

27 November 2023

By ASX Online Platform

The Manager
Market Announcements Office
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Dear Sir / Madam

Off-market takeover bid by Zhaojin Capital (Hong Kong) Limited for Tietto Minerals Limited – Target's Statement

In accordance with item 14 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we enclose a copy of the target's statement dated 27 November 2023 (**Target's Statement**) prepared by Tietto Minerals Limited ACN 143 493 118 (ASX:TIE) (**Tietto**) in relation to the unsolicited conditional off-market takeover bid by Zhaojin Capital (Hong Kong) Limited (**Zhaojin Capital**) under Chapter 6 of the Corporations Act for all of the fully paid ordinary shares in Tietto not already owned by Zhaojin Capital (**Offer**). The Target's Statement is accompanied by a copy of an independent expert's report prepared by Grant Thornton Australia Limited in respect of the Offer (**Independent Expert's Report**).

The Target's Statement and Independent Expert's Report is today being lodged with the Australian Securities and Investments Commission and served on Zhaojin Capital, and will be despatched to Tietto security holders on 28 November 2023.

This announcement has been approved and authorised for release by the board of Tietto.

Yours sincerely



Mr. Matthew Foy
Company Secretary
Tietto Minerals Limited

TARGET'S STATEMENT

ISSUED BY

TIETTO MINERALS LIMITED

ACN 143 493 118

This Target's Statement is issued in relation to the unsolicited conditional off-market takeover bid by Zhaojin Capital (Hong Kong) Limited to purchase all of your ordinary fully paid shares in Tietto Minerals Limited.

Your Directors unanimously recommend that you:

REJECT the Offer

Barrenjoey^{*}

Partnering with  **BARCLAYS**

Financial Adviser

**CORRS
CHAMBERS
WESTGARTH**

Legal Adviser

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Key dates

Announcement of Offer	30 October 2023
Date of Bidder's Statement	30 October 2023
Date of this Target's Statement	27 November 2023
Offer opened	13 November 2023
Offer closes (unless extended or withdrawn)*	7.00pm (Sydney time) on 14 December 2023

*This date is subject to change. Please see **section 4.2(a)** of this Target's Statement for further details regarding the Offer Period.

Important notices

Nature of this document

This document is a Target's Statement issued by Tietto Minerals Limited ACN 143 493 118 (**Tietto**) under Part 6.5 Division 3 of the Corporations Act in response to the Bidder's Statement and the Offer.

A copy of this Target's Statement was lodged with ASIC and given to ASX on 27 November 2023. Neither ASIC, ASX nor any of their respective officers, take any responsibility for the content of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in **section 9** of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept or reject the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. None of Tietto, its Related Bodies Corporate and its officers or employees, or any persons named in this Target's Statement or any person involved in the preparation of this Target's Statement, subject to the Corporations Act, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement. Except as required by applicable law or the ASX Listing Rules, Tietto does not undertake to revise or update any forward-looking statements nor any other statements (either written or oral) that may be made from time to time by or on behalf of

Tietto, whether as a result of new information, future events or otherwise.

Disclaimer as to information

The information on Zhaojin Capital (Hong Kong) Limited (**Zhaojin**) contained in this Target's Statement has been obtained from publicly available sources, including the Bidder's Statement lodged by Zhaojin. None of the information contained in this Target's Statement relating to Zhaojin has been verified by Tietto or its Directors for the purposes of this Target's Statement. Accordingly, and to the extent permitted by law, Tietto makes no representation or warranty (either express or implied) as to the accuracy or completeness of this information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Currency

In this Target's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia. References to "US\$" or "USD\$" are a reference to the lawful currency of the United States of America. This Target'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 in this Target's Statement or at any other rate. Conversions that have been calculated at the date of this Target's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements

of Tietto in respect of which different exchange rates may have been, or may be, used.

Privacy

Tietto has collected your information from the Tietto register of Shareholders (including name, contact details and shareholding details) for the purpose of providing you with this Target's Statement.

Your information may be disclosed on a confidential basis to external service providers (such as Tietto's share registry and print and mail service providers) and may be required to be disclosed to regulators (such as ASIC and ASX). If

you would like to obtain details of the information held about you by Tietto, please contact Automic Pty Ltd (Tietto's share registry) on 1300 288 664 (within Australia) or +61 (2) 9698 5414 (outside Australia).

Enquiries

If you have any further queries in relation to the Offer, you can contact Tietto on +61 (8) 6331 6182 between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Key reasons why you should **REJECT** the Offer

- | | | |
|---|---|----------------------|
| 1 | Zhaojin's Offer materially undervalues Tietto | Refer to section 1.1 |
| 2 | Zhaojin's Offer is opportunistically timed | Refer to section 1.2 |
| 3 | Two of Tietto's major shareholders, who as at the Last Practicable Date held in aggregate approximately 18.73% of Tietto Shares, do not intend to accept the Offer at the Offer Price | Refer to section 1.3 |
| 4 | The Offer is subject to a number of conditions, including regulatory approvals in China and Côte d'Ivoire, and therefore it is uncertain whether the Offer will ultimately proceed | Refer to section 1.4 |
| 5 | If you accept the Offer, you risk missing out if a superior proposal from a third party emerges | Refer to section 1.5 |
| 6 | If you accept the Offer, you may pay tax on any gain you crystallise in the current financial year | Refer to section 1.6 |

The Directors unanimously recommend that you **REJECT** the Offer. To **REJECT** the Offer, simply **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Zhaojin.

You should read this Target's Statement in its entirety for further information on the reasons why the Directors unanimously recommend that Shareholders should **REJECT** the Offer.

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WHAT YOU NEED TO DO

To **REJECT** the Offer, simply **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Zhaojin.

You should read this Target's Statement which contains the Directors' unanimous recommendation to **REJECT** the Offer and provides reasons for this recommendation, and the Bidder's Statement. In addition, you should consult your investment, financial, taxation or other independent professional adviser if in doubt about what to do.

If you have any further queries in relation to the Offer, you can contact Tietto +61 (8) 6331 6182, between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Chairman's Letter to Tietto's Shareholders

Dear Fellow Shareholder,

On 30 October 2023, Zhaojin Capital (Hong Kong) Limited (**Zhaojin**), an indirectly wholly-owned subsidiary of Zhaojin Mining Industry Company (**Zhaojin Mining**), announced an unsolicited conditional off-market takeover offer to acquire all of the shares in Tietto Mining Limited (ASX:TIE) (**Tietto**) (**Tietto Shares**) that Zhaojin Mining does not already own or control.

Zhaojin has offered A\$0.58 cash per Tietto Share (**Unsolicited Offer**). Zhaojin's bidder's statement in respect of the Unsolicited Offer (**Bidder's Statement**) was released on the ASX on 30 October 2023, and distributed to Tietto shareholders on 13 November 2023.

Having carefully considered Zhaojin's Unsolicited Offer, **your Directors are unanimous that you should REJECT the Offer**, for the following key reasons:

- **Zhaojin's Unsolicited Offer materially undervalues Tietto.** Grant Thornton Limited, appointed as the Independent Expert to give an independent opinion on Zhaojin's Unsolicited Offer, has concluded the Unsolicited Offer is **not fair and not reasonable** to Tietto shareholders not associated with Zhaojin. The Independent Expert has assessed the fair value of Tietto Shares to be in the range of A\$0.79-A\$0.93 per Tietto Share, a premium of 36%-59% to the Unsolicited Offer.
- **The Unsolicited Offer is opportunistically timed.** The Tietto Board believes that Zhaojin's Unsolicited Offer was opportunistically timed to take advantage of the slower than anticipated ramp up of operations at the Abujar Gold Project (**Abujar**) we experienced in the first half of 2023. Monthly gold production reached a record 12,057 oz in October 2023, demonstrating that operational initiatives are driving improvements in production and operating cashflow.

Matthew Wilcox and his team executed the 2022 construction of Abujar below budget and on time, during a period of high cost inflation and during the coronavirus pandemic. Matthew became the Company's Chief Executive Officer and Managing Director on 30 May 2023 and is progressively improving production and cashflow in our ramp up to full production.

Your Directors believe that Matthew and his team will build Tietto into a substantial and low cost mid-tier gold producer, and our strong cash flow is expected to give rise to the potential for the Company to pay an inaugural dividend as early as the latter half of CY2024.

- Two of Tietto's major shareholders, Chifeng Jilong Gold Mining Co. and Kongwell Management Ltd., who hold in aggregate approximately 18.73% of Tietto, do not presently intend to accept the Unsolicited Offer at its current price.
- The Unsolicited Offer is subject to a number of conditions, including regulatory approvals in China and Côte d'Ivoire: therefore, it is uncertain if the Unsolicited Offer will ultimately proceed.
- If you accept the Unsolicited Offer, you risk missing out if a superior proposal from a third party emerges.
- If you accept the Unsolicited Offer, you may pay tax on any gain you crystallise in the current financial year.

All Tietto Directors currently intend to REJECT Zhaojin's Unsolicited Offer in relation to any Tietto shares they own or control.¹ Reasons for the Directors' recommendation, and the interests of each Director in Tietto securities, is set out in the Target's Statement that accompanies this letter.

WHAT SHOULD YOU DO?

To **REJECT** the Unsolicited Offer, simply **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Zhaojin.

You should read this Target's Statement and the Bidder's Statement carefully, and in their entirety, as they will assist you in making an informed decision in respect to the Unsolicited Offer. You may wish to

¹ Detail of the Directors' Relevant Interests in Tietto Shares are set out in **section 8.1** of this Target's Statement. The Directors reserve the right to alter this intention should they change their recommendation in respect of the Unsolicited Offer.

seek advice from independent and appropriately licensed financial, legal, taxation and other professional advisers before making a decision in relation to your Tietto Shares.

If you have any further queries in relation to the Unsolicited Offer, you can contact Tietto on +61 (8) 6331 6182, between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

On behalf of the board of Tietto, I thank you in anticipation of your continuing support.

Yours sincerely

A handwritten signature in cursive script that reads "Francis Harper".

Francis Harper

Chairman

1 Why you should **REJECT** the Offer

The Directors have considered the advantages and disadvantages of the Offer and based on the information currently available to them, unanimously recommend that you **REJECT** the Offer. The reasons for this recommendation are set out below.

As at the date of this Target's Statement, each Director currently intends to **REJECT** the Offer in relation to any Tietto Shares they own or control.² Details of each of the Directors' relevant interests in Tietto Shares is set out in **section 8.1** of this Target's Statement.

The Directors also acknowledge there are risks associated with not accepting the Offer which are highlighted in **section 7.3** of this Target's Statement, and that each Shareholder's risk profile, investment strategy, tax position and financial circumstances are different. If in any doubt as to what to do, Shareholders should obtain financial advice from their broker or financial adviser on the Offer, and taxation advice on the effect of not accepting the Offer.

1.1 Zhaojin's Offer materially undervalues Tietto

The Independent Expert has concluded that the Offer is not fair and not reasonable to Tietto Shareholders not associated with Zhaojin

The Directors appointed Grant Thornton Limited to act as the Independent Expert and undertake an independent assessment of the Offer.

The Independent Expert has assessed the value of Tietto Shares to be in the range of A\$0.79-A\$0.93 per Tietto Share on a 100% controlling interest basis, which represents a premium of 36.72%-59.83% to the offer price of A\$0.58 per Tietto Share (**Offer Price**).

The Independent Expert has concluded the Offer is not fair and not reasonable to Tietto shareholders not associated with Zhaojin.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is set out in **Attachment A** to this Target's Statement. The Directors encourage you to read this report in its entirety.

1.2 Zhaojin's Offer is opportunistically timed

Recent ramp up improvements are yet to be fully reflected in Tietto's Share price

As Shareholders will be aware from Tietto's recent ASX announcements, the Company is in the midst of ramping up operations at the Abujar Gold Project in Côte d'Ivoire (**Abujar** or **Abujar Gold Project**) towards full production. The ramp up has recently shown significant improvement following the end of the wet season in Côte d'Ivoire which reduced the ability to mine at a faster rate than ore could be milled, and the Directors are confident that this improvement will continue moving forward. This follows:

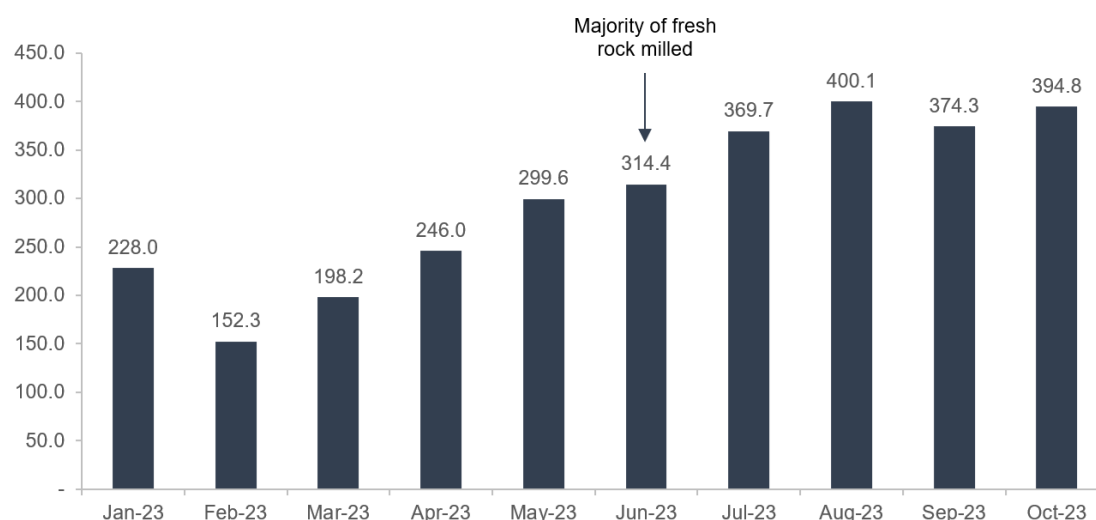
- a management refresh, which included the promotion of experienced mining executive, Matthew Wilcox, to Managing Director & Chief Executive Officer of Tietto in May 2023 and the appointment of Clinton Bennett as Tietto's Chief Operating Officer in August 2023; and
- mining rates progressively increasing as Côte d'Ivoire enters the dry season, with rates being expected to further accelerate following the recent mobilisation of additional excavators and mobile equipment on site.

Recent improvements have been demonstrated by a record month for gold production in October 2023, which increased from September 2023 (Figure 1 and Figure 2), and generated strong cash flows of more than ~A\$18 million³.

² Detail of the Directors' Relevant Interest in Tietto Shares are set out in **section 8.1** of this Target's Statement. The Directors reserve the right to alter this intention should they change their recommendation in respect of the Offer.

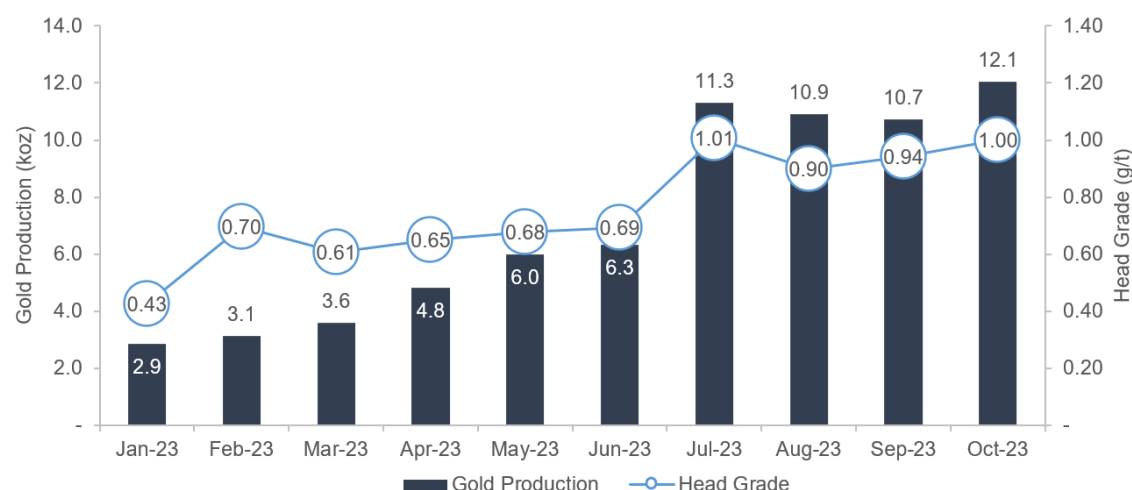
³ See the ASX announcement titled "Tietto Produces 12,200 Ounces Gold in October 2023" released on 3 November 2023.

Figure 1: Historical monthly ore milled (kt)



Source: Tietto management

Figure 2: Historical monthly gold production (koz) and head grade (g/t)



Source: Tietto management

As depicted in Figure 2 above, production has shown steady improvement since commissioning began in January 2023, with Tietto anticipating that production will continue to improve over the coming months as Abujar ramps up to full production.

The Directors believe that the Offer was deliberately made before the price of Tietto Shares appropriately responded to this stronger operational performance and the increased confidence in the outlook moving forward.

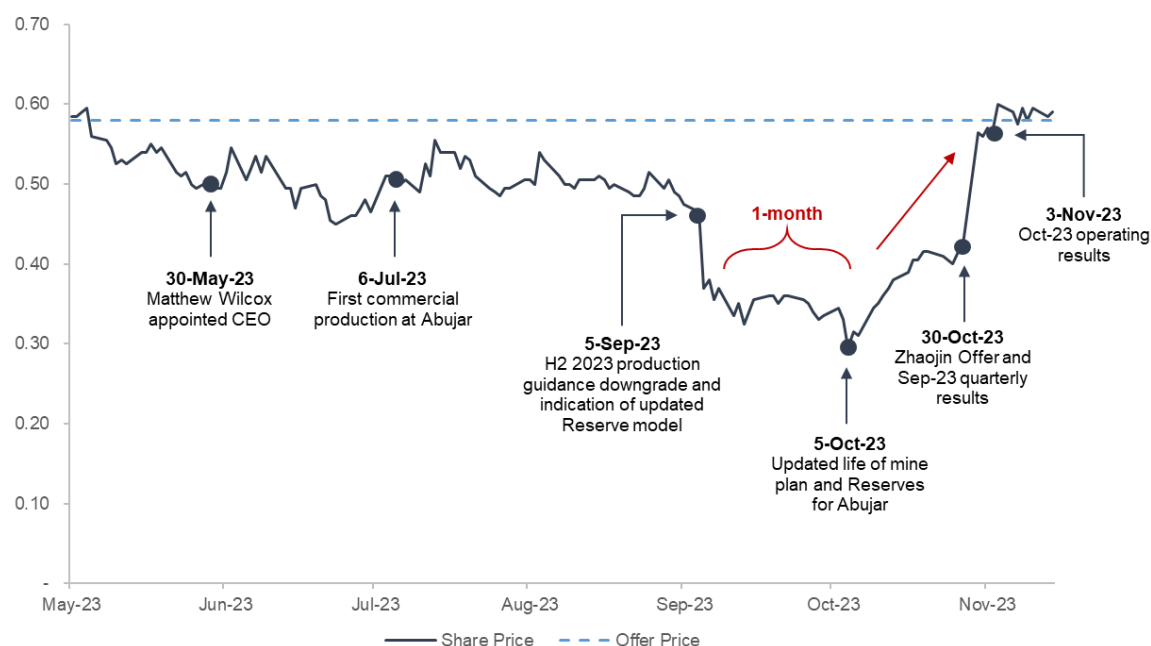
The Offer takes advantage of short term weakness in the Tietto Share price

While ramp up at Abujar continues to materially improve, the Directors believe that Zhaojin's Offer was timed to coincide with the period of weakness in the Tietto Share price following the announcement on 5 September 2023 of a lowering of production guidance for the second half of 2023 and a possible amendment of the Ore Reserves for Abujar. As Figure 3 shows, the market reacted negatively to this news despite the drop in second half production guidance primarily reflecting a timing issue caused by ramp up delays during the wet season in Côte d'Ivoire, with no significant impact to the estimates of total gold ounces to be produced over the life of the mine. It was also evident that short interest in Tietto increased during this period, following Tietto's announcement on 5 September 2023. There was a positive share price reaction when the Ore Reserve amendment and new life of mine plan was announced by

Tietto on 5 October 2023, which the Directors believe indicates that the market concern on this particular point was a short term issue that was alleviated when the full facts regarding the Ore Reserve position were able to be released to the market.

It is clear that after 5 October 2023 the Tietto Share price rose back towards trading levels observed prior to the announcement of 5 September 2023. As such, the Directors believe the Offer was opportunistically timed to take advantage of the short term share price weakness and before the price of Tietto Shares could fully reflect the improved confidence in the new life of mine plan and updated Ore Reserves for Abujar, and its future production potential. In addition, although short interest in Tietto had declined off its peak at the time Zhaojin's Offer was made, it was still at historically high levels, which the Directors believe provides further evidence of the opportunistic nature of the timing of Zhaojin's Offer.

Figure 3: Historical Tietto Share price (A\$)



Source: Factset as at 14 November 2023. This data has been reproduced without permission.

The Offer deprives Tietto's Shareholders of the opportunity to participate in near-term cash flows

Tietto remains on track to deliver second half CY2023 production guidance of 75–85koz of gold at an AISC of US\$1,175-1,350/oz.

In CY2024 to CY2029, Tietto is expected to produce 170koz of gold at an AISC of US\$1,085/oz from Abujar. Based on the current gold price (~US\$1,998/oz as at the Last Practicable Date) and Australian dollar (A\$:US\$ of ~0.66 as at the Last Practicable Date), Tietto is expected to deliver strong operating margins and generate significant cash flow in 2024.⁴

Given the strong near-term cash flow forecast, there may be an opportunity to return capital to Shareholders in the future, including in the form of a dividend, potentially as early as the latter half of CY2024. At this stage, the Directors are yet to make any formal decisions around future capital management, however will start to consider these matters as Abujar ramps up to steady-state production in 2024.

⁴ Tietto first reported the production guidance and forecast financial information derived from its production guidance in accordance with ASX Listing Rules 5.16 and 5.17 in its ASX announcement titled "Updated Life of Mine Plan for Abujar Gold Mine" dated 5 October 2023. Tietto confirms that all material assumptions underpinning the production guidance and the forecast financial information derived from the production guidance continues to apply and have not materially changed.

1.3 Chifeng and Kongwell Management, two of Tietto's major Shareholders, who as at the Last Practicable Date held in aggregate approximately 18.74% of Tietto, do not presently intend to accept the Offer

Chifeng Jilong Gold Mining Co. (**Chifeng**), which as at the Last Practicable Date holds approximately 12.47% of Tietto Shares (indirectly through its subsidiary Chijin International (HK) Limited, and Kongwell Management Ltd. (**Kongwell**), which as at the Last Practicable Date held approximately 6.26% of Tietto Shares, have each confirmed to Tietto that they do not intend to accept Zhaojin's Offer at the Offer Price in respect of the Tietto Shares they respectively own or control.

The Tietto Shares held by Chifeng and Kongwell, together with the aggregate shareholding in Tietto of the Directors (who each intend to **REJECT** the Offer in respect of any Tietto Shares they own or control⁵) suggests that approximately 21.09% of Tietto's Shareholders do not intend to accept the Offer at the Offer Price. Therefore, there is a degree of uncertainty as to whether Zhaojin will be able to obtain the necessary acceptances to satisfy the 50.1% minimum acceptance condition to its Offer.

Further information about the conditions to the Offer is set out in **section 4.2** of this Target's Statement.

1.4 The Offer is subject to a number of conditions, including regulatory approvals in China and the Côte d'Ivoire, and therefore it is uncertain whether the Offer will ultimately proceed

The Offer is subject to a number of defeating conditions, including the receipt of regulatory approvals from a number of Chinese regulatory authorities (including the NDRC, MOFCOM and SAFE) as well as from the Ministry of Mines, Petroleum and Energy of Côte d'Ivoire. There can be no certainty as to whether these regulatory approvals will be forthcoming or how long it may take to obtain such approvals.

In section 9.8 of the Bidder's Statement, Zhaojin states that the receipt of the regulatory approvals referred to above are each a condition precedent to the acquisition by Zhaojin of any interest in Tietto Shares and that notwithstanding any acceptances of the Offer, unless and until those regulatory approvals conditions are fulfilled, no contract for the sale of Tietto Shares will come into force or be binding on Shareholders who have accepted the Offer, or Zhaojin.

Accordingly, Shareholders who accept the Offer whilst the Offer remains subject to defeating conditions may have to wait a lengthy period before receiving the Offer consideration (and will be unable to deal with their Tietto Shares during that time unless they are entitled to withdraw their acceptance of the Offer).

Further information about the conditions to the Offer and the effect of accepting the Offer is set out in **sections 4.2** and **4.3** of this Target's Statement.

1.5 If you accept the Offer, you risk missing out if a superior proposal from a third party emerges

If you accept the Offer, unless your acceptance is legally able to be withdrawn, or the Offer lapses due to the failure of one or more conditions to be satisfied or waived, you will not be able to accept a superior offer from a third party for Tietto Shares, should one emerge.

Additionally, if you sell your Tietto Shares on-market, and Zhaojin subsequently increases its Offer or a superior proposal from a third party for Tietto Shares emerges, you will not receive the benefit of any such increase to the Offer Price or superior proposal, respectively.

For further details regarding the effect of accepting the Offer, see **sections 4.3** and **4.4** of this Target's Statement.

⁵ Details of the Directors' Relevant Interest in Tietto Shares are set out in **section 8.1** of this Target's Statement. The Directors reserve the right to alter this intention should they change their recommendation in respect of the Offer.

1.6 If you accept the Offer, you may pay tax on any gain you crystallise in the current financial year

If you accept the Offer, then this may trigger taxation implications for you earlier than would have otherwise been the case.

Australian tax resident Shareholders for income tax purposes who hold their Tietto Shares on capital account, and who would make a capital gain on disposal of their Tietto Shares, could crystallise a capital gains tax liability by accepting the Offer.

In addition, foreign Shareholders may be subject to the tax consequences in their jurisdiction if they accept the Offer.

You should carefully read the taxation considerations outlined in section 7 of the Bidder's Statement, although Shareholders should not rely upon the taxation considerations in that overview as being advice on their own particular circumstances and affairs. The Tietto Directors encourage Shareholders to consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their own particular circumstances.

1.7 Other considerations

Although the Directors unanimously recommend that you **REJECT** the Offer, there are a number of reasons why you may wish to accept the Offer taking into account your particular circumstances. The Offer is currently subject to a number of conditions which, if not satisfied or waived by Zhaojin, will prevent the Offer from proceeding even if you have accepted the Offer. In this circumstance your acceptance will be void and of no effect, you will not receive the Offer Price for your Tietto Shares, and you will remain a Shareholder in Tietto. More information regarding the conditions to the Offer is set out in **section 4.2** of this Target's Statement.

A summary of some of the reasons why you may wish to accept the Offer follows:

- you may disagree with the unanimous recommendation of the Directors or the Independent Expert's conclusion;
- you may no longer wish to be exposed to future risks and uncertainties associated with an investment in Tietto, including the ongoing risk of operating Tietto's Abujar Gold Project in Côte d'Ivoire;
- you may wish to exit your shareholding in Tietto for a certain price and without incurring any brokerage fees;
- the price of Tietto Shares may fall if the Offer is unsuccessful or is withdrawn.

This summary is not exhaustive and you should also have regard to the "Advantages" section on page 11 of the Independent Expert's Report, which is set out in **Attachment A**, as well as your own personal investment objectives and financial circumstances, and should consult your professional advisers, before deciding whether or not to accept the Offer.

For further details regarding the effect of accepting the Offer, see **sections 4.3 and 4.4** of this Target's Statement.

2 Frequently asked questions

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
1 What is this Target's Statement?	<p>This Target's Statement has been prepared by Tietto and is required to be sent to you by law. This Target's Statement provides Tietto's response to the Bidder's Statement and the Offer, including the recommendation of your Directors to REJECT the Offer, the reasons for such recommendation and other information that is material to your decision as to how to respond to the Offer.</p>
2 What is the Bidder's Statement?	<p>The Bidder's Statement was prepared by Zhaojin Capital (Hong Kong) Limited (Zhaojin). The Bidder's Statement describes the terms of Zhaojin's Offer for your Tietto Shares and other information that Zhaojin considers relevant to your decision as to whether or not to accept the Offer.</p> <p>A copy of the Bidder's Statement is available on the ASX website (www.asx.com.au).</p>
3 Who is making the Offer?	<p>The Offer is being made by Zhaojin.</p> <p>Zhaojin is a special purpose vehicle incorporated in Hong Kong for the purposes of making the Offer. Zhaojin is a wholly-owned subsidiary of Sparky International Company Limited, a company incorporated in Hong Kong, which is in turn a direct wholly-owned subsidiary of Zhaojin Mining Industry Company Limited (Zhaojin Mining). Zhaojin Mining was incorporated in the People's Republic of China in 2006 and is an integrated gold corporation with integrated exploration, mining, processing and smelting operations.</p> <p>Further information on Zhaojin and Zhaojin Mining is set out in section 6 of this Target's Statement and section 2 of the Bidder's Statement.</p>
4 What is the Offer?	<p>Zhaojin has made an unsolicited conditional offer of A\$0.58 for each Tietto Share held by you.</p> <p>Further information about Zhaojin's Offer, including the conditions to the Offer, is set out in section 4 of this Target's Statement and section 9 of the Bidder's Statement.</p>

Question	Answer
<p>5 What are the conditions to the Offer?</p>	<p>The conditions of the Offer are, in summary form:</p> <ul style="list-style-type: none"> • at the end of the Offer Period, Zhaojin has relevant interests in at least 50.1% of Tietto Shares (on a fully diluted basis); • the National Development and Reform Commission of the People's Republic of China approves the acquisition of Tietto Shares by Zhaojin; • the Ministry of Commerce of the People's Republic of China approves the acquisition of Tietto Shares by Zhaojin; • the State Administration of Foreign Exchange of the People's Republic of China approves any member of Zhaojin Mining paying the aggregate price for Tietto Shares under the Offer and transferring funds in Australian dollars or another approved currency out of China to Australia for that purpose; • all required consents and approvals received from the Ministry of Mines, Petroleum and Energy of Côte d'Ivoire as are necessary to permit the acquisition of the Tietto Shares by Zhaojin are received; • all required consents and approvals required by law or by any Public Authority, as are necessary to permit: (i) the Offer to be lawfully made to Shareholders; and (i) the transaction contemplated under the Bidder's Statement to be completed, are obtained or granted; • no regulatory action occurs prior to the end of the Offer Period; • no "prescribed occurrence" occurs in relation to Tietto between the Announcement Date and the end of the Offer Period; • Tietto does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) between the Announcement Date and the end of the Offer Period; • between the Announcement Date and the end of the Offer Period, Tietto does not agree, and is under no pre-existing obligation, to pay a third party a break fee or make a similar payment or incur a similar cost; and • between the Announcement Date and the end of the Offer Period, Tietto does not enter into any contract, arrangement or commitment which requires Tietto to pay or incur, or commit to pay or incur, an amount of more than A\$50 million. <p>Further information about the conditions to the Offer is set out in section 4.2 of this Target's Statement and section 9.8 of the Bidder's Statement.</p>
<p>6 What happens if one or more conditions are not satisfied or waived?</p>	<p>If one or more conditions are not satisfied or waived, Zhaojin will have the option as to whether to proceed with the Offer or allow the Offer to lapse.</p> <p>You should be aware that the conditions relating to obtaining regulatory approvals in China and Cote d'Ivoire must be satisfied or waived in order for Zhaojin to acquire Tietto Shares and pay the Offer Price to accepting Tietto Shareholders under the Offer.</p> <p>If the Offer lapses, all acceptances will be void and of no effect and you will continue to hold Tietto Shares and be free to deal with them as if Zhaojin had never made the Offer.</p>
<p>7 Does Zhaojin already have an interest in Tietto Shares?</p>	<p>As at the Last Practicable Date, based on substantial shareholder notices lodged with ASX and registry data, Zhaojin (via its related bodies corporate) has an interest in 79,204,311 Tietto Shares which represents approximately 7.02% of the total number of Tietto Shares on issue.</p>

Question	Answer
8 What are the Directors recommending?	<p>The Directors unanimously recommend that you REJECT the Offer for the reasons explained in section 1 of this Target's Statement.</p> <p>To follow the Directors' recommendation that you REJECT the Offer, you should simply DO NOTHING and TAKE NO ACTION in relation to the Offer.</p> <p>If there is a change to this recommendation or any material development in relation to the Offer, your Directors will inform you.</p>
9 What do the Directors intend to do with their Tietto Shares?	<p>As at the date of this Target's Statement, each Director intends to REJECT the Offer in relation to any Tietto Shares they own or control.⁶</p> <p>Refer to section 8.1 of this Target's Statement for further information about the Directors' interests in Tietto securities.</p>
10 Are there any major Shareholders who support the Offer?	<p>Two of Tietto's major shareholders, Chifeng and Kongwell, who as at the Last Practicable Date, held in aggregate approximately 18.73% of Tietto, have each confirmed to Tietto that they do not intend to accept Zhaojin's Offer at the Offer Price in respect of the Tietto Shares they respectively own or control.</p> <p>Chifeng and Kongwell's aggregate shareholding in Tietto, together with the aggregate shareholding in Tietto of the Directors, indicates that approximately 21.09% of Tietto's Shareholders do not intend to accept the Offer at the Offer Price. Therefore, there is a degree of uncertainty as to whether Zhaojin will be able to obtain the necessary acceptances to satisfy the 50.1% minimum acceptance condition to the Offer.</p> <p>Further information about the conditions to the Offer is set out in section 4.2 of this Target's Statement.</p>
11 What choices do I have as a Shareholder?	<p>As a Shareholder, you have the following choices in respect of your Tietto Shares:</p> <ul style="list-style-type: none"> • REJECT the Offer for all of your Tietto Shares by DOING NOTHING and TAKING NO ACTION (which is what your Directors unanimously recommend you do). • sell some or all of your Tietto Shares on-market (which you cannot do if you have already accepted the Offer and you have not validly withdrawn your acceptance); or • accept the Offer for all of your Tietto Shares. <p>There are implications in relation to each of these choices. If you are in any doubt as to what to do, the Directors recommend that you consult with your investment, financial, taxation or other independent professional adviser.</p> <p>Refer to section 3.3 of this Target's Statement for further details.</p>
12 Has an Independent Expert's Report been prepared?	<p>Yes. Tietto has engaged Grant Thornton Limited (Independent Expert) to prepare a report in relation to the Offer (Independent Expert's Report). The Independent Expert's Report is set out in Attachment A of this Target's Statement.</p> <p>The Independent Expert has assessed the value of Tietto's Shares to be in the range of A\$0.79 to A\$0.92 and notes that the Offer Price of A\$0.58 per Tietto Share is not fair and not reasonable to Tietto Shareholders not associated with Zhaojin.</p> <p>The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is set out in Attachment A. The Directors encourage you to read this report in its entirety.</p>

⁶ The Directors reserve the right to alter this intention should they change their recommendation in respect of the Offer.

Question	Answer
13 Does the Offer extend to Tietto Options and Tietto Performance Securities?	<p>No, the Offer does not extend to Tietto Options or Tietto Performance Securities currently on issue. However, the Offer extends to any Tietto Shares issued upon the exercise of those Tietto Options and Tietto Performance Securities during the period from the Register Date until the end of the Offer Period.</p> <p>The effect of the Offer on the Tietto Options and Tietto Performance Securities is set out in section 4.8 of this Target's Statement. As at the Last Practicable Date, there are 22,000,000 Tietto Options and 5,550,000 Tietto Performance Securities on issue.</p> <p>Refer to section 4.7 of the Bidder's Statement for more information.</p>
14 Why should I <u>REJECT</u> the Offer?	<p>Your Directors have unanimously recommended that you should <u>REJECT</u> the Offer because:</p> <ul style="list-style-type: none"> • Zhaojin's Offer materially undervalues Tietto; • Zhaojin's Offer is opportunistically timed; • Two of Tietto's major Shareholders, Chifeng and Kongwell, who as at the Last Practicable Date, held in aggregate approximately 18.47% of Tietto, have each confirmed to Tietto that they do not intend to accept Zhaojin's Offer at the Offer Price in respect of the Tietto Shares they respectively own or control; • the Offer is subject to a number of conditions, including regulatory approvals in China and Côte d'Ivoire, and therefore it is uncertain whether the Offer will ultimately proceed; • if you accept the Offer, you risk missing out if a superior proposal from a third party emerges; and • if you accept the Offer, you may pay tax on any gain you crystallise in the current financial year. <p>Further information about the reasons to <u>REJECT</u> the Offer is set out in section 1 of this Target's Statement.</p>
15 How do I <u>REJECT</u> the Offer?	To <u>REJECT</u> the Offer, simply <u>DO NOTHING</u> and <u>TAKE NO ACTION</u> .
16 How do I accept the Offer?	To accept the Offer, you should follow the instructions in the Bidder's Statement.
17 What are the risks of accepting or rejecting the Offer?	A non-exhaustive list of the key risks in accepting or rejecting the Offer are set out in section 7 of this Target's Statement.

Question	Answer
18 What are the consequences of accepting the Offer now?	<p>If you accept the Offer, then unless you are able to subsequently withdraw your acceptance (which you may only do in limited circumstances), you will:</p> <ul style="list-style-type: none"> • lose the potential upside of continued exposure to Tietto's assets as a result of the anticipated continuation of recent improvements in Abujar's operating performance, as further detailed in section 1.2 of this Target's Statement; • risk not receiving the benefit of any superior proposal for Tietto if one emerges; • possibly be liable to pay tax on the disposal of your Tietto Shares; • not be able to sell your Tietto Shares on-market and will have limited ability to withdraw your acceptance; • possibly not receive the Offer Price for your Tietto Shares if your acceptance becomes void and of no effect if the Offer is withdrawn by Zhaojin or lapses without the conditions to the Offer being satisfied or waived; and • possibly have to wait for a lengthy period of time to receive the Offer Price for your Tietto Shares (and you may not be able to deal with your Tietto Shares during that time). <p>Further information about the effect of accepting the Offer (including the circumstances in which you may withdraw your acceptance) is set out in sections 4.3 and 4.4 of this Target's Statement, and further information about the risks of accepting the Offer is set out in section 7.2 of this Target's Statement.</p>
19 If I accept the Offer now, can I withdraw my acceptance?	<p>If you accept the Offer whilst it remains subject to defeating conditions, you will only be able to withdraw your acceptance in limited circumstances. Refer to section 4.3 of this Target's Statement for further information.</p> <p>If you accept the Offer (and have not withdrawn your acceptance) and the Offer subsequently becomes unconditional, or if the Offer is unconditional at the time you accept, then you will be legally bound to sell your Tietto Shares and you cannot later withdraw your acceptance.</p>
20 When do I have to decide? How long will the Offer remain open?	<p>If you wish to REJECT the Offer, there is no need to do anything or take any action.</p> <p>If you wish to accept the Offer, you need to do so before its scheduled closing date, being the last day of the Offer Period. Zhaojin has stated that its Offer is scheduled to close at 7.00 pm (Sydney time) on Thursday, 14 December 2023, unless it is extended or withdrawn.</p> <p>Details of the circumstances in which the Offer Period can be extended or withdrawn are set out in section 4.2(b) of this Target's Statement.</p>
21 Can I accept the Offer for part of my shareholding?	<p>No. You cannot accept the Offer for part of your shareholding. You may only accept the Offer for all of the Tietto Shares held by you.</p>
22 What if I am a foreign Shareholder?	<p>Foreign Shareholders will be paid the same cash consideration as stipulated under the Offer. However, the tax implications under the Offer for foreign Shareholders may be different from those relating to Australian resident Shareholders. Foreign Shareholders will be paid in Australian dollars by cheque drawn on an Australian bank branch.</p>

Question	Answer
23 If I do not accept the Offer, can I be forced to sell my Tietto Shares?	<p>You cannot be forced to sell your Tietto Shares unless Zhaojin proceeds to compulsorily acquire all Tietto Shares under Chapter 6A of the Corporations Act.</p> <p>To be entitled to proceed to compulsory acquisition, Zhaojin will need to acquire a Relevant Interest in at least 90% of all Tietto Shares (under the Offer or otherwise). If Zhaojin proceeds to compulsorily acquire all Tietto Shares, you will receive the same consideration from Zhaojin as you would have received under the Offer.</p> <p>Further information is set out in section 4.5 of this Target's Statement.</p> <p>See also section 6.3 of the Bidder's Statement for further information about Zhaojin's intentions to compulsorily acquire Tietto Shares.</p>
24 What happens if I accept the Offer now and the Offer Price is increased?	<p>If you accept the Offer and Zhaojin subsequently increases the Offer Price, you will receive the increased Offer Price for your Tietto Shares.</p> <p>Further information is set out in section 4.4 of this Target's Statement.</p>
25 What if there is a competing offer?	<p>If a competing offer for Tietto emerges, Shareholders will be informed through an announcement to ASX. If there is a competing offer, the Directors will carefully consider the merits of such offer and advise Shareholders of their recommendation in respect of the competing offer.</p> <p>If you have already accepted the Offer at the time any competing offer emerges, you will be unable to accept the competing offer unless you are able to withdraw your acceptance (refer to section 4.3 of this Target's Statement for further details about the ability to withdraw an acceptance of the Offer). As at the date of this Target's Statement, the Directors are not aware of any competing offer that is available to be accepted by Shareholders.</p>
26 Can Zhaojin withdraw the Offer?	<p>Zhaojin can only withdraw the Offer in limited circumstances. These are described in section 4.2(b) of this Target's Statement.</p> <p>If, at the time the Offer is validly withdrawn by Zhaojin:</p> <ul style="list-style-type: none"> all the conditions to the Offer have been satisfied or waived, all contracts arising from acceptances of the Offer will remain enforceable and if you have accepted into the Offer prior to the withdrawal, you will be paid the Offer Price for your Tietto Shares. the Offer remains subject to one or more conditions, all contracts arising from acceptances of the Offer will be void and of no effect, and if you have accepted into the Offer prior to the withdrawal, your acceptance will be void and of no effect, you will not receive the Offer Price for your Tietto Shares and you will remain a Shareholder.
27 During the Offer Period, can I sell my Tietto Shares on ASX?	<p>Yes. During the Offer Period, you may sell your Tietto Shares on ASX to third parties, provided that you have not accepted the Offer.</p> <p>If you sell your Tietto Shares on-market, you will not receive any increase in the Offer Price (if there is one), and you will pay brokerage.</p>
28 What are Zhaojin's intentions?	<p>Further information about Zhaojin's intentions is set out in sections 4.5, 4.6 and 4.7 of this Target's Statement and sections 6.3 to 6.6 of the Bidder's Statement.</p>
29 Can I buy Tietto Shares during the Offer Period?	<p>Yes. Notwithstanding the Offer, you can still continue to buy Tietto Shares as you normally would through ASX during the Offer Period.</p>

Question	Answer
30 What if I reject the Offer but Zhaojin obtains more than 50% but less than 90% of Tietto Shares?	If, at any point during or after the Offer, Zhaojin holds a Relevant Interest in Tietto securities of between 50% and 90%, and you have not accepted into the Offer, then you may be exposed to the risk of being a minority Shareholder. Some of these risks are described in section 7.4 of this Target's Statement. Refer to section 6.4 of the Bidder's Statement for further information.
31 What if I reject the Offer but Zhaojin obtains 90% or more of Tietto Shares?	<p>If, at any point during or after the Offer, Zhaojin holds a Relevant Interest in Tietto securities of 90% or more, then Zhaojin (subject to various legal requirements) is likely to be able to compulsorily acquire the remaining Tietto Shares (held by Shareholders who did not accept the Offer). If this occurs, you will receive the same consideration for your Tietto Shares as if you had accepted the Offer. Further information about Zhaojin proceeding to compulsory acquisition of Tietto is set out in section 7.4 of this Target's Statement and section 6.3 of the Bidder's Statement.</p> <p>See also the response to question 22.</p>
32 What are the tax implications of accepting the Offer?	<p>A general outline of the Australian income tax and goods and services tax consequences for Shareholders who either accept the Offer or whose Tietto Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act is set out in section 7 of the Bidder's Statement.</p> <p>You should not rely on that outline as advice on your own affairs. It does not deal with the position of all Shareholders. It also does not take into account the particular circumstances of each Shareholder. You should therefore seek your own professional financial and taxation advice before making a decision as to whether or not to accept the Offer for your Tietto Shares.</p>
33 If I accept the Offer, when will I be paid?	<p>If you accept the Offer, generally Zhaojin will provide the consideration due to you under the Offer on or before the earlier of:</p> <ul style="list-style-type: none"> • one month after this Offer is accepted, or one month after all the conditions to the Offer have been satisfied or waived (whichever is the later); and • 21 days after the end of the Offer Period. <p>Refer to section 9.6 of the Bidder's Statement for further details on when you will be provided the consideration under the Offer if you accept the Offer.</p>
34 Do I pay brokerage or stamp duty if I accept?	<p>If you accept the Offer, you will not pay stamp duty on the disposal of your Tietto Shares.</p> <p>If your Tietto Shares are held on Tietto's issuer sponsored sub-register in your name and you deliver them directly to Zhaojin, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If your Tietto Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Tietto Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>

Question	Answer
35 What happens if I do nothing?	<p>You will remain a Shareholder.</p> <p>However, Zhaojin has stated that if it acquires 90% or more of Tietto Shares and becomes entitled to compulsorily acquire all Tietto Shares, it intends to do so. Refer to section 4.5 of this Target's Statement and section 6.3 of the Bidder's Statement for more details.</p> <p>If Zhaojin acquires more than 50% but less than 90% of Tietto Shares, and you haven't accepted the Offer, you will be a minority Shareholder in Tietto. The implications of this are described in section 7.4 of this Target's Statement.</p>
36 Is there a number that I can call if I have further queries in relation to the Offer?	<p>If you have any further queries in relation to the Offer, you can contact Tietto on +61 (8) 6331 6182, between 9.00 am and 5.00 pm (Perth time) Monday to Friday.</p>

3 Directors' recommendations and intentions

3.1 Directors

As at the date of this Target's Statement, the Directors are as follows:

- Mr Francis Harper – Non-Executive Chairman
- Mr Matthew Wilcox – Managing Director and Chief Executive Officer
- Mr Hanjing Xu – Non-Executive Director
- Ms Sabina Shugg AM – Non-Executive Director
- Mr Paul Kitto – Non-Executive Director
- Mr Shaddrack Sowah Adjete – Non-Executive Director

3.2 Directors' recommendation

The Directors unanimously recommend that you **REJECT** the Offer.

The reasons for the Directors' unanimous recommendation are set out in **section 1** of this Target's Statement.

As at the date of this Target's Statement, each Director intends to **REJECT** the Offer in relation to any Tietto Shares they own or control.⁷ Further information about the Relevant Interests of each Director in Tietto securities are set out in **section 8.1** of this Target's Statement.

3.3 Your choices as a Shareholder

As a Shareholder, you have three options currently available to you. These options are set out below.

Before making any decision on how to deal with your Tietto Shares under the Offer, the Directors encourage you to read the whole of this Target's Statement (including the Directors' unanimous recommendation as set out above, the Independent Expert's Report contained in **Attachment A** and the Bidder's Statement) and consider your personal risk profile, investment strategy, tax position and financial circumstances. If you are in any doubt as to what to do, you should obtain financial advice from your broker or financial adviser on the Offer and taxation advice on the effect of accepting the Offer.

(a) Option 1: **REJECT** the Offer

If you do not wish to accept the Offer or sell your Tietto Shares on-market, you can choose to do nothing and take no action. This is the unanimous recommendation of the Directors.

By doing nothing you will continue to remain a Shareholder. Shareholders should note that if Zhaojin acquires at least 90% of all Tietto Shares during or at the end of the Offer Period, Zhaojin will be entitled to compulsorily acquire the Tietto Shares it does not already own (refer to **section 4.5** of this Target's Statement for more details). Shareholders should also note that there are risks associated with remaining a Shareholder (see **section 7.3** of this Target's Statement for more details).

(b) Option 2: **Sell your Tietto Shares on-market**

Shareholders remain free to sell their Tietto Shares on ASX for the market price at the time (unless you have previously accepted the Offer). The latest price for Tietto Shares may be obtained from the ASX website www.asx.com.au.

Shareholders who sell their Tietto Shares on-market may be liable for capital gains tax and may incur a brokerage charge. Shareholders who wish to sell their Tietto Shares on-market should contact their broker for information on how to effect that sale.

⁷ The Directors reserve the right to alter this intention should they change their recommendation in respect of the Offer.

(c) **Option 3: Accept the Offer**

You may choose to accept the Offer. Details of how to accept the Offer are set out in the Bidder's Statement. If you accept the Offer:

- you lose the potential upside of continued exposure to Tietto's assets as a result of the anticipated continuation of recent improvements in Abujar's operating performance, as further detailed in **section 1.2** of this Target's Statement;
- you risk not receiving the benefit of a superior proposal for Tietto if one emerges;
- you may be liable to pay tax on the disposal of your Tietto Shares (see section 7 of the Bidder's Statement for further details on the tax consequences for Shareholders who accept the Offer);
- you will not be able to sell your Tietto Shares on market have a limited ability to withdraw your acceptance (see **section 4.3** of this Target's Statement for more information);
- your acceptance may be void and of no effect in any event if the Offer is withdrawn by Zhaojin or lapses without the conditions to the Offer being satisfied or waived. In this circumstance you will not receive the Offer Price for your Tietto Shares and you will remain a Shareholder; and
- you may have to wait for a lengthy period of time to receive the Offer Price for your Tietto Shares (and you may not be able to deal with your Tietto Shares during that time).

There may be other risks associated with accepting the Offer (see **section 7** of this Target's Statement for further information).

4 Key features of the Offer

4.1 The Offer

Zhaojin is offering to acquire all of your Tietto Shares on the terms and conditions set out in this **section 4** and in section 9 of the Bidder's Statement. The price being offered by Zhaojin for your Tietto Shares is A\$0.58 for each Tietto Share.

You may only accept the Offer with respect to all (not some) of your Tietto Shares.

The Offer does not extend to the acquisition of any Tietto Options or Tietto Performance Securities. However, the Offer extends to Tietto Shares that are issued as a result of the exercise or conversion of the Tietto Options and Tietto Performance Securities currently on issue during the period from the Register Date to the end of the Offer Period. Further information about the effect of the Offer on Tietto Options and Tietto Performance Securities is set out in **section 4.8** of this Target's Statement and section 4.7 of the Bidder's Statement.

4.2 Conditions to the Offer

Completion of the Offer and any contract that results from the acceptance of the Offer will be subject to fulfilment or waiver (if applicable) of the conditions set out below:

- **(Chinese regulatory approvals)** before the end of the Offer Period:
 - the National Development and Reform Commission of the People's Republic of China approves the acquisition of the Tietto Shares by Zhaojin;
 - the Ministry of Commerce of the People's Republic of China approves the acquisition of the Tietto Shares by Zhaojin; and
 - the State Administration of Foreign Exchange of the People's Republic of China approves of any member of Zhaojin Mining paying the aggregate price for the Tietto Shares under the Offer and transferring funds in Australian dollars or another approved currency out of China to Australia for that purpose,and such approvals are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention from a Chinese Public Authority (national, provincial or otherwise) to revoke, suspend, restrict, modify or not renew the same;
- **(Ministry of Mines, Petroleum and Energy of Côte d'Ivoire approvals)** before the end of the Offer Period, all approvals and consents that are required to be received from the Ministry of Mines, Petroleum and Energy of Côte d'Ivoire as are necessary to lawfully permit the acquisition of the Tietto Shares by Zhaojin under the Offer are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- **(other regulatory approvals)** before the end of the Offer Period, all approvals or consents that are required by law, or by any Public Authority, as are necessary to permit:
 - the Offer to be lawfully made to and accepted by Shareholders; and
 - the transaction contemplated in the Bidder's Statement to be completed (including, without limitation, full, lawful and effectual implementation of the intention set out in section 6 of the Bidder's Statement),are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- **(no regulatory action)** before the end of the Offer Period:
 - there is not in effect any preliminary or final decision, order or decree

issued by any Public Authority;

- no action or investigation is announced, commenced or threatened by any Public Authority; and
- no application is made by any Public Authority (other than by Zhaojin or any associate or Zhaojin),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in section 6 of the Bidder's Statement) or which requires the divestiture by Zhaojin or any associate of Zhaojin of any Tietto Shares or any material assets of Tietto or any subsidiary of Tietto;

- **(minimum acceptance)** at the end of the Offer Period, Zhaojin has a Relevant Interest in at least 50.1% of the Tietto Shares (on a fully diluted basis);
- **(no prescribed occurrences)**; between the Announcement Date and the end of the Offer Period, none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:
 - Tietto converting all or any of the Tietto Shares into a larger or smaller number of Tietto Shares under section 254H of the Corporations Act;
 - Tietto or a subsidiary of Tietto resolving to reduce its share capital in any way;
 - Tietto or a subsidiary of Tietto entering into a buyback agreement or resolving to approve the terms of a buyback agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
 - Tietto or a subsidiary of Tietto making an issue of Tietto Shares (other than Tietto Shares issued as a result of the vesting or exercise of the Tietto Options or Tietto Performance Securities referred to in sections 4.2 and 4.3 of the Bidder's Statement in accordance with their terms) or granting an option over Tietto Shares or agreeing to make such an issue or grant such an option;
 - Tietto or a subsidiary of Tietto issuing, or agreeing to issue, convertible notes;
 - Tietto or a subsidiary of Tietto disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - Tietto or a subsidiary of Tietto granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
 - Tietto or a subsidiary of Tietto resolving that it be wound up;
 - the appointment of a liquidator or provisional liquidator of Tietto or of a subsidiary of Tietto;
 - the making of an order by a court for the winding up of Tietto or of a subsidiary of Tietto;
 - an administrator of Tietto or a subsidiary of Tietto being appointed under section 436A, 436B or 436C of the Corporations Act;
 - Tietto or a subsidiary of Tietto executing a deed of company arrangement; and / or
 - the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Tietto or of a subsidiary of Tietto;

- **(no distributions)** between the Announcement Date and the end of the Offer Period (each inclusive), Tietto does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- **(no break fees)** between the Announcement Date and the end of the Offer Period, Tietto does not agree (whether conditionally or unconditionally), and is not under any pre-existing obligation (whether conditional or unconditional) (other than an obligation publicly disclosed on the ASX prior to the Announcement Date), to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person other than Zhaojin or an associate, or forgo any amount to which it would otherwise be entitled, in connection with that proposal for:
 - a takeover bid for, or scheme of arrangement proposed by, Tietto, under the Corporations Act;
 - the acquisition by that person or an associate of substantially all the assets and operations of Tietto; or
 - any transaction having a similar economic effect,
 this condition does not apply to a payment by way of remuneration for professional services provided to Tietto or to directors of Tietto for the discharge of their duties in connection with the Offer; and
- **(contracts, arrangements or commitments)** between the Announcement Date and the end of the Offer Period, Tietto does not enter into (or disclose that it has entered into, where this has not previously been disclosed) any contract, arrangement or commitment which required, or may require, Tietto to pay or incur, or commit to pay or incur, an amount of more than A\$50 million (individually or in aggregate).

Information about the conditions to the Offer is also set out in section 9.7 of the Bidder's Statement.

(a) **Timing and Extension of Offer Period**

Unless the Offer is extended or withdrawn, it is open for acceptance from 13 November 2023 until 7.00pm (Sydney time) on 14 December 2023.

Zhaojin has reserved the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

As the Offer is subject to defeating conditions, Zhaojin is required to give a notice by 6 December 2023 regarding the status of the defeating conditions (**Notice of Status of Conditions**). If Zhaojin extend the Offer Period before this date, then assuming the Offer remains conditional, this date will be adjusted accordingly and Zhaojin will notify Tietto and Shareholders of the new date for giving the Notice of Status of Conditions.

Once the Notice of Status of Conditions has been given, Zhaojin may only extend the Offer Period if one or more of the following events occur:

- another person lodges with ASIC a bidder's statement for a takeover bid for Tietto Shares or announces a takeover bid for Tietto Shares;
- another person makes offers under a takeover bid for Tietto Shares; or
- the consideration offered under another takeover bid for Tietto Shares is improved.

However, if the Offer becomes unconditional prior to date on which it must give the Notice of Status of Conditions (including as extended), Zhaojin is able to extend the Offer Period at any time prior to the end of the Offer Period.

Additionally, if, within the last seven days of the Offer Period, either of the following events occur:

- the Offer is varied to improve the consideration offered; or
- Zhaojin Mining's voting power in Tietto increases to more than 50%,

the Offer Period will be automatically extended so that it ends 14 days after the relevant event occurring, in accordance with section 624(2) of the Corporations Act.

(b) Withdrawal of Offer

Zhaojin may withdraw the Offer with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Zhaojin has stated that it will give notice of the withdrawal to the ASX and to Tietto and will comply with any other conditions imposed by ASIC.

If, at the time the Offer is withdrawn:

- all the conditions to the Offer have been satisfied or waived, all contracts arising from acceptances of the Offer will remain enforceable and if you have accepted into the Offer prior to the withdrawal, you will be paid the Offer Price for your Tietto Shares.
- the Offer remains subject to one or more conditions, all contracts arising from acceptance of the Offer will be void and of no effect, and if you have accepted into the Offer prior to the withdrawal, your acceptance will be void and of no effect, you will not receive the Offer Price for your Tietto Shares and you will remain a Shareholder.

Any withdrawal of the Offer will take effect:

- if the withdrawal is not subject to conditions imposed by ASIC, on and from the date that consent to the withdrawal is given by ASIC; or
- if the withdrawal is subject to conditions imposed by ASIC, on and from the date those conditions are satisfied.

(c) Effect of non-satisfaction or non-waiver of conditions

The “Chinese regulatory approvals” and “Ministry of Mines, Petroleum and Energy of Côte d’Ivoire approvals” conditions in **section 4.2** are each a condition precedent to the acquisition by Zhaojin of any interest in Tietto Shares of a kind which would cause a breach of the provisions of laws referred to in those conditions. If you accept the Offer then notwithstanding your acceptance, unless and until those conditions are fulfilled:

- no contract for the sale of your Tietto Shares will come into force or be binding on you or on Zhaojin;
- Zhaojin will have no rights (conditional or otherwise) in relation to your Tietto Shares); and
- you will be entitled to withdraw your acceptance in the manner prescribed in section 9.8 of the Bidder’s Statement.

If, at the end of the Offer Period (or in the case of the “no prescribed occurrences” condition set out in **section 4.2** of this Target’s Statement, the end of the third Business Day after the end of the Offer Period), the conditions in **section 4.2** have not been satisfied or waived, all contracts resulting from the acceptance of the Offer will automatically become void and of no effect. In these circumstances, if you have previously accepted into the Offer, your acceptance will be void and of no effect, you will not receive the Offer Price for your Tietto Shares and you will remain a Shareholder.

Further information about the effect of non-satisfaction or waiver (where applicable) of the conditions to the Offer is set out in sections 9.8 of the Bidder’s Statement.

(d) Waiving the conditions to the Offer

Zhaojin may waive the Offer, and any contract resulting from any acceptance of the Offer, from all or any of the conditions to the Offer, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Tietto and to the ASX declaring the Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:

- in the case of the “no prescribed occurrences” condition, not later than the end of the

third Business Day after the end of the Offer Period; and

- in the case of all the other conditions, not less than seven days before the end of the Offer Period.

Further information about waiving the conditions to the Offer is set out in section 9.9 of the Bidder's Statement.

4.3 Effect of acceptance of the Offer

Once you have accepted the Offer, you will be able to withdraw your acceptance at any time whilst the "Chinese regulatory approvals" and the "Ministry of Mines, Petroleum and Energy of Côte d'Ivoire approvals" conditions remain unsatisfied. Once those conditions have been satisfied or waived, if you have previously accepted the Offer you will be unable to withdraw your acceptance or otherwise dispose of your Tietto Shares, except:

- where the Offer is deemed to lapse due to the non-satisfaction of any of the other conditions of the Offer within the timeframes for satisfaction of those conditions, and in accordance with process, set out in **section 4.2(c)** of this Target's Statement; or
- if Zhaojin validly extends the Offer Period for more than one month and the obligations of Zhaojin to pay the consideration under the Offer are postponed for more than one month and, at that time, the Offer is subject to one or more of the conditions set out in **section 4.2** of this Target's Statement, you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act. If this circumstance arises a notification will be sent to you explaining your rights.

Shareholders should note that by accepting the Offer, they will be deemed to take certain actions and make certain representations and warranties in favour of Zhaojin. Further information about this is set out in section 9.5(c)-(d) of the Bidder's Statement.

Your Directors encourage you to read the Bidder's Statement in full, particularly section 9.5, to understand in full the effect that acceptance of the Offer will have on your ability to exercise rights attaching to your Tietto Shares.

Full details of when you will be provided the consideration under the Offer are set out in section 12.7 of the Bidder's Statement.

4.4 Effect of an increase of the Offer Price on Shareholders who have already accepted the Offer

If Zhaojin increases the Offer Price (or otherwise improves the Offer consideration), all accepting Shareholders, whether or not they have accepted the Offer before that improvement, will be entitled to the benefit of the increased Offer Price (or improved Offer consideration).

Shareholders should be aware that if they sell their Tietto Shares on-market and Zhaojin increases the Offer Price, they will not receive any additional consideration arising from such an increase.

Further, if you have already accepted the Offer and a competing proposal for Tietto emerges, you will be unable to accept into the competing offer unless you have a right to withdraw your acceptance of the Offer (see **section 4.3** of this Target's Statement).

Refer to **section 7.2** of this Target's Statement for further details of the risks of accepting the Offer now.

4.5 Compulsory acquisition of all Tietto Shares

(a) Compulsory acquisition of Tietto Shares during or at the end of the Offer Period

Zhaojin has indicated in section 6.3 of the Bidder's statement that, if it becomes entitled to do so, it intends to compulsorily acquire any Tietto Shares in respect of which it has not received an acceptance of the Offer; and thereafter:

- arrange for Tietto to be removed from the official list of the ASX;

- replace the members of the Tietto board with Zhaojin nominees; and
- retain Tietto's management team unless termination is in accordance with the ordinary course of business.

Zhaojin will be entitled to proceed to compulsory acquisition of any outstanding Tietto Shares if, during or at the end of the Offer Period, Zhaojin and its associates have a Relevant Interest in at least 90% of the Tietto Shares.

If this threshold is met, Zhaojin will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted the Offer during the Offer Period. Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Tietto Shares. The compulsory acquisition offer will be made on the same terms as the Offer.

Further information about Zhaojin's intention to compulsorily acquire Tietto Shares if it becomes entitled to do so is set out in section 6.3 of the Bidder's Statement.

Further information about the risks associated with Zhaojin proceeding with compulsory acquisition of all Tietto Shares is set out in **section 7.4** of this Target's Statement.

(b) Later general compulsory acquisition of Tietto Shares by Zhaojin as holder of at least 90% of all Tietto Shares

Even if Zhaojin does not satisfy the compulsory acquisition threshold referred to in **section 4.5(a)** of this Target's Statement during or immediately following the Offer Period, it is possible that Zhaojin will, at some later time after the end of the Offer Period, become the beneficial holder of 90% or more of all Tietto Shares. At this time, Zhaojin would have rights to compulsorily acquire Tietto Shares not owned by it within six months of becoming the beneficial holder of at least 90% of all Tietto Shares. Zhaojin's offered consideration for compulsory acquisition under this procedure would have to be considered in a report of an independent expert, and may be different to the Offer Price under the Offer.

4.6 Consequences of Zhaojin acquiring more than 50% and less than 90% of all Tietto Shares

If Zhaojin acquires more than 50% but less than 90% of all Tietto Shares before or at the end of the Offer Period then, assuming all the conditions to the Offer are satisfied or waived, Zhaojin will acquire a majority holding in Tietto and will effectively control Tietto, but will not be entitled to compulsorily acquire all Tietto Shares.

In this situation, Shareholders who have not accepted the Offer and therefore still hold their Tietto Shares will become minority Shareholders in a company with a majority Shareholder whose views on the strategies and objectives of Tietto may be different from their own. This has a number of possible implications:

- Zhaojin will be in a position to cast the majority of votes at a general meeting of Tietto. This will enable it to control the composition of the Tietto board and senior management, determine Tietto's dividend policy and control the strategic direction of Tietto and its subsidiaries;
- depending on the size of Zhaojin's interest in Tietto, it may be less likely that a third party will make an offer for Tietto Shares in future;
- the price of Tietto Shares may fall immediately following the end of the Offer Period, and it is unlikely that the price of Tietto Shares will contain any takeover premium;
- the liquidity of Tietto Shares may be lower than at present;
- if Zhaojin subsequently acquires 75% or more of all Tietto Shares, it will be able to unilaterally pass special resolutions of Tietto.

Zhaojin has indicated, in section 6.4 of the Bidder's Statement, that its current intentions if it were to acquire more than 50% but less than 90% of all Tietto Shares, include to:

- look to replacing some members of the Tietto board with nominees of Zhaojin over

time (and as permitted by the Corporations Act and Tietto's constitution and having regard to the recommendations in the ASX Corporate Governance Guidelines), so that the proportion of Zhaojin's nominees on the Tietto board is broadly similar to Zhaoji's voting power in Tietto;

- maintain Tietto's listing on the ASX;
- propose to the Tietto board a broad-based review of Tietto's operations on a strategic and financial level; and
- review the level of dividends payable by Tietto.

Further information about Zhaojin's intentions and plans with respect to Tietto if it acquires more than 50%, but less than 90% of all Tietto Shares, are set out in section 6.4 and 6.6 of the Bidder's Statement.

4.7 Consequences of Zhaojin acquiring less than 50% of Tietto Shares

At the date of this Target's Statement, Zhaojin's Offer is subject to conditions including that at the end of the Offer Period, Zhaojin has a Relevant Interest in at least 50.1% of the Tietto Shares (on a fully diluted basis). As such, unless Zhaojin waives this condition, if it does not acquire a relevant interest in 50.1% or more of Tietto Shares (on a fully diluted basis) by the end of the Offer Period, the Offer will lapse and any prior acceptances will be void and of no effect.

Zhaojin has stated, in section 6.5 of the Bidder's Statement, that it reserves the right to waive the "minimum acceptance" condition referred to above, but that it has made no decision as to whether it will do so.

Further information about Zhaojin's intentions if it waives the "minimum acceptance" condition referred to above, but does not ultimately acquire a relevant interest in more than 50% of all Tietto Shares (on a fully diluted basis), are set out in sections 6.5 and 6.6 of the Bidder's Statement.

4.8 Effect of the Offer on Tietto Options and Tietto Performance Securities

The Offer does not extend to Tietto Options or Tietto Performance Securities. However, the Offer extends to Tietto Shares that are issued on the exercise or vesting of Tietto Options or Tietto Performance Securities that are currently on issue during the period from the Register Date to the end of the Offer Period.

This means that holders of such Tietto Options and Tietto Performance Securities that are converted into Tietto Shares prior to the end of the Offer Period will be able to accept the Offer in respect of the Tietto Shares which they are issued as a result of that conversion.

Refer to **section 8.3** of this Target's Statement for information about the treatment of Tietto Options and Tietto Performance Securities under the Offer.

If Zhaojin and its associates have relevant interests in at least 90% of all Tietto Shares during, or at the end of, the Offer Period, Zhaojin will give a notice of compulsory acquisition to all Shareholders who have not previously accepted into the Offer in respect of their Tietto Shares, even if the Tietto Shares to which the notices relate are issued:

- after the Offer Period closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- on conversion of any Tietto Options or Tietto Performance Securities, up to six weeks after the notices are given (pursuant to section 661A(4) of the Corporations Act).

Zhaojin has stated in section 4.7 of the Bidder's Statement that if not all Tietto Options and Tietto Performance Securities are converted into Tietto Shares and acquired by Zhaojin or cancelled pursuant to other agreements or other arrangements, and Zhaojin is entitled to compulsorily acquire any outstanding securities of Tietto, Zhaojin presently intends to seek to compulsorily acquire or cancel any outstanding Tietto Options and Tietto Performance Securities pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

Further information about the Tietto Options and Tietto Performance Securities currently on issue is set out in **section 5.4** of this Target's Statement.

5 Information about Tietto

5.1 Overview of Tietto and the Tietto Group

Tietto is an Australian incorporated, ASX-listed (ASX:TIE) mining company operating the Abujar Gold Project in Côte d'Ivoire, which achieved commercial production on 6 July 2023. The Abujar Gold Project is located approximately 30 kilometres from the major regional city of Daloa in central western Côte d'Ivoire.

Tietto is the holding company of the Tietto Group.

Tietto has one wholly-owned Australian subsidiary, Tietto Minerals Austar Pty Ltd. This Australian subsidiary was incorporated solely for the purpose of indirectly holding Tietto's interest in the Abujar mining licence.

Tietto is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the ASX Listing Rules.

5.2 Principal activities of the Tietto Group

The principal activities of the Tietto Group are exploration, development and operation of gold assets in West Africa, specifically in Côte d'Ivoire and in Liberia. On 6 July 2023, the Tietto Group achieved commercial production at the Abujar Gold Project in Côte d'Ivoire.

(a) Abujar Gold Project

The Abujar Gold Project is located approximately 30km from the major regional city of Daloa in central western Côte D'Ivoire. It is close to good regional and local infrastructure to facilitate exploration, development and production being only 15km from the nearest tarred road and power grid. The Abujar Gold Project is comprised of three contiguous exploration tenements, Middle, South and North tenement, with a total land area of 1,114km², of which less than 10% has been explored.

Tietto has an 88% interest in the Abujar Gold Project. The Government of Côte d'Ivoire holds a free carried 10% interest in the Abujar Gold Project. The remaining 2% interest is held by local partners.

First gold was poured at the Abujar Gold Project on 14 January 2023. Tietto declared commercial production was reached on 6 July 2023, less than 18 months after commencing construction activities on the Abujar processing plant. Tietto recovered a record 12,057 oz gold at Abujar in October 2023, following September quarter 2023 (3 month) production of 33,750 oz gold.

The life of the Abujar Gold Project is forecast to be 9 years, with operations ceasing in 2032. An average of more than 170 koz per annum is forecast to be produced over the next nine years of the life of mine plan (**LOMP**) until 2032.⁸ The mill feed profile reflects increasing plant throughput to 5.5 Mtpa by 2025, reflecting total forecast gold production of approximately 1.53Moz (2024-2032).

The Abujar Gold Project sources feed for the mill from two deposits, AG and APG. Since commencement of mining, ore processed at Abujar has primarily been mined from the AG open pit. Mining at the APG pit is scheduled to start in 2026.

Further information regarding Abujar and Tietto's assets and operations is set out in the Independent Expert's Report's contained in **Attachment A**.

(b) Heap Leach Operations

In December 2022, Tietto released an open pit heap leach scoping study on the APG deposit at the Abujar Gold Project.

⁸ Tietto first reported the production guidance and forecast financial information derived from its production guidance in accordance with ASX Listing Rules 5.16 and 5.17 in its ASX announcement titled "Updated Life of Mine Plan for Abujar Gold Mine" dated 5 October 2023. Tietto confirms that all material assumptions underpinning the production guidance and the forecast financial information derived from the production guidance continues to apply and have not materially changed.

The study confirmed the potential to develop a second standalone mine at the APG deposit via a heap leach gold processing operation. The scoping study confirmed the potential for the APG deposit heap leach project (**Heap Leach Project**) to produce more than 100koz of gold per year in its first 3 years of production, with total production over the Heap Leach Project's 10-year mine life expected to be approximately 850koz. The scoping study estimated the capex required to develop the Heap Leach Project to be ~US\$98m, with a payback period of ~1.3 years.⁹

Further metallurgical studies and associated engineering design activities are planned to support preparation for a detailed feasibility evaluation along with baseline studies to support permitting and the environmental approval pathway for the Heap Leach Project and the mining of the APG deposit at the Abujar Gold Project.

Further information regarding Abujar and Tietto's assets and operations is set out in the Independent Expert's Report's contained in **Attachment A**.

5.3 Historical financial information

The following historical financial information for Tietto is extracted from the Half Year Financial Report for the period ended 30 June 2023 (**2023 Half Year Financial Report**).

The financial information has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act. The financial information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial information presented below does not represent complete financial statements and should therefore be read in conjunction with the full financial statements for the six month period to 30 June 2023, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments may have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between the release of the 2023 Half Year Financial Report and the date of this Target's Statement, no item, transaction or event of a material and unusual nature has arisen that is likely, in the opinion of the Directors, to significantly affect the operations of Tietto, the results of those operations, or the state of affairs of Tietto, in future financial years other than as disclosed in this Target's Statement and the 2023 Half Year Financial Report and subsequent filings with ASX.

Consolidated Statement of Financial Position as at 30 June 2023

	30 June 2023	31 December 2022
	\$	\$
Current assets		
Cash and cash equivalents	17,387,437	47,007,779
Trade and other receivables	17,245,420	3,792,056
Inventories	32,692,862	6,260,252
Total current assets	67,325,719	57,060,087
Non-current assets		
Property, plant and equipment	317,037,616	247,684,459
Financial assets at fair value through other comprehensive income	125,730	24,000
Right-of-use of asset	10,000	38,932
Total non current liabilities	317,173,346	247,747,391

⁹ Tietto first reported the production guidance and forecast financial information derived from its production guidance in accordance with ASX Listing Rules 5.16 and 5.17 in its ASX announcement titled 'APG Heap Leach Scoping Study Delivers 10yr 850koz Operation' dated 12 December 2022. Tietto confirms that all material assumptions underpinning the production guidance and the forecast financial information derived from the production guidance continue to apply and have not materially changed.

Total assets	384,499,065	304,807,478
Current liabilities		
Trade and other payables	68,720,082	46,433,683
Borrowings	49,772,648	11,812,045
Employee benefit obligations	107,432	166,507
Lease liabilities	60,769	19,431
Total current liabilities	118,660,931	58,431,666
Non-current liabilities		
Rehabilitation provision	8,721,336	
Lease liability	42,299	-
Total non-current liabilities	8,763,635	-
Total liabilities	127,424,566	58,431,666
Net assets	257,074,499	246,375,812
Equity		
Issued capital	362,961,344	362,516,344
Reserves	1,471,775	(2,695,148)
Accumulated losses	(107,917,740)	(112,163,261)
Total equity attributable to members of the company	256,515,379	247,657,935
Non-controlling interests	559,120	(1,282,123)

The most recent set of Tietto's financial statements are contained in the 2023 Half Year Financial Report, which is available on ASX website at www.asx.com.au and in the "Investors" section of Tietto's website at www.tietto.com.

The Directors confirm that, as at the Last Practicable Date, they are not aware of any material changes in Tietto's financial position since 30 June 2023 (the date of the 2023 Half Year Financial Report).

5.4 Capital structure

As at the Last Practicable Date, the issued capital of Tietto consisted of 1,129,690,451 Tietto Shares, 22,000,000 Tietto Options and 5,550,000 Tietto Performance Securities.

(a) Tietto Options

As at the Last Practicable Date, Tietto has 22,000,000 options on issue (**Tietto Options**). The Tietto Options are summarised in the following table.

ASX Code	Number	Exercise Price	Expiry Date
TIEAAA	5,000,000	\$0.6200	4 February 2025
TIEAAB	3,500,000	\$0.5300	1 July 2025
TIEAAC	4,000,000	\$0.8000	31 December 2024

ASX Code	Number	Exercise Price	Expiry Date
TIEAAD	4,000,000	\$0.7000	31 December 2026
TIEAO	2,000,000	\$0.3900	21 May 2024
TIEAP	300,000	\$0.6200	1 August 2024
TIEAZ	3,200,000	\$0.4100	17 January 2025

9,000,000 Tietto Options were issued under the LTIP.

(b) **Tietto Performance Securities**

As at the Last Practicable Date, Tietto had 5,550,000 performance rights and performance shares on issue (**Tietto Performance Securities**). The Tietto Performance Securities are summarised in the following table.¹⁰

Performance Security Class	Expiry Date	Number
TIEAX Class I	17 January 2025	600,000
TIEAY Class J	17 January 2025	600,000
TIEAQ Class B	22 December 2023	1,750,000
TIEAT Class E	21 May 2024	1,500,000
TIEAU Class F	21 May 2024	1,000,000
TIEAV Class G	1 August 2024	100,000

The Tietto Performance Securities were issued to eligible employees under the LTIP.

Refer to **section 4.8** of this Target's Statement for details of the effect of the Offer on the Tietto Options and Tietto Performance Securities. Refer to **section 8.3** of this Target's Statement for details of the treatment of Tietto Options and Tietto Performance Securities under the Offer.

5.5 Substantial Shareholders

As at the Last Practicable Date, based on substantial shareholder notices lodged with the ASX and share registry data, Shareholders holding more than 5% of the issued capital of Tietto are:

¹⁰ Shareholders should note that on 3 April 2023 Tietto released an announcement noting that, 2,500,000 TIEAQ Class B Performance Rights (expiring 22 December 2023) and 1,500,000 TIEAW Class H Performance Rights (expiring 30 November 2023) were cancelled. The cancellation of these securities was inadvertently not reflected in subsequent announcements released through ASX. On 17 November 2023, Tietto released an announcement noting that 2,500,000 TIEAQ Class B Performance Rights (expiring 22 December 2023) had been cancelled. Tietto has contacted ASX to correct Tietto's unquoted securities capital structure reporting.

Shareholder	Number of Tietto Shares	% of issued capital
Chijin International HK Limited	140,855,864	12.47
Zhaojin Capital Limited	79,204,311	7.02
Kongwell Management Ltd	70,732,588	6.26

5.6 Information about the Directors

A summary of the Tietto board as at the date of this Target's Statement is set out below.

Francis Harper – Independent Non-Executive Chairman

Mr Harper is the Chairman of Tietto. He has been a director of Blackwood Capital since 2002 and prior to that spent 15 years with NM Rothschild in the US, UK and Australia in M&A and resources finance. Blackwood Capital has raised over \$1 billion for small caps since inception. Mr Harper (through Blackwood Capital) financed West African Resources Limited (ASX: WAF) (West African) and was chairman from 2009 to 2015.

Mr Harper was appointed to the Tietto board on 19 July 2017.

Mr Matthew Wilcox – Chief Executive Officer, Managing Director

Mr Wilcox directly managed the construction of West African's (ASX: WAF) 300,000ozpa Sanbrado Gold Mine, which was completed in March 2020, ahead of schedule and under budget. He is highly experienced in the gold mining construction industry in West Africa, having spent the prior eight years working for Nord Gold, which operates nine gold mines globally, including three mines in Burkina Faso and one mine in Guinea. Prior to his role at West African, Mr Wilcox was Project Director for the construction of Nord Gold's 4Mtpa Bissa Gold Project and 8Mtpa Bouly Gold Project, both located in Burkina Faso. He was General Manager of the 6Mtpa LEFA Gold Project in Guinea, and prior to joining West African was Project Director for the construction of the 12Mtpa Gross Gold Project in Siberia, Russia.

Mr Wilcox was appointed to the Tietto board on 20 March 2023.

Hanjing Xu – Non-Executive Director

Mr Xu has over 25 years of experience in the natural resources industry, working in both Chinese state-owned conglomerates and internationally listed mining companies. He was previously the President of the Australian Branch of China National Nonferrous Metals and Export Corporation (CNIEC), President of CNIEC, Director of Foreign Affairs Bureau, China National Nonferrous Metals Industry Corporation, Executive Director of Sino Gold Mining Ltd and Managing Director of Eldorado Gold China.

Mr Xu was appointed to the Tietto board on 4 August 2017.

Dr Paul Kitto – Non-Executive Director

Dr Kitto has more than thirty years' experience within the mining industry serving on a number of boards of directors and holding senior management positions in various countries around the world predominantly in Australasia and Africa.

Dr Kitto was Exploration Manager, West Africa for Newcrest Mining Ltd from 2015 – 2019, and prior to that was CEO of Ampella Mining Ltd from 2008 until 2014 when Ampella was acquired by Centamin PLC. Dr Kitto led Ampella in discovering and growing the 3.25 million oz Konkera resource at the Batie West Project in Burkina Faso.

Listed Directorships held in the last three years: Meteoric Resources NL, Peako Limited, Resolution Minerals Ltd. Dr Kitto has also led or been part of the exploration teams whose research resulted in the discovery of numerous multi-millions of ounces of gold in Africa, Australia and Papua New Guinea. Dr Kitto has extensive experience associated with a wide range of deposit types predominantly associated with gold and base metals.

Dr Kitto was appointed to the Tietto board on 22 January 2019.

Mr Shaddrack Sowah Adjetei – Non-Executive Director

Mr Adjetei Sowah is currently Vice President and Manager Director of Golden Star Resources, a subsidiary of Chifeng Gold Group which operates the Wassa Gold Mine in Ghana, West Africa. Mr Adjetei Sowah is a chartered accountant and has over thirty years' experience primarily in the mining industry. Mr Adjetei Sowah has in-depth knowledge and experience in both surface and underground mining, metallurgical processes, geology – both resource and grade control and engineering.

Mr Adjetei Sowah was appointed to the Tietto board on 24 October 2022.

Ms Sabina Shugg AM – Non-Executive Director

Ms Shugg AM is a Mining Executive with extensive experience in senior roles within some of the largest resource and consulting organisations in Australia. Her experience includes delivering technical mining projects from conceptual design to project handover as well as operations management experience at senior site level covering both underground and open pit environments. Her qualifications include an MBA from UWA, a degree in Mining Engineering from WA School of Mines and a Western Australian First Class Mine Manager's Certificate of Competency.

Sabina currently serves on Mining and Petroleum Advisory Committee (MAPAC) for DMIRS. Sabina has extensive Company director experience having previously completed the AICD course and is currently a Non-executive Director of Resolute Mining Limited and recently completed a three-year term as Chair of the Goldfields Esperance Development Commission (September 2020 to September 2023).

Ms Shugg was appointed to the Tietto board on 27 September 2023.

5.7 Continuous disclosure

Tietto is a disclosing entity under the Corporations Act and subject to regular reporting and disclosure obligations. Specifically, as an ASX-listed company, Tietto is subject to the ASX Listing Rules which require continuous disclosure of any information Tietto has that a reasonable person would expect to have a material or significant effect on the price or value of Tietto Shares.

Copies of announcements made by Tietto may be obtained from the ASX website at www.asx.com.au and Tietto's website at www.tietto.com.

In addition, Tietto will make copies of the following documents available for inspection at Tietto's registered office at Unit 22, 123B Colin Street, West Perth, Western Australia (between 9.00 am and 5.00 pm Monday to Friday):

- its 2023 Half Year Financial Report;
- its annual report for the six-month period to 31 December 2022;
- its constitution; and
- any document lodged by Tietto with ASX between the lodgement of its 2023 Half Year Financial Report on 13 August 2023 and the date of this Target's Statement. A list of these documents is included in the **Annexure**.

A copy of these documents may be requested to be provided free of charge by contacting the Matthew Foy, Tietto's Company Secretary between 9.00 am and 5.00 pm (Perth time) Monday to Friday on +61 (8) 6331 6182.

Copies of documents lodged with ASIC in relation to Tietto may be obtained from, or inspected at, an ASIC office.

6 Information about Zhaojin

6.1 Disclaimer

The information set out in this section of the Target's Statement in relation to Zhaojin has been prepared by Tietto using publicly available information (principally the Bidder's Statement) and has not been independently verified. Accordingly, and subject to the Corporations Act, Tietto and its Directors and advisers do not make any representation or warranty, express or implied, as to the accuracy or completeness of such information and take no responsibility for the contents of the Bidder's Statement.

Further information on Zhaojin can be found in section 2 of the Bidder's Statement.

6.2 Overview of Zhaojin

The bidder under the Offer is Zhaojin.

Zhaojin is a special purpose vehicle incorporated in Hong Kong for the purposes of the Offer. Zhaojin is a direct wholly-owned subsidiary of Sparky International Company Limited, being a company incorporated in Hong Kong, which is, in turn, a direct wholly-owned subsidiary of Zhaojin Mining.

Zhaojin Mining was incorporated in 2006 in the People's Republic of China and is an integrated gold corporation with exploration, mining, processing and smelting operations. It has a long and successful record of investing in the gold mining industry. Its principal products include standard Au9999 and Au9995 gold bullions. Zhaojin Mining has been listed on the Main Board of the Hong Kong Stock Exchange since 8 December 2006. Zhaojin Mining operates its main business through gold mining and smelting operations.

Further information on Zhaojin and Zhaojin Mining can be found in section 2 of the Bidder's Statement.

6.3 Zhaojin interest in Tietto securities

Based on substantial shareholder notices lodged with ASX and registry data, as at the Last Practicable Date, Zhaojin (via its related bodies corporate) has a Relevant Interest in 79,204,311 Tietto Shares or 7.02% of Tietto's total issued capital.

6.4 Zhaojin funding arrangements related to the Offer

In accordance with section 5 of the Bidder's Statement, the consideration for the acquisition of the Shares to which the Offer relates will be satisfied wholly in cash.

The maximum amount that Zhaojin could be required to pay under the Offer is A\$629.0 million (**Maximum Offer Amount**), together with transaction costs.

The cash consideration payable under the Offer will be obtained by Zhaojin from the internal cash reserves of Zhaojin Mining. Zhaojin has stated that it believes it has a reasonable basis for holding the view, and that it does hold the view, that it will be able to satisfy its obligations to fund the Maximum Offer Amount as and when it is due and payable under the terms of the Offer.

6.5 Zhaojin's intentions in respect of Tietto

Sections 4.5, 4.6 and 4.7 of this Target's Statement, and section 6 of the Bidder's Statement, set out further information relating to Zhaojin's intentions in respect of the future business and operations of Tietto (assuming that the Offer results in Zhaojin acquiring Tietto Shares).

Shareholders should carefully consider these intentions when deciding whether to accept the Offer (noting that these are statements of current intention only and may change).

7 Risk factors

7.1 Overview

There are various risks associated with either accepting the Offer or rejecting the Offer and continuing to hold Tietto Shares. Some of these risks are specific to Tietto and its business, and other risks are of a more general nature and apply to any investment in a listed company. Some of these risks can be mitigated but many are beyond the control of Tietto and its Directors and cannot be mitigated. This **section 7** contains a non-exhaustive summary of some of these key risks.

This **section 7** does not take into account the investment objectives, financial circumstances, taxation position or particular needs of individual Shareholders and is not, and does not purport to be, exhaustive or complete. Prior to deciding whether to reject or accept the Offer, Shareholders should carefully consider the key risk factors in this **section 7** and seek appropriate independent professional advice.

The options you have in relation to the Offer are set out in **section 3.3** of this Target's Statement.

7.2 Risks associated with accepting the Offer

(a) The Offer is currently subject to conditions, including regulatory approvals in China and Côte d'Ivoire, and therefore it is not certain that the Offer will proceed

If the conditions to the Offer are not satisfied or waived within the relevant timeframes for satisfaction or waiver of those conditions, the Offer will lapse. In this circumstance, if you have already accepted the Offer, your acceptance will be void and of no effect, you will not receive the Offer Price for your Tietto Shares, and you will remain a Shareholder.

Furthermore, Shareholders who accept the Offer now may have to wait a lengthy period before receiving the Offer consideration due to the need for certain conditions to be satisfied before Zhaojin can acquire accepting Shareholders' Tietto Shares. Shareholders may be unable to deal with their Tietto Shares during that time).

Further information on the effect of non-satisfaction or non-waiver of the conditions to the Offer is set out in **section 4.2(c)** of this Target's Statement.

(b) You will no longer have any exposure to Tietto's assets and operations, and will lose the benefit of any near-term upside of continued exposure to Tietto's assets and operations

If you accept the Offer and the Offer is or becomes unconditional, you will no longer be a Shareholder in Tietto.

This means that you will not participate in any potential upside associated with Tietto's assets and operations, including any upside as a result of the anticipated continuation of recent improvements in Abujar's operating performance, as further detailed in **section 1.2** of this Target's Statement.

You will also cease to have the ability to influence the future direction of Tietto through your voting rights as a Shareholder.

(c) You will be unable to accept any competing offer that emerges

If you have already accepted Zhaojin's Offer and a competing offer emerges, you will be unable to accept the competing offer unless you are able to withdraw your acceptance. Further information about Shareholders' ability to withdraw an acceptance of the Offer is set out in **section 4.3** of this Target's Statement.

As at the date of this Target's Statement, the Directors are not aware of any competing offer that is available to be accepted by Shareholders. If a competing offer arises, the Directors will carefully consider the merits of such offer and advise Shareholders of their recommendation in respect of the competing offer.

(d) You will have limited withdrawal rights and may lose your right to otherwise deal with

your Tietto Shares

If you accept the Offer, you may be unable to withdraw your acceptance, and the contract resulting from your acceptance will be binding on you and you may be unable to withdraw your Tietto Shares from the Offer or otherwise deal with your Tietto Shares. Further information about Shareholders' ability to withdraw an acceptance of the Offer is set out in **section 4.3** of this Target's Statement.

(e) You may be liable to pay tax on the disposal of your Tietto Shares

The taxation consequences of disposing of your Tietto Shares under the Offer depend on a number of factors and your particular circumstances. A general description of the Australian income and capital gains tax consequences for Shareholders is set out in section 7 of the Bidder's Statement. You should also seek your own specific professional advice as to the taxation implications of accepting the Offer in your particular circumstances. Tietto, its Directors and advisers take no responsibility for the contents of the Bidder's Statement.

(f) You will not be able to sell your Tietto Shares on-market

If you accept the Offer, you will no longer be able to trade your Tietto Shares on market. There is a possibility that the market price of Tietto Shares may exceed the Offer Price during the Offer Period. Further information about the effect of accepting the Offer is set out in **section 4.3** of this Target's Statement. For the avoidance of doubt, the future price of Tietto Shares is uncertain and no assurance or forecast is or can be given about any potential increase in the future price of Tietto Shares.

7.3 Risks associated with rejecting the Offer and continuing as a Shareholder

In considering whether to accept the Offer, Shareholders should be aware of the risks relating to Tietto, its business and assets as well as the general risks associated with an investment in securities markets. These risks include those specific to the industry in which Tietto operates and general economic conditions which may affect the future operating and financial performance of Tietto. **Sections 7.5** and **7.6** of this Target's Statement contain a summary of some, but not all, of the material risks Tietto believes may impact it and its future prospects and operations.

7.4 Risks specific to certain Offer outcomes

Zhaojin meets 90% compulsory acquisition threshold

Zhaojin has indicated in section 6.3 of the Bidder's statement that, if it becomes entitled to do so, it intends to compulsorily acquire any Tietto Shares in respect of which it has not received an acceptance of the Offer; and thereafter:

- arrange for Tietto to be removed from the official list of the ASX;
- replace the members of the Tietto board with Zhaojin nominees; and
- retain Tietto's management team unless termination is in accordance with the ordinary course of business.

In this circumstance:

- Shareholders who have not previously accepted the Offer will no longer have any exposure to Tietto's assets and operations, and will lose the benefit of any near-term upside of continued exposure to Tietto's assets and operations, including exposure to an ASX-listed entity;
- no competing proposal for Tietto will be made, which will mean Shareholders who have not previously accepted the Offer will lose the potential upside of any such competing proposal for Tietto which may be at a price higher than the Offer Price (noting that, for the avoidance of doubt, if Zhaojin proceeds with any compulsory acquisition of Tietto Shares as a result of acquiring an interest in more than 90% of Tietto Shares during or at the end of the Offer Period, it will only be required to pay the Offer Price to compulsorily acquire any outstanding Tietto Shares); and

- Shareholders will cease to have the ability to influence the future direction of Tietto, which will be a privately held company.

Further information about Zhaojin proceeding with compulsory acquisition of all Tietto Shares is set out in **section 4.5** of this Target's Statement.

Zhaojin acquires more than 50% but less than 90% of all Tietto Shares

If Zhaojin acquires more than 50% but less than 90% of all Tietto Shares before or at the end of the Offer Period then, assuming all the conditions to the Offer are satisfied or waived, Zhaojin will acquire a majority holding in Tietto and will effectively control Tietto, but will not be entitled to compulsorily acquire all Tietto Shares. This will have the following consequences:

- Shareholders who have not accepted the Offer will be minority Shareholders in Tietto which has a majority Shareholder whose views on the strategies and objectives of Tietto may be different from their own;
- Zhaojin will be in a position to cast the majority of votes at a general meeting of Tietto. This will enable it to control the composition of the Tietto board and senior management, determine Tietto's dividend policy and control the strategic direction of Tietto and its subsidiaries. In section 6.4 of the Bidder's Statement Zhaojin has stated that if Tietto becomes a controlled entity of Zhaojin (but not a wholly-controlled entity of Zhaojin), it will seek to replace existing Tietto board members with such number of Zhaojin nominees as reflects its majority shareholding);
- depending on the size of Zhaojin's interest in Tietto, it may be less likely that a third party will make a takeover offer for Tietto in future;
- the price of Tietto Shares may fall immediately following the end of the Offer Period, and it is unlikely that the price of Tietto Shares will contain any takeover premium;
- the liquidity of Tietto Shares may be lower than at present; and
- if Zhaojin subsequently acquires 75% or more of all Tietto Shares, it will be able to unilaterally pass special resolutions of Tietto.

7.5 Risks specific to Tietto

Gold price volatility

The profitability of Tietto depends on the world market price of gold. Volatility in the gold price creates revenue uncertainty and requires careful management of operating and business performance to ensure that operating cash margins are maintained. If the market gold price falls below Tietto's future production costs and remains at that level for a sustained period, it may not be economically feasible to continue production.

A declining gold price can also impact operations by requiring a re-assessment of the feasibility of mine plans and certain projects and initiatives, the commencement of development projects and the ongoing commitment to exploration projects. Even if a project is economically determined to be economically viable, the need to conduct a re-assessment of viability could potentially cause substantial delays and / or may interrupt operations, which may have a material adverse effect on Tietto's operational and financial performance.

Tietto cannot provide any assurances as to the gold price it may receive in the future for its products. Changes in general commodity prices, including for gold and associated pricing for impurities and treatment charges, may have a positive or negative effect on Tietto's revenues, which may have a flow-on impact on Tietto's exploration and development programs and ongoing operations.

Tietto may in the future be required or choose to enter into gold price hedging arrangements. Although gold price hedging arrangements may protect Tietto in some instances, they may also limit the price that can be realised on the proportion of recovered metal that is subject to any hedges, if the market price for gold exceeds the hedge contract price.

Operational uncertainties and risks

The ability of Tietto to achieve the production guidance (including that referred to in **sections**

1.1 and 1.2 of this Target's Statement), or meet operating and capital expenditure estimates, cannot be assured. These uncertainties are more pronounced over a longer period. Tietto's assets and mining operations may be adversely impacted by factors including (but not limited to): ore tonnes, mine grade, ground conditions, metallurgical recovery and impurities, unanticipated metallurgical issues, operational environment, funding for development, availability of power and water supply, regulatory changes, accidents, contractual risks, infill resource drilling, mill performance, experience of the workforce and other unforeseen circumstances such as unplanned mechanical failure of plant and equipment, changes in applicable laws and regulations, general inflationary pressure and changes in currency exchange rates, cyclones, storms, floods, fires or other natural disasters, or outbreaks, continuations or escalations of disease or pandemics (including COVID-19). Tietto's operations and revenue could also be adversely impacted by increased prices for diesel, reagents, and other supply chain commodities, increased cost of labour, and other input costs.

Tietto has in place a framework for the management of operational risks and an insurance program which provides coverage for a number of these risks. However, the occurrences of any of these circumstances could result in Tietto not realising its operational or development plans, these plans increasing in cost, or being significantly delayed. Any of these outcomes could have a material adverse effect on Tietto's operational and financial performance.

Exploration and development

The ability to continually find and replace reserves and resources is important for the long-term stability of Tietto's operations and financial performance. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. The exploration for and development of mineral deposits is speculative and involves significant costs and risks. The reserve base of Tietto may decline if reserves are mined without adequate replacement, and Tietto may not be able to sustain production beyond current mine lives.

Whether a mineral deposit will be commercially viable depends on a number of factors, including (but not limited to): the particular attributes of the deposit (including size, ore grade, and proximity to infrastructure), prevailing commodity prices, metallurgical recovery, capital construction and operating costs, and applicable government regulation including regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. There is no certainty that any expenditure made by Tietto towards the search for, and evaluation and development of, mineral deposits, will result in economically viable production of commercial quantities of ore.

Resources and reserves

Tietto notes that its Mineral Resources and Ore Reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. No assurance can be given that the estimated Mineral Resources and Ore Reserves are accurate or that the indicated level of gold or any other mineral may be produced. By their very nature, resource and reserve 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. In addition, actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any or all of Tietto's inferred Mineral Resources estimates will be converted into measured Mineral Resources with further geological definition. This may result in alterations to development and mining plans which may, in turn, have a material adverse effect on Tietto's operational and financial performance.

Production guidance

The production guidance contained in **section 1.2** of this Target's Statement, and any other production guidance that Tietto has previously provided to the market, is based on assumptions and forecasts which may subsequently prove to be incorrect or inaccurate. Statement of production guidance, by their very nature, are imprecise. Although Tietto considers that its production guidance is reasonable, no assurance can be given that actual future production may materially differ from the guidance for various reasons, many of which cannot be foreseen and are beyond the control of Tietto. These factors may cause the production guidance not to be achieved, or to be achieved later than expected or at a higher

cost than anticipated.

Key personnel and labour market risk

Tietto is dependent on the experience, skills and knowledge of its key personnel, both in Australia and in Côte d'Ivoire, to successfully manage its business. Recruiting and retaining qualified personnel is crucial to the ongoing success of Tietto. The loss of any of Tietto's key personnel, the inability to recruit necessary staff as needed or the increase cost of doing so, may cause a significant disruption to Tietto and adversely affect its operational and financial performance. There is no assurance that Tietto will successfully continue to retain existing specialised key personnel or attract additional key personnel required to execute and implement Tietto's business plan, which will be particularly important as Tietto continues to develop and grow. Competition for experienced key personnel in the mineral resources industry is intense.

In addition, there can be no assurance that the operations of Tietto or its contractors will not be affected by labour related issues in the future, such as disputes or strikes. Relations between Tietto and its employees (and between Tietto's contractors and their employees) may be affected by labour laws and regulations in the jurisdictions in which Tietto operates. Such changes in laws and regulations could have a material adverse effect on Tietto's operational and financial performance. There may also be political, community or reputational risks associated with labour related issues involving Tietto and its workforce.

Exchange rate volatility

Tietto is an Australian business that reports its financial results in Australian dollars. However, the functional currencies of Tietto's subsidiaries are varied, and include Australian dollars, US dollars and West African francs. Movements in the exchange rates between these various currencies may have a material adverse impact on Tietto's operational and financial performance.

The risks associated with exchange rate volatility may be reduced to an extent by currency hedging arrangements, however Tietto does not currently have any hedging arrangements in place, and there can be no assurance as to the efficacy of currency hedging arrangements if Tietto were to put such arrangements in place in the future.

Future capital requirements

Tietto's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. Mining operations, exploration and development involve significant financial risk and capital investment. It is difficult to predict the level of funding that may be required by Tietto in the future. No assurance can be given as to Tietto's ability to successfully obtain required funding, including on a timely basis and on economically viable terms.

To meet its future funding requirements, Tietto may need to seek funding from a variety of sources, including through the issue of new equity and / or debt financing. In some circumstances the issue of new equity to raise funds may be dilutive to Shareholders.

In the future, Tietto may need to renegotiate or refinance the terms of existing debt facilities or may seek future facilities or replacement facilities with alternate financiers to satisfy its capital requirements. The terms on which debt financiers are willing to offer finance vary from time to time and depend on, amongst other things, macro-economic conditions, the performance of Tietto and an assessment of the risks and intended use of funds. Additionally, in a world that is rapidly migrating towards a lower-carbon economy, and where the global community is increasingly focused on the social and environmental sustainability of investment, obtaining future financing may prove difficult.

If sufficient funds are not available either internally or from debt or equity markets to satisfy Tietto's short-, medium- or long-term capital requirements, when required, there may be a material adverse impact to Tietto's operational and financial performance.

Health and safety

Mining and mining-related operations and activities can potentially be hazardous. Workplace accidents and incidents may occur for various reasons, including as a result of occupational

health and safety laws and regulations in the jurisdictions in which Tietto operates. Tietto is committed to providing a safe and healthy workplace and environment for personnel, contractors and visitors. Tietto provides appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. Notwithstanding this, Tietto may be liable for workplace accidents and incidents that occur, which can involve significant penalties and have a material adverse effect on Tietto's operational and financial performance, and reputation. Such workplace accidents and incidents may not be covered, or may be inadequately covered, by Tietto's insurance policies. Additionally, any accidents or injuries that occur at Tietto's operations could result in delays or stoppages to operations and activities.

Tietto is subject to health and safety laws and regulations in the jurisdictions in which it operates. Any unexpected change to such laws and regulations may result in increased costs of, or uncertainties in relation to, compliance with such laws and regulations.

COVID-19

Although the immediate adverse impacts of the outbreak of COVID-19 have reduced to some extent, ongoing supply chain disruptions resulting from the transmission of COVID-19 in the community and measures implemented by governments around the world to limit the transmission of COVID-19, including the possible reinstatement of such measures in the event of a recurrent outbreak of COVID-19 in the jurisdictions in which Tietto conducts its operations and activities, may cause a material adverse effect to Tietto's operational and financial performance.

Environment

The operations and activities of Tietto are subject to the environmental laws and regulations of the jurisdictions in which it operates. As with all mining and mining-related operations, Tietto's activities are expected to have an impact on the environment. Tietto intends to conduct its operations and activities to the highest standards of environmental performance, including compliance with applicable environmental laws and regulations. Nevertheless, such operations and activities may give rise to potentially substantial costs for compliance, environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially having a material adverse effect on Tietto's operational and financial performance and reputation.

Additionally, environmental regulation is evolving in a manner which will require increasingly strict standards and enforcement, including fines and penalties for non-compliance, more stringent assessments of projects, and a heightened standard of responsibility for companies and their officers, directors and employees. No assurance can be given that future changes in environmental standards, if any, will not have a material adverse effect on Tietto's operational and financial performance. Changes in environmental regulation deal with, amongst other things, air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality. In addition to the potential increased costs of compliance as referred to above, these changes could cause delays to Tietto's operations or the cessation of activities altogether.

Environmental hazards may exist on the properties on which Tietto holds interest and these hazards may be unknown to Tietto at present and there is the potential that Tietto may have to bear the burden of rectification of such hazards that arise and become known to Tietto.

In addition, climate change may cause certain physical and environmental risks that cannot be predicted by Tietto, including adverse weather conditions or patterns and incidences of extreme weather events. Tietto may also be impacted by changes to local or international compliance regulations related to climate change mitigation effects, and / or by specific penalties or costs related to compliance with, or breaches of, climate change regulations.

Community relations and social license to operate

Tietto's relationship with the communities within which it conducts its operations and activities is important to ensure the future success of its existing operations and the development of its projects. While Tietto believes its existing relationships with these communities is strong, there

is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organisations (NGOs), some of which oppose globalisation and resource development, can be vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to the mining industry generally, or Tietto's operations specifically, could have a material adverse effect on Tietto's operating and financial performance, and reputation, and may impact Tietto's relationship with the communities in which it operates.

Closure and rehabilitation risk

At the completion of any existing or future mining operations, Tietto will be required to rehabilitate or otherwise close those operations in accordance with its approved plans and any applicable laws and regulations. No assurance can be given that the cost of, or time taken to, rehabilitate or otherwise close any mining operation will not exceed any existing estimates or provisions made by Tietto in respect of such rehabilitation or closure. The ultimate cost of rehabilitation and / or closure of mining operations is uncertain and can vary in response to many factors, including (but not limited to) changes to applicable laws and regulations or the emergence of new restoration techniques.

Regulatory risk

Tietto's operations and activities are subject to various federal, state and local laws and regulations in the jurisdictions in which Tietto operates, including Côte d'Ivoire. These laws include those relating to mining, prospecting, development permit and licencing requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. These laws and regulations (and the interpretation of such laws and regulations) are subject to change and there is the potential for significant penalties to be levelled on Tietto for failure to comply with such laws and regulations and / or fail to take satisfactory corrective action for any failure to comply. This may have an adverse effect on Tietto's operational and financial performance.

Tietto undertakes its operations and activities in reliance on various approvals, licences and permits. Renewals of existing approvals, licences and permits, or the granting of new approvals, licences and permits required for Tietto's ongoing activities is subject to the discretion of authorities including governments and regulatory agencies and in some cases, local communities. No assurance can be given that Tietto will be successful in obtaining extensions and / or grants of required approvals, licences and permits, including in a timely manner or subject to economically viable conditions. Additionally, the occurrence of unforeseen circumstances or events may impact Tietto's ability to maintain compliance with the conditions of existing approvals, licences and permits. Tietto may be subject to legal challenges on the validity of any approvals, licences and permits. Any of these circumstances may have a material adverse effect on Tietto's operating and financial performance, including in situations where Tietto is curtailed or prohibited from continuing or proceeding with its operations and activities as a result of a failure to obtain, renew or maintain required approvals, licences and permits.

Sovereign risk

Tietto's Abujar Gold Project is located in Côte d'Ivoire. Investors should note that operating in the jurisdiction of Côte d'Ivoire is materially different to operating in Australia, and conditions in Côte d'Ivoire may change rapidly and without warning. By conducting operations and activities in Côte d'Ivoire, Tietto is exposed to a variety of risk factors, including (but not limited to): expropriation, renegotiation, forced interruption or suspension of operations, curtailment of sales, forced change or nullification of existing contracts, unenforceability of contractual rights, granting or extension of licences, changing taxation policies or the interpretations, adverse changes in laws (whether of general application or otherwise) or the interpretation or enforcement thereof, foreign exchange restrictions, inflation, changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls and foreign governmental regulations that favour or require the rewarding of contracts to local contractors or require foreign contractors to employ citizen of, or purchase supplies from, a particular jurisdiction.

No assurance can be given that industries deemed of national or strategic important to countries in Africa, including Côte d'Ivoire, will not be nationalised. Governmental policy may

change to discourage foreign investment, re-nationalisation of mining industries may occur and other governmental limitations, restrictions or requirements not currently foreseen may be implemented. No assurance can be given that Tietto's assets in Côte d'Ivoire will not be subject to nationalisation, requisition or confiscation, whether legitimate or not, by any authority or body. Similarly, Tietto's operations may be affected in varying degrees by governmental regulations with respect to restrictions on pricing, production, price controls, export controls, income taxes, environmental regulation or mine safety and annual payments to maintain mineral properties in good standing.

In addition, Tietto's activities could be subject to the effects of political changes and / or instability, war and civil conflict, changes in governmental policy, lack of law enforcement, labour unrest and the creation of new laws.

The manifestation of any one or more of the risks outlined in this section could have a material adverse effect on Tietto's operational and financial performance.

Tenure risk

Interests in tenements in Côte d'Ivoire are governed by national legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. Tietto could lose its title to or its interest in one or more of the tenements in which it has an interest, or the size of any tenement held by Tietto could be reduced if licence conditions are not met or if insufficient funds are available to meet the relevant minimum expenditure commitments. Tietto's tenements, and other tenements in which Tietto may acquire an interest in the future, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed Tietto may lose the opportunity to discover materialisation and develop that tenement. Tietto cannot guarantee that tenements in which it presently has an interest will be renewed beyond their current expiry date.

Corruption and bribery

Countries in Africa, including Côte d'Ivoire, can experience relatively high levels of criminal activity and governmental and business corruption. Exploration and mining companies operating in certain areas of Africa may be particular targets of criminal action. Criminal or corrupt action against Tietto may have a material adverse effect on Tietto's operating and financial performance.

By doing business in Côte d'Ivoire, Tietto could face, directly or indirectly, corrupt demands by officials, militant groups or private entities. Consequently, Tietto faces the risk that one or more of its employees, agents, intermediaries, consultants or other personnel outside of the control of Tietto may make or receive unauthorised payments. Although Tietto has in place policies and procedures design to ensure that it and its personnel comply with anti-corruption and anti-bribery legislation and regulation, no assurance can be given that such policies or procedures will be effective and / or protect Tietto against liability under any such legislation or regulation in connection with actions undertaken by its personnel. Any alleged or actual involvement in corrupt practices, breaches of anti-corruption and anti-bribery legislation or regulations or other illegal activities could adversely affect Tietto's reputation and its ability to do business, including by affecting its rights and title to assets or by the loss of key personnel, and together with penalties or compliance costs, could have a material adverse effect on Tietto's operating and financial performance.

Insurance risk

Tietto maintains appropriate policies of insurance that are consistent with those customarily carried by similar organisations in the energy sector. Any future increase in the cost of such insurance policies, or an inability to fully replace, renew or claim against insurance policies could adversely affect Tietto's business, financial position and operational results. Additionally, there is no assurance that Tietto's insurance coverage will be sufficient to compensate it against all losses it may suffer as a result of an incident affecting its assets. There are certain types of risks that are not covered by insurance because they are either uninsurable or not economically insurable, including acts of war, acts of terrorism, civil unrest and business disruption caused by outbreaks of disease (including the COVID-19 pandemic). If such events were to occur, Tietto may have to bear the costs of any uninsured risk or uninsured amount and this could have a material adverse effect on Tietto's business, financial

position and operational results.

7.6 General risks

Risks associated with equity investments

The price at which Tietto's securities are quoted on the ASX may increase or decrease due to a number of factors, including fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, commodity and materials prices, changes to government fiscal, monetary or regulatory policies and settings, country trade and importation policies, changes in legislation or regulation, inclusion or removal from market indices, the nature of the markets in which Tietto operates and other general operational and business risks.

No assurance can be given that there will always be an active market for Tietto's securities.

Cyber-security

The integrity, availability and reliability of data within Tietto's information technology systems may be subject to intentional or unintentional disruption. Given the increasing level of sophistication and scope for potential cyber-attacks, these attacks may lead to significant breaches of security that could jeopardise the sensitive information and financial transactions of Tietto (from a cyber perspective) and property and environmental damage (from a physical perspective). This risk may be elevated as a result of the increase in remote working by Tietto's staff and contractors in recent years as a result of the COVID-19 pandemic.

Litigation risk

From time to time, Tietto may be involved in disputes and litigation relating to the conduct of its business (with or without merit). The risk of litigation is a risk that may incur costs in making payments to settle claims or in complying with any court order (which may not be covered adequately, if at all, by insurance). Due to the inherent uncertainties of litigation, the litigation process could take away from management time and effort and the resolution of any material dispute or litigation involving Tietto could have a material adverse effect on Tietto's operational and financial performance, or its reputation.

8 Additional information

8.1 Interests and dealings in Tietto securities

(a) Interests in Tietto securities

As at the Last Practicable Date, the Directors have the following Relevant Interests in Tietto securities:

Director	Number of Tietto Shares	Number of Tietto Options	Number of Tietto Performance Securities
Francis Harper	14,580,530	Nil	600,000 TIEAQ Class B
Matthew Wilcox	556,411	2,000,000 TIEAO	1,500,000 TIEAT Class E; 1,000,000 TIEAU Class F
Paul Kitto	5,500,000	Nil	500,000 TIEAQ Class B
Hanjing Xu	6,047,789	Nil	
Sabina Shugg AM	Nil	Nil	Nil
Shadrack Sowah Adjete	Nil	Nil	Nil

(b) Dealings in Tietto securities

Other than as set out in this **section 8.1(b)**, no Director has acquired or disposed of a Relevant Interest in any securities of Tietto in the four-month period ending on the Last Practicable Date, other than as set out below.

Director	Acquisition	Disposal
Francis Harper	Nil	Sale of 750,000 Tietto Shares on 10 and 11 July 2023 (on market trade).

8.2 Interests and dealings in securities of Zhaojin

As at the Last Practicable Date, none of Tietto, its associates or any of its Directors had a Relevant Interest in the securities of Zhaojin or any Related Body Corporate of Zhaojin.

Neither Tietto, its associates nor any of the Directors have acquired or disposed of a Relevant Interest in any securities of Zhaojin or any Related Body Corporate of Zhaojin in the four-month period ending on the date immediately before the date of this Target's Statement.

8.3 Treatment of Tietto Options and Tietto Performance Securities

As set out in **section 5.4** of this Target's Statement, as at the Last Practicable Date Tietto has 22,000,000 Tietto Options on issue, and 5,550,000 Tietto Performance Securities on issue. Of these, all Tietto Performance Securities and 9,000,000 Tietto Options were issued under the LTIP.

Under the LTIP, upon the occurrence of a "change of control event", the Tietto board has sole and absolute discretion to determine that all or a percentage of unvested convertible

securities issued under the LTIP vest and become exercisable with effect from immediately prior to the effective date of the change of control event. Under the LTIP, a “change of control event” is defined to include a takeover bid made under Chapter 6 of the Corporations Act by an offeror with voting power in Tietto of less than 50%, and which is, or is declared unconditional and, upon completion, the offeror would obtain a voting power of more than 50% in Tietto.

Of the 9,000,000 Tietto Options issued under the LTIP, 8,700,000 Tietto Options have an exercise price below the Offer Price (that is, they are “in the money”). The remaining 300,000 Tietto Options issued under the LTIP, and the 13,000,000 Tietto Options that were not issued under the LTIP, have an exercise price above the current Offer Price (that is, they are “out of the money”).

Accordingly, Tietto has determined that, in accordance with its discretions under the LTIP as applicable:

- If: (i) all of the conditions to the Offer are satisfied or waived; and (ii) upon completion of the Offer, Zhaojin would acquire voting power of more than 50% of Tietto:
 - all Tietto Options that were issued under the LTIP, and all Tietto Performance Securities will vest; and
 - the 13,000,000 Tietto Options that are not issued under the LTIP will remain on foot, noting that if Zhaojin acquires a relevant interest in more than 90% of Tietto Shares (as a result of the Offer or otherwise), Zhaojin will be entitled to compulsorily acquire any then-outstanding Tietto Options and Tietto Performance Securities.
- If all of the conditions to the Offer are not satisfied or waived, or if, upon completion of the Offer, Zhaojin would not acquire voting power of more than 50% of Tietto, then all Tietto Options and Tietto Performance Securities will remain on foot, noting that if Zhaojin acquires a relevant interest in more than 90% of Tietto Shares (as a result of the Offer or otherwise), Zhaojin will be entitled to compulsorily acquire any then-outstanding Tietto Options and Tietto Performance Securities.

8.4 Director benefits and agreements

(a) Benefits in connection with retirement from office

No person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Tietto or Related Body Corporate of Tietto, as a result of the Offer.

(b) Agreements connected with or conditional on the Offer

There are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Tietto Shares.

(c) Benefits from Zhaojin

None of the Directors have agreed to receive, or are entitled to receive, any benefit from Zhaojin which is conditional on, or is related to, the Offer, other than in their capacity as holders of Tietto Shares.

(d) Interests of Directors in contracts with Zhaojin

None of the Directors have any interest in any contract entered into by Zhaojin.

8.5 Material contracts

As far as the Directors are aware, there are no contracts to which a Tietto Group member is a party, which are material in the context of the Tietto Group as a whole, that contain a change of control provision which would be triggered as a result of, or as a result of acceptances of, the Offer.

8.6 Transaction costs

The Offer will result in Tietto incurring transaction costs that would not otherwise have arisen, including, without limitation, fees of external professional advisers to Tietto and costs associated with this Target's Statement. Assuming the Offer is not varied and Zhaojin is not ultimately successful in acquiring a Relevant Interest in 50.1% or more of Tietto Shares under the Offer, then Tietto's transaction costs are expected to be approximately A\$6.01 million in aggregate. However, if Zhaojin successfully acquires Relevant Interests in 50.1% or more of Tietto Shares under the Offer, then Tietto may incur transaction costs of up to approximately A\$7.38 million in aggregate (assuming the Offer is not varied).

8.7 Taxation consequences of accepting the Offer

The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. A general description of the Australian income tax and goods and services tax consequences for Shareholders who either accept the Offer or whose Tietto Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act are set out in section 7 of the Bidder's Statement.

You should carefully read and consider the taxation consequences of accepting the Offer. The outline provided in the Bidder's Statement is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances. Tietto, its Directors and advisers take no responsibility for the contents of the Bidder's Statement.

8.8 Consents

The following persons have given and have not, before the date of issue of this Target's Statement, withdrawn their consent to:

- be named in this Target's Statement in the form and context in which they are named;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Target's Statement; and
- the inclusion of other statements in this Target's Statement that are based on or referable to statements made in those reports or statements, or that are based on or referable to other statements made by those persons in the form and context in which they are included.

Name	Named as	Reports or Statement
Each Director	a Director	The inclusion of statements made by them
Automic Pty Ltd	Tietto Share Registry	N/A
Barrenjoey Advisory Pty Limited	Financial Adviser	N/A
Corrs Chambers Westgarth	Legal Adviser	N/A
Grant Thornton Limited	Independent Expert	Independent Expert's Report and statements made in the Independent Expert's Report
SRK Consulting (Australasia) Pty Ltd	Technical Expert	Technical Expert's Report and statements made in the Technical Expert's Report

Each of the above persons:

- does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by it; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section with its consent.

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683 (**ASIC Instrument 2023/683**), this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the ASX Listing Rules), in particular, the Bidder's Statement. Pursuant to ASIC Instrument 2023/683, the consent of persons to whom such statements are attributed is not required for the inclusion of those statements in this Target's Statement. Any Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statement which have been included pursuant to ASIC Instrument 2023/683 may obtain a copy (free of charge) during the Offer Period by contacting Matthew Foy, Tietto's Company Secretary, between 9.00 am and 5.00 pm (Perth time) Monday to Friday on +61 (8) 6331 6182. The copy will be provided within two Business Days of the request.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (**ASIC Instrument 2016/72**), this Target'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 published book, journal or comparable publication.

Pursuant to ASIC Instrument 2016/72, the consent of persons to whom such statements are attributed is not required for inclusion of those statements in this Target's Statement.

8.9 Competent Persons' Statements

The information in this Target's Statement that relates to Mineral Resources was prepared by RPM Global and released on the ASX platform on 19 April 2023 entitled "*Tietto increases Abujar resource more than 10% to 3.83Moz; Infill drilling confirms resource continuity*". Tietto confirms that it is not aware of any new information or data that materially affects the Mineral Resources in this publication. Tietto confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Tietto confirms that the form and context in which RPM Global's findings are presented have not been materially modified.

The information in this Target's Statement that relates to Ore Reserves was prepared by RPM Global and released on the ASX platform on 5 October 2023 entitled "*Updated Life of Mine Plan for Abujar Gold Mine*". Tietto confirms that it is not aware of any new information or data that materially affects the Ore Reserves in this publication. The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the RPM Global's findings are presented have not been materially modified.

8.10 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

Your Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is the information contained in:

- the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);

- Tietto's annual reports and releases to ASX before the date of this Target's Statement;
- the documents lodged by Tietto with ASIC before the date of this Target's Statement; and
- this Target's Statement, including **Attachment A** and the **Annexure** to this Target's Statement.

Your Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate. However, your Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, your Directors have had regard to:

- the nature of the Tietto Shares (being fully paid ordinary shares);
- the matters that Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Shareholders' professional advisers; and
- the time available to Tietto to prepare this Target's Statement.

9 Glossary and interpretation

9.1 Glossary

In this Target's Statement, defined terms have the meanings set out below:

Term	Meaning
2023 Half Year Financial Report	the annual financial report for Tietto for the period ended 30 June 2023.
Abujar	Tietto's Abujar Gold Project in Côte d'Ivoire.
AISC	all in sustaining cost.
Announcement Date	30 October 2023.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited or the Australian Securities Exchange, as appropriate.
ASX Corporate Governance Guidelines	the fourth edition of the corporate governance principles and recommendations released by the ASX Corporate Governance Council.
ASX Listing Rules	the listing rules of ASX.
ASX Settlement	ASX Settlement Pty Limited.
ASX Settlement Rules	the operating rules of the settlement facility provided by ASX Settlement.
Bidder's Statement	the bidder's statement issued by Zhaojin dated 30 October 2023.
Business Day	day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday.
CHESS Holding	a holding of Tietto Shares which is registered on Tietto's share register being a register administered by ASX Settlement and which records uncertificated holdings of shares.
Controlling Participant	has the meaning set out in the ASX Settlement Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC).
COVID-19	the novel coronavirus and its various strains.
CY	calendar year.

Term	Meaning
Director	a director of Tietto.
Heap Leach Project	has the meaning given in section 5.2(b) .
Independent Expert	Grant Thornton Limited.
Independent Expert's Report	the report prepared by the Independent Expert, as set out in Attachment A .
Last Practicable Date	23 November 2023.
LTIP	Tietto's long term incentive plan, initially released to ASX on 16 January 2018 and as renewed from time-to-time.
Mineral Resources	has the meaning given in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
MOFCOM	the Ministry of Commerce of the People's Republic of China.
NDRC	the National Development and Reform Commission of the People's Republic of China.
Offer	the offer by Zhaojin to purchase Tietto Shares, the terms of which are contained in section 9 of the Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 9.2 of the Bidder's Statement.
Offer Price	A\$0.58 per Tietto Share.
Ore Reserves	has the meaning given in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
oz	Ounce.
Public Authority	any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.
Register Date	7.00 pm (Sydney time) on 31 October 2023.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.

Term	Meaning
SAFE	the State Administration of Foreign Exchange of the People's Republic of China.
Security Interest	has the same meaning as in section 51A of the Corporations Act.
Shareholder	a holder of one or more Tietto Shares.
Target's Statement	this document (including the Annexure), being the statement of Tietto under Part 6.5 Division 3 of the Corporations Act.
Tietto	Tietto Minerals Limited ACN 143 493 118.
Tietto Group	Tietto and its subsidiaries.
Tietto Option	an option to subscribe or acquire a Tietto Share as described in section 5.4(a) of this Target's Statement.
Tietto Performance Securities	the performance rights and performance shares in Tietto, as described in section 5.4(b) of this Target's Statement.
Tietto Share	a fully paid ordinary share in the capital of Tietto.
tpa	tonnes per annum.
VWAP	volume weighted average price.
Zhaojin	Zhaojin Capital (Hong Kong) Limited.
Zhaojin Mining	Zhaojin Mining Industry Company Limited.

9.2 Interpretation

In this Target's Statement:

- other words and phrases have the same meaning (if any) given to them in the Corporations Act;
- words of any gender include all genders;
- words importing the singular include the plural and vice versa;
- an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to a section, clause, annexure and schedule is a reference to a section of, clause of and an annexure and schedule to this Target's Statement as relevant, unless otherwise stated;
- a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement;
- a reference to time is a reference to Perth, Western Australia time, unless otherwise

stated;

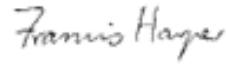
- a reference to \$, A\$, AUD or cents is a reference to the lawful currency of Australia; and
- a reference to US\$ or USD\$ is a reference to the lawful currency of the United States of America.

10 Authorisation

This Target's Statement has been approved by a resolution passed by your Directors. Each of your Directors voted in favour of that resolution.

27 November 2023

Signed for and on behalf of Tietto:



.....
Mr Francis Harper
Non-Executive Chairman

Annexure — ASX Announcements

The following announcements have been made to ASX concerning Tietto between the release of its half year financial report for the six months ending 30 June 2023 on 13 September 2023 and 23 November 2023 (being the Last Practicable Date).

Date	Announcement
24 November 2023	Becoming a substantial holder
17 November 2023	Cleansing Notice
17 November 2023	Application for quotation of securities - TIE
17 November 2023	Notification of cessation of securities - TIE
13 November 2023	Completion of dispatch of bidder's statement
10 November 2023	Letter to Shareholders Regarding Zhaojin Takeover
3 November 2023	Cleansing Notice
3 November 2023	Application for quotation of securities - TIE
3 November 2023	Response to Zhaojin Takeover Offer
3 November 2023	Tietto Produces Over 12,000 Ounces Gold in October 2023
30 October 2023	Change in substantial holding
30 October 2023	Bidder's Statement
30 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
30 October 2023	Receipt of Non-Binding Indicative Proposal
17 October 2023	Cleansing Notice
17 October 2023	Tietto Lenders Convert Loan to Equity
17 October 2023	Application for quotation of securities - TIE
5 October 2023	Updated Life of Mine Plan to Abujar Gold Mine
27 September 2023	Initial Director's Interest Notice
27 September 2023	Tietto Appoints Sabina Shugg AM to the Board of Directors

Date	Announcement
13 September 2023	Half Yearly Report and Accounts

Attachment A – Independent Expert’s Report

Tietto Minerals Limited

Independent Expert's Report and Financial Services Guide

27 November 2023

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Directors
Tietto Minerals Limited
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27 November 2023

Dear Directors

Independent Expert's Report and Financial Services Guide

Introduction

Tietto Minerals Limited ("Tietto" or the "Company") is a gold mining company which has recently commenced gold production at its flagship asset, the Abujar gold project, located in Côte d'Ivoire near the Gulf of Guinea on Africa's west coast ("Abujar Gold Project"). The Abujar Gold Project contains Mineral Resource of 3.83 Moz¹ and ore reserves of 1.36 Moz² and it commenced commercial gold production at the Abujar gold mine ("Abujar Mine") in April 2023. The Company is listed on the Australian Securities Exchange ("ASX") with a market capitalisation of c. A\$479.3 million as at 27 October 2023³.

Zhaojin Capital (Hong Kong) Limited⁴ is an indirect wholly owned subsidiary of Zhaojin Mining Industry Company Limited ("Zhaojin" or "the Bidder") which is an investment holding company with interests in exploration, mining, processing, smelting, and sale of gold and silver products in the People's Republic of China. Zhaojin, via its associates, held an interest in 7.02% of the undiluted issued capital of Tietto as at 27 October 2023.

¹ On a 100% basis as at 31 March 2023.

² On a 100% basis as at 30 June 2023.

³ Based on a closing share price of A\$0.4250 per share as at 27 October 2023. We have adopted the closing price on 27 October 2023 as it represents the trading date prior to the Takeover Offer.

⁴ It is a joint stock limited company incorporated in Hong Kong with limited liability.

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On 30 October 2023, Zhaojin launched an unsolicited takeover offer to acquire all Tietto shares ("Tietto Shares") by way of a conditional off-market takeover offer⁵ at a price of A\$0.58 cash per share ("Offer Price").

The Takeover Offer is subject to the conditions precedent summarised in Section 1 of this Independent Expert's Report ("IER") including that at the end of the Offer period, the Bidder has a relevant interest of more than 50.1% (by number) of the Tietto Shares on a fully diluted basis at that time.

Tietto's Board of Directors unanimously recommends that Tietto shareholders ("Tietto Shareholders") reject the Offer.

As set out in the Target's Statement, Tietto Shareholders holding in aggregate 18.74% of Tietto Shares have indicated that they do not presently intend to accept the Offer.

Purpose of the report and approach

The Directors have requested Grant Thornton Corporate Finance to prepare an IER stating whether or not the Offer is fair and reasonable to the security holders of the Company for the purposes of section 640 of the Corporations Act 2001 (Cth) ("Corporations Act").

When preparing this IER, Grant Thornton Corporate Finance has had regard to the Australian Securities Investment Commission's ("ASIC") Regulatory Guide 111 *Contents of expert reports* ("RG 111") and Regulatory Guide 112 *Independence of experts* ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

For the purpose of this report, an independent technical specialist, SRK Consulting (Australasia) Pty Ltd ("SRK"), was engaged to prepare an independent technical report ("the SRK Report") in relation to the mineral assets held by Tietto. The SRK Report is included as Appendix G to this report.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Takeover Offer is NOT FAIR AND NOT REASONABLE to Tietto Shareholders.

Fairness assessment

In forming our opinion in relation to the fairness of the Takeover Offer, Grant Thornton Corporate Finance has compared the fair market value of Tietto on a controlling and 100% basis to the Offer Price of A\$0.58 per Tietto Share. The following table summarises our fairness assessment:

⁵ In the remainder of this document we will refer to the takeover offer as "Takeover" or "Offer" or "Takeover Offer".

Fairness assessment			
A\$ per Tietto Share	Section Reference	Low	High
Fair market value of Tietto Shares before the Offer	6.1	0.793	0.927
Offer Price		0.580	0.580
Premium / (discount)		(0.213)	(0.347)
Premium / (discount) (%)		(26.8%)	(37.4%)
FAIRNESS ASSESSMENT		NOT FAIR	

Source: GTCF analysis.

The Offer Price is below our assessed valuation range of a Tietto Share on a 100% basis. Accordingly, we conclude that the Takeover Offer is **NOT FAIR** to Tietto Shareholders.

Tietto Shareholders should be aware that our assessment of the value per Tietto Share does not reflect the price at which Tietto Shares will trade if the Takeover Offer lapses. The price at which Tietto Shares will ultimately trade depends on a range of factors including the future performance of the business, gold prices and exchange rates, the liquidity of Tietto Shares, macro-economic conditions and other factors.

We have assessed the fair market value of Tietto Shares based on a Discounted Cash Flow ("DCF") approach and we have cross-checked our valuation using the multiple of attributable gold production ("Gold Production Multiple")⁶ and the Quoted Security Price method.

DCF Method

The table below summarises our valuation assessment of Tietto based on a sum of parts approach ("SOP") of the net present value of the Abujar Mine's Life of Mine Plan ("LOMP") cash flows plus the Residual Resources outside the LOMP, exploration potential and other assets and liabilities as at 31 October 2023.

Valuation Summary	Beneficial interest	Section Reference	Low	High
Abujar Mine (US\$m)	88% ¹	6.2	570.6	621.6
Residual Resources outside LOMP (US\$m)	88% ²	6.3	16.3	32.6
Exploration Potential (US\$m)	50% - 100% ³	6.4	13.9	27.8
Enterprise Value (US\$m)			600.8	681.9
Exchange Rate			0.670	0.650
Enterprise Value (A\$m)			896.7	1,049.1
Less: Corporate Costs (A\$m)	100%	6.2.2	(18.6)	(14.6)
Enterprise Value (A\$m)		6.1	878.1	1,034.5
Add: Surplus Cash and Gold Bullion (A\$m)	100%	6.5	58.0	58.0
Less: Debt (A\$m)	100%	6.5	(25.0)	(25.0)
Less: Theoretical Transaction Costs (A\$m)	100%	6.5	(8.0)	(10.0)
Less: Options (A\$m)	100%	6.5	(5.0)	(7.0)
Equity Value (Control Basis) (A\$m)			898.1	1,050.5
Number of outstanding shares (millions)		6.5	1,133	1,133
Assessed value per Tietto share (A\$) - control basis			0.793	0.927

Source: GTCF Analysis; SRK Report; Tietto Information.

⁶ Calculated as enterprise value divided by attributable gold production which reflects Tietto's percentage ownership of the operations at the Abujar Mine.

Notes: (1) Tietto is entitled to retain 100% of the cash flows/dividends generated from Societe Miniere De La Lobo ("SML"), the entity owing the mining lease for the Abujar Mine, until the US\$215.1 million (unaudited balance) intercompany loan between Tietto and SML is repaid by SML, which is expected to occur in late 2024. (2) Tietto holds an 88% interest in the Residual Resources outside of the LOMP. (3) Tietto's interest in exploration projects vary between 50% and 100%. Please refer to Section 3.8.2 of the SRK Report.

We have been provided with the financial model summarising the forecast LOMP cash flows for the Abujar Mine up to FY38 ("Financial Model"). Based on SRK's review and suggested changes to the Financial Model, Grant Thornton Corporate Finance has assessed the net present value of the Abujar Mine using nominal, ungeared, post-tax cash flows, having regard to Grant Thornton Corporate Finance's assessment of the gold prices, exchange rates, inflation and discount rate ("GT Model"). The key changes recommended by SRK to the LOMP cash flows are summarised below:

- The Financial Model prepared by Management included 25.0% of the ore production derived from Inferred Resources. SRK has recommended to assume that 40% of the Inferred Resources will be lost in the conversion to Measured and Indicated Resources.
- To reduce the ore mined and grade (g/t) of ore mined by 10.0% and 5.0% between October 2023 to March 2024, and April 2024 to June 2024, respectively. These recommendations are on the basis of the difficult operational conditions that Tietto has experienced since production commenced in April 2023. SRK has adjusted the LOMP to include the Resources not mined during this period at the end of the LOMP.
- To include an additional US\$3.0 million of capex over a three-year period from the start of 2025 for infill drilling to provide increased confidence in the conversion of Inferred Resources into Measured and Indicated Resources.
- Closure costs to be increased from c. US\$11.5 million in the Financial Model to a range between US\$13.0 million and US\$25.2 million (in real terms) to reflect the uncertainties associated with the estimates of the closure costs which are still being finalised by the Company.
- An additional capex of US\$3.0 million has been recommended by SRK over a two-year period in relation to an outstanding Environmental, Social and Governance ("ESG") impact assessment that is required as part of the mining licence held by Societe Miniere De La Lobo⁷.

In our valuation assessment, we have adopted the following macro-assumptions:

- **Gold prices** – Based on the discussions and analysis set out in section 6.2, we have estimated the future gold prices mainly based on the data from Consensus Economics⁸, which is market's best practice. Specifically, we have adopted the average forecast gold prices from Consensus Economics at the high-end of our valuation range and the median at the low end of the range. We have set out our assessed nominal gold prices below.

GT Assessed Gold Price						
USD/oz, Nominal	2023 ¹	2024	2025	2026	2027	Long-term
High - Nominal (average)	1,950	1,950	1,927	1,868	1,858	1,957
Low - Nominal (median)	1,950	1,978	1,935	1,893	1,850	1,865

Source – Consensus Economics 13 November 2023.

⁷ A Côte d'Ivoire company that Tietto holds an 88.0% interest in and that was incorporated to hold the mining license as required by Ivorian mining code.

⁸ Energy, Metals & Agriculture Consensus Forecast dated 13 November 2023 ("Consensus Economics").

Notes (1): Given there are only 2 months to the end of 2023, the quoted gold price takes into account both the current spot price and Consensus Economic estimates.

- **Exchange rate** – The Financial Model is prepared in US\$ which is also the currency that we have adopted in our valuation assessment of the Abujar Mine. We have then converted the US\$ denominated enterprise value into A\$ using an exchange rate between US\$0.65 and US\$0.67 for 1 A\$ largely having regard to the recent data.
- **Discount rate** – The cash flow assumptions of the Abujar Mine have been prepared in US\$ on a nominal, ungeared and post-tax basis. Accordingly, Grant Thornton Corporate Finance has applied a US\$ denominated, nominal, post-tax Weighted Average Cost of Capital ("WACC") to the LOMP cash flows. We have assessed Tietto's WACC between 11.4% and 12.8%.

Whilst we are of the opinion that our estimate of the future gold price is reasonable based on the information available and conservative with regard to other recent IERs prepared for transactions in the gold sector, our valuation assessment is particularly sensitive to changes in gold prices as outlined in the sensitivity analysis below.

Gold price sensitivity analysis	A\$		% Change	
A\$ per share	Low	High	Low	High
Assessed value of Tietto per share¹				
Gold Price (+/-5%)				
+5%	0.864	0.998	9.0%	7.6%
(5)%	0.715	0.842	(9.7)%	(9.1)%
Gold Price (+/-10%)				
+10%	0.929	1.077	17.2%	16.1%
(10)%	0.613	0.731	(22.7)%	(21.1)%
Gold Price (+/-15%)				
+15%	1.005	1.160	26.9%	25.2%
(15)%	0.542	0.650	(31.6)%	(29.9)%
Gold Price (+/-20%)				
+20%	1.082	1.244	36.5%	34.2%
(20)%	0.471	0.576	(40.5)%	(37.9)%
Assessed gold price sensitivity to Offer Price				
(18.77)% under GTCF's high value range	n/m	0.580	n/m	(37.4)%
(12.11)% under GTCF's low value range	0.580	n/m	(26.8)%	n/m

Source: GTCF Analysis.

Notes: (1) The value per share is estimated by increasing/decreasing every future year gold price by the % indicated.

Tietto Shareholders must take particularly pessimistic views of the future gold prices compared with the current price and Consensus Economics forecast in order for the Offer Price to be above the low-end of our assessed value per share, which would make the Offer fair under ASIC RG111, assuming everything else the same.

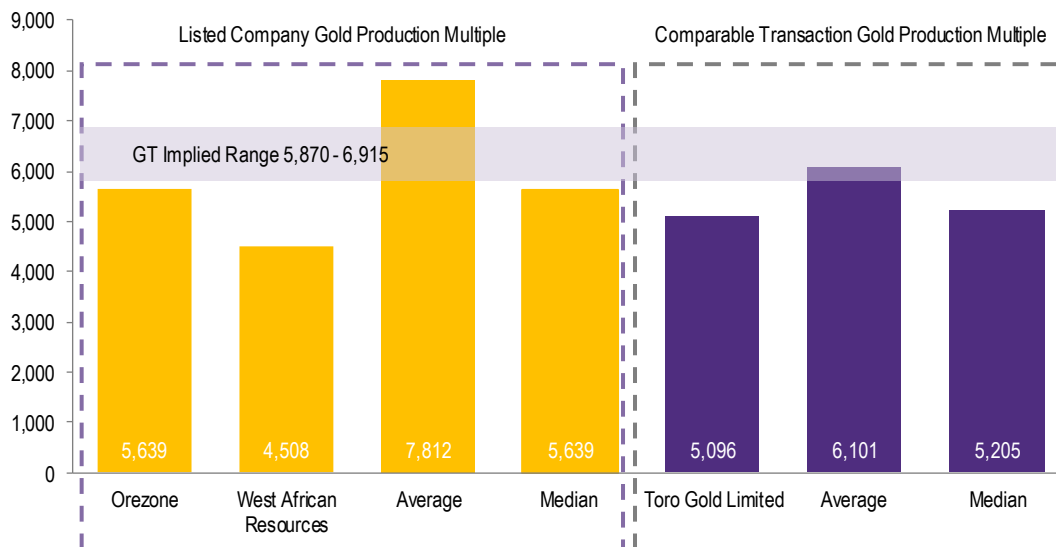
Cross check – Gold Production Multiples

We have considered the reasonableness of our valuation by comparing the Gold Production Multiples implied in our valuation based on the DCF with the Gold Production Multiples of listed peers and comparable transactions. We are of the opinion that Gold Production Multiples are more relevant for the

valuation assessment of Tietto rather than multiples based on Reserves or Resources given that the Company has prioritised construction and commissioning of the Abujar Mine in the last 18 months rather than expanding the resource base.

In light of the wide variation of the Gold Production Multiples, it is important to review the evidence as a whole and not rely on any of the metrics in isolation. Overall, the Gold Production Multiples for Tietto implied in our DCF Method are between A\$5,870/oz and A\$6,915/oz for the LOMP annual average production, which appears reasonable when compared with the selected benchmark of listed peers and comparable transactions, as illustrated in the graph below.

Gold Production Multiples (control basis)



Source: Mergemarket, Capital IQ, Company presentations and websites, other publicly available information.

Notes: (1) The Gold Production Multiples of the listed peers have been calculated on a control basis by adding a conventional 30% premium to the trading prices. (2) The Gold Production Multiples of the comparable transactions have been adjusted for the differential in the gold price between the valuation date and the transaction date.

Among the listed peers, we consider Orezone Gold Corporation ("Orezone") and West African Resources Limited ("WAF") as the most relevant comparable companies as they are predominantly single asset production companies⁹ located in a neighbouring jurisdiction (Burkina Faso), with their respective mines having commenced production recently (December 2022 for Orezone and mid-2020 for WAF).

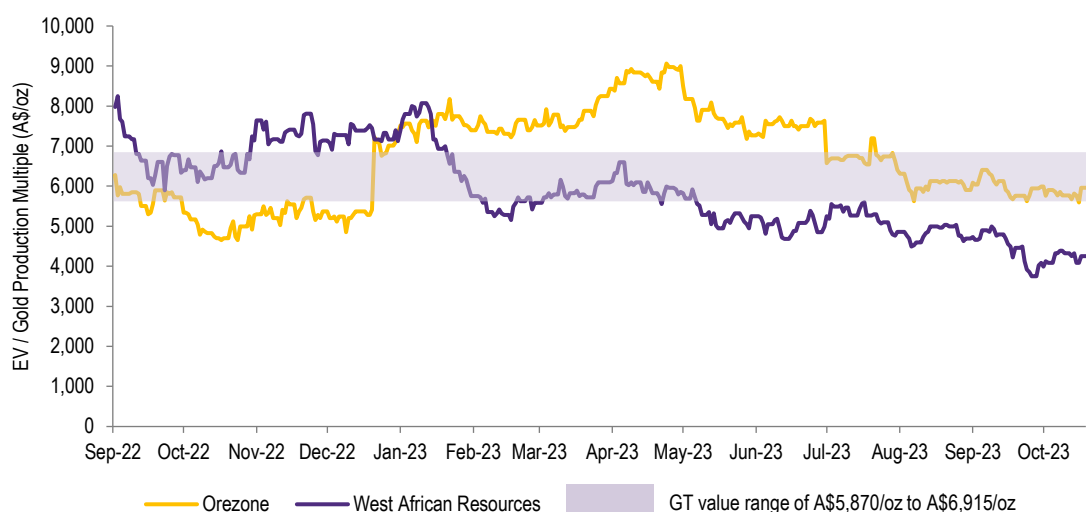
Also, similar to Tietto, Orezone encountered some technical issues in the first quarters of operations in relation to greater-than-anticipated artisanal depletion in certain high-grade zones mined to the end of H1-2023, which resulted in lower-than-modelled ore grades being delivered to the process plant.

The low end of the Tietto's Gold Production Multiple is in line with Orezone's Gold Production Multiple but higher than WAF, however we are of the opinion that this is not unreasonable if the following is taken into account:

⁹ Although we note that WAF is commencing construction for the Kiaka Gold Project with first gold expected in 2025.

- Orezone and WAF have their flagship assets located in Burkina Faso, which is considered a higher risk jurisdiction than Côte d'Ivoire and the events that occurred in the country in the last twelve months¹⁰ are likely to have depressed the trading prices and the Gold Production Multiples.
- The trading prices of Orezone and WAF currently appear depressed on the back of some production downgrades for 2023 and the political situation in Burkina Faso. As set out in the graph below, if their Gold Production Multiples are observed over a longer period of time, they are broadly consistent with the Gold Production Multiples of Tietto implied in the DCF Method.

Orezone and WAF rolling Gold Production Multiples over time



Source: S&P Global, GTCF analysis.

Notes: (1) Production guidance for FY23 is as announced to the market over the period 12 September 2022 to 30 October 2023. (2) Enterprise value is converted into A\$ using a 30-day average exchange rate up to and including 30 October 2023 (CAD:AUD of 0.881).

- Tietto's Gold Production Multiples are substantially within the median and average Gold Production Multiples of all the listed peers and comparable transactions. Whilst they are at a premium to the adjusted Gold Production Multiple for the Toro Gold Limited ("Toro") acquisition, we note that this occurred in September 2019 in a different macro-economic environment and at a period with different gold prices, so it should be considered less relevant.

Cross check – Tietto Quoted Security Prices

The premium implied in our valuation assessment of Tietto on a 100% basis under the DCF compared with the trading prices before the announcement of the Offer is in excess of the typical control premium observed in Australia for change of control transactions (median of c. 35% as set out in Appendix E).

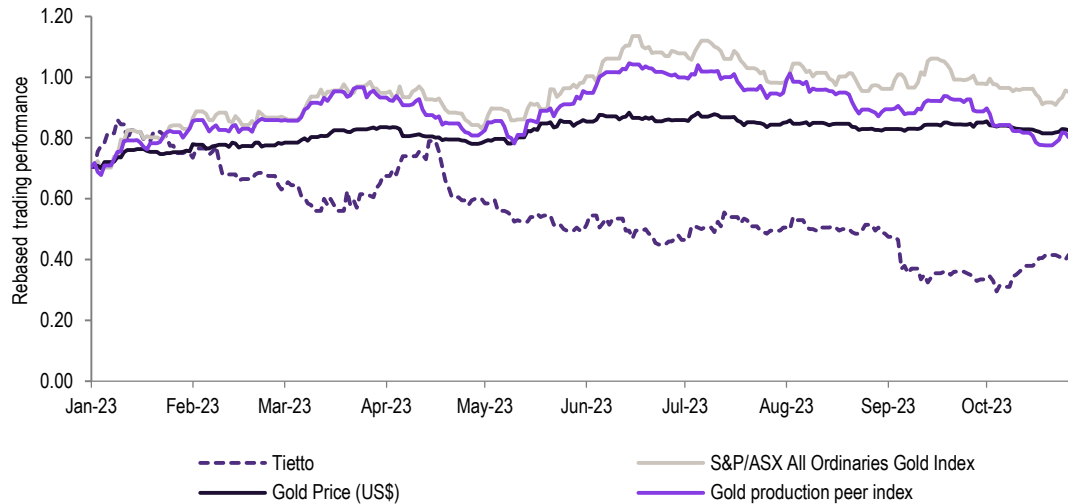
In order to provide some commercial observations to the above, we have benchmarked the share price performance of the Company with the S&P/ASX All Ordinaries Gold Index¹¹ ("Gold Index") and an index

¹⁰ Burkina Faso suffered its second coup in 2022 when Captain Ibrahim Traoré declared himself head of state on 30 September 2022. More recently, in September 2023, Burkina Faso's military junta said that a coup attempt had been stopped by security and intelligence services. Further, Burkina Faso has become the epicentre of violence in the Sahel region with several people killed during civil conflicts and religious unrests. There have been attacks on civilians in recent years with more than 130 people killed by armed militants in the northern town of Solhan in June 2021 and an attack on Seytenga in June 2022 displaced almost 16,000 people. The United Nations Refugee Agency states that Burkina Faso has experienced a convergence of crises, including inter-ethnic violence, armed conflict, poverty, inequalities, food insecurity, and environmental change. As a result, over 1.4 million people have fled their homes in search of safety, making the situation in Burkina Faso one of the fastest-growing displacement and protection crises globally.

¹¹ The S&P/ASX All Ordinaries Gold Index includes companies in the gold sub-industry (GICS Tier-4) of the All Ordinaries Index of which Tietto is one of the 24 constituents of varying size, location, production volumes and number of mines.

comprising gold production companies with assets in Africa and West Africa ("Gold Production Peer Index")¹², both rebased to Tietto's share price as at 1 January 2023.

Tietto share price performance relative to selected industry benchmarks



Source: S&P Global, GTCF analysis

As set out in the graph above, Tietto has experienced a significant downward trend during the course of 2023, notwithstanding the announcement of first gold pour in January 2023, commissioning of the processing plant completed in April 2023 and the achievement of commercial production in July 2023, less than 18 months after commencing construction activities. As set out above, the significant reduction in the trading prices was also inconsistent with the performance of gold prices and peer/gold indices which have remained substantially stable or increased over the same period.

In our opinion, the trading prices during the course of 2023 have been adversely affected by subsequent downward revisions of production guidance announced in a short period of time between April 2023¹³ and September 2023¹⁴ which have more than offset the positive transition of Tietto from developer to a gold producing company over the same period. Tietto trading prices ranged between A\$0.56 and A\$0.86 during January 2023 and April 2023 but from the moment the first production guidance downgrade was announced, the trading prices have continuously trended down to A\$0.30 before the announcement of the updated LOMP at the beginning of October 2023. Whilst the gold production issues experienced by the Company were mostly temporary and not uncommon during the first few months of operations for a new mine, recurring guidance downgrades are poorly tolerated by investors as they fear further bad news, which often result in increased uncertainty and unsettled investors. Investors may also raise concerns on reliability of short term KPIs and of the technical information used in the LOMP.

We are of the opinion that the trading prices of Tietto before the Offer may have been adversely affected by short term market over-reaction to the predominantly temporary production issues faced by the Company. Whilst it is not feasible to draw conclusive evidence based on the information available, we are of the opinion that the following comments support our view:

¹² It includes the companies included in the listed comparable peers in section 7.1.

¹³ At the end of April 2023, Tietto provided forecast gold production and cost guidance for H2 2023 of between 105 Koz and 120 Koz of gold at an all in sustaining cost ("AISC") between US\$875-US\$975/oz, which was pro-rata lower production and at a higher AISC than previous communication to the market based on the DFS.

¹⁴ At the beginning of September 2023, Tietto announced: 1) forecast gold production for H2 2023 was further revised down to between 75-85 Koz due to grade control drilling results received over July and August, lack of stockpiles and Tietto's updated reserve model; 2) an increase in the AISC to between US\$1,175-US\$1,350/oz; and 3) average production reduced from 200 Koz per annum at AISC of US\$804/oz in the first six years of production to an average production of 172 Koz per annum at AISC of US\$1,100/oz in the first seven years of production. The trading prices of Tietto reduced by c. 27% in the first half of September 2023.

- In the short period of time between the release of the updated LOMP on 5 October 2023 and 27 October 2023, being the day before the announcement of the Takeover Offer, the trading prices of Tietto increased by c. 34.9%. It is not unreasonable to assume that the driver behind this significant value uplift was improvement in investors' sentiment as LOMP reiterated the prospects of the Abujar Mine and mitigated investors' concerns arising from previous guidance downgrades. It is possible that this upwards trend may have continued in the absence of the Offer.
- Immediately following announcement of the Takeover Offer, Tietto released information on the operational performance of the Abujar Mine in the month of October 2023 when it produced 12,057/oz at 1.00 g/t, the highest monthly production and grade. Tietto also confirmed that ore mining rates exceeded milling rates in the same month which allowed the Company to commence to stockpile and hence facilitating higher milling grade going forward, more closely aligned with the Definitive Feasibility Study ("DFS") strategy. The improvement of the operational performance of the Abujar Mine towards market's expectation would have likely continued to support the upward trend in the share price which commenced at the beginning of October in the absence of the Takeover Offer.
- SRK has undertaken an independent review of the LOMP cash flows and their underlying technical assumptions and have confirmed their reasonableness, subject to the recommendations in the SRK Report. In our opinion, this supports the statement that the production issues faced by Tietto earlier in the year were temporary and largely common for a maiden production mine.

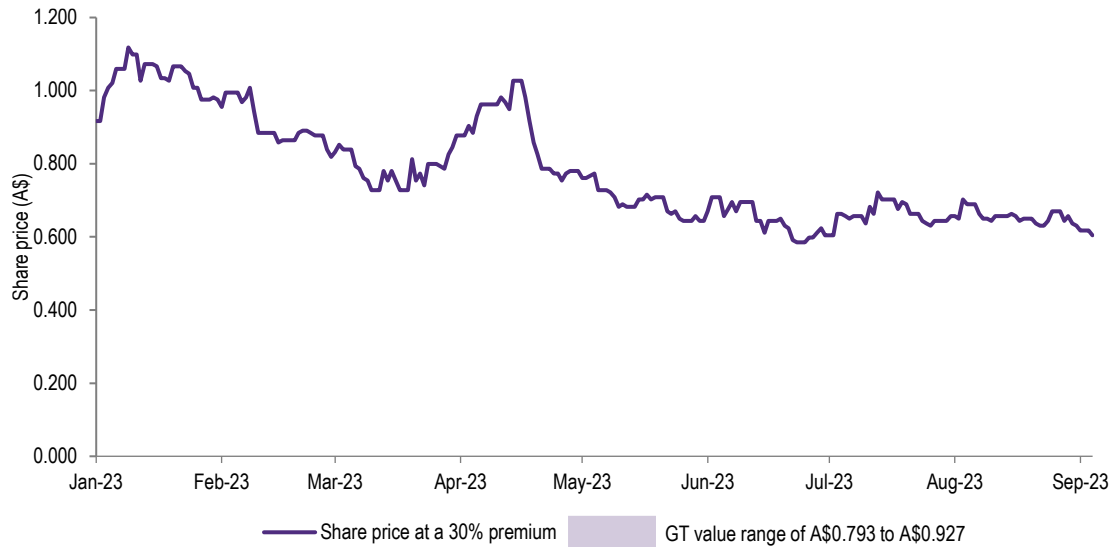
As a result of the above factors, in order to cross check the value under the DCF Method, it may not be necessarily appropriate to strictly refer to the trading prices before the announcement of the Takeover Offer. Other potentially more relevant benchmarks are outlined below:

- The trading prices of Tietto on a minority basis in the period between January and April 2023 were in line with the low-end of our valuation assessment under the DCF Method (control basis). Since then, Tietto has made significant progress towards a normalised level of gold production over the LOMP.
- The trading prices of Tietto reduced by c. 27% in the month of September 2023 after it revised gold production downward for H2 2023 to between 75-85 Koz¹⁵ due to grade control drilling results received over July and August, lack of stockpiles and Tietto's updated reserve model. However, the production metrics were subsequently upgraded at the beginning of October 2023 in conjunction with the release of the amended LOMP and the trading price of Tietto increased by c. 34.9% up to the announcement of the Offer. This short period of volatile trading prices in September and October 2023 significantly affects the calculation of the premium for control implied in the Offer and in our valuation assessment. In the graph below, we have illustrated a comparison between the trading prices in the period from 1 January 2023 to 4 September 2023¹⁶ (including a control premium of 30%) and Grant Thornton's assessed value range per share. As outlined below, the valuation range seems reasonable if considered over a longer period of time and without placing all the emphasis on the trading prices in the 3 months before the announcement of the Offer.

¹⁵ Previous H2 guidance was between 105 Koz and 120 Koz.

¹⁶ We have used an end date of 4 September in order to analyse the data prior to a major share price decrease in September following an announcement of revised gold production.

Tietto trading prices (control basis) vs GT assessed value range (control basis)



Source: S&P Global and GTCF analysis

- Similarly, if the premium for control implied in the Offer Price is compared with Volume Weighted Average Price ("VWAP") periods before 5 September 2023, it does not appear particularly attractive.

Control premium assessed A\$ unless otherwise stated		Offer implied premium (%)
VWAP of Tietto shares prior to 4 September 2023		
1 day	0.47	23.8%
10 day	0.49	17.9%
1 month	0.50	16.7%
3 month	0.50	15.3%
9 month	0.61	(5.0%)

Source: S&P Global and GTCF analysis

- In September 2022, Tietto issued 85 million new fully paid ordinary shares to Chijin International (HK) Limited (a subsidiary of Shanghai Stock Exchange listed parent company Chifeng Jilong Gold Minings Co Ltd) at a price of A\$0.58 per share to raise A\$49.3 million. Chifeng Jilong Gold Minings Co Ltd is a sophisticated investor principally engaged in gold production and sales in China, Laos and Ghana. The price paid by Chijin International (HK) Limited, which is in line with the Offer Price, represents a minority value of Tietto and it was agreed before first gold pour and the Company achieving commercial production.

Based on the analysis above, we are of the opinion that our valuation assessment based on the DCF Method is reasonable.

Reasonable assessment

In accordance with ASIC RG111, a takeover is reasonable if it is fair and it may also be reasonable if, despite not being fair, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the close of the Offer period. We have therefore considered the following likely advantages, disadvantages and other factors associated with the Takeover Offer.

Advantages

Premium over the trading price

The Offer Price represents a premium of:

- 39.8% to the closing share price immediately before the announcement of the Takeover Offer.
- 42.0% to the five-day VWAP¹⁷ up to and including 27 October 2023;
- 59.0% to the 1-month VWAP up to and including 27 October 2023; and
- 42.7% to the 3-month VWAP up to and including 27 October 2023.

Whilst the premium to the trading prices before the announcement of the Offer is substantial, Tietto Shareholders should be aware of the following:

- In our opinion it reflects the opportunistic nature of the Takeover Offer at a time when trading prices of Tietto do not appear to reflect all of the fair market value of the Company.
- Shareholders can sell Tietto Shares on market at a higher price than the Offer Price¹⁸.
- As previously discussed, the release of updated LOMP for the Abujar Project on 5 October 2023 instigated strong upwards movements in the trading prices which stopped following the announcement of the Offer as the trading prices substantially aligned to the Offer Price. Further, the strong gold production performance for the month of October 2023 released at the beginning of November 2023 was not reflected in the trading prices before the announcement of the Offer.

Certainty of the cash consideration

If the Takeover Offer becomes unconditional¹⁹, those Tietto Shareholders that accept the Takeover Offer will no longer be exposed to some key risks associated with holding an investment in Tietto which are briefly outlined below:

- The Abujar Mine and its LOMP presently encompasses one mine activity distributed across two deposits, the AG and APG deposits, with only AG currently being mined and mining at APG planned to commence in January 2026. The reliance of Tietto on the Abujar Mine and the AG deposit alone for its current and near-term activity increases the risk for the value of Tietto's shares as a result of the lack of portfolio diversification across mines. The risks involved in being able to establish a new mining activity and achieve the performance expected in the LOMP are all amplified by Tietto's lack of a portfolio diversification.
- SRK has noted that the gold in the deposit in the AG pit is high in gold nuggets. The distribution of the gold in nuggets affects grade within the current deposit's structure. The mineralisation of the deposit is therefore variable which makes estimation of resources more challenging and costly. At the AG deposit the nugget effect represents approximately 65% of the total variance in the deposit.

¹⁷ Volume weighted average price.

¹⁸ There have been several days between the announcement of the Offer and the date of this IER when Tietto has traded above the Offer Price.

¹⁹ The Bidder receives acceptances such that it has relevant interests in 50.1% or more of the shares in Tietto on a fully diluted basis and the other conditions are waived or met.

Nonetheless, SRK has advised that whilst the “nuggety” nature of the deposit may create production variations over a short period of time, SRK is overall satisfied of the reasonableness of the gold production over the LOMP.

- Gold production expectations have already been revised downwards from those in the DFS. At the beginning of September 2023 the DFS production expectation was reduced from 200 Koz per annum in the first six years of production to an average production of 172 Koz per annum in the first seven years of production. Later, at the beginning of October 2023 production guidance was further revised in conjunction with the release of the amended LOMP to a production of 170 Koz per year in the first nine years. There is a risk that gold production volatility may continue in the future which may have an adverse impact on the trading prices.
- The uncertainty around the costs that will be incurred to close and remediate the mine at the end of the LOMP which has been estimated by SRK between US\$13 million to US\$25.2 million. However, the actual cost incurred could be considerably different and will depend on the circumstances that prevail at the end of the LOMP.
- Tietto operates in Côte d'Ivoire which is currently a safer jurisdiction compared with other African and Western African countries, however conditions have rapidly changed in the past which pose a risk for future operations compared with similar mines based in developed countries like Australia or Canada. While there may be potential for political instability in Côte d'Ivoire and certain risks are already quantified by reference to its sub-investment credit rating (rated BB by S&P and Ba3 by Moody's) of its sovereign debt, we note that it is rated as the third most attractive jurisdiction in Africa for mining investment only behind Botswana and Morocco²⁰.

No brokerage costs

Tietto Shareholders will be able to realise their investment in the Company without incurring any brokerage or stamp duty costs.

Disadvantages

The Takeover Offer is not fair

The Takeover Offer is not fair and the Offer Price is at a discount of between 27% and 37% to the low end and high end of our assessed valuation range for Tietto, respectively.

Accepting Tietto Shareholders will no longer have any exposure to the Abujar Gold Project and Tietto's other mineral assets

Subject to the Takeover Offer being declared unconditional, accepting Shareholders will no longer have any exposure to the Abujar Mine and Tietto's portfolio of prospective development projects and exploration targets. The value of the company as a whole may be positively affected in the longer term by the future operation of the Abujar Mine and the exploitation of the other identified resources in the Abujar Gold Project, or in the exploration assets elsewhere in Côte d'Ivoire and Liberia.

The creation of the APG Heap Leach gold processing operation at the Abujar Mine for the APG deposit to run concurrently with the existing processing plant at the Abujar Mine represents a key growth opportunity

²⁰ The Fraser Institute “Annual Survey of Mining Companies 2022”

which is not captured in our valuation assessment. This new processing operations, if implemented, will make most efficient use of the lower grade ores extracted from the APG deposit as the mining effort progressed through the LOMP. The heap leach testing for the proposal suggested recoveries using this method ranging from low eighties to mid-nineties of the available gold in the low-grade ore. The heap leach process has not, however, been included in the Financial Model and the benefits and efficiencies, together with the associated costs are not included in the assessment of the value of Tietto shares.

The size and structure of the AG and APG deposits is yet to be fully defined and explored. Tietto has indicated and SRK has confirmed that gold mineralisation at the Abujar Gold Project remains open along strike and at depth and further drilling is required to test the limits. A large portion of the Abujar Gold Project main shear bounded by gold mineralisation remain to be drilled.

If the Takeover Offer becomes unconditional, Tietto Shareholders accepting the Takeover Offer will forgo the opportunity to participate in the potential growth prospects associated with the Company.

Implications for shareholders if Zhaojin does not achieve full control of Tietto

Should the Bidder receive acceptance of its offer such that it becomes entitled to 50.1% of the equity in Tietto the Offer becomes unconditional and any Tietto shareholders that do not accept the Offer and retain their shares in the Company will do so as a part of a minority. In Section 6 of the Bidder's Statement, Zhaojin sets out its intention to initially retain, but eventually adjust, the representation on the Board of Directors in proportion with its voting power. That is, upon obtaining 50.1% of the relevant interest in Tietto shares, the Bidder will be able to exercise day to day control over the activities of the Company and its affairs and be able to pass ordinary resolutions of the Company by the voting power of its own holdings.

At levels of acceptance that result in the Bidder becoming entitled to relevant interests in Tietto Shares above 50.1% up to 90%, the degree of control exercisable by the Bidder would increase. At 75% of the equity in Tietto, for example, the Bidder would also be able to pass special resolutions of the Company by the voting power of its own holdings.

The effects of the various levels of control may include reduced liquidity in trading of the Company's shares on the ASX, reflecting wider bid-ask spread and lower frequency of trading. It is difficult to forecast what, if any, effect on share price the overhang of the majority shareholder might have, but the reduced liquidity would most likely, result in generally lower trading prices than might prevail in its absence.

Similar circumstances may occur if Zhaojin elects to exercise its right to waive the minimum acceptance condition and as a result, it may receive acceptances such that it would hold relevant interests in less than 50.1% of Tietto Shares.

Other factors

Share price in the absence of the Takeover Offer

If the Takeover Offer lapses, it is likely that Tietto Shares will trade at prices that are different to those that prevailed prior to the announcement of the Takeover Offer.

It is difficult to predict what prices the Company's shares might trade if the Offer lapses, however, in our opinion, absent any significant change in economic or market conditions, it is unlikely that the trading prices will revert back at the level they were trading before the announcement of the Offer. The information

disclosed in the Target's Statement, the SRK Report and this Independent Expert's Report, may provide improved information and a more refined basis for the trading prices of Tietto shares if the Offer lapses.

Gold price volatility

The assessed fair values for a Tietto share are particularly sensitive to movements in the gold price, exchange rate and the general market conditions, including potential political instability in Côte d'Ivoire. The precious metals markets have exhibited a significant degree of volatility in recent times and there is a wide range of views from market analysts as to future gold prices. Grant Thornton Corporate Finance's forecast gold price assumptions have been determined after consideration of the forecasts from Consensus Economics and a review of the historical information. However, a wide range of assumptions could credibly be adopted, which could impact assessed fair values either positively or negatively. Depending upon the views taken by individual shareholders in relation to these assumptions, it is possible that individual shareholders could reach a different conclusion on the appropriate range of values for the Abujar Gold Project and hence Tietto as a whole.

Tax implications

Tietto Shareholders who accept the Takeover Offer will receive A\$0.58 cash for each Tietto Share currently held, which may, depending upon individual shareholders' taxation position, give rise to Capital Gains Tax consequences at a time that may or may not be advantageous to individual Tietto Shareholders. A generic and indicative outline of the taxation implications of the Takeover Offer is included in the Bidder's Statement at section 7. Tietto Shareholders should read the overview of tax implications of the Offer set out in section 8 of the Target Statement and seek their own independent taxation advice regarding the taxation consequences of the Takeover Offer.

Directors' and shareholders' intentions

The Directors unanimously recommend that Tietto Shareholders reject the Takeover Offer. All Tietto Directors currently intend to reject the Takeover Offer in relation to the shares held or controlled by them (c. 2.36% of the issued capital) and do nothing. Furthermore, Tietto Shareholders holding in aggregate 18.74% of the issued capital do not presently intend to accept the Offer.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Takeover Offer is **NOT REASONABLE** to Tietto Shareholders.

Overall conclusion

After considering the above mentioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Takeover Offer is **NOT FAIR AND NOT REASONABLE** to Tietto Shareholders.

Each Tietto Shareholder should decide whether or not to accept the Takeover Offer based on their own views of the value of Tietto and expectations about future market conditions, Tietto's performance, and their individual risk profile and investment strategy.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section. The decision as to whether or not to accept the Takeover Offer is a matter for each shareholder of Tietto based on their own views of value of Tietto and expectations about future market conditions, Tietto's performance, risk profile and investment strategy. If Tietto Shareholders are in doubt about the action they should take in relation to the Takeover Offer, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



ANDREA DE CIAN
Director



Mark Butterfield
Director

27 November 2023

Financial Services Guide**Grant Thornton Corporate Finance Pty Ltd**

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by Tietto to provide general financial product advice in the form of an IER in relation to the Takeover Offer. This report is included in the Target Statement outlining the Takeover Offer.

Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

General financial product advice

In our Report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the report, Grant Thornton Corporate Finance will receive from Tietto a fee of A\$140,000 plus goods and services tax ("GST"), which is based on commercial rates plus reimbursement of out-of-pocket expenses in relation to the preparation of the Report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this Report.

Independence

Grant Thornton Corporate Finance is required to be independent of Tietto in order to provide this report. The guidelines for independence in the preparation of an independent expert's report are set out in Regulatory Guide 112 *Independence of experts* issued by the Australian Securities and Investments Commission. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Tietto (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Takeover Offer."

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Takeover Offer, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Takeover Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report. Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of experts" issued by ASIC.

Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority who can be contacted at:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this Report and FSG. Complaints or questions about the Target Statement should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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1 Outline of the Offer

The Offer is subject to a number of conditions set out in Section 9.7 of the Bidder's Statement, which are briefly discussed below:

- Before the end of the Offer period, the Bidder obtains the following approvals from the following regulators and authorities:
 - the Chinese regulators "NDRC", "MOFCOM" and "SAFE"; and
 - the Côte d'Ivoire Ministry of Mines, Petroleum and Energy.
- Other applicable regulatory approvals being received and the absence of any regulatory actions.
- At the end of the Offer period, the Bidder has a relevant interest of greater than 50.1% of the Tietto Shares on issue at that time (on a fully diluted basis).
- There be no dividend distributions between the date of the Offer and the end of the Offer period.
- There being no break fees.
- Tietto not entering into any contract, arrangement or commitment that requires or may require Tietto to pay or incur an amount of more than A\$50 million individually or in aggregate.
- No prescribed occurrences (as their terms are defined under the Bidder's Statement).
- No issue of convertible securities, derivatives or other rights.
- Other conditions precedent typical for a transaction of this type.

As at the date of this IER, Tietto has 22,000,000 options ("Options") with an exercise price ranging between A\$0.39 and A\$0.80 and 5,550,000 performance rights ("Performance Rights") with nil exercise price. The Offer will extend to Tietto Shares issued before the end of the Offer period in connection with the exercise of Options or the vesting of the Performance Rights. The Directors of Tietto have indicated, in section 8.3 of the Target's Statement, that if the Takeover Offer becomes unconditional or the conditions are waived, and if the Bidder becomes entitled to more than 50% of Tietto, the terms of the Performance Rights will result in all of the Performance Rights being vested and exercisable for Tietto shares.

2 Purpose and scope of the report

2.1 Purpose

Section 640 of the Corporations Act requires that a target's statement made in response to a takeover offer for securities in an Australian publicly listed company must be accompanied by an IER if:

- the bidder's voting power in the target is 30% or more; and
- for a bidder who is, or includes, an individual – the bidder is a director of the target company; or
- for a bidder who is, or includes, a body corporate – a director of the bidder is a director of the target company.

The IER must state whether, in the opinion of the independent expert, the takeover offer is fair and reasonable to the target company's independent shareholders and provide the reasons for forming that opinion.

Whilst there is no legal requirement for the commissioning of an IER, the Directors of Tietto have requested Grant Thornton Corporate Finance to prepare an independent expert's report to assist Tietto Shareholders to assess the merits of the Takeover Offer and whether the Takeover Offer is fair and reasonable to the Tietto Shareholders for the purposes of Section 640 of the Corporations Act.

2.2 Basis of assessment

The Corporations Act does not define the meaning of "fair and reasonable". In preparing this Report, Grant Thornton Corporate Finance has had regard to RG 111 which establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG 111 is framed largely in relation to reports prepared pursuant to section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" are in the context of a takeover offer.

As the Takeover Offer is a takeover bid, Regulatory Guide 111 "*Content of expert reports*" requires the following assessment:

- An offer is considered fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject to the offer. The comparison should be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company.
- An offer is considered reasonable if it is fair. If the offer is not fair it may still be reasonable after considering other significant factors which justify the acceptance of the offer in the absence of a higher bid. ASIC has identified the following factors which an expert might consider when determining whether an offer is reasonable:
 - The offeror's pre-existing entitlement, if any, in the shares of the target company.
 - Other significant shareholding blocks in the target company.

- The liquidity of the market in the target company's securities.
- Taxation losses, cash flow or other benefits through achieving 100% ownership of the target company.
- Any special value of the target company to the offeror, such as particular technology or the potential to write off outstanding loans from the target company.
- The likely market price if the offer is unsuccessful.
- The value to an alternative offeror and likelihood of an alternative offer being made.

Grant Thornton Corporate Finance has determined whether the Takeover Offer is fair to the Tietto Shareholders by comparing the fair market value range of Tietto Shares on a 100% basis with Offer Price of A\$0.58 per Tietto Share.

In considering whether the Takeover Offer is reasonable to the Tietto Shareholders, we have considered a number of factors, including:

- Whether the Takeover Offer is fair.
- The implications to Tietto and Tietto Shareholders if the Takeover Offer lapses.
- Other likely advantages and disadvantages associated with the Takeover Offer as required by RG111.
- Other costs and risks associated with the Takeover Offer that could potentially affect the Tietto Shareholders.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to the Takeover Offer with reference to the RG112.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the Takeover Offer other than that of independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this Report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of these fees is in no way contingent upon the success or failure of the Takeover Offer.

Grant Thornton Corporate Finance has not had any involvement in the Takeover Offer other than preparing this IER. Accordingly, it believes it remains in compliance with the independence requirements as envisaged in RG112.

2.4 Consent and other matters

Our Report is to be read in conjunction with the Target's Statement dated on or around 27 November 2023 in which this report is included and is prepared for the exclusive purpose of assisting the Tietto Shareholders in their consideration of the Takeover Offer. This Report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this Report in its form and context and consents to its inclusion in the Target's Statement.

This Report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Takeover Offer on the Tietto Shareholders as a whole. We have not considered the potential impact of the Takeover Offer on individual shareholders. Individual shareholders have different financial circumstances, and it is neither practicable nor possible to consider the implications of the Takeover Offer on individual shareholders.

The decision of whether or not to accept the Takeover Offer is a matter for each Tietto Shareholder based on their own views of the value of Tietto, expectations about future market conditions, Tietto's performance, their individual risk profile and investment strategy. If Tietto Shareholders are in doubt about the action they should take in relation to the Takeover Offer, they should seek their own professional advice.

3 Profile of Tietto

3.1 Company Overview

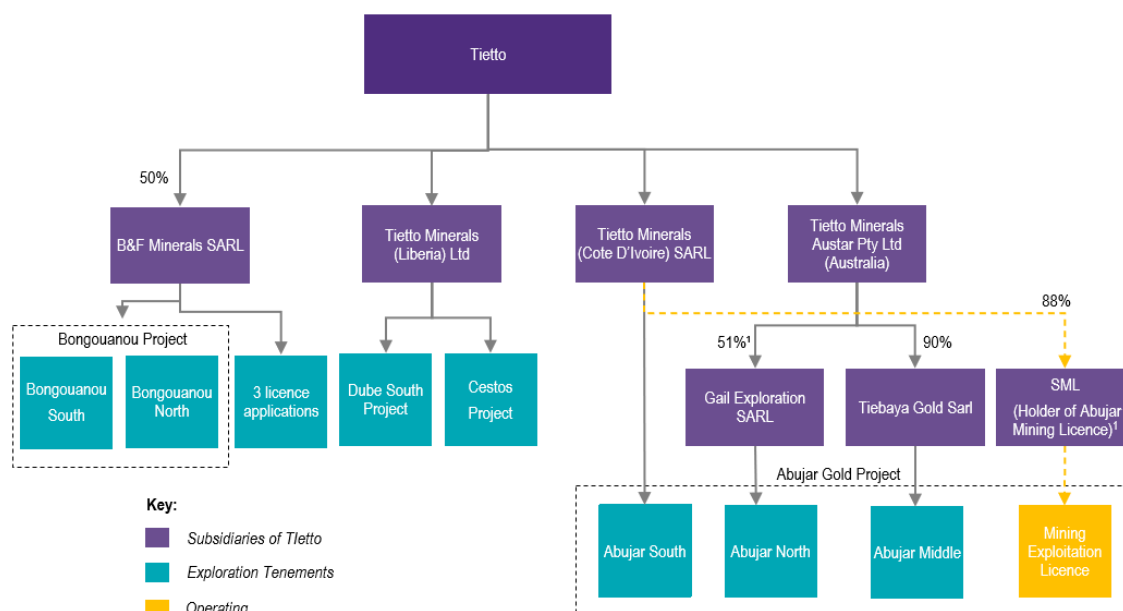
Tietto is a West African gold mining company which has been listed on the ASX since January 2018. Its flagship asset, the Abujar Gold Project, is located in Côte d'Ivoire near the Gulf of Guinea on Africa's west coast and it contains Mineral Resource of 3.83 Moz of gold and ore reserves of 1.36 Moz.

The Abujar Gold Project is located in central-western Côte d'Ivoire, approximately 30 km from the major regional city of Daloa and within close proximity to regional and local infrastructure including grid electricity. The Abujar Gold Project comprises three contiguous tenements (Abujar South, Abujar Middle, and Abujar North) covering a total area of over 1,114km², and features a 70km long gold corridor across the three tenements.

Tietto's gold production commenced at the beginning of 2023 via operations in Societe Miniere De La Lobo, a Côte d'Ivoire company that Tietto holds an 88.0%²¹ interest in and that was incorporated to hold the mining license as required by Ivorian mining code. The ore is processed at the newly built Abujar Mine 4.5 Mtpa carbon-in-leach plant (the "Plant") and it is sourced from the AG open pit deposit which is currently being mined. The APG open pit deposit is expected to commence in January 2026.

Abujar South and Abujar North are both exploration projects in which Tietto holds a 100% and 51% interest, respectively. Tietto holds an effective 90% interest in the Abujar Middle exploration tenement, which is the area surrounding the Abujar Mine, via the Tiebaya subsidiary²².

Simplified Corporate Structure



Source: Management Information; GTCF analysis.

Notes: (1) Tietto Minerals Austar Pty Ltd (Australia) currently hold an effective 51% in Abujar North, however Tietto holds a right to acquire up to an 80% interest in the Abujar North Exploration Licence. (2) All shareholdings are 100% unless otherwise stated.

²¹ The Ivorian Government hold a 10% free carried interest. The other 2% is held by joint venture partners, Mr Henri Bamba and Mr Yao N'Kanza.

²² Together, the Abujar Mine and exploration tenements of Abujar Middle, Abujar South and Abujar North form the Abujar Gold Project

The Company is also currently investigating the viability of a second gold mine at the APG deposit, located 7km from the current Abujar Mine via a heap leach gold processing operation²³, however only a scoping study has been completed to date.

Tietto also has a number of regional exploration permits across Côte d'Ivoire granted for four years with two three-year extensions plus two-year special extension available. We provide further detail of the exploration permits and activities within Section 3.5 of this Report.

3.2 Abujar Gold Project

The Abujar Gold Project is comprised of three contiguous tenements (Abujar South, Abujar Middle, and Abujar North) covering a total area of over 1,114km², and features a 70km long gold corridor across the three tenements. Abujar North and South currently hold two exploration licenses, Zahibo and Issia, of which Tietto hold an effective ownership of 51% and 100%, respectively. Tietto holds a right to acquire up to an 80% interest in the Abujar North exploration license.

In December 2020, Tietto received approval for a mining license within the area of the Abujar Middle tenement. Pursuant to the Ivorian Mining Code, Tiebaya (the Tietto subsidiary holding the exploration license and 100% holder of the tenement) was required to incorporate a new Ivorian company to hold the mining license. Subsequently, SML was incorporated, where the mining license is now held. The mining license covers an area of c. 120km² and is held via a Joint Venture ("JV") agreement with local partners²⁴ and the Government of Côte d'Ivoire²⁵. The mining license has an expiry date of 8 December 2030.

Tietto commissioned RPM Advisory Services Pty Ltd ("RPM") to complete a DFS for the Abujar Mine, which was completed in October 2021 and which was for an open-pit 4 Mtpa operation with a LOMP expected to be 11 years (44.9 Mt of ore mined at a strip ratio of 6:1) and average gold produced across the LOMP expected to be 155 Koz per annum²⁶, with a total of 1.7 Moz gold recovered across the LOMP²⁷.

Following the DFS and mining license approval, work was initiated focussing on access road upgrades, site infrastructure and camp construction, with mining operations commencing. The first gold was poured at the Abujar Mine during January 2023, becoming the Company's maiden operation. The Abujar Mine sources feed for the mill from two deposits AG and APG. The AG deposit provides the majority of value to the operations and the AG open pit comprises several open cuts, all located nearby to the plant site together with a number of satellite pits located along strike to the north and south.

An open pit mining contract was agreed between SML and EPSA Ivoire SA ("EPSA") in May 2022. EPSA are responsible for the multi-pit mining operation services including, the mobilisation and establishment of all facilities necessary to support mining operations, associated earthwork²⁸ and production mining²⁹. EPSA receive remuneration via rates for the in situ cubic metres of soil or rock determined by measurement of the void or voids resulting from excavation. The Abujar Mine remains responsible for the open pit mining costs relating to labour, diesel and power. Open pit mining cost estimates in the latest life

²³ A process by means of transferring raw ore to the prepared yard, or utilising the waste rock or low-grade ore, using a chemical solution sprayed on the heap which percolates through the stock and dissolves the gold available, which is then pumped through columns where gold is recovered.

²⁴ There are two local partners that hold a 1% interest each through joint ventures with Tietto.

²⁵ The government of Côte d'Ivoire hold a 10% interest.

²⁶ 200,000 oz expected to be recovered across the first six years of production.

²⁷ Source: Tietto ASX announcement dated 7 February 2023.

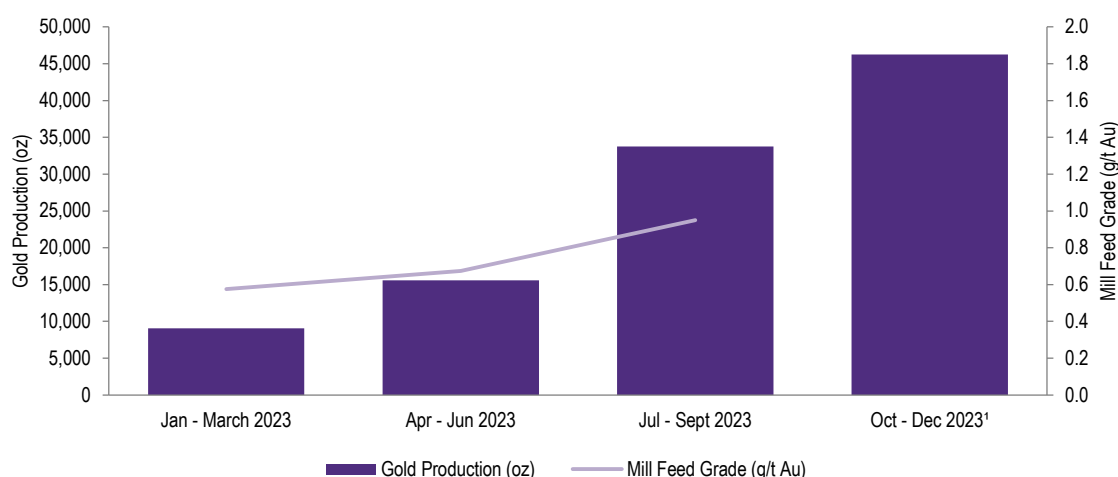
²⁸ Which includes initial and ongoing clearing and topsoil stripping, construction of hardstands, RoM pad, roads and stockpiles, crusher feed and rehandling stockpiled ore.

²⁹ Including drilling, blasting, loading and haulage of ore to stockpiles and waste to waste dumps and ongoing profiling of waste dump slopes for closure.

LOMP are based on current contract prices provided to Tietto by EPSA. Tietto incurs additional contractor costs from explosive supplier EPC Côte d'Ivoire S.A. and grade control drilling costs by International Drilling Company Côte d'Ivoire, both of which are based upon existing contract prices.

Following the first pour of gold on 14 January 2023, production has continued to ramp up. The following graph presents Tietto's gold production that occurred at the Abujar Mine by quarter for 2023, presenting both tonnage processed and total gold production (ounces smelted).

Tietto Gold Production 2023



Source: Management Information; GTCF analysis.

Notes: (1) July to December 2023 production range of 75 Koz to 85 Koz (midpoint taken) less the actual quarterly production from July 2023 to September 2023. No July to December 2023 guidance was provided relating to Mill Feed Grade.

We have set out below some of the highlights and challenges from the first few months of operations³⁰:

- Jan-Mar 23:** The Plant processed 724kt of ore at a mill head grade of 0.55 g/t. Tietto experienced tough ground conditions which delayed access to high-grade at lower benches, with a significant amount of water encountered. Gold sales during the quarter totalled 7,586 ounces at an average price of US\$1,980 per ounce.
- Apr-Jun 23:** It saw commercial production commencing, with gold production increasing to 15,592 ounces at a gold grade of 0.68 grams per tonne, from 860,000 tonnes processed. Processing performance ramped up significantly in the quarter, with peak Plant throughput rates reaching 16,000 tonnes per day in June 2023. The Company continued to build up stockpiles reserves to allow for preferential feeding of higher-grade ore; however, stockpiles were still developing as higher rates of mining continue to come online. Gold grade improvements were realised during the period, following the pits getting deeper and weather improvements since mining commenced. It was announced that H2 2023 production guidance was between 105 Koz and 120 Koz at an AISC of US\$875/oz to US\$975/oz.
- Jul-Sept 23:** Despite wet conditions during the quarter, Q3 2023 saw significant advances in production levels, with 33,753 ounces of gold produced (an increase of approximately 116.5% from Q2 2023) from 1,144 Kt processed. Grade improved again in the quarter to 0.95 g/t, up from 0.68 g/t in Q2.

³⁰ Please refer to the SRK Report for further detail on issues impacting mining production and associated costs during FY23.

- **Oct 23:** In October Tietto recorded the highest monthly gold production and grade to date as the dry season commenced and additional excavators and equipment was mobilised. The Abujar Mine recovered 12.1 Koz at a grade of 1.00g/t and a plant recovery percentage of 94.8%.

In October 2023, Tietto announced an updated Abujar Mine LOMP³¹, with key highlights as follows³²:

- Project life of nine years up to 2032 (total LOMP of 9 years), producing an average of 170 Koz of gold per annum at a life of mine AISC of US\$982/oz. The original estimates were for an 11-year LOMP, producing an average of 155 Koz per annum at an AISC of US\$843 per ounce.
- The Abujar Gold Project's reserve model, which was generated in April 2023 was updated, approximately increasing ore tonnes by 10%, however the grade decreased 8.3%, resulting in a 2% metal reduction compared to the 2022 reserve model that was in use in March 2023³³.

3.3 APG Heap Leach

In a scoping study completed in December 2022, Tietto indicated the possibility to build a second standalone mine at Abujar's APG deposit within the Abujar Mine, via a heap leach gold processing operation. Based on the scoping study that was completed, a second mine could reach forecast gold production averaging more than 100 Koz per annum for the first three years, and 85 Koz per annum thereafter for a 10 years LOMP, resulting in over 850 Koz gold recovered from 68Mt at 0.48 g/t. Pre-production capital expenditure was estimated at US\$98 million.

It should be noted that the scoping study is an early-stage review of the potential, with production targets and forecast financial information being based on a low level of technical and economic assessments. Subsequently, there is insufficient data to support an estimation of Ore Reserves and the scoping study is presented to an accuracy level of +/-35%³⁴. Further metallurgical studies and engineering design activities are being completed to progress the feasibility evaluation of this opportunity. Based on SRK's recommendation and discussions with Management regarding the LOMP within the Financial Model, we have not considered the heap leaching within our valuation assessment. Nonetheless, we note that the APG deposit reserves and resources are trucked for processing to the Plant.

3.4 Reserves and Resources

The table below summarises Tietto's Ore Reserves as at 30 June 2023 prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") and presented on a 100% basis.

³¹ Previous ASX announcements had indicated that Tietto would provide an update for the Abujar Project's LOMP in October 2023 using the updated MRE, increased mill throughput and higher gold prices, targeting a material increase to existing LOMP production.

³² Tietto ASX announcement dated 5 October 2023.

³³ Tietto ASX announcement dated 5 September 2023

³⁴ Based on Tietto's ASX announcements.

Tietto Reserves as at 30 June 2023		Proved			Probable			Proved + Probable		
Deposit	Deposit type	Quantity (Mt)	Grade (g/t gold)	Gold (Moz)	Quantity (Mt)	Grade (g/t gold)	Gold (Moz)	Quantity (Mt)	Grade (g/t gold)	Gold (Moz)
AG	Open pit	12.0	1.1	0.4	19.2	1.3	0.8	31.2	1.2	1.2
APG	Open pit	-	-	-	5.4	0.8	0.1	5.4	0.8	0.1
Stockpiles	Stockpile	0.1	0.7	-	-	-	-	0.1	0.7	-
Total		12.1	1.1	0.4	24.6	1.2	0.9	36.7	1.2	1.4

Source: Tietto Annual Reports; GTCF analysis.

Notes: (1) Although the reserve estimates have been updated as per Section 3.2, the table above reflects the latest reporting in accordance with the JORC Code. (2) Rounding may cause values in the table to appear to have computational errors.

We have also set out below all the Mineral Resources which represent estimates at 31 March 2023 and reported in accordance with JORC Code. They are reported on a 100% basis, and they do not reflect the ownership proportion.

Tietto Resources by deposit as at 31 March 2023	Measured			Indicated			Inferred			M & I & I Resources		
	Quantity (Mt)	Grade (g/t)	Gold (Moz)	Quantity (Mt)	Grade (g/t)	Gold (Moz)	Quantity (Mt)	Grade (g/t)	Gold (Moz)	Quantity (Mt)	Grade (g/t)	Gold (Moz)
AG	12.3	1.2	0.5	29.0	1.3	1.2	15.6	1.5	0.7	57.0	1.3	2.4
APG	n/a	n/a	n/a	9.5	0.8	0.2	30.8	0.7	0.7	40.0	0.7	0.9
SG	n/a	n/a	n/a	n/a	n/a	n/a	5.5	0.8	0.1	5.0	0.8	0.1
APG-ex	n/a	n/a	n/a	n/a	n/a	n/a	21.2	0.5	0.3	21.0	0.5	0.3
Total	12.3	1.2	0.5	39.0	1.2	1.5	73.0	0.8	1.9	124.0	1.0	3.8

Source: Tietto Annual Reports; GTCF analysis.

Notes: (1) Rounding may cause values in the table to appear to have computational errors.

SRK has recalculated the Mineral Resources to separate the material within the reasonable prospects for eventual economic extraction ("RPEEE") pit shells from that below the pit shells. As a result, the Mineral Resources assessed by SRK within the RPEEE decreased by 23 Mt from 124 Mt to 101 Mt, the average grade decreases from 1.0 g/t Au to 0.88 g/t Au, and the total contained gold decreases by 0.96 Moz from 3.83 Moz to 2.87 Moz.

3.5 Exploration permits

Tietto also has a number of regional exploration permits across Côte d'Ivoire granted for four years with two three-year extensions plus two-year special extensions available. We have detailed the locations of these exploration permits below which cover a total area of 1,114km² ³⁵:

Schedule of Exploration Tenements		
Location	Status	Tietto Interest
Côte d'Ivoire		
Abujar North (Zahibo License) ¹	Granted	51%
Abujar Middle (Zoukougbeu License)	Granted	90%
Abujar South (Issia License)	Granted	100%
Bongouanou North	Granted	50%
Bongouanou South	Granted	50%
Two Boundiali Tenements	In Application	n/a
Liberia		
Dube South	Granted	100%
Cestos Project	Granted	100%
Compound 4 Gold Project	Granted	100%
Fish Town Lithium Project	Granted	100%

Source: Management Information.

³⁵ Of which we note less than 10% has been explored.

Notes: (1) Management have confirmed that they have satisfied the condition to obtain a 51% ownership, as per their agreement held relating to Abujar North (previously holding a 15% interest). (2) This list does not include any tenements relating to mining operations. (3) Information is at the date of this Report. (3)

3.6 Financial information

As announced on 15 December 2022, Tietto changed its reporting financial year from a financial year end of 30 June to a financial year end of 31 December, in line with the Company's subsidiary, SML. As part of the transition the Company announced a shorter, six-month transitional year from 1 July 2022 to 31 December 2022, before reverting to a twelve-month financial year from 1 January 2023. To maintain comparability across the historical period, we have presented the below financial information on a year end 30 June basis.

3.6.1 Financial performance

The consolidated statements of financial performance for the Company for the three financial years ended 30 June 2023 are set out in the table below:

Consolidated Statement of Profit or Loss A\$ '000	FY21 Audited	FY22 Audited	FY23' Audited
Revenue	-	-	63,804
Total revenue	-	-	63,804
Cost of Goods Sold	-	-	(42,909)
Gross profit	-	-	20,896
Exploration expenses	(12,638)	(23,483)	(9,985)
Salaries and wages	(1,483)	(6,865)	(8,628)
Directors remuneration	(942)	(985)	(1,200)
Professional fees	(494)	(2,531)	(3,537)
Travel, meals, and accommodation	(79)	(166)	(543)
Share-based payments	(1,323)	(2,823)	(2,300)
Business registration and compliance fees	(120)	(240)	(233)
Supplies	-	(2,404)	(62)
Net foreign exchange gain/(loss)	(99)	291	3,324
Other expenses	(1,653)	(5,465)	(4,188)
EBITDA	(18,830)	(44,672)	(6,457)
Depreciation ²	(1,026)	(1,991)	(3,694)
EBIT	(19,856)	(46,663)	(10,150)
Net interest income/(expense)	302	69	(1,386)
Tax expense	-	-	-
Net profit/(loss) for the period	(19,554)	(46,594)	(11,537)
Owners of the parent	(19,392)	(45,003)	(12,498)
Non-controlling interest	32	(426)	961

Source: Tietto Annual Reports.

Notes (1): FY23 reflects year-end 30 June. The Company recently changed their financial year end from 30 June to 31 December, effective December 2022. To maintain comparability across the historical period, we have presented FY23 as 30 June year-end. (2): Depreciation is as stated in the financial statements. For FY23, depreciation only relates to non-mine site assets.

We make the following observations:

- Tietto did not generate any revenue from operating activities prior to the H2 FY23. The only income recognised prior to H2 FY23 consisted of interest income and government subsidies related to COVID-19.
- Most expenses in FY21 and FY22 primarily consisted of exploration expenses which represented approximately 67.1% and 52.6% of total operating expenses in FY21 and FY22 respectively. Exploration expense relative to total operating expenses declined to approximately 36.5% in FY23 as the Company progressed to first production.
- Salaries and wages, as well as directors' remuneration, generally represented the second largest operating expense across the historical period, contributing approximately 12.9% and 17.6% to total operating expense in FY21 and FY22 respectively. Salaries and wages (including directors' remuneration) increased significantly in FY23 relative to total operating expenses, representing 35.9% of total operating expense in FY23. Salaries and wages in particular have been increasing significantly as the business scales, at a Compound Annual Growth Rate ("CAGR") of 141.2% between FY21 and FY23.

3.6.2 Financial position

The consolidated statements of financial position for the Company for the three financial years ended 30 June are set out in the table below:

Consolidated Statement of Financial Position	30-Jun-21	30-Jun-22	30-Jun-23
A\$ '000	Audited	Audited	Audited
Cash and cash equivalents	8,721	41,884	17,387
Trade and other receivables	36,722	42,746	17,245
Inventories	-	-	32,693
Current assets	45,443	84,631	67,326
Property, plant, and equipment	2,955	135,270	317,038
Financial assets at fair value through other comprehensive income	26	19	126
Right-of-use assets	99	57	10
Prepayments/ other assets	4,637	-	-
Non-current assets	7,717	135,345	317,173
Total assets	53,161	219,976	384,499
Trade and other payables	4,246	19,655	68,720
Borrowings	-	-	49,773
Employee benefits	-	-	107
Lease liability	52	45	61
Current liabilities	4,298	19,700	118,661
Rehabilitation provisions	-	-	8,721
Lease liability	47	-	42
Non-current liabilities	47	-	8,764
Total liabilities	4,345	19,700	127,425
Net assets	48,816	200,276	257,074
Issued capital	96,498	295,756	362,961
Reserves	7,865	6,643	1,472
Accumulated losses	(55,597)	(101,747)	(107,918)
Non-controlling interests	51	(376)	559
Total equity	48,816	200,276	257,074

Source: Tietto Annual Reports.

We note the following in relation to the Company's financial position:

- Trade and other receivables were c. A\$17.2 million as at 30 June 2023, a 59.7% reduction from c. A\$42.7 million at 30 June 2022, primarily due to a term deposit withdrawal of c. A\$39.9 million. Tietto had cash and bullion equivalents of c. A\$26.7 million at 30 June 2023, which has further increased to A\$58.0 million as at 31 October 2023.
- Property, plant, and equipment increased to c. A\$317.0 million for the completion of the Abujar Mine and the Plant.
- Tietto recorded c. A\$8.7 million in rehabilitation provisions as at 30 June 2023, in comparison to a value of nil in the prior two financial years. This is a provision made for the future cost of rehabilitating mine sites and related production facilities on a discounted basis which are expected to be incurred up to 2033, in accordance with when the producing mine properties are expected to cease operations. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closing plant and waste sites, and restoring, reclaiming and revegetating affected areas.

- Borrowings increased to c. A\$49.8 million as at 30 June 2023, primarily due to a new A\$37.9 million working capital facility with Coris Bank. As at 30 June 2023, the facility was fully drawn with the loan repayable in twelve months at an annual interest rate of 8.0%. The balance of borrowings as at 30 June 2023, c. A\$11.7 million, relates to two loans of c. A\$8.8 million and c. A\$2.9 million from Kongwell Management Limited, and Dr. Minlu Fu, respectively. These loans were provided to support Tietto's APG Heap Leach Study. In the Company's three-month financial results to 30 September 2023, Tietto announced it had made a scheduled principal repayment of c. US\$6.25 million (A\$8.9 million) to its Coris Bank secured facility in August 2023. Additionally, on 17 October 2023, Tietto confirmed that the two high net worth shareholders which provided loans totalling US\$8 million to the Company had elected to convert this debt into ordinary shares in Tietto at a VWAP-determined share price of approximately \$0.34 per share.

3.6.3 Cash flows

The consolidated statements of cash flows for the Company for the three years ended 30 June 2023 are set out in the table below:

Consolidated Statement of Cash Flows A\$ '000	FY21 Audited	FY22 Audited	FY23' Audited
Receipts from customers	-	-	55,223
Payments to suppliers and employees	(7,463)	(4,400)	(75,628)
Payments for exploration expenses	(12,131)	(16,118)	(8,310)
Interest received	238	98	553
COVID-19 cash subsidy	50	-	-
Net cash generated by/(used in) operating activities	(19,306)	(20,419)	(28,163)
Payments for property, plant, and equipment	(2,863)	(134,185)	(151,339)
Withdrawal/(deposit) of term deposits	(35,000)	(6,232)	39,917
Net cash used in investing activities	(37,863)	(140,417)	(111,422)
Proceeds from loans and borrowings	-	-	49,773
Payment of lease liability	(25)	(74)	(67)
Issue of share capital (net of costs)	54,487	194,608	65,109
Transaction with non-controlling interests	-	(561)	-
Net cash generated from financing activities	54,463	193,973	114,815
Cash and cash equivalents at beginning of the period	11,419	8,721	41,884
Net increase/(decrease) in cash and cash equivalents	(2,707)	33,137	(24,770)
Effect of foreign exchange	8	26	273
Cash and cash equivalents at end of the period	8,721	41,884	17,387

Source: Tietto Annual Reports.

Notes (1): FY23 reflects year-end 30 June. The Company recently changed their financial year end from 30 June to 31 December, effective December 2022. To maintain comparability across the historical period, we have presented FY23 as 30 June year-end.

- We note the following capital raisings completed by the Company in the previous three years:
 - On 22 November 2021, Tietto successfully raised A\$85 million through a two-tranche placement at A\$0.39 per share. The placement was heavily oversubscribed and received strong support from institutional and wholesale investors, including Zhaojin Mining Industry Company.
 - On 29 March 2022, Tietto completed the A\$130 million two-tranche placement to fund the mine

construction of Abujar Gold Project. The Company issued c. 260 million fully paid ordinary shares at A\$0.50 per share.

- On 12 September 2022, Tietto issued 85 million new fully paid ordinary shares to Chijin International (HK) Limited (a subsidiary of Shanghai Stock Exchange listed parent company Chifeng Jilong Golf Minings Co Ltd) at a price of A\$0.58³⁶ per share to raise A\$49.3 million.

3.7 Share capital structure

As at 31 October 2023, the Company's capital structure comprised of the following securities:

Tietto Capital Structure			
	Expiry Date	Exercise Price (A\$)	Number
Ordinary shares	n/a	n/a	1,127,690,451
Unlisted Options			
1	21/05/2024	0.39	2,000,000
2	1/08/2024	0.62	300,000
3	31/12/2024	0.80	4,000,000
4	17/01/2025	0.41	3,200,000
5	4/02/2024	0.62	5,000,000
6	1/07/2025	0.53	3,500,000
7	31/12/2026	0.70	4,000,000
Total Unlisted Options	n/a	n/a	22,000,000
Performance Rights			
1	22/12/2023	n/a	1,750,000
2	21/05/2024	n/a	1,500,000
3	21/05/2024	n/a	1,000,000
4	1/08/2024	n/a	100,000
5	17/01/2025	n/a	600,000
6	17/01/2025	n/a	600,000
Total Performance Rights	n/a	n/a	5,550,000

Source: Management.

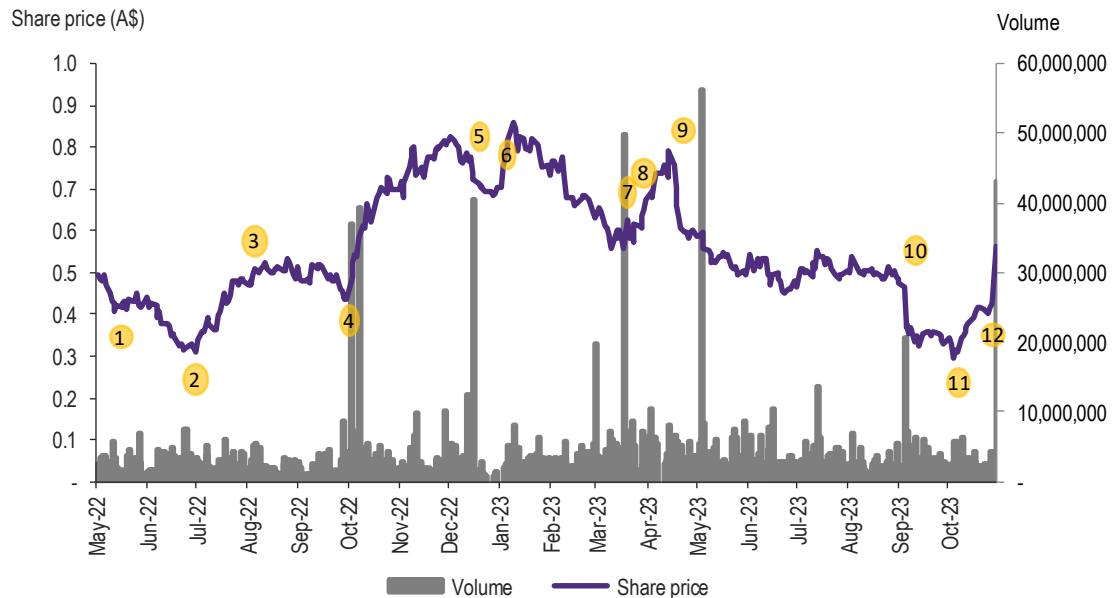
Notes: (1) Latest information as at the date of this Report following the latest performance rights converting on 17 November 2023.

³⁶ The placement price represented an approximately 15% premium to the 20-day VWAP of Tietto as at 7 September 2022.

3.6.4 Historical share trading prices

Our analysis of the daily movements in Tietto's share price and volumes for the period from May 2022 is set out below:

Historical share trading prices and volume of Tietto from May 2022



Source: S&P Global and GTCF analysis.

The following table illustrates the key events from May 2022 to 30 October 2023, which may have impacted the share price and volume movements shown above.

Event	Date	Comment
1	16 May 2022	Tietto release a construction update on the Abujar Gold Project, setting out some key highlights as follows: <ul style="list-style-type: none"> Construction at the Abujar Gold Project remains on schedule with first gold pour expected for Q4 CY22, with the first 60 rooms of the site camp occupied. The project is fully funded to production, debt free, via a A\$130 million placement.
2	29 June 2022	Tietto release an update on step-out drilling at Abujar, adding further high-grade gold intercepts at five prospects on the main Abujar Shear, extending gold mineralisation limits by 4,600 metres.
3	31 July 2022	Tietto release Q4 FY22 update, with highlights as follows: <ul style="list-style-type: none"> Construction at the Abujar Gold Project advanced to the 'drill and build' strategy, aggressively drilling to extend the resource base and grow the existing reserve. All structural steel, platework, and mechanical equipment deliveries continue on schedule, with no forecast delays. Mining contractors are mobilised and set to begin production in August, with key management appointments including General Manager, Technical Services Manager, Chief Geologist, and Chief Mining Engineer filled.
4	3 October 2022	Tietto release the Company's 2022 Annual Report to shareholders. Key highlights of the annual report are summarised below: <ul style="list-style-type: none"> The Abujar feasibility study highlighted the project's robust economics, with expected first year production of 260 Koz and 1.2Moz of the first six years of operation, at an AISC of US\$804 an ounce, indicating a low cost, high margin operation. The aggressive, low-cost drilling program undertaken throughout the past twelve months delivered project best drilling results of 1.1m at 2,853 grams per tonne gold from a wider high-grade intercept of 25.4m at 131.1 grams per tonne gold.

Event	Date	Comment
5	16 December 2022	Tietto produces first ore at the Abujar Mine, with the Plant 'practically' complete and first gold pour on track for December 2022. All major structural mechanical piping and electrical and instrumentation installation complete, with only non-process critical items remaining.
6	16 January 2023	Tietto announced to the market that first gold was poured at the Abujar Mine, meeting the target of first gold achieved within 12 months of construction.
7	20 March 2023	Tietto ramps up to full production at the Abujar Mine, announcing completion of commissioning at the mine's gold processing plant, with gold recoveries consistent with expectations at mined areas and the first blast of fresh rock completed on 14 March 2023, and the first gold shipments in February.
8	19 April 2023	Tietto increases Resource by more than 10%, to 3.83Moz with infill drilling confirming resource continuity.
9	26 April 2023	Tietto release the March 2023 quarterly activities report, with highlights as follows: <ul style="list-style-type: none"> • Forecasts gold production and cost guidance for the six months to 31 December 2023 at 105 Koz to 120 Koz of gold at an AISC of US\$875 to US\$975 per ounce, higher than previously indicated. • Forecast full year 2023 gold production of 134 Koz to 154 Koz also comes in lower than previously indicated.
10	5 September 2023	Tietto report updated H2 guidance and production schedules to 2030. Highlights include: <ul style="list-style-type: none"> • 11,191 ounces of production in August, milling more than 400 Kt at an average grade of 0.90 grammes per tonne. • H2 2023 guidance adjusted to between 75 Koz and 85Koz reflecting recent grade control drilling results, lack of stockpiles, and Tietto's updated reserves model. • Reserves model updated to show a 10% increase in ore tonnes and an 8.3% decrease in grade, resulting in a 2% metal reduction compared to the 2022 reserve model.
11	5 October 2023	Tietto announce an updated Abujar LOMP, expecting 170 Koz of gold per year for nine years at a life of mine AISC of US\$982 per ounce.
12	30 October 2023	Tietto receive a conditional non-binding indicative proposal from Zhaojin Capital, the Company's second largest shareholder, a wholly owned subsidiary of Zhaojin Mining Industry Company to acquire 100% of the issued shares not already owned by Zhaojin Capital.

Source: Tietto ASX announcements.

The monthly share price performance of Tietto since May 2022 and the weekly share price performance of Tietto for the past 16 weeks are summarised below:

Tietto Minerals Limited	Share Price			Average
	High	Low	Close	weekly volume '000'
	\$	\$	\$	
Month ended				
May 2022	0.510	0.405	0.440	14,905
Jun 2022	0.440	0.305	0.310	16,657
Jul 2022	0.490	0.320	0.480	15,191
Aug 2022	0.545	0.467	0.515	12,490
Sep 2022	0.527	0.435	0.435	11,483
Oct 2022	0.735	0.415	0.700	35,222
Nov 2022	0.835	0.670	0.810	17,265
Dec 2022	0.840	0.675	0.705	23,748
Jan 2023	0.865	0.710	0.750	16,167
Feb 2023	0.785	0.630	0.630	21,001
Mar 2023	0.675	0.550	0.675	33,940
Apr 2023	0.800	0.570	0.600	20,796
May 2023	0.615	0.475	0.495	34,351
Jun 2023	0.555	0.442	0.465	19,236
Jul 2023	0.555	0.470	0.505	20,452
Aug 2023	0.550	0.470	0.485	14,782
Sep 2023	0.480	0.320	0.335	22,355
Week ended				
14 Jul 2023	0.555	0.490	0.540	31,517
21 Jul 2023	0.555	0.502	0.510	15,948
28 Jul 2023	0.510	0.475	0.495	20,138
4 Aug 2023	0.550	0.495	0.530	14,986
11 Aug 2023	0.535	0.480	0.505	14,285
18 Aug 2023	0.520	0.490	0.500	12,331
25 Aug 2023	0.520	0.482	0.515	13,178
1 Sep 2023	0.525	0.465	0.475	17,371
8 Sep 2023	0.470	0.325	0.370	40,005
15 Sep 2023	0.365	0.325	0.355	20,663
22 Sep 2023	0.372	0.345	0.360	16,650
29 Sep 2023	0.360	0.320	0.335	14,262
6 Oct 2023	0.350	0.290	0.310	16,646
13 Oct 2023	0.387	0.325	0.380	16,482
20 Oct 2023	0.417	0.382	0.415	13,927
27 Oct 2023	0.430	0.395	0.425	12,702

Source: S&P Global, GTCF analysis.

3.6.5 Top shareholders

We have set out below the top 20 shareholders of Tietto as at 30 October 2023:

Tietto Top 20 shareholders		
Shareholder	No. of shares	Interest (%)
Chifeng Jilong Gold Mining Co., Ltd. (SHSE:600988)	140,855,864	12.48%
Zhaojin Mining Industry Company Limited (SEHK:1818)	79,204,311	7.02%
Hong kong Ausino Investment Limited	57,812,931	5.12%
T. Rowe Price Group, Inc. (NasdaqGS:TROW)	54,217,030	4.80%
Van Eck Associates Corporation	44,024,233	3.90%
The Vanguard Group, Inc.	41,527,893	3.68%
Wang CPeng, MAusIMM, MIEAust, Ph.D., Caigen (Former MD & Director)	25,925,637	2.30%
5013423 Ontario Corp.	24,866,184	2.20%
Guo, Yanchao	19,833,515	1.76%
Perry, Phillip Richard	16,370,150	1.45%
Wu, Qixian	15,897,584	1.41%
Harper L.L.B., LLB (Hons), Francis Robert Hawdon (Non-Executive Chairm	14,580,530	1.29%
Quantex AG	14,000,000	1.24%
Hayes Investments Co Pty Ltd	9,532,477	0.85%
Kohlhase & Stower Asset Management GmbH	9,000,000	0.80%
ALPS Advisors, Inc.	8,926,527	0.79%
Yao, N'kanza	7,628,129	0.68%
Henri, Bamba Tah	7,528,129	0.67%
BlackRock, Inc. (NYSE:BLK)	7,510,084	0.67%
Xu BBus., CA, Hanjing (Independent Non-Executive Director)	6,047,789	0.54%

Source: Top Shareholders per Capital IQ as at 30 October 2023.

4 Industry overview

4.1 Overview of the Global Gold Market

Gold is a precious metal used primarily in the fabrication of jewellery, electronics and other industrial applications as well as an investment asset for store of value and hedging. Gold is actively traded on international commodity markets and experiences daily price fluctuations as determined by global demand and supply factors.

The key drivers affecting gold exploration and production include:

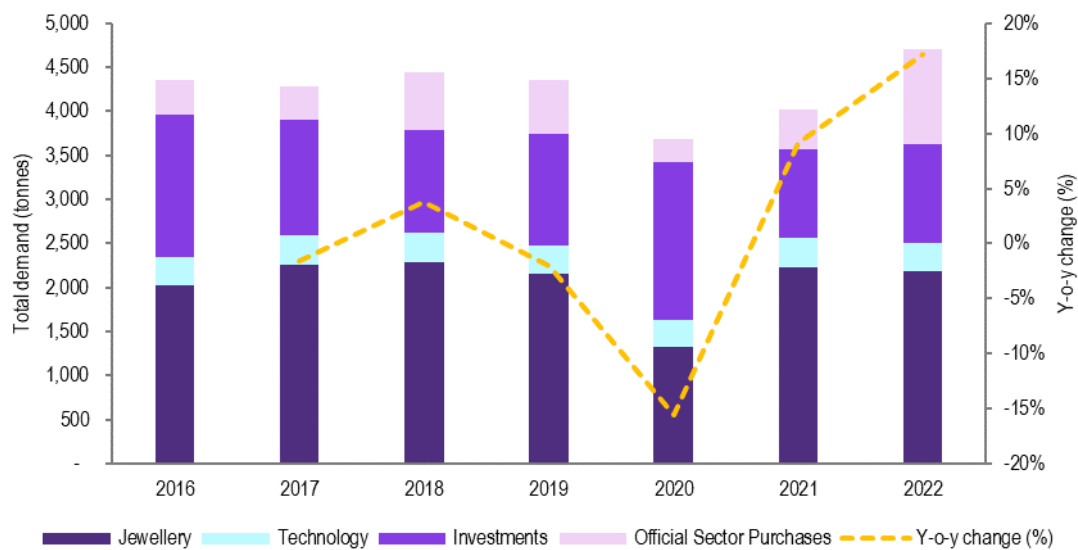
- *Gold prices* – Gold is considered a safe-haven asset with prices typically increasing at times of high market volatilities. This has been exacerbated due to rising global tension, resulting from both the Russian invasion of Ukraine and more recently in October 2023, when war broke out between Israel and Hamas³⁷. Gold is usually considered a natural hedge against inflation, but it tends to be inversely correlated to Government bond yields, as when they rise the opportunity cost of holding gold increases.
- *Exchange rates* – Gold is usually traded in US dollars; therefore, relative exchange rates are an important factor affecting the level of global gold trading and demand.
- *Political and regulatory factors* – Gold exploration activities are considered high risk undertakings as there is considerable uncertainty surrounding the commercial viability of such projects. Tenements located in countries with well-defined regulatory system and a stable political environment are more attractive to gold explorers and producers.
- *Funding requirements* – Given the inherent risks associated with gold mining, the availability and cost of capital to fund such projects can significantly impact the level of gold exploration and production activities being undertaken.
- *Mine/location specific factors* – Each mine location is exposed to unique factors that affect the feasibility of continued exploration and production.

4.2 Demand

Demand for gold is mainly driven by gold jewellery, global investment trends and market/economic conditions as outlined in the graph below.

³⁷ The militant Islamist group that controls Gaza.

Historical global demand for gold by category (2016 to 2022)



Source: World Gold Council, historical demand and supply as at 31 March 2023.

Notes (1): Official Sector Purchases refers to gold demand from Central bank and other institutions. (2): Investments comprises demand for bar and coin, ETF and other similar products.

The demand for jewellery fabrication is highly seasonal as it is linked to Indian and Chinese traditional festivities, noting that China and India are the largest consumers by volume, together accounting for approximately 56.3% of global demand for jewellery in 2022.³⁸ However in 2020, this demand declined materially due to weak consumer confidence caused by the COVID-19 pandemic, which significantly impacted gold prices.

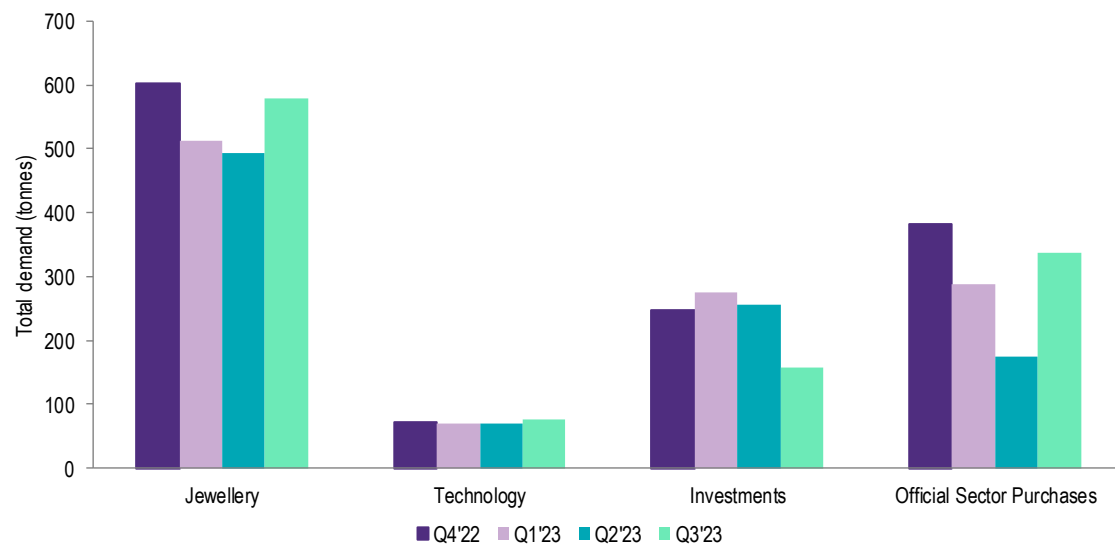
In addition, gold demand is affected by central banks requirements for reserves purposes and more recently from gold backed exchange traded funds ("ETFs") which are relatively new financial instruments that allow investors to receive the benefits of owning physical gold without requiring storage.

The latest quarterly data included in the graph below saw an increase in official sector purchases driven by heightened central bank demand resulting from economic uncertainty. On the flip side, investment demand for bar and coin, as well as ETFs has simultaneously decreased, with global gold ETFs³⁹ sustaining a sixth consecutive quarter of outflows in Q3'23. This trend is likely to be driven by the increasing yield offered by alternative investments, including Government bonds, which heighten the opportunity cost of holding gold.

³⁸ World Gold Council, Gold Demand Trends Q1 2023 – Statistics.

³⁹ Which are publicly listed investment funds that may hold gold.

Historical global demand for gold (Q4'2022 to Q3'2023)



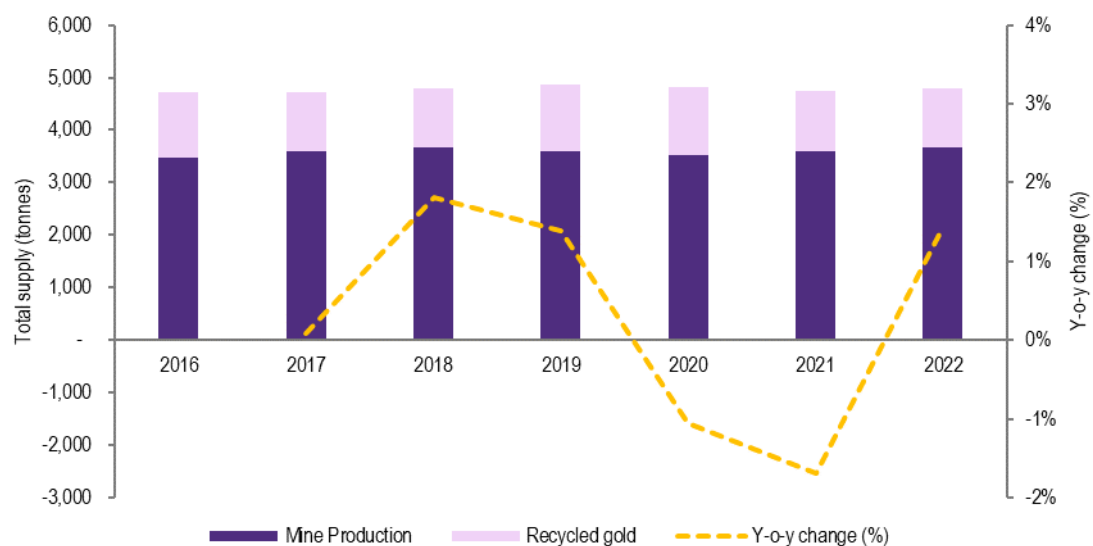
Source: World Gold Council, Historical demand and supply as at 30 October 2023.

Notes (1): Official Sector Purchases refers to gold demand from Central bank and other institutions. (2) Investments comprises demand for bar and coin, ETF and other similar products.

4.3 Supply

The supply of gold is primarily sourced from mine production and the recycling of scrap gold. The graphs below illustrate historical gold supply by category and gold production by country:

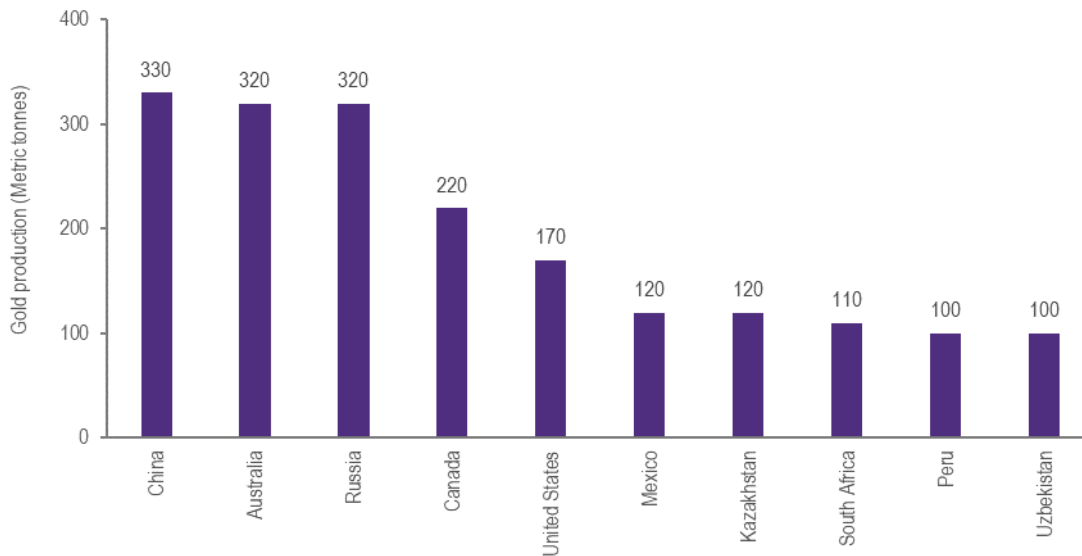
Historical gold supply by category (2016 to 2022)



Source: World Gold Council, Historical demand and supply as at 31 March 2023.

Notes (1): Mine production is net of any hedging effect undertaken by the gold producers.

Top 10 gold producers by country in 2022



Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2023.

We make the following comments in relation to the above graph:

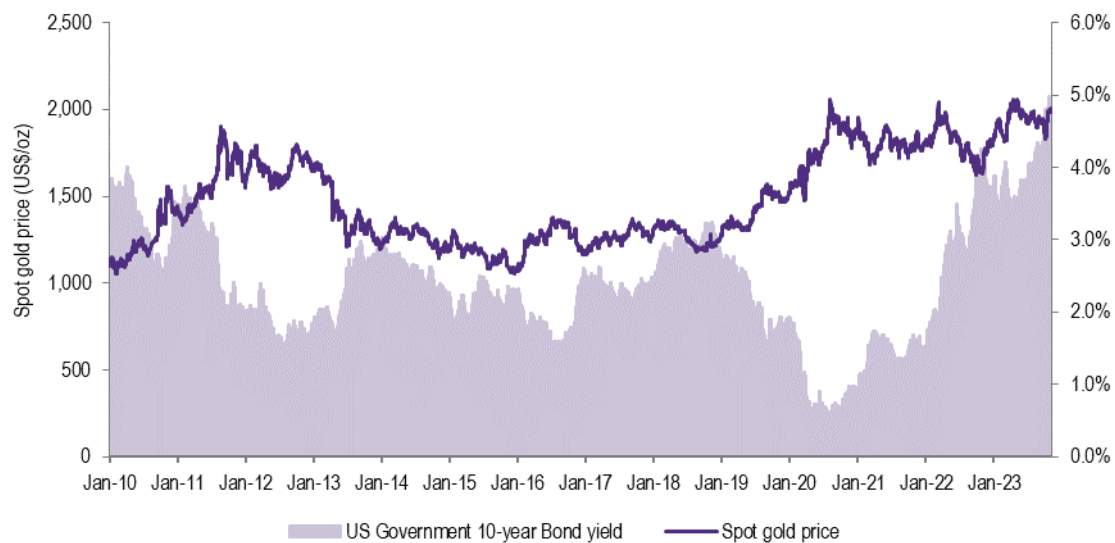
- Gold supply has remained relatively flat over the last seven years, in contrast to the demand profile, which experienced a decline in 2020 before ramping up during 2022 amidst fears of a global recession due to rising inflation rates globally.
- In 2020 and 2021, supply of gold declined by 1.1% and 1.7% from the previous year respectively, primarily due to COVID-19 related disruptions to mine production. However, in 2022, gold supply increased by 1.4% from the previous year as the mining industry largely remained uninterrupted by COVID-19 restrictions.
- As outlined in the above graph c. 31% of total global gold production in 2022 came from China, Russia and Australia, with each country producing over 300 tonnes respectively. Although China continues to account for the largest portion of global gold production, their total production has decreased in recent years with concurrent declines from 2017 to 2022. The decrease may be attributable to increased environmental regulations as the country attempts to meet international environmental standards. Conversely, gold production in Australia has continued to grow with industry projections forecast to rise at an average of 6.8% between 2022 and 2025, reaching 390 million tonnes per annum. Gold is a significant contributor to Australia's economy, as the country holds the largest known share of gold resources in the world (c. 21%). Gold production is expected to rise by a CAGR of 4% between 2022 and 2026⁴⁰.

4.4 Gold Price and outlook

Set out below is the daily historical spot price of gold (nominal) between January 2010 and October 2023 compared with the 10-year US Government Bond yield:

⁴⁰ Mining Technology.

Historical Gold price & 10-year US Government Bond



Source: S&P Capital IQ and GTCF calculations.

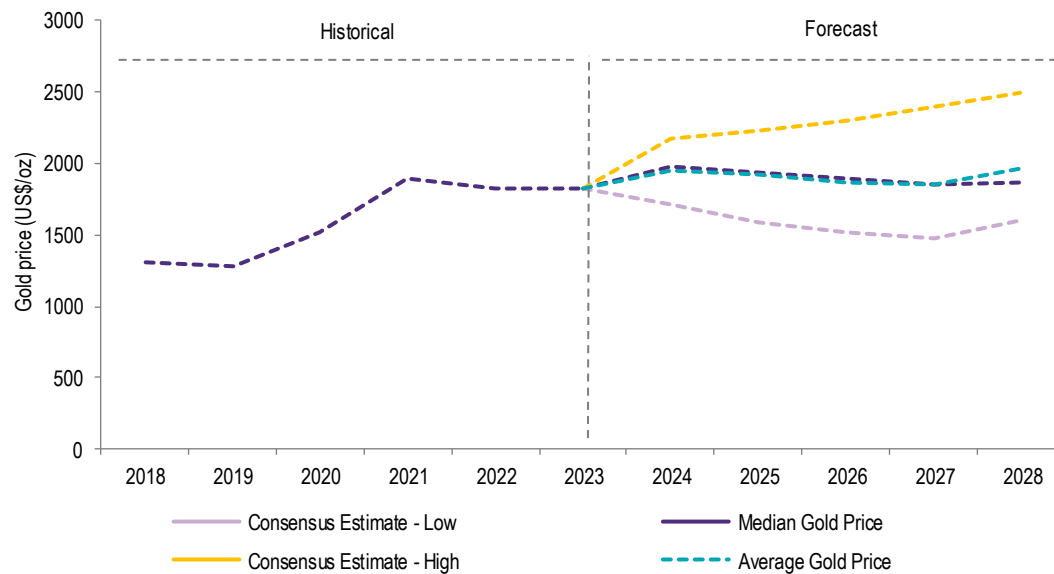
Since the Global Financial Crisis (“GFC”), asset prices have been supported by an unprecedented level of fiscal stimulus which has resulted in a steep decline in bond yields and returns required which, as outlined in the graph above, are inversely correlated with gold prices, to a large extent.

The price of gold increased from a low of US\$1,052/oz in February 2010 to a high of US\$2,058/oz in August 2020, due to the uncertainty in the global economy driven by the outbreak of COVID-19. Following Russia’s invasion of Ukraine in late February 2022, an increase in the prices for oil, gas, wheat and other commodities triggered a considerable rise in inflation expectations which have, in turn, supported gold prices, which is considered a natural hedge against inflation. However, towards the end of 2022, bond yields reached an eight-year peak after the Federal Reserve continued to increase interest rates in an attempt to slow inflationary pressures. Whilst gold prices reduced to US\$1,629/oz in November 2022, due to rising bond yields and the strengthening of the US dollar, it recovered to US\$2,048/oz in April 2023 amidst fears of a banking crisis in the United States after the collapse of Silicon Valley Bank and the arranged takeover of Credit Suisse Group AG by UBS Group.

At the start of October 2023, war broke out between Israel and Hamas, which has led to investors seeking financial safe haven amid intensifying conflict, which was contributing to international uncertainty. Consequently, the price of gold rose over October 2023 and as at 12 November 2023, the spot price of gold was US\$1,938.06/oz.

The following chart sets out a summary of broker forecasts for the price of gold:

Forecast gold price (nominal)



Source: Consensus Economics forecasts.

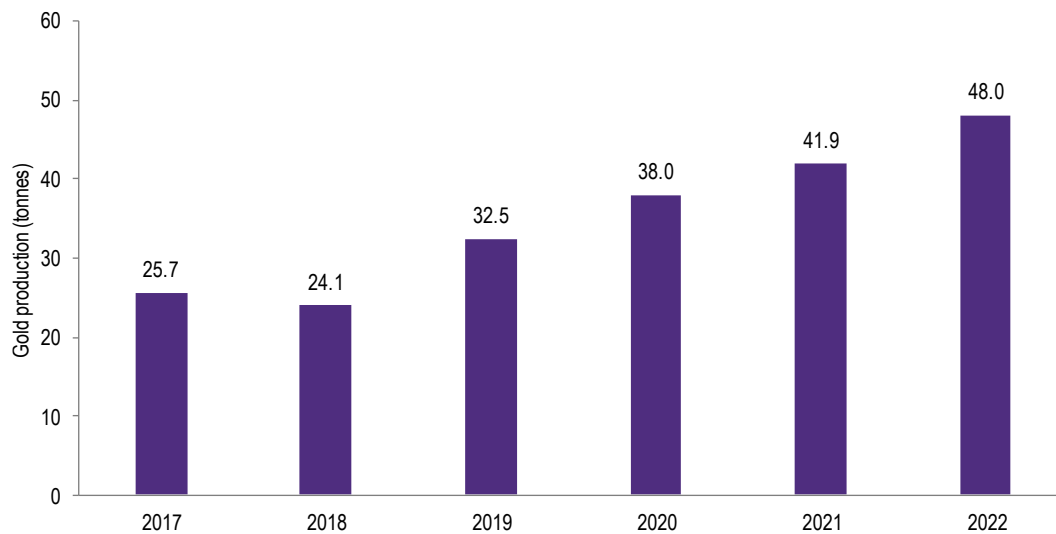
The average and median consensus for gold price anticipates a long-term nominal price around US\$1,957/oz and US\$1,865/oz, respectively. However there remains significant uncertainty for future gold prices, as it is difficult to predict the combined potential impact from global events, including global recessions, high inflation and interest rates, geopolitical risks, global energy shortages and conflicts.

4.5 Mining in Côte d'Ivoire

Côte d'Ivoire is situated in West Africa, on the Atlantic Ocean coastline, bordered by Mali, Burkina Faso, Ghana, Liberia, and Guinea. Côte d'Ivoire is the 28th largest country in Africa, with an area of 322,460 km². Gold is Côte d'Ivoire's third most exported product, of which they are ranked the 44th largest gold exporter globally, exporting an estimated US\$1.42 billion in 2021 mainly to Switzerland (US\$851 million), Australia (US\$323 million) and UAE (US\$110.0 million)⁴¹. Set out below is the historical gold production of Côte d'Ivoire in the six years to 2022, being the most recent data that is publicly available.

⁴¹ The Observatory of Economic Complexity.

Historical gold production in Côte d'Ivoire



Source: World Gold Council, Gold Mining Production as a 31 December 2022.

Côte d'Ivoire in recent times has experienced extended periods of political and social unrest including a phase of civil war between 2010 and 2011. This political unrest has continued under the current presidency, in which President Ouattara has ruled over the country since 2010⁴². As a result, his opposition have claimed the third term was unconstitutional and therefore illegal, boycotting the ratification. In October 2023, President Ouattara unexpectedly removed prime minister Patrick Achi and dissolved his Government.

The Australian Government advises individuals to exercise a high degree of caution in Côte d'Ivoire due to the high levels of violent crime and the possibility of civil unrest, with political protests frequently becoming violent. As presidential elections approach in 2025 authorities will look to contain and prevent a repeat of the violent outbreaks that occurred during the last election cycle in 2020.

Gold mining in West Africa incurs additional risks as a result of continued government participation and intervention via regulatory policies and controls. West African countries are typically exposed to a heightened level of political instability which in turn can impact gold producers operating in the region. This is typically via laws governing operations such as taxation, royalty rates, licensing, repatriation, and the need for local employment, which have previously been changed hastily with minimal notice.

Nonetheless, there are indicators that Côte d'Ivoire is implementing positive changes and it is mitigating the risk of operating in the country. The Fraser Institute Annual Survey of Mining Companies ranks the investment attractiveness of countries globally and explores the impact of factors such as government intervention and regulatory uncertainty upon mining investment. In 2022, Côte d'Ivoire ranked third among African countries on this attractiveness index scoring a 65.5 against a median of 54.3.

Additionally, in May 2023 the International Monetary Fund ("IMF") Executive Board approved a US\$3.5 billion Extended Fund Facility and Extended Credit Facility for Côte d'Ivoire in an attempt to strengthen fiscal consolidation and macroeconomic imbalances. This funding will create fiscal space and reduce the strain upon funds budgeted for social and infrastructure spending over the coming years as the nation advances its economic transition to upper middle-income status.

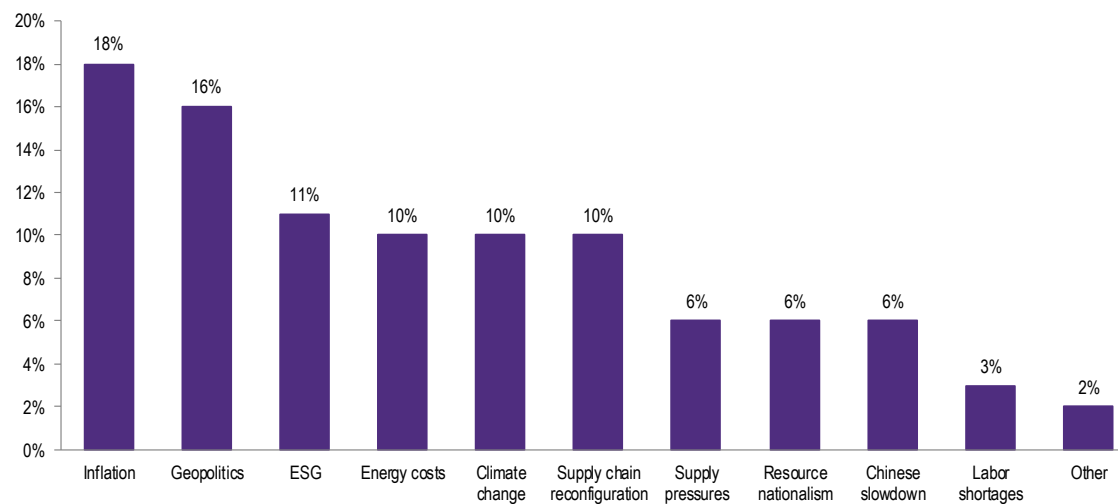
⁴² President Ouattara was re-elected in 2015 and again in 2020.

4.6 ESG and government policy

Mining and drilling activities are inherently disturbing to the land and environment and can often cause climate change impacts such as greenhouse gas emissions and water disturbances. In recent years, ESG has been a growing discussion point that has emerged in the industry as a top priority.

The World Bank estimates that over three billion tonnes of minerals and metals will be needed to deploy sufficient renewable power and energy storage to keep the rise in mean global temperatures to below 2 degrees Celsius above pre-industrial levels, consistent with the 2015 Paris Agreement. Additionally, in the White & Case 2023 Mining and Metals market sentiment survey, ESG issues were the third highest priority but down from previous year as inflation and geopolitical concerns have grown.

Key risks for mining and metals in 2023



Source: White & Case 2023 Mining & Metals Market Sentiment Survey.

Accordingly, investors, communities, regulators and other stakeholders are placing greater pressures on the mining industry to manage their impact on the environment and communities in which they operate.

5 Valuation approach

5.1 Introduction

As discussed in Section 1 of this Report, our fairness assessment involves comparing the Offer Price with the fair market value of Tietto on a control basis.

Grant Thornton Corporate Finance has assessed the value of Tietto using the concept of fair market value. Fair market value is commonly defined as:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets (“DCF Method”).
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (“FME Method”).
- Amount available for distribution to security holders in an orderly realisation of assets (“NAV Method”).
- Quoted price for listed securities, when there is a liquid and active market (“Quoted Security Price Method”).
- Any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this Report. Each of these methodologies is appropriate in certain circumstances.

RG 111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.3 Selected valuation methods

In our assessment of the fair market value of Tietto, Grant Thornton Corporate Finance has adopted SOP based on the following:

- *LOMP Cash Flows* – We have utilised the DCF Method for the Abujar Mine based on the Financial Model summarising the forecast LOMP cash flows up to FY38. Gold projects in production are typically valued using a DCF approach as the projects are generally well defined technically and supported by reliable cash flow forecasts. Grant Thornton has also appointed SRK to review the technical assumptions underlying the LOMP cash flows. Based on their review, SRK formulated a production case which we have adopted in our valuation assessment. Grant Thornton has undertaken an assessment of the economic inputs, including gold price, exchange rate, discount rate and taxation.
- *Resources outside the LOMP* – SRK have valued the resources outside of the LOMP models using a market approach having regard to the US\$/oz paid for similar assets.
- *Exploration assets* – SRK has valued the exploration assets based on a number of methodologies as discussed in section 4.8 of the SRK Report.
- *Other assets and liabilities* – Based on the audited balance sheet as at 30 June 2023 and the unaudited balance sheet as at 31 October 2023.

We have cross-checked our valuation assessment based on the Gold Production Multiples of listed peers and comparable transactions together with the prices at which Tietto shares have traded on the ASX.

6 Valuation assessment of Tietto

6.1 Summary of values

As discussed in section 5, Grant Thornton Corporate Finance has adopted the SOP approach in our valuation assessment of Tietto's enterprise value as at 31 October 2023 as summarised below:

Valuation Summary	Beneficial interest	Section Reference	Low	High
Abujar Mine (US\$m)	88% ¹	6.2	570.6	621.6
Residual Resources outside LOMP (US\$m)	88% ²	6.3	16.3	32.6
Exploration Potential (US\$m)	50% - 100% ³	6.4	13.9	27.8
Enterprise Value (US\$m)			600.8	681.9
Exchange Rate			0.670	0.650
Enterprise Value (A\$m)			896.7	1,049.1
Less: Corporate Costs (A\$m)	100%	6.2.2	(18.6)	(14.6)
Enterprise Value (A\$m)		6.1	878.1	1,034.5
Add: Surplus Cash and Gold Bullion (A\$m)	100%	6.5	58.0	58.0
Less: Debt (A\$m)	100%	6.5	(25.0)	(25.0)
Less: Theoretical Transaction Costs (A\$m)	100%	6.5	(8.0)	(10.0)
Less: Options (A\$m)	100%	6.5	(5.0)	(7.0)
Equity Value (Control Basis) (A\$m)			898.1	1,050.5
Number of outstanding shares (millions)		6.5	1,133	1,133
Assessed value per Tietto share (A\$) - control basis			0.793	0.927

Source: GTCF Analysis; SRK Report; Tietto Information.

Notes: (1) Tietto is entitled to retain 100% of the cash flows/dividends generated from SML, the entity owing the mining lease for the Abujar Mine until the US\$215.1 million (unaudited balance) intercompany loan is repaid by SML, expected to be late 2024. (2) Tietto holds an 88% interest in the residual resources outside of the LOM. (3) Tietto's interest in exploration projects vary between 50% and 100%. Please refer to Section 4.8 of the SRK Report.

As outlined in the table above, we have assessed the fair market value of Tietto on a control (100%) basis between A\$0.793 and A\$0.927 per share by aggregating the following:

- Fair market value of the LOMP cash flows of the Abujar Mine based on the procedures undertaken by SRK to independently review the key technical assumptions.
- The value of the Resources outside the LOMP and exploration potential assessed by SRK based on a number of valuation methodologies.
- Net present value of the corporate costs for the ASX listed entity, which are not included in the LOMP cash flows, estimated on a post-tax basis and after considering the synergies available to a pool of potential purchasers.
- We have undertaken our assessment of the enterprise value in US\$ and then converted into A\$ using an exchange rate range of between US\$0.65 and US\$0.67 per 1A\$. The enterprise value of Tietto is then adjusted for the value of gold bullion, cash and debt as at 31 October 2023 and theoretical transaction costs.
- The value per share is calculated on a fully diluted basis taking into account both the Options and the Performance Rights on issue.

6.2 DCF Approach

We have been provided with the Financial Model summarising the forecast LOMP cash flows for the Abujar Mine up to FY38. The Financial Model was prepared by management of Tietto with the assistance of external consultants, including mining engineers for the estimates of certain key technical assumptions.

Based on SRK's review and suggested changes to the Financial Model, Grant Thornton Corporate Finance has assessed the net present value of the Abujar Mine using nominal, ungeared, post-tax cash flows, having regard to Grant Thornton Corporate Finance's assessment of the gold prices, exchange rates, inflation and discount rate.

In accordance with the requirement of RG111, we have undertaken a critical analysis of the forecasts contained in the Financial Model before relying on them for the purpose of our valuation assessment, including conducting high level checks on the mathematical accuracy and having regard to the market updates from investment analysts who provide coverage of Tietto, key industry risks, growth prospects and general outlook.

Whilst Grant Thornton Corporate Finance believes that the assumptions underlying the Financial Model are reasonable and appropriate to be adopted for the purpose of our valuation, we have not disclosed them in our IER as they contain commercially sensitive information and they do not meet the requirements for presentation of prospective financial information as set out in ASIC Regulatory Guide 170 "Prospective Financial Information". The assumptions adopted by Grant Thornton Corporate Finance do not represent projections by Grant Thornton Corporate Finance but are intended to reflect the assumptions that could reasonably be adopted by industry participants in their pricing of similar businesses. We note that the assumptions are inherently subject to considerable uncertainty and there is significant scope for differences of opinion. It should be noted that the value of Tietto could vary materially based on changes to certain key assumptions.

6.2.1 Economic assumptions

Gold Prices

For the purpose of forming a view on the appropriate gold prices to use for the valuation, Grant Thornton Corporate Finance has had regard to both historical and forecast prices prepared by various investment analysts and other publicly available information.

Given the volatility in global markets and macro-economic uncertainties, the current levels of precious metal prices relative to historical long run prices, and the widely varying views of industry analysts, assumptions regarding future gold prices are inherently subject to considerable uncertainty. It should be noted that the value of the mineral assets could vary materially based on changes in precious metal price expectations. In assessing the future gold prices, we have considered the following:

- Historical real price and current spot price.
- Broker forecasts for the price of gold from Consensus Estimates dated November 2023.
- Other publicly available industry estimates and commentary.

Forecast nominal gold prices based on Consensus Estimates are summarised below.

Nominal gold price forecasts from Consensus Economics						
USD/oz	2023 ¹	2024	2025	2026	2027	Long-term
Average	1,919	1,950	1,927	1,868	1,858	1,957
Median	1,915	1,978	1,935	1,893	1,850	1,865
Number of observations	31	30	26	19	17	8

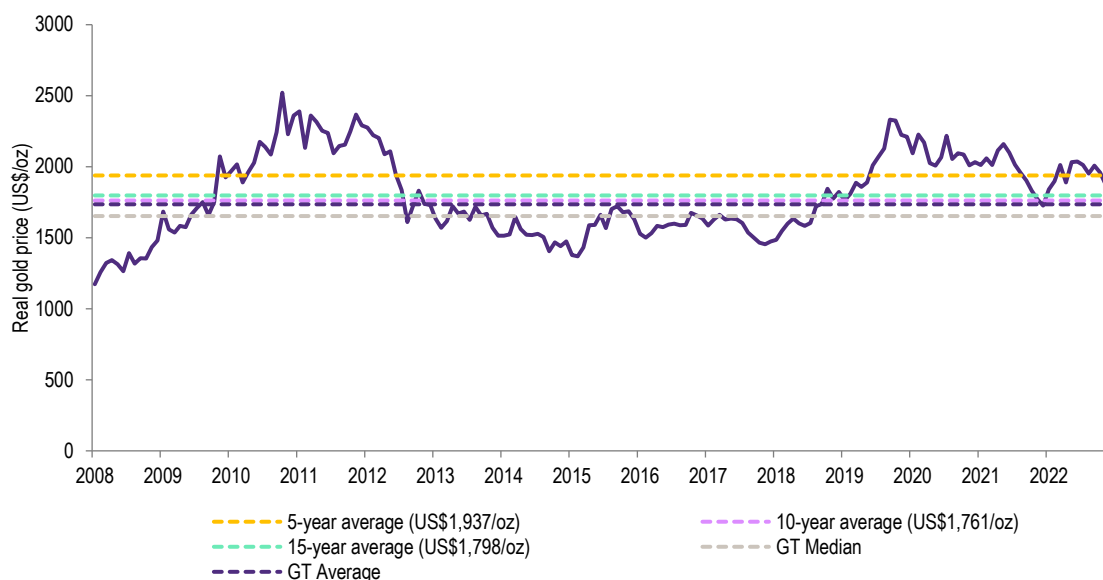
Source – Consensus Economics 13 November 2023.

Notes (1): FY23 only considers the remainder of 2023 from the Valuation Date. (2) Consensus Economics provide the prices for 2023 to 2027 on a nominal basis.

As set out in the table above, the long-term nominal prices are expected to remain elevated, although predicted to reduce on a real basis.

Before reaching our conclusion, we have also considered the historical average gold price over long periods from 2008 (in today's purchasing power) to smooth the impact of short-term volatilities as set out in the graph below.

Historical gold price expressed in current purchasing power



Source: S&P Global, GTCF analysis.

Notes: (1) Grant Thornton have converted the historical gold prices into current date pricing using an inflation index. (2) The GT Median reflects the long-term forecast Consensus Economics nominal gold price that has been converted into real gold prices using IMF inflation forecast data discussed below.

The long-term nominal gold prices selected by Grant Thornton in the table above of US\$1,957 (average) and US\$1,865 (median) convert into long term real prices of US\$1,735/oz (average) and US\$1,653/oz (median) using IMF inflation forecast data. These long-term gold prices are in line with the five year average. This is reasonable considering that the recent market volatility is expected to continue in the short to medium term in conjunction with political tension, conflicts in Ukraine and Middle East and financial market uncertainty.

Based on the discussions and analysis above, we have adopted the average gold prices from Consensus Economics to estimate the high-end of our valuation range and the median at the low end of the valuation range.

Estimating future gold prices is subjective and involves substantial judgement from valuers. This is exacerbated by the fact that gold is a considered a safe-haven financial asset with demand/prices increasing in period of market volatility and political tension, independently from the supply/demand

dynamic. This is evident with the rising gold prices in the last 18 months notwithstanding that the tightening of monetary policy by central banks around the world would usually have an adverse impact on gold prices, given that the opportunity cost to holding gold increases. Notwithstanding the aforementioned challenges, the selected gold prices seem reasonable and conservative when compared with the gold prices adopted in other recent IERs as set out below.

Expert Report Gold Price Forecasts			Company name	FY24	FY25	FY26	FY27	FY28	Long term
USD/oz	Forecast date	Value basis							
Expert 1 ¹	12-Oct-23	Nominal	OreCorp	1,848	1,848	1,848	1,846	1,845	1,845
Expert 2 ²	7-Sep-23	Real	Newcrest	1,950	1,950	1,950	1,950	1,950	1,900
Expert 3 ³	2-Mar-23	Real	Oz Minerals	1,925	1,925	1,925	1,925	1,925	1,925

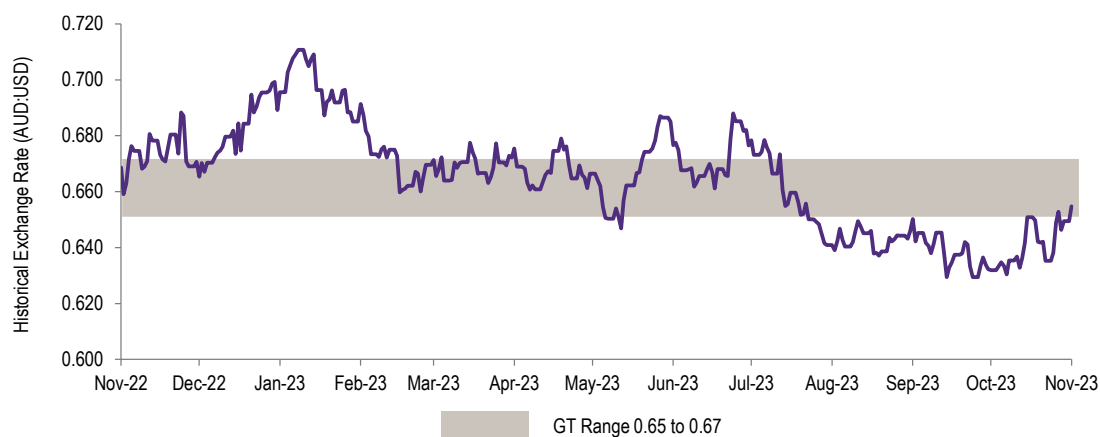
Source: ASX announcements, GTCF analysis.

Notes: (1: Expert 1 considered the Consensus Economics price forecasts as at September 2023. (2) Midpoint of the range taken between US\$1,900 and US\$2,000 between FY24 and FY28. (3) Midpoint of the range taken between US\$1,900 and US\$1,950 between FY24 and FY28, and the long term.

Exchange rate and inflation

The Financial Model is prepared in US\$ which is also the currency that we have adopted in our valuation assessment of the Abujar Mine. We have then converted the US\$ denominated enterprise value into A\$ using an exchange rate between US\$0.65 and US\$0.67 for 1 A\$ largely having regard to the recent data and historical volatility. The selected exchange rate against the recent historical trend is presented in the graph below. We note that the adopted exchange rate is conservative based on the short term trends before Offer.

Historical exchange rate (AUD:USD)



Source: S&P Global, GTCF analysis.

We have considered the following inflation assumptions within our valuation analysis, which have been utilised in the Financial Model:

Inflation Estimates						
	FY23	FY24	FY25	FY26	FY27	Long Term
Australia	5.8%	4.0%	3.4%	3.1%	2.7%	2.6%
Côte d'Ivoire	4.3%	2.3%	1.9%	1.8%	1.9%	2.0%
United States	4.1%	2.8%	2.4%	2.2%	2.1%	2.1%

Source: IMF World Bank (October 2023).

We have ultimately relied upon the inflation estimates above, which are the average consumer pricing inflation estimates sourced from IMF World Bank.

6.2.2 Operational assumptions

Production profile

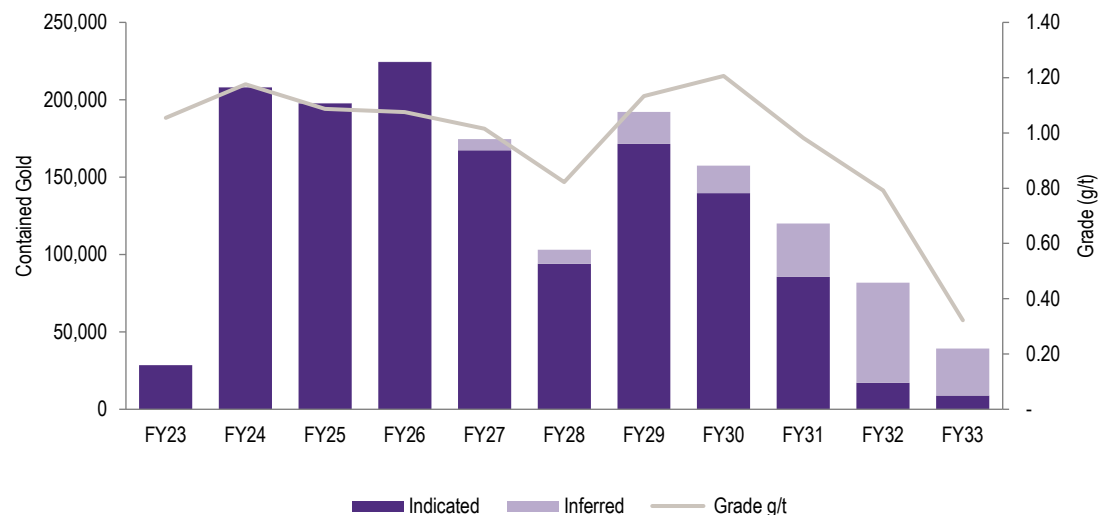
The proposed LOMP for the Abujar Mine is 9.4 years⁴³, with the final ore mined and processed in FY33. The production profile provided by Management in the Financial Model included 25.0% of the ore to be mined from Inferred Resources. Based on the review undertaken by SRK, we have been instructed to assume a 60% conversion of Inferred Resources into reserves, with additional capital expenditure of A\$3 million to be included in the Financial Model for infill drilling to provide increased certainty of this conversion.

The average annual ore mined is c. 4.1 Mt at an average g/t of 0.96 occurring from the open pit mining at AG and APG.

SRK have also recommended to reduce the ore mined and grade (g/t) of ore mined by 10.0% and 5.0% between October 2023 to March 2024, and April 2024 to June 2024, respectively.

These recommendations, which have been adjusted within the LOMP are on the basis of the difficult operational conditions that Tietto has experienced since production commenced in 2023. SRK has adjusted the LOMP to include the Resources not mined during the period of October 2023 to June 2024 at the end of the LOMP.

Production profile (100% basis)



Source: GTCF Analysis; SRK Report; Management Model.

Notes: (1): Based on SRK's recommendation, total ore mined between October 2023 and June 2024 were revised downwards (please refer to Section 4.6.2 of the SRK Report). Grant Thornton Corporate Finance have included these resources in FY33, at the end of the LOMP.

SRK has recommended to adopt a normalised level gold-in-circuit of 200 oz, which we have assumed to be realised in the final year within the LOMP. However, in October 2023, Tietto held 1,100 oz of gold in

⁴³ The cash flows are for 14.3 years, however the later year cash flows primarily relate to rehabilitation and closure costs.

circuit, and we have therefore realised the variance to the normalised balance during November 2023, based on discussions with SRK.

Operating costs

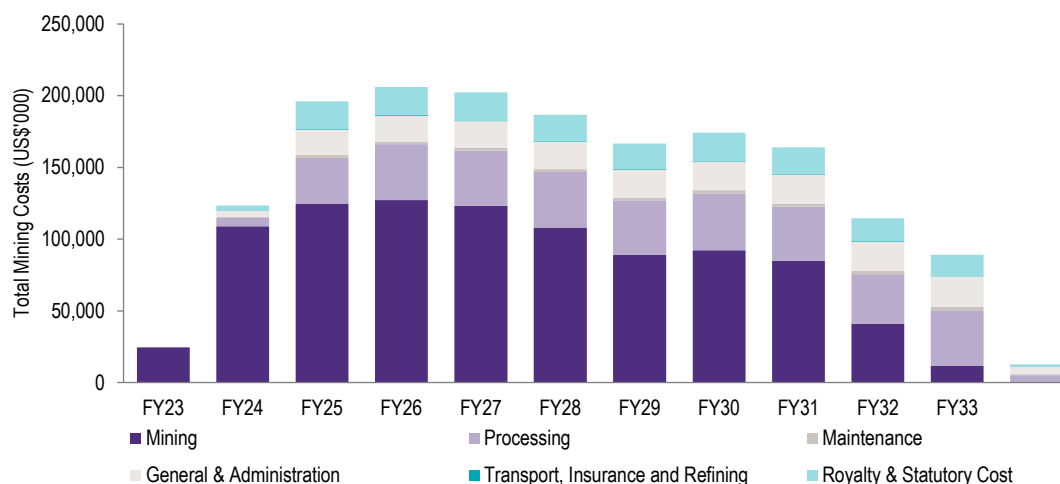
The operating costs of the Abujar Mine primarily relate to mining costs, processing costs, general & administration and royalty & statutory costs.

The largest cost item is the mining costs, which have an average per tonne mined cost of US\$2.78 across the LOMP. As detailed in Section 3.2, Tietto directly incurs certain mining cost items (labour, diesel of light vehicles and power) however these only account for less than c. 4.0% of the total with the balance incurred via its contract mining agreement. Processing costs consist largely of milling and classification costs, which account for 52.7% of the processing costs across the LOMP. The other key processing costs relating to leaching and adsorption operations and processing overheads. The average processing costs per tonne across the LOMP is US\$8.23⁴⁴.

General and administration (“G&A”) costs relate to health, safety and environment, commercial, mobile maintenance, security, community relations, finance, human resources and administration. These costs excluded the listed entity expenses and other centralised costs which have been considered separately.

Tietto are subject to a royalty payable to the Government of Côte d'Ivoire on gold produced. The royalty is variable depending on the price of gold, with a 6.0% royalty on gross revenue when the price of gold is above US\$2,000/oz⁴⁵. Tietto also has a contribution obligation to the Social and Economic Development Fund, which is 0.5% of gross revenue (net of transport and refining costs).

Operating expenditure over the LOMP (100% basis)



Source: GTCF Analysis; SRK Report; Management Model.

SRK has confirmed the reasonableness of the forecast operating cost assumptions.

⁴⁴ Noting that maintenance costs (consumables) are included within the processing cost assumptions.

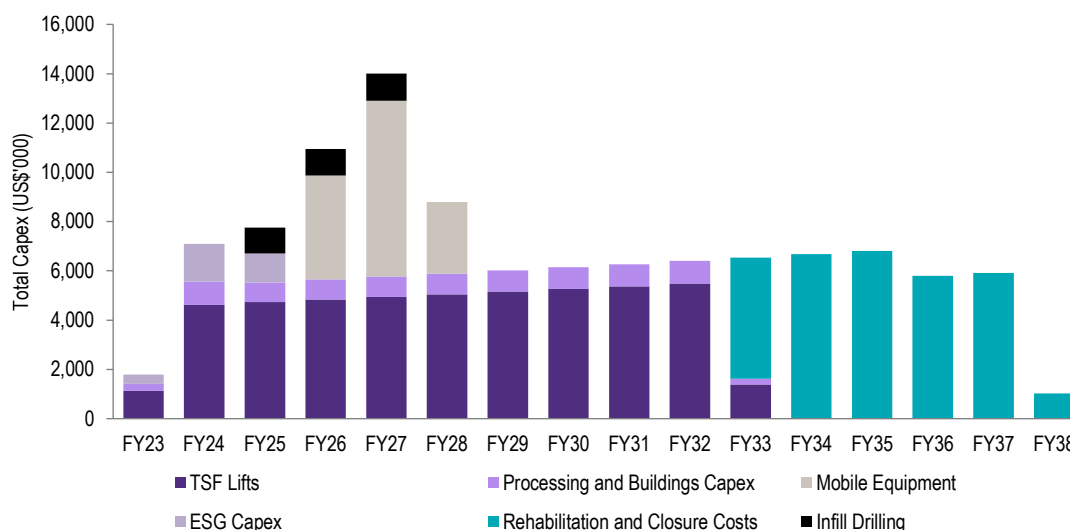
⁴⁵ Ivorian Government royalty rates are as follows: 1) 3% when the gold price is less than US\$1,000/oz 2) 3.5% when the gold price is between US\$1,000 and US\$1,300; 3) 4.0% when the gold price is between US\$1,300 and US\$1,600; 4) 5.0% when the gold price is between US\$1,600 and US\$2,000; 5) 6.0% when the gold price is above US\$2,000.

Capex

The capital expenditure of the LOMP relates to development and sustaining capital costs. SRK have confirmed the reasonableness of the forecast capex in the LOMP with the addition of US\$3 million for infill drilling in order to obtain a better definition of the Inferred Resources and US\$3 million in relation to an outstanding Environmental and Social Impact Assessment (“ESIA”) on the APG deposit that is required for the mining license⁴⁶.

In relation to the closure costs, given that they are still being finalised by the Company and the uncertainty with this estimate further in the future, SRK has recommended to adopt closure costs between US\$13 million and US\$25.2 million (in real terms).

Capex across the LOMP (100% basis)



Source: GTCF Analysis; SRK Report; Management Model.

Notes: (1) Rehabilitation and closure costs present the mid-point of the range recommended by SRK.

Tax

The tax payable is modelled at the corporate tax rate of Côte d'Ivoire of 25.0% across the LOMP. Our valuation assessment includes the net present value of the future tax losses. In our experience, it is unlikely that a pool of potential purchasers will attribute much value to the existing tax losses of US\$70.1 million.

Corporate costs

The Financial Model does not include the corporate expenses relating to head office costs, ASX listing fees, Directors, Management and centralised functions. In the nine months to 30 September 2023, Tietto incurred administration and corporate costs of A\$4.1 million or A\$5.5 million on an annualised basis. In our valuation assessment, we have considered corporate costs between A\$3.0 million and A\$4.0 after synergies expected to be realised by a pool of potential purchasers. The value of the corporate costs has been assessed on a post-tax basis having regard to the WACC discussed below.

⁴⁶ An Environmental and Social Impact Assessment was approved in 2020 for the AG deposit exclusively. However, this remains outstanding for the APG deposit.

Attributable cash flows

Tietto owns 88% of SML, the entity owning the mining licence for the Abujar Project. However, Tietto has solely funded the development and construction of the Abujar Mine via an intercompany loan⁴⁷ which has an unaudited balance of US\$215.1 million as at 31 October 2023. The agreement between SML shareholders states that Tietto is entitled to 100% of the cash flows/dividends generated by SML until the intercompany loan is fully repaid. We have modelled our valuation assessment on this basis.

Discount rate

The cash flow assumptions of the Abujar Mine have been prepared in US\$ on a nominal, ungeared and post-tax basis. Accordingly, Grant Thornton Corporate Finance has applied a US\$ denominated nominal, post-tax WACC to the LOMP cash flows.

We have assessed Tietto's WACC between 11.4% and 12.8% based on a cost of equity between 11.7% and 13.6% which includes a specific risk premium between 4.0% and 5.0%.

The assessment of an appropriate cost of equity in the current volatile macro-economic environment and for a company like Tietto, which commenced production in 2023, presents a number of challenges and it is inherently subjective. Whilst it is well-established between valuation practitioners that the total market return (being the risk-free rate plus market risk premium) should range between 9.5% and 10.0%, the calculation of an appropriate beta and specific risk premium is more subjective⁴⁸.

The calculation of the beta for gold production companies has changed significantly since the outbreak of COVID-19. Accordingly, we have reviewed asset beta data of the listed peers prior to the COVID period in addition to as at the Valuation Date. We have set out below the beta analysis of the listed peers.

Asset beta analysis based on MSCI World		As at 30 October 2023		Prior to COVID period ¹	
Company		5 years monthly	2 years weekly	5 years monthly	2 years weekly
Orezone Gold Corporation		0.75	0.41	(0.38)	0.19
Centamin plc		0.47	0.43	(0.28)	(0.09)
IAMGOLD Corporation		1.02	1.13	(0.31)	(0.55)
Perseus Mining Limited		0.81	0.90	0.03	0.78
Endeavour Mining plc		0.29	0.57	(0.67)	0.46
Resolute Mining Limited		0.56	0.38	(0.30)	(0.67)
West African Resources Limited		1.03	0.78	0.22	0.58
AngloGold Ashanti plc		n/a	1.34	n/a	n/a
Average		0.70	0.74	(0.24)	0.10
Median		0.75	0.68	(0.30)	0.19

Source: CIQ and GTCF analysis.

Notes: (1) Prior to COVID period includes data as at 31 December 2019. Although we considered these data points in our research, R-squared figures were significantly lower than what we consider reasonable which ultimately resulted in the exclusion of many of the aforementioned comparable companies.

⁴⁷ The intercompany loan is eliminated on consolidation.

⁴⁸ Under the CAPM approach, the cost of equity is calculated as Risk-free rate + (Market risk premium*Beta factor) + specific risk premium.

In our valuation assessment, we have selected an asset beta between 0.60 and 0.70 considering the current calculations but also the fact that before COVID-19 asset betas were materially lower and there is uncertainty in relation to future market trends.

In the calculation of the cost of equity, we have also included a specific risk premium between 4.0% and 5.0% to take into account of the sovereign and other operational risks attached to the Abujar Mine. While Tietto has not experienced any negative impact to its operations since the commencement of production or earlier during the permitting process, a pool of potential purchasers will consider Côte d'Ivoire a less attractive jurisdictions compared to Australia or North America. Specifically, we note the following:

- Côte d'Ivoire has a sub-investment credit rating (rated BB by S&P and Ba3 by Moody's) unlike the US or Australia which have a AAA rating across both rating agencies.
- There are a number of sources for country risk premiums which all present significant limitations but nonetheless they indicate a risk differential between Côte d'Ivoire and "safer" jurisdictions such as Australia and Canada of circa 5.5%⁴⁹. However, the data is not based on credit default swap data between Côte d'Ivoire and the US, instead being calculated based on regressed data considering countries of a similar credit rating to Côte d'Ivoire. From our observations of this data, there is a large discrepancy between this basket of countries.

On the flip side, some of the operating risks for Tietto and other mining companies in Côte d'Ivoire are mitigated by the following:

- The Fraser Institute "Annual Survey of Mining Companies 2022" ranks Côte d'Ivoire as the third most attractive jurisdiction in Africa for mining investment only behind Botswana and Morocco.
- The Côte d'Ivoire Government has a 10.0% interest in the Abujar Mine which is expected to generate substantial income for the Government via the payment of taxes, royalties and cash flows. This indicates that the Ivorian Government has a vested interest to ensure the success of the operations. Nonetheless, taxation, royalty rates, licensing, repatriation and the need for local employment can change with minimal notice and without material negotiations.
- Tietto was able to move in an expedited manner through its permitting process and mine construction to become a gold producer. Only 18 months passed from commencement of construction of the mine to reaching commercial production, which is an accelerated timetable by any jurisdiction's standard.

In relation to the specific operational challenges which may not necessarily be captured in other elements of the discount rate, we note that SRK has already recommended a number of adjustments to the cash flows in the Financial Model including rate of conversion of Inferred Resources into Reserves, reduction of ore mined and grade during the initial eight months of operations, closure costs and capex required to meet regulations of the mining licence. As a result, the discount rate should not reflect any other additional specific operational risks which are already incorporated into the cash flows or the beta of the listed peers.

Whilst the individual components of the discount rate are subjective and different valuers may take alternative approaches, we are of the opinion that the selected overall cost of equity is reasonable when compared with the benchmark recently adopted for gold mining companies as set out in the table below.

⁴⁹ Source: Damodaran, Aswath, Country Risk: Determinants, Measures and Implications – The 2023 Edition (July 2023).

Discount Rate Benchmark			Company name	Assets	Location	Cost of equity (%)
Date of forecast	Value basis					
Expert 1	12-Oct-23	Nominal	OreCorp	Nyanzaga Gold Project	Tanzania	11.89 - 14.26
Expert 2	7-Sep-23	Nominal	Newcrest	Lihir	PNG	12.1 - 12.7
Expert 3	2-Mar-23	Nominal	Oz Minerals	Prominent Hill and Carrapateena	Australia	10.1 - 10.7
Expert 4	1-Jul-22	Nominal	Big River Gold	Borborema Gold	Brazil	18.1 - 21.0
Expert 5	1-Feb-22	Nominal	Bardoc Gold	Bardoc Gold Project	Australia	11.0 - 15.9
Expert 6	8-Dec-20	Nominal	Saceran	Carosue Dam, Thunderbox	Australia	7.6

Source: ASX announcements, GTCF analysis.

Notes: (1) Expert 2 – An additional risk premium of c. 5% was applied to the valuation assessment of the Lihir mine. Based on a review of the IER, it emerges that c. 50% of the specific risk premium was to take into account the future renewals of Lihir's Special Mining Lease beyond 2035. (2) Expert 3 – We note that only 27% of the CY22 revenue was generated from the sale of gold with the balance mainly from Copper.

Further detail on our nominal WACC computation is provided in Appendix D.

Sensitivity analysis

Our valuation of the Abujar Gold Project is sensitive to changes in key assumptions. We have provided a sensitivity analysis to consider the value under various assumption scenarios as detailed below.

Sensitivity analysis A\$ per share	A\$		% Change	
	Low	High	Low	High
Assessed value of Tietto per share				
Gold Price (+/-5%)				
+5%	0.864	0.998	5.0%	7.6%
(5)%	0.715	0.842	(13.1)%	(9.1)%
Operating expenditure (+/-5%)				
+5%	0.740	0.870	(10.1)%	(6.2)%
(5)%	0.845	0.984	2.7%	6.2%
Capex (+/-5%)				
+5%	0.790	0.924	(4.0)%	(0.3)%
(5)%	0.795	0.930	(3.4)%	0.3%
Discount Rate (+/-0.25%)				
+2.5%	0.787	0.920	(4.4)%	(0.8)%
(2.5)%	0.798	0.934	(3.0)%	0.8%
AUD:USD Forex (+/-0.025)				
+0.025	0.764	0.893	(7.2)%	(3.7)%
(0.025)	0.823	0.964	0.0%	4.0%

Source: GTCF Analysis.

6.3 Projects valued using the market approach

Grant Thornton Corporate Finance has engaged SRK to assess the fair market value of Tietto's Residual Resources and exploration potential not included in the LOMP cash flows which is summarised in the table below.

SRK Resources outside LOM		
Deposit	Value Low (US\$m)	Value High (US\$m)
AG	7.51	15.02
APG	6.91	13.81
SG	0.68	1.36
APG ext	3.40	6.80
Total Abujar Gold Project	18.5	37.0
Total Tietto Interest (88%)	16.3	32.6

Source: SRK Report.

As explained in the SRK Report, the broad value range is indicative of the uncertainty associated with projects in differing stages and is primarily driven by the confidence limits placed around the size and grade of mineralised occurrences within each prospect area. The Residual Resources at the AG, APG, SG and APG Ext deposits have been valued using the comparable transactions approach and supported by a cross-check using the Yardstick valuation approach. SRK has calculated the Residual Resources by subtracting the resources scheduled in the LOMP from the resources within the RPEEE pit.

In the valuation assessment, SRK has made reference to the current stage of Tietto's deposits as well as their proximity and likelihood to reach eventual development. We have provided a high-level overview of the deposits below:

- AG – In SRK's opinion the AG deposit is an advanced project as it is currently in operation and has the potential for these resources beyond the LOMP to become part of the mine at some point in the future. SRK have considered comparable transactions in the feasibility stage, resulting in a value of between US\$20/oz and US\$40/oz.
- APG – In SRK's opinion the APG deposit is an exploration project that has a relatively low grade and a large number of inferred resources therefore reducing the value. They considered comparable projects in the advanced exploration stage and taken a range of between US\$15/oz and US\$30/oz.
- South Gamina – SRK have valued the SG deposit considering comparable projects in the advanced exploration stage and provided a range of between US\$10/oz and US\$20/oz.
- APG Extension – In SRK's opinion the APG Extension deposit is an early to mid-exploration project stage, and as with the above deposits have assigned value on the basis of distance from development. SRK provide a range for APG Extension of US\$10/oz and US\$20/oz.

The Yardstick approach has been used in the valuation as a secondary method to the comparable transactions involves applying the unitised sales price as a percentage of the prevailing commodity price to the existing Mineral Resource base of Tietto's deposits. The applicable percentage is determined based on the quality of the resource (e.g. Inferred versus Indicated Resources). We have provided the summary value of SRK for the Residual Resources below.

SRK Residual Resource Value	Low	High
Method	(US\$m)	(US\$m)
Comparable transactions	16.3	32.6
Yardstick	13.5	26.9
Selected Tietto Value (88%)	16.3	32.6

Source: SRK Report.

6.4 Exploration potential

SRK has valued the regional tenements and tenements in the immediate vicinity of the defined resource assets using a comparable transaction method and supported by a cross-check of the Geoscientific method (a cost-based method used to attempt to quantify the relevant technical aspects of a property through appropriate multipliers). SRK's approach involved similar area-based multiples of African gold transactions. In allocating their value ranges SRK have made reference to the proximity of these tenements to defined resources as well as the number of prospects within the area. We have provided an overview of the exploration potential below:

SRK Exploration Value (Comparable Transactions)		Market Value (US\$m)	
Project	Interest	Low	High
Abujar (mining license)	88%	6.0	11.9
Abujar Middle	90%	1.3	2.5
Abujar North	51%	1.7	3.4
Abujar South	100%	3.9	7.8
Bongouanou North	50%	0.5	1.0
Bongouanou South	50%	0.3	0.5
Boudaiali	50%	0.0	0.1
Yakro	100%	0.1	0.1
Soubre	100%	0.1	0.1
Dabakala	100%	0.1	0.1
Boudaiali	50%	0.0	0.1
Sinfra	50%	0.0	0.1
Total	n/a	13.9	27.8

Source: SRK Report.

SRK's exploration value summary is provided below.

SRK Exploration Value	Low	High
Method	(US\$m)	(US\$m)
Comparable transactions	13.9	27.8
Geoscientific Rating	14.5	38.6
Selected Tietto Value	13.9	27.8

Source: SRK Report.

6.5 Other valuation items

In our valuation assessment, we have also considered the following:

- **Gold bullion and cash balance** – The unaudited gold bullion and cash balance at 31 October 2023 were A\$58 million on a 100% basis. Given the intercompany loan of US\$215.1 million (unaudited

balance) between Tietto and SML is still outstanding, we have attributed to Tietto 100% of the value of the cash and bullion as at 31 October 2023.

- *Debt* – Tietto has debt of A\$25.0 million as at 31 October 2023 (on a 100% basis). The debt position as at 30 September 2023 was A\$40.8 million however on 17 October 2023 it was announced that entities who provided loans totalling US\$8 million (A\$12.6 million) earlier in 2023, elected to convert the debt into ordinary shares in Tietto. The conversion occurred at a price of A\$0.34 per share in accordance with the terms of the debt facility (as amended). The remaining balance is a secured facility with Coris Bank.
- *Transaction costs* – We have assumed that under a change of control transaction in line with our valuation assessment, Tietto will incur transaction costs (legal, accounting, tax and advisory) between A\$8 million and A\$10 million. The costs currently estimated by Tietto in relation to the Offer are only a small fraction of this theoretical allowance.
- *Options and Performance Rights* – As at the date of this IER, Tietto has 22,000,000 Options with an exercise price ranging between A\$0.39 and A\$0.80 and 5,550,000 Performance Rights with nil exercise price. We have reduced our valuation assessment for the fair market value of the Option which we have estimated as the difference between the assessed value per share on a control basis and the strike price of the various Options. In relation to the Performance Rights, given that our valuation is on a 100% basis, it is typical for Directors to accelerate the vesting of Performance Rights and allow them to participate into the transaction and hence we have included them in the number of shares on issue.
- *Shares on issue* – It includes 1,128 million shares on issue as at 31 October 2023 plus 5.55 million Performance Rights.

7 Valuation Cross Check

7.1 Gold Production Multiples

We have considered the reasonableness of our valuation by comparing the Gold Production Multiples implied in our valuation based on the DCF with the Gold Production Multiples of listed peers and comparable transactions. We are of the opinion that the Gold Production Multiples are more relevant for the valuation assessment of Tietto rather than multiples based on reserves or resources given that the Company has prioritised construction and commissioning of the Abujar Mine in the last 18 months rather than expanding the resource base.

Tietto has indicated and SRK has confirmed that gold mineralisation at Abujar remains open along strike and at depth and further drilling is required to test the limits. Large portion of the Abujar main shear bounded by gold mineralisation remain to be drilled. Given that expansion of the Reserve and Resource base has not been a key focus for the Company, it would not be appropriate to rely on them for valuation purposes. In addition, Gold Production Multiples provide a better reflection of the cash flows generation ability of the Company and of the specific projects, including processing capacity and infrastructure.

The following table summarises the Gold Production Multiples implied in Grant Thornton's valuation assessment under the DCF approach.

Implied Multiples		
A\$m (except where stated otherwise)	Low	High
Enterprise Value⁴	878.1	1,034.5
Total Gold Produced Multiples ¹		
FY23 Guidance ² (A\$/oz)	6,237	7,347
LOM Annual Average ³ (A\$/oz)	5,870	6,915
Resource Multiples ¹ :		
EV/Reserves (A\$/oz)	734	864

Source: GTCF Calculations, Management Information.

Notes: (1) An effective interest of 88.0% has been considered. (2) FY23 guidance considers the annualised production target of July 2023 to December 2023 between 75 Koz and 85 Koz (midpoint taken). (3) LOM annual average of 170 Koz. (4) Enterprise value is calculated on an effective interest basis.

7.1.1 Gold Production Multiples of comparable listed companies

In the selection of the comparable companies, we have had regard to the location of the assets, size of the ore deposit, stage in the mining life cycle (i.e., exploration/ discovery/ development/ production), grade of gold, level of infrastructure, required capital expenditure, cost structure and area of exploration tenements.

Investors have historically valued gold mining companies with assets in developed countries like Australia and Canada at a premium in comparison to those with assets in emerging regions which are inherently more exposed to political, operational, social and security risks. We have therefore considered a comparable group of gold producing companies with operations in similar geographies of Tietto.

Our basket of listed peers includes gold mining companies that operate in Africa, with a particular focus on West African regions which are in the production stage, and they are summarised in the table below. In comparing the Gold Production Multiples of the selected comparable listed companies, we had regard to the size of the Ore Reserves and Mineral Resources, level of annual gold production, grade of gold, recovery rate, type of mine, life of mine, AISC and Cash Costs ("C1 Costs").

Below we have set out the Gold Production Multiples for the selected comparable listed companies. For completeness, we have also presented the Reserves Multiples, but we have not relied on them for the purpose of our valuation assessment.

Multiples (Effect Interest)	EV	Resource	Grade	Reserves	Reserve	Production	Reserves	Production
Company	A\$m	Moz	g/t	Moz	g/t	FY23 Koz	Mult (A\$/oz)	Mult (A\$/oz)
<u>Gold Production Companies</u>								
Orezone Gold Corporation	749	4.6	0.80	2.2	0.73	133	346	5,639
B2Gold Corp.	11,117	15.6	1.05	4.6	1.41	852	2,396	13,045
Centamin plc	1,804	17.3	1.15	8.0	1.57	465	226	3,880
IAMGOLD Corporation	3,937	33.5	1.90	11.6	1.37	404	339	9,745
Perseus Mining Limited	2,588	6.4	1.47	4.0	1.48	470	652	5,509
Endeavour Mining plc	15,227	29.4	1.98	13.1	1.88	973	1,159	15,648
Resolute Mining Limited	1,578	9.0	2.61	3.8	2.57	285	420	5,541
West African Resources Limited	893	12.6	1.13	6.4	1.11	198	140	4,508
AngloGold Ashanti plc	18,402	99.7	1.15	30.4	1.83	2,710	605	6,790
Average	6,255	25.3	1.47	9.3	1.55	721	698	7,812
Median	2,588	15.6	1.15	6.4	1.48	465	420	5,639

Source: Company announcements, Capital IQ, company presentations and websites, other publicly available information.

Notes: (1) Based on the market capitalisations as at 30 October 2023. We have applied a 30.0% control premium to the market prices. (2) EV = Enterprise Value; (3) Resources and Reserves are on an effective interest basis. We have adjusted the production guidance for the effective interest where disclosed.

In relation to the table above, we note the following:

- Gold Production Multiples are calculated based on latest mid-point guidance for the current financial year of each comparable company, noting that companies are at different stages of production and experiencing different operational challenges.
- The multiples are calculated based on the trading price converted into A\$ using the forex spot rates obtained from S&P Capital as at 30 October 2023 and including a premium for control of 30.0%.
- We have adjusted for the proportionate ownership interests of the respective companies in the flagship projects.

Whilst no listed peer is perfectly comparable to Tietto, among the selected companies, we have largely relied on Orezone Gold Corporation and West African Resources Limited for the reasons discussed below:

- **Orezone Gold Corporation** – It is listed on the Toronto Stock Exchange with its flagship asset, Bomboré Gold Mine (“Bomboré”), being an open pit mine located in Burkina Faso. Orezone owns a 90% interest in Bomboré with the government of Burkina Faso holding the remaining 10%. Bomboré has a projected life of mine of 11.3 years and achieved commercial production in December 2022. Management have forecast 2023 production of 140 Koz on a 100% ownership basis at an AISC of US\$1,100/oz to US\$1,180/oz. We consider Orezone to be a strong comparable to Tietto as a gold mining operation in the neighbouring Burkina Faso and currently focussing on a single operating mine that has recently reached commercial production. Also, similar to Tietto, Orezone encountered some technical issues in the first quarters of operations in relation to greater-than-anticipated artisanal depletion in certain high-grade zones mined to the end of H1-2023 which resulted in lower-than-

modelled ore grades being delivered to the processing plant. However, evidence of artisanal activity has diminished as the Company mines towards lower pit benches, which is also the case for Tietto. Orezone is now forecasting 2023 gold production at the low end of the guidance range between 140 Koz to 155 Koz as previously provided, with AISC revised upwards to C\$1,100 - C\$1,180. The cost increase is driven primarily by the lower forecast gold production and head grades. The issues discussed above affected Orezone trading prices which has reduced c. 32% since the beginning of the year and c. 50% from the peak in May 2023.

- *West African Resources Limited* – It is a gold mining company listed on the ASX, with the flagship project being the Sanbrado Gold Project located in Burkina Faso and comprising of one granted mining permit and one granted exploration license. WAF has a 90% interest in the flagship project with the Government of Burkina Faso holding the remaining 10% interest. Sabrado produced 229 Koz of gold in 2022 at an AISC of US\$1,086/oz, however at the beginning of 2023, gold production for 2023 was reduced to c. 210 Koz at an increased AISC of lower than US\$1,175/oz. This has materially affected the trading prices which reduced by c. 30% since the beginning of the year. Sanbrado has a 15-year life of mine estimate and achieved first gold pour in 2020. Additionally, in Q3 2023, WAF invested an additional A\$44.0 million in capital expenditure into the development of their second Burkina Faso Kiaka gold project, with first gold pour scheduled for the second half of 2025 and forecasted 219 Koz of gold production per annum for 18.5 years. We consider WAF to be a reasonable comparison to Tietto as currently operating a single gold mine in West Africa which achieved commercial production relatively recently and has additional exploration and expansion opportunities in the near future.

We have displayed the other comparable gold producing companies in the table above, however note that although we consider these to be the most comparable listed companies to Tietto, there are a number of differences. Notably, these factors include size and stage of production, noting that many West African gold production companies operate multiple mines that have been producing for a number of years with a higher level of resources and grades.

7.1.2 Gold Production Multiples of comparable transactions

In our valuation assessment, we have also considered comparable transactions which occurred in the gold sector and in relevant African jurisdictions. A limitation of this approach is that significant movements in the gold prices and changes in the market sentiments between the transaction date and the valuation date may affect the reliability of the multiple. This is possibly exacerbated by the current volatile market conditions. In order to mitigate for this shortcoming, valuation practitioners tend to adjust the transaction multiple for movements in the gold price⁵⁰. Given the subjectivity with this approach, we have presented the transaction multiples both on gold price adjusted basis and unadjusted basis.

Our initial screening resulted in a large number of transactions varying in size, production stage, and geographical position in which we have analysed each and excluded those less comparable, resulting in the four transactions for companies with exposure to open pit mines as outlined in the table below.

⁵⁰ (Gold price at the valuation date)/(Gold price at the transaction date)*transaction multiple.

Comparable transactions								Adjusted Production
Date	Target	Bidder	Implied EV (A\$m)	Reserves (Moz)	Grade G/t	Guidance (Koz)	Gold price US\$ ²	Mult. (A\$/oz) ¹
Mar-20	SEMAFO	Endeavour Mining	1,300.0	9.90	2.20	335.0	1,566.7	4,709
Aug-19	Avesoro Resources Inc. ³	Avesoro Jersey Limited	349.0	2.17	2.10	190.0	1,489.9	2,344
Jul-19	Toro Gold Limited	Resolute Mining	476.3	0.93	2.05	126.0	1,410.1	5,096
Sep-18	Randgold Resources Ltd	Barrick Gold Corp	8,100.0	12.80	4.00	1,325.0	1,200.3	9,682
Average								6,101
Median								5,205

Source: Mergemarket, Capital IQ, Company presentations and websites, other publicly available information.

Notes: (1): Multiples have been adjusted to reflect the change in gold prices since the respective transaction dates using the following formula, $\text{Adjusted multiple} = \text{Unadjusted multiple} \times (12\text{-month average gold price as at 30 October 2023}) / \text{Gold price as at transaction date}$. (2) Gold prices are in US\$ and as at the transaction date. (3) Avesoro Jersey Limited at the time held c. 72.9% of Avesoro Resources, this transaction refers to the additional purchase of a c. 27.1% stake. (4) Transactions were completed on a control basis. (5) Resources, Reserves and production guidance has been adjusted to reflect effective interests where disclosed.

Whilst no comparable transaction is perfectly comparable to Tietto and the overall multiples should only be used as directional evidence, among the selected transactions, we consider the acquisition of Toro as the most relevant. On 16 September 2019, Resolute Mining Limited acquired Toro which was a private company holding a 90% interest in its flagship open pit asset, Mako Gold Mine, located in Senegal. In 2018, Mako produced c. 157 Koz of gold at an AISC of US\$655/oz, outperforming guidance of 134 Koz. The average annual production estimate across the Toro life of mine was 140 Koz at an AISC of US\$780, as at the transaction date and on a 100% basis. We note that the low AISC at the time compared with the Abujar Mine was largely driven by different market conditions. Recently, Resolute has disclosed that the AISC for the Mako Gold Mine is US\$1,470/oz with production guidance of 117 Koz. We consider Toro to be a relatively comparable business to Tietto as a gold miner operating a single producing gold mine located in West Africa, with Mako only reaching commercial production in 2018, and the transaction occurring the following year. As such the mine was in a relatively similar stage to that of Tietto's operations, however we note that Tietto has a larger level of Resources and Reserves at lower grades.

7.1.3 Conclusion on the Gold Production Multiples

Refer to the executive summary for our conclusion.

7.2 Quoted Securing Pricing

In our assessment of the fair market value of Tietto's shares, we have also had regard to the trading prices of the listed securities on the ASX in the period prior to the 30 October 2023, when the Company announced to the market that it had received a conditional, non-binding indicative proposal from Zhaojin.

The adopted value of Tietto based on the trading price is an exercise of professional judgement that takes into consideration the depth of the market for the listed securities, volatility of the market price and whether or not the trading price are likely to represent the underlying value of Tietto. The following sections detail the analysis undertaken in selecting the share price range.

7.2.1 Liquidity analysis

In accordance with the requirements of RG 111, we have analysed the liquidity of Tietto's shares before relying on them for the purpose of our valuation assessment. We have set out below the monthly trading

volume of Tietto's shares over the past 12 months as a percentage of the total shares outstanding, as well as free float shares outstanding⁵¹.

Month end	Volume traded ('000)	Monthly VWAP (\$)	Total value of shares traded (\$'000)	Volume traded as % of total shares	Volume traded as % of free float shares	Cumulative Volume traded as % of total shares	Cumulative Volume traded as % of free float shares
Nov 2022	75,966	0.7734	58,749	7.0%	11.7%	7.0%	11.7%
Dec 2022	104,493	0.7555	78,944	9.7%	16.1%	16.7%	27.9%
Jan 2023	71,135	0.8026	57,096	6.6%	11.0%	23.3%	38.9%
Feb 2023	84,006	0.6859	57,617	7.7%	12.9%	31.0%	51.7%
Mar 2023	156,126	0.5931	92,601	14.4%	23.9%	45.4%	75.7%
Apr 2023	83,182	0.6878	57,211	7.6%	12.8%	53.0%	88.4%
May 2023	158,016	0.5430	85,797	14.5%	24.2%	67.6%	112.7%
Jun 2023	84,640	0.4959	41,976	7.8%	13.0%	75.3%	125.6%
Jul 2023	85,897	0.5149	44,230	7.9%	13.2%	83.2%	138.8%
Aug 2023	67,999	0.5036	34,245	6.3%	10.4%	89.5%	149.2%
Sep 2023	93,893	0.3602	33,817	8.6%	14.4%	98.1%	163.6%
Min				6.3%	10.4%		
Average				9.3%	15.5%		
Median				7.8%	13.1%		
Max				14.5%	24.2%		

Source: S&P Global, GTCF analysis.

With regard to the above analysis, we note that:

- The level of free float for Tietto is c. 60.0%⁵². From November 2022 to October 2023, c. 163.6% of the free float shares were traded with an average monthly volume of 15.5% of the total free float shares. Accordingly, this indicates that Tietto is highly liquid.
- As at 30 October 2023, the top 5 shareholders of Tietto owned c. 33.9% of the total issued capital, of which the largest shareholder controls only c. 12.5%.⁵³
- A relatively higher level of trading can be noticed between March 2023 and May 2023. This may be driven by Tietto's announcement to the market of the annual accounts for the sixth month period ended 31 December 2022, notifying shareholders of the transitional period of the Company, with first gold achieved at the Abujar Gold Project in January 2023. Further, in May 2023 the annual general meeting of the company occurred.
- Below we have benchmarked the liquidity of Tietto with certain comparable listed companies. Whilst the level of free float of Tietto shares is lower than the average of the comparable listed companies⁵⁴,

⁵¹ Free float shares exclude those owned by Tietto employees, individual insiders, related parties and/or other strategic investors.

⁵² The free float is calculated based on total outstanding shares sourced from S&P Global as at the Valuation Date.

⁵³ Sourced from S&P Global.

⁵⁴ We have considered the larger listed comparable companies whose operations are primarily gold production, rather than peers who primary operations relate to exploration.

with some of them materially larger, the average monthly volume traded as a percentage of total shares and of free float is higher than the listed peers.

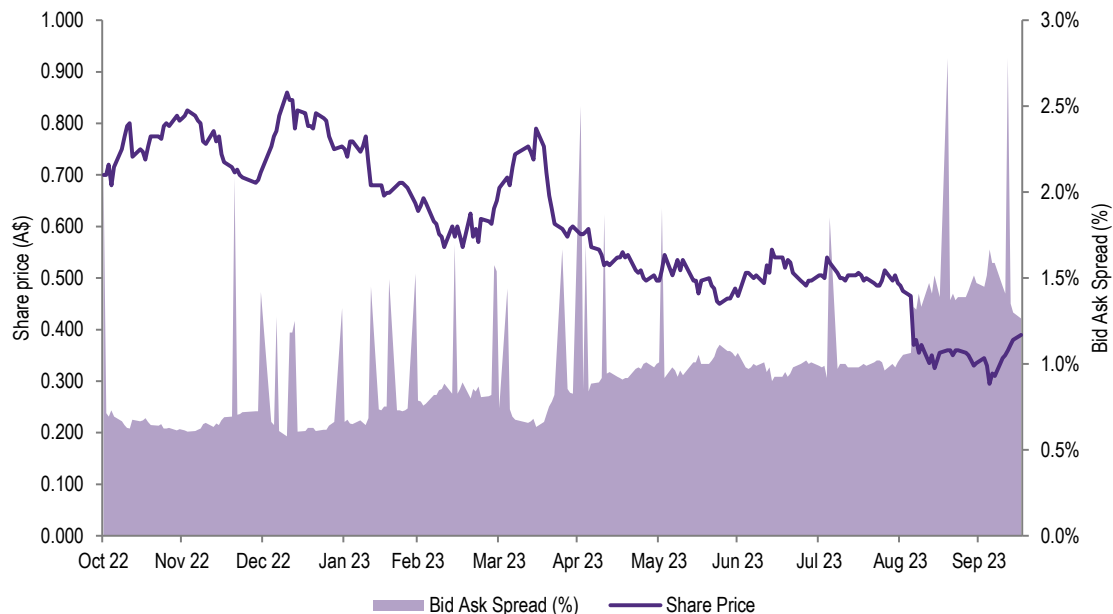
Liquidity analysis			Average volume traded as a % of total shares	Average volume traded as a % of free float shares	Cumulative volume traded as a % of total shares	Cumulative volume traded as a % of free float shares
Company	Country	Free float (%)				
Tietto Minerals Limited	Australia	60.0%	9.3%	15.5%	98.1%	163.6%
B2Gold Corp.	Canada	99.1%	5.3%	5.4%	96.1%	97.0%
Centamin plc	Jersey	99.2%	9.8%	9.8%	183.3%	184.7%
IAMGOLD Corporation	Canada	94.6%	4.4%	4.7%	87.8%	92.8%
Perseus Mining Limited	Australia	99.5%	7.1%	7.2%	133.0%	133.7%
Endeavour Mining plc	United Kingdom	75.0%	4.3%	5.7%	77.5%	103.3%
Resolute Mining Limited	Australia	87.2%	11.4%	13.1%	191.9%	220.0%
West African Resources Limited	Australia	91.6%	7.1%	7.2%	133.0%	133.7%
Low		60.0%	4.3%	4.7%	77.5%	92.8%
Average		88.3%	7.4%	8.6%	125.1%	141.1%
Median		93.1%	7.1%	7.2%	115.6%	133.7%
High		99.5%	11.4%	15.5%	191.9%	220.0%

Source: S&P Global, GTCF analysis.

- In the absence of a takeover or other share offers, the trading price represents the value at which minority shareholders could realise their investment.
- Tietto complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of Tietto, with updates provided to the market on a regular basis regarding their investment strategy and performance. In addition, we note that Tietto is covered by a limited number of investment analysts.

Where a company's shares are relatively illiquid and not heavily traded, the market typically observes a difference between the 'bid' and 'ask' price for the shares as there may be a difference in opinion between the buyer and seller on the value of the shares. We have set out below the bid-ask spread since 30 October 2022.

Tietto Bid-Ask Spread between 30 October 2022 and 27 October 2023



Source: S&P Global, GTCF analysis.

As set out in the graph above, we note that the historical bid-ask spread has been between 0.5% and 1.0%. However, higher levels of bid-ask spreads are observed in the last couple of months before the Offer. This may be due, in our opinion, to the significant reduction in the trading prices in the preceding months in absence of adverse market movements and in conjunction with Tietto's ramping up of gold production. This may have caused greater value discrepancies between investors.

Based on the analysis above, we are of the opinion that there is sufficient liquidity in Tietto's trading price for utilisation of the Quoted Security Price Method as required by pursuant to RG 111.

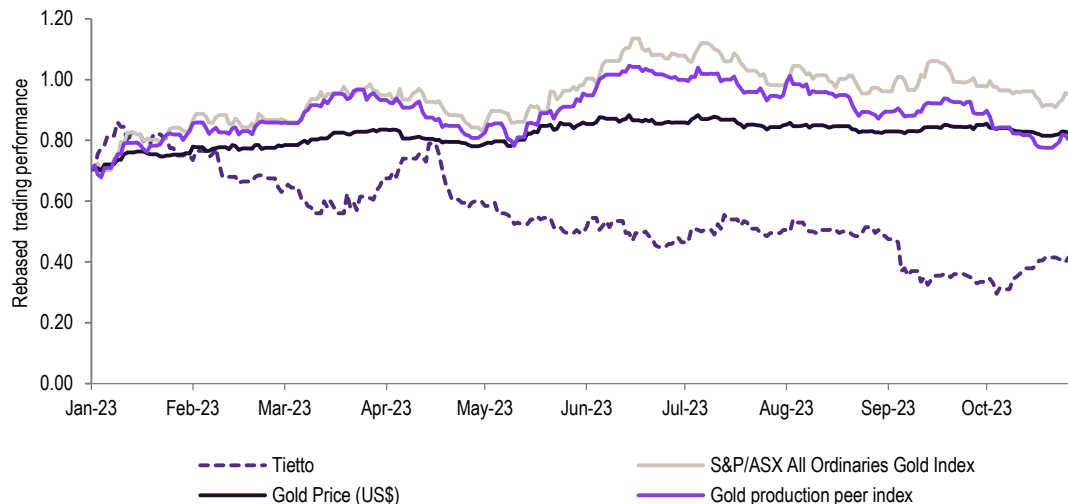
7.2.3 Analysis of trading

In analysing the share price performance of Tietto, we have compared the trading prices of Tietto with the S&P/ASX All Ordinaries Gold Index⁵⁵ and an index comprising gold production companies with assets in Africa and West Africa⁵⁶ both rebased to Tietto's share price since 1 January 2023.

⁵⁵ The S&P/ASX All Ordinaries Gold Index includes companies in the gold sub-industry (GICS Tier-4) of the All Ordinaries Index of which Tietto is one of the 24 constituents of varying size, location, production volumes and number of mines.

⁵⁶ It includes the companies included in the listed comparable peers in section 7.1.

Tietto share price performance relative to selected benchmarks



Source: S&P Global, GTCF analysis.

As set out in the graph above, Tietto has experienced a significant downward trend during the course of 2023 notwithstanding the announcement of first gold pour in January 2023, commissioning of the processing plant completed in April 2023 and achievement of commercial production in July 2023, less than 18 months after commencing construction activities. The significant reduction in the trading prices was also inconsistent with the performance of gold price and peer/gold indexes which have remained substantially stable or increased over the same period.

During this period, Tietto has experienced challenges in achieving optimal and target production due to difficult ground conditions for mining and delays of mobile mining equipment deliveries. Further, underground artisanal working initially resulted in processing lower grade oxide ore from largely depleted artisanal mining zones prior to being able to access the higher-grade fresh ore from the AG main pit. This did not allow Tietto to implement the DFS production strategy of selectively feeding higher grade ore blocks into the mill whilst stockpiling lower and medium grade. This was clearly not capable of being achieved due to the challenges above, which however are not unusual during the first months of production for a new mine. Similar circumstances occurred to Orezone as discussed in section 7.1.

At the end of April 2023, due to the temporary issues discussed above, Tietto provided forecast gold production and cost guidance for H2 2023 of between 105 Koz and 120 Koz of gold at AISC between US\$875-US\$975/oz, which was pro-rata lower production and at a higher AISC than previous communication to the market based on the DFS. Over the course of the following period up to the end of June, the trading prices reduced by c. 40%. The magnitude of the reduction in the trading prices and the significant underperformance compared with peers and gold prices indicate a possible degree of over-reaction from the market.

At the beginning of September 2023, Tietto announced: 1) forecast gold production for H2 2023 was further revised down to between 75-85 Koz due to grade control drilling results received over July and August, lack of stockpiles and Tietto's updated reserve model; 2) an increase in the AISC to between US\$1,175-US\$1,350/oz; and 3) average production reduced from 200 Koz per annum at AISC of US\$804/oz in the first six years of production to an average production of 172 Koz per annum at AISC of US\$1,100/oz in the first seven years of production. The trading prices of Tietto reduced by c. 27% in the first half of September 2023.

The production metrics were subsequently upgraded at the beginning of October 2023 in conjunction with the release of the amended LOMP to a production of 170 Koz per year in the first nine years at an AISC of

US\$982/oz. As a result, in the month of October 2023 (prior to the announcement of the Offer), the trading price of Tietto increased by c. 26.9%.m Further, at the beginning of November 2023, Tietto released strong production results for the month of October 2023 which were not reflected in the trading prices before the announcement of the Offer.

As concluded in the executive summary, we are of the opinion that the trading prices of Tietto before the Offer may not necessarily be representative of the full underlying fair market value of the Company. Refer to the executive summary for details on our conclusions.

8 Sources of information, disclaimer and consents

1.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Bidder's Statement
- Target's Statement
- Annual reports of Tietto
- Management accounts
- Board Reports
- Releases and announcements by Tietto on the ASX
- Technical expert report of prepared by SRK
- IBISWorld Industry Report
- Other information provided by Tietto
- Capital IQ
- Mergermarket
- Various broker reports
- International Monetary Fund – World Economic Outlook – October 2023
- Other publicly available information
- Discussions with Management

1.2 Qualifications and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to Tietto and all other parties involved in the Takeover Offer with reference to the ASIC Regulatory Guide 112 "Independence of experts" and APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional and Ethical Standard Board. We have concluded that there are no conflicts of interest with respect to Tietto, its shareholders and all other parties involved in the Takeover Offer.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Tietto or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Takeover Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Takeover Offer, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Takeover Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

1.3 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by Tietto and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by Tietto through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of Tietto.

This report has been prepared to assist the Directors in advising the Tietto Shareholders in relation to the Takeover Offer. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Takeover Offer is fair and reasonable to the Tietto Shareholders.

Tietto has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by Tietto, which Tietto knew or should have known to be false and/or reliance on information, which was material information Tietto had in its possession and which Tietto knew or should have known to be material and which Tietto did not provide to Grant Thornton Corporate Finance. Tietto will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

1.4 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Target's Statement to be sent to the Tietto Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future.

Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses. This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model. Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction. Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction, and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Description of comparable companies

Company	Description
Orezone Gold Corporation	Orezone Gold Corporation, a gold producer, engages in the mining, exploration, and development of gold properties. Its flagship property is the 90%-owned Bomboré gold project located in Burkina Faso, West Africa. The company was incorporated in 2008 and is headquartered in Vancouver, Canada.
IAMGOLD Corporation	IAMGOLD Corporation, through its subsidiaries, explores, develops, and operates gold mining properties in North America and West Africa. The company owns 100% interest in the Westwood mine, covers an area of 1,925 hectare and located in Quebec and the Côté gold project, which covers an area of 596 square kilometer located in Ontario, Canada; and 90% interests in the Essakane mine situated in Burkina Faso and Boto gold project located in Senegal, West Africa. Its exploration and development projects include the 100% owned Diakha-Siribaya project that covers an area of approximately 600 square kilometres situated in Mali; the Monster Lake projects located in Quebec, Canada; and the Karita project that covers an area of approximately 100 square kilometres located in Guinea, as well as Pitangui project in Brazil, and 75% owned the Nelligan located in Québec. IAMGOLD Corporation was incorporated in 1990 and is headquartered in Toronto, Canada.
Perseus Mining Limited	Perseus Mining Limited, together with its subsidiaries, explores, evaluates, develops, and mines for gold properties in West Africa. The company holds interests in the Edikan gold mine project located in Ghana; and the Sissingué and Yaouré gold mine projects located in Republic of Côte d'Ivoire. It also holds 70% interest in the Meyas Sand gold project in Sudan. Perseus Mining Limited was incorporated in 2003 and is based in Subiaco, Australia.
Endeavour Mining plc	Endeavour Mining plc, together with its subsidiaries, operates as a gold mining company in West Africa. It has six operating assets, including the Boungou, Houndé, Mana, and Wahgnion mines in Burkina Faso; the Ity mine in Côte d'Ivoire; the Lafigué project in Côte d'Ivoire; the Sabodala-Massawa mine in Senegal; the Kalana projects in Mali; and a portfolio of exploration assets on the Birimian Greenstone Belt across Burkina Faso, Côte d'Ivoire, Mali, and Senegal. Endeavour Mining plc was incorporated in 2021 and is based in London, the United Kingdom.
Resolute Mining Limited	Resolute Mining Limited engages in gold mining, and prospecting and exploration for minerals in Africa, the United Kingdom, and Australia. The company's flagship project is the Syama Gold Mine located in Mali, West Africa. It also owns Mako Gold Mine in Senegal, West Africa. The company was incorporated in 2001 and is based in Perth, Australia.
West African Resources Limited	West African Resources Limited engages in the mining, mineral processing, acquisition, exploration, and project development of gold projects in West Africa. The company has 90% interests in the Sanbrado Gold Project covering an area of 116 square kilometers located in Burkina Faso; and Kiaka gold project located in Burkina Faso. It also holds 100% owned exploration license in the Toega Gold Project located in Burkina Faso. The company was incorporated in 2006 and is based in Subiaco, Australia.
AngloGold Ashanti plc	AngloGold Ashanti plc operates as a gold mining company in Africa, the Americas, and Australia. The company explores for gold. Its flagship property is a 100% owned Geita project located in the Lake Victoria goldfields of the Mwanza region in north-western Tanzania. The company also owns 100% interest in the Iduapriem mine which covers 137 square kilometers located in the western region of Ghana; Obuasi project located in Ghana; AGA Mineração in Brazil; Serra Grande located in central Brazil in the state of Goiás; Greenfield Projects in the Beatty district in Nevada; and Sunrise Dam in Australia. It also holds 92.5% interest in the Cerro Vanguardia project situated in Argentina; 70% interest in the Tropicana property in Australia; and 85% interest in the Siguiri project in Guinea. The company also explores for silver and sulphuric acid. AngloGold Ashanti plc was incorporated in 1944 and is headquartered in Greenwood, Colorado.
B2Gold Corp.	B2Gold Corp. operates as a gold producer with three operating mines in Mali, the Philippines, and Namibia. It operates the Fekola Mine in Mali, the Masbate Mine in the Philippines, and the Otjikoto Mine in Namibia. The company also has a 25% interest in the Calibre Mining Corp.; and approximately 19% interest in BeMetals Corp. In addition, it has a portfolio of other evaluation and exploration assets in Mali, Uzbekistan, and Finland. The company was incorporated in 2006 and is headquartered in Vancouver, Canada.
Centamin plc	Centamin plc, together with its subsidiaries, engages in the exploration, mining, and development of precious metals in Egypt, Burkina Faso, Côte d'Ivoire, Jersey, the United Kingdom, and Australia. It explores for gold deposits. The company principal asset is the Sukari Gold Mine project, which covers an area of approximately 160 square kilometers located in the Eastern Desert of Egypt. Centamin plc was incorporated in 2011 and is headquartered in Saint Helier, Jersey.

Appendix C – Description of comparable transactions

Company	Description
SEAMAFO	SEMAFO is a Canadian-based intermediate gold producer with over twenty years' experience building and operating mines in West Africa. The Corporation operates two mines, the Boungou and Mana Mines in Burkina Faso. SEMAFO is committed to building value through responsible mining of its quality assets and leveraging its development pipeline.
Avesoro Resources Inc.	Avesoro Resources is a West Africa focused gold producer and development company that operates two gold mines across West Africa. The Company's assets include the New Liberty Gold Mine in Liberia ("New Liberty") and the Youga Gold Mine in Burkina Faso ("Youga").
Toro Gold Limited	Toro Gold Limited operates as a gold mining, exploration, and development company in West Africa. Its flagship asset is the Mako Gold Mine project located in Eastern Senegal. The company also holds an exploration portfolio covering approximately 2,800 square kilometers of Birimian terranes of Senegal, Côte d'Ivoire, and Guinea. Toro Gold Limited was founded in 2009 and is based in Saint Peter Port, Guernsey. Toro Gold Limited operates as a subsidiary of Resolute Mining Limited.
Randgold Resources Ltd	Randgold Resources was a gold mining business operating mainly in Mali. Headquartered in Jersey, Channel Islands, it was listed on the London and the NASDAQ stock exchanges until it merged with Barrick Gold in December 2018.

Appendix D – Discount rate

Introduction

The cash flow assumptions underlying the DCF approach are on a nominal, ungeared and post-tax basis. Accordingly, we have assessed a range of nominal post-tax discount rates for the purpose of calculating the net present value of the cash flows.

The discount rates were determined using the WACC formula. The WACC represents the average of the rates of return required by providers of debt and equity capital to compensate for the time value of money and the perceived risk or uncertainty of the cash flows, weighted in proportion to the market value of the debt and equity capital provided. However, we note that the selection of an appropriate discount rate is ultimately a matter of professional judgment.

Under a classical tax system, the nominal WACC is calculated as follows:

$$\text{WACC} = R_d \times \frac{D}{D + E} \times (1 - t) + R_e \times \frac{E}{D + E}$$

Where:

- R_e = the required rate of return on equity capital;
- E = the market value of equity capital;
- D = the market value of debt capital;
- R_d = the required rate of return on debt capital; and
- t = the statutory corporate tax rate.

Required rate of return on equity capital

We have used the CAPM, which is commonly used by practitioners, to calculate the required return on equity capital.

The CAPM assumes that an investor holds a large portfolio comprising risk-free and risky investments. The total risk of an investment comprises systematic risk and unsystematic risk. Systematic risk is the variability in an investment's expected return that relates to general movements in capital markets (such as the share market) while unsystematic risk is the variability that relates to matters that are unsystematic to the investment being valued.

The CAPM assumes that unsystematic risk can be avoided by holding investments as part of a large and well-diversified portfolio and that the investor will only require a rate of return sufficient to compensate for the additional, non-diversifiable systematic risk that the investment brings to the portfolio. Diversification cannot eliminate the systematic risk due to economy-wide factors that are assumed to affect all securities in a similar fashion.

Accordingly, whilst investors can eliminate unsystematic risk by diversifying their portfolio, they will seek to be compensated for the non-diversifiable systematic risk by way of a risk premium on the expected return. The extent of this compensation depends on the extent to which the company's returns are correlated with the market as a whole. The greater the systematic risk faced by investors, the larger the required return on capital will be demanded by investors.

The systematic risk is measured by the investment's beta. The beta is a measure of the co-variance of the expected returns of the investment with the expected returns on a hypothetical portfolio comprising all investments in the market - it is a measure of the investment's relative risk.

A risk-free investment has a beta of zero and the market portfolio has a beta of one. The greater the systematic risk of an investment the higher the beta of the investment.

The CAPM assumes that the return required by an investor in respect of an investment will be a combination of the risk-free rate of return and a premium for systematic risk, which is measured by multiplying the beta of the investment by the return earned on the market portfolio in excess of the risk-free rate.

Under the CAPM, the required nominal rate of return on equity (R_e) is estimated as follows:

$$R_e = R_f + \beta_e (R_m - R_f)$$

Where:

- R_f = risk free rate
- β_e = expected equity beta of the investment
- $(R_m - R_f)$ = market risk premium

7.2.3 Risk-free rate

In the absence of an official risk-free rate, the yield on government bonds (in an appropriate jurisdiction) is commonly used as a proxy. Accordingly, we have observed the yields on the 10-year United States Treasury bond over several intervals from a period of 5 days to 30 years. We consider the 10-year bond yields appropriate, roughly reflecting the duration of the LOMP.

United States Treasury Constant Maturity - 10 Year, Nominal As at October 30, 2023		Range		Daily average Nominal
Previous 5 trading days	4.83%	-	4.95%	4.89%
Previous 10 trading days	4.83%	-	4.98%	4.91%
Previous 20 trading days	4.58%	-	4.98%	4.78%
Previous 30 trading days	4.35%	-	4.98%	4.67%
Previous 60 trading days	4.00%	-	4.98%	4.49%
Previous 1 year trading	3.30%	-	4.98%	4.14%
Previous 2 years trading	1.35%	-	4.98%	3.17%
Previous 3 years trading	0.78%	-	4.98%	2.88%
Previous 5 years trading	0.52%	-	4.98%	2.75%
Previous 10 years trading	0.52%	-	4.98%	2.75%
Previous 15 years trading	0.52%	-	4.98%	2.75%
Previous 20 years trading	0.52%	-	5.26%	2.89%
Previous 25 years trading	0.52%	-	6.79%	3.66%
Previous 30 years trading	0.52%	-	8.05%	4.29%

Source: S&P Global, GTCF analysis.

Given the high Government Bond yields around the world over the last year occurring from central banks tightening the monetary policies, as well as further economic and geopolitical turbulence, we believe utilising a long-term average yield is reasonable. We have estimated a risk-free rate of 4.0%.

7.2.4 *Market risk premium*

The market risk premium represents the additional return an investor expects to receive to compensate for additional risk associated with investing in equities as opposed to assets on which a risk-free rate of return is earned. However, given the inherent high volatility of realised rates of return, especially for equities, the market risk premium can only be meaningfully estimated over long periods of time. In this regard, Grant Thornton studies have observed the historical risk premium over periods of 20 to 80 years.

For the purpose of the WACC assessment, Grant Thornton Corporate Finance has adopted a market risk premium of 6.0%, which we consider to be supported by market evidence across valuers and regulators.

7.2.5 *Equity beta*

The beta measures the expected relative risk of the equity in a company. The choice of the beta requires judgement and necessarily involves subjective assessment as it is subject to measurement issues and a high degree of variation.

An equity beta includes the effect of gearing on equity returns and reflects the riskiness of returns to equity holders. However, an asset beta excludes the impact of gearing and reflects the riskiness of returns on the asset, rather than returns to equity holders. Asset betas can be compared across asset classes independent of the impact of the financial structure adopted by the owners of the business.

Equity betas are typically calculated from historical data. These are then used as a proxy for the future which assumes that the relative risk of the past will continue into the future. Therefore, there is no right equity beta, and it is important not to simply apply historical equity betas when calculating the cost of equity.

For the purpose of the report, we have had regards to the observed betas (equity betas) of comparable listed companies operating producing gold mines located in West Africa and surrounding areas. We have performed regressions of the historical betas over 5-year monthly and 2-year weekly time period with MSCI indices. We have considered a global index as opposed to a local index in order to account for the

fact that gold is a global commodity, and it is therefore more appropriate to benchmark beta data on a global indices scale.

		2 years weekly betas - MSCI Index		5 years monthly betas - MSCI Index	
Beta analysis	EV				
Company	A\$m	Equity Beta	Asset Beta	Equity Beta	Asset Beta
Tietto Minerals Limited	861.3	0.92	0.91	1.65	1.64
Gold Production Companies					
Orezone Gold Corporation	748.6	0.52	0.41	0.85	0.75
Centamin plc	1,804.3	0.44	0.43	0.47	0.47
IAMGOLD Corporation	3,976.2	1.49	1.13	1.25	1.02
Perseus Mining Limited	2,587.8	0.92	0.90	0.84	0.81
Endeavour Mining plc	15,227.1	0.64	0.57	0.34	0.29
Resolute Mining Limited	1,577.7	0.70	0.38	0.93	0.56
West African Resources Limited	892.6	0.81	0.78	1.13	1.03
AngloGold Ashanti plc	18,402.2	1.63	1.34		
Low			0.38		0.29
Median			0.68		0.75
Average			0.74		0.70
High			1.34		1.03

Source: S&P Global and GTCF calculations.

Notes (1): Equity betas are calculated using data provided by S&P Global. The betas are based on a five-year period with monthly observations based on the local or MSCI index. Betas have been degeared based on the average gearing ratio (i.e. gross debt divided by shareholders' equity based on market values).

The calculation of the beta varies significant depending on whether the local or world index are utilised. In our opinion, given that gold producers derive all revenue in US\$ and betas of comparable companies may be impacted by currency movements, local index betas are less relevant and hence we have focused on the MSCI Index.

It should be noted that the above betas are drawn from the actual and observed historical relationship between risk and returns. From these actual results, the expected relationship is estimated generally on the basis of extrapolating past results. Despite the arbitrary nature of the calculations it is important to assess their commercial reasonableness. That is, to assess how closely the observed relationship is likely to deviate from the expected relationship.

Consequently, while measured equity betas of the listed comparable companies provide useful benchmarks against which the equity beta used in estimating the cost of equity for the predevelopment assets, the selection of an unsystematic equity beta requires a level of judgement.

The asset betas of the selected companies are calculated by adjusting the equity betas for the effect of gearing to obtain an estimate of the business risk of the comparable companies, a process commonly referred to as de-gearing. We have then recalculated the equity beta based on an assumed 'optimal' capital structure deemed appropriate for the business (re-gearing). This is a subjective exercise, which carries a significant possibility of estimation error.

We used the following formula to undertake the de-gearing and re-gearing exercise:

$$\beta_e = \beta_a \left[1 + \frac{D}{E} \times (1 - \tau) \right]$$

Where:

- β_e = Equity beta
- β_a = Asset beta
- t = corporate tax rate

In our analysis we have considered gold mining businesses.

In addition to the figures outlined above we have considered further data points giving regard to the impact of COVID-19 on available beta data sets. We exclude the period most impacted by COVID-19, as well as figures using a period prior to the pandemic. Although we considered these data points in our research, R-squared figures were significantly lower than what we consider reasonable which ultimately resulted in the exclusion of many of the aforementioned comparable companies and a much smaller set of figures. Since generally a lower R-squared indicates a lower level of correlation between the performance of individual companies and the index it is being regressed against, it can be argued that this reduces the comparability.

For the purposes of our valuation, we have selected asset betas between 0.60 and 0.70. These have then been regressed using the practitioner's method and using a target debt to capital of 5.0% to 10.0% (and the Côte d'Ivoire corporate tax rate of 25.0%), resulting in an equity beta between 0.62 and 0.76.

7.2.6 Specific risk premium

Specific risk premium ("SRP") represents the additional return an investor expects to receive to compensate for country, size and project related risks not reflected in the beta of the observed comparable companies. In considering these factors we have assumed an SRP of between 4.0% to 5.0% for Tietto refer to section 6.4.2 for details.

7.2.7 Cost of debt

For the purpose of estimating the cost of debt applicable to Tietto, Grant Thornton Corporate Finance has considered the interest rate on the existing debt facilities with Coris Bank and additional loans with high-net-worth individuals. We have also reviewed the interest rates of facilities held by comparable listed companies. As such we have selected a pre-tax cost of debt range of between 7.5% and 8.5%.

7.2.8 Capital Structure

Grant Thornton Corporate Finance has considered the gearing ratio which a hypothetical purchaser of the business would adopt in order to generate a balanced return given the inherent risks associated with debt financing. Factors which a hypothetical purchaser may consider include the shareholders' return after interest payments, and the business' ability to raise external debt.

The appropriate level of gearing that is utilised in determining WACC for a particular company should be the "target" gearing ratio, rather than the actual level of gearing, which may fluctuate over the life of a company. The target or optimal gearing level can therefore be derived based on the trade-off theory which stipulates that the target level of gearing for a project is one at which the present value of the tax benefits from the deductibility of interest are offset by present value of costs of financial distress. In practice, the target level of gearing is evaluated based on the quality and variability of cash flows. These are determined by:

- the quality and life cycle of a company;
- the quality and variability of earnings and cash flows;

- working capital;
- level of capital expenditure; and
- the risk profile of the assets.

We have adopted a debt-to-enterprise ratio range of 5.0% and 10.0% debt and 95.0% and 90.0% equity, respectively for Tietto.

7.2.9 Tax rate

For the purpose of our valuation assessment we have assumed a corporate tax rate of 25% for operations in Côte d'Ivoire.

7.2.10 Discount rate summary

The discount rate range is set out below:

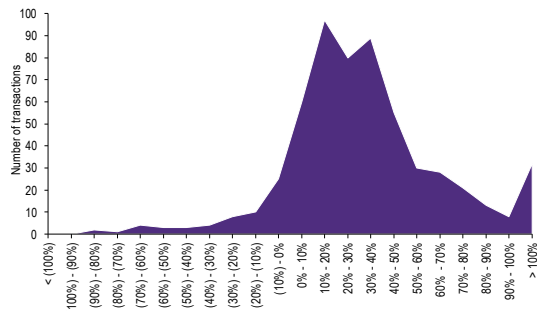
WACC Calculation	Low	High
Risk-Free Rate	4.00%	4.00%
Equity Risk Premium	6.0%	6.0%
Relevered Equity Beta (Be)	0.62	0.76
Adjusted Equity Risk Premium	3.7%	4.6%
Specific Risk Premium (SRP)	4.0%	5.0%
Cost of Equity (Re)	11.7%	13.6%
Pre-Tax Weighted Cost of Debt	7.5%	8.5%
Estimated Tax Rate	25.0%	25.0%
After-Tax Cost of Debt	5.6%	6.4%
Debt % of Capital	5.0%	10.0%
Cost of Debt	5.6%	6.4%
Weighted Cost of Debt	0.3%	0.6%
Equity % of Capital	95.0%	90.0%
Cost of Equity	11.7%	13.6%
Weighted Cost of Equity	11.2%	12.2%
Nominal WACC (post-tax)	11.4%	12.8%

Source: GTCF analysis, S&P Global.

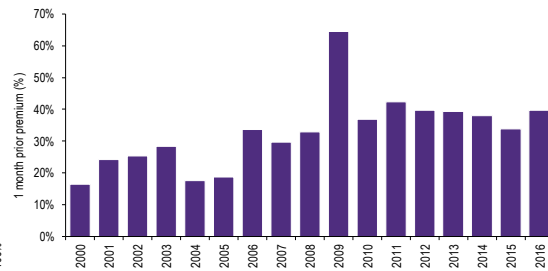
Appendix E – Control Premium

Evidence from studies indicates that the premium for control on successful takeovers has frequently been in the range of 20% to 40% in Australia, and that the premium varies significantly for each transaction.

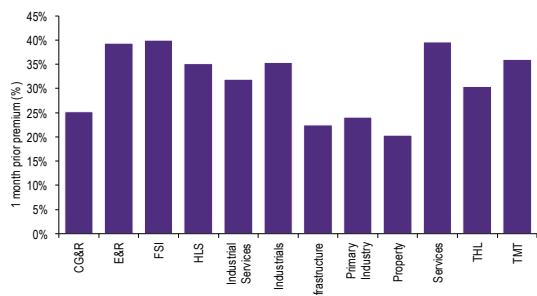
1 Month Prior Control Premium



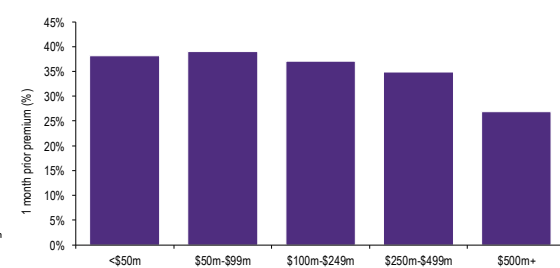
Control premium per completion date



Control premium per industry



Control premium and size



Control premium	
Average	34.33%
Median	29.34%

Source: GTCF Analysis.

Appendix F – Glossary

\$ or A\$	Australian Dollar
APES	Accounting Professional and Ethical Standards
APES225	Accounting Professional and Ethical Standard 225 "Valuation Services"
ASIC	Australian Securities and Investments Commission
AISC	All in sustaining cost
ASIC	Australian Securities and Investments Commission
ASE	Australian Securities Exchange
Abujar Gold Project	Tietto's primary project, comprises of three tenements covering an area of 1,114 square kilometres located in western Côte d'Ivoire.
Abujar Mine	Operations in SML, which Tietto hold an 88% interest and which was incorporated to hold the mining licence as required by Ivorian mining code.
Bidder	Zhaojin Capital (Hong Kong) Limited
Bomboré	Bomboré Gold Mine
C1 Costs	Cash Costs
CAGR	Compound annual growth rate
CIL	Carbon-in-leach
COMEX	The US Futures Market
Consensus Estimates	Energy, Metals, Agriculture Consensus Forecasts dated 13 November 2023
Corporations Act	Corporations Act 2001
COVID-19	Coronavirus pandemic
DCF	Discounted cash flow
DCF Method	Discounted cash flow and the estimated realisable value of any surplus assets
DFS	Definitive feasibility study
EPSA	EPSA Ivoire SA
ESIA	Environmental and Social Impact Assessment
ESG	Environmental, Social and Governance
ETFs	Exchange Traded Funds
Financial Model	The cash flows projections up to FY38 within the LOMP of Abujar Mine
FME Method	Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets
FSG	Financial Service Guide
FYXX	Financial year ending 30 June xx
FX	Foreign Exchange
G&A	General and administration
GFC	Global Financial Crisis
g/t	Grams per tonne
Gold ETF's	Gold backed exchange traded funds
Gold Index	S&P/ASX All Ordinaries Gold Index
Gold Production Peer Index	An index comprising gold production companies with assets in Africa and West Africa
Gold Production Multiple	Enterprise value / attributable gold production in FY23
GT Model	GTCF's valuation model which considers the Financial Model prepared by Management
GST	Goods and services tax
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
Grant Thornton US	Grant Thornton US LLP
H2 2023 or H2 FY23	6-month financial period ended December 2023

IER or Report	Independent Expert's Report
IMF	International Monetary Fund
Independent Valuation	Independent Valuation undertaken by a third party
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JV	Joint Venture
Koz	Thousand ounces
KPI	Key performance indicator
Kt	Thousand tonnes
LOM	Life of Mine
LOMP	Life of Mine Plan
Management	The management of Tietto
MOFCOM	The Ministry of Commerce of the State Council of the People's Republic of China
Moz	Million ounces
NDRC	National Development and Reform Commission
NAV Method	Amount available for distribution to security holders in an orderly realisation of assets
Net Capital Expenditure	Capital expenditure partially offset by the cash proceeds from the sale of the ex- rental fleet and new units
New Liberty	New Liberty gold mine in Liberia
Offer Price	A\$0.58 per Tietto Share
Options	Tietto holds 22,000,000 options as at 30 October 2023
Orezone	Orezone Gold Corporation
pcp	Previous corresponding period
Performance Rights	Performance Rights issued to Tietto employees totalling 5,550,000
PFS	Pre-Feasibility Study
The Plant	Newly built 4.5 Mtpa carbon-in-leach plant within SML
PPE	Property, Plant and Equipment
Quoted Security Method	Quoted price for listed securities, when there is a liquid and active market.
RBA	Reserve Bank of Australia
Resource Multiples or Multiples	Reserve and Resource Multiples As defined under the JORC Code (2012 Edition): Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
Resources	
RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG112	ASIC Regulatory Guide 112 "Independence of experts"
RPEEE	Reasonable prospect for eventual economic extraction pit
RPM	RPM Advisory Services Pty Ltd
SAFE	The State Administration of Foreign Exchange of the People's Republic of China
Tietto Shareholders	Tietto shareholders
Shares on issue	Tietto Shares
SML	Societe Miniere De La Lobo
SOP	Sum of Parts approach
SRP	Specific Risk Premium
SRK	SRK Consulting (Australasia) Pty Ltd
SRK Report	The independent technical expert report of SRK
Takeover, Takeover Offer or Offer	On 30 October 2023, the Bidder announced its intention to make an all-cash offer of A\$0.58 per Tietto Share
Tietto or Company	Tietto Minerals Limited

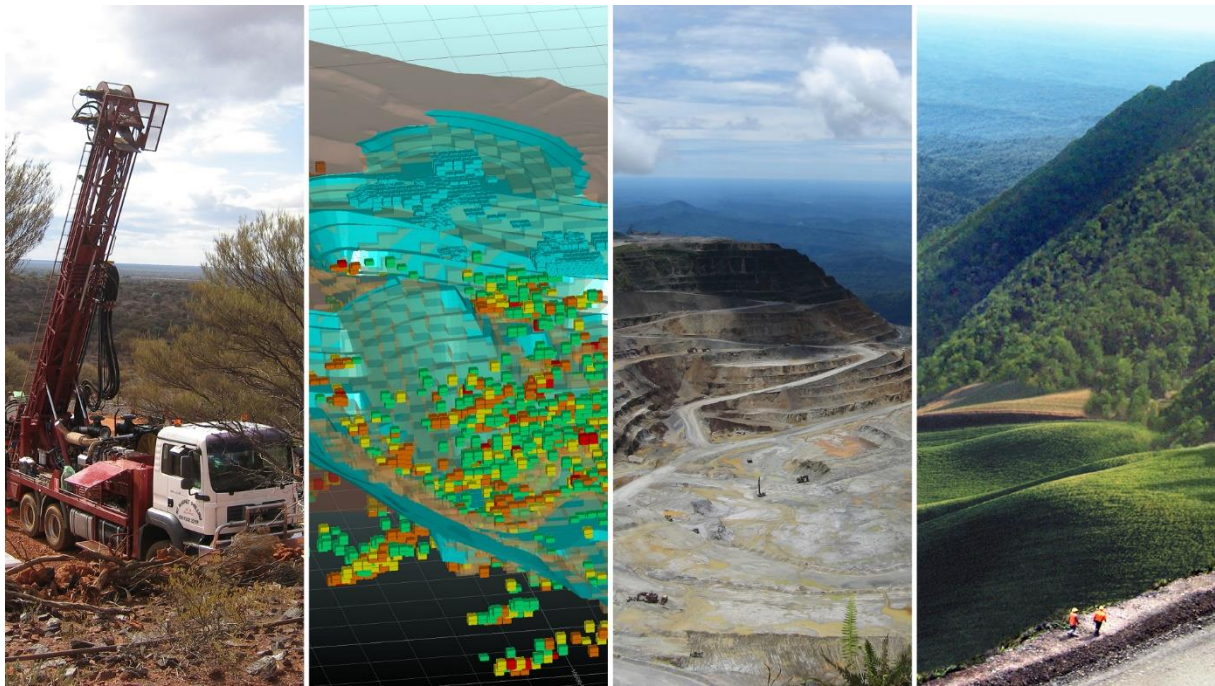
Tietto Shares	All Tietto shares on issue and subject to the Takeover Offer
Toro	Toro Gold Limited
Transaction Multiples	The multiples implied by acquisitions of companies with broadly similar operations
Valuation Date	30 October 2023
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WAF	West Africa Resources Limited
Youga	Youga Gold Mine in Burkina Faso
Zhaojin or the Bidder	Zhaojin Capital (Hong Kong) Limited

Appendix G – SRK Report

Final

Independent Specialist Report – Mineral Assets of Tietto Minerals Limited

Grant Thornton Australia Limited



SRK Consulting (Australasia) Pty Ltd ■ GRT011 ■ 27 November 2023

Final

Independent Specialist Report – Mineral Assets of Tietto Minerals Limited

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Disclaimer: The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Tietto Minerals Limited (Tietto). The opinions in this Report are provided in response to a specific request from Grant Thornton Australia Limited (Grant Thornton) to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

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Appendices

Appendix A	Comparative transactions
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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Abbreviations

AG	Abujar-Gludehi
APG	Pischo
ARO	Asset Retirement Obligations
BAC	base acquisition cost
BFS	bankable feasibility study
CCE	closure cost estimate
CIL	carbon in leach
Company	Tietto Minerals Limited
CRM	certified reference material
D&S	Dempers & Seymour Pty Ltd
DCF	discounted cashflow
DD	diamond drilling
DFS	definitive feasibility study
EC	Environmental Certificate
EPC	Engineering, Procurement and Construction
EPSA	EPSA Ivoire SA
ESAP	environmental and social action plan
ESG	environmental, social and governance
ESIA	environmental and social impact assessment
ESMP	environmental and social management plan
ESMS	environmental and social management system
GHG	greenhouse gas
Grant Thornton	Grant Thornton Corporate Finance Pty Ltd, a wholly owned subsidiary of Grant Thornton Australia Limited
ID	inverse distance
IDC	International Drilling Company Cote d'Ivoire
IER	Independent Expert's Report
IFC	International Finance Corporation
IRSA	inter-ramp slope angle
IVSC	International Valuation Standards Committee
JORC Code	<i>Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves</i> , edition 2012
JV	joint venture
KNA	Kriging neighbourhood analysis
LG	low-grade

LOM	life of mine
MRE	Mineral Resource Estimate
OK	Ordinary Kriging
OP	open pit
PDC	Process Design Criteria
PFS	pre-feasibility study
QAQC	quality assurance and quality control
RAP	resettlement action plan
RC	reverse circulation (drilling)
RD	reverse circulation pre-collars and diamond drilling tails at depth
RISA	ramp inclusive slope angles
ROM	run of mine
RPEEE	reasonable prospects for eventual economic extraction
RPF	Resettlement Policy Framework
RPM	RPM Advisory Services Pty Ltd
SAG	semi-autogenous grinding
SCS	sediment control structures
SG	South Gamina
SMU	smallest mining unit
SoR	Slope of Regression
SRK, SRK AU	SRK Consulting (Australasia) Pty Ltd
SVOL1	first search pass
SVOL2	second search pass
SVOL3	third search pass
Tietto	Tietto Minerals Limited
TMM	total material movement
TSF	tailings storage facility
UG	underground
US\$	United States dollars
US\$ m or US\$ M	million United States dollars
VALMIN Code	<i>Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets</i> , edition 2015
VAT	Value Added Tax
YTD	year to date
3D	three-dimensional

Chemical symbols

Ag	silver
Au	gold
NaCN	sodium cyanide
Pb	lead
Zn	zinc

Units

%	per cent
°	degrees
°C	degrees Celsius
asl	above sea level
g/t	grams per tonne
h	hours
ha	hectares
kg/t	kilogrammes per tonne
km	kilometres
km ²	square kilometres
ktpa	kilotonnes per annum
L	litres
m	metres
m ³	cubic metres
Ma	millions of years ago
Mlb	million pounds
mm	millimetres
Moz	million ounces
Mt	million metric tonnes
Mtpa	million tonnes per annum
t	metric tonnes
tpa	tonnes per annum
tpd	tonnes per day
tph	tonnes per hour

Executive Summary

Geology

The Abujar Project is located approximately 30 km west of the town of Daloa on the Côte d'Ivoire section of the West African Craton. The West African Craton is an agglomeration of geological terranes formed mainly by the progressive accretion of younger orogenic belts onto a cratonic core formed during the early Archean. The West African Craton has been subdivided into the Archaean Man Shield and Palaeo-proterozoic Birimian which covers a large part of central and eastern Cote d'Ivoire.

The Birimian rocks comprise a volcanic arc and sedimentary basin successions that were deformed during the most active period of the Eburnean orogeny, which occurred in three major tectono-metamorphic phases between 2150 Ma and 2190 Ma. The Birimian successions host most of the major gold deposits in West Africa.

Tietto Minerals Limited's (Tietto's or the Company's) Abujar Project area, comprising multiple gold deposits, is located within the Proterozoic Birimian rocks, approximately 30 km west of Daloa. The Project lies within the Hana-Lobo belt, east of the Sassandra Fault that marks the boundary between the Man Shield (Archean) and Eburnean domain.

The gold mineralisation occurs in quartz veins within a continuous shear zone, which is traceable for over 6 km at the AG deposit and 5.5 km at the APG deposit and remains open along strike and at depth. Analysis of previous drilling and geological modelling indicates that higher grade lodes occur within a shear hosted low-grade mineralised halo. These high-grade lodes are typically slightly oblique (approximately 10°) to the strike of the shear (035°). This orientation is interpreted to represent a typical Riedel ductile shear structure, which is structurally controlled at both local and regional scales. Sulfides (mainly pyrite and minor chalcopyrite) are associated with visible gold. Alteration is characterised by chlorite, sericite, calcite, secondary quartz and disseminated pyrite.

The current Mineral Resource estimate, compiled by RPM Global for the Abujar Project as at 31 March 2023 was released to the market on 19 April 2023 (Table ES.1). The Competent Person taking responsibility for the estimate is Mr Jeremy Clark. Mr Clark is an associate of RPM Global, an independent consultant to Tietto.

SRK has recalculated the Mineral Resources (Table ES.2) from the block models supplied to ascertain cut-off grade splits and to separate material within the reasonable prospects for eventual economic extraction (RPEEE) pit shells from that below the pit shells. The material located below the RPEEE pit shells with a cut-off grade of 1.1 g/t Au showed average grades above a cut-off grade of less than 2.0 g/t Au and were therefore considered not to demonstrate RPEEE when considered for underground mining opportunities.

As a result, the Mineral Resources reported in Table ES.1, which occur below the RPEEE pit shells have been excluded from Table ES.2, and the Mineral Resources shown in Table ES.2 have been recalculated to show only those Mineral Resources located within the RPEEE pit shells.

The overall result of these changes is that the total Mineral Resource tonnage estimate has decreased by 23 Mt from 124 Mt to 101 Mt, the average grade has decreased from 1.0 g/t Au to 0.88 g/t Au, and the total contained gold has decreased by 0.96 Moz from 3.83 Moz to 2.87 Moz.

Table ES.1: Statement of Mineral Resources as at 31 March 2023

Area	Class	Oxide			Transition			Fresh			Total		
		Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)
AG	Measured	0.03	0.9	0.001	0.5	0.9	0.02	11.8	1.2	0.47	12.3	1.2	0.49
	Indicated	0.2	1.0	0.01	1.7	1.0	0.05	27.1	1.3	1.15	29.0	1.3	1.20
	Inferred	0.1	1.0	0.002	0.8	0.9	0.02	14.7	1.5	0.70	15.6	1.5	0.73
	Total	0.3	1.0	0.01	3.0	0.9	0.09	53.6	1.3	2.32	56.9	1.3	2.42
APG	Indicated	0.5	0.7	0.01	1.9	0.7	0.04	7.2	0.8	0.19	9.5	0.8	0.25
	Inferred	1.0	0.7	0.02	4.0	0.7	0.08	25.8	0.7	0.58	30.8	0.7	0.68
	Total	1.5	0.7	0.03	5.9	0.7	0.13	33.0	0.7	0.77	40.4	0.7	0.93
SG	Inferred	0.1	0.5	0.002	0.6	0.8	0.01	4.8	0.8	0.12	5.5	0.8	0.14
APG_ex	Inferred	0.1	0.5	0.002	2.8	0.5	0.05	18.2	0.5	0.29	21.2	0.5	0.34
Grand Total		2.0	0.7	0.047	12.3	0.7	0.3	109.6	1.0	3.5	124.0	1.0	3.83

Source: TIE ASX release dated 19 April 2023

Notes: Mineral Resources are reported inclusive of those Mineral Resources modified to produce the Ore Reserves.

Reported at 0.25 g/t Au cut off within RPEEE pit shells (US\$2,000/oz), and 1.1 g/t Au cut off below the pit shells for AG

Reported at 0.30 g/t Au cut off within RPEEE pit shells (US\$2,000/oz), and 1.1 g/t Au cut off below the pit shells for APG

Reported at 0.25 g/t Au cut off to a depth of 120 m for the SG and APG_ex deposits.

Table ES.2: SRK recalculated Mineral Resources occurring within RPEEE pit shells only

Area	Class	Oxide			Transition			Fresh			Total		
		Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)
AG ¹	Meas	-	-	-	0.8	0.99	0.02	12.0	1.23	0.48	12.8	1.22	0.50
	Indicated	0.49	0.92	0.02	1.7	1.05	0.06	20.4	1.41	0.92	22.6	1.37	1.00
	Inferred	0.08	0.86	0.002	0.7	1.05	0.02	3.4	1.06	0.12	4.2	1.05	0.14
	Total	0.57	0.91	0.02	3.2	1.03	0.10	35.8	1.36	1.52	39.6	1.33	1.64
APG ²	Indicated	0.48	0.73	0.01	1.8	0.74	0.04	7.0	0.78	0.18	9.3	0.77	0.23
	Inferred	1.1	0.66	0.02	4.0	0.65	0.08	24.4	0.63	0.50	29.5	0.63	0.60
	Total	1.6	0.68	0.03	5.8	0.68	0.12	31.4	0.66	0.68	38.8	0.67	0.83
SG ³	Inferred	0.06	0.59	0.001	0.4	0.93	0.01	1.3	1.35	0.05	1.8	1.23	0.06
APG_ex ³	Inferred	0.1	0.5	0.002	2.8	0.5	0.05	18.2	0.5	0.29	21.2	0.5	0.34
Total		2.3	0.72	0.05	12.2	0.73	0.28	87	0.91	2.54	101	0.88	2.87

Sources: SRK calculation

Notes: Mineral Resources are reported inclusive of those Mineral Resources modified to produce the Ore Reserves. Meas – Measured.

¹ Reported at 0.25 g/t Au cut off within RPEEE pit shell (US\$2,000/oz) for AG

² Reported at 0.30 g/t Au cut off within RPEEE pit shell (US\$2,000/oz) for APG

³ Reported at 0.25 g/t Au cut off within RPEEE pit shell (US\$2,000/oz) for SG and APG_ex deposits.

Mining

Tietto commissioned RPM Advisory Services Pty Ltd (RPM) to complete an update to the Abujar Gold Project (the 'Project' or 'Abujar') mining life of mine (LOM) plan, dated 1 November 2023 (2023 LOM), and prepare an Ore Reserve Statement. The 2023 LOM Plan utilised the Abujar Mineral Resources Estimate dated 1 March 2023.

RPM had previously completed the definitive feasibility study (DFS) on the Project in September 2021 (2021 DFS) and updated the LOM Plan in September 2022 (2022 LOM). The current 2023 LOM plan utilised the previous studies, as well as current, though limited operational history. RPM reported that the study is based on actual operating data and some DFS guidance, and in RPM's opinion, the level of engineering and costing accuracy is $\pm 15\%$.

RPM undertook two scenarios:

- An Ore Reserves scenario, which is based primarily on Measured and Indicated Mineral Resource categories.
- A LOM scenario, based on Measured, Indicated and Inferred Mineral Resource categories, to assess the full strategic potential of the Project and implications for site development and layout.

For the purposes of the valuation, SRK reviewed the recent performance of the operation and prepared a revised assessment of the LOM Tietto production and costs, assuming conversion of 60% of Inferred Mineral Resources to at least Indicated Mineral Resource category.

There are two principal open pits – AG and APG. AG is currently being mined and APG is planned to commence in January 2026.

The SRK APG Pit LOM scenario currently comprises approximately 40% of Inferred Mineral Resources within the total scheduled tonnes, as supplied in the original Tietto DCF model. As infill drilling progresses, it is unlikely that all of the Inferred Mineral Resources will upgrade to Indicated and Measured Mineral Resources, and SRK recommends a 60% conversion factor for upgrade of Inferred Mineral Resources as a reasonable assumption for the resource upgrade. SRK further recommends the inclusion of an additional US\$3 M capex, spread over 3 years from 2024, to complete the infill drilling.

The Project is operating as a conventional open pit, using conventional drill, blast, load and haul open pit mining methodology, typical of this type of operation.

Open pit mining is being undertaken by contract miners, EPSA Ivoire SA (EPSA), a Spanish headquartered mining contractor, who performs the drilling, loading, hauling and run-of-mine (ROM) crusher feed, as well as other ancillary services as required. Explosive services and supply are provided by EPC Cote d'Ivoire SA (EPC). Grade control drilling is provided by a contractor, International Drilling Company Cote d'Ivoire (IDC).

Mining activities commenced in October 2022 and the first gold pour was in January 2023. Since the start of production there have been a number of issues resulting in the non-achievement of planned mining production and associated costs. Management has instigated plans to resolve the issues, and the operation is starting to see improvements. These start-up issues have principally been associated with:

- Primary mining equipment: breakdowns of the primary mining equipment relating to power transmission issues, hydraulic issues and excavator bucket repairs. To mitigate this EPSA has replaced the older Liebherr 9350 and the two smaller CAT 395s with two larger excavators. It is reported by Tietto that 86% of the primary loading fleet will be new in 2024. In response to the issues relating to the bucket repairs, EPSA plans to stock additional excavator buckets for quick replacement and repairs.
- Poor loading: this is function of both operator performance and fragmentation, mainly the first 2.5 m of a 5 m or 10 m blast. There is currently an ongoing program (using blast plugs due to the highly jointed nature of the ground) to improve fragmentation and this is planned to be fully implemented by the end of year.
- Grades lower than planned: this is associated with mining within the oxide artisanal zone, which will improve as operations move into the transitional/fresh ore zones, out of the affected artisanal zone.
- Bench scale slope failures: this will improve, i.e. reduced failures, as the mining moves into transitional/fresh competent ore zones. Dewatering boreholes are also being installed around the open pit to help with dewatering, and hence to depressurise the slopes (lower the phreatic surface).
- Wet season (April to October): the 2023 wet season has had a significant adverse impact on production. The haul road dressing has been improved, with suitable top dressing making the haul roads usable during future wet seasons. Due to the timing of the start of operations, there was not sufficient time to build suitable ROM stockpiles prior to the wet season. In 2024, Tietto plans to have stockpiles in place to mitigate the reduced open pit production during the wet season.

Although in SRK's opinion these aspects are still potentially a risk, they have been identified and procedures are being put in place to mitigate their future impact.

SRK did not undertake a site visit as part of the mining and Ore Reserve review. SRK relied on data provided by Tietto management, and subsequent discussions over the course of the review.

Due to time constraints, SRK did not undertake a full interrogation of the Ore Reserve model, nor undertake a re-estimation of the Ore Reserves.

Processing

The review of the process plant was focused on the initial production data with respect to plant throughput, recovery and key technical drivers of opex (such as kg/t NaCN) given the plant is operational.

The Abujar Processing Plant treats ore from the AG and APG deposits using conventional gold extraction methods and consists of a beneficiation circuit followed by gravity concentration and carbon in leach (CIL) circuit. This plant was the focus of the review. An alternative flowsheet for low grade heap leaching to expand up to 7.5 Mtpa was discussed in the pre-feasibility study (PFS) documentation. The preliminary study for the heap leaching option was at scoping study level with insufficient information to consider it as a reliable alternative here. However, heap leaching remains an option requiring further study.

The review was limited in that no source assays or independent verification (e.g. sales reports) were available, nor operational data (CITECT or equivalent) to inform operational performance, reagent usage and equipment utilisation. Volumes of the different ore domains (fresh, transitional, oxide) treated were not defined in historical production physicals, and therefore the proportion of 'soft' ores in mill feed blend could not be determined.

The single largest deviation from the design production rates is the lower grade fed to the processing plant (discussed above in mining).

Recovery of the circuit is largely in line with design (93.6% year to date versus 94.05% for average LOM). The split between gravity and leaching was within the basis of design range, noting this is quite large (44–88% depending on ore type) and not unexpected.

Throughput is currently being achieved in alignment with the design of 4.5 Mtpa, with plant utilisation at ~90%. A forecast milling throughput of 5.5 Mtpa is stipulated in 2025 onwards – recent months have achieved 572 tph at 91% which is equivalent to 4.5 Mtpa and recent daily production has achieved higher rates.

Key processing opex costs were reviewed – some discrepancies were observed however these were considered minor.

A cyanide detoxification circuit was included in the original design but appears not to have been implemented. The rationale behind this is unclear. However, with increasing international focus on minimising environmental impact, this poses a risk should environmental regulations change and the focus shift to being compliant with the *International Cyanide Management Code*.

Environmental, social and governance, and mine closure

The environment, social and governance (ESG) section presents technical and economic ESG factors that have the potential to be material at a materiality threshold of 10% of the project value. Other elements of potential materiality have also been noted. The ESG assessment is based on the review of the available data and discussions with the client – no site visit was conducted.

The company's policies and guidelines commit Tietto to align with the international standards and good ESG practice such as outlined by the 10 Principles of the United Nations Global Compact, 10 Environmental and Social Standards of the World Bank, 8 International Finance Corporation (IFC) Performance Standards, Global Reporting Initiative and the International Organization for Standardization. In line with this, the company has management plans and procedures established, but at this early stage, Abujar mine's ESG performance is yet to be demonstrated. The financial model supplied does not clearly indicate the costs related to the environmental and social management programs.

The Abujar Gold Project activities are currently focused on the AG deposit where mining activity commenced in January 2023, and the APG deposit where mining development is planned to start from January 2026. Both the AG and APG deposits are expected to cease mining operations in 2032, followed by 5 years of closure activities (until 2037).

The mining permit was granted for the Abujar mining operations based on the approved 2020 environmental and social impact assessment (ESIA) report. The current permit expires in 2030 and the extension application for the mining permit is expected to start in 2024. The ESIA approval

requires the company to comply with the ESIA conditions, inform the environmental agency about any changes in mine operations, and implement the environmental and social plan. SRK notes that the approved ESIA, and therefore the mining permit, do not include the development of the APG deposit. Reportedly, the APG baseline commences in December 2023, with the ESIA to be completed in August 2024 and the ESIA approval and mining permit to be granted in October 2024 and December 2024 respectively. SRK notes that the provided timeframe seems reasonable.

Both AG and APG deposits development required land acquisition and resettlement. Reportedly the AG resettlement has been completed although the land acquisition status is unclear. The resettlement plan for APG is expected to be part of the future ESIA process. While the suggested timeframe seems reasonable, the financial model does not clearly indicate the costs related to resettlement at APG. SRK recommends an additional amount of US\$3 M be added to the cash flow to address resettlement at APG.

Based on the high-level review SRK considers the closure cost provision of US\$13.2 M included in the company's financial model to be conservative. Benchmarking data reviewed by SRK for gold mining projects in the surrounding region (i.e. Burkina Faso, Mali, Ghana and Côte D'Ivoire) generally range from US\$11 M to US\$33 M. SRK has provided a preliminary estimate of US\$21 M + 20% contingency. On this basis, SRK considers that for valuation modelling purposes only, a closure cost in the range from US\$13 M to US\$25 M is appropriate.

Other potential ESG risks for the Abujar mine summarised in the report are not expected to exceed the financial materiality threshold of 10% of the project value.

Residual resources and Mineral Resources valuation

The Abujar Project consists of the AG, APG, SG and APG_extension deposits. The LOM models have included the Mineral Resources of the AG and APG deposits. SRK has reviewed the information provided and determined the Mineral Resources that lie outside the LOM models but within the RPEEE pit shells (known as residual resources).

Using the comparative transactions method, the value of the residual resources of AG and APG deposits and the Mineral Resources of SG and APG_extension deposits of the Abujar Project is estimated at between US\$16.28 M and US\$32.55 M, with a preferred value of US\$24.31 M on an attributable basis. As a crosscheck to these values, SRK used the yardstick method, with values ranging from US\$13.47 M to US\$26.94, with a preferred value of US\$20.84.

The exploration potential of the tenements held by Tietto, which extends beyond the currently defined Mineral Resources and lies within other regional tenements, has also been valued by the comparative transaction method. The values range from US\$13.90 M to US\$27.79 M with a preferred value of US\$ 20.84 M. The Geoscientific method was used as the secondary method, yielding values spanning US\$14.49–38.63 M, with a preferred value of US\$26.66 M.

For the valuation of both residual resources and Mineral Resources, as well as exploration potential, SRK has selected the results from the comparative transaction method as the preferred values. As of the Valuation Date – 27 November 2023 – SRK considers that the market would pay between US\$30.18 M and US\$60.34 M with a preferred value of US\$45.15 M for the residual resources and Mineral Resources as well as the exploration potential, associated with the tenements held by Tietto on a net attributable basis (Table ES.3).

Table ES.3: Recommended valuation ranges

Valuation	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Residual resources and Mineral Resources	16.28	32.55	24.31
Exploration Potential	13.90	27.79	20.84
Selected Tietto	30.18	60.34	45.15

Source: SRK analysis

1 Introduction

On 30 October 2023, Tietto Minerals Limited (Tietto or the Company) announced that it had received a conditional, non-binding indicative proposal from Zhaojin Capital, a wholly owned subsidiary of Zhaojin Mining Industry Company (Zhaojin) to acquire 100% of the issued shares in Tietto that it did not already own for a cash consideration of A\$0.58 per share by way of an off-market takeover offer (Indicative Proposal). Zhaojin is currently Tietto's second largest shareholder, owning 7.02% of the Company's issued capital.

Grant Thornton has been engaged by Tietto to provide an Independent Expert's Report (IER) which presents its opinion on whether the Indicative Proposal is fair and reasonable to non-associated shareholders of Zhaojin. This IER is to be included in a Target Statement to be made available to the Company's shareholders.

Given the nature of the assets of Tietto, Grant Thornton has subsequently contacted SRK to act as a Specialist to assist it with the preparation of its opinion. To that end, Grant Thornton has requested SRK to prepare an Independent Technical Assessment and Valuation Report on the mineral assets of Tietto (the SRK Report). The scope of this report was determined by Grant Thornton.

1.1 Scope

Under its mandate as determined by Grant Thornton, SRK has provided:

1. A review of the technical project assumptions of the Abujar Gold Project and the provision of an assessment on the reasonableness of each of the assumptions used in the cash flow model (the Model) including:
 - a. mining physicals (including tonnes of ore mined, quality, waste material, and mine life)
 - b. processing physicals (including ore processed and produced)
 - c. production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies)
 - d. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency)
 - e. any other relevant technical assumptions not specified above.

Should SRK determine that an assumption included in the Model is unreasonable then this will be reflected in its report.
2. An independent opinion on the market valuation of:
 - a. Any of Tietto's residual resource that is not included in the LOM or any conversion factors of the resource that is included in the LOM
 - b. Any other exploration assets that SRK considers is likely to have material value.

1.2 Reporting standard

This Report has been prepared in accordance with the guidelines outlined in the *Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets* (VALMIN Code, 2015), which incorporates the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code, 2012).

A first draft of the report was supplied to Grant Thornton and Tietto to check for material errors, factual accuracy and omissions before the final report was issued.

For the purpose of this Report, value is defined as ‘market value’, being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

SRK’s Report does not comment on the ‘fairness and reasonableness’ of any transaction between Tietto or any other parties.

For this Report, SRK has classified the mineral assets of Tietto in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early-Stage Exploration Projects** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of development Projects will be proven by at least a PFS.
- **Production Projects** – tenure holdings – particularly mines, borefields and processing plants that have been commissioned and are in production.

As discussed further in this Report, SRK has classified Tietto’s Abujar Gold Project as a Production Project for valuation purposes.

SRK has used valuation approaches that are typically used for mineral assets at each of these respective stages. Additional details are provided in Section 3 and in Appendix A and Appendix B of this Report.

1.3 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture (JV) agreements, local heritage or potential environmental or land access restrictions.

1.4 Valuation date

The Valuation Date adopted is the date of this Report, namely 27 November 2023.

1.5 Project team

This Report has been prepared by a team of consultants from SRK's offices in China and Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out in Table 1.1.

Table 1.1: Details of the qualifications and experience of the consultants

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Ian de Klerk	Principal Consultant/ SRK AU	Project management, geology and Mineral Resources	>35 years; +20 years in exploration, evaluation and assessment of Mineral Resources, 15 years in geological modelling and resource consulting.	No	GDip Eng, BSc (Hons), MSc, MAusIMM
Alexander Thin	Principal Consultant/ SRK China	Mining and Ore Reserves	35 years of experience – 11 years in consulting specialising in mineral asset audits and evaluations, independent technical reports, techno-economic studies, mining related mergers and acquisitions, due diligence and advisory services; 24 years in operations.	No	BEng (Hons), GDip Engineering, FAusIMM (CP), FIMMM (CEng), FSAIMM, RPEQ
Gavin Chan	Principal Consultant/ SRK Hong Kong	Tietto residual Mineral Resources and exploration potential valuation	19 years: 15 years in technical consulting including valuation and 4 years in academia.	No	BSc, MPhil, PhD, FAIG
John Fry	Associate Principal Consultant/ MD Prudentia Engineering	Metallurgy and processing		No	
Ludovic Rollin	Senior Consultant/ SRK AU	ESG	10 years in ESG and environmental management.	No	BSc, MSc, CPEng (European), MAusIMM
Jeames McKibben	Principal Consultant/ SRK AU	Peer review	29 years: 19 years in valuation and corporate advisory, 2 years as an analyst and 8 years in exploration and project management roles.	No	BSc (Hons), MBA, FAusIMM (CP), MAIG, MRICS, MSME

1.6 Limitations, independence, indemnities and consent

1.6.1 Limitations and reliance

SRK's opinion contained herein is based on information provided to SRK by Tietto throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Tietto was taken in good faith by SRK. SRK has not re-estimated the Mineral Resources or Ore Reserves

estimates, but has independently assessed the reasonableness of the estimates and has made adjustments where deemed appropriate.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided by Tietto was complete and not incorrect, misleading or irrelevant in any material aspect.

1.6.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, have any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

1.6.3 Indemnities

As recommended by the VALMIN Code (2015), Tietto has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

In line with the VALMIN Code (2015), Tietto has provided SRK with an indemnity letter under which SRK is to be compensated for any liability and/or expenditure resulting from any additional work required which:

- results from SRK's reliance on information provided by Tietto, or from Tietto not providing material
- relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

1.6.4 Consent

SRK understands that this Report may be provided to Tietto's shareholders. SRK provides its consent for this Report to be included in the Grant Thornton Report on the basis that the technical assessment and valuation expressed in the Executive Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

1.6.5 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and the availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$105,000 (excluding GST). The payment of this professional fee is not contingent upon the outcome of this Report.

2 Abujar Gold Project

2.1 Overview

The Abujar Project is shown in Figure 2.1 and comprises three contiguous exploration tenements and a granted Mining Licence. After a focused exploration program commencing in 2015, a major Mineral Resource update was reported in 2021 (Abujar Gold Project JORC Mineral Resource update report, by RPM Global as of 19 August 2021) covering the AG, APG and SG deposits.

After a major exploration and infill drilling (mainly in the AG deposit) campaign between 2021 and the end of 2022, a further updated Mineral Resources Estimate (MRE) was reported by RPM Global as of 31 March 2023, and made public on 19 April 2023. Updated Mineral Resources included the AG, APG, SG and APG_extension deposits.

RPM completed the DFS on the Project in September 2021 (2021 DFS) and updated the LOM Plan in September 2022 (2022 LOM).

Tietto commissioned RPM Global to provide an update to the Abujar Gold Project LOM plan, dated November 2023 (2023 LOM), and prepare an Ore Reserve Statement. The 2023 LOM plan used the Abujar MRE dated 31 March 2023. The current 2023 LOM plan used the previous studies, as well as current, although there is limited operational history. RPM reported that the study is based on actual operating data and some DFS guidance, and in RPM's opinion, the level of engineering and costing accuracy is $\pm 15\%$.

RPM undertook two scenarios:

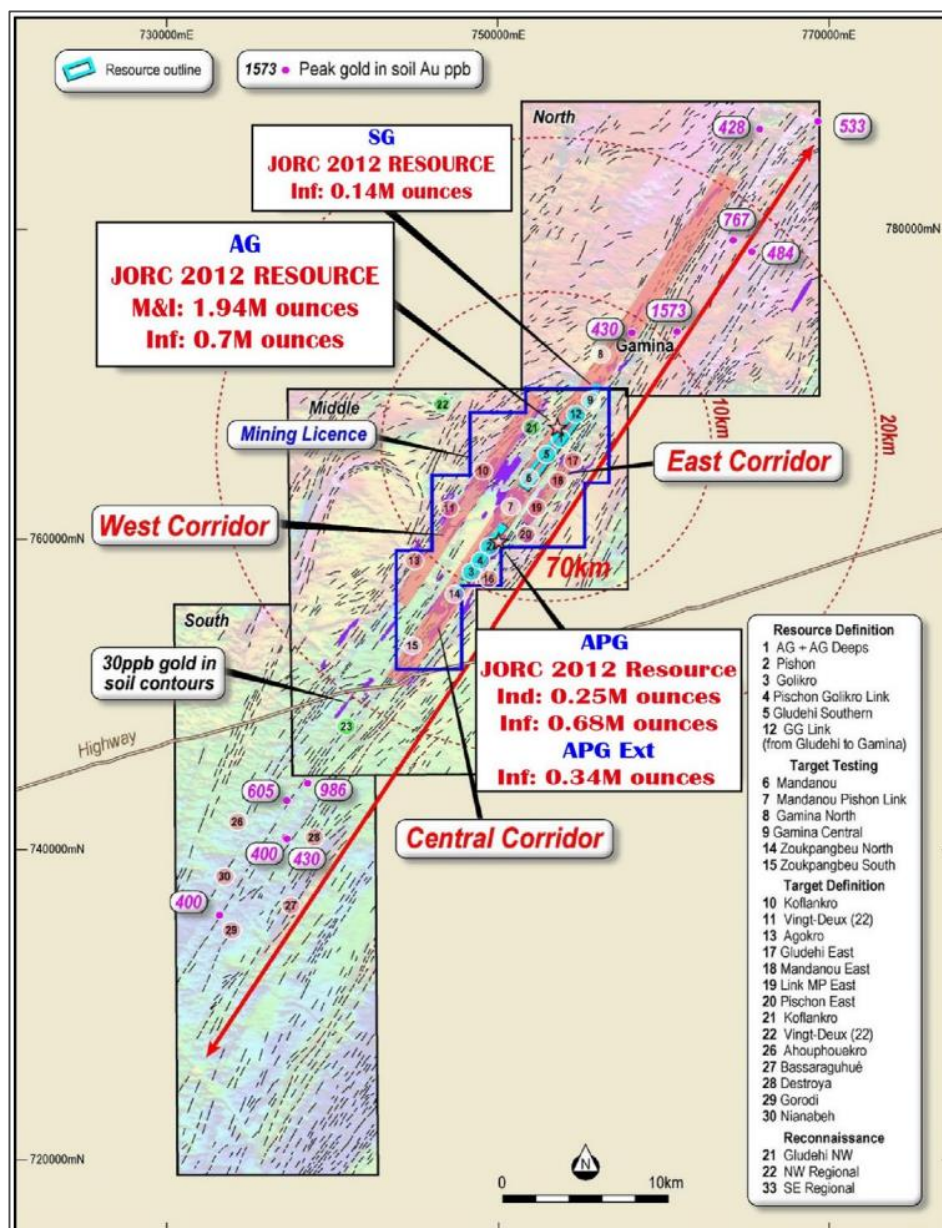
- An Ore Reserves scenario, which is based primarily on the Measured and Indicated Mineral Resource categories.
- A LOM scenario, based on the Measured, Indicated and Inferred Mineral Resource categories, to assess the full strategic potential of the Project and implications for site development and layout.

The plan comprises two principal open pits – AG and APG. AG is currently being mined and APG is planned to commence in January 2026.

The AG pit is operating as a conventional open pit, using conventional drill, blast, load and haul open pit mining methodology, typical of this type of operation.

The Abujar Processing Plant is operating and will treat ore from the AG and planned APG deposits using conventional gold extraction methods and consists of a beneficiation circuit followed by gravity concentration and CIL circuit. The processing plant was the focus of this review. An alternative flowsheet for heap leaching low-grade material to expand production to 7.5 Mtpa was discussed in the PFS documentation, however the study is at scoping level and was not included in the financial model reviewed. It nevertheless remains an option worthy of further study.

Figure 2.1: Abujar Gold Project



2.1.1 Location, access and climate

Figure 2.2 shows the main roads in Cote d'Ivoire. Access to the Abujar Project is by road from Abijan via Yamoussouk and Bouafle to Daloa, a distance of some 275 km. The project is located some 30 km west of Daloa. There is also an airport at Daloa.

Figure 2.2: Site location and access



Source: Tietto's MRE Report dated 19 August 2023, prepared by RPM Global

Four main climatic seasons are distinguished in the Daloa region, namely two wet seasons and two dry seasons as follows:

- small rain season from September to October
- big dry season from November to March
- big rain season from April to June
- small dry season from July to August.

The average annual rainfall is 940 mm and daytime temperatures average 26.20°C.

The Abujar terrain is dominated by rolling hills separated by flat terrain. The elevation varies between 203 m and 266 m asl. The main river that flows through the permits is the Lobo River, which flows north to south and has many tributaries that flow northwest to southeast.

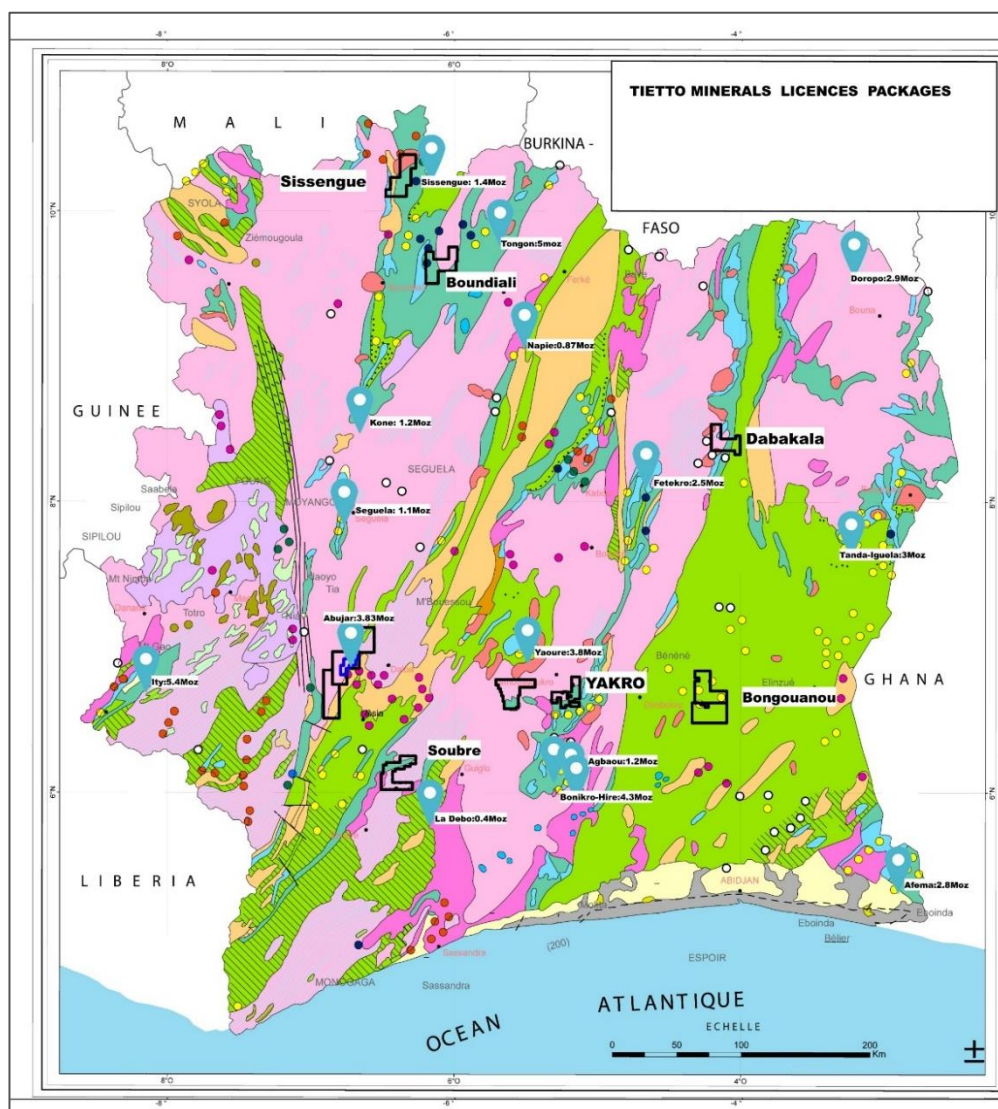
2.1.2 Tenure and land use

Based on the information provided, Tietto currently possesses a portfolio of tenements, which consists of one Mining Licence, six Exploration Licences and five Exploration Licences that are currently under application. The Mining Licence covers the operation and key deposits (AG, APG, SG and APG_extension), over a total area of 120.36 km². The Exploration Licences, which include the tenements adjoining the Mining Licence and other regional tenements cover a total of

2,198.83 km². The Exploration Licences that are currently under application cover a combined area of 1,709.65 km².

Land use is generally dedicated to cocoa farms with some general subsistence agriculture. Artisanal miners also operate in the area.

Figure 2.3: Locations of Tietto's tenures



Source: Tietto

Table 2.1: List of Tietto's tenures

Project	Licence type	Licence ID	Holder	Interest	Validity	Expiry date	Area (km ²)
Abujar	Mining Licence	PE57	SML	88%	Granted	09/12/2030	120.36
Abujar Middle	Exploration Licence	PR469	Tiebaya Gold	90%	Second renewal (3 years)	13/09/2024	281.42
Abujar North	Exploration Licence	PR550	Gail Exploration	51%	First renewal expired on 20/03/2021. Second renewal in progress.	To be determined	337.80
Abujar South	Exploration Licence	PR679	Tietto Minerals	100%	First renewal expired on 20/03/2021. Second renewal in progress.	To be determined	389.05
Bongouanou North	Exploration Licence	PR719	B&F	50%	First renewal Arrete Number 090 of 01/03/2022	08/05/2024	395.10
Bongouanou South	Exploration Licence	PR646	B&F	50%	First renewal Arrete Number 00117 of 12/11/2019. Second renewal in progress.	To be determined	400.00
Boudiali	Exploration Licence	PR0802	B&F	50%	Granted. Pending the decree from the President.	To be determined	395.46
Yakro	Exploration Licence Application	1356DMICM27/07/2022	Tietto Minerals	100%	Application in progress	To be determined	259.49
Soubre	Exploration Licence Application	1366DMICM29/07/2022	Tietto Minerals	100%	Application in progress	To be determined	371.67
Dabakala	Exploration Licence Application	1299DMICM21/07/2022	Tietto Minerals	100%	Application in progress	To be determined	303.96
Boudiali	Exploration Licence Application	0141DMICM26/02/2019	B&F	50%	Application in progress	To be determined	399.69
Sinfra	Exploration Licence Application	1477DMICM12/08/2022	B&F	50%	Application in progress	To be determined	374.84

Source: Tietto

2.1.3 Project history and exploration

Artisanal mining

Surface artisanal mining has occurred within several areas of the Abujar Project, typically to a depth of 8–15 m below surface within the currently defined resource areas as shown in Figure 2.4. Artisanal mining has targeted the higher grade, near surface oxide mineralised areas within the region.

While these activities occur in numerous places through the current project area, they vary significantly from minor surface disturbances created via small-scale handheld to semi-mechanical pits developed within the oxide material above the water table to very small-scale underground workings in the fresh material. The known underground workings are generally restricted to two areas in the north and central-northern portions of the Abujar Project area and extend to depths of 20 m and 30 m below the base of the open pits.

These artisanal mining activities are not considered material to the currently defined Mineral Resources, nor are they necessarily restricted to the reported resource areas which is testament to the mineralisation potential of the region.

Figure 2.4: Near surface artisanal mining at Abujar Gold Project



Source: Tietto's MRE Report dated 31 March 2023, prepared by RPM Global

Drilling

Drilling completed to date has targeted seven areas within the Project, these include: Abujar-Gludehi (AG), Pischon (APG) and South Gamina (SG) deposits within the Zoukougbeu licence and the Gamina set of deposits within the Zahibo Licence.

Much of this drilling has also focused on areas directly beneath small-scale artisanal workings as well as other prospects, mineral occurrences and targets. Both reverse circulation (RC) and diamond drilling (DD) methods have been used during the period spanning 2015–23 as shown in Figure 2.5. Drill testing of the known mineralised zones at Abujar has been continuous since 2019 and remains ongoing.

All drilling completed during the period from 2015 to 2017 was via surface RC campaigns, however in 2016 the majority of holes were completed with RC pre-collars and DD-tails at depth (RD). Drilling from 2018 through to 2023 was all DD from surface with drilling completed during this period underpinning the majority of the defined Mineral Resources currently reported at the AG and APG deposits.

DD rigs used a conventional wireline diamond drilling technique to produce HQ sized or NQ sized (core diameters of 63.5 mm and 47.6 mm respectively) diamond core, however the majority of these holes were completed with NQ-NTW-size equipment to the end of the hole.

Drilling extends to a vertical depth of approximately 700 m at AG, 350 m at APG and 200 m at SG. Drill hole collars were generally spaced on an approximately 100 m by 50 m grid in all deposits with recent drilling including infill drilling on 50 m by 50 m spacing within AG and APG, with closer 25 m by 25 m spacing in the central core of AG.

Figure 2.5: Drilling history

Deposit	No holes	Year&Type	Metres
AG	22	2015RC	2063
	2	2016DD	477
	39	2016RC	6833
	12	2016RD	2800.23
	15	2017RC	1926
	6	2017TRENCH	110
	43	2018AC	1497
	56	2018RC	9287.13
	6	2018RD	1609.92
	97	2019DD	26572.45
	7	2019RC	1299
	161	2020DD	44637.2
	409	2021DD	83414
	517	2022DD	96902.5
APG	5	2023DD	1211.3
	7	2016RC	800.32
	70	2018AC	3025
	17	2018DD	2745.97
	33	2018RC	2219
	1	2018RD	179.74
	18	2019DD	4180.02
	69	2020DD	15852
	74	2021DD	11245.5
	117	2022DD	18258.5
other	70	2023DD	10768.75
	13	2016RC	1519.68
	24	2016TRENCH	1500.19
	34	2017RC	4506
	37	2018AC	1430
	12	2019DD	1710
	581	2019PITTING	2983
	492	2020AC	22557
	26	2020DD	6553.5
	241	2021AC	11063
	54	2021DD	10458
	105	2022DD	16791
	23	2023DD	3384.5
Total	3,515		434,370

Source: MRE Report dated 31 March 2023, prepared by RPM Global

Note: Drilling contractors have used the Reflex EZ-shot instrument (or Chinese equivalent) to measure downhole deviations in both azimuth and inclination angles for all RC and DD holes, however, vertical holes were not surveyed.

Geophysical surveys

An aeromagnetic geophysical survey was completed over the Project area during the period 29 October to 28 November 2018. The project blocks consisted of approximately 21,471 line-km. The data collected included magnetic, radiometric and digital terrain model.

In July 2018, Tietto engaged Xinjiang Geophysical Exploration Co. Ltd to complete a 12 month gradient array induced polarisation geophysical survey over the main tenements forming the project area. Follow-up investigation of the results from this geophysical program have focused on the APG area, with the survey identifying highly magnetic signatures parallel to the currently defined resource areas.

2.2 Geology and Mineral Resources

2.2.1 Site visit

Given time constraints associated with this exercise, SRK has not undertaken a site visit to the Project for the purpose of this valuation exercise. However, Tietto has provided an extensive library of photographs outlining the site infrastructure, mining activities and drill core. Based on its review of these supplied photographs and subsequent discussions with Tietto personnel, SRK has a reasonable understanding of the prevailing site conditions and does not consider its investigation has been adversely impacted by its reliance on such data.

2.2.2 Regional geological setting

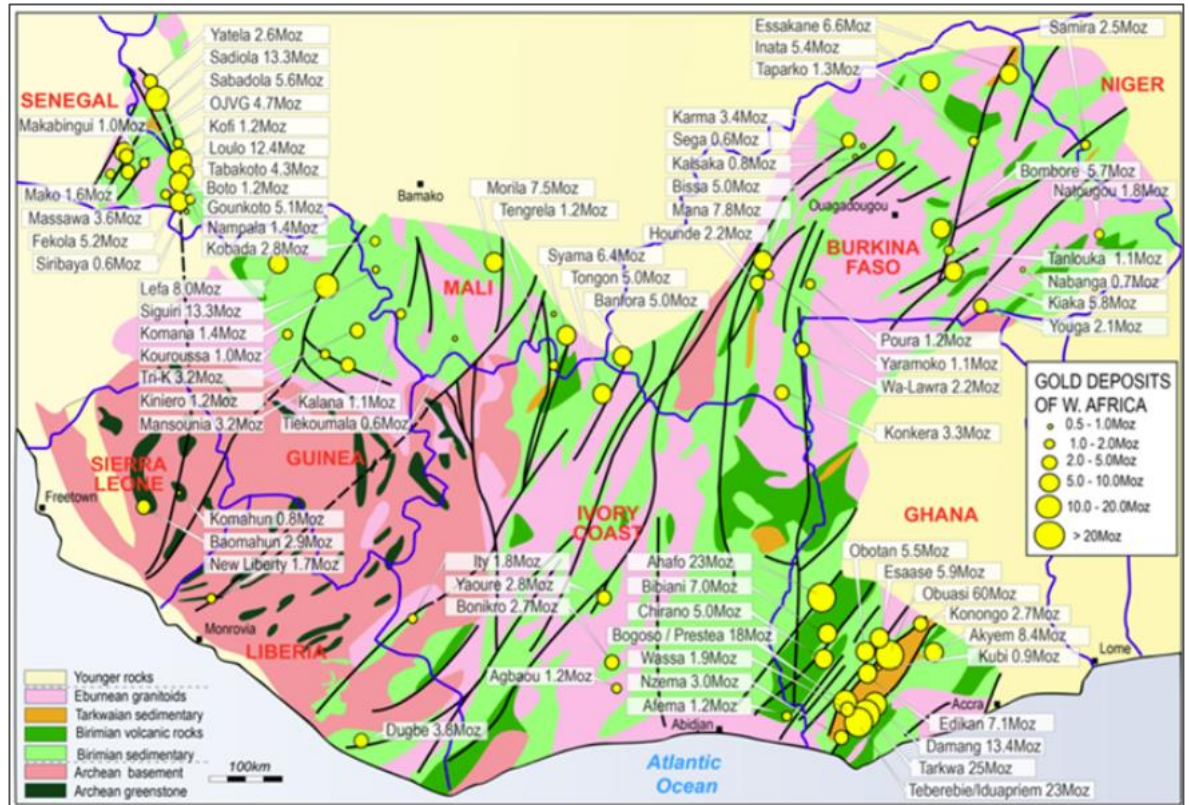
The project area lies within the Côte d'Ivoire section of the West Africa Craton. The West African Craton is an agglomeration of geological terranes formed mainly by the progressive accretion of younger orogenic belts onto a cratonic core formed during the early Archean. Locally, several younger orogenic belts developed within the existing cratons. However, more commonly these were accreted onto the proto-cratonic margins. The West African Craton has been subdivided into the Archaean Man Shield and Palaeo-proterozoic Birimian rocks.

The Man Shield comprises an Archean core of extensive granitic gneiss/granitoid complexes containing narrow, elongate metamorphosed volcano-sedimentary and sedimentary greenstone belts. Metamorphic and granitic rocks of the Liberian Province (~3200–2500 Ma) comprise the basement over most of Liberia and Guinea, whereas to the east the Eburnean Province (~2100–1700 Ma) dominates over Côte d'Ivoire. The Eburnean orogenic cycle re-metamorphosed Archaean cratonic rocks of the earlier Liberian Province. In the central and eastern regions of the West African Craton these units have been broadly classified as mafic and ultramafic volcano-sedimentary rocks and iron formations, and are known to host many important precious metals, base metals and bulk minerals (principally iron ore) deposits in West Africa. The metamorphic grade of these greenstone belts ranges from lower greenschist to amphibolite facies.

The Birimian rocks comprise a volcanic arc and sedimentary basin successions that mantle the Man Shield to the north and east. These were deformed during the most active period of the Eburnean orogeny, which occurred in three major tectono-metamorphic phases between 2150 Ma and 2190 Ma. Following the Eburnean orogeny, most of West Africa formed a stable craton (from ~1700 Ma) and was bounded on the east and west by the Pan-African mobile zones. Birimian successions host most of the major gold deposits in West Africa. These key crustal elements are shown in Figure 2.6.

The last major tectonic event in West Africa was the Pan-African Orogeny, which occurred during the Upper Proterozoic to Lower Palaeozoic age (600–500 Ma). This event also added new crustal material to the older cratons and re-metamorphosed older sequences of Archean to Late Proterozoic age. Pan-African mobile belts rim the western margins of West Africa and occur along Liberia's coastline. At the end of the Pan-African orogeny, the various elements were joined together to form the approximate current shape of western Africa.

Figure 2.6: West African Craton – main tectonic elements

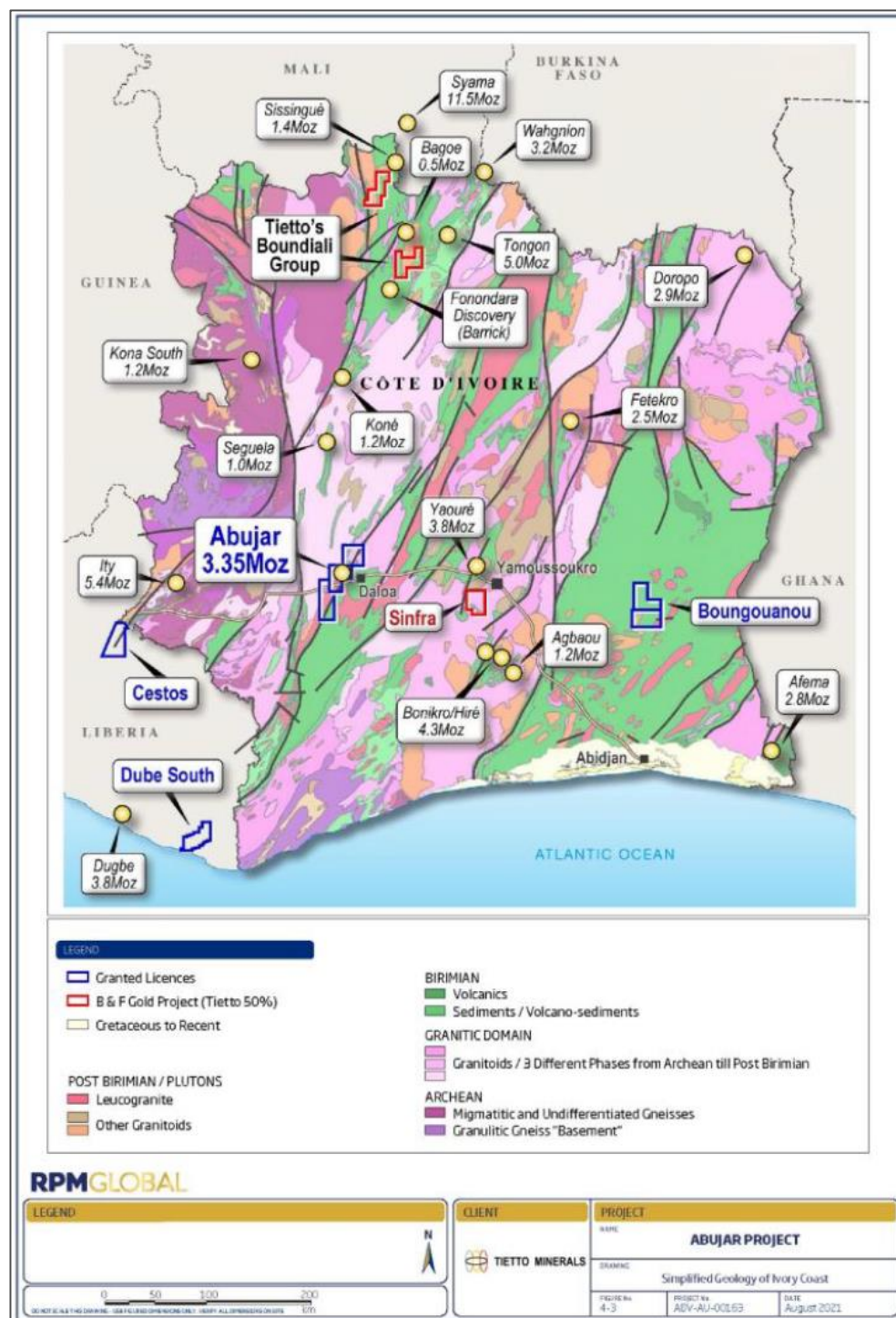


Source: <https://www.koborresources.com/en/cote-d-ivoire-geological-overview>

2.2.3 Local geological setting

Tietto's Project area is located within the Proterozoic Birimian rocks, approximately 30 km west of Daloa. The Project lies within the Hana-Lobo belt, east of the Sassandra Fault that marks the boundary between the Man Shield (Archean) and Eburnean domain, as shown in Figure 2.7.

Figure 2.7: Regional geology and location of the Abujar Project



Source: MRE Report dated 31 March 2023, prepared by RPM Global

Within the project area, outcrops are rare with only laterite cover appearing as duricrust outcrops. The Abujar deposit is located within a north-northeast to south-southwest orientated granitoid migmatite and is hosted within a regional shear structure. The shear zone is enclosed in two mica granite bodies of similar interpreted orientation which are regionally referred to as granodiorites.

Greenschists are rare in the immediate vicinity but have been mapped as isolated bodies to the south and east of the Project area.

Due to the limited outcrop and an over reliance on drilling, the regional lithologies are relatively poorly understood away from the main worked areas. However, Eburnean lithologies present inside the Project area include:

- Migmatite granitoid which belong to either the metamorphic or the magmatic domain depending on the intensity of melting. It occurs in the central portion of the current Project area.
- Metamorphic rhyolite, pyroclastic in origin. It consists mainly of quartz phenocrysts inside glass. It is found as light-coloured lenses probably related to pyroclastic flows.
- Schists occurring as:
 - argillic schist, weathered with mottled texture and crosscut by quartz veins
 - two mica (+ staurolite and andalusite) micaceous schist consisting of biotite and muscovite. This occurs at the contact with two mica granite bodies in the central area of the property.

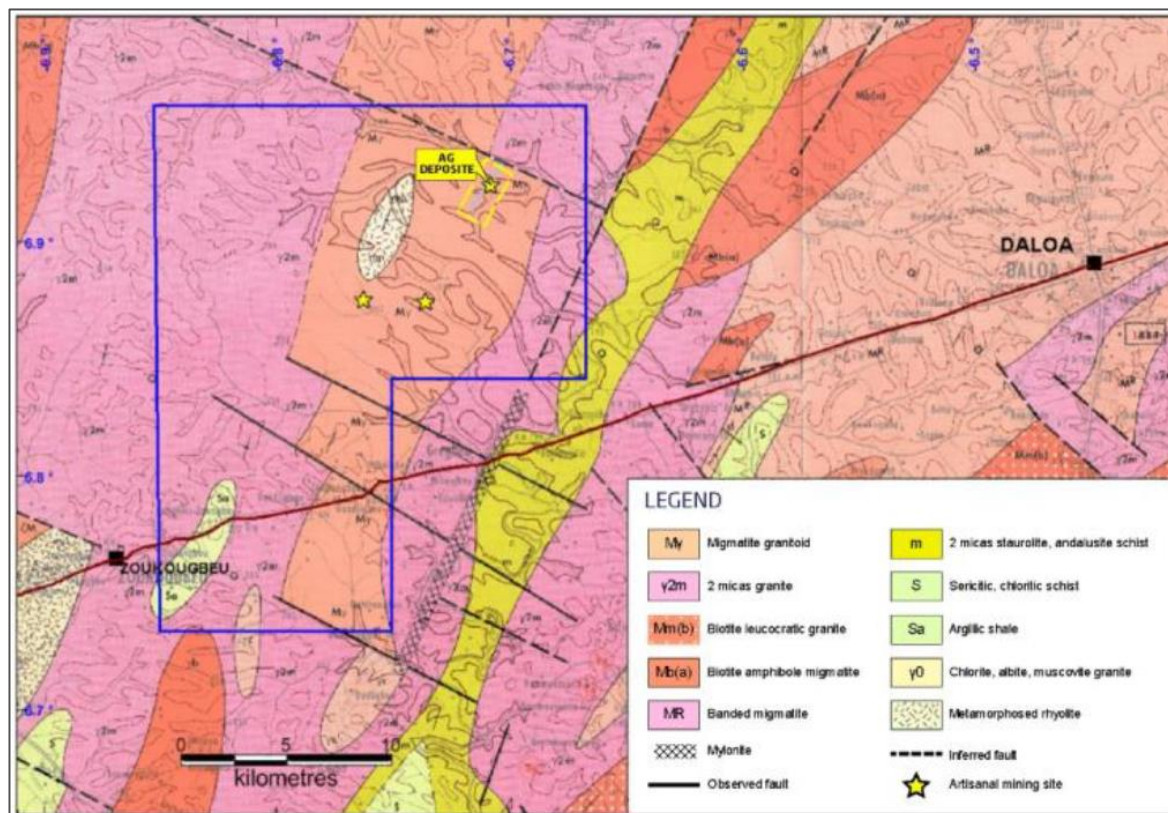
Artisanal pits and previous drilling campaigns have demonstrated that the mineralisation is largely hosted by the granodiorite as outlined below:

- Granodiorite is generally coarse-grained to medium-grained, depending on the intensity of deformation. Commonly consisting of quartz, biotite, amphibole, plagioclase, chlorite, epidote/calcite and pyrite, with occasional visible gold. The granodiorite has undergone regional metamorphism at greenschist facies, with a paragenetic assemblage comprising chlorite-quartz-biotite-epidote.
- Within deposits, the granodiorite can be subdivided into highly deformed and weakly deformed types:
 - The weakly deformed type hosts the majority of the known mineralisation which occurs as quartz-pyrite-gold bearing veins associated with an albite-silica alteration selvage, as well as locally disseminated pyrite and gold.
 - The highly deformed granodiorite (previously called 'mafic schist') unit has undergone an intense ductile deformation and is not associated with any mineralisation. It represents the hanging wall and footwall of the deposits.

The granodiorite is cross-cut by several intrusive dykes including an early strongly foliated fine-grained dolerite, and a folded white, feldspar-rich, thin (few centimetre) pegmatite.

A late-stage pink potassium-feldspar-rich pegmatite, with thickness ranging from tens of centimetres to tens of metres, cross-cuts all units including the mineralisation. Locally, the pegmatite contains xenoliths of granodiorite and/or quartz veins. Current drilling and modelling suggests the pegmatites can be traced between ore shoots and generally do not intersect mineralisation. However further infill drilling is required to confirm this thesis.

Figure 2.8: Local geology of the Abujar Project



Sources: MRE Report dated 31 March 2023, prepared by RPM Global

Mineralisation

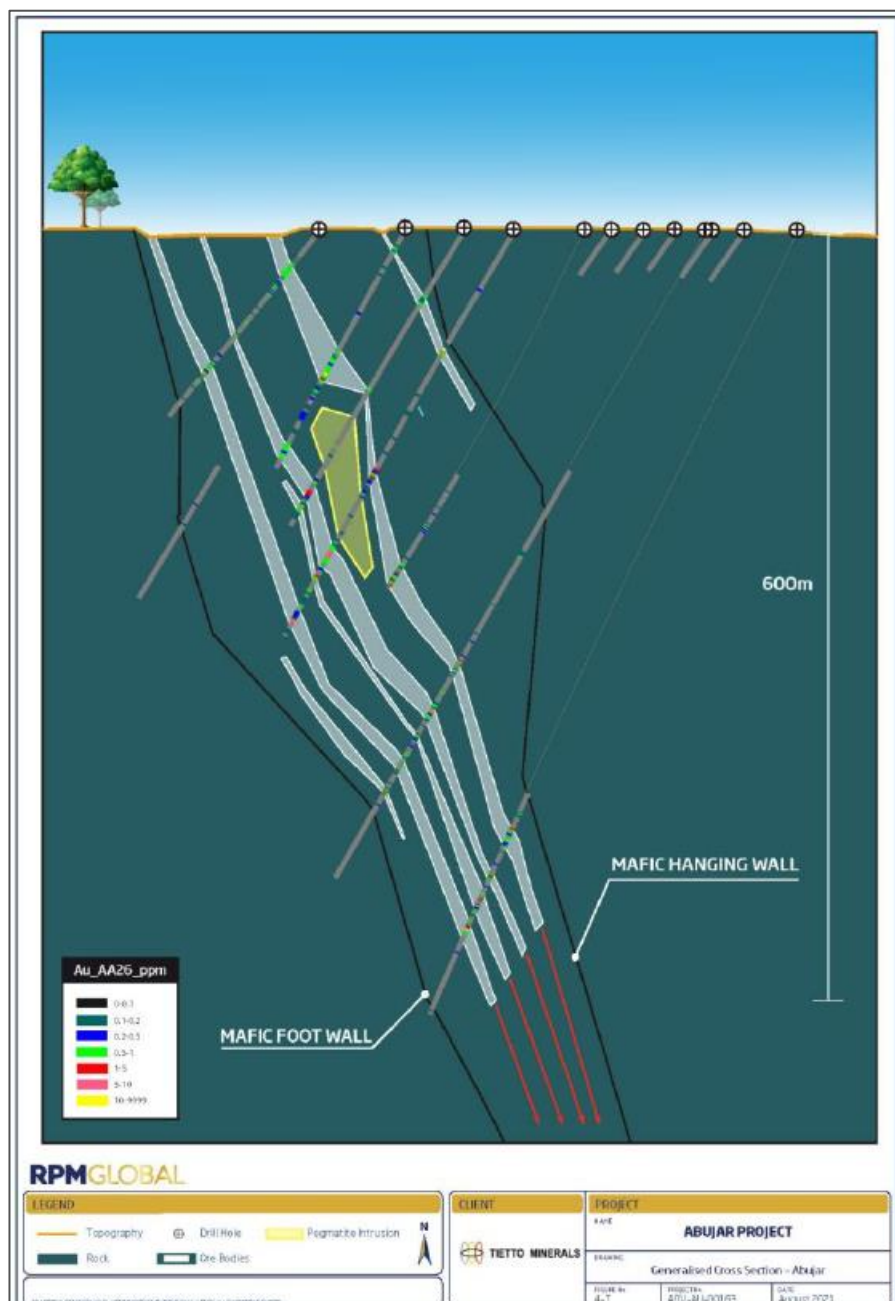
The known gold deposits at the Abujar Project resemble typical shear zone hosted deposits of the West African granite-greenstone terrane. The Abujar mineralisation is located within a regional-scale shear zone and appears spatially related to the emplacement of intrusive bodies interpreted to be of mesothermal origin.

The gold mineralisation occurs in quartz veins within a continuous shear zone, which can be traced for over 6 km at the AG deposit and for 5.5 km at the APG deposit. Analysis of previous drilling and geological modelling indicates that higher grade lodes occur within a shear hosted low-grade mineralised halo. These high-grade lodes are typically slightly oblique (approximately 10°) to the strike of the shear (035°). This orientation is interpreted to represent a typical Riedel ductile shear structure, which is structurally controlled at both local and regional scales. Sulfides (mainly pyrite and minor chalcopyrite) are associated with visible gold. Alteration is characterised by chlorite, sericite, calcite, secondary quartz and disseminated pyrite.

All lodes have similar orientations, dipping between 50° and 75° to the southeast and striking 035°. These lodes appear to coincide with strong linear geological structures, which are offset by several faults and have strike lengths from 200 m to up to 1.2 km. The lodes range in thickness from 2 m to up to 15 m (Figure 2.9), with the thicker zones generally occurring where the higher grades occur. The orientation and dip of the lodes appears to coincide with and parallel the highly deformed 'mafic' granitoid.

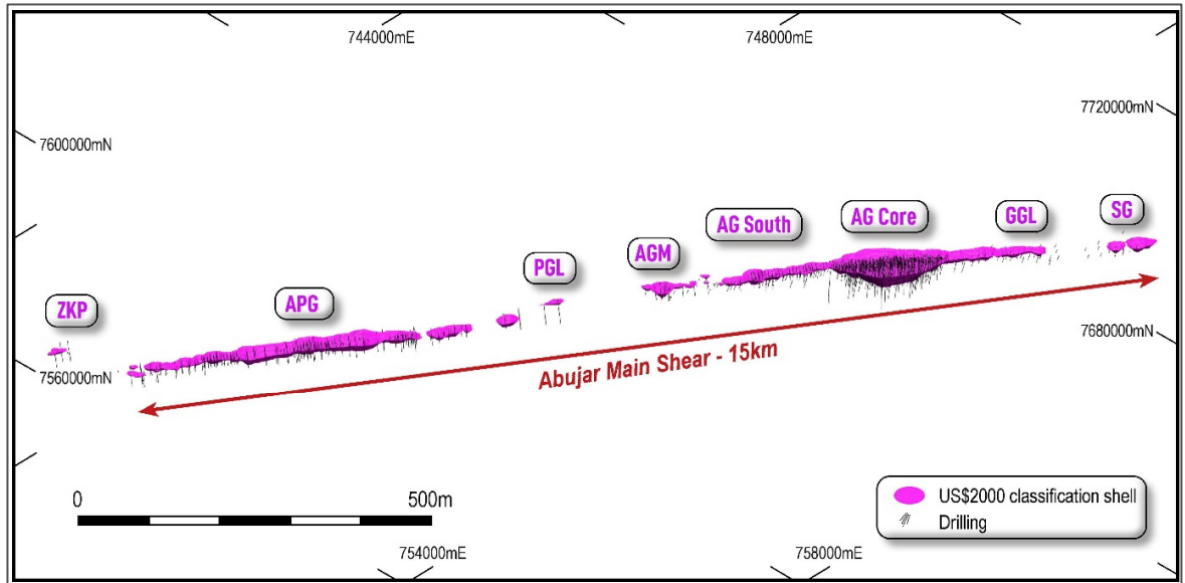
The currently identified gold deposits along strike of the Abujar main shear are shown in Figure 2.10. The shear zone and potential mineralisation remains open along strike and at depth. Further drilling is required to delineate the limits of the mineralisation both along strike and at depth.

Figure 2.9: Generalised cross section through the AG deposit



Source: MRE Report dated 31 March 2023, prepared by RPM Global

Figure 2.10: Currently identified deposits along strike of the Abujar main shear



Sources: ASX:TIE release dated 19 April 2023

2.2.4 Resource estimation

Data integrity

SRK has reviewed the drilling and sample recovery data along with supporting information. On the basis of this review, SRK is satisfied that appropriate procedures have been followed and that, overall, the drill hole orientation, orebody intersections, sample data, quality assurance and quality control (QAQC) method and outcomes and assay results are suitable for Mineral Resource estimation purposes. However, SRK makes the following observations, where improvements could be made:

- Core recoveries typically range between 85% and 100% for all holes, with the vast majority of mineralised samples achieving recoveries above 90%. Some holes demonstrating low recoveries are associated with intensely fractured or faulted intervals and are located in the intensely weathered near surface zones. These low recoveries are not considered material to the total Mineral Resource as reported publicly.
- Two certified reference materials (CRMs) have been used (G300-8 averaging ~1.08 g/t Au and G308-3 averaging ~2.5 g/t Au) for QAQC purposes. Both CRMs have certified grades well above the Mineral Resource cut-off grades (0.25 g/t Au and 0.30 g/t Au). As such, SRK recommends sourcing and using a lower grade CRM closer to the interpreted cut-off grades in addition to the other two CRMs.
- No detailed explanation was provided in the information supplied justifying the exclusion of any drill holes from the geological modelling and/or resource estimation.
- A reasonable amount of in situ bulk density data has been acquired. However, default densities have been applied in the block models based on average values for each horizon (oxide, transition and fresh). SRK notes that there are limited density data for the oxide and transitional horizons. The supplied MRE report states there are differences in the density between various

lithological units but, as there is no geological model for these units, the applied densities are not divided into this level of detail.

- No QAQC information is available for the 2015 drilling program. However, the total number of holes from this period is minor in comparison with the entire drilling dataset. Visual inspection shows no abnormalities or anomalies when compared with adjacent and more recent drilling.

Model and estimation

Wireframe solids were constructed based on sectional interpretations of drill hole geological and sample data using SURPAC version 2023 geological modelling software. The sectional resource outlines were generally extrapolated to a distance halfway between mineralised and unmineralised holes/sections with a maximum distance of 30 m allowed. However, in areas of >100 m depth with no infill drilling, the distance was increased if depth consistency was observed between the sections. Only the main lodes were extrapolated up to 50 m, with all of these areas being classified as Inferred resources. Due to the limited drilling near surface, the lodes were extrapolated to surface where mineralisation was observed in the artisanal pits.

The resultant mineralised wireframes were used as hard boundaries to constrain the grade interpolation within the deposit. All unsampled intervals were assumed to have no mineralisation and they were therefore set to zero grade, however these occurrences are minimal.

The most prevalent sample length inside the mineralised wireframes was 1 m (DD), and as a result, a 1 m composite length was chosen. The samples inside the mineralised wireframes were composited to 1 m lengths and checked visually in SURPAC software for spatial correlation with the wireframed mineralised domains.

SRK notes a potential concern with the mix of aircore (AC), DD and RC drilling data used in the model. Different drilling methods are generally sampled at different intervals: AC at 4 m, RC at 2 m and DD at 1 m samples divided by geology. However, all of the drill hole data have been composited to 1 m lengths in the model which may cause some localised estimation errors where clusters of 4 m AC and 2 m RC samples have been converted to 1 m composites. This is not discussed in the supplied MRE report, nor is there a table presented comparing the statistics of raw versus composite samples per domain. SRK recommends this be addressed in the next Mineral Resource update.

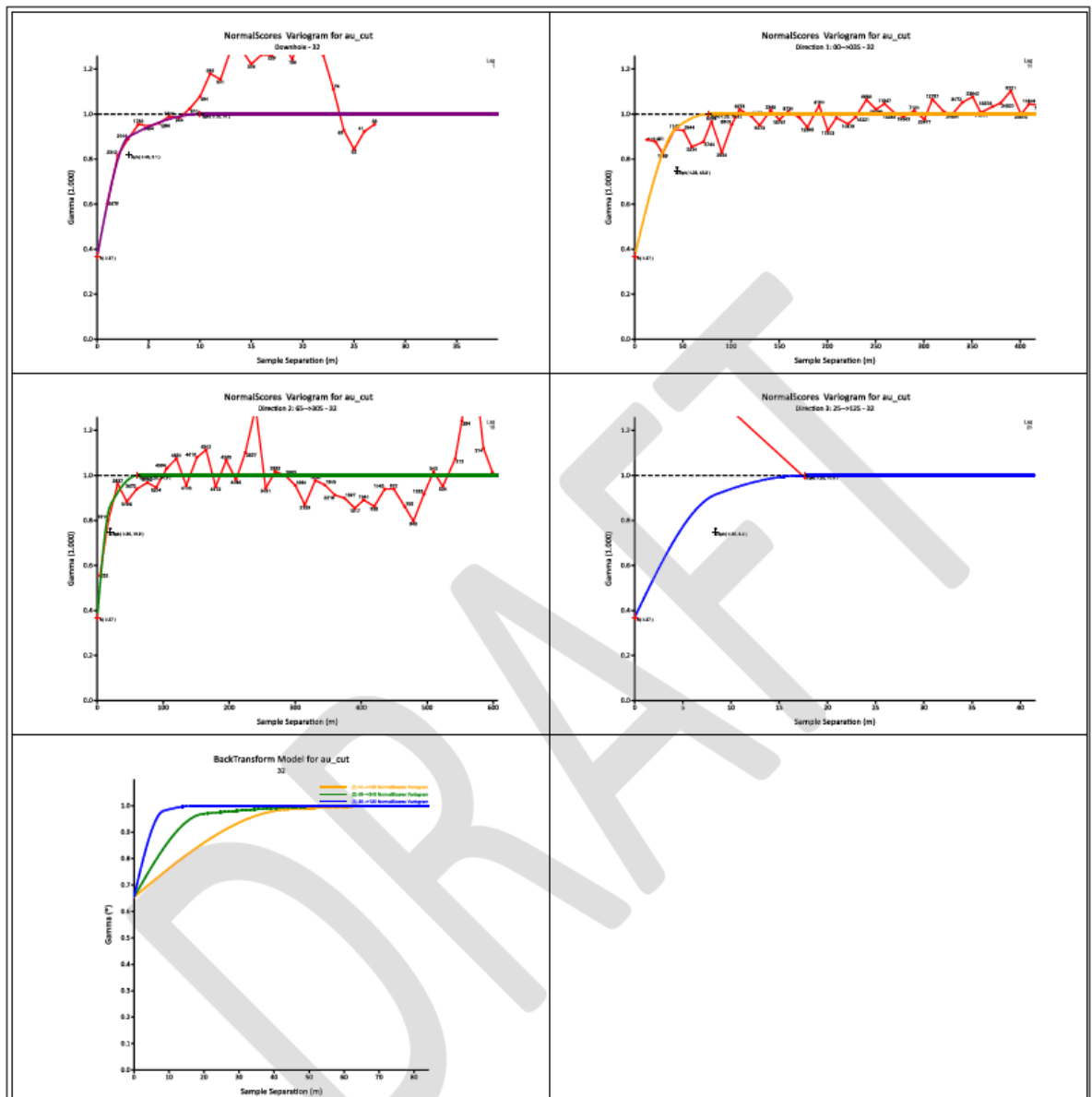
Top-cuts ranging from 20 g/t Au to 100 g/t Au were used in the AG area and a top-cut of 10 g/t Au was used in the APG area. A grade dependent search radius limited to 25–30 m was applied to all samples above 35 g/t Au.

No de-clustering was applied.

Variography analysis showed results typical of this style of mineralisation with reasonable continuity along strike and high nugget effect. The transition and fresh zones also show a high nugget effect in the variography which is typical of these types of shear zone hosted gold deposits found within the West African Craton, and particularly apparent within the higher-grade quartz veins. Figure 2.11 shows a typical example of the variography with the nugget effect representing approximately 65% of the total sill variance.

The mineralisation is ‘nuggety’ and variable, and estimation difficulties can be expected with local estimates. However, on a global scale, the estimates appear to be sound. Current infill drilling has highlighted the high nugget effect within the deposits, and such infill drilling should be conducted at a minimum of 25 m spacing, followed by further selected infill on 12.5 m in specific areas to test the local distributions.

Figure 2.11: Variograms – gold (domain 32, AG deposit)



Source: MRE Report dated 31 March 2023, prepared by RPM Global

A Kriging neighbourhood analysis (KNA) was conducted using Supervisor software to optimise the model block size, number of informing samples, search criteria and block discretisation. The model parent block size chosen was $X = 10$ m, $Y = 10$ m and $Z = 5$ m, which was considered appropriate for the drill spacing of approximately 50–25 m by 50–25 m. SRK considers this block size to be on the small side, particularly at the APG deposit, however, as infill drilling progresses this block size will become more appropriate.

Each mineralised wireframed object was used as a hard boundary for the interpolation of gold. Therefore, only composites inside each object were used to interpolate the blocks inside the same object. An Ordinary Kriging (OK) algorithm was selected for grade estimation.

Three to four passes were used for the estimation, including a final pass with a large search ellipsoid and a minimum sample of one to ensure that all blocks were estimated within the block model. Block model and search parameters are show in Figure 2.12, Figure 2.13 and Figure 2.14.

Figure 2.12: Block model parameters

Model Name	ag_ok_20220322.mdl			apg_ok_20210623.mdl		
	Y	X	Z	Y	X	Z
Minimum Coordinates	763,150	750,150	-500	755,600	744,800	-130
Maximum Coordinates	772,350	751,750	300	765,700	747,500	350
Block Size (Sub-blocks)	10 (2.5)	10 (1.25)	5(0.625)	10(2.5)	10 (1.25)	5(0.625)
Rotation	35			35		
Attributes:						
au_ppm	OK gold estimated using cut grades					
au_gr	OK gold estimated using cut grades (grade constraint) - Reportable					
au_id	ID gold estimated using cut grades					
au_nn	NN gold estimated using cut grades					
bd	Dry bulk density					
class	Med-Measured, ind-Indicated, inf-Inferred					
class_code	1=measured, 2=indicated, 3=inferred					
pod_au	object number					
mined	y=yes, n=no					
m_licence	"in" or "out"					
pass_au	OK estimation pass number for gold					
pass_gr	OK estimation pass number for gold					
pass_id	ID estimation pass number for gold					
pit	Reportable resource pit above, below.					
pit_2000	Reportable resource pit above, below. 2000USD					
pit_2100	Reportable resource pit above, below. 2100USD					
type	air, ox, tran, fr					

Source: MRE Report dated 31 March 2023, prepared by RPM Global

Figure 2.13: AG search ellipsoid parameters

Parameter	Estimation Pass Pass 1	Estimation Pass Pass 2	Estimation Pass Pass 3	Estimation Pass Pass 4
Search Type	Ellipsoid			
Bearing	35	35	35	35
Dip	-65	-65	-65	-65
Plunge	0	0	0	0
Major-Semi Major Ratio	1.2	1.2	1.2	1
Major-Minor Ratio	3	3	3	2
Search Radius	20-30	50	80	160
Minimum Samples	5	5	5	1
Maximum Samples	12	12	12	12
Max. Samples per Hole	4	4	4	4
Block Discretisation	3 X by 3 Y by 2 Z			

Sources: MRE Report dated 31 March 2023, prepared by RPM Global

Figure 2.14: APG search ellipsoid parameters

Parameter	Estimation Pass Pass 1	Estimation Pass Pass 2	Estimation Pass Pass 3
Search Type	Ellipsoid		
Bearing	35	35	35
Dip	65	65	65
Plunge	0	0	0
Major-Semi Major Ratio	1	1	1
Major-Minor Ratio	2	2	2
Search Radius	50	100	400
Minimum Samples	5	5	1
Maximum Samples	12	12	12
Max. Samples per Hole	4	4	4
Block Discretisation	3 X by 3 Y by 2 Z		

Sources: MRE Report dated 31 March 2023, prepared by RPM Global

Model validation was carried out using a comparison table based on domain estimates using raw data, OK data and Inverse Distance (ID) estimated data. Visual inspection of the model and swath plots were also used for validation of the block model. SRK is satisfied that the validation techniques are appropriate.

SRK notes that the models consist of grade shells (derived from sectional interpretations) and weathering horizons. There are no lithological or structural geology 3D models although these apparently have a level of control over the mineralisation. SRK strongly recommends that lithological and structural models be considered for the next resource update in order to improve the overall robustness of the resource model and to assist with targeting future exploration.

For the AG and APG deposits, a drill spacing of 25 m × 25 m is suitable for the Measured Mineral Resource classification in the central area of AG, and 50 m × 50 m spacing is suitable for the Indicated Mineral Resource classification in the central and north of AG and local areas in APG.

SRK notes that there is no detailed explanation relating to the parameters used for Mineral Resource classification, apart from indications of rough drill hole spacings which will require refinement as infill drilling progresses. Typically, resource classification is made more robust by also considering factors such as the kriging efficiency (KE) and kriging slope of regression (SoR) as well as the development of a classification matrix to help determine overall classification outcomes. SRK recommends these techniques be considered in future.

Mineral Resources

The deposits comprising the Mineral Resource estimates are all located within the Abujar Project which is situated approximately 30 km west of the town of Daloa in Côte d'Ivoire. The following deposits are reported, and their orientations are shown in Figure 2.15.

- AG deposit – located within the northern portion of the Zoukougbeu licence, this deposit consists of multiple vein structures defined up to 700 m in depth with a strike length of 6.5 km.
- APG deposit – located to the south of the AG deposit within the central portion of the Zoukougbeu licence, this deposit consists of multiple vein structures defined up to 350 m in depth with a strike length of 5.5 km.
- South Gamina (SG) – located to the north of the AG deposit within the northern portion of the Zoukougbeu licence, this deposit consists of multiple vein structures defined up to 200 m in depth with a strike length of 2 km.
- APG extensional deposits (comprising PGL west and ZKP deposits) – located to the northwest and south of APG, these two satellite deposits consist of multiple vein structures defined up to 350 m in depth with a strike length of 2.8 km and 1.6 km respectively.

The current MRE, compiled by RPM Global for the Abujar Project as at 31 March 2023 was released to the ASX on 19 April 2023 under the title *Tietto increases Abujar resource more than 10% to 3.83 Moz; infill drilling confirms resource continuity* (Table 2.2). The Competent Person taking responsibility for the estimate is Mr Jeremy Clark. Mr Clark is an associate of RPM Global, an independent consultant to Tietto.

Table 2.2: Statement of Mineral Resources as at 31 March 2023

Area	Class	Oxide			Transition			Fresh			Total		
		Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)
AG	Measured	0.03	0.9	0.001	0.5	0.9	0.02	11.8	1.2	0.47	12.3	1.2	0.49
	Indicated	0.2	1.0	0.01	1.7	1.0	0.05	27.1	1.3	1.15	29.0	1.3	1.20
	Inferred	0.1	1.0	0.002	0.8	0.9	0.02	14.7	1.5	0.70	15.6	1.5	0.73
	Total	0.3	1.0	0.01	3.0	0.9	0.09	53.6	1.3	2.32	56.9	1.3	2.42
APG	Indicated	0.5	0.7	0.01	1.9	0.7	0.04	7.2	0.8	0.19	9.5	0.8	0.25
	Inferred	1.0	0.7	0.02	4.0	0.7	0.08	25.8	0.7	0.58	30.8	0.7	0.68
	Total	1.5	0.7	0.03	5.9	0.7	0.13	33.0	0.7	0.77	40.4	0.7	0.93
SG	Inferred	0.1	0.5	0.002	0.6	0.8	0.01	4.8	0.8	0.12	5.5	0.8	0.14
APG_ex	Inferred	0.1	0.5	0.002	2.8	0.5	0.05	18.2	0.5	0.29	21.2	0.5	0.34
Grand Total		2.0	0.7	0.047	12.3	0.7	0.3	109.6	1.0	3.5	124.0	1.0	3.83

Source: TIE ASX release dated 19 April 2023

Notes: Mineral Resources are reported inclusive of those Mineral Resources modified to produce the Ore Reserves.

Reported at 0.25 g/t Au cut off within RPEEE pit shells, and 1.1 g/t Au cut off below the pit shells for AG

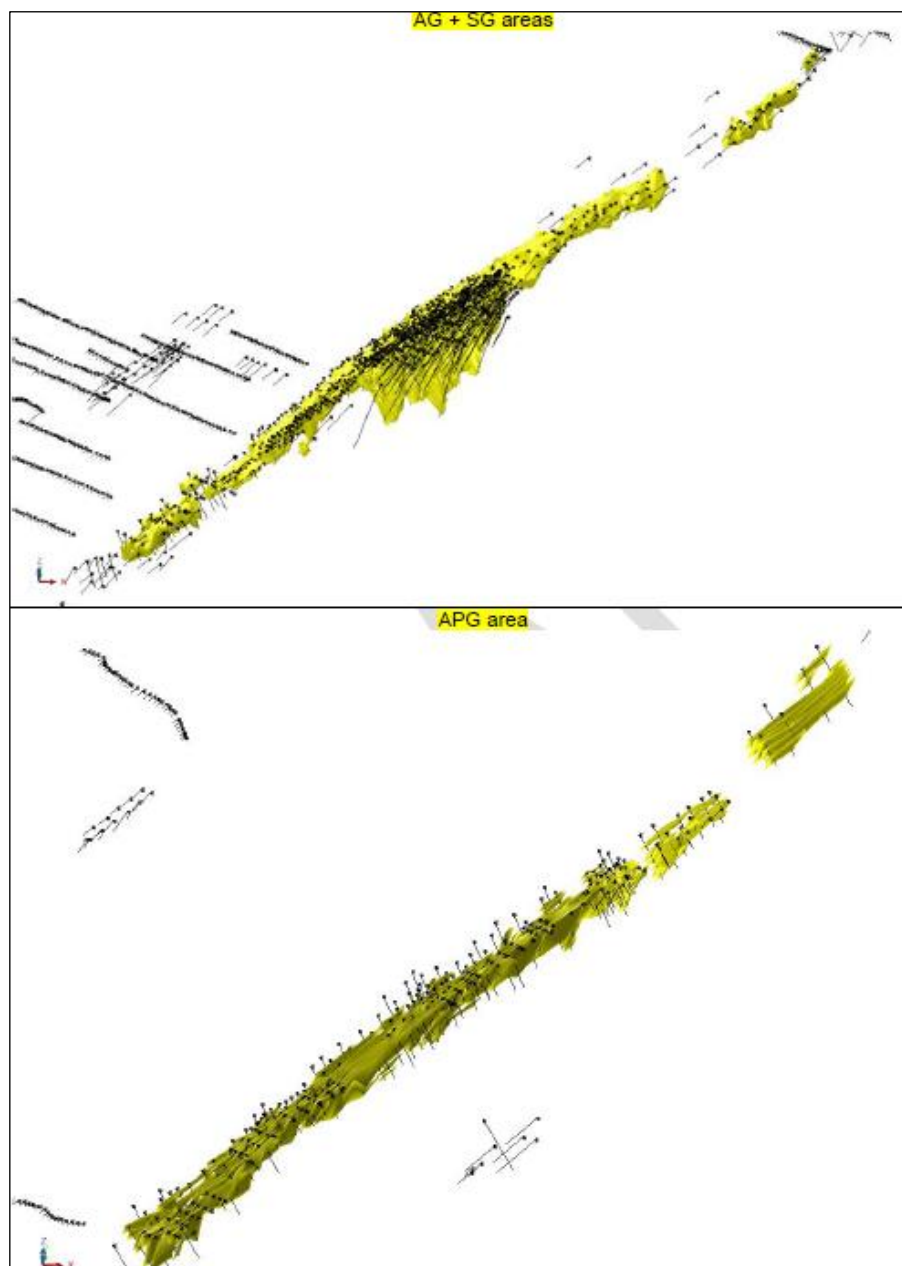
Reported at 0.30 g/t Au cut off within RPEEE pit shells, and 1.1 g/t Au cut off below the pit shells for APG

Reported at 0.25 g/t Au cut off to a depth of 120 m for SG and APG_ex deposits

SRK notes that RPEEE pit shells were generated using a US\$2,000/oz gold price, but the cut-off grades used to report the Mineral Resources were calculated using a US\$1,800/oz gold price. These components should be aligned.

SRK further notes that there are Measured Mineral Resources reported within the oxide zone. From experience elsewhere, mineralisation is highly variable in the oxidised zone, and it can never be estimated with any real confidence. Additionally, there are limited density data from the oxide zone and consequently there is significant uncertainty around the tonnage and metal within the oxide zone. SRK recommends discounting Measured Mineral Resources within the oxide zone to Indicated Mineral Resource status at best – this has been applied in Table 2.3.

Figure 2.15: Graphical representation of mineralised domains, looking northwest



Source: MRE Report dated 31 March 2023, prepared by RPM Global

SRK notes that the Mineral Resource table shown in Table 2.2 does not divide the Mineral Resources by each of the reported cut-off grades (namely 0.25 g/t Au or 0.30 g/t Au in the case of RPEEE shells, and 1.1 g/t Au below the shells). Rather, the data shown in Table 2.2 for AG, APG and SG are the sum of estimates for material located both within, and below, the RPEEE shells. In SRK's opinion, this does not meet the guideline requirements for the reporting of Mineral Resources under the JORC Code (2012).

SRK has recalculated the Mineral Resources (Table 2.3) from the block models supplied to ascertain cut-off grade splits and to separate material within the RPEEE pit shells from that below the pit shells. The material located below the RPEEE pit shells with a cut-off grade of 1.1 g/t Au showed average grades above a cut-off grade of less than 2.0 g/t Au and were therefore considered not to demonstrate RPEEE when considering underground mining methods.

As a result, the Mineral Resources reported in Table 2.2, which occur below the RPEEE pit shells have been excluded from Table 2.3, and the Mineral Resources shown in Table 2.3 have been recalculated to show only those Mineral Resources located within the RPEEE pit shells.

The overall result of these changes is that the total Mineral Resource tonnage estimate has decreased by 23 Mt from 124 Mt to 101 Mt, the average grade has decreased from 1.0 g/t Au to 0.88 g/t Au, and the total contained gold has decreased by 0.96 Moz from 3.83 Moz to 2.87 Moz.

SRK proposes that Table 2.3 is a reasonable estimate of Mineral Resources with RPEEE, as at 31 March 2023, and is suitable to support the Ore Reserve estimate and LOM plan, as well as being suitable for valuation purposes.

Table 2.3: SRK recalculated Mineral Resources occurring within RPEEE pit shells only

Area	Class	Oxide			Transition			Fresh			Total		
		Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)
AG ¹	Meas	-	-	-	0.8	0.99	0.02	12.0	1.23	0.48	12.8	1.22	0.50
	Indicated	0.49	0.92	0.02	1.7	1.05	0.06	20.4	1.41	0.92	22.6	1.37	1.00
	Inferred	0.08	0.86	0.002	0.7	1.05	0.02	3.4	1.06	0.12	4.2	1.05	0.14
	Total	0.57	0.91	0.02	3.2	1.03	0.10	35.8	1.36	1.52	39.6	1.33	1.64
APG ²	Indicated	0.48	0.73	0.01	1.8	0.74	0.04	7.0	0.78	0.18	9.3	0.77	0.23
	Inferred	1.1	0.66	0.02	4.0	0.65	0.08	24.4	0.63	0.50	29.5	0.63	0.60
	Total	1.6	0.68	0.03	5.8	0.68	0.12	31.4	0.66	0.68	38.8	0.67	0.83
SG ³	Inferred	0.06	0.59	0.001	0.4	0.93	0.01	1.3	1.35	0.05	1.8	1.23	0.06
APG_ex ³	Inferred	0.1	0.5	0.002	2.8	0.5	0.05	18.2	0.5	0.29	21.2	0.5	0.34
Total		2.3	0.72	0.05	12.2	0.73	0.28	87	0.91	2.54	101	0.88	2.87

Sources: SRK calculation

Notes: Mineral Resources are reported inclusive of those Mineral Resources modified to produce the Ore Reserves. Meas – Measured.

¹ Reported at 0.25 g/t Au cut-off within RPEEE pit shell for AG

² Reported at 0.30 g/t Au cut-off within RPEEE pit shell for APG

³ Reported at 0.25 g/t Au cut-off within RPEEE pit shell for SG and APG_ex deposits.

Risks and opportunities

Risks

- **Grade variability** – while geological continuity of the shear zone and presence of mineralised veins is well established, grade variability is high and further work is required to confirm grade continuity. While SRK considers the global metal content to be suitable for valuation purposes, significant variation at a local scale should be expected. Infill drilling has highlighted the high nugget within the deposits, and such infill drilling should be conducted at a minimum of 25 m

spacing, followed by a selected infill at 12.5 m spacing in specific areas to test the local distributions.

- **QAQC** – while all QAQC data are within acceptable limits, some evidence of calibration issues and the coarse nugget repeatability were observed in the samples. While SRK does not consider this to be material to the global resource, this should be closely monitored in future work.
- **Inferred resources** – Inferred resources within the mine plan need to be upgraded as soon as possible.
- **Pegmatite** – drilling to date has identified a localised pegmatite intrusion close to the mineralisation. Further drilling is required to identify possible impacts on the mineralised lodes and this should be reviewed as new drilling information becomes available.
- **Artisanal mining** – not all artisanal workings have been identified and mapped within the Project area and some extents are not clear.

Opportunities

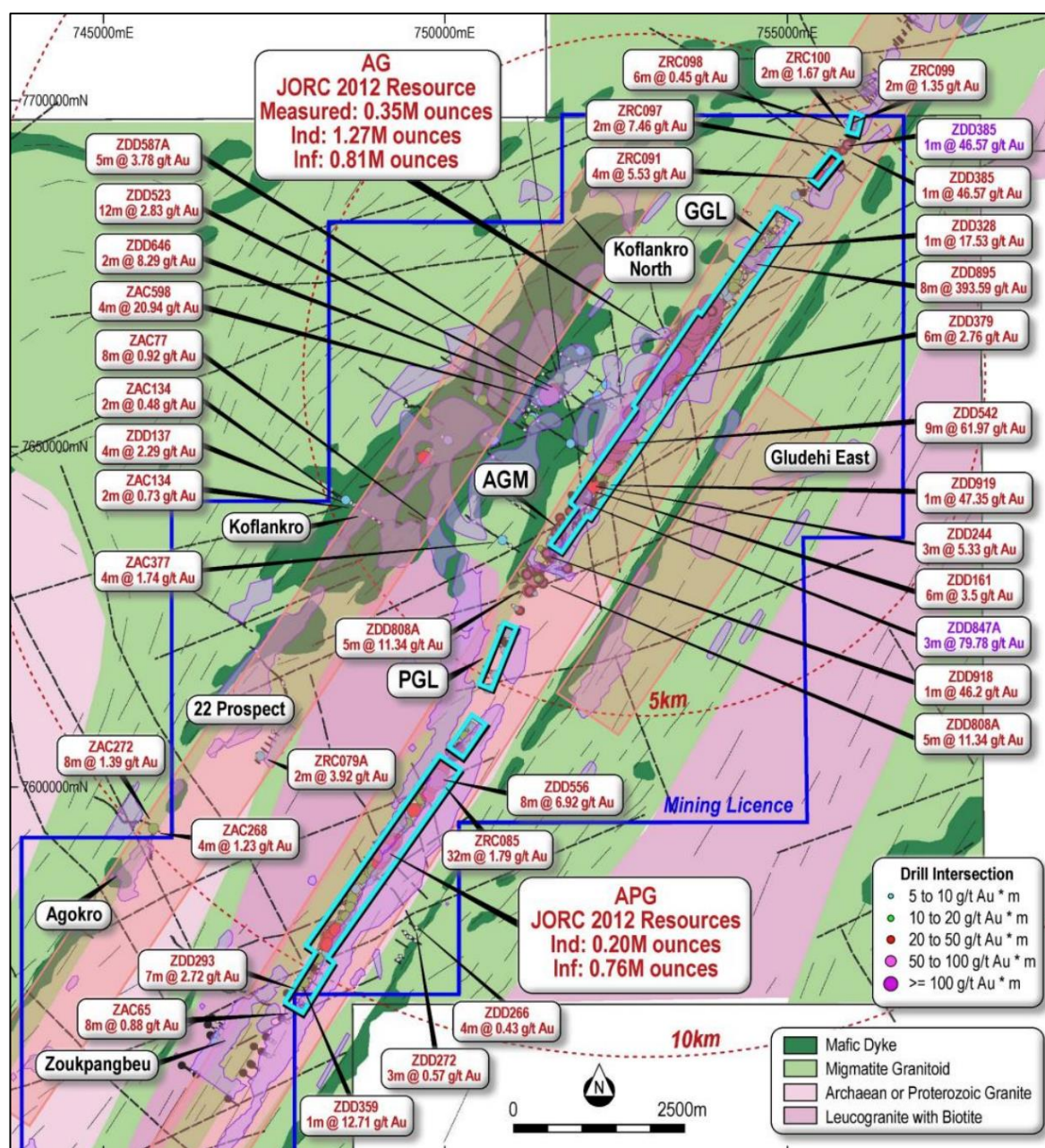
- Growth opportunities related to the current residual resources outside of the LOM plan are dependent to a large extent on additional exploration linking continuity along strike to support additional operations. A rising gold price may also provide expansion opportunities by extending the current RPEEE and LOM pit shells and facilitating an increase in Ore Reserves.
- There is also significant opportunity to identify additional parallel mineralised shear zones within the Abujar Project tenements. These tenements are largely unexplored away from the known deposit areas and the strike of the main shear zone.

Prospectivity

Figure 2.16 shows multiple high-grade gold intersections and possible targets both along strike of the main shear zone and in potential parallel shear structures along a 20 km strike length within the granted Mining Licence. Exploration outside of the main shear zone is still at an early stage.

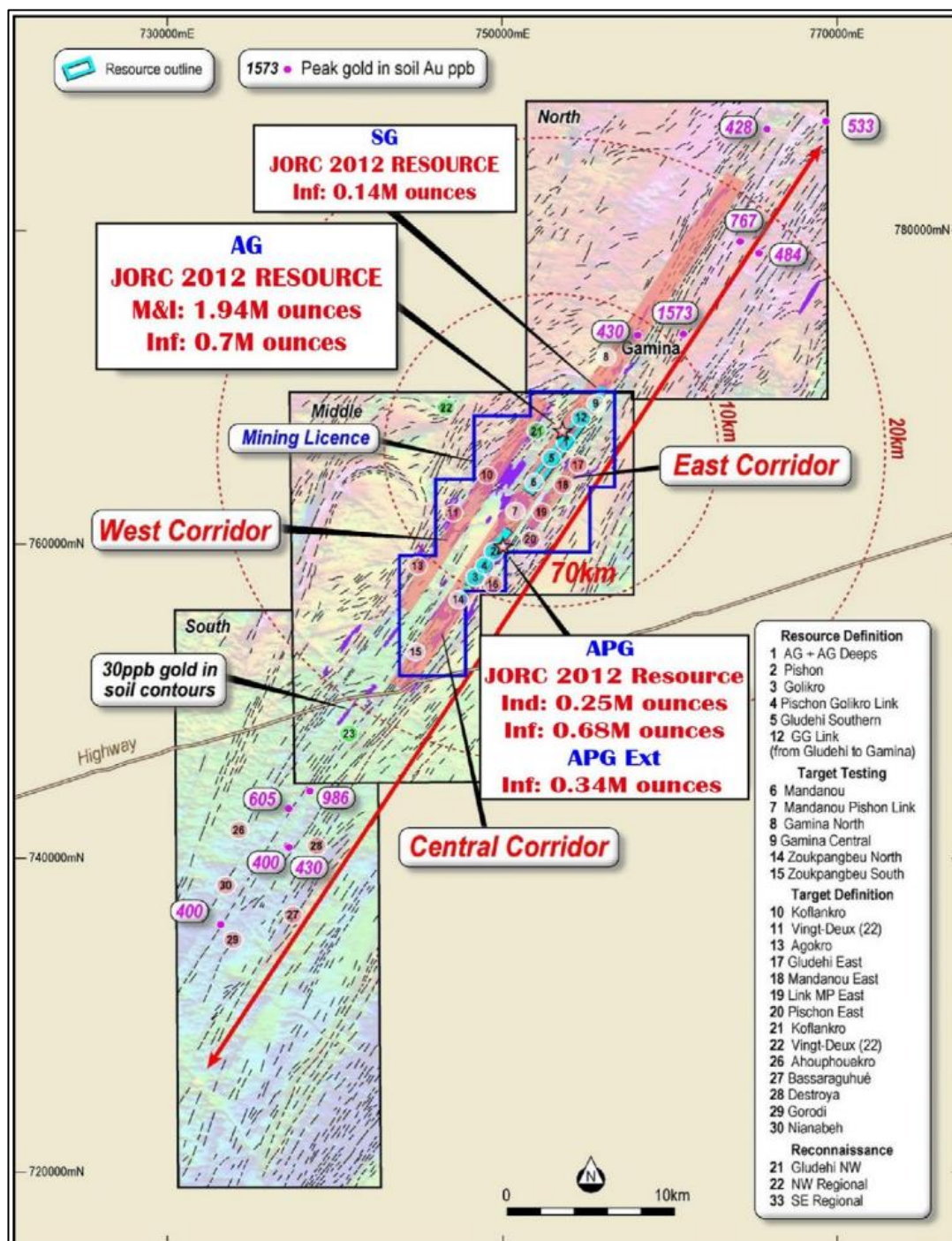
Figure 2.17 shows an extended view covering the three exploration tenements making up the Abujar Project and summarises the extent of current exploration and targeting activities.

Figure 2.16: Multiple early-stage gold targets identified in addition to reported Mineral Resources



Source: Tietto Mining Indaba 2023 Investor Presentation, dated 7 February 2023

Figure 2.17: Additional gold targets on the Abujar tenements



From: ASX:TIE release dated 8 September 2023, Africa Down Under 2023 Presentation

2.3 Mining and Ore Reserves

2.3.1 Introduction

Tietto commissioned RPM to complete an update to the Abujar mining LOM plan, dated 1 November 2023 (2023 LOM) and prepare an Ore Reserve Statement. The 2023 LOM plan used the Abujar MRE, dated 1 March 2023.

RPM had previously completed the DFS on the Project in September 2021 (2021 DFS) and updated the LOM plan in September 2022 (2022 LOM). The current 2023 LOM plan builds on the previous studies, as well as current, although with limited operational history. RPM reported that the latest study is based on actual operating data and some DFS guidance, and in RPM's opinion, the level of engineering and costing accuracy is $\pm 15\%$.

RPM undertook two scenarios:

- An Ore Reserves scenario, which is based primarily on the Measured and Indicated Mineral Resource categories.
- A LOM scenario, based on the Measured, Indicated and Inferred Mineral Resource categories, to assess the full strategic potential of the Project and implications for site development and layout.

For the purposes of the valuation, SRK reviewed the recent performance of the operation and prepared a revised assessment of the LOM Tietto production and costs, assuming conversion of 60% of Inferred Mineral Resources to at least Indicated Mineral Resource category.

There are two principal open pits assessed by the previous studies – AG and APG. AG is currently being mined while mining at APG is planned to commence in January 2026.

SRK did not undertake a site visit as part of the mining and Ore Reserve review. SRK has relied on data provided by Tietto management and subsequent discussions over the course of its review. SRK does not consider it has been unduly constrained by the process that has been adopted.

Due to time constraints, SRK did not undertake a full interrogation of the Ore Reserve model, nor undertake a re-estimation of the Ore Reserves, but completed various validation checks and held follow-up discussions with Tietto representatives.

2.3.2 Methods and design

The Project is operating as a conventional open pit, using conventional drill, blast, load and haul open pit mining methodology, typical of this type of operation.

Open pit mining is being undertaken by contract miners, EPSA, who performs the drilling, loading, hauling and ROM crusher feed, as well as other ancillary services as required. Explosive services and supply are provided by EPC. Grade control drilling is provided by IDC.

There may be potential for the deposits to be further exploited, extending the LOM via underground mining methods, but this has not been considered as part of this review due to its largely conceptual nature at present.

Mining method

The shallow depth and geometry of the AG deposit make open pit mining methods both practical and economic. The requirement for selective ore mining, along with the cutback strategy to maintain a constant ore and grade profile, supports using a conventional excavator and truck approach.

Mining uses hydraulic excavators, and standard off-highway rear-dump trucks. Ore and waste material is drilled and blasted on 5 m bench heights and excavated on 2.5 m flitches. With appropriate grade control and ore management practices, the selected flitch height assists in minimising ore loss and waste material dilution. Pre-split drilling and wall control is completed on 10 m benches in fresh rock.

The 2021 DFS provided guidance on the likely fleet composition and the number of units required over the mine life, though EPSA, the mining contractor has mobilised and commenced operations.

Geotechnical design parameters

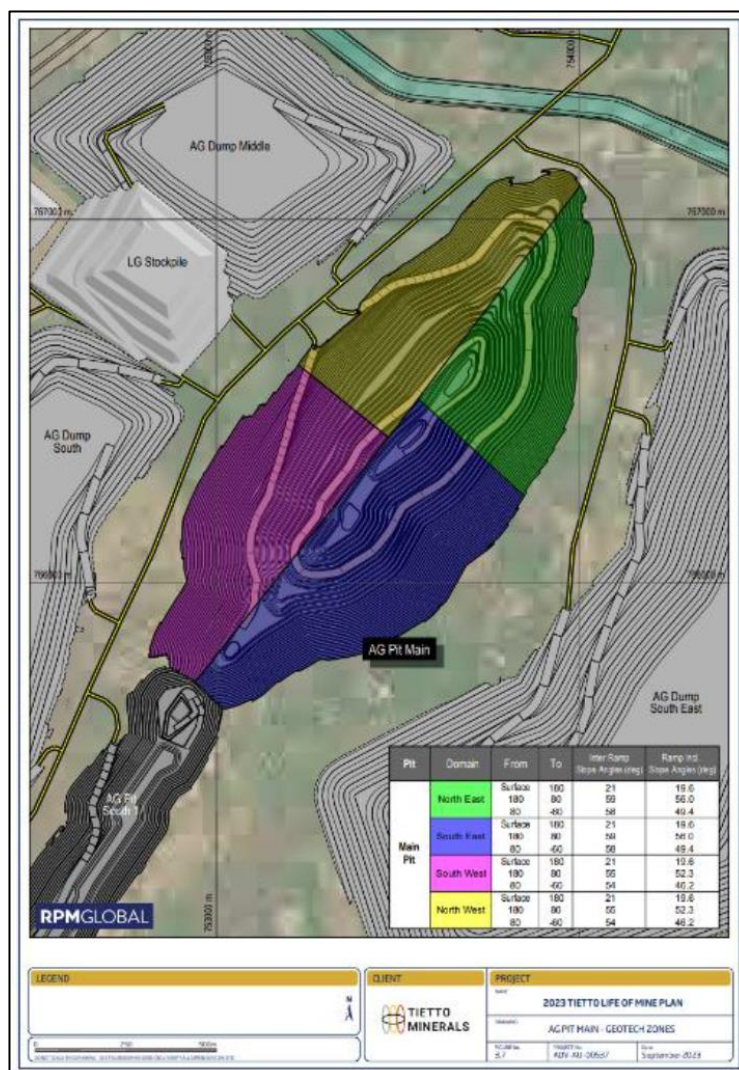
A geotechnical review of the Project was completed by Dempers & Seymour Pty Ltd (D&S) as part of the 2021 DFS. This study was primarily focused on the AG Main and South pits, and was used by RPM to model open pit slopes for the open pit optimisation and subsequent detailed open pit design. D&S has continued to update the parameters as further drilling is completed.

The geotechnical analysis suggested several domains, each representing a sector of the proposed main AG and AG South pit. These sectors and their corresponding inter-ramp slope angles (IRSA) were used in the mine design. The locations of these sectors are shown in Figure 2.18.

D&S considered the various sectors of the proposed open pits (north, east, south and west), and competency of the rock associated with oxide, transition and fresh, to determine the different bench height, berm width, batter angle, IRSA and ramp including slope angle.

The geotechnical assumptions for the remaining AG areas and APG open pit are that they have similar geotechnical characteristics as AG South.

Figure 2.18: Geotechnical domains and inter-ramp slope angles



Source: RPM Report - ADV-AU-00537

From previous design work, RPM estimated the locations and number of ramps in the open pit walls and determined an indicative ramp inclusive slope angles (RISA) for each of the sectors. RPM completed open pit optimisation using these RISA slopes.

The parameters in the 2023 LOM plan were updated to allow for a saturated zone in the upper benches based on water encountered in some of the open pits. The fully saturated slope parameters were used to be conservative, and if dry areas are encountered during operations the slopes can be steepened by using semi-saturated, or dry slope parameters.

Mine design

The 2021 DFS considered both the strategic LOM strategy (LOM scenario) as well as the reporting of Ore Reserves. On this basis, two mine planning scenarios were considered.

Detailed ultimate open pit designs were completed for AG (open pit 29) and APG (open pit 26), including staged cutbacks.

The Ore Reserve scenario comprises the following open pits:

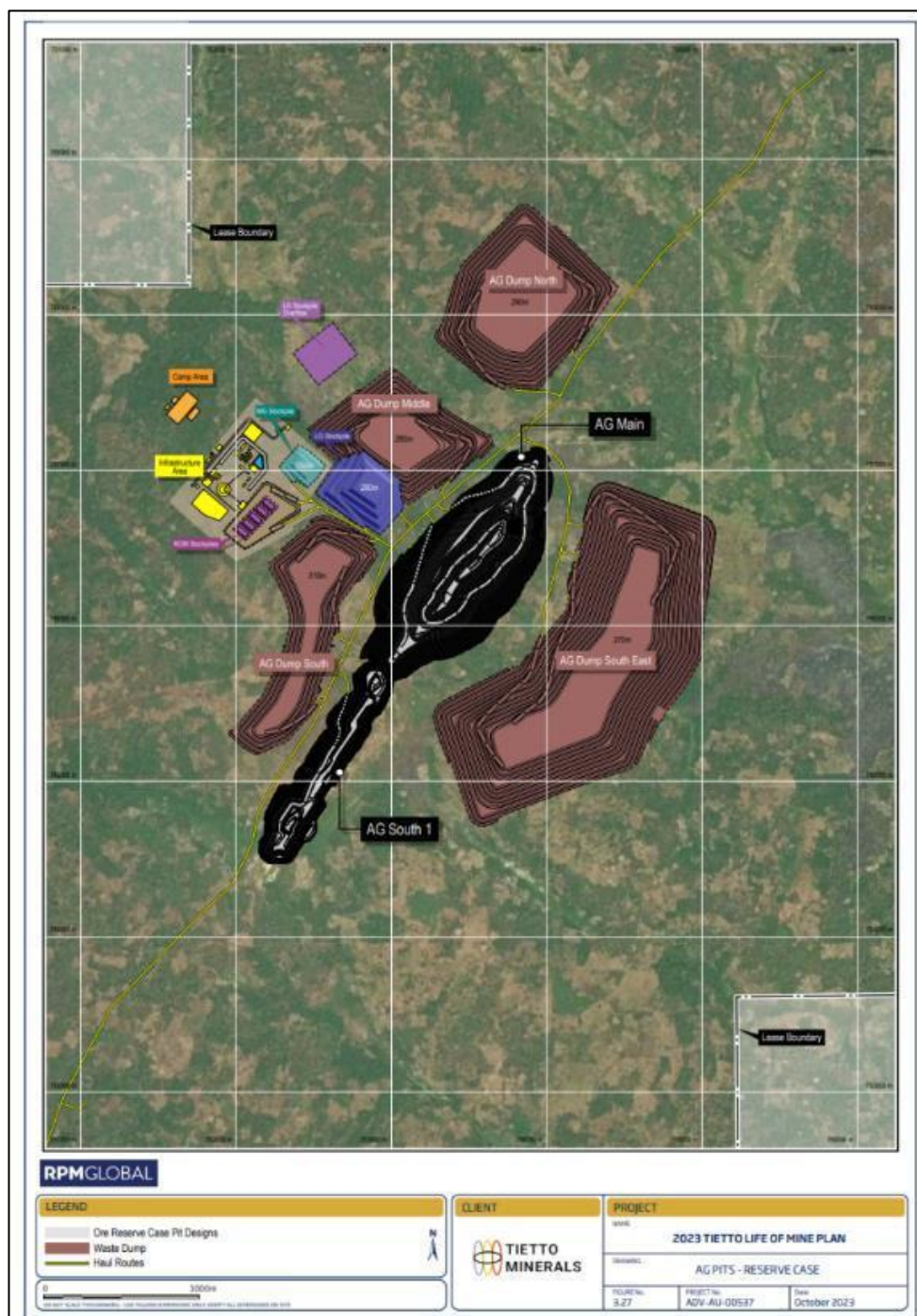
- AG Main open pit
 - Cutback 1, Cutback 2, Cutback 3
- AG North open pit 1
- AG South open pit 1
- AG South open pit 2
- APG North 1
- APG North 2
- APG North 3
- APG South 1
- APG South 2
- APG South 3.

An economic analysis was undertaken on each of the open pit designs to determine their net value. Only the open pits with a positive net value were then selected for input to the Ore Reserve scenario.

The final designs for the LOM scenario indicate AG comprises 7 cutbacks in five open pits, and APG has 11 cutbacks in eight open pits (i.e. when combined – 18 cutbacks in thirteen open pits).

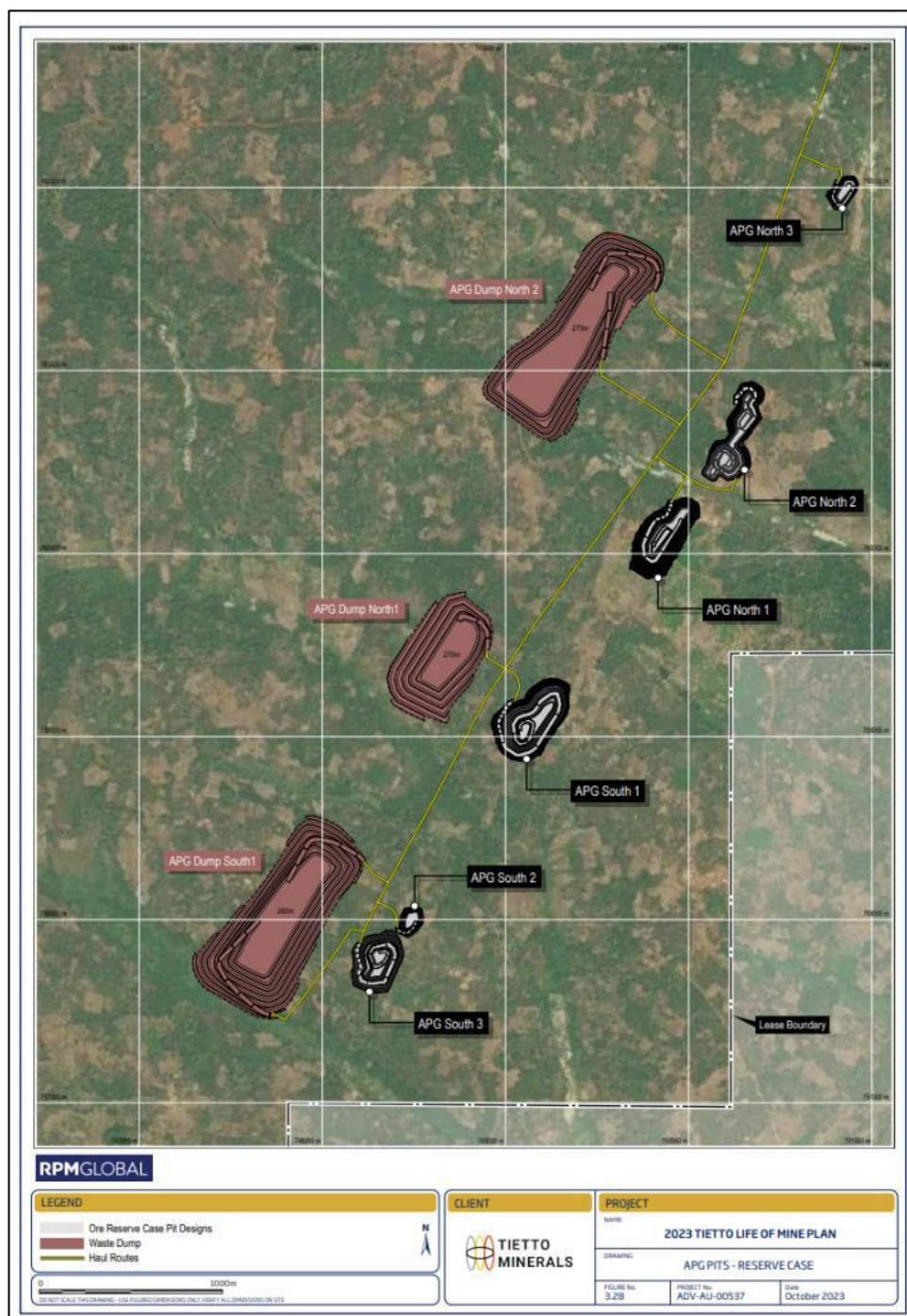
The detailed ultimate open pit designs for both the LOM scenario and the Ore Reserve scenario are illustrated for AG and APG in Figure 2.19, Figure 2.20, Figure 2.21 and Figure 2.22.

Figure 2.19: AG open pits – Ore Reserve scenario



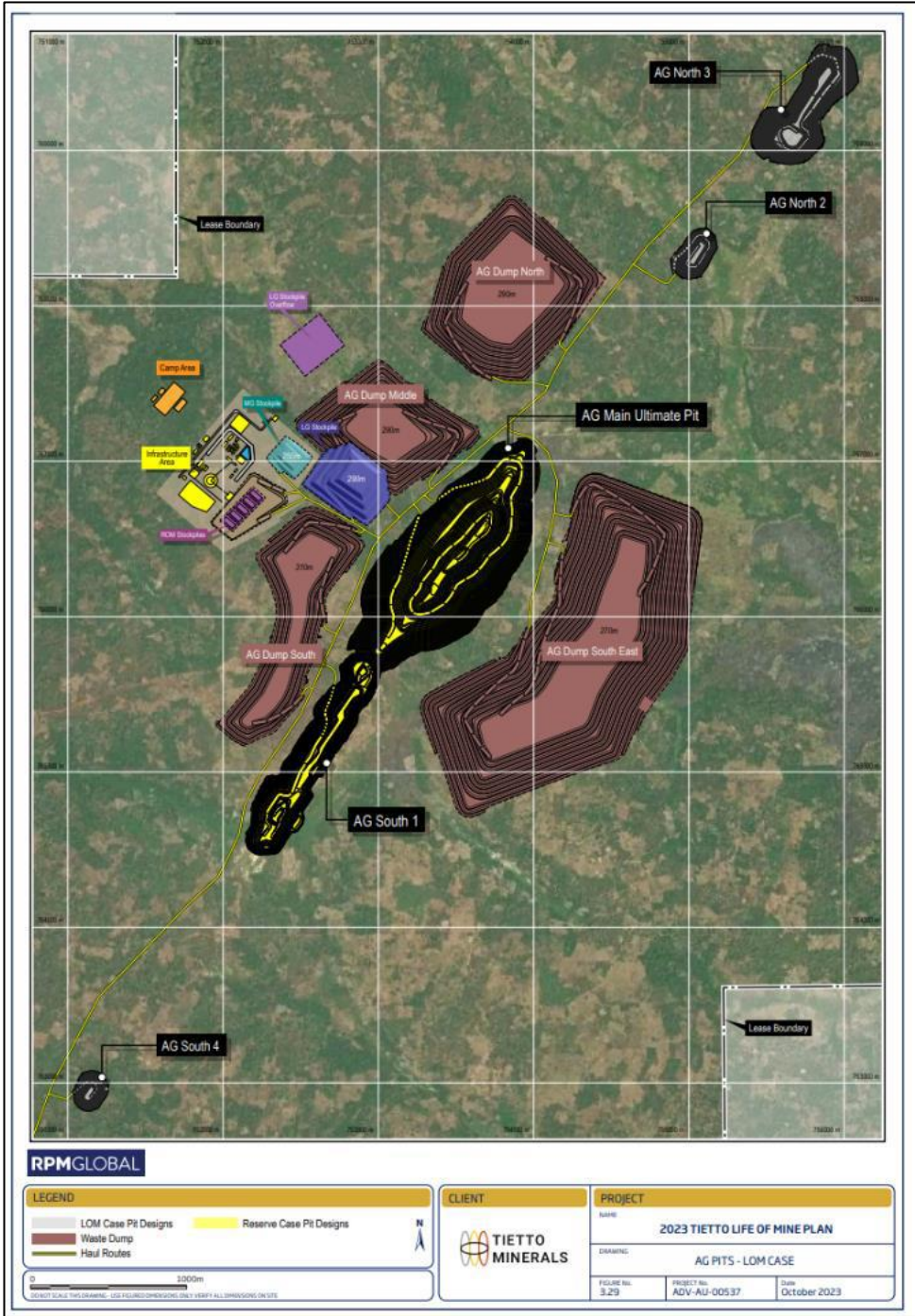
Source: RPM Report - ADV-AU-00537

Figure 2.20: APG open pits – Ore Reserve scenario



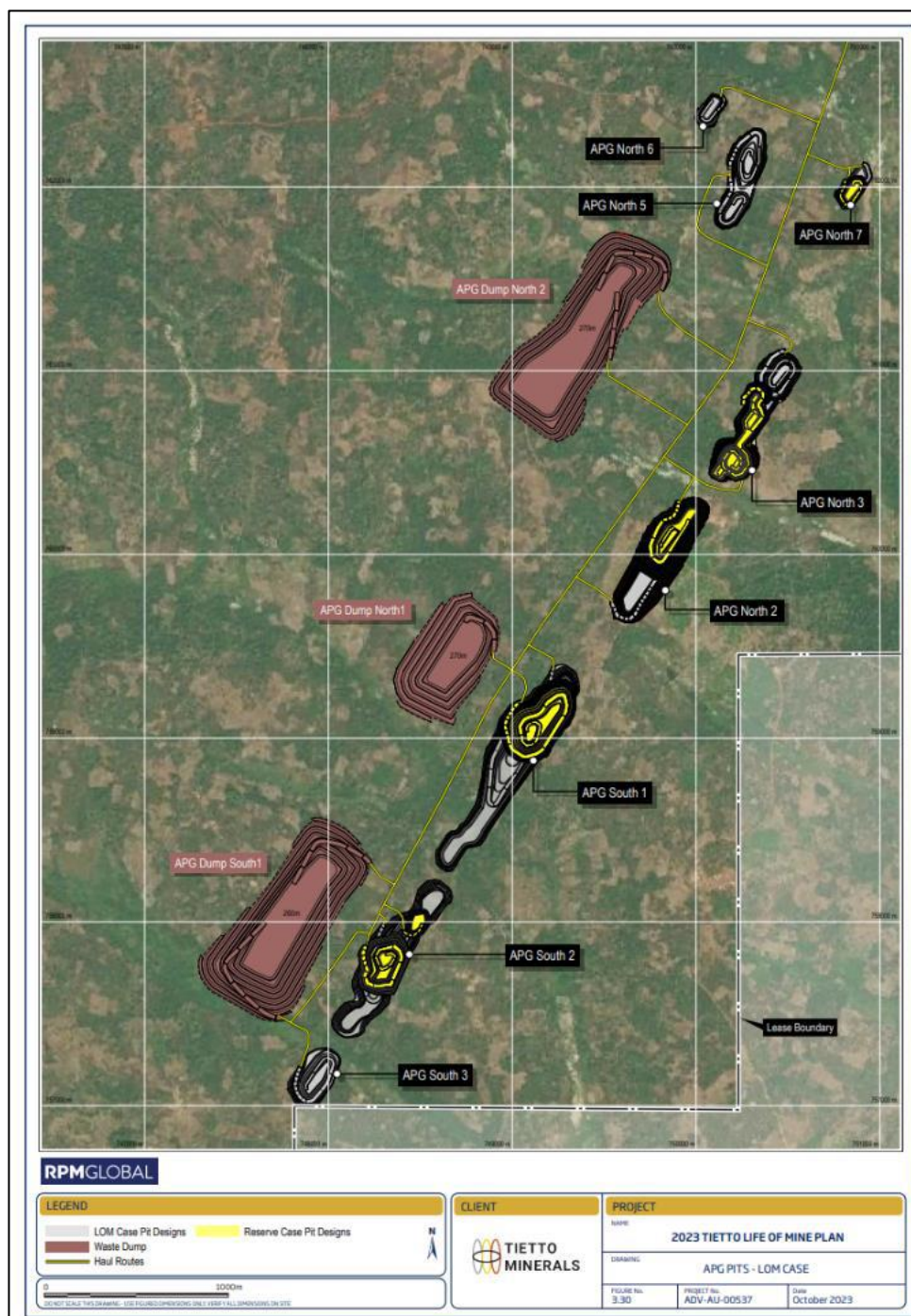
Source: RPM Report - ADV-AU-00537

Figure 2.21: AG open pits – LOM scenario



Source: RPM Report - ADV-AU-00537

Figure 2.22: APG open pits – LOM scenario



Source: RPM Report - ADV-AU-00537

Mining losses

An ore loss and dilution study was completed by RPM as part of the 2023 LOM, to determine the expected loss and dilution as well as the smallest mining unit (SMU) given the expected level of mining selectivity. The SMU size was selected based on the structure of the mineralisation, proposed mining method and grade control practises, excavator size and mining bench/flitch height. The goal was to select a practical SMU that would produce acceptable ore loss and dilution for each open pit while achieving the stated production tonnages.

This ore loss and dilution analysis was completed using an RPM inhouse software package that evaluated the impact of different SMU sizes. The estimated cut-off grade was then used to categorise ore and waste both before (in situ) and after SMU re-blocking. To ensure appropriate dilution grades in the block model below the Mineral Resource cut-off grade, a mineralised halo of sub-grade material was estimated into the Mineral Resource block model.

From these results, the most suitable SMU size for each deposit was identified and the expected global ore loss and dilution was estimated – the results are presented in Table 2.4.

Table 2.4: Estimated loss and dilution

Model	Units	Loss (t)	Dilution (t)	Loss (gold)
AG (SMU 5.0 m × 5.0 m × 2.5 m)	%	23	29	8.6
APG (SMU 5.0 m × 6.5 m × 2.5 m)	%	21	19	12

Source: RPM Report - ADV-AU-00537

RPM noted that the global ore loss and dilution in Table 2.4 is based on the entire Mineral Resource model and that the actual ore loss and dilution can vary throughout different parts of the deposit and within the final open pits. Based on analysis within a nominal open pit shell, the loss and dilution within the open pit area is likely to be materially lower than the global results, perhaps due to thicker areas of mineralisation within the open pit shells.

The selected SMU size represents an increase from the previous SMU, and the update to the sizing was set in conjunction with Tietto to better model the average grades being produced by the mine in the first months of operation. The SMU size used in the 2021 LOM for the previous Ore Reserve estimate was 2.5 m × 6.25 m × 2.5 m (39 m³).

It is recommended that ongoing assessment of actual mined grade versus the forecast grade estimated from the ROM model is conducted, and the SMU parameters refined as the operation reaches steady state mining in fresh ore.

Using the current mine call factor (November 2022 to September 2023), the reported mill grade versus the reported ROM grade is 93%. It should be noted that this is in circumstances where there has been fractured oxide ore and mining through artisanal mined areas, which make the Mineral Resource estimation difficult, and therefore accurate reconciliation is also difficult. Once mining is in the transition/fresh ore, the reconciliations will be more meaningful and representative.

As the mining progresses into the fresh ore, there should be ongoing assessment of actual mined grade versus forecast grade estimated from the ROM model, and the SMU parameters refined as the operation reaches steady state mining in fresh material.

Cut-off grade

Using the mining costs, RPM calculated the breakeven cut-off grades for oxide, transition and fresh ore types. It is assumed that the cut-off grade is the same for both the 2023 LOM and Ore Reserve scenarios. These inputs are presented in Table 2.5.

Table 2.5: Cut-off grade parameters

Description	AG			APG		
	Oxide	Transition	Fresh	Oxide	Transition	Fresh
ROM tonnage (t)	1,000	1,000	1,000	1,000	1,000	1,000
ROM gold grade (g/t)	0.29	0.30	0.31	0.31	0.32	0.34
Contained gold (oz)	9.2	9.7	10.1	10.0	10.4	10.8
Process recovery (%)	84.09	84.27	84.44	84.41	84.59	84.76
Recovered gold (oz)	7.8	8.1	8.5	8.4	8.8	9.2
Payability (%)	100	100	100	100	100	100
Payable gold (oz)	7.8	8.1	8.5	8.4	8.8	9.2
Selling price (US\$/oz)	1,500	1,500	1,500	1,500	1,500	1,500
Revenue subtotal (US\$)	11,633	12,209	12,756	12,661	13,237	13,783
Incr. Mill feed mining cost (\$/t of mill feed)	0.89	0.87	0.81	0.89	0.87	0.81
Process cost (\$/t of mill feed)	5.97	6.53	7.12	5.97	6.53	7.12
G&A (\$/t of mill feed)	3.07	3.07	3.07	3.07	3.07	3.07
Sustaining cost (\$/t of mill feed)	1.16	1.16	1.16	1.16	1.16	1.16
Mill feed haulage (\$/t of mill feed)	-	-	-	0.98	0.98	0.98
Refining (US\$/oz)	2.53	2.53	2.53	2.53	2.53	2.53
Community development (%)	0.5	0.5	0.5	0.5	0.5	0.5
Royalty (%)	4.0	4.0	4.0	4.0	4.0	4.0

Source: RPM Report - ADV-AU-00537

The cut-off grade for the APG open pit is higher due to the requirement to haul ore to the mill which is located close to the AG open pit.

Mining fleet

During the start-up phase there have been issues with the primary mining fleet (power and hydraulic failures, as well as bucket repairs) negatively impacting operations. This is being rectified with new equipment brought to site, which has resulted in improved loading operations. In terms of the buckets, EPSA plans to increase the on-site inventory of excavator buckets for quicker replacement and repairs.

The current excavator fleet totals twelve – three Liebherr 9350 (bucket size 18 m³) and four Komatsu PC2000 (bucket size 13 m³), as well as five Caterpillar 3-series excavators (bucket size 1–5 m³). In addition, there are two Caterpillar wheel loaders (993K – bucket size 12 m³ and 988K – bucket size 13 m³). The haul truck fleet is made up of 26 Komatsu HD785-7 (capacity 40 m³/91 t) and 12 Caterpillar 745 (capacity 25 m³/41 t).

As at 31 October 2023, the average hours reported for the primary mining equipment are summarised in Table 2.6.

Table 2.6: Average hours of primary mining equipment

Equipment	Average hours (as at 31 October 2023)
Excavators	
Liebherr 9350*	20,346
Komatsu PC2000	3,219
Miscellaneous Caterpillar	5,259
Wheel loaders	
Caterpillar 993K	2,243
Caterpillar 988K	5,185
Dump trucks	
Komatsu HD785-7	7,179
Caterpillar 745	7,678

Source: Tietto Management (APG_Budget_2024_EPSA_EQUIPMENT.xlsx)

Note:

* This does not include the new primary excavators that were due to arrive on site in November 2023, and would reduce the average hours.

The auxiliary fleet includes nine dozers, three graders, two water trucks and one backhoe loader, as well as various other support equipment as would be expected at an operation of this type, including but not limited to, compactors, lighting towers and light vehicles.

2.3.3 Production schedule

The 2023 LOM schedules were developed using RPM's Open Pit Metal Solution scheduling software, using the following assumptions and constraints:

- Processing plant rate of 4.5 Mtpa to end of 2024
- From 2025 onwards – processing plant rate of 5.5 Mtpa
- Consistent gold profile over the initial years of mining
- Vertical advance rate set to approximately 12 benches (of 5 m bench height) per year. The vertical advance rate is generally 60 m and up to 80 m in selected early years/stages where the benches consist almost entirely of waste material and there is reasonable working room.
- Stockpiling in four different gold grade categories:
 - High Grade: 1.20 g/t or above
 - Medium Grade: 0.60–1.20 g/t
 - Low Grade: 0.40–0.60 g/t
 - Sub Grade: cut-off grade to 0.40 g/t.
- Avoid selective mining and feed high-grade stockpiles individually (at present this is not practical due to just mining high-grade separately in operation)

- For feed to the ROM, blend medium and high grade into a single stockpile to smooth forecast ounces per month
- Moisture parameters: Oxide – 17%, Transition – 8%, Fresh – 5% (though all reports are presented in dry tonnes)
- Defer open pits with a higher proportion of Inferred Mineral Resources as feed to the mill until after year five, and if possible, to the back end of the schedule (for LOM schedule)
- Prioritise early mining in the high value open pits such as the AG Main CB1 and CB1 South, as these have the highest value and contain high-grade gold
- When operating, prioritise open pits that have higher value and high contained ounces driven by Measured and Indicated Mineral Resource material.

Two schedule scenarios have been completed:

- Ore Reserve scenario (Run 2c3 (based on 1c2)): includes open pits that are economically viable only considering Measured and Indicated Mineral Resources
- LOM scenario (Run 1e (based on 1c)): strategic LOM analysis inclusive of open pits with Inferred Mineral Resources.

The schedule results for both scenarios for the initial 5 years are similar, due to common AG open pit designs being used for some open pits in this phase of the mine life.

Key results of the LOM scenario schedule include:

- LOM case has a mine life of nearly 10 years (to 2033) based on a production target of 5.5 Mt ROM (fresh material) per year delivered to the ROM stockpile. Mine life is 9.75 years (39 quarters from 1 July 2023), (2024 to Q1 2032) slightly longer than the 2021 DFS scenario (report ADV-AU-00189)
- Uses the end of June 2023 as the starting survey surface, and has 6 months production in 2023
- Total material movement (TMM) in years 2024 to 2027 averages 12 Mt per quarter (48 Mtpa) with a maximum of approximately 12.8 Mt per quarter (51 Mtpa)
- Ramp down in TMM from 2027 as access to lower strip ratio and lower grade ore is achieved
- Average crusher feed grade is 1.04 g/t ROM gold over the LOM.

In the first six quarters (1.5 years), AG Main CB1, Main CB2, and AG South CB1 open pits have been targeted to provide early high-grade material for processing. Total material movement is up to 13 Mt per quarter, before falling gradually from year 2027. Ore grade does decrease with the commencement of mining in AG Main CB3, before rising again, with the mining of some of the APG deposit.

Of the total 38.38 Mt mined in the Ore Reserve scenario:

- Measured and Indicated Mineral Resources comprise 36.56 Mt, or 95% of the total
- Measured Mineral Resources comprise 12.0 Mt, or 31% of the total
- Indicated Mineral Resources comprise 24.6 Mt, or 64% of the total
- Inferred Mineral Resources comprise 1.89 Mt, or just 5% of the total

- Oxide comprises 0.6 Mt, or only 2% of the total
- Transition comprises 3.2 Mt, or 8% of the total
- Fresh comprises 34.2 Mt, or 90% of the total.

2.3.4 Ore Reserves

Table 2.7 summarises the Abujar Proved and Probable Ore Reserves as at 30 June 2023. The total Proved and Probable Ore Reserves are estimated at 36.7 Mt at 1.15 g/t Au for 1.36 Moz contained gold, with the AG deposit Ore Reserves, 31.2 Mt at 1.22 g/t Au, containing 1.22 Moz of gold and the APG deposit Ore Reserves 5.4 Mt at 0.77 g/t Au, containing 0.13 Moz of gold.

Table 2.7: Abujar Ore Reserve estimate as of 30 June 2023

Deposit	Proved			Probable			Total		
	Tonnage	Gold grade	Contained gold	Tonnage	Gold grade	Contained gold	Tonnage	Gold grade	Contained gold
	(Mt)	(g/ t)	(Moz)	(Mt)	(g/ t)	(Moz)	(Mt)	(g/ t)	(Moz)
AG	12.0	1.12	0.43	19.2	1.28	0.79	31.2	1.22	1.22
APG	-	-	-	5.4	0.77	0.13	5.4	0.77	0.13
Stockpile	0.1	0.72	0.0				0.1	0.72	0.0
Total	12.1	1.12	0.43	24.6	1.17	0.92	36.7	1.15	1.36

Source: Tietto Minerals Ltd.: ASX Release 'Tietto Updates Abujar Life Of Mine Plan: 170,000 oz gold per year for 9 years at LOM AISC of US\$982/oz (5 October 2023)

Notes:

1. Prepared by RPM and based on information compiled and reviewed by Mr Igor Bojanic, who is a Fellow of the Australasian Institute of Mining and Metallurgy and is an employee of RPM.
2. Based on depletion to 30 June 2023 mining surfaces.
3. Based on Mineral Resource Estimates that were current at 30 June 2023.
4. The following marginal cut-off grades determined based on a US\$1,500 per troy ounce gold price, and updated costs and mining and metallurgical modifying factors.
5. Marginal cut-off grades for AG: Oxide 0.29 g/t Au, Transition 0.30 g/t Au and Fresh 0.31 g/t Au.
6. Marginal cut-off grades for APG: Oxide 0.31 g/t Au, Transition 0.32 g/t Au and Fresh 0.34 g/t Au (as greater haulage distance to the AG ROM pad).
7. Open pit designs are based on US\$1,500/oz gold metal price.
8. Inferred Mineral Resource is considered as waste for pit limit optimisation purposes.
9. Based on EOM June 2023 stockpile balance report.
10. Ore Reserve estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The quantities contained in Table 2.7 have been rounded to three significant figures where appropriate to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors.
11. All Ore Reserve estimates are on a dry basis.

2.3.5 Mining operating and capital costs

The estimation of mining operating costs was collated and modelled by Infinity Corporate Partners (Infinity) on the basis of EPSA as the mining contractor and mine physicals produced by RPM for the DFS, being:

- ore mining quantity per year per bench mined
- waste rock mining quantity per year per bench mined

- pre-split area per year
- area disturbed per year.

Given that mining is undertaken by a contractor, there is no capital cost, nor sustaining capital associated with mining.

An operating cost estimate was prepared by Infinity using the production schedule inputs from RPM and the EPSA mining contract. The mining contract assumes Tietto will provide diesel fuel. The average diesel cost used in the supplied model is US\$0.98/L.

Summary physicals and unit costs are shown in Table 2.8.

Table 2.8: Mining and processing physics and costs (LOM scenario)

Item	5 year average 2024–28	LOM plan average 2024–32	SRK LOM average recommendations 2024–32
Total ore + waste mined (Mtpa)	43.67	34.69	35.97
Waste mined (Mtpa)	38.21	29.89	31.14
Ore mined (Mtpa)	5.47	4.80	4.83
Mined gold grade (g/t)	1.06	1.14	1.07
Strip ratio (t:t)	6.99	6.23	6.45
Processing			
Quantity ore processed (Mtpa)	5.27	4.81	4.79
Gold head grade processed (g/t)	1.09	1.14	1.09
Contained gold (kozpa)	184.86	176.07	167.31
Gold recovery rate (%)	94.47%	94.82%	0.94
Gold production (Mozpa)	0.175	0.167	0.16
Operating costs			
Average open pit mining costs (US\$/t _{mined})	2.41	2.54	2.78
Average processing costs (US\$/t _{milled})	7.17	7.38	8.24
Average G&A costs (US\$/t _{milled})	3.25	3.60	4.02
Production costs (including royalties) (US\$/oz)	952.79	879.67	1,128.24
Sustaining capital (US\$/oz)	45.15	50.48	49.50
All-in site costs (US\$/oz)	997.94	930.15	1,177.73

Source: RPM Report - ADV-AU-00537

Notes: As infill drilling progresses, it is unlikely that all of the Inferred Mineral Resources will upgrade to Indicated and Measured Mineral Resources, and SRK recommends a 60% conversion factor for upgrade of Inferred Mineral Resources as a reasonable assumption for the resource upgrade.

Reviewing the mining budget, as per the RPM Ore Reserve versus the actual expenditure for January to October 2023, the actual mining costs have been coming into line with the budget as mining has moved from the less competent oxide ore into the transition/fresh ore – from a high of US\$4.12/t actual versus a budget of US\$2.88/t, to US\$2.81/t actual versus a budget of US\$2.80/t.

For the purposes of the valuation, SRK reviewed the recent performance of the operation and prepared a revised assessment of the LOM Tietto production and costs provided in Table 2.8 (column ‘SRK LOM average recommendations’), assuming conversion of 60% of Inferred Mineral Resources to at least Indicated Mineral Resource category.

SRK suggests that there will still be issues with the unit mining costs, but with new equipment and the progression into fresh ore, the mining will be more efficient and hence planned tonnages and costs will be achievable.

2.3.6 Risks and opportunities

During 2023, there have been a number of issues resulting in the non-achievement of planned mining production and associated costs. These have principally been associated with:

- Primary mining equipment: breakdowns of the primary mining equipment relating to power transmission issues, hydraulic issues and excavator bucket repairs. To mitigate this, EPSA has replaced the older Liebherr 9350 and replaced the two smaller CAT 395s with two larger excavators. It is reported by Tietto that 86% of the primary loading fleet will be new in 2024. In response to issues with the bucket repairs, EPSA plans to stock additional excavator buckets for quick replacement and repairs.
- Poor loading: this is function of both operator performance and fragmentation, mainly in the first 2.5 m of a 5 m or 10 m blast. There is currently an ongoing program (by using blast plugs due to the highly jointed nature of the ground) to improve fragmentation and this is planned to be fully implemented by the end of 2023.
- Grades lower than planned: this is associated with mining within the oxide artisanal zone, which will improve as operations move into the transitional/fresh ore zones, out of the affected artisanal zone.
- Bench scale slope failures: this will improve, i.e. there will be reduced failures, as the mining moves into transitional/fresh competent ore zones. Dewatering boreholes are also being installed around the open pit to help with dewatering, and hence depressurise the slopes (lower the phreatic surface).
- Wet season (April to October): the 2023 wet season significantly reduced production. The haul road dressing has been improved, with suitable top dressing making the haul roads usable during future wet seasons. Due to the timing of the start of operations, there was insufficient time to build suitable ROM stockpiles prior to the start of the wet season. In 2024, Tietto plans to have these measures in place to mitigate impacts on open pit production during the wet season.

These points reflect the issues that have affected the operations during 2023, and negatively affected production, grade and costs. While these aspects are still a risk going forward, in SRK’s opinion the key issues have been identified and procedures are being put in place to mitigate their future impact.

Risks

- Mining contractor performance and management: contractor performance below target leading to shortfalls in production and/or high rates of loss and dilution

- higher ore loss and dilution compared to plan
- primary mining equipment failures.

Opportunities

The risks identified are also opportunities:

- better contractor performance, with contractor supervision and management controls – hire and retain highly experienced open pit supervisors to manage mining contractor
- lower ore loss and dilution than planned.

2.4 Metallurgical testwork and process design

2.4.1 Basis of review and limitations of review

Monthly processing production reports were used to understand current metallurgical performance against design and key processing operating costs (e.g. reagent usage) compared to design and budget (LOM model). Operational data were unavailable to review the installed and utilised equipment capacity to identify variations from design production rates or investigate reagent usage.

The following documents were reviewed in relation to the processing facility:

- 20035-PDC-001 – Process Design Criteria
- 20035-TIE Section 9 BFS Process Plant_0
- 20001-00-REP-G-002_1 – BFS Testwork Report
- Abujar Gold Project – Open Pit – Definitive Feasibility Study
- 20035-00-MEL-G-BFS_1 – Mechanical Equipment List
- TM-Abujar-Processing EoM Reports – January-October 2023
- APG_Mining_EOM_2023_ 10cpy
- Mill sizing of a Single Stage SAG (SS SAG) circuit for the Abujar Gold Project BFS (3.5Mt/a) – DMCC Report
- ALS Report A21546 – Metallurgical Testwork conducted upon Ore Samples from the Abujar Gold Project for Tietto Minerals Limited
- Abujar Low Grade Ore Samples Proposed Heap Leach Project – Kappes, Cassiday & Associates.

In reviewing the design capacity of the processing facility at Abujar, the Process Design Criteria (PDC) were used to understand the installed capacity of the plant with context provided by the Bankable Feasibility Study (BFS) and DFS. Documentation defining the processing plant ‘as-built’ was not available to understand any variances from design for the plant as constructed. It was queried as part of this review with respect to the stated PFS and BFS documentation and discrepancies with operational files (e.g. the BFS states the CIL tanks have a 2,538 m³ working volume versus 3,470 m³ shown in operational files). The response was ‘*All parts of the plant match*’

the design – the only part of the plant that has yet to meet its design consistently is the crushing circuit but that's due to ROM stocks and fragmentation mostly”.

Limitations of the review

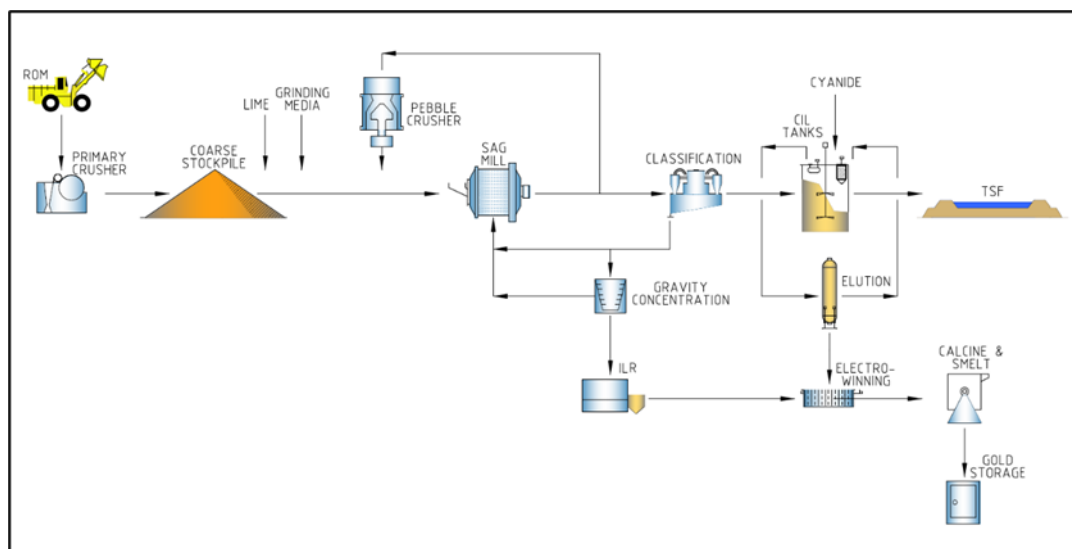
- The processing review was completed over the course of 1.5 weeks as an independent review, and as such was conducted as a high-level overview of current processing performance compared to design and the LOM model focusing on key items.
- Design documents were BFS/DFS level and not Rev 0. Tietto was queried and confirmed the documents are 'as-built', which is not the common approach.
- Operational data (CITECT or equivalent) were unavailable and therefore operational performance, reagent usage and equipment utilisation could not be interrogated.
- No source assays or independent verification (e.g. sales reports) were available. Production reports were accepted at face value.
- Volumes of different ore domains (fresh, transitional and oxide) treated were not defined in historical production physicals. Hence, the proportion of 'soft' ores in the mill feed blend could not be determined.

2.4.2 Process flowsheet

The Abujar Processing Plant treats ore from the AG and APG deposits using conventional gold extraction methods and consists of the following unit operations:

- primary crushing
- single stage semi-autogenous grinding (SAG mill)
- gravity concentration and intensive leaching of gravity concentrates
- leaching and adsorption through a CIL circuit
- carbon elution and electrowinning
- calcining and smelting of gold dorè
- tailings storage facility (TSF).

Figure 2.23: Abujar Processing Plant – process flow diagram



Source: 200035-TIE Section 9 BFS Process Plant_0

2.4.3 Key production variables

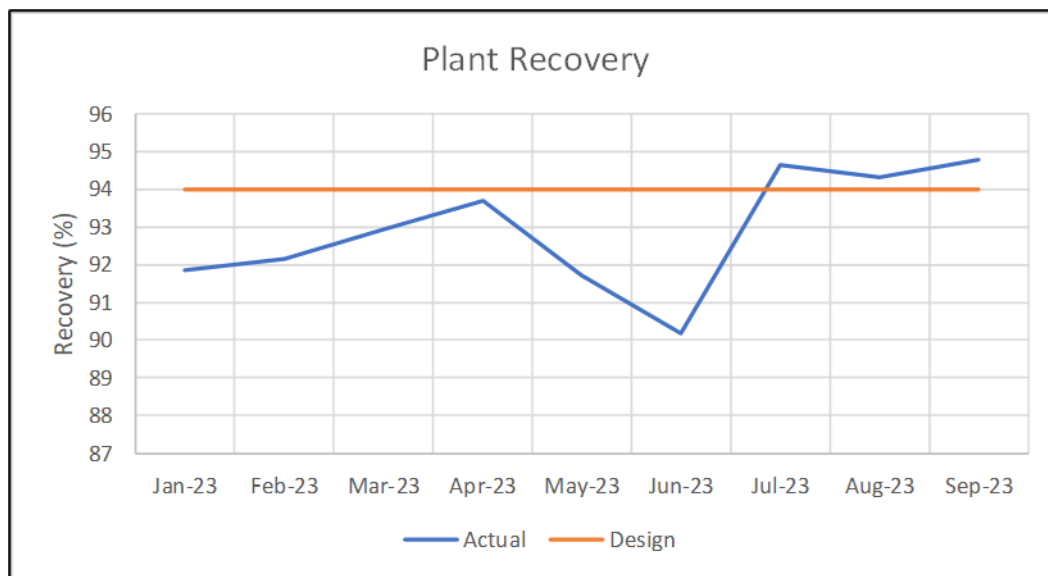
LOM (budget) targets were reviewed and compared against current production data to analyse the potential risks to production. The key production data reviewed included crusher throughput, mill throughput and gold recovery (whole of plant recovery and individual circuit recoveries).

Table 2.9: Abujar Processing Plant key production variables

Item	Model as stated	SRK recommendations	Comments
Crusher throughput	4.5 Mtpa in 2024, increasing to 5.5 Mtpa in subsequent years	No change	Based on recent months, capacity achieved is 732 tph at 8,000 hours/year – aligns to 5.5 Mtpa.
Milling throughput	4.5 Mtpa in 2024, increasing to 5.5 Mtpa in subsequent years	Risk item to achieve >4.5 Mtpa	Based on recent months, achieve 572 tph (in line with 4.5 Mtpa). It is not clear where the incremental 1 Mtpa is delivered from (SRK could not find capex or other details to add milling capacity).
Plant recovery	94.05% average for LOM	93.6% YTD in October 2023 Processing EOM report	Based on current operational data – uncertainty of root cause for discrepancy between model and actual. 94.0% is the design recovery target.
Gravity recovery	Not stated in LOM	50.2% weighted average as per February to September 2023 Processing EOM reports	65% gravity recovery as per design. Gravity recoverable testwork completed during the PFS and DFS indicated recovery in the range from 42–88% dependent on feed grade and ore type.
Leaching (CIL) recovery	Not stated in model	86.9% CIL circuit recovery. Weighted average as per February to September 2023 Processing EOM reports	83.0% CIL circuit recovery as per design with 29% of gold in plant feed to be recovered in leach circuit. 48.9% of gold in feed was recovered in the leach circuit (February to September 2023 Processing EOM reports). Increase in the proportion of gold recovered in the leach circuit driven by lower gravity recoveries.

The key production drivers are demonstrated in the monthly figures below.

Figure 2.24: Plant recovery



2.4.4 Processing operating costs

Processing operating costs influenced by metallurgical performance were compared between the model (LOM/budget) and current usage rates. Data were limited to usage as the main cost driver for reagent costs as individual reagent costs were unavailable. Power usage, maintenance operating costs and overheads were not examined.

Table 2.10: Key Processing opex costs

Item	Model as stated	SRK recommendations	Comments
Lime cost	0.90 kg/t in model	1.25 kg/t as per October 2023 EOM Production report	Based on current operational data – uncertainty of root cause and future consumption forecast.
Cyanide cost	0.42 kg/t in model	No change	Current consumption is lower than this however gold content (not stoichiometric consumption) will go up.
Grinding media	0.82 kg/t in model	No change	Current consumption is lower than model however consumption expected to increase with LOM blend strategy targeting a higher portion of transitional/oxide ores in the blend in the first few years of mine life (20001-00-REP-G-002_1 – BFS Testwork Report).
Carbon cost	0.04 kg/t in model	No change	Current consumption is lower than this but SRK has not seen steady state life for carbon.
Hydrochloric acid cost	0.08 kg/t in model	No change	Based on current operational data – uncertainty of root cause and future consumption forecast.
Sodium hydroxide cost	Not available in model	0.07 kg/t as per October 2023 EOM Production report	Based on current operational data – uncertainty of root cause and future consumption forecast.
Hydrogen peroxide cost	0.02 kg/t in model	0.03 kg/t as per October 2023 EOM Production report	Based on current operational data – uncertainty of root cause and future consumption forecast.
Flocculant cost	0.3 g/t in model	No change	Not observed in plant data but not a key opex driver.

2.4.5 Processing risks and opportunities

Production output

While it is a mineralogy/geology issue, the largest gap in output is due to the lower than expected grades of material being processed through the plant. This is discussed above, but as a result the plant has not demonstrated its nameplate capacity for gold. It is also unclear what ore type has been processed to date.

Production rates (crusher and mill throughput)

Throughput is currently being achieved in alignment with the design of 4.5 Mtpa, with plant utilisation at ~90%. A forecast milling throughput of 5.5 Mtpa is stipulated for 2025 onwards. Recent months have achieved 572 tph at 91% which is equivalent to 4.5 Mtpa and recent daily production has achieved higher rates.

Gravity recovery and CIL circuit capacity

Gravity recovery – the portion of gold in feed recovered via the gravity circuit – is averaging 50.2% YTD as at October 2023. This is compared to a design target of 65%. In turn, this requires sufficient capacity in the CIL circuit to leach additional gold.

Leaching testwork completed during the design phase indicated fast leaching times (12 hour leaching times are reasonable) (*ALS Report A21546*). This indicates that the CIL circuit has excess capacity above designed feed grades at gravity recovery (see Table 2.11).

Table 2.11: Estimated residence time for varying production rates for design

Annualised production (Mtpa)	Mill throughput (tph)	CIL residence time (h)
3.5	438	23.8
4.5	563	18.5
5.5	688	15.2

Excess capacity was also designed into the elution circuit with 3.5 elutions per week planned. For increased gold in CIL feed (i.e. low gravity recoveries), additional elutions are required. At present there is sufficient capacity in the elution circuit to allow for an increase in gold reporting to the CIL circuit. However, operational data were not available to review actual elution utilisation and the CIL circuit is not currently at capacity given that feed grades have averaged 0.80 g/t Au compared to a design of 1.5 g/t Au. For a proposed throughput of 5.5 Mtpa, available CIL residence time is approaching the minimum residence time of 12 hours, excluding the impact of lower gravity recoveries.

Cyanide detoxification

A cyanide detoxification circuit was included in the original design but appears not to have been implemented – the rationale behind this is unclear. However, with increasing international focus on minimising environmental impact, this poses a risk should environmental regulations change and the focus shift to compliance with the *International Cyanide Management Code*.

Mill feed blend

The blend of transitional/oxide ores with fresh feed fed to the mill since start-up is unclear. Historical blend plans were unavailable. Should softer ores (transitional/oxide) have been preferentially milled, there is a risk that current mill throughput rates may not be maintained with fresh ore.

Heap leach

Heap leaching has been proposed as a cost-effective method to treat lower grade APG ore, thereby potentially allowing for ores below current cut-off grades to be economically extracted. This has not been reviewed in detail due the preliminary level of study and limited availability of test work data. Column testwork indicated recoveries ranging from 81.6% to 93.5% with higher recoveries seen in oxidised samples. Gold recoveries for fresh material were at the lower end of this range and required significantly longer leach times (97 days compared to 39 days) (Kappes, Cassidy & Associates test work report).

2.5 Environment, social and governance

This section presents technical and economic ESG factors that have the potential to become material. The concept of double materiality is applied, with potential ESG impacts from the Abujar mine considered along with impacts posed by the ESG setting to the mine.

Given the time constraints to carry out this review, the purpose of SRK's high-level review was to comment on the reasonableness of the inputs to the supplied LOM schedule and associated cashflow model (i.e. costs, timing and achievability) with regards to ESG factors, and identify potentially material risks. SRK understands the materiality threshold has been set at 10% of the project value and thus only very significant cost implications are likely to be considered material. However, SRK has still reported on other elements of potential materiality as these may influence value through schedule delays or stakeholder objections.

For the assessment of the Abujar mining operations, potentially material is assumed to be factors that:

- could stop or affect the continuation of operations
- pose major concern to stakeholders and/or could affect the social licence to operate (this includes artisanal miners, communities, labour and business stakeholders)
- are out of alignment with corporate strategies or policies, and/or
- result in the need for additional studies or costs that could affect the proposed design and/or operation of the Project and thus the value of the assets (e.g. design changes, operational management requirements, cash flow restrictions, rehabilitation/closure demands).

The potential for materiality has been identified based on:

- the experience of SRK's ESG reviewers
- understanding of the client and audience, in particular current expectations from investors around ESG factors and the requirements of Australian and international standards representing good international industry practice for mining projects
- understanding of the location, proposed operation, regulatory and governance structure, socio-political situation, environmental and social setting and labour relations context – with key source information being
 - public domain information (such as Tietto and regulatory agency websites),
 - Tietto provided information (such as technical reports, email correspondence and meetings held with the Company on 2 and 14 November 2023).

SRK's ESG team has not been involved in a site visit to ground truth any potential risks.

2.5.1 Company approach to environmental, social and governance

SRK understands from the documents provided that Tietto has developed three policies and a single manual/guideline to formalise its approach to ESG:

- Environmental Policy (Tietto, 2021a)¹
- Community Relations Policy (Tietto, 2022a)²
- Corporate Social Responsibility Policy (Tietto, 2021b)³
- Manual on Environmental and Social Performance Governance (Tietto, 2023)⁴
- Environmental management plan (Tietto, 2022b)⁵ and associated procedures.

These policies commit Tietto to align with the 10 Principles of the United Nations Global Compact, 10 Environmental and Social Standards of the World Bank, 8 IFC Performance Standards, Global Reporting Initiative and International Organization for Standardization. The *Environmental and Social Performance Governance Manual* provides Tietto's approach to address ESG risks and commitments. In parallel to the Abujar mine's first production in early 2023, Tietto has started environmental and social monitoring activities, but SRK is not aware of an environmental monitoring report. Limited environmental monitoring data were collected during 2023, which to date do not provide sufficient information on the adequacy of environmental monitoring and controls to manage impacts from the Abujar mining and processing operations. At this stage, Abujar mine's ESG performance against the established policies, performance manual and associated management plans and procedures cannot be demonstrated. The financial model does not clearly indicate the costs related to the environmental and social management and programs.

An Independent Technical Expert review of the ESG components of the Abujar Project against the IFC Performance Standards was undertaken in 2022 on behalf of Taurus Mining Finance Fund (Taurus, 2022). The review occurred during the construction phase of the Abujar Project and was accompanied by an environmental and social action plan (ESAP) providing a gap analysis and highlighting the associated actions required to be aligned with IFC Performance Standards. SRK understands from review of *Abujar environmental and social assessment procedure action plan implementation matrix* provided by Tietto that outstanding actions are identified to be addressed by Tietto alongside its operational phase ESG performance management development.

2.5.2 Abujar Gold Project background

The Abujar Gold Project lies in the central-western part of Côte d'Ivoire in the Haut Sassandra region with the city of Daloa as the regional capital. The Abujar mining tenement is located within the departments of Daloa and Zoukpongbeu, and specifically within the sub-prefectures of Zoukpongbeu, Zaïbo and Grégbeu. The Abujar mine is in a former artisanal mining area.

¹ Tietto, 2021a. Environmental Policy, Tietto Minerals Cote d'Ivoire, TM_CSR/SD_FRM_POL_E_001, 17/07/2021

² Tietto, 2022a. Community Relations Policy, Tietto Minerals Cote d'Ivoire, TM_CSR/SD_POL_RC_001, 05/01/2022

³ Tietto, 2021b. Engagements RSE, Tietto Minerals Cote d'Ivoire, TM_CSR/SD_E-RSE_001, 18/12/2021

⁴ Tietto, 2023. Manual on environmental and social performance governance of Abujar project, TIETTO MINERALS LTD, January 2023

⁵ Tietto, 2022b. Environmental management plan, Tietto Minerals, Version 0.0.2, 10 January 2022

Tietto completed a DFS for the open pit Abujar Project in November 2021⁶. According to Tietto's financial model (20231003_Tietto LOM Model_v8_SENT), Abujar mine commenced first production in January 2023 from the AG deposit. The APG deposit mining development is planned to start in January 2026. Both the AG and APG deposits related mining operations are expected to cease in 2032, followed by 5 years of closure activities (until 2037). The Abujar mining operation includes:

- Figure 2.25: the current open pits development of the AG deposit and associated waste rock dumps, processing plants (4.5 Mtpa) involving crushing, grinding and CIL circuit and associated TSF
- Figure 2.26: the planned open pits development of the APG deposit and associated waste rock dumps.

⁶ Tietto, 2021c. Abujar Gold Project, Open Pit - Definitive Feasibility Study, Tietto Minerals Ltd, November 2021

Figure 2.25: Updated Abujar AG deposit mine layout



Source: Tietto (2023a)

Figure 2.26: Updated Abujar APG deposit mine layout



Source: Tietto (2023a)

2.5.3 Regulatory and land rights

Mineral right

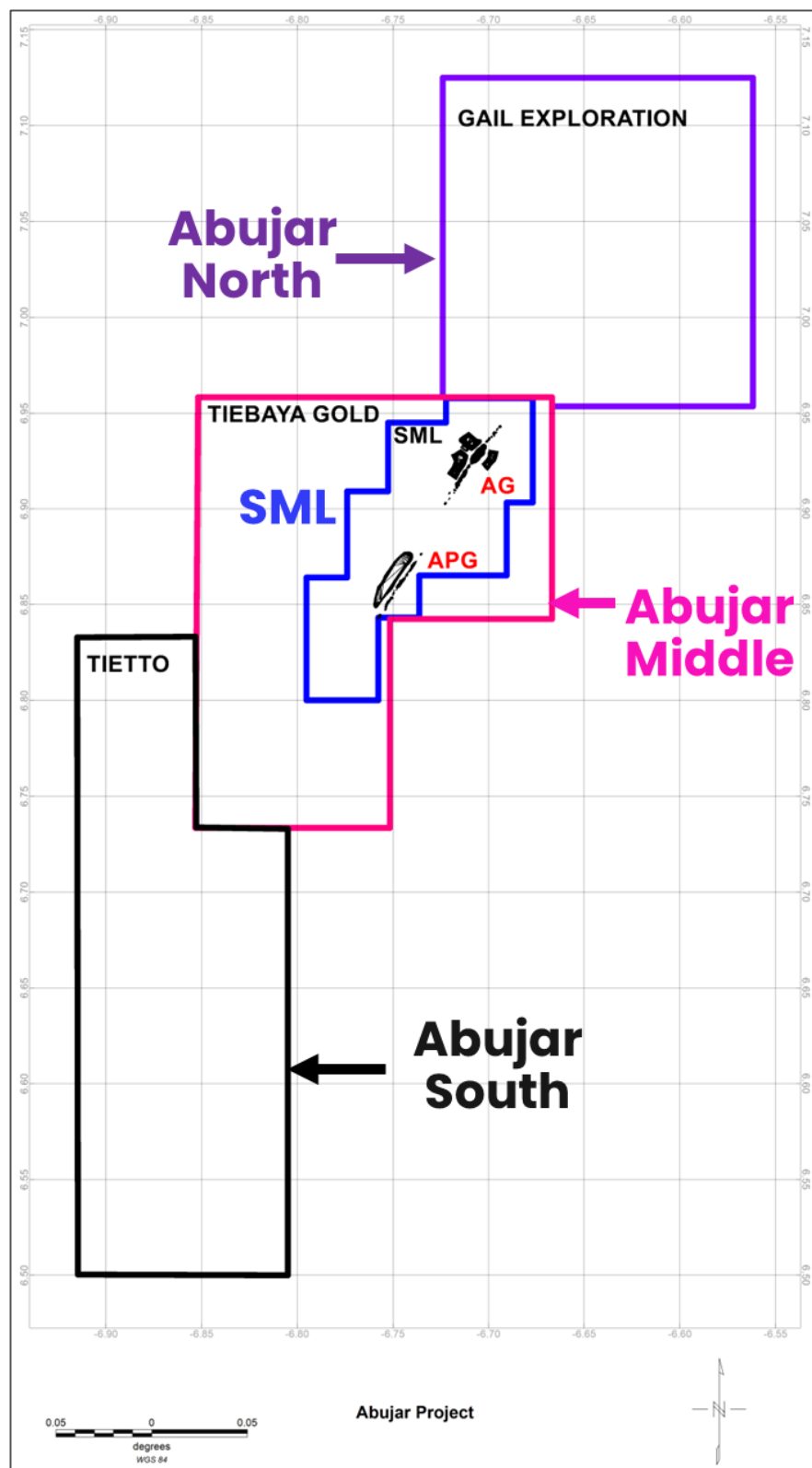
In Côte d'Ivoire, mineral rights are administered by the Minister in charge of Mines under the Mining Code (Law No. 2014-138 of 24 March 2014). Mining titles are required to carry out exploration or mining activities. Mining titles provide only mineral rights and land access rights are required to carry out exploration and mining activities.

According to the 2021 DFS report, in 2014 Tietto entered into a JV Agreement for the development of an exploration licence for gold in Zoukougbeu in Côte d'Ivoire with B & F Minerals SARL (B & F). In 2017, Tietto and B & F entered a JV company called Tiebaya Gold SARL, of which Tietto has a 90% share of capital and B & F has 10%. SRK understands that Tietto mining titles relevant to the Abujar Project includes three exploration permits and one Mining permit No. 57 as described in Table 2.12 and Figure 2.27.

Table 2.12: Tietto mining titles relevant to the Abujar mine

Project	Mining title	Granted date	Expiry date	Ownership
Abujar Gold Project	Mining permit No. 57 – Decree No. 2020-959 of 09/12/2020	09/12/2020	08/12/2030	Granted to Société Tiebaya Gold SARL
				Transferred to Société Minière de la Lobo SA (SML SA) by Order No. 013/MMPE/DGMG of 07/01/2022
Abujar Middle	Exploration permit No. 469 – Decree No. 2014-520 of 15/09/2014 Renewed by Order No.00034/MMG/DGMG of 31/05/2019 Renewed by Order No.015/MMPE/DGMG of 12/01/2022	15/09/2014	14/09/2018	Société B&F Minerals SARL
		Renewed 31/05/2019 and 12/01/2022	Extended 14/09/2024	Transferred to Société Tiebaya Gold SARL by Order No. 037/MIM/DGMG/DDM of 28/02/2018

Figure 2.27: Mining titles in relation to Abujar Project operations



Source: extract from Tietto's email 'RE: GRT011-Tietto_ESG queries' dated 10 November 2023.

Mining permit No. 57 was granted for the Abujar mining operations based on the conditions presented in the approved 2020 ESIA report (ENVITECH-CI, 2020)⁷. The Mining permit No. 57 expires in 2030. However the Tietto supplied LOM plan (Tietto, 2023a) and associated cashflow model (20231003_Tietto LOM Model_v8_SENT.xlsb) for the Abujar mine indicate the mining operations end in 2032 and closure activities to be carried out until 2037. Tietto has advised SRK that the extension of the mining permit is expected to start in 2024 (Tietto's email 'Abujar Project - ESG management data' dated 9 November 2023). According to the Mining Code, the mining permit may be renewed for 10-year periods, with no limited renewals specified. However, SRK has found no evidence that Tietto has made provisions in the mining schedule for the lodgement of a revised mining permit to be aligned with the Abujar LOM plan. Although, 7 years might provide sufficient time to apply for a mining permit extension, a risk remains that the mining permit may not be extended or that additional conditions may be introduced. This might affect the exclusive mineral rights over the Abujar mine site beyond the validity period.

A mining convention was agreed on 26 May 2023 between the Côte d'Ivoire State and the Société Minière de la Lobo SA (SML SA) under the 2014 Mining Code, based on the conditions of Mining permit No. 57. The mining convention sets the terms and conditions with regards to the tax and customs regime, the warranties between the parties and mining operation conditions. The status of conformance of the Abujar mine operations with the mining convention is unclear. If the conditions between the parties are not fulfilled, there is a risk of penalties or termination of the mining convention.

Environmental permitting

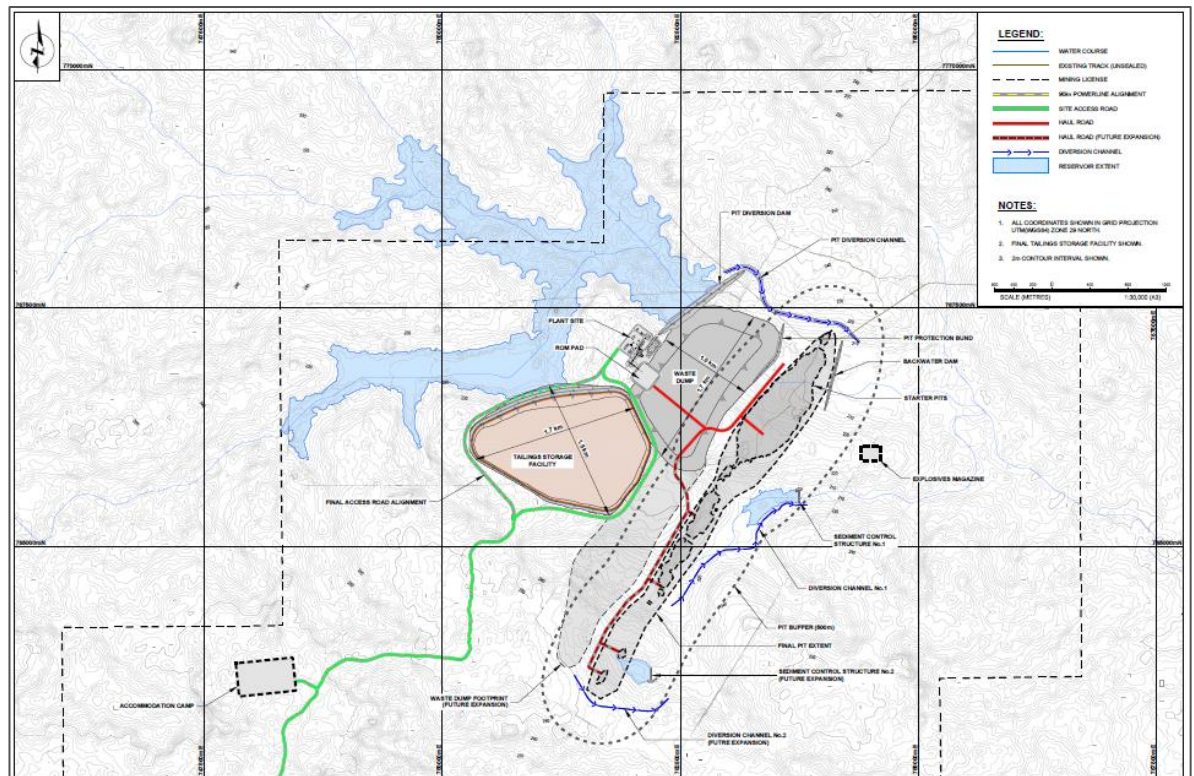
In Côte d'Ivoire, an approved ESIA report by the Minister in charge of the environment under Decree No. 96-894 of 8 November 1996 is required to apply for a mining permit. In 2020, Tiebaya Gold was granted an ESIA approval for the Abujar mine operations (Order No. 00302/MINEDD/ANDE of 20 October 2020). The ESIA approval requires Tiebaya to comply with the conditions presented in the ESIA report, to inform the environmental agency (ANDE) of any changes to the Abujar mine operations from the ESIA report (article 6) and to submit a biannual report presenting the implementation of the environmental and social plan (article 10).

The approved 2020 ESIA report was developed to be aligned with the Côte d'Ivoire regulatory requirements, based on the Abujar Project covering only the AG deposit (Figure 2.28) and related activities. The environmental and socioeconomic baseline studies cover the Abujar Project's direct and indirect influence areas, including the dam flooded zone area. SRK notes that the updated 2023 Abujar mine layout (Figure 2.25 and Figure 2.26), which demonstrate the current mine plans does not correspond with the project design approved as part of the 2020 ESIA. Therefore the status of compliance of the Abujar mine operations with the ESIA approval is unclear. In the event that the Abujar mine operations do not comply with the ESIA approval requirements, there is a risk that the Minister in charge of the environment could suspend the Abujar operations until compliance is achieved or withdraw the ESIA approval (article 5 of the ESIA approval).

⁷ ENVITECH-CI, 2020. Rapport d'étude d'impact environnemental et social du projet d'exploitation des gisements aurifères d'Abujar entre les sous-préfectures de Zaïbo, Grégbeu et Zoukougbeu, région du Haut-Sassandra (Daloa), Rapport définitif, ENVITECH-CI SARL, October 2020

Although the APG deposit is located inside the current Mining permit tenement area, the approved ESIA and therefore Mining permit No.57 do not include the development of mining operations for the APG deposit. Tietto has reported that the environmental and social baseline studies for the APG deposit area are planned to start in December 2023 for the ESIA to be completed in August 2024, with an expectation that the ESIA approval and mining permit amendment could be granted in October 2024 and December 2024 respectively (Tietto's email 'RE: GRT011-Tietto_ESG queries' dated 13 November 2023). SRK was not provided with the scale of studies to be completed. However, due to the existing baseline studies and available information within the Mining permit area and Tietto's recent experience going through the approval processes, the provided timeframe seems reasonable. While there might be sufficient time (2 years to January 2026) to apply for an ESIA approval and Mining permit amendment to cover the APG deposit related mining operations, there is a potential risk that those approvals are not granted within the proposed timeframe.

Figure 2.28: ESIA approved Abujar mine layout



Source: ENVITECH-CI (2020)

Land access right

The Abujar mine access road passes through the villages of Grébeu and Zoukpanbeu and the mine site is mainly located within the villages of Gamina and Niessoko. The 2020 ESIA reported that the Abujar mine will lead to the physical and economic displacement of affected populations as the mine layout overlies dwellings and lands owned and/or used by the communities for farming and cropping activities. Tietto reported the following status of completion of physical and economical resettlements and cultural heritage sites displacement of both the dam flooded area

and the Abujar mining and processing area related to the AG deposit (Tietto's email 'Abujar Project – ESG management data' dated 9 November 2023):

- 107 households resettled
- 276 tombs displaced
- 2,642 ha of land (including 9,225 ha of agricultural land) compensated
- US\$2.6 M actual resettlement compensation cost provided.

A *Resettlement Action Plan* was developed in 2021 by Tietto to support the resettlement process for the Abujar mine (ENVITECH-CI, 2021)⁸. SRK understands that the *Resettlement Action Plan* was prepared only for the mining development and processing at the AG deposit. Reportedly, Tietto follows its stakeholder engagement plan, manual on environmental and social performance governance, compensation and grievance procedures. Community grievances associated with land acquisition are reported in various documents, stakeholder consultation minutes of meetings, and a 'complaint monitoring and management matrix' understood to be the grievance register. Community grievances do not seem to be consistently reported in the grievance register and risks associated with each grievance have not been identified by Tietto. The land acquisition status for the Abujar mine is unclear and SRK was not able to identify the level of social risks from the community objections and grievances related to the resettlement.

With regards to the mining development of the APG deposit, Tietto reported that the resettlement process is planned to start upon the issue of the ESIA approval and mining permit amendment (expected by the end of 2024) and be completed by February 2025 (Tietto's email 'RE: GRT011-Tietto_ESG queries' dated 13 November 2023). SRK was not provided with any information regarding the scale of the required resettlement and land acquisition to be completed and the financial model does not clearly indicate the costs related to resettlement compensation. Additional costs may be required to complete resettlement and land acquisition to enable mining of the APG deposit. However, due to the existing baseline studies and available information within the mining permit area and Tietto's recent experience with the resettlement process, the provided timeframe seems reasonable. Although there might be sufficient time (2 years to January 2026) to conduct compensation, physical resettlement and cultural heritage site displacement, there is a risk that resettlement could be delayed due to potential community objections and grievances.

2.5.4 Conceptual closure plan and cost estimate

SRK understands that the approved 2020 ESIA report provides the environmental and social baseline, and general principles and requirements to support the development of a closure plan and cost estimate for the Abujar mine. Additional mine closure requirements and commitments are further documented in the following documents:

- 2021 DFS and associated appendices providing the requirements for the tailings surface closure cover and capping system
- 2023 mining convention – sets conditions with regards to closure liabilities and guarantees

⁸ ENVITECH-CI, 2021. Rapport de plan d'action réinstallation (PAR) du projet d'exploitation des gisements aurifères d'Abujar par la société Tiebaya Gold dans la région du Haut-Sassandra, ENVITECH-CI, June 2021

- *2023 Manual on Environmental and Social Performance Governance* which provides Tietto's general approach to addressing risks related to socio-economic aspects during the transition to closure.

The ESIA report raised acid rock drainage concerns and high concentrations of arsenic found in water and sediments as issues at the Abujar mine site. Although the 2021 DFS reported that the tailings are non-acid generating and the ore stockpile has very low potential to produce acidic drainage (based on eight samples), SRK has not been provided with any information regarding geochemical characterisation of the waste rock to assess the potential for acid rock drainage and metal leaching. Considering the environmental baseline conditions and limited information on geochemical characterisation of the mining materials, potential water treatment requirements of pit lakes and mine wastes seepage and runoff can be associated with significant capital and operating costs which may cause risks for the Abujar mine at closure.

SRK's high-level review of the Abujar closure cost provision within Tietto's financial model (20231003_Tietto LOM Model_v8_SENT) is provided in Table 2.13 following its assessment of the above documents, the environmental and socio-economic conditions of the Abujar mine and Tietto's provided closure cost estimation breakdown (Tietto's email 'RE: GRT011-Tietto_ESG queries' dated 13 November 2023). SRK notes that Tietto's estimate for the costs of mine closure at the cessation of mining is US\$13.2 M. Having reviewed Tietto's estimate and its components, SRK considers this estimate to be conservative. Benchmarking data reviewed by SRK for gold mining projects in the surrounding region shown in Table 2.15 (i.e. Burkina Faso, Mali, Ghana and Côte D'Ivoire) generally range from US\$11 M to US\$33 M. SRK has provided a preliminary estimate of US\$21 M + 20% contingency (Table 2.13). On this basis, SRK considers that for valuation modelling purposes only, a closure cost in the range from US\$13 M to US\$25 M is appropriate.

However, actual closure costs will depend on the outcomes of technical studies to be carried out to support the development of a conceptual closure plan and to provide the basis of the closure assumptions. In this regard, SRK notes that it has recently completed a closure cost study relating to a similar scale gold mining operation in western Africa, where the estimated closure costs are significantly above the range indicated above. As such, SRK cautions that the range from US\$13 M to US\$25 M should not be taken as the actual likely closure cost, but as SRK's estimated range for the purpose of this valuation only.

Table 2.13: Abujar mine closure cost considerations

Item	Tietto's information	Comments	SRK recommendations
Abujar closure cost	<ul style="list-style-type: none"> ■ The approved 2020 ESIA report highlighted the following: <ul style="list-style-type: none"> – acid rock drainage is a risk for Abujar mining operations – arsenic concentrations within surface water, groundwater and sediments at the Abujar site are 10 times higher than national background presented ■ FCFA 6,6 B (approx. US\$10.7 M) provisioned as part of the closure guarantee fund required by the 2014 Mining Code (article 14 of the Mine convention agreed on 26/05/2023 between Cote d'Ivoire State and the SML SA) based on the conditions of Abujar Mining permit No. 57 ■ US\$11.7 M spread across a 5-year period from July 2032 to June 2037 provisioned for closure activities (Tietto Financial model – 20231003_Tietto LOM Model_v8_SENT) ■ US\$13.2 M revised closure cost estimate breakdown provided by Tietto (email RE: GRT011-Tietto_ESG queries dated 13/11/2023) with no underlying cost assumptions. 	<ul style="list-style-type: none"> ■ Results of analysis for acid producing/neutralising capacity for the ore stockpile states a low potential to produce acidic drainage (2021 Tietto BFS testwork report) and for the TSF states that the tailings are non-acid generating (2021 Knight Piésold FS report). However, it is unclear whether waste rock geochemistry was characterised for potential acid rock drainage and metal leaching. Considering the environmental baseline conditions, water treatment can be associated with significant capital and operating costs which may cause risks to the Abujar mine at closure. ■ SRK understands that the current closure provision is associated with the closure guarantee fund required by the mining convention based on the conditions of the Abujar Mining permit No. 57 covering only the AG deposit related mining and processing activities. ■ Closure cost breakdown provided by Tietto covered: <ul style="list-style-type: none"> – US\$7.8 M for the TSF – US\$1.8 M for the AG open pits reprofiling and revegetation – US\$2.8 M for the AG waste rock dumps revegetation – US\$0.5 M for processing area decommissioning of non-fixed infrastructure and revegetation – US\$0.3 M for roads revegetation. ■ SRK understands there are currently no closure cost provisions to cover the following activities: <ul style="list-style-type: none"> – Processing fixed infrastructure demolition (excluding camp infrastructures as agreed in the Mining convention) – Dam and flooded zone rehabilitation (230 ha) as required by the approved 2023 Dam ESAP – APG deposit related mine site rehabilitation – Teak trees plantation over all disturbed mining surface areas (1,200 ha) as committed to in the approved 2020 ESIA report – Capex and opex for water treatment of pit lakes, waste rock dumps and tailings runoff and seepage – Minium 5 years post closure monitoring as required by the 2014 Mining Code – Socio-economic transition to closure as per commitments provided in the 2023 Manual on environmental and social performance governance for the Abujar project as shared with stakeholders – Contingency of +20% applied to all closure provisions as per the engineering practices considering the limited availability of information on closure considerations and associated risks. 	<ul style="list-style-type: none"> ■ Based on SRK's closure planning and costing experience with similar mining operations in Africa, SRK considers the current closure cost provision to be underestimated. A conceptual closure plan and associated closure cost estimate should be carried out to address closure risks. ■ Additional closure guarantee fund will be required to cover the APG deposit related mining activities. ■ SRK recommends the following minimum closure cost considerations to be provisioned: <ul style="list-style-type: none"> – Processing plant area demolition: US\$1 M – Dam and flooded zone rehabilitation: US\$0.6 M (US\$2,500/ha planting rate estimated by Tietto and including 10% planting loss for 230 ha) – TSF rehabilitation: US\$7.8 M (as estimated by Tietto) – AP deposit related mine site and plant rehabilitation: US\$7 M – APG deposit related mine site rehabilitation: US\$2 M (based on Tietto estimate for AP deposit related mine site) – Water treatment of pit lakes, waste rock dumps and tailings runoff and seepage: not included in the estimation and considered a risk for the Abujar mine – Teak trees plantation over all disturbed mining surface areas (1,200 ha): not included in the estimation – Post-closure monitoring: US\$0.5 M (US\$0.1 M/year based on local labour rate) – Socio-economic transition: US\$2 M (based on livelihood restoration estimation) – 20% contingency: US\$4.2 M – Preliminary recommended closure cost provision: US\$25.2 M.

2.5.5 ESG risks summary

Based on the information provided to SRK, potentially material ESG issues have been identified, however further data are required to confirm the status and implications for the Abujar mine development. The potential ESG risks for Abujar mine are summarised in Table 2.16.

An overall LOM closure cost estimate of US\$11.7 M was provisioned in the financial mode (since revised to US\$13.2 M). Based on SRK's closure planning and costing experience with similar mining operations in Africa, SRK considers the current closure cost provision to be conservative. SRK recommends a closure cost estimate be developed according to the LOM plan and aligned with the closure objectives, commitments and requirements of the Abujar Project.

Table 2.15 shows a range of closure cost estimates compiled from company and technical reports for a range of gold projects and operations from the region. SRK has added its review comments of these estimates and has provided a high-level closure cost assessment for some sites where assessments can be made.

SRK has also assessed a contingency of 20% based on Table 2.14 and the fact that not all closure studies have been completed.

Public domain data coming from annual disclosures generally only report current liability for the sites, i.e. Asset Retirement Obligations (ARO) or Provision for Environmental Rehabilitation. When assessing an asset for valuation purposes, the whole of life of mine/life of asset costs should be considered.

Current liability provisioning is not required to include contingency and most of the numbers put forward in benchmarking studies do not have a contingency included. It is noted that when building LOM costs, contingency is taken into account and this is based on the current understanding of the closure plans and engineering designs, which for this site are not yet complete.

Based on this information, SRK has assessed a preliminary estimate of the closure cost for the Project at US\$21 M.

Table 2.14: Typical contingency versus accuracy ranges

Study Level	Project Definition	Accuracy	Expected Contingency Range
Concept/Scoping	1% to 15% Preliminary economic and technical investigation. Project screening. Comparison of alternatives, configurations and options.	±30% to ±35%	25% to 35%
Pre-Feasibility	10%–40% Economic Feasibility of one or more chosen options.	±20% to ±25%	15% to 25%
Feasibility	30%–75% Project Approval and basis of approving project finance.	±10% to ±15%	10% to 15%

Source: AusIMM Cost Estimation Handbook, Second Edition, Monograph 27

Table 2.15: Reported mine closure benchmarks from the region reviewed by SRK

Company	Mine	Country	Reported closure cost (US\$)	SRK comments	
				Closure cost assessment (US\$ M)	
OreZone	Bombore	Burkina Faso	12,300,000	19	The estimate provided included salvage value – there is no guarantee of salvage.
Endeavour	Ity	Cote D'Ivoire	10,005,000	11	CCE from PFS in 2019; no inflation has been included since then (from online document this would equate to around 12.3% for Ivory Cost between 2019 and 2023). Also noted these costs represent something closer to ARO than LOM as stated in the PFS document: <i>'Presently the estimate is focused on the infrastructure currently in place and in addition the landform extents relating to deposits which are currently in operation. Specifically, this excludes those deposits which are reported as Mineral Reserves but for which mining operations have yet to commence. Accordingly, the estimate resides in between that normally derived to support balance sheet entry for Asset Retirement Obligations ("ARO") and full LoMp closure cost estimate'</i> .
Endeavour	Lafigue	Cote D'Ivoire	13,820,000	24	Actual CCE from DFS in 2022 at US\$24 M; these costs exclude social transition, retrenchment, water treatment, and contingency.
Barrick	Lou Lou	Mali	29,400,000	29	
West African Resources	Sanbrado	Burkina Faso	4,400,000		Total rehabilitation liability for west African resources is US\$14.26 M; costs from NI 43-100 report from 2019. This report does not outline a clear closure strategy that has been costed – the report discusses the plan and states the cost will be developed over the total life of mine, current costs are advised (no details available) as being included in the sustaining costs. Only reference to TSF closure in the sustaining costs description – no information on landforms or other infrastructure. Claims to be offset by salvage but no detail on how that was built up. No detail on ongoing monitoring and maintenance etc.
Fortuna Silver	Seguela	Cote D'Ivoire	11,143,149		2021 CCE from benchmarking studies only – no first principles approaches. Maintenance and repairs at 5% of direct costs. Monitoring only included for 5 years. Management at 10% of direct costs excluding TSF. Documentation does not address reprofiling, cover or encapsulation – assumption this is included in the design. Plant only included as 'decommissioning non-fixed infrastructure' – there are no plant demolition costs included. No water management costs are included. No cost provision included for social transition.
Perseus	Yaoure	Cote D'Ivoire	4,100,000	21	2018_Yaoure_NI43-101.pdf. No further breakdown or alignment with the updated DFS/LOM plan available.

Company	Mine	Country	Reported closure cost (US\$)	SRK comments	
				Closure cost assessment (US\$ M)	
Goldfields	Three sites: Damang, Tarkwa, Asanko	Ghana	Total for three sites 101 M	33	Total of US\$101 M for three sites disclosed for current liability (ARO). This amount is not LOM costs; average LOM cost is closer to ~US\$33 M. Public annual reports do not provide site breakdowns.
Perseus	Edikan	Ghana		16.6	Edikan_NI_43_101_Technical_Report_2022.pdf. The current rehabilitation provision will be sufficient for current and historical works; ARO only, no LOM provisions.
Barrick	Massawa	Cote D'Ivoire	10,005,000	23	

Sources: SRK internal data and literature search

Note: CCE – closure cost estimate.

Other potential ESG risks for the Abujar mine are not expected to exceed the financial materiality threshold of 10% of the project value, however they may give rise to project delays, require substantial management costs or result in reputational damage if not adequately addressed.

Table 2.16: Summary of potential ESG risks

Issue	Threat/ opportunity	Project implications
The mine life extends beyond the validity period of Mining permit No. 57 granted under the 2014 Mining Code	Threat	Tietto mineral rights exclusivity will cease by the end of the life of mine which implies a risk for the mining operations to continue beyond 2030. Conditions of a mining title amendment may be materially different from the current mining permit.
ESIA approval (Order No. 00302/MINEDD/ANDE of 20/10/2020) requires updating due to changes in the Abujar life of mine plan and mine design	Threat	Nonconformance with the ESIA approval implies a risk for the mining and processing operations to be suspended or the ESIA approval withdrawn. Conditions of a ESIA approval amendment may be materially different from current approval.
Unknown status of conformance with the mining convention agreed on 26/05/2023	Threat	If conditions of agreements between the parties are not met, penalties might disrupt mining operations and relationships with the State of Côte d'Ivoire are likely to deteriorate.
Environmental and social action plan outstanding actions	Threat	Potential additional capital and operating cost requirements to manage ESG factors, impacts and risks. Should ESG not be managed appropriately, this may lead to reputational risks and impacts to mining operations.
Insufficient information on the adequacy of environmental monitoring and controls to manage impacts from the Abujar mining and processing operations	Threat	Should insufficient and inadequate provisions be made to avoid, mitigate or compensate environmental and social negative impacts appropriately, this may lead to reputational risks and disruption to the Abujar mining operations. Additional costs associated with water treatment, soil contamination management or biodiversity offset, could be required to manage occurrences of environmental and social impacts.
Unknown status of land acquisition, and associated stakeholder engagement and management of issues and concerns raised regarding land acquisition for the Abujar mine site	Threat	Should stakeholder engagement not be managed appropriately, this may lead to reputational risks and delays to land acquisition.
Need to complete an ESIA and apply for an approval prior to the mining development for the APG deposit	Threat	Additional time required to obtain approval (2 years provided in project schedule may be sufficient if the application is made promptly).
Need to apply for a mining permit amendment upon the ESIA approval granted prior to developing the APG deposit	Threat	Additional time required to obtain permit amendment (2 years provided in project schedule may be sufficient if the application is made promptly).

Issue	Threat/ opportunity	Project implications
Need to complete resettlement process and land acquisition prior to developing the APG deposit	Threat	Additional time required to complete land acquisition (2 years provided in project schedule may be sufficient if the process starts promptly). Additional costs associated with land acquisition and compensation.
Insufficient information on adequacy of environmental controls to manage impacts from potentially acid forming waste materials in the DFS design	Threat	Additional costs could be required to manage geochemical risks including control of seepage from waste rock storage, water treatment and closure cover systems.
Insufficient information on cost provisions with regards to closure	Threat	Additional costs could be required to undertake the required closure works and post-closure monitoring.

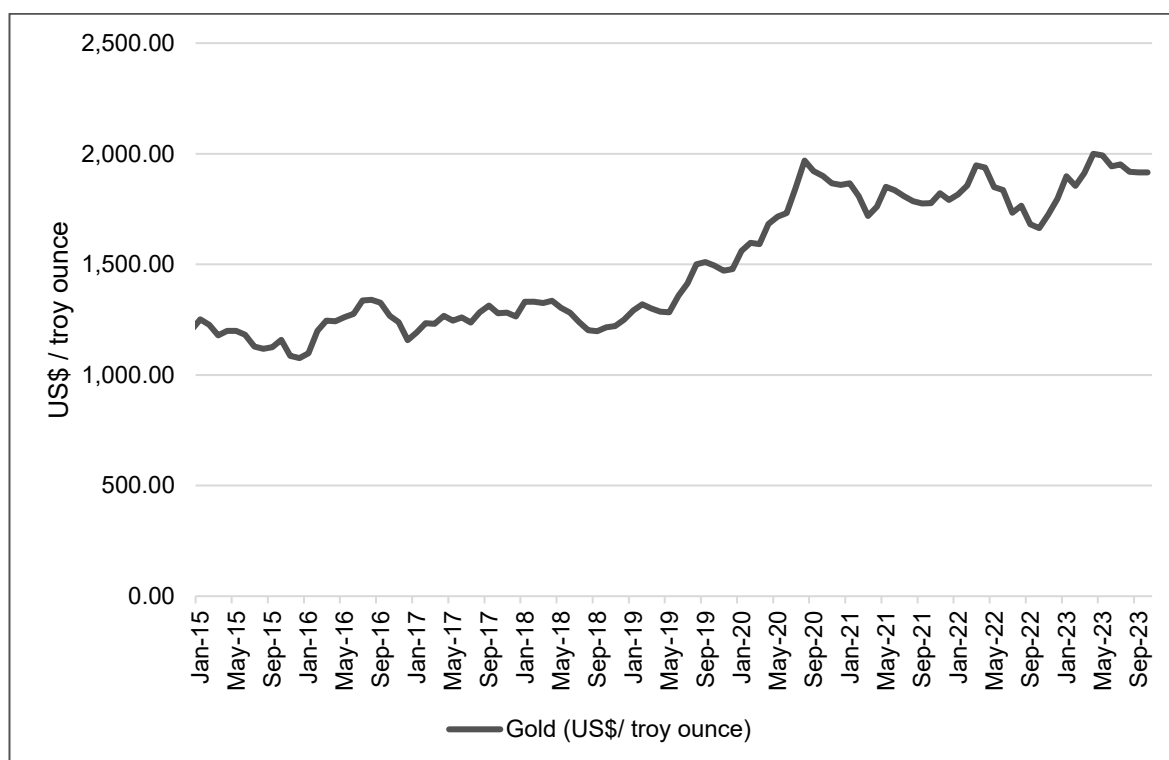
3 Valuation

3.1 Commodity price

The gold price between January 2015 and October 2023 is presented in Figure 3.1 as sourced from the World Bank ‘Pink Sheets’ and is expressed in US dollar terms (US\$). From 2015 to 2023, the price of gold experienced various fluctuations and rose steadily from US\$1,200/oz to US\$2,000/oz. It averaged around US\$1,920/oz in the first half of 2023, supported by strong safe-haven buying and a slightly weaker US dollar. In July 2023, gold rose to over US\$2,000/oz but declined in August. Despite some volatility, gold prices have been supported by central bank buying, even as US Treasury yields have risen. The average gold price in October 2023 was US\$1,916/oz.

SRK has used the average gold price for October 2023 for the purpose of market assessment and valuation.

Figure 3.1: Monthly average commodity prices (US\$ terms) January 2015 to present



Source: SRK analysis

3.2 Valuation of Tietto’s Mineral Assets

The objective of this section is to provide Grant Thornton and the shareholders of Tietto with SRK’s opinion regarding the valuation of Tietto’s Mineral Assets (see Section 3.7.5). SRK has not valued Tietto as a corporate entity, but rather the Mineral Assets that Tietto owns as the beneficial owner (Table 3.1).

SRK has relied on information provided by Tietto, along with information sourced from the public domain, SRK's internal databases and SRK's subscription databases, namely S&P Capital IQ Pro.

Table 3.1: Interest in each project held by Tietto

Project	Deposit	Interest
Abujar	AG	88%
	APG	88%
	SG	88%
	APG extension	88%
Abujar Middle		90%
Abujar North		51%
Abujar South		100%
Bongouanou North		50%
Bongouanou South		50%

Source: Tietto

3.3 Previous valuations

The VALMIN Code (2015) stipulates that an Independent Valuation Report should reference any other recent valuations or Expert Reports conducted on the mineral properties being evaluated.

After inquiring with Tietto, SRK is not aware of any previous publicly disclosed valuations prepared in accordance with the VALMIN Code (2015) relating to its Mineral Assets.

3.4 Valuation approaches and methods

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

1. Market Approach
2. Income Approach
3. Cost Approach.

The Market Approach is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets under similar time and circumstance on an open market (VALMIN Code, 2015). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The Income Approach is based on the principle of anticipation of economic benefits and includes all methods that are based on the anticipated benefits of the potential income or cashflow generation of the mineral asset (VALMIN Code, 2015). Valuation methods that follow this approach include discounted cashflow (DCF) modelling, capitalised margin, option pricing and probabilistic methods.

The Cost Approach is based on the principle of cost contribution to value, with the costs incurred providing the basis of analysis (VALMIN Code, 2015). Methods include the appraised value method

and multiples of exploration expenditure (MEE), where expenditures are analysed for their contribution to the exploration potential of the Mineral Asset.

The applicability of the various valuation approaches and methods varies depending on the stage of exploration or development of the mineral asset and hence the amount and quality of the information available on the mineral potential of the assets.

Table 3.2 presents the valuation approaches for the valuation of mineral properties at the various stages of exploration and development.

Table 3.2: Suggested valuation approaches according to development status

Valuation Approach	Exploration Projects	Pre-Development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015)

The market approach to valuation can be used for the valuation of Mineral Assets regardless of development status but is typically applied as a primary approach for Exploration to Development projects.

An income-based method, such as a DCF model is commonly adopted to assess the value of a tenure containing a deposit where an Ore Reserve has been produced following an appropriate level of technical study and to accepted technical guidelines such as the JORC Code (2012). However, an income-based method is generally not considered appropriate for deposits that are less advanced or where technical risk is not quantified (i.e. no declared Ore Reserve and/or supporting mining and related technical studies).

The use of cost-based methods, such as considering suitable MEE is best suited to exploration projects, where Mineral Resources remain to be reliably estimated.

In general, these methods are accepted analytical valuation approaches that are in common use for determining the value of mineral assets. Given its direct reference to values paid in the market and ability to be actively observed, the market approach provides a direct link to Market Value. In contrast both income-based and cost-based methods derive a Technical Value (as defined below) which typically require the application of various adjustments to account for market considerations in order to convert these values to a Market Value.

The **Market Value** is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term Market Value has the same intended meaning and context as the International Valuation Standards Committee (IVSC) term of the same name. This has the same meaning as Fair Value in RG111. In the 2005 edition of the VALMIN Code, this was known as Fair Market Value.

The **Technical Value** is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

Under prevailing industry norms, regulatory guidance and as required by the VALMIN Code (2015), Practitioners are required to estimate Market Value. There is no requirement to report Technical Value, which is generally only estimated as a step to report Market Value.

Valuation methods are, in general, subsets of valuation approaches and for example the Income Approach comprises several methods. Furthermore, some methods can be considered to be primary methods for valuation while others are secondary methods or rules of thumb considered suitable only to benchmark valuations completed using primary methods.

Methods traditionally used to value exploration and development projects include:

- MEE (expenditure-based)
- JV Terms Method (expenditure-based)
- Geoscience Ratings Methods (e.g. Kilburn – area-based)
- Comparable Transaction Method (market based)
- MTR analysis (ratio of the transaction value to the gross dollar metal content, expressed as a percentage – market based)
- Yardstick/Rule of Thumb Method (e.g. US\$/resource or production unit, percentage of an in situ value)
- the geological risk method.

In summary, the recognised valuation methods are intended to provide an estimation of the value of the mineral asset or project within each development category. In some instances, a particular mineral asset or project may consist of assets that fall under more than one of the previously discussed development categories.

3.5 Valuation approach

The current development status of Tietto's mineral assets, classified according to the VALMIN Code is presented in Table 3.3. The Abujar Project contains the AG and APG deposits which are included in the current LOM models. SRK has conducted a review of the LOM models and provided recommendations to Grant Thornton regarding areas where adjustments are required for the discount cashflow valuation. The Abujar Project also hosts the SG and APG_extension deposits.

In estimating the value of the projects at the Valuation Date, SRK has taken into account various valuation methods within the context of the VALMIN Code (2015).

For the Mineral Resources that lie outside the LOM models associated with the AG and APG deposits (hereafter known as residual resources) and Mineral Resources related to the SG and APG deposits, SRK chose to employ comparable transaction analysis as the primary valuation

approach. The values determined using this approach were crosschecked against values determined using the Yardstick Valuation method. The same approach has been applied to the Mineral Resources of the SG and APG extension deposits.

For the remaining exploration potential of the APG project and other projects, SRK has valued the areas of these projects using the comparable transaction as the primary method and crosschecked using the geoscientific method.

Table 3.3: SRK's adopted valuation basis

Project	VALMIN development stage	Description	Valuation basis
Abujar	Production	Mineral Resources considered within the model	Income: Cashflow Model (considered by Grant Thornton)
		Mineral Resources not considered within the LOM models. Residual resources at AP and APG deposits, and Mineral Resources SG and APG_extension deposits considered	Market: Comparable Transactions Cost: Yardstick
		Exploration Potential (areas that are not covered by the currently defined Mineral Resources)	Market: Comparable Transactions Cost: Geoscientific
Abujar Middle	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Abujar South (Issia)	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Abujar North	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Bongouanou (Mbatto)	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Bongouanou (Arrah)	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Yakro*	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Soubre*	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Dabakala*	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions
Boudiali*	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific
Sinfra*	Early-stage Exploration	Exploration Potential	Market: Comparable Transactions Cost: Geoscientific

Source: SRK analysis

Note: *Tenements under application

3.6 Reasonableness of technical inputs to the models

3.6.1 Mineral Resources

SRK has recalculated the Mineral Resources (Table 3.4) from the block models supplied to ascertain cut-off grade splits and to separate material within the RPEEE pit shells from that below the pit shells. The material located below the RPEEE pit shells with a cut-off grade of 1.1 g/t Au showed average grades above a cut-off grade of less than 2.0 g/t Au and were therefore considered not to demonstrate RPEEE when considering underground mining methods.

The overall result of these changes is that the total Mineral Resource tonnage estimate has decreased by 23 Mt from 124 Mt to 101 Mt, the average grade has decreased from 1.0 g/t Au to 0.88 g/t Au, and the total contained gold has decreased by 0.96 Moz from 3.83 Moz to 2.87 Moz.

SRK proposes that Table 3.4 is a reasonable estimate of Mineral Resources with RPEEE, as at 31 March 2023, and is suitable to support the Ore Reserve estimate and LOM plan, as well as being suitable for valuation purposes.

APG Pit LOM scenario currently comprises approximately 40% of Inferred Mineral Resources within the total scheduled tonnes. As infill drilling progresses, it is unlikely that all of the Inferred resources will upgrade to Indicated and Measured resources, and SRK recommends a 60% conversion factor for upgrade of Inferred Mineral Resources as a reasonable assumption for the resource upgrade. SRK further recommends the inclusion of an additional US\$3 M capex in exploration costs, spread over 3 years from 2024, to complete the infill drilling.

Table 3.4: SRK recalculated Mineral Resources occurring within RPEEE pit shells only

Area	Class	Oxide			Transition			Fresh			Total		
		Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)
AG ¹	Meas	-	-	-	0.8	0.99	0.02	12.0	1.23	0.48	12.8	1.22	0.50
	Indicated	0.49	0.92	0.02	1.7	1.05	0.06	20.4	1.41	0.92	22.6	1.37	1.00
	Inferred	0.08	0.86	0.002	0.7	1.05	0.02	3.4	1.06	0.12	4.2	1.05	0.14
	Total	0.57	0.91	0.02	3.2	1.03	0.10	35.8	1.36	1.52	39.6	1.33	1.64
APG ²	Indicated	0.48	0.73	0.01	1.8	0.74	0.04	7.0	0.78	0.18	9.3	0.77	0.23
	Inferred	1.1	0.66	0.02	4.0	0.65	0.08	24.4	0.63	0.50	29.5	0.63	0.60
	Total	1.6	0.68	0.03	5.8	0.68	0.12	31.4	0.66	0.68	38.8	0.67	0.83
SG ³	Inferred	0.06	0.59	0.001	0.4	0.93	0.01	1.3	1.35	0.05	1.8	1.23	0.06
APG_ex ³	Inferred	0.1	0.5	0.002	2.8	0.5	0.05	18.2	0.5	0.29	21.2	0.5	0.34
Total		2.3	0.72	0.05	12.2	0.73	0.28	87	0.91	2.54	101	0.88	2.87

Sources: SRK calculation

Notes: Mineral Resources are reported inclusive of those Mineral Resources modified to produce the Ore Reserves. Meas – Measured.

¹ Reported at 0.25 g/t Au cut off within RPEEE pit shell (US\$2,000/oz) for AG

² Reported at 0.30 g/t Au cut off within RPEEE pit shell (US\$2,000/oz) for APG

³ Reported at 0.25 g/t Au cut off within RPEEE pit shell (US\$2,000/oz) for SG and APG_ex deposits.

3.6.2 Mining and Ore Reserves

Table 3.5: SRK's recommendations regarding the Mining and Ore Reserves

Item	Model	SRK recommendations	Comments
Ore tonnage profile	Nov'23: 280,311 t Dec'23: 417,237 t Jan'24: 482,943 t Feb'24: 295,228 t Mar'24: 532,603 t Apr'24: 495,346 t May'24: 403,790 t Jun'24: 537,846 t.	Downgrade the proposed ore tonnages as follows: <ul style="list-style-type: none"> November and December 2023, 90% of presented budget January, February and March 2024, 90% of presented budget April, May and June 2024, 95% of presented budget July 2024 and thereafter 100% of presented budget. 	Issues associated with: <ul style="list-style-type: none"> the primary mining equipment, breakdowns associated with power transmission issues, hydraulic issues and bucket repairs. New equipment is due on-site. inefficient loading due to operator and fragmentation (mainly the first 2.5 m of a 5 m or 10 m blast). There is a program (by using blast plugs due to the highly jointed nature of the ground) to improve fragmentation. slope stability/failures. This will improve as mining moves into the fresh ore (out of the oxide/transition ore) which is on average 30–40 m thick. Dewatering boreholes are also being installed around the open pit to help with dewatering and de-pressurising. <p>The weather has had a major impact on production. There has been limited flexibility due to the mine being in a start-up phase. Improved haul road construction and larger equipment will allow better performance and, with careful management, better preparation for the next wet season.</p>
Ore grade profile	Nov'23: 0.96 g/t Dec'23: 1.14 g/t Jan'24: 1.22 g/t Feb'24: 1.14 g/t Mar'24: 1.01 g/t Apr'24: 1.29 g/t May'24: 1.36 g/t Jun'24: 1.29 g/t.	Downgrade the proposed ore grades as follows: <ul style="list-style-type: none"> November and December 2023, 90% of presented budget January, February and March 2024, 90% of presented budget April, May and June 2024, 95% of presented budget July 2024 and thereafter 100% of presented budget. 	Issues associated with: <ul style="list-style-type: none"> The lack of flexibility of the production profile, associated with the wet season and primary mining equipment shortfalls. Mining the oxide material which is difficult to accurately estimate the grades associated with the fragmented nature of the oxide ore and areas disturbed by artisanal mining. <p>Grades should improve as mining gets deeper into areas that are more competent and undisturbed by artisanal mining.</p>
Waste tonnage profile	Nov'23: 3,779,498t Dec'23: 3,738,184t Jan'24: 3,391,750t Feb'24: 3,252,871t Mar'24: 3,609,744t Apr'24: 3,509,106t May'24: 3,584,586t Jun'24: 3,460,268t	Downgrade the proposed waste tonnages as follows: <ul style="list-style-type: none"> November and December 2023, 90% of presented budget January, February and March 2024, 90% of presented budget April, May and June 2024, 95% of presented budget July 2024 and thereafter 100% of presented budget. 	Issues associated with: <ul style="list-style-type: none"> the primary mining equipment, breakdowns associated with power transmission issues, hydraulic issues and bucket repairs. New equipment is due on-site. inefficient loading, due to operator and fragmentation (mainly the first 2.5 m of a 5 m or 10 m blast). There is a program (by using blast plugs due to the highly jointed nature of the ground) to improve fragmentation. slope stability/failures. This will improve as mining moves into the fresh ore (out of the oxide/transition ore) which is on average 30–40 m thick. Dewatering boreholes are also being installed around the open pit to help with dewatering and de-pressurising. <p>The weather has had a major impact on production. There has been limited flexibility due to the mine being in a start-up phase. Improved haul road construction and larger equipment will allow better performance and with careful management, better preparation for the next wet season.</p>
Mining Operating costs	No change	No change	The unit mining costs will be higher, as the costs have been estimated for a higher tonnage, but SRK has recommended lower tonnages.
Mining Capital/sustaining	No change	No change	As the mining is undertaken by mining contractors, there is no associated mining capital expenditure required by the mine owners. Any owner costs associated with mining will be covered within the sustaining capital allowance.

Source: SRK analysis

Notes:

1. Based on the Tietto Financial model – '20231003_Tietto LOM Model_v8_SENT'
2. All SRK recommendations are undiscounted on a real basis.

3.7 Resources external to LOM plan

3.7.1 Introduction

The residual resources of the AG and APG deposits as well as the Mineral Resources of the SG and APG_extension deposits are presented in Table 3.6. SRK has reviewed the reasonableness of the Mineral Resources and LOM models (see Section 2.2 and 2.3). Based on the review results, the residual resources have been estimated by subtracting the Mineral Resources contained within the LOM plan (including Inferred Mineral Resources) from the reviewed total Mineral Resources contained within the RPEEE pit shell (US\$2,000/oz).

Table 3.6: Summary of the residual resources and Mineral Resources valued at Abujar

Deposit	Category	Quantity (Mt)	Grade Au (g/t)	Total troy ounces
AG residual resource	Measured + Indicated + Inferred	5,553,813	2.10	375,407
APG residual resource	Indicated + Inferred	22,391,865	0.64	460,354
SG Mineral Resource	Inferred	1,730,083	1.23	68,207
APG_extension Mineral Resource	Inferred	21,200,000	0.50	340,000

Source: SRK analysis

Notes: Rounding errors may occur; subtraction of ounces applied between the reviewed Mineral Resources and the Mineral Resources considered within the LOM models.

3.7.2 Actual transactions

None noted.

3.7.3 Comparable market transactions

To assess the value of the residual resources presented in Table 3.6, SRK has compiled gold resource transactions using its internal databases as well as the S&P Capital IQ Pro subscription database. The raw data relied on for the residual resource valuation are presented in Appendix A (Comparable Market Transactions).

After compiling the relevant data, SRK conducted a review of transactions involving African gold projects across various development stages that occurred between 2020 and 2023. SRK identified 62 transactions that were considered sufficiently relevant and had sufficient information available to calculate a resource multiple. The resulting implied transaction multiple for resources was then expressed in US dollar per ounce terms. This calculation involved using the transaction value (based on the implied 100% acquisition cost) and the total contained Mineral Resources associated with each transaction. Considering the volatility of gold prices and the uncertainty surrounding future prices, SRK has used the October 2023 average US gold price of US\$1,916.25/oz to normalise the implied multiples for the valuation analysis.

It is important to note that transaction multiples, although widely used in valuation, rely on the assumption that the reported Mineral Resources have been accurately and appropriately disclosed

and can be accepted at face value. This method assumes that differences in reporting standards among different Competent Persons, variations in resource classification, metal recovery rates, and adopted cut-off grades (which may differ between assets or companies) do not significantly impact the implied multiple.

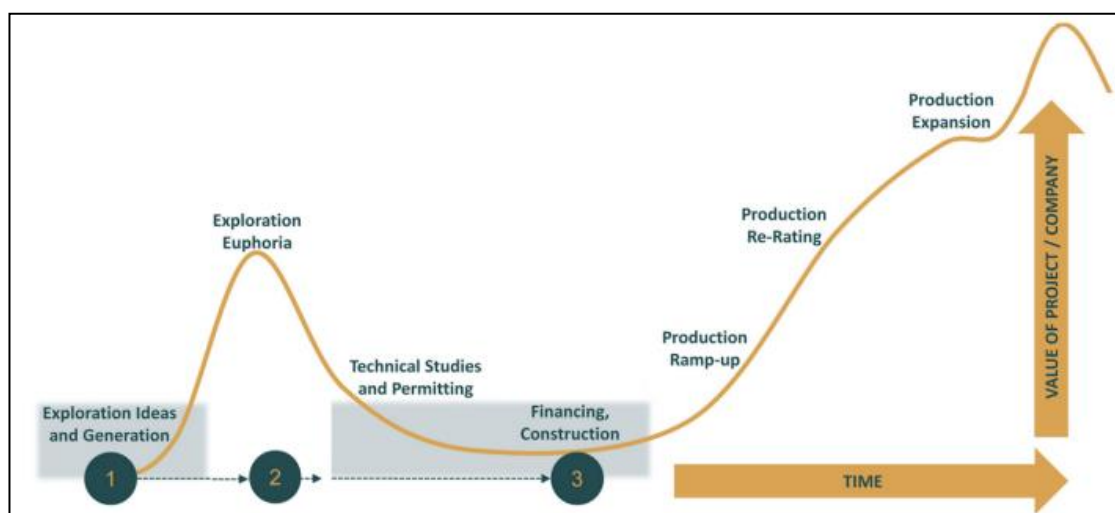
The method implicitly assumes total recoverability of all metal tonnes/ounces, as reliable and accurate data are generally not disclosed or available around the time of most transactions or for all companies. Importantly, SRK's implied value calculations are for the purposes of its valuation and do not attempt to estimate or reflect the metal likely to be recovered as required under the JORC Code (2012).

There is a positive correlation between the development stage of the assets hosting defined Mineral Resources and their corresponding implied multiples. On average, for median and weighted average values, these multiples tend to decrease in earlier stages of development. When focusing on the median normalised multiples exclusively, SRK's analysis suggests the following normalised transaction multiples (Table 3.7):

- projects in operation or construction – US\$71.42/oz
- projects at feasibility stage – US\$25.62/oz
- projects at scoping and pre-feasibility stage – US\$15.08/oz
- projects at advanced exploration stage – US\$10.08/oz.

The value price curve identified by this metric is in alignment with prevailing theory on value throughout a mining project's life cycle (Figure 3.2).

Figure 3.2: Project value curve



Source: SRK

Table 3.7: Resource-based transaction multiple analysis

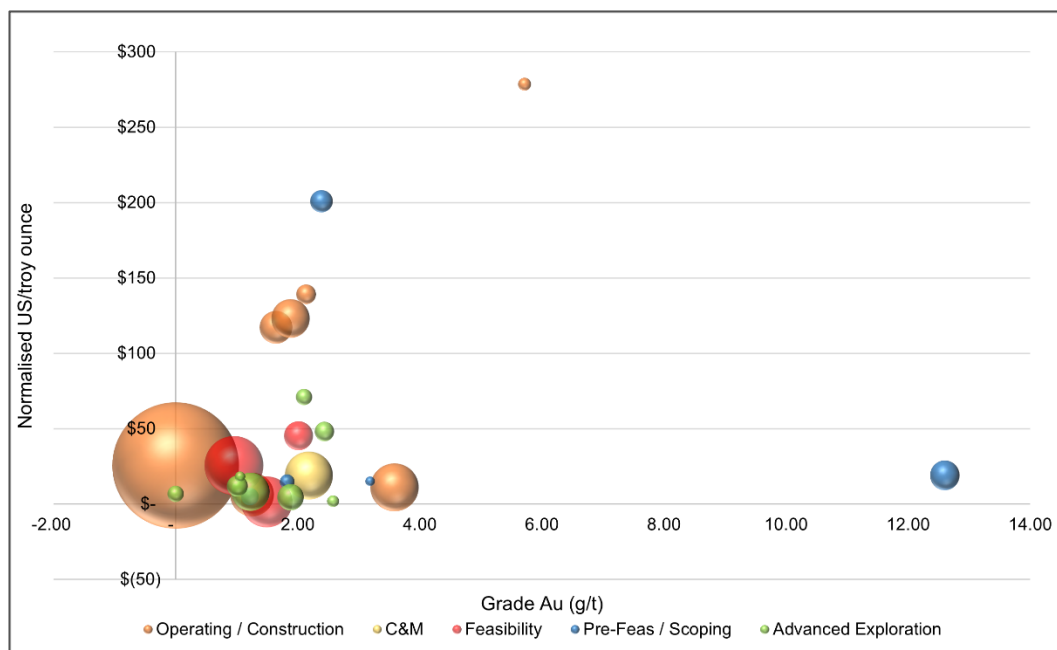
	Resource multiple – Raw (US\$/troy oz)	Resource multiple – Normalised (US\$/troy oz)
All		
count	25	25
min	1.14	1.40
median	16.27	18.80
average	48.22	49.59
max	283.73	278.67
weighted average	28.97	31.39
25th percentile	7.85	8.19
75th percentile	43.52	48.15
90th percentile	131.13	132.75
Projects in operation or under construction		
count	8	8
min	6.45	6.35
median	70.10	71.42
average	90.17	90.45
max	283.73	278.67
weighted average	33.17	35.99
25th percentile	17.91	19.63
75th percentile	127.22	127.12
90th percentile	180.04	181.03
Care and maintenance, closed		
count	1	1
min	17.00	18.80
median	17.00	18.80
average	17.00	18.80
max	17.00	18.80
weighted average	17.00	18.80
25th percentile	17.00	18.80
75th percentile	17.00	18.80
90th percentile	17.00	18.80
Projects at the feasibility stage		
count	3	3
min	1.14	1.40
median	23.76	25.62
average	21.54	24.08
max	39.72	45.22
weighted average	17.10	18.79
25th percentile	12.45	13.51

	Resource multiple – Raw (US\$/troy oz)	Resource multiple – Normalised (US\$/troy oz)
75th percentile	31.74	35.42
90th percentile	36.53	41.30
Projects at the scoping/pre-feasibility stage		
count	5	5
min	4.97	4.88
median	14.79	15.06
average	48.71	50.91
max	193.72	200.82
weighted average	58.98	62.21
25th percentile	14.21	14.77
75th percentile	15.84	19.00
90th percentile	122.57	128.09
Projects at the Advanced Exploration stage		
count	8	8
min	1.78	1.82
median	9.33	10.08
average	19.88	21.33
max	68.07	71.02
weighted average	15.27	16.35
25th percentile	5.94	6.18
75th percentile	23.08	25.66
90th percentile	50.89	55.01

Source: SRK analysis

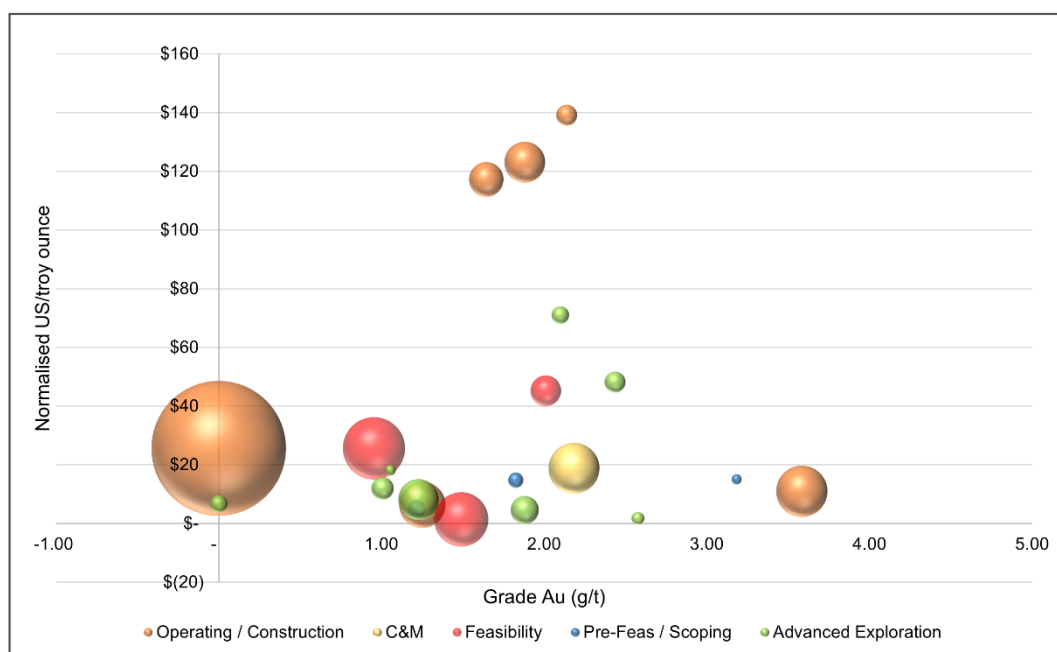
Note: the weighted average is determined based on the contained gold ounces in the defined Mineral Resource, which SRK considers to be an appropriate metric in evaluating a large dataset.

Figure 3.3: Resource multiples for African gold transactions



Source: SRK analysis

Figure 3.4: Resource multiples for African gold transactions (adjusted axis)



Source: SRK analysis

Note: Axis changed to show more detail at low grade and low value multiples.

Table 3.8 presents a summary of the multiples implied by recent transactions involving assets similar to those held by Tietto. SRK has used these implied multiples to establish the value of the residual resources and Mineral Resources held by Tietto on a 100% attributable basis.

SRK notes that the selection of implied multiples is a subjective assessment. Based on the transaction analysis presented in Table 3.7, SRK has selected a resource multiple range of between US\$20/oz and US\$40/oz for the AG residual resource. This range is broadly aligned with the values implied by transactions associated with median and high values implied in feasibility stage transactions. SRK recognises that the AG residual resource is beyond the LOM plan. However, it cannot be ruled out that a portion of the residual resource might be developed in the future if there are changes in the project's economics and other technical factors.

For the APG residual resources, SRK has also selected the same range of resource multiples, but with a 25% discount applied due to the higher proportion of Inferred Mineral Resources present in the APG residual resource.

For the Mineral Resources of the SG and APG_extension deposits, SRK has selected a resource multiple range of between US\$10/oz and US\$20/oz for the Mineral Resources. This range is determined by considering the median to average resource multiple implied by the transactions in the Advanced Exploration stage. It also takes into account that the SG and APG_extension deposits lie along the same geological structure that hosts the AG and APG_extension deposits. With further exploration work, it is possible that additional resources might be defined in these areas.

Overall, SRK considers that the implied value of the residual resources and Mineral Resources held by Tietto fall within the range from US\$16.28 M to US\$32.55 M, with a preferred value of US\$24.1 M on a net attributable equity basis (Table 3.8).

Table 3.8: Comparable transaction valuation of residual resources and Mineral Resources on an attributable basis

Deposit/Project	Total (oz)	Value multiple Low (US\$)	Value multiple High (US\$)	Value multiple Preferred (US\$)	Value Low (US\$M)	Value High (US\$M)	Value Preferred (US\$M)
AG residual	375,407	20.00	40.00	30.00	7.51	15.02	11.26
APG residual	460,354	15.00	30.00	22.50	6.91	13.81	10.36
SG	68,207	10.00	20.00	15.00	0.68	1.36	1.02
APG_extension	340,000	10.00	20.00	15.00	3.40	6.80	5.10
Total Abujar Project (100%)	1,243,967				18.50	36.99	27.74
Total Abujar Project (Tietto 88%)	1,094,691				16.28	32.55	24.41

Source: SRK analysis

3.7.4 Yardstick

To verify the values derived from the comparable transaction method, SRK has employed the Yardstick method as a crosscheck. The Yardstick method involves applying a percentage of the spot commodity price to the quoted Mineral Resource. This approach is typically used as a

secondary method to crosscheck the primary valuation method. Based on SRK's experience, the following ratios were used for the Yardstick valuation:

- Measured Resources - 2.0% to 5.0% of the spot price
- Indicated Resources - 1.0% to 2.0% of the spot price
- Inferred Resources - 0.5% to 1.0% of the spot price
- Exploration Target - 0.1% to 0.5% of the spot price.

SRK has adopted the spot price of US\$1,916/oz (average spot price for October 2023) for this analysis. The implied value range multiplies using the yardstick factors are summarised in Table 3.9.

Table 3.9: Yardstick factors value range

Resource	Percentage of the spot price	Value range	
		Low US\$/oz gold	High US\$/oz gold
Measured	2.0% to 5.0%	38.33	95.81
Indicated	1.0% to 2.0%	19.16	38.33
Inferred	0.5% to 1.0%	9.58	19.16
Target	0.1% to 0.5%	1.92	9.58

Source: SRK analysis

Using the Yardstick assumptions and the average spot price for October 2023, SRK's yardstick valuation range for the residual resources and Mineral Resources held by Tietto fall within the range from US\$13.47 M to US\$26.94 M with a preferred value of US\$20.20 M on a net attributable equity basis (Table 3.10).

Table 3.10: Yardstick valuation of residual resources and Mineral Resources

Deposit/Project	Total (oz)	Value Low (US\$M)	Value High (US\$M)	Value Preferred (US\$M)
AG residual resource	375,407	6.31	12.62	9.47
APG residual resource	460,354	6.21	12.42	9.32
SG	68,207	0.65	1.31	0.98
APG_extension	340,000	3.26	6.52	4.89
Total Abujar Project (100%)	1,243,967	15.31	30.61	22.96
Total Abujar Project (Tietto 88%)	1,094,691	13.47	26.94	20.20

Source: SRK analysis

3.7.5 Summary – residual resource and Mineral Resource valuation

SRK has compiled and reviewed relevant available information of the Mineral Resources and the LOM models. The residual resources of the AG and APG deposits have been estimated. The value of the residual resources together with the SG and APG_extension Mineral Resources is estimated

to be between US\$16.28 M and US\$32.55 M using the comparable transaction method. The yardstick method was used as the secondary method, with values ranging in a slightly lower range from US\$13.47 M to US\$26.94 M. SRK has selected the implied values, derived from the comparable transaction method as its overall preferred method of valuation. In SRK's opinion, the market would pay in the range from US\$16.28 M to US\$32.55 M with a preferred value of US\$24.41 M on a net attributable equity basis (Table 3.11).

Table 3.11: Summary of SRK's valuation of Tietto's residual resources and Mineral Resources on an attributable basis.

Method	Low (US\$M)	High (US\$M)	Preferred (US\$M)
Comparable transactions	16.28	32.55	24.41
Yardstick	13.47	26.94	20.20
Selected Tietto	16.28	32.55	24.41

Source: SRK analysis

3.8 Exploration potential

3.8.1 Introduction

In addition to an assessment of the residual resources and Mineral Resources, SRK has also considered the value associated with the mineral tenure surrounding the currently defined Mineral Resource as well as exploration tenements currently held or being applied for by Tietto.

A comparable transaction analysis of projects from Early-stage to Advanced Exploration has been conducted to determine the values of the exploration potential.

3.8.2 Comparable transactions

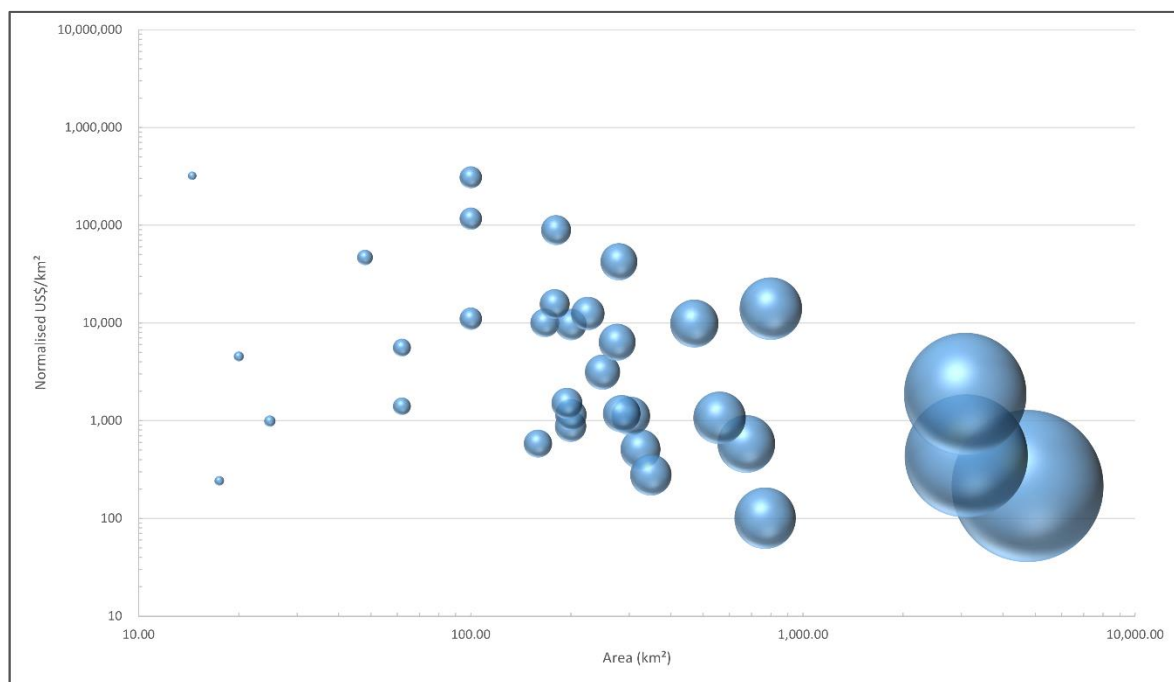
SRK has reviewed transactions involving gold exploration projects in Africa, spanning from Early-stage to Advanced Exploration stage, between 2020 and 2023. These transactions specifically pertain to projects without defined gold Mineral Resources.

SRK has identified 37 transactions (Table 3.12) that have sufficient information to support the determination of an area-based multiple (US\$/km²). The analysis conducted by SRK is based on the reported areal extent of the mineral tenure. The area-based multiple is determined by calculating the transaction value at the implied 100% acquisition cost and the total area of the project tenure acquired at the time of the transaction. Given the fluctuation of the gold price during 2020–23, SRK has selected to use an average gold price of US\$1,916.25/oz, representing the average spot gold price for October 2023 to normalise the implied multiples.

SRK notes that there is a clear relationship between the size of tenure acquired and the implied value in US dollars per kilometre squared terms. Mining leases (MLs), generally smaller and more advanced in terms of exploration, tend to attract higher transaction prices and implied multiples, compared to prospecting leases (PLs) or exploration leases (ELs). Additionally, PLs and ELs located in proximity to operating mines commonly exhibit higher implied values than those with similar level of exploration work (Figure 3.5). SRK considers this relationship to be reasonable and

in line with industry practice. As exploration progresses on a tenure, explorers frequently relinquish areas of lower perceived potential, retaining only the most prospective regions in compliance with regulatory requirements.

Figure 3.5: Area-based multiples African gold transactions



Source: SRK analysis

Table 3.12: Area-based transaction multiple analysis

	Resource multiple – Raw (US\$/km ²)	Resource multiple – Normalised (US\$/km ²)
All		
count	37	37
min	91.0	100.6
median	4,375.0	4,540.2
average	224,730.4	230,806.2
max	6,100,000.0	6,323,573.2
weighted average	6,443.2	6,737.0
25th percentile	884.1	987.3
75th percentile	14,915.1	15,579.1
90th percentile	191,752.0	192,964.7
All excluding two high outliers >US\$1 M/km²		
count	35	35
min	91.0	100.6
median	2,811.2	3,139.5
average	31,540.4	32,011.0
max	319,539.5	319,131.5
weighted average	6,043.0	6,335.7
25th percentile	883.3	930.2
75th percentile	12,710.6	13,223.5
90th percentile	85,225.2	86,558.8
All excluding outliers >US\$0.3 M/km² for similar risk rating countries including Cote d'Ivoire, Ethiopia, Ghana, Morocco, Namibia and Tanzania		
count	17	17
min	91.0	100.6
median	885.9	1,066.4
average	12,187.7	13,061.3
max	83,062.9	88,900.0
weighted average	3,521.7	3,817.5
25th percentile	458.7	507.2
75th percentile	11,940.9	12,472.5
90th percentile	40,250.4	43,953.6

Source: SRK analysis

Based on its review of the available technical information, SRK has assessed the value of the exploration holdings for the relevant parties. All values were estimated on a net attributable equity basis.

SRK considers that applying values solely based on the ranges derived from either ELs or MLs only does not adequately reflect the large and coherent nature of the project tenure held by the respective party, nor its spatial relationship with the surrounding defined Mineral Resources. SRK has therefore expanded its analysis by selecting ranges of area-based multiples based on the size of the tenure and the perceived prospectivity of each tenement.

For the Abujar (PE57) project, where the AP, APG, SG and APG_extension deposits are located, SRK has estimated the area covered by the currently stated Mineral Resource and excluded it from the valuation process. This step is taken to avoid duplication in assigning values to the same area. A 20% discount has also been applied to the tenements under application to reflect the uncertainty in the likely timing of the grant, as well as approval conditions associated with the grant.

The implied values of Tietto's mineral tenures, on a net attributable basis using the comparable transaction method are presented in Table 3.13.

Table 3.13: Exploration potential value using transaction analysis – net attributable basis

Project	Tietto's interest	Licence area (km ²)	Multiples by area (US\$/km ²)			Market Value (US\$M)		
			Lower	Upper	Preferred	Lower	Upper	Preferred
Abujar (PE57)*	88%	120.36	75,000	150,000	112,500	9.03	18.05	13.54
Abujar Middle (PR469)	90%	281.42	5,000	10,000	7,500	1.41	2.81	2.11
Abujar North (PR550)	100%	337.8	10,000	20,000	15,000	3.38	6.76	5.07
Abujar South (PR679)	51%	389.05	10,000	20,000	15,000	3.89	7.78	5.84
Bongouanou North (PR719)	50%	395.1	2,500	5,000	3,750	0.99	1.98	1.48
Bongouanou South (PR646)	50%	400.0	1,250	2,500	1,875	0.50	1.00	0.75
Boudiali (PR0802)	50%	395.46	250	500	375	0.05	0.10	0.07
Yakro (1356DMICM27/07/2022) **	100%	259.49	250	500	375	0.05	0.10	0.08
Soubre (1366DMICM29/07/2022) **	100%	371.67	250	500	375	0.07	0.15	0.11
Dabakala (1299DMICM21/07/2022) **	100%	303.96	250	500	375	0.06	0.12	0.09
Boudiali (0141DMICM26/02/2019) **	50%	399.69	250	500	375	0.04	0.08	0.06
Sinfra (1477DMICM12/08/2022) **	50%	374.84	250	500	375	0.04	0.07	0.06
Total						13.90	27.79	20.84

Source: SRK analysis

Notes:

*Areas covered by Mineral Resources and planned development have been excluded.

**A 20% discount has been applied to the tenements under application.

Using the Comparative Transactions – area-based method, SRK considers the Market Value of the exploration potential (excluding the areas containing the defined Mineral Resources) associated with Tietto's mineral tenures resides between US\$13.90 M and US\$27.79 M, with a preferred value of US\$20.84 M on an attributable basis.

3.8.3 Geoscientific Rating

As a crosscheck to the values implied by market multiples, SRK has also considered the Geoscientific Rating method, a cost-based method. The Geoscientific Rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through appropriate multipliers (factors) applied to an appropriate base (or intrinsic) value and is considered to be a cost-based method of valuation. The intrinsic value is referred to as the base acquisition cost (BAC), which represents the 'average cost to identify, apply for and retain a base unit of area of title' for 1 year.

Multipliers are considered for off-property aspects, on-property aspects, anomaly aspects, and geology aspects. These multipliers are applied sequentially to the BAC to estimate the Technical Value for each tenement. A further market factor is then considered to derive a Market Value.

A BAC has been assumed in this valuation – which incorporates annual rental, administration and application fees in addition to nominal indicative minimum expenditure on acquisition and costs of identification (Table 3.14) – and is considered to be:

- US\$835/km² (US\$8/ha) for a PL/EL in Côte d'Ivoire.

Table 3.14: BAC cost calculation for prospecting and exploration tenements

Base Area Cost input data – Prospecting Licence/Exploration Permit – Côte d'Ivoire			
Metric	Unit	Unit Value	Cost US\$
Average licence size ¹	km ²	345	-
Average licence age ²	Years	8	-
Application fee	US\$ per licence		2,500
Annual Administration fee	US\$/km ²		167
Annual rent	US\$ per licence	5	1,725
Minimal annual expenditure	US\$ per licence		283,750
BAC of average licence	US\$/km ²		835
BAC of average licence	US\$/ha		8

Source: SRK analysis

Notes:

¹ The average licence size is assumed as 345 km²

² Assumed

When converting the implied technical values to market values, SRK considers that market participants would apply a 20% premium to the technical value. This premium is intended to factor in the current market sentiment and recent performance of the gold price.

In addition, SRK considers that any tenures in application would attract a 20% discount to reflect the uncertainty regarding the timing of the grant as well as approval conditions associated with the grant.

The geoscientific rating criteria are presented in Table 3.15.

Table 3.15: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified; initial indications positive
2.0	Several old workings in district	Several old workings or exploration targets identified	Multiple exploration models being applied simultaneously	Significant grade intercepts evident but not linked on cross or long sections
2.5			Well-defined exploration model applied to new areas	
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	
3.5				
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in structurally complex area, or under cover	
5.0	Along strike for a world class deposit		Well-understood exploration model, with valid targets in well understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World class mine		

Source: Modified after Xstract, 2009 and Agricola Mining Consultants, 2011.

Using the geoscientific rating method (Appendix B), SRK considers the exploration potential of the Mineral Assets (excluding the areas covered by the defined Mineral Resources) resides between US\$14.69 M and US\$38.63 M, with a preferred value of US\$26.66 M on a net attributable basis.

Table 3.16: Summary of exploration potential value using the Geoscientific (Kilburn) Method – net attributable basis

Project	Area valued (km ²)	Market Value (US\$M)		
		Lower	Upper	Preferred
Abujar (PE57)*	120.36	6.83	12.74	9.78
Abujar Middle (PR469)	281.42	2.00	6.09	4.04
Abujar North (PR550)	337.8	1.36	4.14	2.75
Abujar South (PR679)	389.05	3.07	9.36	6.21
Bongouanou North (PR719)	395.1	0.67	2.38	1.52
Bongouanou South (PR646)	400.0	0.68	2.40	1.54
Boudiali (PR0802)	395.46	0.02	0.33	0.18
Yakro (1356DMICM27/07/2022)**	259.49	0.01	0.23	0.12
Soubre (1366DMICM29/07/2022)**	371.67	0.02	0.34	0.18
Dabakala (1299DMICM21/07/2022)**	303.96	0.02	0.27	0.15
Boudiali (0141DMICM26/02/2019)**	399.69	0.01	0.18	0.10
Sinfra (1477DMICM12/08/2022)**	374.84	0.01	0.17	0.09
Total on a net attributable basis		14.69	38.63	26.66

Source: SRK analysis (total is rounded)

Notes:

*Areas covered by Mineral Resources and planned development have been excluded.

**Indicates tenure remains in application to which a 20% discount has been applied.

3.8.4 Summary – exploration potential valuation

In estimating the value of the exploration potential outside the defined Mineral Resource areas, SRK has considered the values implied by comparable transaction analysis as well as the geoscientific rating methods (Table 3.17).

Table 3.17: Valuation summary – exploration potential

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable transactions	13.90	27.79	20.84
Geoscientific Rating	14.49	38.63	26.66
Selected Tietto	13.90	27.79	20.84

Source: SRK analysis (total is rounded)

Using the Comparative Transactions – area-based method, SRK considers the Market Value of the exploration potential of Tietto's mineral tenures, excluding the areas containing the defined Mineral Resources, ranges from US\$13.90 M to US\$27.79 M on an attributable basis. The Geoscientific method yields a slightly higher range from US\$14.49 M to US\$38.63 M.

SRK has selected the results from the comparable transaction method as the preferred results. The market would pay in the range from US\$13.90 M to US\$27.79 M with a preferred value of US\$20.84 M on a net attributable equity basis.

Closure

This report, Independent Specialist Report – Mineral Assets of Tietto Minerals Limited, was prepared by



Ian de Klerk
Principal Consultant

and reviewed by



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Jeames McKibben
Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

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Appendix A Comparative transactions

Transaction data for Resource based multiples – African Gold

Date of transaction	Project or company name	Buyer	Seller	Development stage	Country	Commodity details	Implied price (100%) US\$ M	Equity acquired (%)	Total resource (Mt)	Total resource contained gold (troy ounces M)	US\$/Au troy ounce	Normalised US\$/Au troy ounce
Dec-20	Fininko concession	Kodal Minerals Plc	Sacko Holdings SA	0	Mali	0	2.28	90.00%	-	0.35	6.51	6.72
Jun-20	Bagoe and Liberty projects	Exore Resources Limited	Apollo Consolidated Limited	Reserves Development, Target Outline	Cote d'Ivoire	Gold	22.50	20.00%	6.60	0.52	43.52	48.21
Jun-22	Mankono-Sissédougou Joint Venture project	Montage Gold Corp.	Investor group	Early to Advanced Exploration	Côte d'Ivoire	Gold	23.90	100.00%	5.20	0.35	68.07	71.12
Jun-22	Kouri and Babonga Projects	BAOR SARL	Golden Rim Resources Ltd	Advanced Exploration	Burkina Faso	Gold	15.50	100.00%	50.00	1.97	7.85	8.20
Sep-21	Maligreen project	Caledonia Mining Corporation Plc	Pan African Mining (Private) Limited	Advanced Exploration	Zimbabwe	Gold	4.00	100.00%	15.60	0.94	4.24	4.59
Nov-20	Burkina Faso projects	Predictive Discovery Limited	Montage Gold Corp.	Advanced Exploration	Burkina Faso	Gold	0.33	51.00%	2.23	0.18	1.78	1.82
Jun-20	Lakanfla and Tabakorole projects	Marvel Gold Limited	Altus Strategies plc	Reserves Development, Target Outline	Mali	Gold	6.45	33.00%	18.43	0.60	10.81	11.98
May-20	Dabia Sud project	RosCan Gold Corporation	Komet Resources Inc.	Reserves Development	Mali	Gold	2.28	100.00%	4.13	0.14	16.27	18.19
Jul-21	Harvest project	Zijin Mining Group Company Limited	East Africa Metals Inc.	Pre-feasibility/Scoping	Ethiopia	Gold	1.64	55.00%	1.13	0.12	14.21	15.08
Jul-23	Diba Project	Allied Gold Corp.	Elemental Altus Royalties Corp.	Pre-feasibility /Scoping	Mali	Gold	2.00	100.00%	10.31	0.40	4.97	4.88
Aug-23	Imwelo Gold Project	Tembo Gold Tanzania Limited	Lake Victoria Gold Ltd	Pre-feasibility	Tanzania	Gold	4.10	100.00%	4.73	0.28	14.79	14.79
May-22	Nyakafuru Project	Caracal Gold Plc	Private Investors-Mr. John & Mr. Nicholas	Pre-feasibility /Scoping	Tanzania	Gold	129.42	100.00%	8.70	0.67	193.72	201.08
Feb-20	West Kenya project	Shanta Gold Limited	Barrick Gold Corporation	Pre-feasibility /Scoping	Kenya	Gold	18.67	100.00%	2.91	1.18	15.84	19.03
Jan-20	Dugbe project	ARX Resources Ltd.	Hummingbird Resources Plc	Feasibility Started	Liberia	Gold	4.08	49.00%	74.40	3.57	1.14	1.41
Apr-20	Toega Deposit	West African Resources Limited	Investor group	Feasibility Started	Burkina Faso	Gold	45.00	100.00%	17.53	1.13	39.72	45.28
Oct-21	Kiaka project	West African Resources Limited	B2Gold Corp.	Feasibility Started	Burkina Faso	Gold	111.67	81.00%	153.32	4.70	23.76	25.66
Jul-22	Bilboes Project	Caledonia Mining Corporation Plc	Undisclosed seller	Care and maintenance	Zimbabwe	Gold	53.28	100.00%	44.66	3.13	17.00	18.82
Jun-20	Kouroussa project	Hummingbird Resources Plc	Cassidy Gold Corporation	Commissioning	Guinea	Gold	23.97	100.00%	11.90	1.18	20.34	22.53
Feb-20	South African assets	Harmony Gold Mining Company Limited	AngloGold Ashanti Limited	Closed, Expansion, Operating, Satellite	South Africa	Gold	470.00	100.00%	-	22.03	21.33	25.63
Jul-20	Bogoso-Prestea mine	Future Global Resources Limited	Golden Star Resources Limited	Limited Production	Ghana	Gold	33.33	90.00%	27.29	3.15	10.60	11.01
Mar-22	Karma mine	Néré Mining	Endeavour Mining plc	Operating	Burkina Faso	Gold, Silver	16.67	90.00%	64.20	2.58	6.45	6.36
Jul-23	leopard and hillside project	Kavango Resources Plc	Undisclosed seller	Advanced to Operating?	Zimbabwe	Gold, Silver, Tungsten	62.58	100.00%	1.20	0.22	283.73	279.03
Jan-21	Agbaou mine	Allied Gold Corp.	Endeavour Mining Corporation	Operating	Cote d'Ivoire	Gold	70.59	85.00%	7.57	0.52	135.60	139.36

Date of transaction	Project or company name	Buyer	Seller	Development stage	Country	Commodity details	Implied price (100%) US\$ M	Equity acquired (%)	Total resource (Mt)	Total resource contained gold (troy ounces M)	US\$/Au troy ounce	Normalised US\$/Au troy ounce
Jun-23	Boungou and Wahgnion Mines	Lilium Capital	Endeavour Mining plc	Operating	Burkina Faso	Gold, Silver	172.22	90.00%	27.40	1.45	118.87	117.39
Apr-22	Chirano Gold Mine	Asante Gold Corporation	Kinross Gold Corporation	Operating	Ghana	Gold, Silver	250.00	90.00%	33.23	2.01	124.42	123.26

Transaction data for area based multiples – African Gold

Date of transaction	Project or company name	Buyer	Seller	Country	Development stage	Commodity details	Implied price (100%) US\$ M	Equity acquired (%)	Area (km²)	Area multiple (US\$/km²)	Normalised area multiple (US\$/km²)
Apr-22	Onkoshi Project	Antler Gold Namibia (Pty) Ltd.	Undisclosed seller	Namibia	Advanced Exploration	Gold	0.18	90.00%	199.67	883	874
Jul-22	PR840 Permit	Awalé Resources Limited	Turaco Gold Limited	Côte d'Ivoire	Early Exploration	Copper, Gold	0.15	100.00%	324.00	459	508
Apr-22	Bakolobi permit	B2Gold Corp.	Undisclosed seller	Mali	Early Exploration?	Gold	31.14	100.00%	100.00	311,380	308,460
May-22	Odienné Project	Newmont Ventures Limited	Awalé Resources Limited	Côte d'Ivoire	Target Outline	Copper, Gold	10.78	51.00%	800.00	13,480	13,992
Jan-22	Bilbale and Boulon projects	Red Rock Resources plc	Faso Greenstone Resources	Burkina Faso	Early Exploration	Gold	0.09	80.00%	348.00	264	279
May-21	Farani permit	Cora Gold Limited	Undisclosed seller	Mali	Early Exploration		0.08	95.00%	62.00	1,358	1,408
Mar-21	Four exploration licenses	Galiano Gold Inc.	Barrick Gold Corporation	Mali	Early Exploration		1.50	100.00%	167.00	8,982	10,030
Dec-20	Foutiere concession	Kodal Minerals Plc	Falcon Gold SARL	Mali	Reserves Development	Gold	0.22	90.00%	200.00	1,111	1,147
Aug-20	South Mali projects	Marvel Gold Limited	Oklo Resources Limited	Mali	Early to Advanced Exploration	Gold	0.40	80.00%	675.00	592	576
Jul-20	Kofi Quest permit	African Gold Limited	Somadium SARL	Mali	Early Exploration	Gold	0.09	100.00%	20.00	4,375	4,546
Apr-20	Djimbala property	Indigo Exploration Inc.	Desert Gold Ventures Inc.	Mali	Exploration	Gold	0.97	100.00%	100.00	9,665	11,017
Aug-20	South Mali projects	Marvel Gold Limited	Oklo Resources Ltd.	Mali	Early to Advanced Exploration	Gold	0.40	80.00%	675.00	592	576
May-23	Kolondieba Project	Resolute Mining Limited	Marvel Gold Limited	Mali	Early Exploration	Gold	2.00	50.00%	200.00	10,000	9,631
Aug-20	Tichka Est Project	Stellar AfricaGold Inc.	Moroccan National Office of Hydrocarbons and Mines	Morocco	Early Exploration	Gold	2.30	90.00%	48.00	47,917	46,701
May-20	Niou project	Nord Gold SE	Mako Gold Limited	Burkina Faso	Target Outline	Gold	0.70	100.00%	249.00	2,811	3,143
Jan-20	Hounde South project	Roxgold Inc.	Arrow Minerals Limited	Burkina Faso	Target Outline		1.43	70.00%	276.00	5,176	6,363
Jun-21	Marbera 2 Permit	Altair Resources Inc.	Private investors	Burkina Faso	Advanced Exploration	Gold	2.67	90.00%	178.79	14,915	15,599
Dec-21	Six prospecting licences	Bulyanhulu Gold Mine Limited	Tembo Gold Corp.	Tanzania	Early Exploration	Copper, Gold, Silver	15.00	100.00%	180.59	83,063	89,014
Jun-21	Napié Gold Project	Mako Gold Limited	Perseus Mining Limited	Cote d'Ivoire	Early Exploration	Gold	2.69	39.00%	225.00	11,941	12,488
Jun-20	Prikro project and Zenoula project application	Stellar AfricaGold Inc.	Altus Strategies plc	Cote d'Ivoire	Early Exploration		0.07	100.00%	769.50	91	101
Aug-23	Kimoukro Project	Starcore International Mines Ltd.	Undisclosed Seller	Côte d'Ivoire	Early Exploration	Gold	4.63	100.00%	14.48	319,539	319,539
May-21	3 Projects, 6 granted permits and 6 applications	Turaco Gold Limited	Resolute Mining Limited	Cote d'Ivoire	Exploration, Target Outline	Gold	0.98	76.50%	4,738.41	207	215
Mar-20	Bodite and Bianouan licenses	IronRidge Resources Limited	Major Star SARL	Cote d'Ivoire	Exploration	Gold	0.50	100.00%	560.00	886	1,068
Jan-20	Bocanda and Djekanou permits	Stellar AfricaGold Inc.	Undisclosed sellers	Cote d'Ivoire			3.78	80.00%	471.00	8,015	9,854
Feb-20	Terer and Meli licenses	Sun Peak Metals Corp.	Ezana Mining Development PLC	Ethiopia			9.80	51.00%	279.00	35,140	42,215

Date of transaction	Project or company name	Buyer	Seller	Country	Development stage	Commodity details	Implied price (100%) US\$ M	Equity acquired (%)	Area (km²)	Area multiple (US\$/km²)	Normalised area multiple (US\$/km²)
Dec-20	Stepford project	Middle East Diamond Resources Limited	Undisclosed sellers	Ghana			0.40	50.00%	101.22	3,952	4,080
Jan-21	Two additional permits	Golden Rim Resources Limited	Undisclosed seller	Guinea	Early Exploration		0.29	51.00%	194.60	1,470	1,511
Jul-20	Kada project	Golden Rim Resources Limited	Elta Madencilik Ticaret Anonim STI	Guinea	Advanced Exploration	Gold	11.20	25.00%	100.00	112,000	116,379
Apr-20	Koundian Project	Predictive Discovery Limited	Private investors	Guinea			0.30	100.00%	303.00	974	1,110
Jun-20	Four exploration licences	Tanga Resources Limited	Undisclosed seller	Nambia			1.22	90.00%	3,100.00	394	437
May-20	EPL 6550	Antler Gold Inc.	Private investor - Mr. Eliphas Shaningua Shipanga	Nambia			0.02	100.00%	24.80	884	989
Jul-23	Damara project	Sulliden Mining Capital Inc.	Undisclosed seller	Namibia	Early Exploration	Gold, Lithium	5.84	25.00%	3,077.78	1,897	1,866
Feb-20	EPL 7261	Antler Gold Inc.	Undisclosed seller	Nambia			0.08	100.00%	159.12	484	582
Jun-20	Exclusive Prospecting License 6408	Antler Gold Inc.	Private investor	Namibia			0.00	85.00%	17.47	220	243
Apr-23	Subriso-Kokotro concession	Pelangio Exploration Inc.	BNT Resources Ghana Ltd	Ghana	Early Exploration	Gold	0.35	100.00%	284.40	1,231	1,181
Nov-20	Fofora Gold project	Nexus Gold Corp.	Undisclosed Seller	Burkina Faso	Early Exploration	Gold	0.34	90.00%	62.00	5,444	5,597
Jan-20	Hounde South project	Roxgold Inc.	Arrow Minerals Ltd.	Burkina Faso	Target Outline	0	1.43	70.00%	276.00	5,176	6,363
Jan-22	Bilbale and Boulon projects	Red Rock Resources plc	Undisclosed sellers	Burkina Faso	Early Exploration	Gold	0.09	80.00%	348.00	264	279
May-20	Niou project	Nord Gold SE	Mako Gold Ltd.	Burkina Faso	Target Outline	Gold	0.70	100.00%	249.00	2,811	3,143
Jun-21	Marbera 2 Permit	Altair Resources Inc.	Private investors	Burkina Faso	Advanced Exploration	Gold	2.67	90.00%	178.79	14,915	15,599
Mar-21	Four exploration licenses	Galiano Gold Inc.	Barrick Gold Corp.	Mali	Early Exploration		1.50	100.00%	167.00	8,982	10,030
Apr-20	Djimbala property	Indigo Exploration Inc.	Desert Gold Ventures Inc.	Mali	Exploration	Gold	0.97	100.00%	100.00	9,665	11,017
May-21	Farani permit	Cora Gold Limited	Undisclosed seller	Mali	Early Exploration		0.08	95.00%	62.00	1,358	1,408
Aug-20	Tichka Est Project	Stellar AfricaGold Inc.	Moroccan National Office of Hy	Morocco	Early Exploration	Gold	2.30	90.00%	48.00	47,917	46,701
Dec-20	Foutiere concession	Kodal Minerals Plc	Falcon Gold SARL	Mali	Reserves Development	Gold	0.22	90.00%	200.00	1,111	1,147
Jul-20	Kofi Quest permit	African Gold Limited	Somadium SARL	Mali	Early Exploration	Gold	0.09	100.00%	20.00	4,375	4,546
Apr-22	Bakolobi permit	B2Gold Corp.	Undisclosed sellers	Mali	Early Exploration?	Gold	31.14	100.00%	100.00	311,380	308,460
Apr-23	MC-2 Gold Property	Sutter Mining (Private) Limited	Undisclosed seller	Zimbabwe	Advanced Exploration	Gold	0.09	75.00%	1.00	86,667	83,153
Jun-23	Nara project	Kavango Resources Plc	Undisclosed seller	Zimbabwe	Early to Advanced	Gold, Silver, Tungsten	5.00	100.00%	4.50	1,111,111	1,097,272
May-22	Chikonga mine	Sutter Mining (Private) Limited	Hilltouch Investments (Pvt.) Ltd.	Zimbabwe	Operating	Gold	2.44	75.00%	0.40	6,100,000	6,331,658
May-22	Chikonga mine	Sutter Mining (Private) Limited	Undisclosed sellers	Zimbabwe	Operating	Gold	2.44	75.00%	0.40	6,100,000	6,331,658

Appendix B SRK assessment: geoscientific scorecard

SRK assessment: geoscientific scorecard – Abujar and surrounds

Lease	Area (km ²)	BAC A\$/km ²	Equity interest	Off-property		On-property		Geology		Anomaly		Market Factor	Low (A\$M)	High (A\$M)	Midpoint (A\$M)
SML653/2021	9.34	47,933	84%	2.5	3.0	2.0	2.5	1.0	1.5	2.5	3.0	1.20	0.604	1.631	1.12
PL11873/2022	17.03	11,717	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.027	0.080	0.05
PL11874/2022	21.22	14,599	84%	2.5	3.0	1.0	1.5	0.9	1.0	0.9	1.5	1.20	0.030	0.099	0.06
PL10911/2016	10.91	7,506	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.5	2.5	1.20	0.026	0.085	0.06
PL10877/2016	7.42	5,105	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.012	0.035	0.02
PL11186/2018	18.21	12,528	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.0	1.20	0.028	0.057	0.04
PL12429/2023	4.20	2,890	84%	2.5	3.0	1.0	1.5	0.9	1.0	0.9	1.0	1.20	0.006	0.013	0.01
PL24748/2023*	42.78	29,433	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.067	0.200	0.13
PL12430/2023	1.37	943	84%	2.5	3.0	1.0	1.5	0.9	1.0	2.5	3.0	1.20	0.005	0.013	0.01
PL12427/2023	37.26	25,635	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.0	1.20	0.058	0.116	0.09
PL11961/2017	3.53	2,429	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.004	0.013	0.01
Totals	173.27												0.87	2.34	1.60

Source: SRK analysis

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Corporate Directory

Board of Directors

Francis Harper

Matthew Wilcox

Hanjing Xu

Paul Kitto

Sabina Shugg AM

Shaddrack Sowah Adjete

Non-Executive Chairman

Managing Director and Chief Executive Officer

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

Company Secretary

Matthew Foy

Registered Office

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Share Registry

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Sydney, NSW 2000

Financial Advisers to the Offer

Barrenjoey Advisory Pty Limited

Level 4, 225 St Georges Terrace

Perth WA 6000

Legal Advisers to the Offer

Corrs Chambers Westgarth

Level 6, Brookfield Tower Two, 123 St Georges Terrace

Perth WA 6000