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18 March 2024

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The Manager
Market Announcements Office
ASX Limited
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Dear Sir/Madam

**Takeover bid by Perseus Mining Limited (ASX: PRU) for OreCorp Limited (ASX: ORR)
– third supplementary bidder's statement**

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

Capitalised but undefined terms in this letter have the same meaning given as set out in Perseus's replacement bidder's statement dated 16 February 2024, as supplemented by its second supplementary bidder's statement dated 8 March 2024 (**Bidder's Statement**).

We enclose, by way of service pursuant to section 647(3)(b) of the Corporations Act a copy of Perseus's third supplementary bidder's statement in relation to the Offer, which supplements the Bidder's Statement.

The third supplementary bidder's statement has been lodged today with the Australian Securities and Investments Commission in accordance with section 647(3)(a) of the Corporations Act.

Yours faithfully

Corrs Chambers Westgarth



Andrew Lumsden
Partner

attachments

THIRD 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) (**Corporations Act**). It is the third 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) (ASX: ORR) (**OreCorp**). This Supplementary Bidder's Statement supplements and should be read together with, Perseus's Replacement Bidder's Statement dated 16 February 2024, as supplemented by its Supplementary Bidder's Statement dated 8 March 2024 (**Bidder's Statement**).¹ This Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement. A copy of this Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 18 March 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.

Offer Update and Superior Proposal

Perseus Mining Limited (ASX/TSX: PRU) (**Perseus** or **PRU**) provides the following update in relation to its off-market takeover bid under Chapter 6 of the Corporations Act for all the current and to be issued ordinary shares in OreCorp Limited (ASX: ORR) (**OreCorp** or **ORR**) (**Offer**).

Perseus confirms that:

1. It received Tanzanian Fair Competition Commission (**FCC**) approval for its Offer on Friday, 15th March 2024.
2. Subject to recommendation of Perseus's Offer as a Superior Proposal² (**Superior Proposal**) by the OreCorp Board, Perseus is willing to provide OreCorp an unsecured working capital debt funding package.
3. Perseus will not accept Silvercorp's Offer regardless of whether Silvercorp satisfies its 50.1% minimum acceptance condition.
4. Perseus undertakes to waive all other Offer Conditions set out in the Bidder's Statement within 3 Business Days of the 50.1% Minimum Acceptance Condition being satisfied unless it has publicly announced a breach or suspected breach before that time.

The FCC approval was conditional upon Perseus agreeing that the Government of Tanzania's free carried interest in the Nyanzaga Project will be increased to 20% from 16% upon successful completion of the Offer.

In relation to this increased free carried interest, Perseus was informed by the Government of Tanzania that it has had similar discussions, and come to specific arrangements, regarding increasing its equity ownership in the Nyanzaga Project with all prospective buyers of OreCorp who have sought Government approvals for a change in control of OreCorp. Despite this, Silvercorp has, as yet, failed to disclose any formal or informal discussions or agreements with the Government of Tanzania as to it increasing its equity ownership in the Nyanzaga Project.

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

² As defined in the Bid Implementation Deed between OreCorp and Silvercorp - see OreCorp's ASX announcement dated 27 December 2023 for full details of the Bid Implementation Deed, available at: <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02758189-6A1188122>.

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As the conditionality of Perseus's Offer is now practicably the same as Silvercorp's Offer, Perseus's Offer represents a Superior Proposal to Silvercorp's Offer.

Perseus highlights that:

- Perseus's Offer provides OreCorp Shareholders with certainty of value through cash consideration at \$0.55 per OreCorp Share. This consideration is above the preferred value of Silvercorp's Offer consideration of A\$0.534³ per OreCorp Share outlined in the independent expert report (IER) prepared by BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (BDO)⁴.
- Perseus's Offer provides 100% cash consideration, that removes risks to OreCorp Shareholders who accept Silvercorp's Offer by eliminating exposure to the future performance of Silvercorp's share price, noting that:
 - Silvercorp's revenues are derived in large part from the mining and sale of silver, lead and zinc from mines located in China. Silvercorp also has interests in mineral projects located in Bolivia, Mexico and Canada. As such, Silvercorp introduces other commodity risk and jurisdictional risks, outside of gold in Africa, to OreCorp;
 - Silvercorp's activities in China (where its primary mining operations are located) are subject to a range of political, economic and other uncertainties which are not present in other jurisdictions;
 - OreCorp Shareholders (OreCorp being an African gold developer listed on ASX), may not be natural holders of Silvercorp Shares. OreCorp Shareholders may not wish to assume the additional commodity, jurisdictional and listing exchange risks and complexities that holding Silvercorp securities brings;
 - if OreCorp shareholders do not intend to hold Silvercorp shares received and instead choose to sell, there is a risk that the trading price of Silvercorp Shares will be adversely impacted by this selling; and
 - Silvercorp will require further equity or debt financing to develop the Nyanzaga Project, which may result in dilution for Silvercorp shareholders.
- **In addition to the above, OreCorp shareholders who accept Silvercorp's Offer may be exposed to any as yet undisclosed arrangement or understanding between Silvercorp and the Government of Tanzania regarding future equity ownership in the Nyanzaga Project.**
- Perseus is willing to provide a debt funding solution to OreCorp, whose going concern status has been qualified by its auditors in its audited Interim Financials Report released on Thursday, 15th March 2024 (Interim Report).⁵
- Perseus reiterates it will not accept into Silvercorp's Offer. This will preclude Silvercorp from consolidating 100% of OreCorp. Thus, even if Silvercorp satisfies its 50.1% minimum acceptance condition:

³ See page 3 of the IER.

⁴ 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).

⁵ See OreCorp's ASX announcement dated 15 March 2024, available at <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02785234-6A1198446>.

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- OreCorp would still need to fund and pay the Tanzanian change of control tax⁶ and continue funding development activities independently; and
- If Silvercorp fails to own 100% of the OreCorp Shares and its subsidiaries, this will affect the level of bank financing available to Silvercorp. The availability of this bank funding was the rationale used by the IER to justify an assumption that Silvercorp could fund the development of the Nyanzaga Project without issuing additional equity.

Tanzanian Fair Competition Commission Approval

On 15 March 2024, the Tanzanian Fair Competition Commission (**FCC**) provided its approval to the change of control of OreCorp that would be a consequence of Perseus's Offer being successful. This is the only Tanzanian regulatory approval required to complete the Offer. The Offer remains subject to other Conditions.⁷

As a result of the FCC granting the Offer Approval, Perseus gives notice that for the purposes of section 630(4) of the Corporations Act, the potential breach of the no regulatory action Condition⁸ in relation to any FCC intervention as set out in section 10.12(b) of the Bidder's Statement no longer applies to the Offer.

Perseus is not currently aware of, nor reasonably expects, there to be any other occurrence that would cause the No Regulatory Action Condition to be breached.

The outstanding Conditions in Perseus's Offer and those in the Silvercorp Offer are now practicably the same.

Additional Tanzanian Government Carry

Under the Tanzanian state participation regulation, the Government of Tanzania is entitled to seek an increase in ownership or economic participation rights in addition to the 16% free carried interest, either by increasing its free carried interest or by acquiring a contributing interest. Any such increase will be by agreement between the parties.

As part of the FCC process, Perseus has had discussions with the Government regarding its ultimate interest in the Nyanzaga Project. The outcome of those discussion is that Perseus offered to increase the Tanzanian Government's free carried interest from 16% to 20% should Perseus acquire control of the Nyanzaga Project. This increase will be considered when finalising the financial model and fiscal terms for the Nyanzaga Project based on the associated economic benefits sharing principle laid down in the regulation.

The decision by the Government of Tanzania to increase its interest in the Nyanzaga Project in the form of a carried interest now, as opposed to a larger contributing interest now or subsequently, provides certainty for both Perseus and the Government of Tanzania in terms of quantum and timing of funding obligations.

⁶ Capital gains tax is payable in Tanzania, where the ultimate share ownership of a Tanzanian entity changes by more than 50% (see section 56 of the Tanzanian *Income Tax Act* 2004).

⁷ See section 10.12 of the Bidder's Statement.

⁸ See section 10.12(b) of the Bidder's Statement.

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Potential Silvercorp Arrangement with Government of Tanzania

It has been made clear to Perseus that it is the Tanzanian Government's intention to increase its interest in the Nyanzaga Project and that the Government has had specific discussions regarding this with all prospective buyers seeking Government approvals for a change in control of OreCorp. Any change in Tanzanian Government ownership would be at the expense of the economics for the new owner and their shareholders.

Given the above, Perseus assumes (which would be consistent with market speculation) that Silvercorp has similarly discussed, acknowledged and/or entered into an arrangement or understanding with the Government of Tanzania in relation to a specific proposed increased equity ownership in the Nyanzaga Project by the Tanzanian Government, should Silvercorp acquire control of the Nyanzaga Project (**Silvercorp Arrangement**).

During its engagement with the FCC, Perseus became aware that as far as the officers of the Tanzanian Government are concerned, there is no material distinction between non-binding and binding agreements or understandings, disclosable or otherwise, regarding future ownership. As such Perseus believes that any Silvercorp Arrangement with the Government of Tanzania, however described, is likely to be regarded by the Government of Tanzania as an enforceable commitment.

As Perseus is paying cash consideration to OreCorp shareholders under the Offer, any increased ownership by the Government of Tanzania is irrelevant to an OreCorp shareholder who has accepted the Offer. Perseus is the sole party that will incur the cost associated with the increased government ownership. Given Silvercorp is offering OreCorp shareholders a mixture of Silvercorp shares and cash, any Silvercorp Arrangement with the Government of Tanzania is relevant to an OreCorp Shareholder in assessing the value of the Silvercorp's Offer and should be disclosed.

Disclosed values of provisions and contingent liabilities

The value of certain provisions and contingent liabilities outlined in OreCorp's audited interim financials released on Thursday 14th March 2024 (**Interim Report**) were not included in OreCorp's target statements. These contingent liabilities include (1) compensation being sought for resettlement (A\$18.8m); and (2) a provision for potential unpaid taxes as part of a tax audit from the Tanzanian Revenue Authority (A\$17.9m), for a total of A\$36.7m.

OreCorp Shareholders will continue to assume these provisions and contingent liabilities if accepting the Silvercorp Offer given the share-based component of consideration in the Silvercorp Offer. These newly disclosed provision and contingent liability values are irrelevant to an OreCorp shareholder who accepts Perseus's all-cash Offer.

OreCorp Funding

Subject to a recommendation of Perseus's Offer as a Superior Proposal by the OreCorp Board, Perseus is willing to provide OreCorp an unsecured debt funding package to ensure that OreCorp remains a going concern. Perseus believes that such a facility will address the OreCorp's auditors qualified assessment of OreCorp as a going concern which was evident in its recently published Interim Report.

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Perseus will not accept into Silvercorp's Offer

Given Perseus's concerns regarding Silvercorp's and OreCorp's disclosure with respect to any potential Silvercorp Arrangement, regardless of whether Silvercorp satisfies its 50.1% minimum acceptance condition, Perseus will not accept Silvercorp's Offer.

As such, Silvercorp will not be able to consolidate 100% of OreCorp and OreCorp would need to fund and pay the Tanzanian change of control tax and continue funding development activities independently.

Furthermore, Perseus expects that if Silvercorp fails to own 100% of the OreCorp Shares and its subsidiaries, this will affect the level of bank financing available to Silvercorp. This bank funding was the rationale used by the IER to justify an assumption that Silvercorp could fund development of the Nyanzaga Project without issuing additional equity.

Other Conditions

Perseus has undertaken (above) to waive all other Offer Conditions set out in the Bidder's Statement within 3 Business Days of the 50.1% Minimum Acceptance Condition being satisfied unless it has publicly announced a breach or suspected breach before the time it receives sufficient acceptances to satisfy the 50.1% Minimum Acceptance Condition. The Close Date of the Perseus Offer is 19 April 2024 unless extended in accordance with the Corporations Act.

OreCorp's Independent Expert Report

As set out in the Chairman's Letter⁹ in the Bidder's Statement, Perseus refers to OreCorp's Target's Statement dated 2 February 2024 (**Target's Statement**) with respect to the Silvercorp Offer, including the IER prepared by BDO.¹⁰ 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."¹¹
- That BDO's preferred value of the Silvercorp Offer consideration is A\$0.534 per OreCorp share.¹² 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.

⁹ See pages 9-10 of the Bidder's Statement.

¹⁰ 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).

¹¹ See page 119 of the IER.

¹² See page 3 of the IER.

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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 of the IER is the progress of Perseus's FCC approval application.

Perseus looks forward to feedback from OreCorp and BDO as to whether the Offer constitutes a Superior Proposal given that:

1. Perseus has now received FCC approval;
2. Perseus is offering a funding solution to OreCorp (whose going concern status has been qualified by its auditor in the Interim Report);
3. Perseus has committed not to accept into the Silvercorp offer, which precludes Silvercorp from consolidating 100% of OreCorp and potentially impacts its ability to secure the required bank debt to fund the development of the Nyanzaga Project; and
4. The value of the Silvercorp Offer may be impacted by any potential Silvercorp Agreement regarding future equity ownership between Silvercorp and the Government of Tanzania.

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

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

PERSEUS MINING LIMITED

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