided their acceptance is received during the Offer Period.</p>
<p><b>How do I accept the Offer?</b></p>	<p>Below is a summary of the ways in which you can accept the Offer. Full details are set out in Section 1.4 of Annexure A.</p> <p>You may only accept the Offer in respect of all your Auzex Shares.</p> <p><b>Issuer Sponsored Holding</b></p> <p>If your Auzex Shares are held on Auzex's issuer sponsored subregister (such holding will be evidenced by an "I" appearing next to your securityholder reference number on the attached Acceptance Form), to accept this Offer, you must complete the attached Acceptance Form and return it, together with any other documents required, to the address indicated on the form so that it is received before the date the Offer closes, unless it is extended.</p> <p><b>CHESS Holding</b></p> <p>If your Auzex Shares are held in a CHESS Holding (such holdings will be evidenced by an "X" appearing next to your identification number on the attached Acceptance Form), you may accept the Offer by either:</p> <ul style="list-style-type: none"> <li>(a) completing and signing attached Acceptance Form and returning it, together with any other documents required, to the address indicated on the form; or</li> <li>(b) instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf,</li> </ul> <p>so that your acceptance is received before the Offer closes.</p> <p><b>Participants</b></p> <p>If you are a Participant, acceptance of this Offer must be in accordance with the ASX Settlement Operating Rules before the Offer Closes.</p>
<p><b>Will I need to pay any transaction costs if I accept the Offer?</b></p>	<p>If your Auzex Shares are registered in a CHESS Holding, or if you are the beneficial owner whose GGG Shares are registered in the name of a bank, custodian, broker or other nominee, you will not be obliged to pay stamp duty by accepting the Offer but should ask your Controlling Participant (usually your broker) or nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.</p> <p>If your Auzex Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to GGG, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of</p>

	<p>the Offer.</p> <p>If you are a Foreign Shareholder or Unmarketable Parcel Shareholder, the proceeds you will receive from the sale of you Auzex Shares will be net of any costs including brokerage charges.</p>
<b>What if the Conditions are not satisfied or waived?</b>	<p>If the Offer closes and the conditions are not satisfied or waived, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Auzex Shares (unless you otherwise sell them). GGG will inform you of whether the conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p>
<b>What happens if GGG improves the Offer Consideration?</b>	<p>If GGG improves the Offer Consideration, all the Auzex Shareholders who accept the Offer (whether or not they have accepted the Offer before or after such improvement) will be entitled to the benefit of the improved Offer Consideration, should the Offer become or be declared unconditional.</p>
<b>Will GGG Shares be listed on ASX?</b>	<p>GGG has applied to become admitted to the Official List of the ASX. If GGG becomes admitted to the Official List of the ASX, GGG Shares will be quoted on both AIM and ASX respectively.</p> <p>You may elect to have the GGG Shares you receive as Offer Consideration registered on the Australian Share Register or the United Kingdom Share Register. If GGG is not admitted to the Official List of the ASX during the Offer Period, if you accept the Offer, you will be deemed to have elected to receive, and will be issued with, GGG Shares registered on the United Kingdom Share Register, even if you elected to receive GGG Shares registered on the Australian Share Register.</p> <p>Subject to and following GGG's admission to the Official List of ASX, holders of GGG Shares may transfer their GGG Shares between GGG's United Kingdom Share Register and GGG's Australian Share Register.</p> <p>To transfer a holding from the United Kingdom Share Register to the Australian Share Register or vice versa, the holder may be required to send their original share certificates, an authority or request to transfer the shares and other necessary documents to the Australian Share Register or United Kingdom Share Register, as the case requires. There may also be costs involved in undertaking a transfer of holding between registers.</p>
<b>What are the tax implications of accepting the Offer?</b>	<p>A general summary of the Australian tax consequences for Auzex Shareholders who accept the Offer is set out in Section 7. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Auzex Shareholders should seek their own taxation advice in relation to the Offer.</p>

**What happens if I do not accept the Offer?**

You will remain a shareholder of Auzex and will not receive the Offer Consideration.

If GGG becomes entitled to compulsorily acquire your Auzex Shares, it intends to do so.

If your Auzex Shares are compulsorily acquired by GGG, it will be on the same terms as the Offer. However, you will receive your GGG Shares later than the Auzex Shareholders who choose to accept the Offer.



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## **2. PROFILE OF GGG**

### **2.1 Overview of GGG**

GGG was incorporated on 3 November 2004 and its shares were admitted to trading on AIM, a market operated by the London Stock Exchange plc, in March 2005.

GGG was incorporated as a mineral exploration and development company concentrating on projects in China. During this time, it successfully explored several gold and copper deposits and sold its two deposits for a profit.

In July 2009, GGG's main asset, the Nimu Project, was sold to GGG's joint venture partner for Renminbi 71 million (net of liabilities). The estimated proceeds of sale after payment of Chinese taxes were approximately £4.3 million. Most of these funds have been repatriated back to the UK. GGG is now in the process of dissolving its 100% owned Chinese subsidiary and repatriating the remaining funds (less costs and applicable taxes).

In February 2010, GGG signed an option to acquire 50% of the Bullabulling Gold Project in Western Australia which, following a detailed due diligence process, was exercised in April 2010 with the acquisition being completed in August 2010. The remaining 50% of the project is held by Auzex.

In July 2010, GGG raised £1,125,000 through a share placement, with £1,000,000 of this sum raised from specialist institutional resource funds.

In November 2010, GGG raised £7,500,000 through a share placement with institutional investors.

On 13 December 2010, the Company issued a prospectus for an offering of 15,000,000 GGG Shares at an issue price of \$0.40 to raise up to \$6,000,000 with the provision to accept oversubscriptions at an issue price of \$0.40 per GGG Share to raise an additional \$3,000,000. Pursuant to this offering, GGG is also seeking to be admitted to the Official List of the ASX. See Section 2.9 for further details.

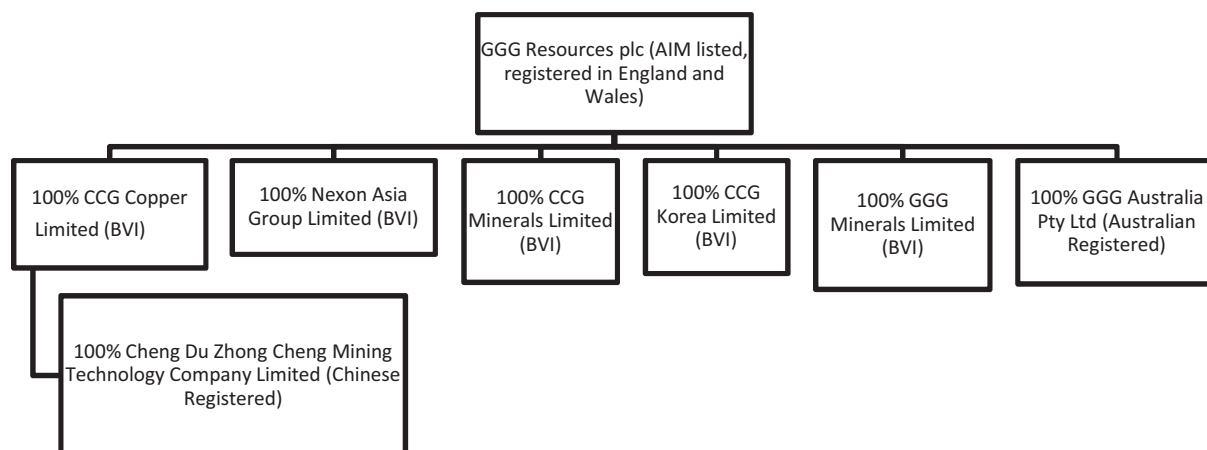


**Drilling at Bullabulling**

## 2.2 Corporate Information

GGG was incorporated in England and Wales as Central China Goldfields plc on 3 November 2004 under the UK Companies Act 1985 (Company number 05277251). On 16 August 2010, GGG changed its name to GGG Resources plc.

The corporate structure of GGG is shown in the diagram below.



The current Articles were adopted on 9 August 2010 and most recently amended at the general shareholders' meeting held on 15 December 2010. The Company undertook a share capital consolidation on a 1:2 basis in December 2010.

## 2.3 Overview of GGG's Activities

This Section 2.3 contains a summary of GGG's activities. Further information on GGG can be obtained from GGG's website ([www.gggresources.com](http://www.gggresources.com)).

GGG started as a gold and copper company, with a Chinese focus within an Asia-wide brief.

GGG successfully discovered and developed two projects in China (Nimu and Snow Mountain), both of which were sold for a profit.

In China, GGG demonstrated its capability to make significant geological discoveries, particularly at Nimu, where it found a potentially world class lower grade copper-molybdenum deposit. As a result of the world financial crisis in 2008, the Nimu project was reluctantly sold to GGG's Chinese partner for a profit.

The funds raised from the sale of the Nimu project funded GGG's acquisition of its joint venture interest in the Bullabulling Gold Project.

## 2.4 Acquisition of 50% Interest in Bullabulling Gold Project

In February 2010, the Company signed an Option Agreement over the Bullabulling Gold Project with Auzex. The agreement gave the Company the right to acquire a 50% interest in the Bullabulling Gold Project by payment of \$2.5 million, part of which was for replacement of existing environmental security bonds for the Bullabulling Tenements and for the purchase of existing building, plant and machinery. At the same time, the Company subscribed for a \$1.5

million placement in Auzex at \$0.25 per share, which it paid partly in cash (\$500,000) and partly by the issue of 14,044,944 ordinary shares in the Company (\$1,000,000). The Company currently holds approximately an 8.4% shareholding in Auzex, which in turn holds approximately a 4.8% shareholding in GGG.

In April 2010, the Company exercised its option to acquire an interest in the Bullabulling Gold Project and, together with Auzex, signed a sale and purchase agreement with the previous owner of the Bullabulling Gold Project, Jervois Mining Limited (Jervois), to each acquire a 50% interest in the Bullabulling Gold Project (the **Bullabulling Sale and Purchase Agreement**).

In May 2010, the Company and Auzex formed an unincorporated joint venture (the **Bullabulling Joint Venture**) and executed a joint venture agreement (refer to Section 2.8 of this Bidder's Statement for a summary of this agreement).

In August 2010, the Bullabulling Sale and Purchase Agreement was completed and the Company and Auzex each acquired a 50% interest in the Bullabulling Gold Project. Jervois has retained a production royalty in relation to the Bullabulling Tenements under the Bullabulling Sale and Purchase Agreement. In addition, there are two other prior royalties that continue to apply to the certain Bullabulling Tenements (refer to the summary of the Bullabulling Sale and Purchase Agreement in Section 2.8 of this Bidder's Statement).

Under the Bullabulling Joint Venture Agreement, the parties agreed to appoint a manager to operate the Bullabulling Gold Project as soon as reasonably practicable. However, as yet, a manager has not been appointed and the terms of a management agreement have not been agreed.

## **2.5 Bullabulling Gold Project**

The Bullabulling Gold Project lies within the Eastern Goldfields in Western Australia, an area that contains over 160 deposits, 19 of which are greater than 3 million ounce deposits.

The Bullabulling Tenements cover approximately 144 square kilometres, and lie 70 kilometres south west of Kalgoorlie. The Bullabulling Tenements include a number of granted mining leases.

The Bullabulling Joint Venture has almost completed a \$3.5 million drilling program for the Bullabulling Gold Project. Work undertaken includes approximately 25,000 metres of Reverse Circulation (**RC**) drilling with a view to upgrading the recent Inferred Mineral Resource estimate to Measured and Indicated Mineral Resource categories and a further 505 metres of diamond drill core within the primary zone for metallurgical test work.

The Bullabulling Joint Venture has commenced a feasibility review and scoping study to assess the commercial viability of developing a gold project at Bullabulling.

On 5 April 2011, Auzex released to ASX a project update on the Bullabulling Gold Project, disclosing that:

- (a) new drill holes completed in February and March 2011 confirm and expand the current resource model for the project and identify new mineralisation intersections outside the current resource model;

- (b) a program of works has been submitted by Auzex as mine manager to the Western Australian Department of Mines to allow for further substantial drilling to be undertaken in the next year on the project;
- (c) the project has current reported JORC compliant minerals resources of 41,517,000 tonnes at 1.48g/t Au for 1.98 million ounces of gold at a 0.7 g/t Au cut off to an assumed economic mining depth of 315m RL; and
- (d) the aim of the current drilling is to allow the current Inferred resources to be reclassified as Indicated and possibly Measured and allow initial JORC compliant reserves to be established for the project.

On 24 March 2011, GGG announced that the Board has established a Technical Sub-Committee to co-ordinate the feasibility and development of the Bullabulling Gold Project. The committee will be chaired by Michael Short, a non-executive director of GGG. Geological and resource expansion input will be provided to the committee by GGG's technical director Ciceron Angeles and Managing Director Jeff Malaihollo.

Supporting the Technical Sub-Committee will be John Barton and Mark Pitt who have been appointed as engineering consultants to GGG, each of whom have several years of mining project development experience.

## 2.6 Financial Performance

### (a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to GGG on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of GGG for the financial period described below, which includes the notes to the accounts, can be found in GGG's Annual Report for that period. GGG's Annual Report for the year ended 31 December 2010 is incorporated by reference in this Bidder's Statement. See section 9.15 for further details.

### (b) Historical Financial Information on the GGG Group

#### (i) Consolidated Statement of Financial Position

The summarised historical consolidated statement of financial position of the GGG Group as at 31 December 2010 set out below under the £ column has been extracted from the audited consolidated statement of financial position of the GGG Group as at 31 December 2010, being the last consolidated statement of financial position prior to the date of this Bidder's Statement. The figures under the A\$ column below are unaudited but have been inserted by GGG to illustrate the consolidated financial position of the GGG Group as at 31 December 2010 in A\$ using the £/A\$ exchange rate at 31 December 2010 of 1.5215.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****31 December 2010**

<b>NON-CURRENT ASSETS</b>	<b>£</b>	<b>A\$</b>
Intangible assets	2,011,385	3,060,322
Investment in available for sale assets	<u>3,080,396</u>	<u>4,686,822</u>
	<u>5,091,781</u>	<u>7,747,144</u>
<b>CURRENT ASSETS</b>		
Other receivables	467,714	711,626
Cash and cash equivalents	<u>10,784,896</u>	<u>16,409,220</u>
	<u>11,252,610</u>	<u>17,120,846</u>
<b>TOTAL ASSETS</b>	<u>16,344,391</u>	<u>24,867,990</u>
 <b><u>EQUITY</u></b>		
Share capital	2,908,472	4,425,240
Share premium account	15,944,385	24,259,382
Warrant reserve	52,585	80,008
Share option reserve	345,799	526,133
Translation reserve	754,336	1,147,722
Available for sale asset reserve	2,089,138	3,178,623
Retained losses	<u>(6,318,282)</u>	<u>(9,613,266)</u>
<b><u>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</u></b>	15,776,433	24,003,842
<b><u>TOTAL EQUITY</u></b>	<u>15,776,433</u>	<u>24,003,842</u>
 <b><u>CURRENT LIABILITIES</u></b>		
Other payables	567,958	864,148
 <b><u>TOTAL EQUITY AND LIABILITIES</u></b>	<u>16,344,391</u>	<u>24,867,990</u>

(ii) Consolidated Income Statement

The summarised historical consolidated income statement of the GGG Group for the year ended 31 December 2010 set out below under the £ column has been extracted from the audited consolidated income statement for the year ended 31 December 2010. The figures under the A\$ column below are unaudited but have been inserted by GGG to illustrate the consolidated income statement of the GGG Group as at 31 December 2010 in A\$ using the £/A\$ exchange rate at 31 December 2010 of 1.5215.

**CONSOLIDATED INCOME STATEMENT**

**Year ended 31 December 2010**

	<b><u>£</u></b>	<b><u>A\$</u></b>
<b><u>CONTINUING OPERATIONS</u></b>		
Administrative expenses	<u>(778,166)</u>	<u>(1,183,979)</u>
<b><u>OPERATING LOSS</u></b>	<u>(778,166)</u>	<u>(1,183,979)</u>
Gain (loss) on disposal of marketable securities	8,196	12,470
Finance income	<u>79,118</u>	<u>120,378</u>
<b><u>LOSS BEFORE TAX</u></b>	<u>(690,852)</u>	<u>(1,051,131)</u>
Tax	<u>(10,986)</u>	<u>(16,715)</u>
<b><u>LOSS FROM CONTINUING OPERATIONS</u></b>	<u>(701,838)</u>	<u>(1,067,846)</u>
<b><u>DISCONTINUED OPERATIONS</u></b>		
Loss from discontinued operations (net of tax)	-	-
<b><u>LOSS FOR THE FINANCIAL PERIOD</u></b>	<u>(701,838)</u>	<u>(1,067,846)</u>
<b><u>ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT</u></b>	<u>(701,838)</u>	<u>(1,067,846)</u>

(c) **Management Commentary on Historical Results**

- (i) In April 2010, GGG purchased 50% of the Bullabulling Gold Project for A\$1.9 million and assumed a A\$600,000 replacement bond.
- (ii) The Bullabulling Joint Venture completed an initial JORC resource update in relation to the Bullabulling Gold Project of 41.5 Mt @ 1.5 g/t gold (approximately 2 million ounces of gold).



- (iii) The Bullabulling Joint Venture commenced resource definition drilling and a feasibility study for the Bullabulling Gold Project.
- (iv) In July 2010, GGG raised £1,125,000 through a share placement, with £1,000,000 of this sum raised from specialist institutional resource funds. In November 2010, GGG raised £7,500,000 through a share placement with institutional investors.
- (v) The Company changed its name to GGG Resources plc and underwent a 1:2 capital consolidation.
- (vi) In October 2010, GGG commenced work in connection with seeking admission to the Official List of the ASX.

(d) **Forecast Information**

GGG's future financial performance is dependent on a range of factors, many of which are beyond GGG's control. Accordingly, GGG's directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on GGG's financial performance from its financial reports. Copies of these reports are available from GGG website [www.gggresources.com](http://www.gggresources.com).

## 2.7 Directors of GGG

Details of the responsibilities and experience of the GGG directors (as at the date of this Bidder's Statement) are set out in GGG's 2010 Annual Financial Report, a copy of which is available on request or from GGG's website [www.gggresources.com](http://www.gggresources.com).

A brief summary of the GGG Board is set out below.

***Dr. Peter Antony Ruxton, Non-Executive Chairman***

Peter Ruxton spent 16 years in the mining industry focused on Australia and South East Asia. Between 1981 and 1994, Peter worked for Billiton Australia (the Shell Company of Australia's Metals Division) progressing from Exploration Geologist to Regional Exploration Manager.

From 1994 to 1997 Peter was Exploration Manager of Brisbane-based mid-tier gold producer Ross Mining N.L., responsible for all geological functions in Ross Mining N.L and the co-ordination of a positive bankable feasibility study on the Gold Ridge Mine in the Solomon Islands - this world class gold mine commenced production in August 1998.

In late 2000, Peter was appointed Investment Manager for the Commonwealth Development Corporation (**CDC Plc**) before moving to Actis LLP in 2004 as an Investment Principal, joining the partnership between 2006 and 2008. At CDC Plc and Actis, Peter was responsible for initiating, managing and exiting over US\$180 million worth of private equity mining investments in emerging markets. Peter is currently a non-executive director of AIM, JSX and JSE listed Platmin Ltd, TSX listed Banro Corporation and President & CEO of US OTCBB Gentor Resources Inc.

Peter joined the Board in October 2009 and is a member of the audit and remuneration committees. Peter is a dual Australian and British citizen.

***Dr. Jeffrey Francis Anthony Malaihollo, Managing Director***

Jeff Malaihollo worked as a geologist for Newcrest Mining on grass roots exploration for gold and base metals before joining Rio Tinto, working mainly on area selection and project evaluation in the former Soviet Union and Indonesia.

Subsequently Jeff worked and consulted for Billiton on generative programmes and target selection in South East Asia, China and Eastern Europe.

From 2000 to 2004, Jeff was an Executive Director at Loeb Aron & Company Ltd (**Loeb Aron**), London-based corporate financiers specialising in natural resources and in 2005 Jeff became a Non-Executive Director of Loeb Aron, a position which Jeff retained until August 2010. Jeff set up Central China Goldfields plc and joined the Board in November 2004.

***Ciceron Angeles, Technical Director***

Ciceron Angeles is a geologist with over 30 years of experience in gold-base metal exploration in Asia, mainly Indonesia, Philippines, China, Malaysia, and Iran, with minor assignments in Vietnam, Fiji, Papua New Guinea, Myanmar and Kyrgyzstan. His specialisations include epithermal gold-silver, porphyry copper-gold and Carlin styles of mineralisation.

Ciceron obtained his MSc in Mineral Exploration from the University of New South Wales, Australia in 1985 and is a Fellow and Chartered Professional in Geology (CPGeo) of the Australasian Institute of Mining and Metallurgy (AusIMM). Ciceron was the Asia Exploration Manager for Newcrest Mining during which time Newcrest brought the Gosowong Mine into production. Since February 2006, Ciceron has been the Exploration Manager and latterly VP Exploration of GGG when it discovered the large Nimu copper-molybdenum deposit. Ciceron joined the Board in September 2009.

***David McArthur, Finance Director***

David McArthur is a qualified chartered accountant and has specialised in the corporate and project management of publicly listed companies in the resources sector for the past 28 years. David has extensive board experience in the management and administration of the corporate, financial and operational aspects of mining companies, including involvement in taking projects from early stages through to operations.

In 1988, David was CFO and part of the team that developed, and subsequently produced gold, from the Kundana gold mine just outside Kalgoorlie. In 1997, David was appointed CFO of Dioro Exploration NL (**Dioro**), an ASX-listed Kalgoorlie-based gold company, producing over 100,000 ounces of gold per annum. In 2000, David was appointed Dioro's Finance Director, where he worked for a further 10 years prior to Dioro being taken over by Avoca Resources Limited. As the Finance Director, David helped take GGG's project from first discovery through to open pit mining then subsequently underground mining.

David has been the Chief Financial Officer of GGG Australia Pty Ltd, the Perth based-wholly-owned subsidiary of GGG since 21 October 2010 and was responsible for setting up GGG's new office in Perth, Western Australia. David is also a director and shareholder of Broadway Management (WA) Pty Ltd, which

provides accounting and corporate services to GGG Australia Pty Ltd. David joined the Board in March 2011.

***Michael John Short, Non-Executive Director***

Michael Short is a civil engineer with 35 years of project management and site construction experience on a broad range of projects. For the last 30 years, Michael has focused on the engineering, design and construction of gold and copper/lead/zinc ore treatment plants in Australia, Africa, Central Asia, Russia, Europe and Asia.

During this period Michael has acted as Project Manager and Site Construction Manager on greenfield plants, as well as on the extension of existing plants, and has gained significant experience in the preparation, administration and implementation of projects. Michael is the Managing Director of GBM Minerals Engineering Consultants Ltd.

Michael joined the Board in June 2010 and is a member of the audit and remuneration committees. Michael is an Australian citizen.

***Nigel Bruce Clark, Non-Executive Director***

Nigel Clark has over 30 years experience in new business development and management in the precious and base metals industry. Nigel started working for Billiton in Brazil as an exploration geologist, later as an Exploration Manager in Portugal and Indonesia, as well as a General Manager of both underground and open-pit gold mines in Indonesia, business development manager in Singapore and ultimately as general manager in China. Nigel was awarded an OBE in 2010.

Nigel joined the Board in November 2004 and is a member of the audit and remuneration committees.

***Paul McGroary, Non-Executive Director***

Paul McGroary is a Director of Marshall Lake Mining plc a copper zinc exploration company focussed on Ontario, Canada. Paul has held several other directorships within the quoted natural resources sector, including mining projects in Canada, Chile as well as a Central Asian oil explorer.

Paul joined the Board in October 2007 and is a member of the audit and remuneration committees.

## **2.8 Material Contracts**

Summaries of material contracts which GGG has entered into are included in the Prospectus which is incorporated by reference into this Bidder's Statement under subsection 712(3) of the Corporations Act. See Section 9.15 for further details.

Below are summaries of the material contracts which relate to the Bullabulling Gold Project and Bullabulling Joint Venture.

***Bullabulling Sale and Purchase Agreement***

GGG acquired its 50% interest in the Bullabulling Gold Project under a sale and purchase agreement dated 22 April 2010 between Jervois Mining Limited (**Jervois**), Goldpride Pty Ltd (**Goldpride**), Auzex Resources Limited (Auzex) and GGG (**Bullabulling Sale and Purchase Agreement**).

Under this agreement, GGG and Auzex have agreed to:

- (a) **(Jervois Royalty)** grant Jervois a production royalty of \$30 per ounce for the first 400,000 ounces of gold produced from the Bullabulling Tenements and \$20 per ounce thereafter;
- (b) **(Australasian Royalty)**: assume Jervois' obligations to Australasian Resources Limited to pay a royalty of \$10.00 per fine ounce (or fine ounce equivalent) of all gold produced from tenement ML15/503, excluding the first 100,000 ounces produced. This royalty is contained in an Agreement for the Sale of Mining Tenements and Pastoral Lease dated 21 February 1994 between Central Kalgoorlie Gold Mines NL (ACN 008 942 809), Braider Pty Ltd (ACN 009 313 133), Samantha Gold NL (ACN 009 069 014) and Colreavy Pty Ltd (ACN 062 469 345), which has been assigned a number of times; and
- (c) **(Franco-Nevada Royalty)**: assumes Jervois' obligations to Franco-Nevada Australia Pty Ltd (ACN 128 617 078) to pay a 1% gross royalty on all gold produced from tenements M15/282 and M15/554. This royalty is contained in a letter agreement between J A Hallberg & Associates and Valiant Consolidated Limited (ACN 000 727 926) and Hillmin Gold Mines Pty Ltd (ACN 009 084 413) dated 3 September 1985 which has been assigned a number of times.

#### ***Bullabulling Joint Venture Agreement***

GGG and Auzex are parties to a joint venture agreement that establishes and governs the Bullabulling Joint Venture (**Bullabulling Joint Venture Agreement**). The following is a summary of a number of key terms:

- (a) **(Joint Venture Committee)**: GGG and Auzex have established a joint venture committee under which each has votes reflecting its joint venture interest, with decisions being by simple majority (except for certain super majority decisions). While GGG and Auzex each hold a 50% joint venture interest, all decisions will need to be unanimous.
- (b) **(Program and Budget)**: The Bullabulling Joint Venture Committee must review and consider 6 monthly programs and budgets. The Bullabulling Joint Venturers must fund a program and budget that ensures the Bullabulling Tenements are kept in good standing.
- (c) **(Election to Dilute)**: Each party may elect not to contribute to a 6 monthly program and budget in which case the party will be diluted.
- (d) **(Funding Default)**: Where a party defaults in payments due under the agreement, and the other party elects to contribute the shortfall, the defaulting party will be diluted and may be bought out at fair market value by the non defaulting party.
- (e) **(Development)**: GGG and Auzex have agreed to negotiate in good faith to enter into a replacement joint venture agreement to cover any development of the Bullabulling Gold Project.
- (f) **(Change of Control)**: If any third party acquires a Relevant Interest in 30% or more of the issued capital of either party (Change of Control Party), then the other party to the Bullabulling Joint Venture Agreement (Acquiring Party) will be entitled to increase its interest in the Bullabulling Gold Project to 80% through the expenditure of \$2 million to develop the

Bullabulling Gold Project (with the Change of Control Party free carried during that period), provided that:

- (i) the Acquiring Party has an interest in the Bullabulling Joint Venture Agreement of at least 50% and has not defaulted under the Bullabulling Joint Venture Agreement;
  - (ii) the Acquiring Party gives the Change of Control Party written notice electing to increase its interest within 30 days of becoming aware of the change of control; and
  - (iii) the \$2 million expenditure is made within two years of the change of control event.
- (g) **(Transfer Pre-emptive Rights):** Before a party can accept a bona fide cash offer from a third party for the whole of its interest in the Bullabulling Joint Venture (other than from a related party), it must give notice of the offer to the other party to the Bullabulling Joint Venture Agreement and the other party has 30 Business Days to accept the offer on the same terms.
- (h) **(Insolvency Event):** If there occurs an Insolvency Event in respect of a party or of a holding company of a party that party is deemed to have offered to transfer the whole of its Joint Venture interest to the other party for the fair market value.
- (i) **(Less than 10% interest):** If the interest of any party in the Bullabulling Joint Venture is less than 10% for any reason, then that party must immediately offer to transfer the whole of its interest to the other party to the agreement for the fair market value of the interest as at the date that the interest became less than 10%.
- (j) **(Default):** From the date upon which any of the events of default as defined in the agreement below occur, the party that defaults shall be deemed to have made an offer to the non-defaulting party to sell all of their interest in the Bullabulling Gold Project at fair market value.
- (k) **(Dispute Resolution):** The procedure for dealing with any dispute that arises under the Bullabulling Joint Venture Agreement is:
  - (i) first, within 10 Business Days after a party receives notification about the dispute, a senior representative of each disputing party must meet and use reasonable endeavours acting in good faith to resolve the dispute by joint discussions;
  - (ii) second, the disputing parties will choose and appointed an independent expert (other than for dispute as to value, where an independent valuer must be appointed) who must make a determination or finding on the issues in dispute as soon as practicable and in any event within 20 Business Days of appointment, or such longer period as may be agreed between the disputing parties.
- (l) Under the dispute resolution procedure in the Bullabulling Joint Venture Agreement, no party may commence Court proceedings in relation to a dispute until it has exhausted the procedures above, unless the party seeks appropriate injunctive or other interlocutory relief to preserve

property or rights or to avoid losses that are not compensable in damages.

## 2.9 IPO and Admission to the Official List of the ASX

GGG has or will lodge the following documents with ASIC:

- (a) an initial prospectus dated 13 December 2010;
- (b) a replacement prospectus dated 7 January 2011;
- (c) a first supplementary prospectus dated 11 March 2011;
- (d) a second supplementary prospectus dated 14 March 2011;
- (e) a third supplementary prospectus dated 1 April 2011; and
- (f) a fourth supplementary prospectus dated on or about 15 April 2011,

(collectively, the **Prospectus**).

The Prospectus included an initial public offering (**IPO**) of 15,000,000 GGG Shares at an issue price of \$0.40 each to raise up to \$6,000,000 with provision to accept oversubscriptions for up to a further 7,500,000 GGG Shares at an issue price of \$0.40 per GGG Share to raise up to an additional \$3,000,000.

There is no minimum subscription for the IPO. The IPO is currently scheduled to close on 2 May 2011. Applicants under the IPO currently have a right to withdraw their applications and to be repaid their application money. As at 11 April 2011, GGG has received withdrawals in respect of 1,800,000 GGG Shares totalling approximately \$720,000 from applicants under the IPO.

The IPO is conditional upon the ASX granting conditional approval for GGG to be admitted to the Official List of the ASX. GGG has applied to become admitted to the Official List of the ASX. GGG's application for admission to the Official List of the ASX and quotation of GGG Shares on the ASX is subject to:

- (a) GGG satisfying the requirements of the ASX Listing Rules or obtaining waivers from them; and
- (b) ASX's discretion.

GGG does not guarantee that its application for admission to the Official List of the ASX and quotation of GGG Shares will be successful. If it is not successful then all contracts resulting from the IPO will be automatically void.



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### **3. INFORMATION ABOUT GGG SECURITIES**

#### **3.1 Admission of Offer Consideration**

GGG Shares are admitted to trading on AIM. GGG will lodge an application for admission to quotation of the shares comprising the Offer Consideration to trading on ASX and AIM. Quotation will not be automatic and will depend upon ASX and AIM exercising their discretion.

If GGG's application for admission to the Official List of the ASX pursuant to the IPO is successful, GGG will be listed on ASX as well as AIM. GGG's actions and activities will then be subject to both the ASX Listing Rules and AIM Rules.

When accepting the Offer, you can elect to have the GGG Shares you receive as Offer Consideration registered on the Australian Share Register or the United Kingdom Share Register. If GGG is not admitted to the Official List of the ASX during the Offer Period, if you accept the Offer, you will be deemed to have elected to receive, and will be issued with, GGG Shares registered on the United Kingdom Share Register, even if you elected to receive GGG Shares registered on the Australian Share Register.

On 30 March 2011, GGG issued a notice to its shareholders to convene its annual general meeting of shareholders on 28 April 2011. At this meeting, GGG will seek approval pursuant to section 551 of the Companies Act 2006 (United Kingdom) to authorise its directors to allot shares, grant rights to subscribe for, or to convert any securities into GGG Shares up to an aggregate nominal amount of £15,000, 000. The Companies Act 2006 (United Kingdom) also requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holdings. It is also proposed that the directors be granted authority to allot equity securities for cash up to an aggregate nominal amount of £15,000,000 without first being required to offer such securities to existing shareholders by the limited disapplication of section 561 of the Companies Act 2006. Once granted this approval will allow for the shares to be issued by GGG as Offer Consideration.

#### **3.2 Trading on ASX and AIM**

GGG is currently listed on AIM. GGG has applied to become admitted to the Official List of the ASX.

If GGG becomes admitted to the Official List of the ASX, GGG Shares will be quoted on both AIM and ASX respectively. Subject to and following GGG's admission to the Official List of the ASX, holders of GGG Shares may transfer their GGG Shares between GGG's United Kingdom Share Register and GGG's Australian Share Register.

To transfer a holding from the United Kingdom Share Register to the Australian Share Register or vice versa, the holder must send original share certificates, an authority or request to transfer the holding and any other necessary documents to the Australian Share Register or United Kingdom Share Register, as the case requires. There may also be costs involved in undertaking a transfer of holding between registers.

If you have any queries regarding the transfer of a holding from the United Kingdom Share Register to the Australian Share Register, or vice versa, you should contact the Australian Registrar or the United Kingdom Registrar.

### 3.3 Settlement and Dealing

#### (a) Dealings

There are no costs charged by AIM for dealing. Other costs such as stamp duty are charged at 0.5% of the consideration payable and are borne by the transferee together with brokerage costs which vary and are freely negotiable.

The brokerage commission in respect of trades of shares on ASX is freely negotiable.

#### (b) Settlement

Settlement of dealings through CREST in respect of securities admitted to trading on AIM will normally take place on the third Business Day following the date of the dealing.

Settlement of dealings on ASX will take place on the third Business Day following the date of the dealing.

### 3.4 United Kingdom Law and AIM Rule Requirements

GGG was incorporated in 2004 in England and Wales and is quoted on AIM. Accordingly, GGG is required to comply with the requirements of the AIM Rules and the laws of England and Wales in connection with the Offer, including those obligations and requirements outlined below.

#### (a) Disclosure of Substantial Transactions

The Offer is considered to be a “substantial transaction” for the purposes of the AIM Rules and accordingly the Company must provide an announcement for distribution to the public (via a Regulatory Information Service) setting out the information required by Schedule Four to the AIM Rules (**Schedule Four**), including particulars of GGG and the Offer.

#### (b) Related Party Transactions

GGG is not subject to Chapter 2E of the Corporations Act dealing with related party transactions.

A “related party” of a company listed on AIM for the purposes of the AIM Rules includes a person who is or was within the preceding 12 months a director or a substantial shareholder of the company, and various associates of those persons.

Pursuant to the AIM Rules, in the event that the Company enters into a transaction with a “related party” which exceeds 5% in any of the class tests set out in the Schedule Three to the AIM Rules, it must provide an announcement for distribution to the public (via a Regulatory Information Service) setting out the information required by Schedule Four plus some additional information relating to the “related party” and the transaction.

#### (c) Reverse Takeovers

The Offer is currently not considered a “reverse takeover” for the purposes of the AIM Rules. However, if there is a material change to the

terms of the Offer which results in the Offer being considered a “reverse takeover”, the Company may be required to make an announcement which complies with Schedule Four, obtain shareholder approval for the transaction and publish an admission document in the form required by the AIM Rules.

If approval is given to the reverse takeover by GGG Shareholders, trading in the AIM listed GGG securities of GGG may be cancelled, and GGG as an enlarged entity may need to apply for re-admission of its securities to AIM.

(d) **Fundamental Change of Business**

The Offer is currently not considered a “fundamental change of business” for the purposes of the AIM Rules. However, if there is a material change to the terms of the Offer which results in the Offer being considered a “fundamental change of business”, the Company may be required to make an announcement which complies with Schedule Four, obtain shareholder approval and issue an circular which contains details of the proposed change of business (i.e. the disposal of the company’s business, activities or assets) in the form required by the AIM Rules.

(e) **Application of Takeover Regulations**

GGG is not subject to Chapters 6 and 6C.1 of the Corporations Act dealing with the acquisition of shares (i.e. substantial holdings and takeovers).

GGG is subject to the UK City Code on Takeovers and Mergers (**City Code**) issued by the UK Panel on Takeovers and Mergers (**Panel**). Under the City Code, where:

- (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested, and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable. The Panel should be consulted in advance in such cases.

### 3.5 Rights and Liabilities of GGG Shares

The GGG Shares offered to Auzex Shareholders under the Offer are fully paid ordinary shares in the capital of GGG, and from the date of their issue will rank equally with existing GGG Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to GGG Shares are governed by the memorandum and articles of association of GGG and the general law of England and Wales.

Set out below is a summary of the significant rights and liabilities attaching to GGG Shares.

### 3.6 Rights Attaching to GGG Shares

The rights, privileges and restrictions attaching to GGG Shares can be summarised as follows:

#### (a) General Meetings

Shareholders are entitled to be present in person, or by proxy or representative to attend and vote at general meetings of GGG.

Shareholders may requisition meetings in accordance with Section 303 of UK Companies Act 2006 (the **Act**).

#### (b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy or representative, have one vote for the share.

#### (c) Dividend Rights

The profits of GGG available for distribution and resolved to be distributed are applied in the payment of dividends to Shareholders in accordance with their respective rights and priorities. GGG in general meeting may declare dividends accordingly.

Subject to the provisions of the Act and of the Articles, the Directors may, if they think fit, from time to time pay to Shareholders such interim dividends as appear to the Directors to be justified by the distributable profits of GGG.

No dividend or interim dividend is payable otherwise than out of profits and in accordance with the provisions of the Act and no dividend may

exceed the amount recommended by the Directors.

No dividend shall carry interest as against GGG.

(d) **Winding-Up**

Pursuant to Section 107 of the UK Insolvency Act 1986 any liquidator of GGG shall (following payments to creditors to repay their liabilities in full) distribute GGG's property amongst the members in accordance with their rights and interests in GGG.

(e) **Transfer of GGG Shares**

GGG Shares are freely transferable, subject to formal requirements. The Board may refuse to register any transfer of shares:

- (i) which are not fully paid;
- (ii) which are held in certificated form, unless the instrument of transfer is duly stamped, is deposited at the office or such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (iii) which are held in certificated form, unless the instrument of transfer is in respect of only one class of share;
- (iv) in the event that the proposed transfer is in favour of more than four transferees; and
- (v) which are held in uncertificated form, in the circumstances set out in the applicable regulations being the Uncertified Securities Regulations 2001 (SI 2001 No.20001/3755) (as amended from time to time).

(f) **Variation of Rights**

Pursuant to the Act, GGG may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

Subject to the provisions of the Act, if at any time the capital of GGG is divided into different classes of shares, all or any of the rights or privileges attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, either in such manner, if any, as may be provided by such rights or, in the absence of any such provision, with the consent in writing of the holders of at least three-quarters in nominal value of the issued shares of that class (excluding any shares held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class (but not otherwise).

### 3.7 **Share Option Plan Options**

On 14 March 2005, GGG established the Employee Share Option Plan (**ESOP**) in order to provide an incentive for employees to participate in the future growth of GGG. The ESOP is administered in accordance with the ESOP rules, which are summarised below. If GGG becomes admitted to the Official List of the ASX,

GGG will only issue additional GGG Options to the extent consistent with ASX Listing Rules.

(a) **GGG Options Issue**

The Board of GGG may, in its absolute discretion, offer GGG Options to eligible participants under the ESOP. A GGG Option will be issued for no consideration and each GGG Option will carry the right in favour of the option holder to subscribe for the number of shares in the capital of GGG as set out on the option certificate.

An eligible participant is an employee or a director within the GGG Group. GGG must obtain approval from the remuneration committee of GGG (or such other approved committee as comprises of a majority of non executive directors) before the participation under the ESOP of an eligible participant who is a Director of GGG.

The GGG Options issued under the ESOP are not transferable.

(b) **Restrictions**

A GGG Option may only be issued or exercised within the limitations imposed by the Model Code (the code adopted by GGG which contains provisions similar in purpose and effect to the provisions of the Model Code on directors' dealings in securities issued by the UK Listing Authority from time to time) or any relevant statute, order or regulation.

(c) **Exercise Price**

The exercise price of the GGG Options to be issued under the ESOP will be determined by the Board, but will be not less than the greater of:

- (i) 12 pence; and
- (ii) the nominal value of a GGG Share.

(d) **Exercise of GGG Options and Expiry Date**

Subject to the restrictions noted (b) above, a GGG Option may be exercised at any time after the relevant date specified at the time of grant (or, if earlier, on certain specified events such as a take-over) but must not in any event be exercised later than the tenth anniversary of the date of grant of the GGG Option.

(e) **Notice of Exercise**

A GGG Option may only be exercised by the option holder delivering an option exercise notice to GGG specifying the number of GGG Shares to be exercised (this must be at least 10% of the GGG Shares over which the GGG Option subsists, or if less than 1000 shares, or if the number of GGG Shares over which the GGG Option exists is less than 1000, the whole of such number) and accompanied by the exercise price for the GGG Shares specified in the option exercise notice.

(f) **Restructure of Capital**

In the event that prior to the expiry of any GGG Options, there is a reconstruction (including consolidation, subdivision, reduction, return or pro-rata cancellation) of the issued capital of GGG, then the number of



GGG Options to which each option holder is entitled or the exercise price or both may be adjusted at GGG's (or the relevant grantor's) discretion, however in the case of a capitalisation issue, any such adjustment must be confirmed in writing by GGG's auditors to be fair and reasonable in their opinion.

(g) **Administration of the ESOP**

The Board supervises the administration of the ESOP and has discretion to amend the rules subject to specified limitations.

As at the date of this Bidder's Statement, GGG has the following GGG Options on issue under the ESOP:

Number of GGG Options	Exercise Price per GGG Option	Expiry Date
3,630,000	40p	23 November 2015
200,000	38p	23 February 2012
3,075,000	32p	23 February 2012

### 3.8 Other GGG Options

The following options are issued outside the ESOP, but are deemed to be subject to equivalent rules as the rules of the ESOP.

Number of GGG Options	Exercise Price per GGG Option	Expiry Date
1,150,000	10p	30 June 2015
3,425,000	8p	23 April 2015
500,000	7p	6 October 2014

### 3.9 Warrants

On 15 July 2010, GGG established a warrant instrument by deed poll (**Warrant Terms**). The Warrant Terms are summarised below. As at the date of this Bidder's Statement, GGG has 4,934,211 Warrants on issue exercisable at 12.6 pence per Warrant.

(a) **Warrant Issue**

The Warrants have been issued for no consideration and each Warrant carries the right in favour of the Warrant-holder to subscribe for one GGG Share per Warrant.

The Warrants issued under the Warrant Terms are freely transferable.

(b) **Exercise Price**

The exercise price of the Warrants is 12.6 pence per Warrant.

(c) **Exercise of Warrants**

Warrants may be exercised at any time before 18 months from the date of grant of the Warrants (that is, by 19 January 2012).

(d) **Notice of Exercise**

Warrants may only be exercised by the Warrant-holder delivering a Warrant exercise notice to GGG specifying the number of Warrants being exercised and accompanied by the exercise price for the Warrants specified in the Warrant exercise notice and the certificates for those Warrants.

(e) **Restructure of Capital**

In the event that prior to the expiry of any Warrants, there is a reconstruction (including consolidation, subdivision, reduction, return or pro-rata cancellation) of the issued capital of GGG, then the number of Warrants to which each Warrant-holder is entitled or the exercise price or both will be adjusted in such manner as GGG's auditors shall certify necessary in order to ensure that any GGG Shares issued on exercise carry the same proportion of (i) voting rights and (ii) rights to participate in profits and assets of GGG.

(f) **Meetings of Warrant-Holders**

GGG may, and upon a request in writing from Warrant-holders holding not less than 10% of aggregate number a warrants on issue, convene a meeting of Warrant-holders to discuss issues concerning the Warrants.

(g) **Amendment of the Warrant Terms**

The Warrant Terms can be modified by a deed poll where the approval of 75% of Warrant-holders at an extraordinary meeting of Warrant-holders has been obtained (except in the case of modifications of a purely formal, minor or technical nature for which approval is not required).

### 3.10 Shareholders of GGG

As at 11 April 2011, there were approximately 849 GGG Shareholders. As at 11 April 2011, Auzex holds 7,022,472 GGG Shares, being approximately 4.8% of the total number of GGG Shares on issue.

As at 11 April 2011, the top four direct shareholders of GGG were:

GGG Shareholder	Number of GGG Shares	% of GGG Shares
Baker Steel Managed Funds	14,434,574	9.9%
BlackRock Investment Management	7,463,829	5.1%
Auzex Resources Limited	7,022,472	4.8%
City Natural Resources High Yield Fund (CQS) Plc	4,958,510	3.4%

**Notes:**

1. Based on the number of GGG Shares held as stated in the relevant notices lodged with AIM.
2. Calculated using the number of GGG Shares on issue as at 8 April 2011.

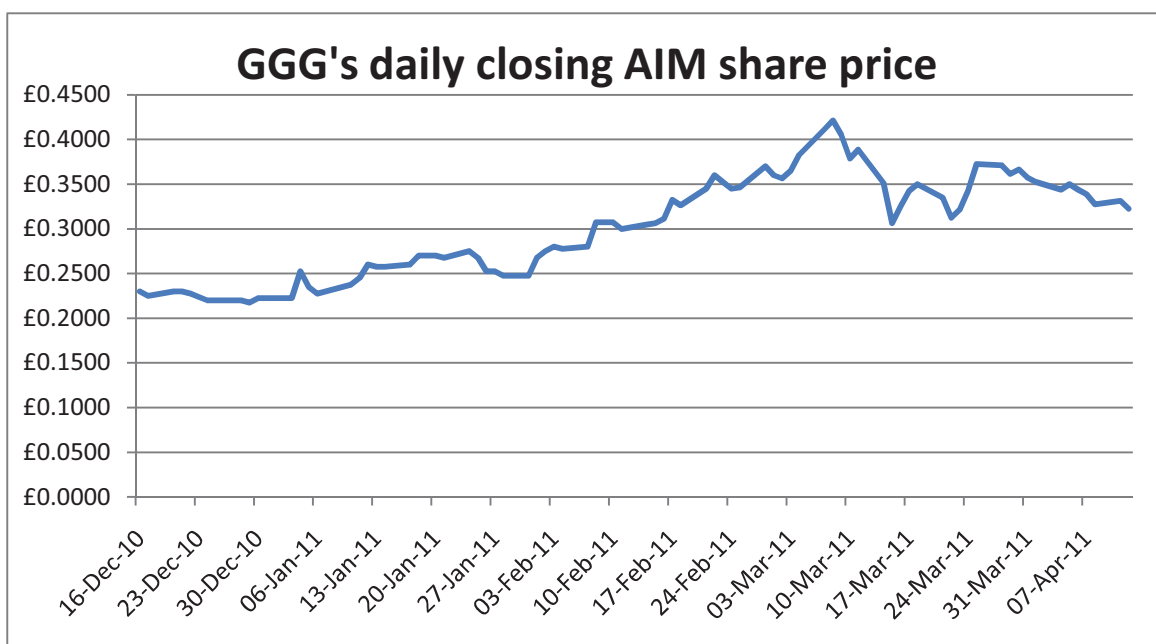
As at 11 April 2011, Directors and controlled entities of GGG held 11,107,663 GGG Shares, being approximately 7.6% of the total number of GGG Shares on issue.

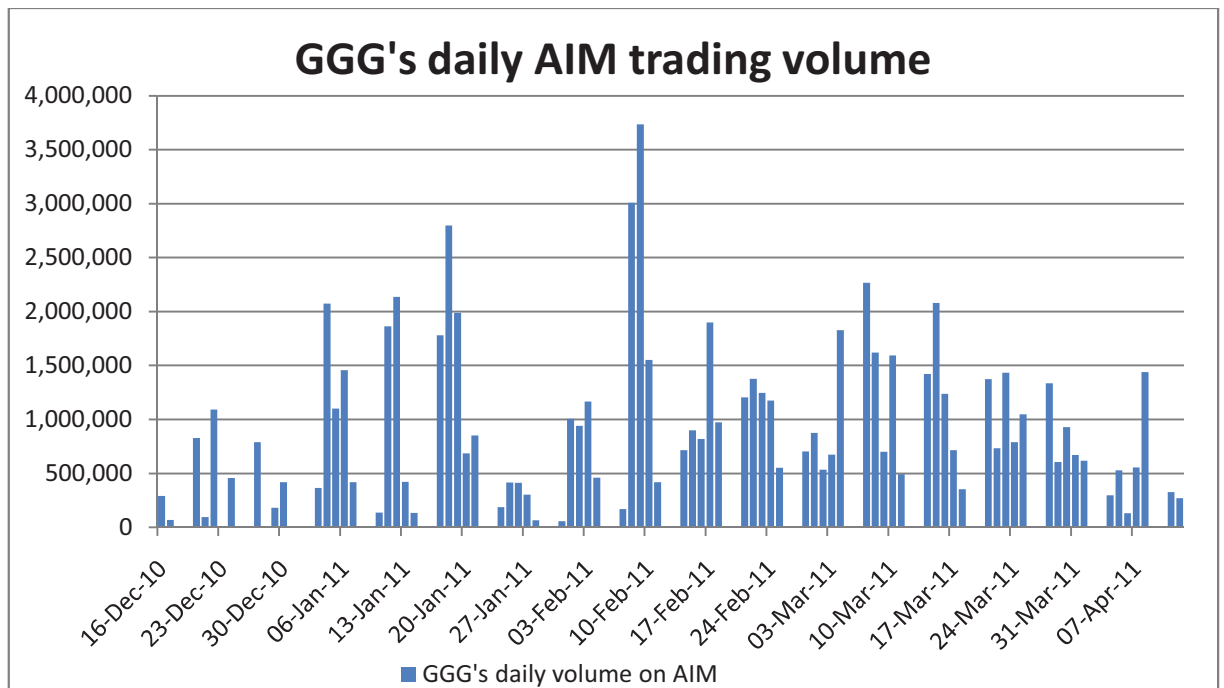
### 3.11 Recent Performance of GGG Shares

Set out below is a table showing relevant trading prices of GGG Shares on AIM:

Comparative trading period	Price of GGG Shares
Highest trading price on 8 March 2011 in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	44.48p
Lowest trading price on 15 December 2010 in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	21.25p
Closing trading price on the last trading day before the date GGG announced the Offer	38.87p
Last available closing sale price of GGG Shares (as at 12 April 2011) on AIM prior to the date this Bidder's Statement was lodged with ASIC	32.5p

Set out below are diagrams showing trading prices and trading volumes of GGG Shares on AIM for the period between 16 December 2010 and 7 April 2011.





**Notes:**

1. For the period 16 December 2010 to 12 April 2011.
2. GGG daily closing price as published on <[www.livechart.co.uk](http://www.livechart.co.uk)>.

Refer to Section 8.3(e) for information on the effects of movements in exchange rates on the value of A\$ value for the GGG Shares traded on AIM.

### 3.12 Dividend History

GGG has not previously and does not currently pay dividends.

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## **4. PROFILE OF AUZEX**

### **4.1 Disclaimer**

This overview of Auzex and all financial information concerning Auzex contained in this Bidder's Statement has been prepared by the Company using publicly available information.

The information in this Bidder's Statement concerning Auzex has not been independently verified. The Company does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Auzex is not considered to be comprehensive.

### **4.2 Overview of Auzex's Activities**

Auzex Resources Limited was incorporated as a proprietary company in September 2003 to explore for multi-metal ore-bodies associated with large granite systems, and was listed on the ASX on 4 October 2005.

### **4.3 Auzex Board of Directors**

As at the date of this Bidder's Statement, the directors of Auzex are:

- (a) Christopher Don Baker - Non-Executive Chairman
- (b) John Lawton - Managing Director
- (c) Paul Michael Frederiks - Non-Executive Director & Company Secretary
- (d) Dr Gregor Alan Partington - Director of Operations
- (e) Eugene Iliescu - Non-Executive Director

### **4.4 Information about Auzex Securities**

According to documents provided by Auzex to the ASX, at the date of this Bidder's Statement, Auzex's issued securities consisted of the securities set out in the following table:

<b>Auzex Shares</b>	<b>Number</b>
Shares on issue at date of Bidder's Statement	95,012,865
<b>Auzex Total Shares</b>	<b>95,012,865</b>
<b>Auzex Options</b>	<b>Number</b>
Auzex Options with an exercise price of \$0.20, expiring 13 February 2012	12,106,908
Auzex Options with an exercise price of \$0.15, expiring 21 October 2013	1,943,479
<b>Total Auzex Options</b>	<b>14,050,387</b>

## 4.5 Substantial Shareholders

Based on an extract of the share registry of Auzex as at 18 March 2011 (published on its website), the substantial shareholders of Auzex are:

Auzex Shareholder	Number of Auzex Shares	% of Auzex Shares
National Nominees Limited	10,716,430	11.28
GGG Resources plc	8,000,000	8.42
Peninsular Goldfields Pty Ltd	7,146,689	7.52

## 4.6 Overview of Auzex's Projects

Auzex has projects and prospects located in Western Australia, the North Queensland region, the New England region and New Zealand.

### (a) Coolgardie Goldfield - Western Australia

Bullabulling Gold Project, Coolgardie, WA

The Bullabulling Gold Project is located approximately 60km southwest of Kalgoorlie in the eastern goldfields of Western Australia. The Company and Auzex currently operate the Bullabulling Gold Project as a 50/50 unincorporated joint venture which is managed by a joint venture committee comprising two representatives from each company. The Bullabulling Gold Project includes a number of granted mining leases.

On 5 April 2011, Auzex released to ASX a project update on the Bullabulling Gold Project, disclosing that:

- (i) new drill holes completed in February and March 2011 confirm and expand the current resource model for the project and identify new mineralisation intersections outside the current resource model;
- (ii) a program of works has been submitted by Auzex as mine manager to the Western Australian Department of Mines to allow for further drilling to be undertaken in the next year on the Bullabulling Gold Project;
- (iii) the project has current reported JORC compliant minerals resources of 41,517,000 tonnes at 1.48g/t Au for 1.98 million ounces of gold at a 0.7 g/t Au cut off to an assumed economic mining depth of 315m RL; and
- (iv) the aim of the current drilling is to allow the current Inferred resources to be reclassified as Indicated and possibly Measured and allow initial JORC compliant reserves to be established for the Bullabulling Gold Project.



(b) **North Queensland Region**

Khartoum Tin Project

The Khartoum tin project is located approximately 100km south-west of Cairns and 20km north-west of Mt Garnet in north Queensland. The project is wholly owned by Auzex. The project area covers a series of highly fractionated coarse-grained granites that contain over 50 tin, tungsten, bismuth and gold occurrences.

Lyndbrook Project

The Lyndbrook project is located approximately 150km south-west of Cairns. Key targets within the project are the Runningbrook Au-Cu prospect and Galala Range Mo (Au, W) prospect.

Runningbrook prospect

The Runningbrook prospect is located 35km north of Mt Surprise. Gold mineralisation is hosted by granodiorite and granite and was initially targeted because of its geological similarities with the successful Kidston gold mine.

Galala Range prospect

The Galala Range prospect occurs within a large alteration system forming a NE trending zone of sericite-silica alteration measuring 6km x 4km. The prospect has the potential for a range of metals including, gold, tungsten and molybdenum. Auzex is currently carrying out an independent review of the prospect to assess potential development options.

(c) **New England Region – Southern QLD, Northern NSW**

Kingsgate Molybdenum- Bismuth Project, Glen Innes, NSW

The Kingsgate Mine, located 20km east of Glen Innes in northern New South Wales, was the second largest producer of molybdenum in Australia between the 1880s and 1920s, with little exploration of the area since and no drilling prior to Auzex acquiring the project. The project is wholly owned by Auzex. A feasibility study for development of the project was completed in December 2008 and provided sufficient encouragement to progress the development of the project.

Klondyke/Seven Hills Gold Prospect

The Klondyke and Seven Hills gold prospects are located approximately 50km northeast of Glen Innes in northern New South Wales. The prospect is wholly owned by Auzex. Exploration to date has identified two intrusion related gold deposit targets in the region.

(d) **New Zealand**

Lyell Gold Project

Auzex Resources' wholly-owned subsidiary, Auzex Resources (NZ) Pty Ltd (**Auzex NZ**), has a joint venture agreement with New Zealand Minerals

Ltd (**NZML**) over tenements for the Lyell Gold Project located on the west coast of the South Island of New Zealand. 58% of the Lyell Joint Venture is held by Auzex NZ and the remaining 42% is held by NZML.

On 10 March 2011, Auzex released to ASX a project update on the Lyell Gold Project including that diamond drilling had commenced with an aim to determine low grade gold mineralisation, and explore for new repetitions of higher grade lodes at depth.

#### 4.7 Auzex Balance Sheet

The table below is a consolidated statement of financial position for Auzex extracted from the Half Yearly Report and Accounts ended 31 December 2010 released to ASX on 11 March 2011.

### STATEMENT OF FINANCIAL POSITION

#### AUZEX LIMITED

#### Consolidated

	As at 31 December 2010	As at 30 June 2010
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash Assets	7,826,819	953,752
Receivables and Prepayments	2,561,016	966,263
<b>Total Current Assets</b>	<b>10,387,835</b>	<b>1,920,015</b>
<b>Non Current Assets</b>		
Property, Plant and Equipment	610,088	488,895
Deferred Exploration and Evaluation phase costs	11,473,973	10,267,904
Investment in Available for Sale Asset	4,745,634	1,044,893
<b>Total Non Current Assets</b>	<b>16,829,695</b>	<b>11,801,692</b>
<b>TOTAL ASSETS</b>	<b>27,217,530</b>	<b>13,721,707</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	1,121,747	342,925
Provisions	60,638	44,581
<b>Total Current Liabilities</b>	<b>1,182,385</b>	<b>387,506</b>
Provisions	299,717	299,717
<b>Total Non-Current Liabilities</b>	<b>299,717</b>	<b>299,717</b>
<b>TOTAL LIABILITIES</b>	<b>1,482,102</b>	<b>687,223</b>

<b>Net Assets</b>	<b>25,735,428</b>	<b>13,034,484</b>
<b>EQUITY</b>		
Contributed Equity	29,846,412	20,097,938
Other Reserves	3,722,568	1,097,212
Accumulated Losses	(7,833,552)	(8,160,666)
<b>TOTAL EQUITY</b>	<b>25,735,428</b>	<b>13,034,484</b>

#### 4.8 Website

Auzex maintains a website, [www.auzex.com](http://www.auzex.com), which contains further information about Auzex and its operations.

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## **5. MERGED ENTITY**

### **5.1 Approach**

This Section 5 provides an overview of the Company and its subsidiaries following the acquisition by the Company of all, or a portion of the Auzex Shares on issue (**Merged Entity**), in the various scenarios following the Offer and the effect of the IPO and Offer on the Company and Auzex.

### **5.2 Disclaimer Regarding Auzex and the Merged Entity Information**

In preparing the information relating to Auzex and the Merged Entity contained in this Bidder's Statement, the Company has relied on publicly available information relating to Auzex and this has not been independently verified by the Company or its Directors. Risks may exist in relation to Auzex (which may affect the Merged Entity) of which the Company is unaware. If any material risks are known to the directors of Auzex, they must be disclosed in the target's statement to be issued by Auzex.

Accordingly, subject to any applicable laws, the Company makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

### **5.3 Profile of the Merged Entity**

If the Offer is successful, Auzex Shareholders will receive GGG Shares in exchange for their Auzex Shares. After the Offer, if the Company is successful in obtaining effective control of Auzex, all of the Company's shareholders (including Auzex Shareholders who have received GGG Shares pursuant to the Offer) will be shareholders in the Merged Entity.

The proposed merger will consolidate the ownership of, and rationalise future decision-making processes in relation to the Bullabulling Gold Project.

### **5.4 Effect of the Completion of the IPO and the Offer**

The Company plans to become a medium-sized gold mining company, and aims to either find, or to acquire and develop, gold and other mineral prospects in Australasia. The Offer to acquire Auzex and gain effective control of the Bullabulling Gold Project is a significant step forward towards this plan.

### **5.5 Effect of the Completion of the IPO and the Offer on the Company's Capital Structure**

<b>Shares</b>	<b>Number</b>	<b>%</b>
GGG Shares on issue at date of Bidder's Statement	145,423,590	90.7%
GGG Shares offered under the IPO	15,000,000	9.3%
Total GGG Shares on issue at completion of the IPO <sup>1</sup>	160,423,590	100%
Maximum number of GGG Shares under the Offer <sup>2</sup>	140,555,219	46.7%
<b>Total GGG Shares on issue at completion of the IPO and Offer</b>	<b>300,978,809</b>	<b>100%</b>

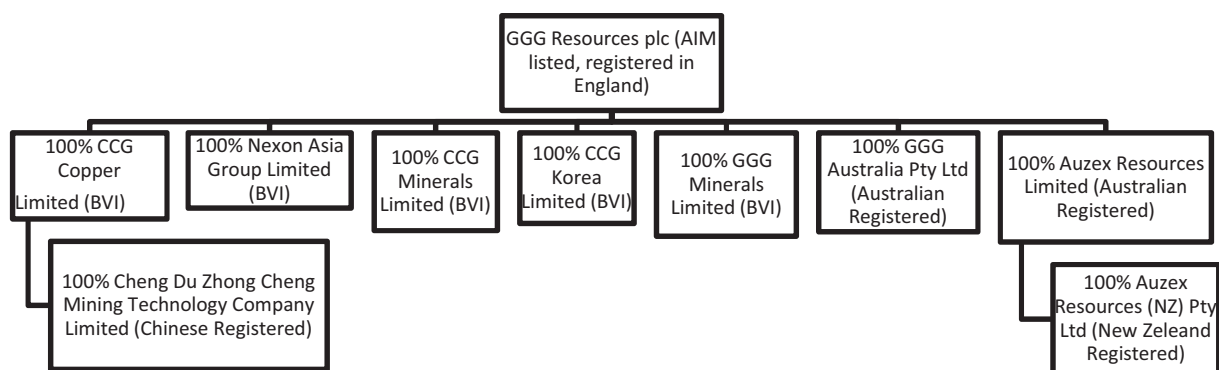
<b>Options and Warrants<sup>3</sup></b>	<b>Number</b>
Unlisted GGG Options and warrants on issue at date of Bidder's Statement	
GGG Options with an exercise price of 40 pence, expiring 23 November 2015	3,630,000
GGG Options with an exercise price of 38 pence, expiring 23 February 2012	200,000
GGG Options with an exercise price of 32 pence, expiring 23 February 2012	3,075,000
Warrants with an exercise price of 12.6 pence, expiring 19 January 2012	4,934,208
GGG Options with an exercise price of 10 pence, expiring 30 June 2015	1,150,000
GGG Options with an exercise price of 8 pence, expiring 23 April 2015	3,425,000
GGG Options with an exercise price of 7 pence, expiring 6 October 2014	500,000
<b>Total GGG Options and Warrants on issue at completion of the IPO and the Offer</b>	<b>16,914,208</b>

**Notes:**

1. Assumes that the IPO is fully subscribed. The Company may accept oversubscriptions of up to a further 7,500,000 GGG Shares at an issue price of \$0.40 per GGG Share to raise up to an additional \$3,000,000 in which case a total of up to 167,923,590 GGG Shares will be on issue following the IPO and up to 308,478,809 GGG Shares will be on issue following the Offer. As at 11 April 2011, GGG has received withdrawals in respect of 1,800,000 of GGG Shares totalling approximately \$720,000 from applicants under the IPO.
2. The number of GGG Shares offered assumes all of Auzex's Options existing on 11 April 2011 are exercised and the resultant Auzex Shares are accepted into the Offer, and also assumes 100% acceptance for the Offer and that no other Auzex Shares are otherwise issued after 11 April 2011.
3. Assumes that no GGG Options or Warrants are exercised after 11 April 2011. Warrants are treated as options under the Corporations Act as they have the same legal effect as options.

## **5.6 Corporate Structure of the Merged Entity**

If the Offer is successful and the Company acquires all Auzex Shares on issue, the corporate structure of the Merged Entity will be as shown in the diagram.



## 5.7 Basis for Preparation of the Pro Forma Financial Information

This Section 5.7 provides an overview of the unaudited pro forma financial position of the Company as at 31 December 2010 to show the effect of acquisition of both 50.1% and 100% ownership of Auzex.

The pro forma balance sheet of the Merged Entity presents the Company's financial position as at 31 December 2010 as if the Company had acquired 50.1% or 100% of Auzex on that date. Acquisition accounting entries have been based on the terms of the IPO and the Offer and the assumptions set out in Section 5.8 in order to arrive at an unaudited pro-forma consolidated balance sheet for the Merged Entity as at 31 December 2010.

The Company will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after completion of the Offer.

The pro forma balance sheet is indicative only. The Company has drawn its own conclusions based on the known facts and other publicly available information. If the facts, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.

This Section should be read in conjunction with the underlying financial information from which it was extracted, and the accounting policies of the Company set out in the Prospectus, which is incorporated into this Bidder's Statement by reference.

The pro forma balance sheet as at 31 December 2010 set out below (**Pro Forma Balance Sheet**) has been prepared for illustrative purposes and on the assumption that the acquisition of the ownership interest in Auzex occurred on one day (31 December 2010), that is, there are no staged acquisitions.

The Pro Forma Balance Sheet has been prepared in accordance with the measurement and recognition principles of International Financial Reporting Standards (**IFRS**).

The Pro Forma Balance Sheet has not been audited and may be subject to changes arising from an audit process if an audit was performed on them. The audit reviewed balance sheet of Auzex as at 31 December 2010 and audited consolidated balance sheet of the Company as at 31 December 2010 are also presented below.



## PRO FORMA BALANCE SHEET

### AS AT 31 DECEMBER 2010

	<u>AUZEX</u> <u>31/12/2010</u> <u>(Reviewed)</u> \$	<u>GGG</u> <u>31/12/2010</u> <u>(Audited)</u> \$	<u>50.1%</u> <u>Pro Forma</u> <u>Adjustments</u> \$	<u>100%</u> <u>Pro Forma</u> <u>Adjustments</u> \$	<u>Pro forma</u> <u>Merged 50.1%</u> <u>(Unaudited)</u> \$	<u>Pro forma</u> <u>Merged 100%</u> <u>(Unaudited)</u> \$
<b><u>CURRENT ASSETS</u></b>						
Cash assets	7,826,819	21,857,651	2,385,568	2,385,568	32,070,038	32,070,038
Receivables	2,561,016	711,627			3,272,643	3,272,643
<b>TOTAL CURRENT ASSETS</b>	<b>10,387,835</b>	<b>22,569,278</b>			<b>35,342,681</b>	<b>35,342,681</b>
<b><u>NON CURRENT ASSETS</u></b>						
Goodwill	–	–	7,552,866	19,184,445	7,552,866	19,184,445
Exploration, evaluation, development	11,473,973	3,060,322			14,534,295	14,534,295
Property, plant and equipment	610,088	–			610,088	610,088
Available for sale assets	4,745,634	4,686,822	133,333	133,333	9,565,789	9,565,789
<b>TOTAL NON CURRENT ASSETS</b>	<b>16,829,695</b>	<b>7,747,144</b>			<b>32,263,038</b>	<b>43,894,617</b>
<b>TOTAL ASSETS</b>	<b>27,217,530</b>	<b>30,316,422</b>			<b>67,605,719</b>	<b>79,237,299</b>
<b><u>CURRENT LIABILITIES</u></b>						
Accounts payable	1,121,747	864,148			1,985,895	1,985,895
Employee entitlements	60,638	–			60,638	60,638
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,182,385</b>	<b>864,148</b>			<b>2,046,533</b>	<b>2,046,533</b>
<b><u>NON CURRENT LIABILITIES</u></b>						
Site restoration	299,717	–			299,717	299,717
<b>TOTAL LIABILITIES</b>	<b>1,482,102</b>	<b>864,148</b>			<b>2,346,250</b>	<b>2,346,250</b>
<b>NET ASSETS</b>	<b>25,735,428</b>	<b>29,452,274</b>			<b>65,259,469</b>	<b>76,891,049</b>
<b><u>EQUITY</u></b>						
Contributed equity	29,846,412	34,213,062	(7,962,777)	17,942,362	56,096,697	82,001,837
Equity based benefits reserve	3,722,568	526,133	(3,722,568)	(3,722,568)	526,133	526,133
Available for sale asset reserve	–	3,178,623			3,178,623	3,178,623
Foreign currency translation reserve	–	1,147,722			1,147,722	1,147,722
Accumulated (losses)/earnings	(7,833,552)	(9,613,266)	7,483,552	7,483,552	(9,963,266)	(9,963,266)
<b><u>Total equity to equity holders</u></b>	<b>25,735,428</b>	<b>29,452,274</b>			<b>50,985,909</b>	<b>76,891,009</b>
Minority Interest					14,273,560	–
<b>TOTAL EQUITY</b>	<b>25,735,428</b>	<b>29,452,274</b>			<b>65,259,469</b>	<b>76,891,049</b>

## 5.8 Pro Forma Assumptions

The following assumptions are made in relation to the Pro Forma Balance Sheet:

1. A\$6,000,000 is raised under the IPO less A\$551,568 in costs (included in the Company's Balance Sheet for the year ending 31 December 2010).
2. The price of GGG Shares at 31 December 2010 is 22.25 pence.
3. The £/A\$ exchange rate at 31 December 2010 is 1.5215.
4. GGG estimates that it will incur fees in connection with the Offer of A\$350,000. No adjustments are made for fees that may be incurred by Auzex in connection with the Offer.
5. The Company exercises its options held in Auzex for \$133,333.
6. Available for sale assets of Auzex includes shares held in the Company, carried at book value at 31 December 2010.
7. The Pro Forma Balance Sheet does not make any adjustments for stamp duty or any other government charges that may ultimately be payable by the Company in relation to the Offer.

## 5.9 Pro Forma Adjustments

1. GGG estimates that it will incur fees in connection with the Offer of A\$350,000. Accordingly, cash assets have been reduced as a pro forma adjustment.
2. The pro forma assumes that all Auzex Options on issue at 11 April 2011 are exercised. This will result in the issue of 14,267,872 Auzex Shares and will raise total cash of A\$2,756,401 which is included as a pro forma adjustment.
3. The 50.1% adjustment assumes the issue of 64,363,631 GGG Shares at A\$0.34 each to give the Company a 50.1% interest in Auzex, on a fully diluted basis. This is based on the offer of 7 GGG Shares for every 5 Auzex Shares. The issue price is based on GGG's share price at 31 December 2010 of 22.25 pence and a £/A\$ exchange rate at 31 December 2010 of 1.5215. The adjustments reflect the Company's elimination of its investment in Auzex against the assets and liabilities of Auzex, with the recognition of goodwill on consolidation resulting from the acquisition, with the minority interest shown for the interest not held by the Company.
4. The 100% adjustment assumes the issue of 140,555,219 GGG Shares at A\$0.34 each to give the Company a 100% interest in Auzex, on a fully diluted basis. This is based on the offer of 7 GGG Shares for every 5 Auzex Shares. The issue price is based on GGG's share price at 31 December 2010 of 22.25 pence and a £/A\$ exchange rate at 31 December 2010 of 1.5215. The adjustments reflect the Company's elimination of its investment in Auzex against the assets and liabilities of Auzex, with the recognition of goodwill on consolidation resulting from the acquisition.

5. For the purposes of the Pro Forma Balance Sheet it has been assumed that the fair values of assets and liabilities equates to their carrying value at 31 December 2010.
6. The Company's balance sheet at 31 December 2010 is based on audited accounts released by the Company on 31 March 2011.

#### **5.10 Outlook for the Merged Entity**

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to the Company, Auzex or the Merged Entity.

The Company considers that the inclusion of financial forecasts would be speculative and potentially misleading given that:

- (a) the projects and prospects of the Company and Auzex have not reached a stage in their development where a reasonable assessment of future earnings can be made;
- (b) the rate of project development is subject to inherent risks associated with mineral grades and quantities, mining and process equipment availability, port and rail access, the granting of production licences, extraction and logistics costs; and
- (c) the future market prices for minerals in projects held by the Company and Auzex are inherently uncertain.

#### **5.11 Stamp Duty Implications for the Merged Entity**

In accepting the Offer, GGG will be acquiring shares in a corporation which is considered to be 'land rich' for stamp duty/transfer duty purposes. As a result, GGG may have a material stamp duty/transfer duty liability arising from the Offer. The liability will be calculated based on the underlying value of Auzex's mining and exploration tenements, however, consideration will need to be given to the stamp duty/transfer duty laws applicable in each jurisdiction where Auzex has mining or exploration activities.

At the time of the Offer, there is insufficient information available to GGG to enable it to adequately determine the stamp duty/transfer duty liability that will result from the Offer.

Auzex Shareholders who dispose of their Auzex Shares are not anticipated to incur Australian stamp duty in respect of the Offer.

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## **6. RATIONALE FOR THE OFFER AND INTENTIONS OF GGG**

### **6.1 Disclosure Regarding Forward-Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on the Company's current expectations and predictions about future events including the Company's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of the Company, Auzex and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement.

None of the Company, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

### **6.2 Rationale for the Offer**

The Company believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Auzex by the Company. These include:

- (a) consolidation of the ownership of the Bullabulling Gold Project into a single corporate group which will focus on the Bullabulling Gold Project;
- (b) rationalisation of future decision-making processes in relation to the Bullabulling Gold Project;
- (c) the potential improvement of the efficiency and timeliness in the development of the Bullabulling Gold Project to maximise shareholder value by accelerating exploration and development;
- (d) it allows the Company to appoint a Western Australian-based team which will manage the development and operations of the Bullabulling Gold Project in the future;
- (e) Auzex's technical resources will supplement and enhance the Company's technical and operational capabilities;
- (f) the alignment of the interests of the two shareholder groups into a like-minded, single group of shareholders;
- (g) the reduction of corporate overhead and duplicated roles; and
- (h) access to capital markets in the United Kingdom as well as Australia.

### **6.3 GGG's Intentions Regarding Auzex**

#### **(a) Overview**

By way of general comment, the Company intends to maintain a focused approach to the timely development of the Bullabulling Gold Project, a project in which the Company and Auzex each own a 50% interest and which is managed by a joint venture committee comprising two representatives from each company. GGG intends to replace some or all the Auzex representatives on the Bullabulling Joint Venture committee. GGG has not yet determined its nominees to replace existing Auzex representatives.

The Company intends to continue the business of Auzex in the manner in which it is currently conducted and maintain Auzex's assets and projects in good standing until it is able to complete the strategic review outlined at Section 6.4(a) below, subject to any variations that the Company considers necessary in light of its technical and operational experience and expertise and the resources of the Merged Entity.

#### **(b) Approach**

Sections 6.3, 6.4, 6.5 and 6.6 set out the intentions of the Company on the basis of facts and information concerning Auzex which are known to the Company at the time of preparation of this Bidder's Statement. However, the Company will only reach final decisions in light of material facts and circumstances at the relevant time. Accordingly, the statements set out in Sections 6.3, 6.4, 6.5 and 6.6 are statements of current intentions only which may vary as new information becomes available or circumstances change.

### **6.4 Intentions Upon Acquisition of 90% or More of Auzex**

This Section 6.4 describes the Company's intentions if the Company and its Associates acquire a Relevant Interest in 90% or more of Auzex Shares under the Offer, and so becomes entitled to proceed to compulsory acquisition of outstanding Auzex Shares in accordance with Part 6A.1 of the Corporations Act.

#### **(a) Strategic review**

Subject to what is disclosed elsewhere in Section 6.4, the Company intends to undertake a detailed review of Auzex's activities, assets and liabilities to evaluate their prospects, strategic relevance, funding requirements and financial performance. This may lead to modification of some of Auzex's existing projects and activities. This strategic review will provide the main platform for the Company to identify and assess the specific areas that may provide benefits to the Company and the expected costs and time frames.

(b) **Bullabulling Gold Project Expenditure**

The Company intends to continue with the current budgeted expenditure program in relation to the Bullabulling Gold Project. In this regard, GGG intends to use funds of the Merged Entity of approximately \$32 million (see the Pro Forma Balance Sheet in 5.7 for further details), funds raised from the exercise of GGG Options (if any) and if necessary GGG will seek to raise additional capital.

(c) **Composition of the Board**

The Company intends to replace some or all of the members of the Board of Directors of Auzex. The GGG nominees have not yet been identified and their identity will depend on the circumstances at the relevant time.

In addition, it is the Company's current intention, in the event that the Offer is successful, to seek to reflect in the organisation structure of the Merged Entity, Auzex personnel whose skills are highly regarded and who have extensive knowledge of Auzex's assets.

(d) **Corporate Matters**

The Company intends to:

- (i) if entitled to do so, proceed with the compulsory acquisition of any Auzex Shares not acquired under the Offer and any other Auzex securities on issue which it is entitled to compulsorily acquire in accordance with Part 6A.1 of the Corporations Act;
- (ii) arrange for Auzex to be removed from the Official List of the ASX; and
- (iii) consider proceeding with the compulsory acquisition of any Auzex Options which have not been exercised and that have not expired or lapsed. Alternatively, the Company may pursue other arrangements to acquire those Auzex Options.

(e) **Corporate Office and Employees**

Subject to the strategic review, the Company intends to continue to conduct the Auzex business. The Company will, however, consider centralising the corporate head office of Auzex by incorporating those functions performed by it into the administrative structure of the Company. It is proposed that functions such as company secretarial, financial management and accounting will be centralised. It is intended that the centralised corporate office will be in Perth, Western Australia.

Auzex and its subsidiaries do not have a significant number of employees, however, some of these employees may undertake functions that will be centralised in the Merged Entity. Some job losses may occur as a result, however, the incident, extent and timing of such job losses cannot be predicted in advance. The Company intends to discuss employment arrangements with the existing personnel.



(f) **General Business Integration**

As part of the strategic review, the Company intends to undertake a specific review of:

- (i) Auzex's assets and liabilities; and
- (ii) the possible synergies and benefits between the Company and Auzex. The Company intends to prepare a business integration plan and implement that plan.

(g) **Balance Sheet Date and Accounting Policy**

In accordance with Section 323D(3) of the Corporations Act, the Company intends to change Auzex's financial year end for the preparation of financial statements from 30 June to 31 December. In addition, the Company intends to conduct a review of Auzex's accounting policies. It is expected that this review will result in the adoption of the Company's accounting policies.

(h) **Auzex's Shareholding in the Company**

The Company intends to cancel or dispose of any GGG Shares held by Auzex in accordance with the requirements of any applicable laws.

## **6.5 Intentions Upon Gaining Less Than 90% of Auzex**

This Section 6.5 describes the Company's intentions if Auzex becomes a controlled entity of the Company, but the Company is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

The Offer is conditional upon the Company acquiring a Relevant Interest in at least 50.1% of the Auzex Shares on issue. While the Company has no current intention to waive that condition, it is open to the Company to either rely on that condition or waive it, at its discretion, in accordance with the Corporations Act. Should the Company choose to waive that condition, it may, as a result of its Offer, acquire less than 50.1% of Auzex.

On completion of the Offer, the Company may hold a sufficient number of Auzex Shares to exercise control over the management and operations of Auzex, but may not be entitled to compulsorily acquire all outstanding Auzex Shares. The Company's intentions in those circumstances are as follows:

(a) **General**

The Company will implement the intentions described in Section 6.4 above to the extent that it is economically feasible and subject to the requirements of the Corporations Act and any other applicable laws or regulations. These intentions specifically include those in respect of strategic review, corporate matters, corporate office and employees and general business integration.

(b) **Bullabulling Gold Project Expenditure**

The Company intends to continue with the current budgeted expenditure program in relation to the Bullabulling Gold Project. In

accordance with the Bullabulling Joint Venture Agreement, the expenditure program is subject Auzex's approval.

(c) **Composition of the Board**

The Company intends, subject to the Corporations Act and the constitution of Auzex, to seek to replace some or all of the members of the board of directors of Auzex. The majority would be replaced with nominees of the Company. At this time the Company has not determined which board members will be replaced.

(d) **Listing on the Official List of the ASX**

The Company intends to maintain Auzex's listing on the Official List of the ASX, while it continues to meet its ASX listings requirements. Shareholders of Auzex are alerted that in this circumstance the liquidity of Auzex Shares may be materially decreased.

(e) **Elimination of Duplication**

To the extent that activities and functions, including management, presently carried out by the Company and Auzex will be duplicated, such duplication will be eliminated where it is economically efficient to do so.

(f) **Remaining Auzex Shareholders**

If the Company acquires less than 90% of the Auzex Shares on issue, then Auzex Shareholders should be aware that if they do not accept the Offer they may become a "locked-in" minority after the end of the offer period for the Offer (i.e. if the Company holds a majority of Auzex Shares but is not entitled to compulsorily acquire the remaining Auzex Shares).

(g) **Dividends and Funding**

Auzex does not currently pay dividends. The payment of dividends by Auzex is at the discretion of the Auzex Board, the majority of which will comprise the Company's nominees. The Company has not formed an intention about retaining or varying the current dividend policy of Auzex (through its nominee's on the board of Auzex), and will do so when the strategic review in 6.4(a) is completed.

(h) **Limitations in Giving Effect to Intentions**

There may be limitations to the Company's intentions as outlined in this Section 6.5 due to the legal obligations of Auzex's directors to have regard to the best interests of Auzex and its shareholders, including the rights of minority shareholders, and the requirements of the Corporations Act and other applicable laws, and ASX Listing Rules relating to transactions between related parties. The Company may require legal and financial advice before deciding what action to take in connection with the intentions outlined in this Section 6.5.

## **6.6 Intentions Generally**

Except for the changes and intentions set out in Sections 6.3, 6.4 and 6.5, it is the present intention of the Company (based on the information presently available to it) to:

- (a) continue to hold the key assets of Auzex and not to redeploy its fixed assets;
- (b) substantially continue to conduct Auzex's business in its current manner;
- (c) subject to the strategic review, not make any major changes to the business or assets of Auzex and not redeploy any of the fixed assets of Auzex; and
- (d) continue the employment of retained employees of Auzex.

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## 7. AUSTRALIAN TAX CONSIDERATIONS

The following summary is a general description of the Australian income tax and CGT consequences for Auzex Shareholders who accept the Offer and dispose of their Auzex Shares to GGG in accordance with the Offer.

The summary is based on taxation law and practice in effect at the date of the Offer. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia, nor does it consider any specific facts or circumstances that may apply to particular shareholders.

**Given the complexity of the taxation legislation, Auzex Shareholders should seek independent taxation advice regarding the tax consequences of disposing of Auzex Shares given the particular circumstances which apply to them.**

### 7.1 Taxation Consequences for Auzex Shareholders

#### (a) Shareholders holding Auzex Shares on Revenue Account

The Australian tax consequences for Auzex Shareholders who hold their Auzex Shares on revenue account and who accept the Offer will be able to include the amount received (the market value of the GGG Shares) over the cost of acquisition of the Auzex Shares as ordinary assessable income. Where the market value of GGG Shares is less than the cost of Auzex Shares the loss can be claimed as a tax deduction.

#### (b) Auzex Shareholders holding Auzex Shares on Capital Account

In broad terms, the Australian tax consequences for Auzex Shareholders who hold their Auzex Shares on capital account and who accept the Offer will depend on whether or not 'scrip for scrip' capital gains tax rollover relief is available and, if available, is elected. The following discussion considers the general Australian tax consequences for Auzex Shareholders where:

- (i) rollover relief is not available or is not elected; and
- (ii) rollover relief is available and is elected.

### 7.2 Acceptance of the Offer where Rollover Relief is Available and is Elected

Australian-resident Auzex Shareholders may be entitled to 'scrip for scrip' CGT rollover relief in respect of the consideration referable to GGG Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.

In broad terms, these qualifying conditions include the requirement that GGG must make an offer to all shareholders in Auzex to acquire their voting shares on substantially the same terms and GGG must become the owner of at least 80% of the voting shares in Auzex as a consequence of the Offer.

If the qualifying conditions are satisfied and an Auzex Shareholder elects for rollover relief to apply, the rollover relief is available.

The effect of the rollover relief is that the Auzex Shareholder's total capital gain will be deferred until the GGG Shares are disposed of.

Auzex Shareholders who elect for rollover relief will retain the cost base of their Auzex Shares as the cost base of their replacement GGG Shares. The cost base of an Auzex Shareholder's replacement GGG Shares is equal to the cost base of his Auzex Shares.

As discussed above, rollover relief will only be available if the qualifying conditions are satisfied and Auzex Shareholders elect to apply for it. Further, rollover relief is not available if Auzex Shareholders realise a capital loss on the disposal of their Auzex Shares.

Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, Auzex Shareholders should seek independent taxation advice regarding their particular circumstances.

Non-resident Auzex Shareholders could only obtain rollover relief in very limited circumstances. It is imperative that non-residents seek independent tax advice to confirm their Australian tax position.

### **7.3 Acceptance of the Offer where Rollover Relief is Not Available or is Not Elected**

Acceptance of the Offer is likely to involve a disposal by an Auzex Shareholder of their Auzex Shares for CGT purposes.

An Australian-resident Auzex Shareholder may make a capital gain or capital loss, depending on whether their capital proceeds from the exchange are more than the cost base of their Auzex Shares, or whether those capital proceeds are less than the cost base of those shares.

Auzex Shareholders who are not resident in Australia for tax purposes will generally be subject to Australian CGT on the disposal of Auzex Shares if:

- (a) together with their Associates, they directly or indirectly own at least 10% or more (by value) of the shares in Auzex:
  - (i) at the time of the sale; or
  - (ii) throughout a 12 month period beginning no earlier than 24 months before the time of the sale and ending no later than the time of the sale; and
- (b) if more than 50% of the value of Auzex's assets is attributable to Australian real property,

subject to the terms of any applicable double tax agreement. It is imperative that non-residents independently confirm their Australian tax position.

The capital proceeds that an Auzex Shareholder will be taken to have received in respect of the disposal of their Auzex Shares will generally be the market value of GGG Shares on the date of implementation of the Offer.

The cost base of Auzex Shares will generally be the cost at which they were acquired including any incidental costs of acquisition.

Where the amount of capital proceeds received by an Auzex Shareholder in respect of the disposal of their Auzex Shares is greater than the cost base of

those Auzex Shares, then the shareholder should realise a capital gain for Australian CGT purposes.

Where the amount of capital proceeds received by an Auzex Shareholder in respect of the disposal of their Auzex Shares is less than the reduced cost base of those Auzex Shares, then the shareholder should realise a capital loss for Australian CGT purposes. Where it is expected that a capital gain will result, if an Auzex Shareholder does not elect for rollover relief, or that relief is not available, then partial tax relief may be available in the form of the CGT discount.

Specifically, where Auzex Shares have been held for at least 12 months before their disposal, a shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Auzex Shares by the CGT discount (see below).

The CGT discount will be available if the relevant Auzex Shares have been held for at least 12 months.

Subject to the Auzex Shareholder having any capital losses or net capital losses from previous income years, where the CGT discount is available, eligible Auzex Shareholders which are individuals or trustees of trusts will reduce the capital gain arising on the disposal of Auzex Shares by one-half. For individuals, this reduced gain should be assessed at the shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

Subject to the Auzex Shareholder having any capital losses or net capital losses from previous income years, where Auzex Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by one-third.

The CGT discount is generally applied after taking into account any capital losses or net capital losses from previous income years. Auzex Shareholders having any capital losses or net capital losses from previous income years should seek independent advice in relation to the potential availability of the CGT discount.

#### **7.4 Auzex Shareholders who are Companies will Not be Entitled to the CGT Discount**

Companies are not entitled to the CGT discount. The capital gain or capital loss will be calculated with reference to the capital proceeds less the cost base or reduced cost base of the shares. Where a company realises a capital gain, it may be eligible to reduce that gain with capital losses from previous income years. We recommend that companies seek advice from their professional tax advisor in relation to the availability and deductibility of capital losses.

#### **7.5 GST**

GST should not apply to the disposal of Auzex Shares under the Offer, the issue of GGG Shares under the Offer, or any subsequent disposal of GGG Shares.

Auzex Shareholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of securities in GGG or Auzex. Auzex Shareholders should seek their own tax advice in this respect.

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## 8. RISK FACTORS

### 8.1 Overview

If the Offer becomes unconditional, Auzex Shareholders who accept the Offer will become GGG Shareholders. In those circumstances, Auzex Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in Auzex as a result of their indirect interest in Auzex through GGG;
- (b) be exposed to the risks which are specific to an investment in GGG; and
- (c) be exposed to additional risks relating to the Offer and the Merged Entity.

These risks are explained below. Auzex Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. By accepting the Offer, Auzex Shareholders will be investing in GGG.

The business activities of GGG are subject to various risks that may impact on the future performance of GGG. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of GGG and cannot be mitigated.

Accordingly, an investment in GGG carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following.

### 8.2 Risks Relating to the Offer

#### (a) Issue of GGG Shares as consideration

Auzex Shareholders are being offered specific quantities of GGG Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of GGG Shares. Accordingly, the market value of the GGG Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.

#### (b) Rollover Relief

A condition of the Offer is that the level of acceptance must result in GGG obtaining a Relevant Interest in at least 50.1% of all Auzex Shares.

GGG may not acquire the number of Auzex Shares sufficient to bring its total interest in Auzex to at least 80% of Auzex Shares. In this case, scrip-for-scrip CGT rollover relief will not be available to holders of Auzex Shares.

#### (c) Sale of GGG Shares

Under the Offer, GGG will issue a significant number of new GGG Shares. Some holders of Auzex may not intend to continue to hold their GGG Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for GGG Shares. Unless GGG otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to



Auzex Shareholder in the relevant jurisdiction and to issue GGG Shares to such a Auzex Shareholder on acceptance of the Offer, and that it is not unlawful for such Auzex Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

(d) **Change in Control Risk**

If the Offer results in a change in control of Auzex, there may be adverse consequences for the Merged Entity. For example, the terms of the contracts to which Auzex is a party may entitle the other party to the contract to terminate the contract or revise its terms in the event of a change of control of Auzex.

(e) **Acquisition of Less than 50.1% of Auzex Shares**

It is possible that GGG could acquire less than 50.1% of Auzex Shares on issue under the Offer. The existence of a minority interest in Auzex may have an impact on the operations of the Merged Entity, although this impact will depend upon the ultimate level of Auzex ownership acquired by GGG.

(f) **Merger Integration**

If GGG acquires a substantial interest in Auzex pursuant to the Offer, integrating GGG and Auzex may produce some risks, including the integration of management, information systems and work practices. Furthermore, there is no guarantee that any synergy benefits or costs savings will be achieved on time or at all.

(g) **Stamp Duty and Government Charges**

Stamp duty and other government charges may be payable by GGG in relation to the Offer. The amount of these duties and charges may be material.

(h) **Forward Looking Information**

Certain information in this Bidder's Statement constitutes forward looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure of the Merged Entity to be different from the expectations expressed or implied in this Bidder's Statement

(i) **Due Diligence**

In preparing the information relating to Auzex contained in this Bidder's Statement, GGG has relied on publicly available information relating to Auzex. Risks may exist in relation to Auzex (which will affect the Merged Entity) of which GGG is unaware. If any material risks are known to the directors of Auzex, they must be disclosed in the target's statement to be issued by Auzex.

### **8.3 Risks Relating to the Merged Entity**

(a) **Additional Requirements for Capital**

GGG may be required to raise additional funds in the future in the event exploration costs exceed GGG's estimates and to effectively implement its business and operations plans in the future, to take advantage of

opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which GGG may incur.

GGG may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for GGG's activities and future projects may result in delay and indefinite postponement of exploration, development or production on GGG's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to GGG and might involve substantial dilution to Shareholders.

Further, GGG, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. GGG's ability to provide such assurances is subject to external financial and credit market assessment, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by GGG may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that GGG would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by GGG or default under a finance lease could also result in the loss of assets.

(b) **Mineral Resource Estimates**

Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect GGG's operations.

(c) **Exploration Success**

The Bullabulling Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Bullabulling Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of GGG may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of GGG.

In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Bullabulling Tenements, a reduction in the cash reserves of GGG and possible relinquishment of the Bullabulling Tenements.

The exploration costs of GGG described in the Independent Geologist's Report set out in the Original Prospectus (as varied by the Replacement Prospectus) are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect GGG's viability.

(d) **Development and Production Risks**

The development and operation of any mine by GGG within the Bullabulling Tenements may be affected by various factors, including failure to achieve predicted grades in exploration and mining; failure to obtain or maintain any necessary regulatory approvals, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(e) **Gold Price Volatility and Exchange Rate Risks**

If GGG achieves success leading to mineral production, the revenue it will derive through the sale of gold exposes the potential income of GGG to gold price and exchange rate risks. The gold price fluctuates and is affected by many factors beyond the control of GGG. Such factors include general world economic activity, world demand, supply and demand fluctuations for precious and base metals, forward selling activities, gold reserve movements at central banks, costs of production by gold producers, inflationary expectations, interest rates and other macro-economic and political factors.

Furthermore, the international price of gold is denominated in United States dollars, whereas the income derived from the sale of gold and operating expenditure of GGG are and will be taken into account in Australian currency, exposing GGG to the fluctuations and volatility of the rate of exchange between the United States dollar, the British Pound Sterling and the Australian dollar as determined in international markets.

(f) **Trading Price of GGG Shares**

GGG's credit quality, operating results, economic and financial prospects and other factors will affect the trading price of the GGG Shares. In addition, the price of GGG Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar, the British Pound Sterling and United States dollar performance on world markets, commodity price fluctuations, fluctuations in the global market for gold, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or British and Australian mining stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the GGG Shares.

In particular, the share prices for many companies have been and may in future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that GGG's market performance will not be adversely affected by any such market fluctuations or factors.

(g) **Joint Venture**

GGG is a 50:50 joint venturer with Auzex in the Bullabulling Joint Venture, each holding 50% of the Bullabulling Tenements. The Bullabulling Joint Venture is governed by a Joint Venture Agreement with Auzex. There is the risk that any dispute between the Bullabulling Joint Venturers could result in a deadlock. The Bullabulling Joint Venture Agreement has dispute resolution mechanisms that address any deadlock but any delay caused by implementing the dispute resolution process may impact adversely on GGG's operations, financial performance and financial position.

(h) **Environmental Bonds**

The Bullabulling Tenements are subject to unconditional performance bonds (approximately \$1.2 million, of which GGG has funded 50%) to cover the anticipated cost of rehabilitation of historical mining on the Bullabulling Tenements. The bonds may be increased in the future, either in relation to historical mining or new mining activities, which GGG would need to fund. Actual rehabilitation costs may need to be incurred in excess of the amount of the bonds.

(i) **Failure to Satisfy Expenditure Commitments**

Interests in Bullabulling Tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each tenement is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, GGG could lose title to or its interest in the Bullabulling Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(j) **Title Risk**

Although GGG has investigated title to all of its Bullabulling Tenements (as detailed in the Tenement Report set out in the Original Prospectus (as varied by the Replacement Prospectus)), GGG cannot give any assurance that title to such Bullabulling Tenements will not be challenged or impugned. The Bullabulling Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

(k) **No Takeover Protection under Corporations Act**

As a company incorporated in England and Wales, the rights of Shareholders are governed by United Kingdom law. The rights of shareholders under United Kingdom law differ in some respects from the rights of shareholders of companies incorporated in Australia.

As GGG is incorporated in England and Wales, the takeover provisions in the Corporations Act do not apply to GGG. In the United Kingdom, the City Code on Takeovers and Mergers (**City Code**) regulates all takeover and merger transactions, however effected, where the offeree company is, inter alia, a quoted or unquoted public company which has its registered office in the United Kingdom and its central management is in the United Kingdom (and to certain categories of private limited companies). The Company is such a company and its shareholders are entitled to the protection afforded by the City Code.

(l) **Joint Venture Budget Approvals**

GGG intends to continue with the current budgeted expenditure program in relation to the Bullabulling Gold Project. In accordance with the Bullabulling Joint Venture Agreement, the expenditure program is subject to Auzex's approval. There is a risk that Auzex will only agree to a lesser total budget, which may result in reductions to planned exploration programmes and a delay in development of the Bullabulling Gold Project.

(m) **Environmental and Safety Risks**

The operations and proposed activities of GGG are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, GGG's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. While GGG does not expect, from the information available, that these factors will impact on its ability to carry out its operations, there is always the possibility that there could be an adverse impact. It is GGG's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on GGG's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on GGG for damages, clean up

costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making GGG's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(n) **Taxation Risk**

Future changes in taxation law in Australia, including changes in interpretation or application of the law by courts or taxation authorities in Australia, may affect taxation treatment of an investment in GGG, or the holding or disposal of GGG Shares. Further changes in taxation law, or the way in which GGG operates, may impact GGG's future tax liabilities and may affect GGG's ability to provide returns to shareholders and/or alter the post-tax returns to shareholders.

(o) **Aboriginal Heritage**

Archaeological and ethnographic surveys in the Bullabulling Tenements have identified a number of sites of significance which have been registered with the Department of Indigenous Affairs. Approvals are required if these sites will be impacted by exploration or mining activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(p) **Native Title**

The Bullabulling Tenements extend over areas in which legitimate common law native title rights of indigenous Australians may exist. The ability of GGG to gain access to its Bullabulling Tenements and to conduct exploration, development and mining operations remains subject to native title rights and the terms of registered native title agreements.

The Directors will closely monitor the potential effect of native title claims involving Bullabulling Tenements in which GGG has or may have an interest.

(q) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of GGG depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on GGG if one or more of these employees cease their employment.

(r) **Insurance Risk**

GGG intends to insure its operations in accordance with industry practice. However, in certain circumstances, GGG's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by



insurance could have a material adverse effect on the business, financial condition and results of GGG.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(s) **Competition Risk**

The industry in which GGG will be involved is subject to domestic and global competition. Although GGG will undertake all reasonable due diligence in its business decisions and operations, GGG will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of GGG's projects and business.

(t) **Economic Risk**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on GGG's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of GGG's quoted securities regardless of GGG's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(u) **Share Market**

There are general risks associated with any investment and the share market. The price of GGG Shares on AIM or ASX (as the case may be) may rise and fall depending on a range of factors beyond GGG's control and which are unrelated to GGG's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

(v) **Regulatory Risk**

GGG's mining operations are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters.



GGG requires permits from regulatory authorities to authorise GGG's operations. These permits may relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict GGG from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of GGG's activities or forfeiture of one or more of the Bullabulling Tenements.

(w) **General Resource Sector Risk**

In common with other entities undertaking business in the natural resources sector, certain risks are substantially outside the control of GGG. These risks include abnormal stoppages in production or delivery due to factors such as industrial disruption, major equipment failure, accident, power failure or supply disruption, unforeseen adverse geological or mining conditions and/or changes to predicted ore or mineral quality, the state of supply and demand for gold in Australia and overseas markets and the effect of the gold price, changes in government regulations (including environmental regulations) and government imposts such as royalties, rail freight charges and taxes and risks to land titles, mining titles and the use thereof as a result of native title claim.

(x) **Force Majeure**

GGG's projects now or in the future may be adversely affected by risks outside the control of GGG including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(y) **Litigation Risks**

GGG is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, GGG may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on GGG's operations, financial performance and financial position. GGG is not currently engaged in any litigation.

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## **9. ADDITIONAL INFORMATION**

### **9.1 GGG's Interest in Auzex Shares**

As at the date of this Bidder's Statement:

- (a) GGG's voting power in Auzex was approximately 8.42%;
- (b) GGG has a Relevant Interest in 8,000,000 Auzex Shares; and
- (c) GGG has a Relevant Interest in 666,667 Auzex Options.

Immediately before the first Offer is sent:

- (a) GGG's voting power in Auzex was approximately 8.42%;
- (b) GGG has a Relevant Interest in 8,000,000 Auzex Shares; and
- (c) GGG has a Relevant Interest in 666,667 Auzex Options.

### **9.2 Acquisitions of Auzex Shares by GGG and its Associates**

During the 4 months immediately before the date of the Offer, neither GGG nor any Associate of GGG has provided, or agreed to provide, consideration for Auzex Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

### **9.3 No Escalation Agreements**

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

### **9.4 Collateral Benefits**

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

- (a) accept the Offer; or
- (b) dispose of their Auzex Shares,

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

### **9.5 Effect of Offer on Auzex Options**

The Offer does not extend to the Auzex Options. However, the Offer extends to all Auzex Shares that are issued during the period from the Record Date to the end of the Offer Period due to the exercise of the Auzex Options.

GGG may elect to make private treaty offers to holders of Auzex Options to acquire or cancel their options subject to the Offer becoming or being declared unconditional.

If not all the Auzex Options are exercised (or otherwise cancelled or acquired by GGG pursuant to private treaty agreements or other arrangements), and GGG is entitled to compulsorily acquire any outstanding Auzex Shares, GGG presently intends to seek to compulsorily acquire or cancel any outstanding Auzex Options pursuant to Part 6A.1 of the Corporations Act, although it reserves the right not to do so.

## **9.6 Disclosure of Information**

Due to the fact that GGG is offering GGG Shares as consideration for the acquisition of Auzex Shares under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of GGG Shares under Sections 710 to 713 of the Corporations Act.

As a company whose shares are quoted on AIM, GGG is subject to regular disclosure requirements. In particular, GGG is required to disclose information concerning its finances, activities and performance. This disclosure is available on GGG's website as well as on the AIM website.

If GGG is admitted to the Official List of ASX it will also be subject to the ASX Listing Rule disclosure requirements.

## **9.7 Interests and Benefits Relating to the Offer**

### **(a) Interests**

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

- (i) director or proposed director of GGG;
- (ii) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (iii) promoter of GGG; or
- (iv) broker or underwriter in relation to the issue of GGG Shares pursuant to the Offer or financial services licensee named in this Bidder's Statement as being involved in the issue of GGG Shares,

(together, the **Interested Persons**) has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (v) the formation or promotion of GGG;
- (vi) any property acquired or proposed to be acquired by GGG in connection with its formation or promotion or in connection with the offer of GGG Shares under the Offer; or
- (vii) the offer of GGG Shares under the Offer.

### **(b) Implied Value of the Offer**

Based on the closing price of a GGG Share on AIM on 11 March 2012 (the last trading day before the announcement of the Offer and

converted at a £ to A\$ exchange rate of 0.625 (£1 = A\$1.60)) of A\$0.622, the implied value of the Offer is A\$0.87 per Auzex Share.

Based on the closing price of a GGG Share on AIM on 13 April 2011 (the last practicable trading day before this Bidder's Statement was lodged with ASIC), of 31.88 pence, the implied value of the Offer is A\$0.69 per Auzex Share.

The implied value of the Offer will change as a consequence of changes in the market price of GGG Shares and the currency exchange rate between the £ and A\$ from time to time. The following table may assist Auzex Shareholders to determine the implied value of the Offer at different GGG Share price levels. The table is not an indication of prices at which GGG Shares may trade – GGG Shares may trade within this range or at higher or lower levels.

<b>Price of a GGG Share (£)</b>	<b>Price of a GGG Share* (A\$)</b>	<b>Implied offer price for a Auzex Share (\$)</b>
0.320	0.496	0.694
0.330	0.512	0.716
0.340	0.527	0.738
0.350	0.543	0.760
0.360	0.558	0.781
0.370	0.574	0.803
0.380	0.589	0.825
0.390	0.605	0.846
0.400	0.620	0.868
0.410	0.636	0.890
0.420	0.651	0.911
0.430	0.667	0.933
0.440	0.682	0.955
0.450	0.698	0.977
0.460	0.713	0.998
0.470	0.729	1.020

\*Prices have been calculated using a constant £ to A\$ exchange rate of £1=A\$1.55.

(c) **Disclosure of Fees and Benefits Received by Certain Persons**

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

- (i) to a director or proposed director of GGG to induce them to become, or to qualify as, a director of GGG; or
- (ii) for services provided by an Interested Person in connection with the formation or promotion of GGG or the offer of GGG Shares under the Offer.

On 3 March 2011, GGG executed an agreement under which Pendulum Capital Pty Limited (**Pendulum**) agreed to act as corporate advisor to GGG in relation to the Offer (**Pendulum Agreement**). A summary of the material terms of the Pendulum Agreement are:

- (iii) GGG agrees to pay to Pendulum the following:
  - (A) a monthly fee of \$12,000; and
  - (B) a fee of \$50,000 if GGG becomes entitled to or holds a Relevant Interest in Auzex of more than 50%; and
  - (C) reimbursement of any reasonable expenses incurred in relation to the Pendulum Agreement.
- (iv) Either party may terminate the Pendulum Agreement with or without cause by written notice at any time.

Steinepreis Paganin has agreed to act as Australian legal advisor to GGG in relation to the Offer and will be entitled to receive professional fees in accordance with its normal time based charges. At the date of this Bidder's Statement, up to the date of lodgement of this Bidder's Statement, GGG has paid or agreed to pay Steinepreis Paganin approximately \$100,000 for services in respect of the Offer and will pay further amounts in accordance with standard agreements.

Cobbetts LLP has agreed to act as United Kingdom legal advisor to GGG in relation to the Offer and will be entitled to receive professional fees in accordance with its normal time based charges. At the date of this Bidder's Statement, GGG has paid or agreed to pay Cobbetts LLP approximately \$6,250 for services and will pay further amounts in accordance with standard agreements.

BDO Corporate Tax (WA) Pty Ltd has provided certain taxation services to GGG in relation to the Offer. GGG has paid, or has agreed to pay, approximately \$3,500 for these services. Further amounts may be payable in accordance with its normal time based charges.

## 9.8 Disclosure of Interests of Directors

The directors of GGG have the following interests in GGG securities and Auzex securities (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

Director	GGG Shares	GGG Options	Warrants	Auzex Shares	Auzex Options
Peter Ruxton	1,283,668	2,175,000	-	Nil	Nil
Jeffrey Malaihollo	1,693,466	2,905,000	33,332	Nil	Nil

Ciceron Angeles	269,933	1,200,000	25,000	Nil	Nil
Michael Short	1,000,000	1,450,000	333,333	Nil	Nil
Nigel Clark	2,105,284	1,300,000	33,333	Nil	Nil
Paul McGroary	4,755,313	1,450,000	55,000	Nil	Nil
David McArthur	Nil	375,000	Nil	Nil	Nil

**Notes:**

1. This table includes interests held by related parties of the Directors.
2. Mr Paul McGroary is a shareholder and the Chairman of Marshall Lake Mining Plc (**Marshall**). Marshall holds 1,620,312 GGG Shares. Mr McGroary personally holds 3,135,000 GGG Shares.

## 9.9 Fees and Benefits of Directors

The Articles of GGG provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by GGG in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The annual remuneration (inclusive of superannuation) of the Directors for the last two financial years and the current financial year is as follows:

Director	2009 Financial Year	2010 Financial Year	2011 Financial Year*
Peter Ruxton	£6,250	£45,950	£12,250
Jeffrey Malaihollo	£75,593	£95,000	£20,000
Ciceron Angeles	£17,750	£52,100	£8,250
Michael Short	Appointed 4/6/2010	£7,000	£3,000
Nigel Clark	£18,500	£12,000	£3,000
Paul McGroary	£12,500	£25,500	£9,875
David McArthur	Nil	Nil	A\$10,000

\*This column sets out the remuneration of Directors for the period between 1 January 2011 to 31 March 2011.

GGG's financial year end is 31 December.

Directors, companies associated with the Directors or their Associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of GGG and other miscellaneous expenses.

The remuneration of Directors is reviewed annually by GGG. The figures for the 2011 Financial Year are current as at the date of this Bidder's Statement.

## **9.10 Expenses of the Offer**

The total amount of cash that GGG may become obliged to pay to satisfy all expenses incurred by GGG and relating to the Offer will be provided from GGG's existing cash balances.

GGG estimates it will incur fees for services provided in connection with the Offer, including for legal, taxation, financial advisers, share register and ASX and other professional fees, in the amount of approximately \$350,000 (excluding GST).

## **9.11 Material Litigation**

GGG is not aware of any litigation or threatened, or other legal proceedings in relation to GGG.

## **9.12 Foreign Shareholders**

Auzex Shareholders who are Foreign Shareholders will not be entitled to receive GGG Shares as consideration for their Auzex Shares pursuant to the Offer.

An Auzex Shareholder is a Foreign Shareholder for the purposes of the Offer if their address as shown in the register of members of Auzex is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a person will not be a Foreign Shareholder if GGG is satisfied that it is not legally or practically constrained from making the Offer to an Auzex Shareholder in the relevant jurisdiction and to issue Auzex Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, GGG is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The GGG Shares which would otherwise have been issued to Foreign Shareholders will instead be issued to the Sale Nominee who will sell these shares. The net proceeds of the sale of such shares will then be remitted to the relevant Foreign Shareholders. See Section 1.8 of Annexure A for further details.

## **9.13 Unmarketable Parcels**

If the total number of GGG Shares which an Auzex Shareholder is entitled to receive as consideration under the Offer is an Unmarketable Parcel, that Auzex Shareholder will be an Unmarketable Parcel Shareholder and will not be entitled to receive GGG Shares as consideration for its Auzex Shares pursuant to the Offer.

The GGG Shares which would otherwise have been issued to Unmarketable Parcel Shareholders will instead be issued to the Sale Nominee who will sell those shares. The net proceeds of the sale of such shares will then be remitted to the relevant Unmarketable Parcel Shareholders. See Section 1.9 of Annexure A for further details.

## **9.14 Status of Conditions**

The conditions of the Offer are set out in Section 1.10 of Annexure A. GGG will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.



As at the date of this Bidder's Statement, GGG is not aware of any events which would result in a breach or inability to satisfy the Conditions.

GGG will give a notice of the status of the Conditions in accordance with the Corporations Act on 27 May 2011 (subject to extension if the Offer Period Offer Period is extended).

#### **9.15 Incorporation of Documents by Reference**

This Bidder's Statement has been prepared in accordance with section 712 of the Corporations Act. This means that this Bidder's Statement does not, of itself, contain all the information that is generally required to be set out in a document of this type. Rather, this document incorporates other information by reference to information or documents that have been lodged with ASIC.

Accordingly, the following prospectuses issued by GGG in connection with the IPO which were lodged with ASIC are incorporated in this Bidder's Statement by reference:

- (a) initial prospectus dated 13 December 2010 (**Original Prospectus**);
- (b) replacement prospectus dated 7 January 2011 (**Replacement Prospectus**);
- (c) first supplementary prospectus dated 11 March 2011;
- (d) second supplementary prospectus dated 14 March 2011; and
- (e) third supplementary prospectus dated 28 March 2011 (**Third Supplementary Prospectus**).

A fourth supplementary prospectus will be lodged with ASIC on or about 15 April 2011.

Additionally, GGG's Annual Report for the year ended 31 December 2010 has been lodged with ASIC and is incorporated by reference in this Bidder's Statement.

Auzex Shareholders and their investment advisors can obtain a copy of these documents from GGG at its principal Australian office during normal business hours prior to the end of the Bid Period, free of charge.

In relation to the documents referred to above which are incorporated by reference, GGG notes the following:

- (a) Section 6.2 Corporate Information of the Original Prospectus (as varied by the Replacement Prospectus) and Section 4.1 Technical Subcommittee of the Third Supplementary Prospectus contains background information on GGG.
- (b) Section 6.3 Acquisition of 50% interest in the Bullabulling Project of the Original Prospectus (as varied by the Replacement Prospectus) contains background information on the Bullabulling Gold Project.
- (c) Section 7 Directors and Corporate Governance of the Original Prospectus (as varied by the Replacement Prospectus) and Section 4.2 Directors of the Third Supplementary Prospectus contains information on each of the Directors and the corporate governance policies of GGG.

- (d) Section 8 Independent Geologist's Report of the Original Prospectus (as varied by the Replacement Prospectus) contains the Independent Geologist's Report prepared by CSA Global Pty Ltd which was included in the Original Prospectus (as varied by the Replacement Prospectus) to assist investors and their advisors in making an assessment of the Bullabulling Gold Project and GGG's proposed exploration strategy.
- (e) Section 9 Investigating Accountant's Report of the Original Prospectus (as varied by the Replacement Prospectus) contains the Investigating Account's Report prepared by BDO Corporate Finance (WA) Pty Ltd. Appendix 4 of the Investigating Account's Report contains GGG's accounting policies.
- (f) Section 10 Tenement Report of the Original Prospectus (as varied by the Replacement Prospectus) contains the Tenement Report prepared by Hetherington Exploration and Mining Title Services Pty Ltd and sets out GGG's rights, interest and title to the tenements comprising the Bullabulling Gold Project.
- (g) Section 12 Material Contracts of the Original Prospectus (as varied by the Replacement Prospectus) and Section 4.3 Material Contracts of the Third Supplementary Prospectus contains the summaries of GGG's material contracts.
- (h) Section 13 Additional Information of the Original Prospectus (as varied by the Replacement Prospectus) sets out the rights attaching to shares, options and warrants issued by GGG.
- (i) Section 15 Glossary of the Original Prospectus (as varied by the Replacement Prospectus) sets out the glossary of terms used in the Original Prospectus (as varied by the Replacement Prospectus).
- (j) GGG's Annual Report for the year ended 31 December 2010 contains detailed notes and explanations related to the financial statements included in Section 2.6 of this Bidder's Statement as well as an outline of the Company's operations and activities during the financial year ended 31 December 2010.

## 9.16 Consents

Each of the parties referred to in this Section:

- (a) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section; and
- (b) has not caused or authorised the issue of this Bidder's Statement.

Each of the following has consented to being named in this Bidder's Statement in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC:

- (a) Steinepreis Paganin as Australian legal advisors to the Company in relation to the Offer;
- (b) Cobbetts LLP as United Kingdom legal advisors to the Company in relation to the Offer;

- (c) Pendulum Capital Pty Limited as corporate advisor to the Company in relation to the Offer;
- (d) Computershare Investor Services Pty Limited as Australian share registry of the Company;
- (e) Computershare Investor Services plc as United Kingdom share registry of the Company; and
- (f) BDO Corporate Tax (WA) Pty Ltd as tax advisors to the Company in relation to the Offer.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX. Under the Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact the Offer enquiry line on 1300 383 678 (or (03) 9415 4312 for international callers).

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from ASX without its consent.

#### **9.17 Other Material Information**

There is no other information material to the making of a decision by a holder of Auzex Shares whether or not to accept the Offer being information that is known to GGG and which has not previously been disclosed to Auzex Shareholders other than as is contained elsewhere in this Bidder's Statement.

#### **9.18 Expiry Date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

#### **9.19 Date for Determining Holders**

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

#### **9.20 Broker Handling Fees**

In the event that the Offer becomes or is declared unconditional, GGG will pay handling fees to brokers in respect of valid acceptances received from retail Auzex Shareholders, on the terms set out in this Section 9.20.

Subject to the terms below, if the Offer becomes or is declared unconditional, GGG will pay a handling fee (**Handling Fee**) to participating organisations of ASX (**Brokers**) in respect of valid acceptances from retail Auzex Shareholders they initiate in connection with the Offer (**Acceptances**). A retail Auzex Shareholder is one who is not a Broker or an associate of a Broker and who is,

as at the date of Acceptance, recorded on Auzex's share register as holding less than 100,000 Auzex Shares.

The Handling Fee payable in respect of an Acceptance will be 0.5% of the consideration payable by GGG under the Offer as a result of that Acceptance. For the purpose of calculating the Handling Fee payable, the consideration payable by GGG under the Offer will, in respect of each Acceptance, be determined using the 10 day VWAP of Auzex Shares ending on the Business Day before GGG's announcement that the Offer has become or has been declared unconditional.

The maximum Handling Fee payable in respect of any Acceptance by a retail Auzex Shareholder is \$200. GGG also proposes to pay a minimum broker handling fee of \$20 per Acceptance. No Handling Fees are payable in respect of:

- (a) Acceptances that are withdrawn;
- (b) on-market acquisitions of Auzex by GGG; or
- (c) acceptances over CHESS Holdings where an Auzex Shareholders returns an Acceptance Form to the Australian Registrar.

The fee is payable to Brokers only. In accepting the fee in respect of an acceptance, the relevant Broker must represent to GGG that neither it nor its associate is the accepting Auzex Shareholder and the fee will not be passed on or otherwise shared directly or indirectly with the accepting Auzex Shareholder.

The Handling Fee will be payable to any Broker who submits to the Australian Registrar:

- (a) a valid and duly completed claim form (**Claim Form**) which sets out:
  - (i) the Broker's Participant Identification Number; and
  - (ii) a representation that neither the Broker nor its associate is the accepting Auzex Shareholder and that the fee will not be passed on or otherwise shared directly or indirectly with the accepting Auzex Shareholder; and
- (b) a list of Acceptances (**Acceptance List**) which contains:
  - (i) the registered name and address for each Auzex Shareholder to which the Claim Form relates;
  - (ii) the Holder Identification Number or Securityholder Reference Number for each Auzex Shareholder to which the Claim Form relates;
  - (iii) the number of Auzex Shares accepted by each Auzex Shareholder and the date of the relevant Acceptance(s); and
- (c) if the Acceptance(s) is over an issuer sponsored holding, a copy of such Acceptance Form bearing the Broker's stamp,

such that they are received by the Australian Registrar in the formats described below by 5:00 pm (Perth Time) on the day which is 10 Business Days after the end of the Offer Period. The onus is on Brokers to make themselves

aware of the claims requirements and ensure that the Claim Form and Acceptance List is received before this time.

Claim Forms may be requested by email from the email address below. The Australian Registrar will provide its specific details to Brokers on the manner in which claims must be made. The Claim Form and the Acceptance List must be submitted to the Australian Registrar in hard copy format. The Acceptance List must also be emailed in Microsoft® Excel® format to the e-mail address below.

Claim Forms and Acceptance Lists must be forwarded to:

Computershare Investor Services Pty Limited  
Private and Confidential  
Attention: Stephen Dear  
"Yarra Falls"  
452 Johnston Street  
ABBOTSFORD VIC 3067  
Email: brokerhandlingfees@computershare.com.au

For any Auzex Shareholder on the CHESSE subregister, where that Auzex Shareholder directly requests GGG (and not the relevant Broker) to initiate acceptance of the Offer on their behalf, that Broker will not be entitled to receive the Handling Fee. No Handling Fees are payable in respect of Acceptances that are withdrawn. GGG reserves the right to aggregate any Acceptances in determining the Handling Fees payable to any Broker if GGG believes that a party has structured holdings of Auzex Shares to take advantage of the Handling Fees. GGG may in its discretion determine any disputes regarding whether a Handling Fee is payable.

Subject to the terms set out above, payment of the Handling Fee in respect of an Acceptance will be made by cheque within 10 Business Days of the later of:

- (a) the date of receipt by the Australian Registrar of:
  - (i) an Acceptance Form (if applicable) bearing the Broker's stamp; and
  - (ii) the Claim Form and the Acceptance List in the formats described above; and
- (b) the date the Offer becomes unconditional.

This Bidder's Statement is dated 15 April 2011 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of GGG.

A handwritten signature in black ink, appearing to read 'D McArthur', is positioned above a horizontal line.

Signed for and on behalf of

GGG Resources Limited  
David McArthur  
Finance Director

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## 10. DEFINITIONS AND INTERPRETATION

### 10.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

**Acceptance** means a valid acceptance received from a retail Auzex Shareholder in connection with the GGG Offer.

**Acceptance Form** means the form of acceptance for the Offer enclosed with this Bidder's Statement or alternatively any acceptance form sent to an Auzex Shareholder by GGG's share registry in relation to the Offer, as the context requires.

**Acceptance List** has the meaning given in Section 9.20.

**AIM** means the market of that name operated by the London Stock Exchange plc.

**AIM Rules** means the official listing rules of AIM, as amended from time to time.

**Announcement Date** means 14 March 2011 (Perth Time), being the date the Offer was announced on AIM.

**Articles** means the Memorandum and Articles of Association of GGG Resources plc.

**Associate** has the meaning given in chapter 6 of the Corporations Act.

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

**ASX Settlement Corporation** means ASX Settlement Pty Ltd ABN 49 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

**Australian Registrar** means the Computershare Investor Services Pty Limited.

**Australian Share Register** means the share register in Australia, comprising CHESS Sub-sub-register and the Issuer Sponsored Sub-register, which is maintained on behalf of GGG by the Australian Registrar.

**ASX** means the licensed securities exchange operated by ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

**ASX Listing Rules** means the official listing rules of ASX, as amended from time to time.

**Auzex** means Auzex Resources Limited (ACN 106 444 606).

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

**Auzex Group** means Auzex and its related entities.

**Auzex Option** means an option to acquire an Auzex Share.



**Auzex Share** means a fully paid ordinary share in the capital of Auzex.

**Auzex Shareholders** means all persons who hold Auzex Shares.

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

**Bidder's Statement** means this document including the Annexures.

**Brokers** means participating organisations of ASX who may be entitled to receive a Handling Fee pursuant to Section 9.20.

**Bullabulling Joint Venture** means the unincorporated joint venture between the Company and Auzex in relation to the Bullabulling Gold Project established and governed by the Bullabulling Joint Venture Agreement.

**Bullabulling Joint Venture Agreement** means the agreement summarised in Section 2.8 of this Bidder's Statement.

**Bullabulling Gold Project** means the Bullabulling gold deposit located in the Coolgardie region of Western Australia, including the Bullabulling Tenements and associated mine assets acquired by the Company and Auzex under the Bullabulling Sale and Purchase Agreement.

**Bullabulling Sale and Purchase Agreement** means the agreement summarised in Section 2.8 of this Bidder's Statement.

**Bullabulling Tenements** means the tenements in which the Company and Auzex have an interest in connection with the Bullabulling Gold Project.

**Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

**CDI** means a CHESS Depositary Interest representing a unit of beneficial ownership in a GGG Share registered in the name of CDN.

**CDN** means CHESS Depositary Nominees Pty Ltd.

**CGT** means capital gains tax as defined in the *Income Tax Assessment Act 1997*.

**CHESS** means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

**CHESS Holding** means a number of Auzex Shares which are registered on Auzex's share register being a registered administered by the ASX Settlement Corporation and which records uncertified holdings of shares.

**Claim Form** means a valid and duly completed claim form submitted by a Broker to Computershare Investor Services Pty Limited pursuant to Section 9.20.

**Conditions** means the conditions set out in Section 1.8(a) of Annexure A.

**Controlling Participant** in relation to Your Shares has the same meaning as in the ASX Settlement Operating Rules.

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

**CREST** means the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in

uncertificated form in the UK which is administered by Euroclear UK & Ireland Limited.

**CREST Regulations** means the *Uncertificated Securities Regulations 2001* (SI 2001 No. 3755), as amended from time to time.

**Director** means a director of GGG as at the date of this Bidder's Statement.

**Foreign Law** means a law of a jurisdiction other than Australia.

**Foreign Shareholder** means any Auzex Shareholder whose address, as entered in the register of members of Auzex, is in a jurisdiction other than Australia (and its external Territories) and New Zealand, unless GGG otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to an Auzex Shareholder in the relevant jurisdiction and to issue GGG Shares to such an Auzex Shareholder on acceptance of the Offer, and that it is not unlawful for such an Auzex Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

**GGG or Company** means GGG Resources plc (UK Registration Number 05277251 and ARBN 143 978 376).

**GGG Group** means GGG and its Subsidiaries.

**GGG Option** means an option to acquire a GGG Share.

**GGG Share** means a fully paid ordinary share in GGG, and where the context requires, a CDI.

**GGG Shareholder** means a holder of a GGG Share.

**Handling Fee** means the fee payable by GGG to Brokers in respect of Acceptances received from retail Auzex Shareholders in connection with the Offer in accordance with Section 9.20.

**IPO** means offers under the Prospectus for subscription up to 15,000,000 GGG Shares at an issue price of \$0.40 each to raise up to \$6,000,000 and the Company may accept oversubscriptions for up to a further 7,500,000 GGG Shares at an issue price of \$0.40 per GGG Share to raise up to an additional \$3,000,000.

**Issuer Sponsored Holding** means a holding of Auzex Shares on Auzex's issuer sponsored subregister.

**JORC Code** means the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

**Merged Entity** means GGG and its subsidiaries following the acquisition by GGG of all, or a portion of Auzex Shares on issue.

**Mineral Resources** has the meaning given in the JORC Code.

**Mt** means million tonnes.

**Offer** means the off market takeover offer by GGG of seven GGG Share for every five Auzex Shares on the terms and conditions set out in this Bidder's Statement.

**Offer Consideration** means seven GGG Shares for every five Auzex Shares.

**Offer Period** means the period during which the Offer is open for acceptance.

**Official List of the ASX** means the official list of entities that ASX has admitted and not removed.

**Participant** means an entity admitted to participate in the Clearing House Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.

**Perth Time** means Perth (Western Australian) Standard Time.

**Pre-Announcement Price** means the closing price of Auzex Shares on ASX or GGG Shares on AIM, as the case may be, on 11 March 2011, being the last trading day prior to the announcement of the Offer.

**Prospectus** has the meaning given to that term in Section 2.9.

**Public Authority** means any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia, the United Kingdom or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX, LSE or any other stock exchanges.

**Record Date** means the date set by GGG under Section 633(2) of the Corporations Act, being 7pm (Perth time) on 20 April 2011.

**Relevant Interest** has the meaning given in Section 9 of the Corporations Act.

**Rights** means all accreditations, benefits and rights attaching to or arising from Auzex Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Auzex).

**Sale Nominee** has the meaning given in Section 1.8 of Annexure A to this Bidder's Statement.

**Shareholder** means a holder of GGG Shares.

**Subsidiary** means a subsidiary within the meaning given to that term in Section 9 of the Corporations Act.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

**United Kingdom Registrar** means Computershare Investor Services plc.

**United Kingdom Share Register** means the share register in the United Kingdom, comprising the register of members of the Company holding GGG Shares in both certificated and uncertificated form through CREST, which is maintained on behalf of GGG by the United Kingdom Registrar.

**Unmarketable Parcel** means a number of GGG Shares which is less than a "marketable parcel" under the market rules of the ASX (currently a parcel of less than \$500), calculated based on the highest closing price for GGG Shares published during the Bid Period (or, in relation to GGG Shares issued in respect of accepting Auzex Shareholders during the Bid Period, based on the highest

closing price for GGG Shares published between the start of the Bid Period until the last trading day before GGG issues those GGG Shares).

**Unmarketable Parcel Shareholder** means an Auzex Shareholder in respect of whom the total number of GGG Shares to which that Auzex Shareholder would be entitled to receive as consideration under the Offer is an Unmarketable Parcel.

**VWAP** means volume weighted average price of 'on market' trades on ASX (i.e. normal trades, cross trades, stabilisation trades and short sell trades).

**Warrant** means the warrant instrument described in Section 3.9.

**\$** means Australian dollars.

**£** means British pounds sterling.

**US\$** means United States dollars.

**Your Shares** means the Auzex Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Auzex at the opening of business (Perth Time) on the Record Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

## 10.2 Interpretation

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

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a Section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;

- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Offer is made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

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## **ANNEXURE A – TERMS OF OFFER**

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### **1.1 General Terms**

- (a) GGG offers to acquire all of Your Shares, together with all Rights attached to them, on the following terms and conditions set out in this Offer.
- (b) The Offer Consideration being offered by GGG for the acquisition of all of Your Shares is seven (7) GGG Shares for every five (5) Auzex Shares you own, subject to the terms and conditions set out in this Offer.
- (c) If, after aggregating all your holdings, you become entitled to a fraction of a GGG Share under the Offer, the number of GGG Shares will be rounded up to the nearest whole GGG Share (if equal to a fraction of 0.5 or greater) or rounded down (if equal to a fraction of less than 0.5).
- (d) If you are a Foreign Shareholder at the time the Offer is made to you then, despite any other provision of this Offer, you are offered and will receive for Your Shares a cash amount calculated under Section 1.8 of this Annexure A.
- (e) If you accept the Offer and are eligible under the Offer to be issued an Unmarketable Parcel of GGG Shares, the GGG Shares to which you would otherwise be entitled under the Offer will be sold by the Sale Nominee as if you were a Foreign Shareholder, with the net proceeds of the sale remitted to you in accordance with Section 1.9 of this Annexure A.
- (f) The GGG Shares to be issued pursuant to this Offer will be fully paid and, from their date of issue, rank equally in all respects with existing GGG Shares currently on issue.
- (g) The rights and obligations of the GGG Shares to be issued under the Offer are summarised in Section 3 of the Bidder's Statement.
- (h) The Offer is dated 3 May 2011.

### **1.2 Offer Period**

- (a) Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5:00 pm (Perth Time) on the later of:
  - (i) 6 June 2011; or
  - (ii) any date to which the Offer Period is extended, in accordance with the Corporations Act.
- (b) GGG reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
  - (i) the Offer is varied to improve the consideration offered; or

- (ii) GGG's voting power in Auzex increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with Section 624(2) of the Corporations Act.

### **1.3 Who May Accept**

- (a) An Offer in this form and bearing the same date is being made to each person registered as a holder of Auzex Shares on Auzex's register of members at open for business (Perth Time) on the Record Date.
- (b) The Offer also extends to each person who, during the period from the Record Date until the end of the Offer Period, becomes registered as a holder of Auzex Shares due to the conversion of, or exercise of rights conferred by options that are on issue at the Record Date and any person who becomes registered, or is entitled to be registered as the holder of Your Shares during the Offer Period.
- (c) A person who:
  - (i) is able during the Offer Period to give good title to a parcel of Auzex Shares; and
  - (ii) has not already accepted this Offer which relates to those Auzex Shares,may accept as if an Offer from GGG on terms identical with this Offer had been made to that person in relation to those Auzex Shares.
- (d) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of Your Shares, then:
  - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Auzex Shares; and
  - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Auzex Shares you hold to which the Offer relates; and
  - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (e) If at any time during the Offer Period you are registered as the holder of one or more parcels of Auzex Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer has been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each distinct parcel, you must comply with the procedure in Section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the GGG Offer Information Line 1300 710 755 (local call costs) from within Australia, or +61 2 8022 7902 (normal call charges apply) from outside Australia to request those additional copies. Calls to this number may be recorded.



- (f) This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). The Offer is not registered in New Zealand, but is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002. It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.
- (g) If Your Shares are registered in the name of broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting this Offer.

#### **1.4 How to Accept this Offer**

- (a) You may only accept this Offer in respect of all (and not a lesser number) of Your Shares. For example, if you have 10,000 Auzex Shares and you wish to accept the Offer, you may only accept this Offer in respect of 10,000 Auzex Shares.
- (b) You may accept this Offer at any time during the Offer Period.
- (c) **Auzex Shares held in your name on Auzex's issuer sponsored subregister**

To accept this Offer for Auzex Shares held in your name on Auzex's issuer sponsored subregister (in which case your Securityholder Reference Number will commence with 'I'), you must:

- (i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form;
  - (ii) make a valid and distinct election to receive either Australian registered GGG Shares or United Kingdom registered GGG Shares in accordance with the instructions of the Acceptance Form. Where no election is made, or where no election can be validly distinguished as constituting an election, or in the event that GGG is not admitted to the Official List of the ASX prior to the end of the Offer Period (unless extended), then subject to Section 1.5 of the Annexure A, the acceptance of the Offer will be deemed to have been made to receive United Kingdom registered GGG Shares; and
  - (iii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (d) **Auzex Shares held in your name in a CHESS Holding**
  - (i) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (this is normally the stockbroker either through whom you bought Your Shares or through whom you ordinarily acquire shares on ASX) to initiate acceptance of this

Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

- (ii) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (iii) Alternatively, to accept this Offer for Auzex Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must:
  - (A) sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form;
  - (B) make a valid and distinct election to receive either Australian registered GGG Shares or United Kingdom registered GGG Shares in accordance with the instructions of the Acceptance Form. Where no election is made, or where no election can be validly distinguished as constituting an election, or in the event that GGG is not admitted to the Official List of the ASX prior to the end of the Offer Period (unless extended), then subject to Section 1.5 of the Annexure A, the acceptance of the Offer will be deemed to have been made to receive United Kingdom registered GGG Shares; and
  - (C) ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (iv) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(e) **Acceptance Form and Other Documents**

- (i) The Acceptance Form forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.
- (ii) For your acceptance to be valid you must ensure that your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) are posted or delivered in sufficient time for it to be received by GGG at the address shown on the Acceptance Form before the end of the Offer Period. You may only return your Acceptance Form by facsimile with the prior approval of GGG.
- (iii) The postage and transmission of the Acceptance Form and other documents is at your own risk.

- (iv) When accepting the Offer, you must also forward for inspection:
  - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
  - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Auzex Shareholder, the relevant grant of probate or letters of administration.

## **1.5 Validity of Acceptances**

- (a) Subject to this Section 1.5 of this Annexure A, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in Section 1.4 of this Annexure A.
- (b) GGG may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares even if a requirement for acceptance has not been complied with.
- (c) GGG may at any time in its sole discretion:
  - (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and
  - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Auzex Shares, treat the acceptance as a valid acceptance in respect of all of your Auzex Shares.
- (d) In respect of any part of an acceptance treated by it as valid, GGG will provide you with the relevant consideration in accordance with Section 1.7(a) of this Annexure A, and the exercise of GGG's rights under this Section 1.5 of this Annexure A will be conclusive and only evidenced by its so doing. The payment of consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by GGG.
- (e) This Section is not a condition of this Offer.

## **1.6 The Effect of Acceptance**

- (a) Subject to Section 1.10(c) of this Annexure A, once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offer or otherwise dispose of Your Shares, except as follows:
  - (i) if, by the times specified in Section 1.6(b) of this Annexure A, the conditions in Section 1.10(a) of this Annexure A have not all been fulfilled or waived, the Offer will automatically terminate and Your Shares will be returned to you; or

- (ii) if the Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when GGG has to meet its obligations under the Offer, and, at the time, the Offer is subject to one or more of the conditions in Section 1.10(a) of this Annexure A, you may be able to withdraw your acceptance in accordance with Section 650E of the Corporations Act.
- (b) The relevant times for the purposes of Section 1.6(a) are:
  - (i) in relation to the condition in Section 1.10(a)(ix) of this Annexure A, the end of the third business day after the end of the Offer Period; and
  - (ii) in relation to all other conditions in Section 1.10(a) of this Annexure A, the end of the Offer Period.
- (c) By following the procedures described in Section 1.4 of this Annexure A, you will be deemed to have:
  - (i) accepted this Offer (and any variation to it) in respect of the Auzex Shares registered in your name to which this Offer relates, regardless of the number of Auzex Shares specified in the Acceptance Form;
  - (ii) agreed to the terms of the Offer and, subject to the conditions contained in Section 1.10(a) of this Annexure A being fulfilled or waived, agreed to transfer to GGG all of your Auzex Shares and all of the Rights attached to those Auzex Shares;
  - (iii) agreed to accept the consideration being offered by GGG and have authorised GGG to place your name on its register of shareholders in respect of GGG Shares offered by GGG as consideration, and agreed to be bound by the Articles of GGG;
  - (iv) authorised GGG to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:
    - (A) to make the Acceptance Form an effective acceptance of this Offer; and/or
    - (B) to enable registration of the transfer to GGG of your Auzex Shares;
  - (v) irrevocably authorised and directed Auzex to pay to GGG or to account to GGG for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Offer in respect of your Auzex Shares (subject to GGG accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
  - (vi) represented and warranted to GGG that:

- (A) GGG will acquire good title to and beneficial ownership of all of your Auzex Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
  - (B) you have paid Auzex all amounts which are due in respect of your Auzex Shares;
  - (C) all of your Auzex Shares are fully paid; and
  - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Auzex Shares (together with all Rights attached to them) to GGG;
- (vii) unless you are a Foreign Shareholder (as that expression is defined in Section 10.1 of this Bidder's Statement), or entitled to an Unmarketable Parcel of GGG Shares under the Offer, agreed to accept the GGG Shares to which you become entitled by accepting this Offer subject to the Articles and the terms of issue of the GGG Shares and to have authorised GGG to place your name on its register of shareholders as the holder of the GGG Shares issued to you under the Offer;
- (viii) acknowledged and agreed that if you are a Foreign Shareholder, GGG will arrange for any GGG Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in Section 1.8 of this Annexure A;
- (ix) represented and warranted to GGG that the making by GGG to you, and your acceptance, of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer, and to your acceptance of this Offer;
- (x) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) GGG and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Auzex Shares or in exercise of any right or power derived from the holding of your Auzex Shares including, without limitation:
- (A) attend and vote in respect of your Auzex Shares at any and all meetings of Auzex;
  - (B) requisition or join with other holders of Auzex Shares in requisitioning and/or convening a meeting of the members of Auzex;
  - (C) demand a poll for any vote to be taken at any meeting of Auzex Shareholders;
  - (D) propose or second any resolutions to be considered at any, and all meetings of Auzex Shareholders;

- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of GGG as a proxy in respect of all or any of your Auzex Shares and a transfer form for your Auzex Shares), proxies, consents, agreements and resolutions relating to your Auzex Shares;
- (F) request Auzex to register in the name of GGG or its nominee your Auzex Shares which you hold on any register of Auzex; and
- (G) do all things incidental or ancillary to the foregoing,

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

- (xi) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of Auzex or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on GGG and the directors, secretaries and other officers of GGG by Section 1.6(c)(x) of this Annexure A;
  - (xii) irrevocably authorised GGG to notify Auzex on your behalf that your place of address for the purposes of serving notices in respect of your Auzex Shares is the address specified by GGG in the notification;
  - (xiii) represented and warranted to GGG that, unless you have notified it in accordance with Section 1.3(e) of this Annexure A, your Auzex Shares do not consist of a separate parcel of shares; and
  - (xiv) agreed, subject to the conditions of this Offer in Section 1.10(a) of this Annexure A being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that GGG may consider necessary or desirable to convey your Auzex Shares registered in your name and Rights to GGG.
- (d) The representations, warranties, undertakings and authorities referred to in this Section 1.6 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your Auzex Shares and after GGG becomes the register as the holder of them.

## 1.7 Payment of Consideration

- (a) Subject to the terms of this Offer and the Corporations Act, GGG will provide the consideration for Your Shares on or before the earlier of:
  - (i) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- (c) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with your acceptance, GGG will provide the consideration in accordance with Section 1.7(a) of this Annexure A;
  - (ii) if that document is given after acceptance and before the end of the Offer Period while this Offer is subject to a defeating condition, GGG will provide the consideration by the end of whichever of the following periods ends earlier:
    - (A) within one month after this Offer become unconditional; or
    - (B) 21 days after the end of the Offer Period;
  - (iii) if that document is given after Acceptance Form of the Offer Period while this Offer is not subject to a defeating condition, GGG will provide the consideration due to you on or before the earlier of:
    - (A) one month after that document is given to GGG; and
    - (B) 21 days after the end of the Offer Period; and
  - (iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, GGG will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event of circumstances referred to in Section 652C(1) or (2) of the Corporations Act, GGG will provide the consideration for you within 21 days after the Offer becomes unconditional.
- (d) Subject to Sections 1.8 and 1.9 of this Annexure A, the obligation of GGG to allot and issue any GGG Shares to which you are entitled under the Offer will be satisfied:
  - (i) by entering your name on the register of members of GGG; and



- (ii) dispatching or procuring the dispatch to you by pre-paid post to your last recorded address on the most recent copy of Auzex's register of members after the Offer goes unconditional, an uncertificated holding statement in your name. If Your Shares are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to the last recorded address on the most recent copy of Auzex's register of members..
- (e) If, at the time you accept the Offer, any of the following:
  - (i) Banking (Foreign Exchange) Regulations 1959 (Cth);
  - (ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
  - (iii) Charter of the United Nations (Sanctions – Al-Qaida and the Taliban) Regulations 2008 (Cth);
  - (iv) Charter of the United Nations (Sanctions - Iraq) Regulations 2008 (Cth); or
  - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Shares, or would make it unlawful for GGG to provide any consideration to you for Your Shares, you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by GGG. As far as GGG is aware, as at the date of this Bidder's Statement, the persons to whom this Section 1.7(e) of this Annexure A will apply are: prescribed supporters of the former government of Yugoslavia; ministers and senior officials of the Government of Zimbabwe; persons associated with the former government of Iraq (including senior officials, immediate family members of senior officials, or entities controlled by any of those persons); Osama bin Laden; the Taliban; members of the Al Qaida organisation; and a person named in the list maintained pursuant to Section 2 of Resolution 1390 of the Security Council of the United Nations.

## 1.8 Foreign Shareholders

- (a) If you are a Foreign Shareholder (as that expression is defined in Section 10.1 of this Bidder's Statement), you will not be entitled to receive GGG Shares as the consideration for Your Shares as a result of accepting the Offer, and GGG will:
  - (i) arrange for the issue to a nominee approved by ASIC (the **Sale Nominee**) of the number of GGG Shares to which you and all other Foreign Shareholders would have been entitled but for Section 1.1(d) of this Annexure A and the equivalent provision of each other offer under the Offer;
  - (ii) cause the GGG Shares so issued to be offered for sale by the Sale Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and

conditions as are determined by the Sale Nominee acting in good faith; and

- (iii) cause the Sale Nominee to pay, to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Foreign Shareholders who accept the Offer receive the same value per Auzex Share, subject to rounding):

$$\frac{\text{Net Proceeds of Sale} \times \text{YS}}{\text{TS}}$$

Where:

**Net Proceeds of Sale** is the amount received by the Sale Nominee upon the sale of GGG Shares under this Section 1.8 of this Annexure A, less the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges);

**YS** is the number of GGG Shares which would, but for Sections 1.8(a) and 1.1(d) of this Annexure A, have been allotted and issued to you; and

**TS** is the total number of GGG Shares allotted and issued to the Sale Nominee under this Section 1.8 of this Annexure A in respect of the Auzex Shares held by all Foreign Shareholders.

- (b) You will be paid your share of the proceeds of the sale of GGG Shares by the Sale Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders by airmail) as soon as practicable and in any event within the period required by the Corporations Act to the address provided on your Acceptance Form.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of GGG Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

## 1.9 Unmarketable Parcels

If you accept the Offer and are eligible under the Offer to be issued an Unmarketable Parcel of GGG Shares, the GGG Shares to which you would otherwise be entitled under the Offer will be sold by the Sale Nominee as if you were a Foreign Shareholder, with the net proceeds of the sale remitted to you in accordance with Section 1.8 of this Annexure A with references to "Foreign Shareholder" read accordingly.

## 1.10 Conditions of this Offer

- (a) Subject to Sections 1.10(b), 1.10(c) and 1.10(d) of this Annexure A, the Offer and any contract that results from acceptance of the Offer is subject to the fulfilment of the following conditions:
  - (i) Minimum interest

During, or at the end of, the Offer Period, GGG and its Associates together have Relevant Interests in at least 50.1% of Auzex Shares.

(ii) Foreign Acquisitions and Takeovers Act

Prior to the end of the Offer Period, if required, the Treasurer consents on an unconditional basis under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) to the proposed acquisition by GGG of Auzex Shares under the Offer and the Treasurer is taken to have so consented:

- (A) if GGG receives written advice from or on behalf of the Treasurer to the effect that the acquisition of Auzex is not inconsistent with the Australian Government's foreign investment policy or is not objected to under the FATA; or
- (B) if notice of the proposed acquisition of Auzex is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the FATA in relation to the proposed acquisition because of lapse of time.

(iii) Approvals

GGG receives all regulatory and shareholder approvals or consents:

- (A) that are necessary to permit the Offer to be lawfully made to and accepted by Auzex Shareholders and completed; or
- (B) that are required as a result of the Offer or the successful acquisition of Auzex Shares and are necessary for the continued operation of the business of Auzex or GGG; or
- (C) that are required or imposed by ASX, ASIC, AIM or the Takeovers Panel,

in each case on an unconditional basis, or on the basis of conditions that impose only non-material requirements incidental to approval or consent and, at the end of the Offer Period, all of those approvals and consents remain in full force and effect in all respects and are not subject to any notice of intention or indication of intention to revoke, suspend, restrict, modify or not renew those approvals or consents.

(iv) No material adverse effect

That no Specified Event or series of Specified Events occurs or becomes apparent that will, or is reasonably likely to, have a material adverse effect on the business, assets and liabilities, financial position and performance, profits and losses or prospects of Auzex and its Subsidiaries, including as a result of making the Offer or the acquisition of Auzex pursuant to the Offer. For these purposes, a "Specified Event" is:

- (A) an event or occurrence that occurs on or after the Announcement Date and before the end of the Offer Period;
  - (B) an event or occurrence that occurs before the Announcement Date but only becomes apparent or is announced or publicly disclosed between the Announcement Date and the end of the Offer Period; or
  - (C) an event or occurrence that will or is reasonably likely to occur following the Offer Period and which has not been publicly announced prior to the Announcement Date.
- (v) No material acquisitions, disposals, or new commitments

Except for any proposed transaction or project publicly announced by Auzex before the Announcement Date, none of the following events occur during the period from the Announcement Date to the end of the Offer Period:

- (A) Auzex or a Subsidiary of Auzex, acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or an interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$3.5 million or makes an announcement about such an acquisition offer or agreement;
- (B) Auzex, or a Subsidiary of Auzex, disposes of, offers to dispose or agrees to dispose of one or more companies, businesses or assets (or an interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in Auzex's balance sheet as at 31 December 2010) is, in aggregate greater than \$3.5 million or makes an announcement about such a disposition, offer or agreement;
- (C) Auzex, or a Subsidiary of Auzex, enters into, offers to enter into, or agrees to enter into, any agreement, joint venture, partnership, farm-in agreement, management agreement or commitment which would require expenditure, or the foregoing of revenue, by Auzex and/or its Subsidiaries of an amount which is, in aggregate, more than \$3.5 million or makes an announcement in relation to such an entry, offer or agreement; or
- (D) Auzex or a Subsidiary increases its liabilities, borrowings or indebtedness by more than \$3.5 million or makes an announcement in relation to any such increase of liabilities, borrowings or indebtedness;
- (E) Auzex, or a Subsidiary of Auzex, incurs or commits to, or brings forward the time for incurring or committing to, or grants to another person a right to exercise of which

would involve Auzex or any Subsidiary of Auzex incurring or committing to, any capital expenditure, borrowing or liability (or foregoes revenue) for one or more related items of in aggregate greater than \$3.5 million or makes an announcement about such commitment;

- (F) Auzex or any Subsidiary enters into, or offers to enter into, or agrees to enter into, a transaction that has the same economic effect as any of the things in Sections (A) to (E) above or resolves to do any of the things in Sections (A) to (E) above or this Section (F);
- (G) Auzex or any Subsidiary makes or announces any changes to its constitution or proposes or passes any special resolution;
- (H) Auzex or any Subsidiary issues or agrees to issue any equity, debt or hybrid security (other than on an exercise of an Auzex Option on issue at the Announcement Date);
- (I) Auzex or any Subsidiary gives or agrees to give any encumbrance over any of its assets otherwise than in the ordinary course of business;
- (J) Auzex or any Subsidiary enters into, agrees to enter into, or renews any contract of service or varies or agrees to vary any existing contract of service with any current or proposed director or manager;
- (K) Auzex or any Subsidiary pays or agrees to pay any retirement benefit or allowance to any current or proposed director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration or the terms of redundancy or other employee entitlements of any current or proposed director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date); or
- (L) Auzex or any Subsidiary conducts its business otherwise than in the ordinary course.

(vi) No Restraining Orders

Between the Announcement Date and the end of the Offer Period:

- (A) no court or Public Authority has issued, taken steps to issue or threatened to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition;

- (B) there is no preliminary or final decision, order or decree, ruling, legal restraint, prohibition, other action or refusal issued by a court or Public Authority in effect;
- (C) no application is made to any court or Public Authority (other than by GGG) or any of its Subsidiaries or related bodies corporate) or action, inquiry or investigation is announced, threatened or commenced by a court or Public Authority,

in consequence of, or in connection with, the Offer (including a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:

- (D) restrains or prohibits (or if granted or completed could reasonably be expected to restrain or prohibit or establish grounds for restraining or prohibiting), or delays or imposes material additional conditions or amendments to (or if granted or completed could reasonably be expected to delay or impose material additional conditions or amendments to), or otherwise materially adversely affects, or could reasonably be expected to materially adversely affect, the making of the Offer or the completion of any other transaction contemplated by the Offer (whether subject to conditions or not) or the rights of GGG or any of its related bodies corporate in respect of Auzex and the Auzex Shares to be acquired under the Offer, or the business, assets, profits, financial or trading position or prospects of the Auzex Group as GGG or its related bodies corporate intend to operate the Auzex Group; or
- (E) requires or prevents (or if granted or completed could reasonably be expected to require or prevent or establish grounds for requiring or preventing) the divestiture by GGG or any related body corporate of any Auzex Shares, or the divestiture of any assets of GGG or any related body corporate, the Auzex Group or otherwise.

(vii) No Person Exercising Rights under Certain Agreements or Instruments

Between the Announcement Date and the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights, or refuses to give any consent or approval, under any provision of any agreement or other instrument (including any permit or licence) to which Auzex or any Subsidiary is a party, or by or to which Auzex or any Subsidiary or any of their assets may be bound or be subject, which results, or could result, to an extent which is material in the context of Auzex or the Auzex Group taken as a whole, in:

- (A) any monies borrowed by or indebtedness or liability (actual or contingent) of Auzex or any Subsidiary being or becoming repayable or being capable of being

declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;

- (B) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
- (C) the interest of Auzex or any Subsidiary in any firm, joint venture, trust, corporation or other entity or asset, property or estate (or any arrangements relating to such interest) being terminated, modified or ceasing to exist); or
- (D) the business, assets, profits, financial or trading position of Auzex or any Subsidiary with any other person being adversely affected,

as a result of the acquisition of Auzex Shares by GGG or the change of any voting or management control over Auzex or its Subsidiaries.

(viii) Distribution and Capital Reductions

Between the Announcement Date and the end of the Offer Period, neither Auzex nor any Subsidiary of Auzex makes or declares or announces an intention to make or declare any distribution (whether by way of dividend, special dividend, capital reduction or otherwise and whether in cash or in specie) other than:

- (A) any distribution which has been publicly announced by Auzex before the Announcement Date; or
- (B) the declaration and/or payment by any Subsidiary of a dividend where the only recipient of that dividend is Auzex or a wholly owned Subsidiary.

(ix) No Prescribed Occurrences

None of the following events happen in the period between the Announcement Date and the end of the Offer Period:

- (A) Auzex converting all or any of its shares into a larger or smaller number of shares under Section 254H of the Corporations Act;
- (B) Auzex or a Subsidiary of Auzex resolving to reduce its share capital in any way;
- (C) Auzex or a Subsidiary of Auzex entering into a buyback agreement or resolving to approve the terms of a buyback agreement under Sub-Sections 257C(1) or 257D(1) of the Corporations Act;
- (D) Auzex or a Subsidiary of Auzex making an issue of shares or granting an option over its shares or agreeing to make such an issue or grant such an option, other



than an exercise of an Auzex Option on issue at the Announcement Date;

- (E) Auzex or a Subsidiary of Auzex issuing, or agreeing to issue, convertible notes;
  - (F) Auzex or a Subsidiary of Auzex disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
  - (G) Auzex or a Subsidiary of Auzex charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
  - (H) Auzex or a Subsidiary of Auzex resolving that it be wound up;
  - (I) the appointment of a liquidator or provisional liquidator of Auzex or of a Subsidiary of Auzex;
  - (J) the making of an order by a court for the winding up of Auzex or of a Subsidiary of Auzex;
  - (K) an administrator of Auzex or of a subsidiary of Auzex being appointed under Sections 436A, 436B or 436C of the Corporations Act;
  - (L) Auzex or a subsidiary of Auzex executing a deed of company arrangement; or
  - (M) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of Auzex or of a subsidiary of Auzex.
- (b) Each condition in Section 1.10(a) of this Annexure A is a separate, several and distinct condition, operates as a condition subsequent (with the exception of the conditions in Sections 1.10(a)(ii) and 1.10(a)(iii) of this Annexure A) and is for the benefit of GGG alone and may only be relied upon by GGG.
- (c) The conditions at Sections 1.10(a)(ii) and 1.10(a)(iii) of this Annexure A are conditions precedent to the acquisition by GGG of any interest in Auzex Shares of a kind which would cause a breach of the provisions of laws referred to therein. Notwithstanding your acceptance of the Offer, unless and until the conditions in those sections are fulfilled:
- (i) no contract for the sale of Your Shares will come into force or be binding on you or GGG;
  - (ii) GGG will have no rights (conditional or otherwise) in relation to Your Shares;
  - (iii) if any of Your Shares are held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those shares by having your Controlling Participant transmit a valid originating message to ASX Settlement Corporation specifying the shares to be released from the sub-position, in accordance

with Rule 14.16 of the ASX Settlement Operating Rules, at any time prior to the fulfilment of those conditions; and

- (iv) if any of Your Shares are not held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those shares by sending a notice to that effect signed by you (or on your behalf, in which case documentation providing that the person or persons signing the notice are authorised to do so must accompany the notice) to any of the addresses specified on the Acceptance Form, so that it is received at the relevant address at any time prior to the fulfilment or freedom of those conditions.
- (d) Other than the conditions in Sections 1.10(a)(ii) and 1.10(a)(iii) of this Annexure A all the conditions in Section 1.10(a) of this Annexure A are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in Section 1.10(a)(ix) of this Annexure A, until the end of the third business day after the end of the Offer Period), prevent a contract to sell Your Shares from arising, but entitles GGG by written notice to you, to rescind the contract resulting from your acceptance of this Offer.

#### **1.11 Freeing the Offer of Conditions**

GGG may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.10(a) of this Annexure A by giving notice to Auzex declaring the Offer to be free from the relevant conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given:

- (a) in relation to the condition in Section 1.10(a)(ix) of this Annexure A that comprise an event or circumstance referred to in Sections 652C(1) or (2) of the Corporations Act in relation to Auzex – not later than 3 business days after the end of the Offer Period; and
- (b) in relation to all other conditions in Section 1.10(a) not less than 7 days before the end of the Offer Period.

#### **1.12 Freeing the Offer from Conditions**

- (a) If, at the end of the Offer Period (or in the case of the condition at Section 1.10(a)(ix) of this Annexure A, at the end of the third business day after the end of the Offer Period), the conditions in Section 1.10(a) of this Annexure A have not been fulfilled and GGG has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.
- (b) Subject to the provisions of the Corporations Act, GGG alone will be entitled to the benefit of the conditions in Section 1.10(a) of this Annexure A and any breach or non-fulfilment thereof may be relied upon only by GGG.

#### **1.13 Notice of Status of Conditions**

The date for giving the notice required by Section 630(1) of the Corporations Act is 27 May 2011, subject to extension in accordance with 630(2) if the Offer Period is extended.

#### **1.14 Quotation**

- (a) An application will be made within 7 days after the start of the Bid Period to AIM for the granting of quotation of the GGG Shares to be issued in accordance with the Offer. However, quotation is not granted automatically on application.
- (b) An application will be made within 7 days after the start of the Bid Period to ASX for the granting of quotation of the GGG Shares to be issued in accordance with the Offer. However, quotation is not granted automatically on application.
- (c) Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for quotation by AIM or ASX (as the circumstances require) of the GGG Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void.

#### **1.15 Withdrawal of Offer**

GGG may withdraw this Offer at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, GGG will give notice of the withdrawal to ASX and to Auzex and comply with any other conditions imposed by ASIC.

#### **1.16 Variation**

GGG may vary this Offer in accordance the Corporations Act.

#### **1.17 Stamp Duty or Other Costs**

- (a) All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp duty payable in respect of the transfers will be paid by GGG.
- (b) As long as your Auzex Shares are registered in your name and you deliver them directly to GGG, you will not incur any brokerage in connection with your acceptance of this Offer.

#### **1.18 Governing Law**

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

#### **1.19 Date of Offer**

This Offer is dated 3 May 2011.

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**ANNEXURE B - GGG'S AIM ANNOUNCEMENTS**

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GGG has lodged the following announcements with AIM since the lodgement of GGG's half yearly financial report as at 31 December 2010:

<b>Date Lodged</b>	<b>Description of Document</b>
05/04/2011	Bullabulling Gold Project - Resources Drilling Update
31/03/2011	Final Results and Notice of AGM
24/03/2011	Technical Sub-Committee Appointed
21/03/2011	GGG's Intention to make a Takeover Offer
16/03/2011	Directorate Change
14/03/2011	Intention to make Takeover Offer for Auzex
11/03/2011	Australian listing update
11/03/2011	Holding(s) in Company
08/03/2011	Bullabulling Gold Project - February Project Update
31/01/2011	Holding(s) in Company
25/01/2011	ASX oversubscribed placing raises A\$ 9 million
14/01/2011	Holding(s) in Company
12/01/2011	Bullabulling Gold Project - Resource Drilling Update
10/01/2011	ASX Replacement Prospectus Lodged