



Joint ASX Announcement

19 September 2018

Intrepid takeover offer for AIC

Highlights

- **Intrepid Mines Limited (ASX:IAU) offers 1 Intrepid share for every 3 AIC Resources Limited (ASX:A1C) shares pursuant to a recommended off-market takeover bid**
- **The combined entity will hold a dominant (~3,200km²) contiguous land position in the underexplored Plutonic and Marymia region**
- **The combined entity will be well funded with low corporate overheads**
- **Intrepid to undertake a capital distribution of up to A\$0.75 per Intrepid share to existing Intrepid shareholders prior to completion of the Offer**
- **Board of directors of the combined entity to include a combination of experienced AIC and Intrepid directors**

Proposed transaction

AIC Resources Limited (ASX:A1C) (**AIC**) and Intrepid Mines Limited (ASX:IAU) (**Intrepid**) are pleased to announce that they have entered into a takeover implementation deed (**Implementation Deed**) in respect of an off-market takeover offer to be made by Intrepid for all of the issued ordinary shares in AIC (**Offer**).

Under the takeover bid, Intrepid is offering 1 Intrepid share for every 3 AIC shares held. Upon successful completion of the transaction, existing Intrepid shareholders and AIC shareholders will own approximately 36% and 64% of the combined entity, respectively.

Prior to completion of the Offer, Intrepid proposes to make a partial return of capital to its existing shareholders of up to A\$0.75 per Intrepid share.

As the transaction will involve the issue of more than 100% of Intrepid's current issued capital, the proposed transaction is classified as a 'reverse takeover' for the purposes of the ASX Listing Rules and is therefore subject to the approval of Intrepid shareholders.



Strategic rationale

In the opinion of AIC and Intrepid directors, the Offer provides a number of benefits for AIC and Intrepid shareholders, including:

- combining the two companies will deliver a large contiguous land holding which is highly prospective for gold and base metals in Western Australia;
- the combined entity will also benefit from a strong cash balance;
- combining both companies results in a reduction in general and administration costs of over A\$500,000 per annum, allowing more in ground expenditure; and
- an experienced board and management team, led by Brett Montgomery as the CEO and Josef El-Raghy as Chairman, with Richard Baumfield and Tony Wolfe (existing directors of Intrepid) as non-executive directors.

Board recommendations and intentions

The Board of Directors of AIC unanimously recommend to AIC shareholders that they accept the Offer, in the absence of a superior proposal. Each AIC director intends to accept the Offer with respect to all AIC shares owned or controlled by them, in the absence of a superior proposal, as soon as possible following the receipt of Intrepid shareholder approval in respect of the transaction, and subject to the terms of the Implementation Deed. Each AIC director has consented to the release of this statement of intention on their behalf.

Commenting on the transaction Josef El-Raghy, Chairman of AIC, said:

"This is a compelling offer for AIC shareholders as this transaction will provide an even stronger platform to continue AIC's exploration efforts. The combined entity will hold a dominant contiguous land position in the underexplored Plutonic and Marymia region."

The directors of Intrepid unanimously recommend that Intrepid shareholders vote in favour of the proposed transaction at the upcoming general meeting to be convened. Each Intrepid director intends to vote all Intrepid shares in which they have an interest in favour of the proposed transaction at that general meeting.

Richard Baumfield, Chairman of Intrepid, commented:

"The combination of AIC and Intrepid represents a compelling value proposition for shareholders of both companies. The combined company will be in a strong position with strong management, quality assets and a significant cash balance which will allow for the ongoing exploration activities in the Marymia area."



Offer details

Pursuant to the Implementation Deed entered into between AIC and Intrepid, it is proposed that Intrepid will acquire all the issued ordinary shares of AIC by way of an off-market takeover offer. Under the Offer, accepting AIC shareholders will receive 1 fully paid ordinary share in Intrepid for every 3 existing fully paid ordinary shares they hold in AIC. Intrepid shareholders will continue to hold their existing ordinary shares in Intrepid.

The Offer is subject to a number of conditions, including:

- the receipt of acceptances under the proposed transaction in respect of at least 90% of the AIC shares;
- the approval of the issue of the Intrepid shares by Intrepid shareholders for the purposes of ASX Listing Rule 7.1, on account of the proposed transaction constituting a 'reverse takeover' for the purposes of the ASX Listing Rules;
- the approval of the acquisition by Intrepid of all of the AIC shares held by Brahman Pure Alpha Pte Ltd (**Brahman**) (and the issue by Intrepid of one Intrepid share for every three AIC shares held by Brahman, to Brahman) under, and on the terms of, the Offer, for the purposes of ASX Listing Rule 10.1;
- the recently announced sale agreement for the sale of the shares in Intrepid Mines Zambia Limited (in respect of Intrepid's Kitumba and Mumbwa copper projects) (**Share Sale Agreement**) not having been terminated before the end of the Offer period, and no event or circumstance occurring during the Offer period which results, or could reasonably be expected to result, in the sale of the Kitumba and Mumbwa copper projects not being completed in a manner consistent with, or substantially similar to that contemplated by, the terms of the Share Sale Agreement; and
- the receipt of a public ruling, in final form, from the ATO, confirming that the return of capital in the amount of \$0.75 per Intrepid share to Intrepid shareholders is a capital return.

Key terms of the Implementation Deed

Under the Implementation Deed, AIC has agreed to use all reasonable endeavours to ensure that each director of AIC recommends that AIC shareholders accept the Offer, and undertakes to accept (or procure the acceptance of) the Offer in respect of all AIC shares held or controlled by him or her.

Each party has also agreed that it will, amongst other things:

- ensure the carrying on of its business in the ordinary course and in substantially the same manner as conducted at the date of the Implementation Deed and that it does not make any significant change to the nature or scale of its business or enter into any business or undertake any activities in which it was not engaged as at the date of the Implementation Deed;
- not perform or allow for certain customary prohibited actions to occur, including, amongst other things, issuing new equity securities or disposing of any interest in substantially all of the assets of its business (other than Intrepid's Kitumba and Mumbwa copper projects, on the terms of the Share Sale Agreement); and



- provide various customary representations and warranties in favour of the other party.

Each party will, however, still be able to do such things and perform such actions in relation to matters that have been publicly announced on ASX prior to the date of the Implementation Deed, that are done with the prior written consent of the other party (such consent not to be unreasonably withheld or delayed), or which are done to permit the party to comply with its obligations under the Implementation Deed.

In addition, the parties have agreed to certain exclusivity arrangements until the earlier of the date of termination of the Implementation Deed or the end of the Offer period (**Exclusivity Period**). The Implementation Deed contains no shop, no talk and no due diligence restrictions during the Exclusivity Period (to the extent that complying with these restrictions does not involve a breach of either party's directors' fiduciary duties), that restrict the parties from soliciting any competing proposals from, entering into discussions with, or providing due diligence material to, any competing third party. However, these restrictions do not prevent either party from considering an unsolicited competing proposal that is or would reasonably be expected to result in a superior proposal where, amongst other things:

- not to do so would constitute a breach of that party's directors' fiduciary duties; and
- appropriate confidentiality agreements are first entered into to appropriately protect the confidential information of both Intrepid and AIC.

Both Intrepid and AIC have the right, but not the obligation, to match any competing proposal of this nature. The matching right under the Implementation Deed requires notice to be provided to the other party of a competing proposal, allowing that other party the right to counter offer. No break fee is payable under the terms of the Implementation Deed.

The full terms of the Implementation Deed have been separately released by AIC to ASX.

Indicative timetable

Announcement	19 September 2018
Bidder's statement and target's statement expected to be lodged	26 September 2018
Offer period commences	26 September 2018
Release of notice of Intrepid general meeting	10 October 2018
Intrepid general meeting	9 November 2018

The above dates are indicative only and remain subject to change.

Financial advisors and legal counsel

AIC has appointed Allen & Overy as legal counsel and Fivemark Partners as financial adviser.

Intrepid has appointed McCullough Robertson as legal counsel.



For further information

Further information about the companies is available on the AIC and Intrepid websites (see www.aicresources.com.au and www.intrepidmines.com.au).

Forward looking statements and disclaimers

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