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12 February 2024

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Dear Madam or Sir

Bidder's Statement – Off-market takeover bid by Perseus Mining Limited for OreCorp Limited

We act for Perseus Mining Limited ACN 106 808 986 (ASX: PRU) (**Perseus**)'s in relation to its off-market takeover bid (**Offer**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the current and to be issued ordinary shares in OreCorp Limited ACN 147 917 299 (ASX: ORR) (**ORR**).

On behalf of Perseus, we attach a first supplementary bidder's statement dated 12 February 2024, which supplements Perseus's bidder's statement dated 29 January 2024 in relation to the Offer.

Yours faithfully

Corrs Chambers Westgarth



Andrew Lumsden
Partner

SUPPLEMENTARY BIDDER'S STATEMENT TAKEOVER OFFER BY PERSEUS MINING LIMITED FOR ORECORP LIMITED

This document is a supplementary bidder's statement under s 643(1) of the Corporations Act 2001 (Cth). It is the first supplementary bidder's statement (Supplementary Bidder's Statement) issued by Perseus Mining Limited ACN 106 808 986 (ASX: PRU) (Perseus) in relation to its off-market takeover bid for all the shares in OreCorp Limited (ACN 147 917 299) (OreCorp). This Supplementary Bidder's Statement supplements and should be read together with, Perseus's bidder's statement dated 29 January 2024 (Original Bidder's Statement).¹ This Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement. A copy of this Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 12 February 2024. Neither ASX, ASIC nor any of their respective officers take any responsibility for the contents of this Supplementary Bidder's Statement or the merits of the Offer.

This document is important and requires your immediate attention. This Supplementary Bidder's Statement does not consider the individual investment objectives, financial situation or needs of each OreCorp Shareholder or any other person. You should consider seeking independent financial and taxation advice before deciding whether to accept the Offer.

Update on Tanzanian Fair Competition Commission Approval Process

On Monday, 29 January 2024, the Tanzanian Fair Competition Commission (FCC) issued Perseus a notice of complete filing. This notice confirmed the FCC's acceptance of Perseus's FCC merger clearance request and that no further information or documents were required by the FCC to consider the merger clearance request.

The FCC has begun the review and investigation of the Offer to determine whether it is likely to harm competition. In accordance with its normal process the FCC has initiated a public notice period that is scheduled to close on 20 February 2024.²

The role of the FCC is to promote and protect effective competition in trade and commerce in Tanzania.³ Perseus does not currently own any operations in Tanzania and, as such, does not expect any competition concerns or issues with its merger clearance request.⁴

Based on its discussions to date with various Tanzanian government officials, Perseus believes that it is likely to obtain unconditional merger control approval (**Offer Approval**) for the proposed change of control of OreCorp associated with the Offer before the end of February 2024.

Perseus's belief is based on discussions with senior Government officials that have indicated to Perseus that the FCC has a good working knowledge of Perseus, the Nyanzaga Project and the relevant circumstances. That knowledge comes, in part, from the FCC's prior work in reviewing the issues associated with the potential change in ownership of the Nyanzaga Project.

Perseus continues to believe that the undertaking set out in footnotes 7 and 24 of the Original Bidder's Statement to keep the Offer Period open until at least 15 March 2024 aligns with the previous statements made about the FCC's approval process and its effect on the Conditions. As described in section 10.12(b) of the Original Bidder's Statement if the FCC does not provide merger control approval and Perseus proceeds with the Offer, a Tanzanian Government Agency could restrain, impede or prohibit or otherwise have a material adverse effect on the making or completion of the Offer.⁵ That would mean that if the FCC refused Perseus's application a Condition will not

¹ Capitalised terms in this Supplementary Bidder's Statement have the same meaning given in the Original Bidder's Statement unless the context otherwise requires. The rules of interpretation set out in section 12 of the Original Bidder's Statement apply to this Supplementary Bidder's Statement.

² *Daily News*, Tuesday 6-12, 2024.

³ See the FCC's aim set out at <https://www.fcc.go.tz/>.

⁴ For further information regarding the FCC approval, please see section 9.3 of the Original Bidder's Statement.

⁵ On 22 January 2024, Perseus made an announcement that Perseus appreciates that the need for FCC approval means that this condition like 10.12 could be breached as the absence of an approval could reasonably be expected to restrain, impede or prohibit or otherwise have a material adverse effect on the making or completion of the Offer.

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have been fulfilled. If the application was delayed, unless extended, the Offer would terminate. If the FCC has not finally determined the Offer Approval before 15 March 2024, Perseus would consider extending the Offer Period and its undertakings to facilitate any further review required by the FCC.

OreCorp's Independent Expert Report

Perseus refers to OreCorp's Target's Statement dated 2 February 2024 (**Target's Statement**) with respect to the Silvercorp Offer, including the independent expert report (**IER**) prepared by BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**BDO**).⁶ The IER makes the following observations in connection with the assumptions made by BDO:

- "...compared to the Perseus Offer's cash consideration of A\$0.55 per OreCorp share, at the high end of our valuation range the [Silvercorp] Offer Consideration provides greater upside in value (albeit without the certainty of the Perseus Offer) whereas at the low and preferred valuation points, the Perseus Offer provides greater value to Shareholders."⁷
- That BDO's preferred value of the Silvercorp Offer consideration is A\$0.534 per OreCorp share.⁸ This is approximately 3% lower than the Perseus Offer of A\$0.55 per OreCorp share.

Despite BDO's Preferred Value of the Silvercorp Offer being below Perseus's cash consideration of A\$0.55 per OreCorp share, in the IER, BDO concludes that they do not consider the Offer to be superior to the Silvercorp Offer. In arriving at this determination, BDO references "other factors" outlined in Section 14.3 of the IER. Perseus believes that the only relevant other factor identified by BDO in Section 14.3 is the progress of the FCC approval.

As set out above, Perseus is now in the 14-day public notice period and Perseus believes that it is likely to obtain Offer Approval for the proposed change of control of OreCorp before the end of February 2024.

Other amendments to the Original Bidder's Statement

Section 2: Summary of the Offer – payment terms

Despite any provision of the Original Bidders Statement that might give a contrary impression, Perseus will pay the Consideration for the Offer to OreCorp Shareholders who accept the Offer (and provide the necessary transfer documents at the time of acceptance) by no later than 21 days after the end of the Offer Period (assuming the Offer becomes or is declared Unconditional) or 1 month after the takeover contract⁹ becomes unconditional, whichever ends earlier.

Section 2.4: Risks to OreCorp shareholders

Section 2.4 (b) of the Original Bidder's Statement will be varied to remove the following sentence and the accompanying footnote:

Whilst the Chinese government currently allows foreign investment in certain mining projects, Silvercorp has highlighted the risk that it is possible that its stance on this issue will change in the future.

In relation to the Offer Approval, Perseus has undertaken:

1. not to exercise any rights it has in relation to the FCC possible intervention under the Offer unless and until the FCC has made a decision that would restrain, impede or prohibit or otherwise have a material adverse effect on the making or completion of the Perseus Offer; and
2. to keep the Offer open until at least 15 March 2024 (to allow the FCC to decide in relation to the Offer Approval, although Perseus reserves the right not to extend the Offer Period if FCC has not made such determination by the end of the Offer Period).

⁶ See pages 98 to 253 of OreCorp's ASX announcement titled 'Target's Statement' dated 2 February 2024, available at <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02768718-6A1192432>. If you would like to receive a copy of the IER, or the relevant parts of the IER containing the statements referred to above (free of charge) during the Offer Period, please contact the Offer Information Line on 1300 264 749 (within Australia) or +61 3 9415 4837 (outside Australia) between 8.30am and 5.00pm (AEDT).

⁷ See page 119 of the IER.

⁸ See page 3 of the IER.

⁹ Being the contract that results from the acceptance of the Offer.

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Section 2.5: You may become a minority OreCorp Shareholder, with Perseus having a controlling shareholding

Capital gains tax is payable in Tanzania, where the ultimate share ownership of a Tanzanian entity changes by more than 50%.¹⁰

Perseus is offering to acquire all the outstanding OreCorp Shares that it does not already own (including all Rights attaching to those OreCorp Shares). That extends to 100% ownership of OreCorp's Tanzanian subsidiaries, OreCorp Tanzania and NMCL and an 84% effective ownership of SMCL.¹¹ This meets the change of control test for the purpose of Tanzanian capital gains tax because the ultimate share ownership of these entities will change by more than 50%. The quantum of any Tanzanian capital gains tax payable by OreCorp will only be known following completion of the transaction.

If Perseus acquires control of OreCorp but is not entitled to or does not acquire the remaining OreCorp Shares on issue, OreCorp will be responsible for paying any applicable capital gains tax.¹²

Section 6: Choices as an OreCorp Shareholder¹³

Perseus reminds OreCorp Shareholders that they have the option of accepting the Silvercorp Offer in relation to their OreCorp Shares and being subject to the various risks associated with owning Silvercorp securities as specified in the Original Bidder's Statement.

Section 6: How does the Offer apply to my OreCorp Securities

On page 29 of the Original Bidders Statement under "How does the Offer apply to my OreCorp Securities" will be amended to include, a substitute second paragraph outlining:

Separately, subject to the Offer becoming unconditional, all of the holders of the OreCorp Options are intended to be offered the opportunity to sell their OreCorp Options for the Purchase Amount by entering into an Option Purchase Deed.

Section 10.2: Offer Period

Section 10.2(c) of the Original Bidder's Statement will be updated to say:

- (c) *If, within the last 7 days of the Offer Period, either of the following events occur:*
- (i) the Offer is varied to improve the consideration offered; or*
 - (ii) Perseus's voting power in OreCorp increases to more than 50%,*
- then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.*

In determining whether the 50.1% Minimum Acceptance Condition is met, section 10.19 of the Original Bidder's Statement will not be relied upon by Perseus to the extent that it might operate to exclude shares held by Perseus's Associate, Centash

Section 10.19: Minimum Acceptance Condition

In determining whether the 50.1% (on a fully diluted basis) Minimum Acceptance Condition in section 10.12(a) of the Original Bidder's Statement is met, section 10.19 of the Original Bidder's Statement will not be relied upon by Perseus to the extent that it might operate to exclude shares held by Perseus's Associate, Centash.¹⁴ This means

¹⁰ Section 56 of the Tanzanian *Income Tax Act* 2004.

¹¹ Perseus understands that the remaining 16% of SMCL is owned by the Government of Tanzania in accordance with the Tanzanian mining regulation.

¹² Perseus was denied due diligence to the underlying information that would have enabled Perseus to calculate these amounts more accurately.

¹³ See page 28 of the Original Bidder's Statement.

¹⁴ This aligns with the statements made by Perseus in the Original Bidder's Statement including sections 2.3, page 27-28, 5.1 and page 43.

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that Perseus would only require Acceptances of a further 30.2% of the total issued OreCorp Shares for the Minimum Acceptance Condition to be satisfied.

Section 13: Definition: Silvercorp and Silvercorp Share

As well as being listed on the TSX, Silvercorp Shares are also listed on NYSE American.

Further information

OreCorp Shareholders who have any questions in relation to the Offer should call the Offer Information Line on 1300 264 749 (or +61 3 9415 4837 for international callers), Monday to Friday between 8.30am and 5.00pm (AEDT).

Approval of this Supplementary Bidder's Statement

This Supplementary Bidder's Statement has been approved by a unanimous resolution passed by all the directors on the Perseus Board.

Signed for and on behalf of
Perseus Mining Limited



Jeffrey Quartermaine

Chairman and Chief Executive
Officer **PERSEUS MINING
LIMITED**

ASX/TSX CODE: PRU

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