



ORBIS
GOLD

16 February 2015

Manager Companies
Companies Announcement Officer
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Orbis Gold Limited ACN 120 212 017 (ASX: OBS) – Supplementary Target's Statement in response to takeover bid by SEMAFO Inc.

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), **attached** is a copy of the Supplementary Target's Statement of Orbis Gold Limited (**Orbis Gold**) dated 16 February 2015, in response to the off-market takeover bid by SEMAFO Inc for all of the ordinary shares in Orbis Gold.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Peter Harding-Smith', with a long, sweeping horizontal line extending to the right.

Peter Harding-Smith
Company Secretary

**SUPPLEMENTARY TARGET'S STATEMENT BY
ORBIS GOLD LIMITED ACN 120 212 017
IN RELATION TO SEMAFO INC.'S OFF-MARKET TAKEOVER OFFER FOR
ORBIS GOLD**

1. Introduction

This document is a Supplementary Target's Statement under section 644 of the Corporations Act 2001 (Cth) dated 16 February 2015 (**Supplementary Target's Statement**). It is the first Supplementary Target's Statement issued by Orbis Gold Limited ACN 120 212 017 (**Orbis**), in relation to SEMAFO Inc.'s off-market takeover offer for all of the fully paid ordinary shares in Orbis Gold (**Offer**).

This document supplements, and should be read together with, the Target's Statement lodged with the Australian Securities and Investments Commission (**ASIC**) on 18 December 2014 (the **Target's Statement**).

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document you should consult your financial or legal adviser as soon as possible.

Words defined in the Target's Statement have the same meaning in this Supplementary Target's Statement, unless the context requires otherwise. The definitions and interpretation set out in Section 14 of the Target's Statement also apply to this document, unless the context requires otherwise.

2. Increase in Offer Price

On 11 February 2015, Orbis Gold and SEMAFO released a joint announcement on the ASX advising shareholders that SEMAFO had revised the offer consideration under the Offer to \$0.713 cash per Orbis Gold Share (formerly \$0.65 cash per Orbis Share) (**Revised Offer**). Subject to no competing proposal emerging, the Revised Offer is SEMAFO's best and final offer. On 12 February 2015 SEMAFO issued a variation giving effect to the increased offer price.

3. Funding

In addition to the increased offer price, SEMAFO has agreed to provide Orbis Gold with funding which totals, together with the amount outstanding under Orbis Gold's existing working capital facility with Macquarie Bank of \$US4.52 million (which SEMAFO will assume as part of the arrangements), up to A\$17.4 million by way of a short term loan facility (**Facility**). The key terms of the Facility are attached to the joint announcement by SEMAFO and Orbis Gold released on the ASX on 11 February 2015.

In the absence of the Facility, it is likely that any capital raising by Orbis Gold in the short term would have led to significant dilution for Orbis Gold's shareholders and the potential withdrawal of SEMAFO's bid.

4. Your Director's now recommend you accept the Revised Offer

The Orbis Gold Board now unanimously recommends that Orbis Gold Shareholders accept the Revised Offer for the reasons outlined below.

1. The Revised Offer of A\$0.713 per share represents an attractive premium for Orbis Gold shareholders:
 - a. 104% premium to the closing price on 9 October 2014;

- b. 99% premium to the 1 month volume weighted average price ("VWAP") to 9 October 2014; and
 - c. 91% premium to the 3 month VWAP to 9 October 2014.
- 2. As at 16 February 2015, SEMAFO has a relevant interest in more than 61.6% of Orbis Gold Shares and therefore has control of the Company. The Orbis Gold Board recommends that remaining Shareholders accept the Offer to avoid the potential implications of minority ownership which may arise by SEMAFO holding a majority, but not all of the Shares in Orbis Gold;
 - 3. The Revised Offer is within the fair value range considered by the Independent Expert;
 - 4. SEMAFO will provide funding of A\$17.4 million for the purposes of assisting Orbis Gold with immediate liquidity requirements. This will eliminate the need for Orbis Gold to pursue dilutive capital raising alternatives.
 - 5. The Revised Offer is unconditional and provides all Orbis Gold shareholders with certainty of cash.
 - 6. The Revised Offer is the only offer that is available for your Orbis Gold shares and subject to a competing proposal emerging is SEMAFO's best and final offer.

5. Bid Agreement

Orbis Gold and SEMAFO have entered into a takeover bid implementation agreement. This agreement sets out the terms of the Revised Offer and a number of other customary requirements, including a commitment by Orbis Gold to deal exclusively with SEMAFO in the absence of superior proposal, to terminate all discussions with other parties, to notify SEMAFO of any competing proposals, and to provide SEMAFO the right to match any alternative proposal should one be made. The agreement provides for a break fee of approximately 1% of equity value of Orbis Gold payable to SEMAFO on terms typical for a transaction of this nature. A copy of the bid implementation agreement is attached to the joint announcement by SEMAFO and Orbis Gold released on the ASX on 11 February 2015.

6. Lodgement with ASIC

A copy of this document was lodged with ASIC on 16 February 2015. This document will prevail to the extent of any inconsistency with the Target's Statement. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

7. Authorisation

This document has been approved by a resolution passed by the directors of the Target.

Dated 16 February 2014

Signed for and on behalf of
Orbis Gold Limited



Peter Spiers
Managing Director