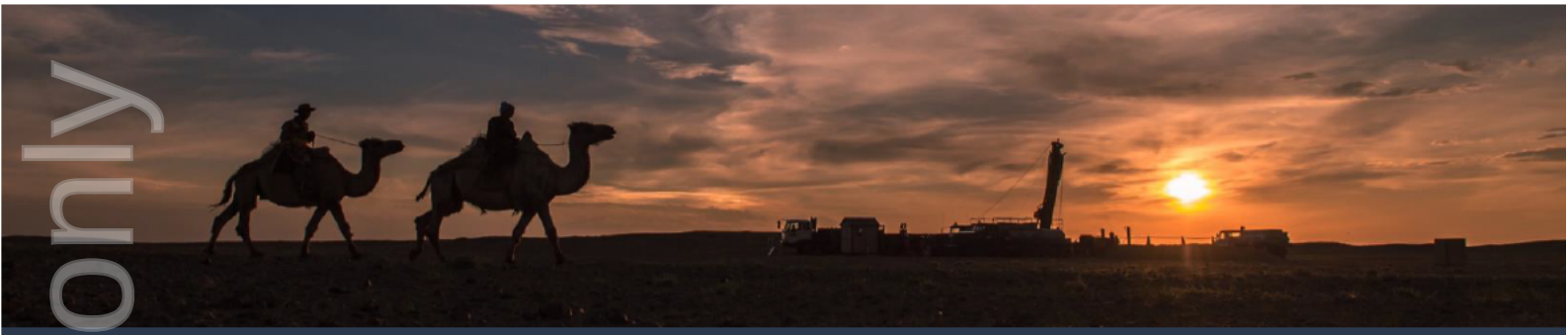
XANADU MINES BOROO



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Recommended A$0.08 Per Share Cash Offer

19 May 2025

Xanadu Mines Ltd (ASX:XAM, TSX:XAM) (**Xanadu** or the **Company**) and Bastion Mining Pte Ltd (**Bastion**) are pleased to announce that they have entered into a Bid Implementation Agreement on 19 May 2025 under which Bastion will make an off-market takeover offer to acquire all the fully paid, ordinary shares issued in Xanadu (**Xanadu Shares**) which Bastion does not already own, at a price of A$0.08 cash per Xanadu Share (**Offer**).

A copy of the Bid Implementation Agreement is attached as Annexure A to this announcement.

The Offer is made by Bastion, which represents a consortium of Boroo Pte Ltd (**Boroo**) and Xanadu Director Ganbayar Lkhagvasuren (together, the **Bid Sponsors**). Boroo is a private Singapore-incorporated entity which invests in major gold projects internationally. Boroo key assets include Lagunas Norte, a producing gold mine in Peru and a portfolio of development-stage projects in South America. Boroo has guaranteed Bastion's obligations as bidder under the Bid Implementation Agreement.

Xanadu's Takeover Board Committee[1], together with Xanadu's legal and financial advisers, have carefully considered the Offer. The Takeover Board Committee **Directors unanimously recommend that Xanadu shareholders ACCEPT the Offer** in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable.

Xanadu Executive Chairman and Managing Director, Mr Colin Moorhead, said:

"The proposed acquisition of Xanadu by Bastion is aligned with the Company's strategy of generating returns for shareholders and also providing a liquidity event. Bastion's Offer provides Xanadu shareholders with an attractive premium, which recognizes the Company's inherent value and considerable achievements in progressing the Kharmagtai Copper-Gold Project. The Takeover Board Committee Directors consider the Offer to be in the best interest of shareholders and unanimously recommend that shareholders accept the Offer in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable."

[1] The Takeover Board Committee comprises all Xanadu Directors as at the date of this announcement other than Ganbayar Lkhagvasuren and Zijin's representative, Shaoyang Shen.

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Mr. Ganbayar Lkhagvasuren, on behalf of Bastion, said:

"Together with my partners at Boroo, I am pleased to be making this supported Offer to Xanadu shareholders. The Bastion Offer provides Xanadu shareholders with the certainty of cash at a significant premium to Xanadu's share price, against a market backdrop of considerable uncertainty. Bastion is ideally positioned to advance Kharmagtai to the next stage of development with the benefit of Boroo's experience in acquiring, financing and developing mining operations in Mongolia."

Highlights

- Bastion Mining Pte. Ltd. (**Bastion**) to make an agreed cash offer of A$0.08 per share for all the shares of Xanadu Mines Limited (**Xanadu** or the **Company**) it does not currently hold, via an off-market takeover (**Offer**).
- Offer price of A$0.08 cash per share, representing a 57% premium to Xanadu's closing price of A$0.051 per share on 16 May 2025.
- The Offer implies a total equity value for Xanadu of A$160 million, excluding the proposed share issue to Bastion.
- Bastion to subscribe for 286,829,633 shares in Xanadu at A$0.06 per share, representing an initial investment of A$17.2 million to fund the Company's share of joint venture cash calls, working capital and associated corporate costs during the Offer period.
- The Offer is subject to Bastion acquiring a minimum relevant interest in Xanadu of at least 50.1%, together with limited other conditions as contained in the attached Bid Implementation Agreement. Bastion has agreed that once it acquires a relevant interest in at least 50.1% of the shares in Xanadu that it will declare the Offer unconditional.
- Xanadu's Board has formed a sub-committee of independent directors (**Takeover Board Committee**) to consider the Offer. The Takeover Board Committee **UNANIMOUSLY RECOMMENDS** that **SHAREHOLDERS ACCEPT THE OFFER**, in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable and, subject to those same qualifications, each member of the Takeover Board Committee, who together at the date of this announcement hold a relevant interest in the Company of 1.86%, intend to accept, or procure the acceptance of, the Offer in respect of all of the shares they respectively hold or control (including any shares that may be issued upon the vesting and exercise of any options during the period of the Offer).
- CAAF Ltd, Xanadu's largest independent shareholder who holds a relevant interest in the Company of 11.85%, has stated its intention to accept the Offer subject to the Bid Implementation Agreement not being terminated, in the absence of a superior proposal (as determined in their sole and absolute discretion) and subject to the Independent Expert concluding that the Offer is fair and reasonable (and such expert not changing or withdrawing that opinion).
- Xanadu will host a conference call at 12:00pm AEST on Wednesday, 21 May. To listen live, please click on the link below and register your details:

  https://us06web.zoom.us/webinar/register/WN_nyyXnFgjTRm1FG0fb3kJXw

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Details of the Offer

The Offer will be made by Bastion on behalf of the Bid Sponsors. The Offer price will be A$0.08 cash per Xanadu Share, which represents a premium of:

- 57% to Xanadu's last closing price of A$0.051 per share on 16 May 2025;
- 62% to Xanadu's 10-day volume weighted average price of A$0.049 per share up to and including 16 May 2025;
- 46% to Xanadu's 30-day volume weighted average price of A$0.055 per share up to and including 16 May 2025; and
- 52% to Xanadu's 90-day volume weighted average price of A$0.053 per share up to and including 16 May 2025.

Support from Takeover Board Committee and Major Shareholder

Xanadu is pleased to advise that its largest independent shareholder, CAAF Ltd, has confirmed its intention to accept the Offer in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable. CAAF Ltd holds a relevant interest in 11.85% of Xanadu's undiluted shares.

Xanadu's Takeover Board Committee Directors:

- Unanimously recommend that Xanadu shareholders ACCEPT the Offer; and
- Have each confirmed their intention to accept, or procure the acceptance of, the Offer in respect of all Xanadu Shares which they own or control (including any Xanadu Shares that may be issued upon the vesting and exercise of any options during the period of the Offer)[2],

in each case in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable.

Bid Implementation Agreement

Under a Bid Implementation Agreement dated 19 May 2025 (**BIA**), Xanadu and Bastion have given undertakings to each other to facilitate the Offer. The Offer is subject to a limited number of conditions as noted below.

- Bastion obtaining a relevant interest in Xanadu of at least 50.1%.
- Until the end of the Offer period, Xanadu must not exercise either of the put options granted under the terms of the Joint Venture Shareholders' Agreement[3] which, if exercised, would require Jinping (Singapore) Mining Pte. Ltd (**Jinping**) to acquire either 25% or 50% of Xanadu's shareholding in Khuiten Metals Pte Ltd (**Khuiten Metals**).

[2] As at the date of this announcement, Colin Moorhead owns or controls 22,920,000 Xanadu Shares (representing approximately 1.20% of the Xanadu Shares on issue), Michele Muscillo owns or controls 9,059,981 Xanadu Shares (representing approximately 0.47% of the Xanadu Shares on issue), and Tony Pearson owns or controls 3,600,555 Xanadu Shares (representing approximately 0.19% of the Xanadu Shares on issue).
[3] The Joint Venture Shareholders' Agreement dated 21 December 2022 between the Target, Jinping (Singapore) Mining Pte. Ltd and Khuiten Metals Pte Ltd establishing an incorporated joint venture in connection with the Kharmagtai Project.

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- No prescribed occurrence in relation to Xanadu.
- No material adverse change in relation to Xanadu.
- No government or regulatory action in consequence of, or in connection with, the Offer which adversely impacts the Offer (subject to certain carve outs).
- None of the warranties given by Xanadu become incorrect or untrue during the Offer period.

Bastion has committed to declare the Offer unconditional upon achieving a relevant interest in the Company of 50.1%.

The BIA also contains terms usual for a transaction of this nature, including customary exclusivity arrangements such as 'no shop', 'no talk' and 'no due diligence' restrictions as well as a right for Bastion to match any competing proposal. A break fee or a reverse break fee may also be payable in certain circumstances.

Details of the key terms and conditions of the Offer are set out in the attached BIA. Full details of the Offer will be set out in Xanadu's Target's Statement (which will enclose a copy of the Independent Expert's Report).

Equity Funding Arrangements

To assist Xanadu in meeting its corporate and joint venture funding obligations during the Offer period, Bastion and Xanadu have entered into a share subscription agreement (**Subscription Agreement**) under which Bastion has agreed to subscribe for 286,829,633 Xanadu Shares at an issue price of A$0.06 per share (**Subscription Shares**).

The issue of the Subscription Shares is expected to occur on 26 May 2025 (**Settlement Date**), unless the Subscription Agreement is terminated prior to completion. In particular, if a competing proposal is received prior to the Settlement Date and Xanadu either (1) does not confirm that the competing proposal is not a superior proposal in accordance with the BIA, or (2) fails to recommend that shareholders reject the competing proposal, Bastion may elect to terminate the Subscription Agreement in which case the subscription will not occur.

If completion of the Subscription Agreement occurs as intended:

- the Subscription Shares will be issued under Xanadu's available placement capacity pursuant to ASX Listing Rule 7.1;
- Xanadu will receive a cash injection of A$17.2 million; and
- Immediately following settlement, Bastion will hold a relevant interest in 13.04% of Xanadu Shares.

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Withdrawal of the 25% Put Option Resolution

Currently, an extraordinary general meeting of members is scheduled to be held on 4 June 2025 at which members will be asked to consider and approve a resolution authorising Xanadu to exercise the put option which requires Jinping to acquire 25% of Xanadu's shareholding in Khuiten Metals (**Put Option Resolution**).

However, in light of the Offer and the funding to be received by Xanadu upon issue of the Subscription Shares, the Takeover Board Committee has committed to withdraw the Put Option Resolution following successful completion of the equity funding arrangements under the Subscription Agreement.

Indicative Timetable

Further details regarding the Offer and Takeover Board Committee's recommendation will be outlined in Bastion's Bidder's Statement and Xanadu's Target's Statement, which are expected to be despatched to Xanadu Shareholders on or about 28 May 2025, following completion of the equity funding arrangement under the Subscription Agreement.

Once the Bidder's Statement has been despatched, the Offer will open for acceptance. The Offer will initially remain open for a minimum period of one month.

The Bidder's Statement and the Target's Statement will set out important information, including the Independent Expert's Report (with detail supporting the conclusion of the Independent Expert), how to accept the Offer, and the key reasons why Xanadu shareholders should accept the Offer.

An indicative timetable for the Offer is set out below.

Event	Date
Announcement Date and release of Agreed Public Announcement on ASX	19 May 2025 (**T**)
Completion of equity funding arrangement in accordance with, and subject to, the terms of the Subscription Agreement	T+7 Days
Bidder lodges Bidder's Statement with ASIC, serves it on Target and gives it to ASX	T+8 Days
Target lodges Target's Statement with ASIC, serves it on Bidder and gives it to ASX	T+8 Days
Bidder and Target despatch Bidder's Statement and Target's Statement to Target Shareholders in same mail-out	T+9 Days
Open of Offer Period	T+9 Days
Close of Offer Period unless extended by Bidder	T+44 Days

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Advisers

Xanadu has appointed Jefferies (Australia) as its financial adviser, HopgoodGanim Lawyers as its Australian legal adviser and Bennett Jones LLP as its Canadian legal adviser.

Bastion has appointed CIBC Capital Markets and Cormark Securities Inc. as its financial advisers, Allens as its Australian legal adviser and Stikeman Elliott as its Canadian legal adviser.

Further Information

The Xanadu Takeover Board Committee will keep shareholders informed of any material developments relating to the Offer in accordance with continuous disclosure requirements. Until then, there is no need for Xanadu shareholders to take any action.

About Xanadu Mines

Xanadu is an ASX and TSX listed Exploration company operating in Mongolia. We give investors exposure to globally significant, large-scale copper-gold discoveries and low-cost inventory growth. Xanadu maintains a portfolio of exploration projects and remains one of the few junior explorers on the ASX or TSX who jointly control a globally significant copper-gold deposit in our flagship Kharmagtai project together with our 50-50 JV partner Zijin Mining Group.

For further information on Xanadu, please visit: **www.xanadumines.com** or contact:

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This Announcement was authorised for release by Xanadu's Takeover Board Committee.

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Forward-Looking Statements

Certain statements contained in this Announcement, including information as to the future financial or operating performance of Xanadu and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward-looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Xanadu, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Xanadu disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after the date of this Announcement or to reflect the occurrence of unanticipated events, other than required by the *Corporations Act 2001* (Cth) and the Listing Rules of the Australian Securities Exchange (**ASX**) and Toronto Stock Exchange (**TSX**). The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All 'forward-looking statements' made in this Announcement are qualified by the foregoing cautionary statements. Investors are cautioned that 'forward-looking statements' are not guarantee of future performance and accordingly investors are cautioned not to put undue reliance on 'forward-looking statements' due to the inherent uncertainty therein.

For further information please visit the Xanadu Mines' Website at **www.xanadumines.com.**

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Boroo Pte. Ltd.

Ganbayar Lkhagvasuren

Bastion Mining Pte. Ltd.

Xanadu Mines Limited

Bid Implementation Agreement

Execution Version

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This Agreement is made on 19 May 2025

Parties

1 **Boroo Pte. Ltd.** (UEN 201827959R) incorporated in Singapore of 9 Straits View, #05-09, Marina One West Tower, Singapore 018937 (***Boroo***).

2 **Ganbayar Lkhagvasuren** (passport number [redacted]), citizen of Mongolia, whose residing address is at 26 Khoroo Sakura Villa 353 building unit 1, Bayanzurkh District, Ulaanbaatar, Mongolia (***GBL***).

3 **Bastion Mining Pte. Ltd.** (UEN 202512367N) incorporated in Singapore of 9 Straits View, #05-09, Marina One West Tower, Singapore 018937 (***Bidder***).

4 **Xanadu Mines Limited** (ACN 114 249 026) of Liberty Place Level 41, 161 Castlereagh Street, Sydney, NSW 2000 (***Target***).

Recitals

A The Bid Sponsors, through the Bidder, propose to make an off-market takeover bid to acquire all of the Bid Securities and the Independent Target Directors are proposing to recommend the Bid to Target Shareholders in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder.

B The parties have agreed to implement the Bid on the terms and conditions set out in this Agreement.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

25% Put Option means the put option granted by Jinping to the Target under and in accordance with the terms of the JVCo SHA, upon exercise of which, requires Jinping to acquire 25% of the Target's shareholding in JVCo.

50% Put Option means the put option granted by Jinping to the Target under and in accordance with the terms of the JVCo SHA, upon exercise of which, requires Jinping to acquire 50% of the Target's shareholding in JVCo.

ACCC means the Australian Competition and Consumer Commission.

Accounting Standards means:

(a) in relation to a body corporate incorporated in Australia:

(i) the requirements of the Corporations Act for the preparation and content of financial and auditor's reports; and

(ii) the accounting standards approved under the Corporations Act, being the Australian Accounting Standards and any authoritative interpretations issued by the Australian Accounting Standards Board,

(b) in relation to a body corporate incorporated in a jurisdiction other than Australia:

(i) IFRS or the equivalent to IFRS in the jurisdiction of incorporation of that body corporate; or

(ii) in the absence of IFRS or such equivalent, the generally accepted accounting principles in the jurisdiction of incorporation of the that body corporate.

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity to the market in general and who has been engaged by that entity.

Affiliate in respect of an individual, means:

(a) any body corporate in respect of which that individual has Control;

(b) the spouse or de facto spouse of that individual;

(c) a person Controlled by persons referred to in clause (b) above; or

(d) a trust of which that individual or any person referred to in clauses (b) to (c) above:

(i) has received 50% or more of the distributions made from that trust in the three years before the date of the proposed event or transaction being considered; or

(ii) is the Controlling person (whether directly or indirectly), responsible entity, trustee, manager or investment adviser of the trust.

Agreed Bid Terms means the terms and conditions of the Bid set out in Schedule 1.

Agreed Public Announcement means a public announcement concerning the Bid in the form set out in Schedule 7.

Agreement Date means the date on which this agreement is signed by the last of the parties.

Announcement Date means:

(a) the Agreement Date; or

(b) if the Agreement Date is a day that is not a Trading Day, the first Trading Day immediately following the day of execution.

ASIC means the Australian Securities and Investments Commission.

ASIC Act means the *Australian Securities and Investments Commission Act 2001* (Cth).

Associate has the meaning given in section 12(2) of the Corporations Act, where Target is the 'designated body'.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

ASX Listing Rules means the official listing rules of ASX.

ATO means the Australian Taxation Office.

Bid means an off-market takeover bid by Bidder for all of the Bid Securities, to be implemented in accordance with Chapter 6 of the Corporations Act and this Agreement.

Bidder Board means the board of directors of Bidder (as constituted from time to time), and includes any authorised committee of directors.

Bidder Counterproposal has the meaning given in clause 11.4(b).

Bidder Group means the Bidder, each Bid Sponsor and their Related Entities.

Bidder Group Member means a member of the Bidder Group.

Bidder Indemnified Parties means each Bidder Group Member and their respective Officers (as applicable).

Bidder Warranties means the representations and warranties set out in Part 1 of Schedule 3.

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Bid Securities means:

(a) all Target Shares (other than those Target Shares issued pursuant to the Concurrent Financing) that exist as at the date to be set by Bidder under section 633(2) of the Corporations Act in relation to the Bid; and

(b) all Target Shares that are issued during the Offer Period as a result of the exercise of Target Options that exist as at the date to be set by Bidder under section 633(2) of the Corporations Act in relation to the Bid.

Bid Sponsors means Boroo and GBL.

Bid Sponsor Warranties means the representations and warranties set out in Part 2 of Schedule 3.

Bidder's Statement means the bidder's statement relating to the Bid prepared in accordance with clause 3.2, and in accordance with sections 636 and 637 and other applicable provisions of the Corporations Act and all ASIC Regulatory Guides and Takeovers Panel Guidance Notes applicable to takeover bids under Chapter 6 of the Corporations Act.

Bidder Break Fee means an amount equal to A$1,759,221.75.

Break Fees means the Bidder Break Fee and the Target Break Fee.

Business Day means any day that is each of the following:

(a) a Business Day within the meaning given in the ASX Listing Rules; and

(b) a day that banks are open for business in Singapore, Ulaanbaatar, Mongolia and Sydney, Australia.

Change of Control occurs on the later of:

(a) the Bidder acquiring a Relevant Interest in at least 50.1% of all Target Shares on a fully diluted basis; and

(b) the Offers becoming or being declared unconditional.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement (other than any transaction that may be made and implemented in accordance with this Agreement) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:

(a) a Third Party will (other than as custodian, nominee or bare trustee):

(i) acquire an interest in, or a Relevant Interest in, or become the holder of, 20% or more of the shares in any Target Group Member;

(ii) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a substantial part of the assets or business of any Target Group Member;

(iii) otherwise acquire control (within the meaning of section 50AA of the Corporations Act) of any Target Group Member; or

(iv) otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a significant shareholding or economic interest in, any Target Group Member or in all or a substantial part of their respective assets or business, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation,

establishment of a new holding company for the Target Group or other synthetic merger or any other transaction or arrangement; or

(b) requires or would require any Target Director to change or withdraw their recommendation of the Bid.

Completion means the completion of acquisitions of Bid Securities under the Bid (and, in circumstances where compulsory acquisition is available, completion of the compulsory acquisition process under Chapter 6A of the Corporations Act).

Concurrent Financing means the private placement of Target Shares in accordance with the Subscription Agreement.

Conduct has the meaning given in clause 15.4.

Control has the meaning given in section 50AA of the Corporations Act, and ***Controlled*** has a corresponding meaning.

Conditions means the Bid conditions set out in Schedule 2.

Confidentiality Agreement means the Exclusivity and Confidentiality Deed between Boroo on behalf of the Bid Sponsors and the Target dated 24 March 2025.

Confidential Information has the meaning given to that term in the Confidentiality Agreement.

Corporations Act means the *Corporations Act 2001* (Cth).

Cost has the meaning given in clause 14.4.

D&O Policy has the meaning given in clause 10.1(b).

Development Plan has the meaning given to that term in the JVCo SHA.

Disclosure Letter means the letter from the Target to the Bid Sponsors and the Bidder provided on 17 May 2025.

Director Appointees has the meaning given in clause 4.4(a)(ii).

Disclosure Materials means:

(a) the Disclosure Letter (including the Refreshed RFI Index);

(b) the RFI Index; and

(c) the documents and information contained in the virtual data room entitled 'Xanadu Mines Data Room' accessible at: https://dataroom.ansarada.com/_mvc/ProjectSumo%7C68405/9093960/spa/documents, and made available by the Target to the Bid Sponsors and their Representatives, as at 11:59pm (Sydney time) on 2 April 2025.

Earliest Dispatch Date has the meaning given in clause 3.3(a).

Exclusivity Deed *means* the Exclusivity Deed between Boroo and the Target dated 13 May 2025.

Exclusivity Period means the period commencing on the Agreement Date and ending on the earlier of:

(a) the termination of this Agreement in accordance with its terms;

(b) the Bidder withdrawing the Bid; and

(c) the end of the Offer Period.

Fairly Disclosed means disclosed to the Bid Sponsors and the Bidder or any of their Representatives, to a sufficient extent, and in sufficient detail, so as to enable, a reasonable

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bidder (or one of its Representatives) experienced in transactions similar to the Offer and experienced in a business similar to any business conducted by the Target, to identify the nature and scope of the relevant matter, event, circumstance or thing (including, in each case, that the potential financial effect (if any) of the relevant matter, event, circumstance or thing was reasonably ascertainable from the information disclosed). To avoid doubt, where a matter has previously been Fairly Disclosed to a Bid Sponsor or any of their Representatives, it is not required to be disclosed again to the Bidder.

Financial Adviser means an Adviser that is a financial adviser retained by a party from time to time.

FY23 Accounts means the Target's audited financial statements for the financial year ended 31 December 2023.

FY24 Accounts means the Target's audited financial statements for the financial year ended 31 December 2024.

General Meeting means the extraordinary general meeting of Target Shareholders to be convened on Wednesday, 4 June 2025 seeking Target Shareholder approval of, among other things, the Put Option Resolutions.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the ACCC, the ATO, ASX, the TSX, the Takeovers Panel and any regulatory organisation established under statute or any stock exchange.

GST Amount has the meaning given in clause 14.1.

Independent Expert means the independent expert to be engaged by the Target to prepare the Independent Expert's Report for inclusion in the Target's Statement.

Independent Expert's Report means the report (including any written updates to such report) of the Independent Expert which includes a statement on whether, in its opinion the Offers are fair and reasonable to Target Shareholders not associated with the Bidder.

Independent Target Director means each Target Director other than:

(a) Mr Ganbayar Lkhagvasuren; and

(b) Mr Shaoyang Shen.

Independent Target Board means the independent board committee established by the Target and comprised of all Independent Target Directors.

Insolvency Event means, in relation to an entity:

(a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;

(b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;

(c) the entity executing a deed of company arrangement;

(d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the Agreement Date;

(e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation) or is

otherwise presumed to be insolvent under the Corporations Act unless the entity has, or has access to, committed financial support from its parent entity such that it is able to pay its debts; or

(f) the entity being deregistered as a company or otherwise dissolved.

IFRS means the International Financial Reporting Standards.

Jinping means Jinping (Singapore) Mining Pte. Ltd.

JVCo means Khuiten Metals Pte Ltd.

JVCo SHA means the Joint Venture Shareholders' Agreement dated 21 December 2022 between the Target, Jinping and JVCo establishing an incorporated joint venture in connection with the Kharmagtai Project.

JVCo Share means a share in the issued share capital of JVCo.

Key Shareholder means CAAF Ltd and any of its Related Entities which hold a beneficial interest in Target Shares.

Kharmagtai Project means the Kharmagtai copper-gold project located in Omnogovi Province, approximately 420km southeast of Ulaanbaatar, Mongolia.

Material Contract means any agreement, contract, deed or other arrangement, constitution, by-laws, articles of association (or similar), right or instrument (each of the foregoing things or matters being an ***Entitlement***) which:

(a) involves, or would reasonably be likely to involve, the provision of financial accommodation to any member of the Target Group;

(b) imposes, or would reasonably be likely to impose, obligations or liabilities on any party of at least $500,000 per annum or $1,000,000 over the life of the Entitlement; or

(c) is otherwise material to the Target in the context of the Kharmagtai Project or the businesses of the Target Group taken as a whole,

and a ***Relevant Material Contract*** means a Material Contract (which one or more members of the Target Group are a party to or a beneficiary under) under which any party (other than a member of the Target Group) to such Material Contract has the right (***Relevant Entitlement***) to:

(d) terminate, cancel or rescind that Material Contract or any part of it;

(e) vary, amend or modify that Material Contract;

(f) exercise, enforce or accelerate any right under that Material Contract (including rights of pre-emption); or

(g) benefit from the operation of a provision which automatically terminates, varies, amends or modifies that Material Contract,

(including where that Relevant Entitlement is subject to: (i) the satisfaction or failure of a contingency or condition; or (ii) one or more of the Conditions being satisfied or waived; or (iii) the effluxion of time) as a direct or indirect result of:

(a) a Bidder Group Member entering into this Agreement;

(b) a Target Group Member performing its obligations under this Agreement;

(c) any public announcement or public disclosure of the Bid (including the Agreed Public Announcement);

(d) a Bidder Group Member acquiring, or acquiring a Relevant Interest in, any Target Shares;

(e) a Bidder Group Member acquiring Control of the Target;

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(f) a Bidder Group Member implementing or seeking to implement any of its intentions for the Target as described in a Takeover Statement; or

(g) any Target Director supporting the bid or making a recommendation that the Target Shareholders accept the Offers under the Bid.

No-Fault Condition means the Condition set out in paragraph (e) (*Restraints*) of Schedule 2.

Notice has the meaning given in clause 15.1.

Notice of Meeting means the notice of meeting issued by the Target and dated 5 May 2025 in respect of the General Meeting.

Offer Period means the period during which the Offers are open for acceptance.

Offer Price has the meaning given in paragraph 1 of the Agreed Bid Terms.

Offers means the offers to acquire the Bid Securities to be made by Bidder to Target Shareholders under the Bid.

Officer means, in relation to an entity, any of its directors, officers and employees.

Paying Party has the meaning given in clause 12.4.

Permitted Security Interest means any Security Interest granted by any member of the Target Group in the ordinary course of business under any retention of title, hire purchase or conditional sale arrangement or arrangement having similar effect in respect of goods supplied to the Target Group on the supplier's standard or usual terms (or terms more favourable to the Target Group) or arising by operation of law in the ordinary course of trading, so long as in case, the debt it secures is paid when due or contested in good faith and appropriately provisioned.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Predominantly Controlled Subsidiary means:

(a) any Subsidiary of the Target in respect of which the Target has sufficient Voting Power to pass, unilaterally, an ordinary members' resolution at a general meeting of that Subsidiary, notwithstanding all other members of that Subsidiary voting in the negative;

(b) any Subsidiary of the Target in respect of which any nominee director appointed by the Target to the board of that Subsidiary individually, or together with one or more nominee directors appointed by the Target to the board of that Subsidiary, is able or together are able (as the case may be) to unilaterally pass a directors resolution of that Subsidiary, notwithstanding all other directors of that Subsidiary voting in the negative; or

(c) any Subsidiary of the Target (***first Subsidiary***) that is controlled by another Subsidiary of the Target (***second Subsidiary***) in the manner contemplated by paragraphs (a) or (b) above, where that second Subsidiary is itself controlled by the Target in the manner contemplated by paragraphs (a) or (b) above either directly or indirectly through one or more interposed Target Subsidiaries,

and, for the avoidance of any doubt, expressly excludes JVCo, ProjectCo and Mongol Metals LLC.

Primary Party means:

(a) in the case of the Bidder's Statement, any Supplementary Bidder's Statement or an amendment to the foregoing, the Bidder; and

(b) in the case of the Target's Statement, any Supplementary Target's Statement or an amendment to the foregoing, the Target.

ProjectCo means Oyut Ulaan LLC.

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Project Budget has the meaning given to the term "Budget" in the JVCo SHA.

Project Titles means the mining titles comprising the Kharmagtai Project set out in Schedule 8.

Put Options means the 25% Put Option and the 50% Put Option.

Put Option Resolutions means the resolutions, which as at the Agreement Date comprise resolution 1 of the Notice of Meeting, seeking Target Shareholder approval for:

(a) the Target's exercise of the 25% Put Option; and

(b) the granting of a security interest by the Target over the Target's remaining 25% interest in JVCo not subject of the 25% Put Option in connection with the Zijin Funding Loan.

Q1 Project Budget means the US$2,100,000 Project Budget for the first quarter of 2025.

Q4 Quarterly Activities Report means the Target's Quarterly Activities and Cash Flow Report for the quarter ended 31 December 2024, as released on ASX on 31 January 2025.

Recipient Party has the meaning given in clause 12.4.

Refreshed RFI Index means the requests for information made by or on behalf of the Bidder and Bid Sponsors (including by its Representatives and Advisers) to the Target and the corresponding responses given by or on behalf of the Target (including by its Representatives and Advisers), as first provided to the Target on 13 May 2025 and annexed to the Disclosure Letter.

Regulatory Approval means:

(a) any approval, consent, authorisation, registration, filing, lodgment, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Governmental Agency; or

(b) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgment, filing, registration or notification, the expiry of that period without intervention or action; or

(c) any amendments to any legislation.

Related Bodies Corporate has the meaning given in section 50 of the Corporations Act.

Related Entity means:

(a) where the party to whom the reference relates is a body corporate, a Related Body Corporate of that party; and

(b) where the party to whom the reference relates is an individual, an Affiliate of that party.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Representative means, in relation to a person:

(a) a Subsidiary of the person; or

(b) an Officer of the person or any of the person's Subsidiaries; or

(c) an Adviser to the person or any of the person's Subsidiaries.

Representor has the meaning given in clause 8.7.

Respective Proportions means:

(a) in respect of Boroo, 75%; and

(b) in respect of GBL, 25%.

RFI Index means the requests for information made by or on behalf of the Bidder and Bid Sponsors (including by its Representatives and Advisers) to the Target and the corresponding

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responses given by or on behalf of the Target (including by its Representatives and Advisers), as set out in the index maintained by the parties in connection with the Bidder's and Bid Sponsors' due diligence investigation for the Bid, as at 11:59pm on 2 April 2025.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from the relevant Bid Securities directly or indirectly at or after the Announcement Date (including all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Target or any subsidiary of Target).

Secondary Party means:

(a) in the case of the Bidder's Statement, any Supplementary Bidder's Statement or an amendment to the foregoing, the Target; and

(b) in the case of the Target's Statement, any Supplementary Target's Statement or an amendment to the foregoing, the Bidder.

Security Interests means:

(a) a security interest as defined in section 12 of the PPSA; and

(b) a charge, lien or pledge.

Subscription Agreement means the subscription agreement between the Target and the Bidder in relation to the issue of Target Shares pursuant to the Concurrent Financing dated on or about the Agreement Date.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received by the Target that the Independent Target Board determines, acting in good faith and in order to satisfy what the Independent Target Board considers to be its fiduciary or statutory duties (and after having obtained written advice from Target's external legal and, if appropriate, financial advisers):

(a) is reasonably capable of being valued and completed; and

(b) would be, or would be reasonably likely to be, if completed substantially in accordance with its terms, more favourable to the Target Shareholders (as a whole) than the Bid (as the terms of the Bid may be amended or varied following the application of the matching right set out in clause 11.4),

in each case, taking into account all terms and conditions and other aspects of the Competing Proposal (including undertaking a qualitative assessment of the identity, reputation and financial standing of the party making the Competing Proposal, any conditions precedent).

Supplementary Bidder's Statement means any supplementary statement prepared in accordance with section 643 of the Corporations Act.

Supplementary Target's Statement means any supplementary statement prepared in accordance with section 644 of the Corporations Act.

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Takeover Statement means any Bidder's Statement, Target's Statement, Supplementary Bidder's Statement or Supplementary Target's Statement.

Target Board means the board of directors of Target (as constituted from time to time), and includes any authorised committee of directors.

Target Break Fee means an amount equal to A$1,759,221.75.

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Target Controlled Subsidiary means any Wholly Owned Subsidiary or Predominantly Controlled Subsidiary of the Target.

Target Director means a director of Target.

Target Group means the Target and its Subsidiaries.

Target Group Member means a member of the Target Group.

Target Indemnified Parties means the Target, its Subsidiaries and their respective Officers.

Target Material Adverse Change means an event, change, condition, matter, circumstance or thing occurring before, on or after the Agreement Date (each a ***Specified Event***) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

(a) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Target Group taken as a whole; or

(b) without limiting the generality of paragraph (a):

(i) have a material adverse effect on the Target's interest in the Project Titles or the ability of the Target Group to exploit its interest in the Project Titles as currently held at the Agreement Date;

(ii) the effect of a diminution in the value of the consolidated net assets of the Target Group, taken as whole, by at least $5,000,000 against what it would reasonably have been expected to have been but for such Specified Event;

(iii) the effect of resulting in:

(A) the cessation, termination or loss or reduction in the Target's interest in the Project Titles or JVCo; or

(B) ProjectCo ceasing to be the sole legal and beneficial owner of all rights, title and interest in and to the Project Titles,

other than those events, changes, conditions, matters, circumstances or things:

(c) occurring directly or indirectly as a result of any matter, event or circumstance required or permitted by a Transaction Document or the Bid or the transactions contemplated by any of them;

(d) that are Fairly Disclosed in the Disclosure Materials;

(e) that the Target disclosed in an announcement made by the Target to ASX or TSX, or a publicly available document lodged by it with ASIC, in the 12 month period prior to the Agreement Date;

(f) agreed to in writing by the Bidder;

(g) resulting from changes:

(i) in law (including any statute, ordinance, rule, regulation, the common law and equitable principles) or the interpretation, application or non-application of any laws by any Governmental Agency; or

(ii) in general economic, political or business conditions,

in a jurisdiction in which any Target Group Member operates, including but not limited to Australia, Singapore or Mongolia;

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(h) resulting from any change occurring directly as a result of a general deterioration in equity markets, interest rates, exchange rates, commodity rates or credit spreads, that impacts the Target and its competitors in a similar manner;

(i) occurring directly or indirectly as a result of:

(i) any act of terrorism, war (whether declared), military coup, civil unrest or similar event; or

(ii) any act of God such as lightning, storm, flood, earthquake, cyclone, tidal wave or landslide;

(j) any change in accounting policy required by law or government policy; or

(k) resulting from any action taken by the Government of Mongolia, including passing legislation or making any public announcements, to designate the Kharmagtai Project as a 'Strategic Deposit' under the *Minerals Law* (2006) or to otherwise seek or require there to be any state ownership interest in the Kharmagtai Project.

Target Option means an option to subscribe for a Target Share (by issue or transfer) issued by the Target.

Target Optionholder means a holder of Target Options.

Target Prescribed Occurrence means the occurrence of any of the following:

(a) the Target converts all or any of the Target Shares into a larger or smaller number of shares;

(b) a Target Group Member resolves to reduce its share capital in any way;

(c) a Target Group Member:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement;

(d) a Target Group Member issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option in each case, other than the issue of Target Shares as a result of either:

(i) the exercise of Target Options which are on issue as at the Announcement Date; or

(ii) the Concurrent Financing;

(e) a Target Group Member issues, or agrees to issue, convertible notes;

(f) a Target Group Member disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) a Target Group Member grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property; or

(h) an Insolvency Event occurs in relation to a Target Group Member,

other than as:

(i) required or permitted by a Transaction Document or the Bid or the transactions contemplated by any of them;

(j) that are Fairly Disclosed in the Disclosure Materials;

(k) disclosed by the Target in an announcement made by the Target to ASX or TSX, or a publicly available document lodged by it and in documents lodged with ASIC, in the 12 month period prior to the Agreement Date;

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(l) agreed to in writing by the Bidder; or

(m) a result of any action taken by the Government of Mongolia, including passing legislation or making any public announcements, to designate the Kharmagtai Project as a 'Strategic Deposit' under the *Minerals Law* (2006) or to otherwise seek or require there to be any state ownership interest in the Kharmagtai Project.

Target Register means the register of members of the Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act.

Target Regulated Event means the occurrence of any of the following events:

(a) a Target Group Member commencing business activities of a nature not already carried out as at the Agreement Date, whether by way of acquisition or otherwise;

(b) any entity within the Target Group acquires or leases, or agrees or offers to acquire or lease, any one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount or consideration in excess of $500,000 for any individual item or in excess of $1,000,000 in aggregate;

(c) any entity within the Target Group disposes of, or agrees or offers to dispose of, any one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets):

(i) for an amount or consideration in excess of $500,000 for any individual item or in excess of $1,000,000 in aggregate; or

(ii) in respect of which the book value (as recorded in Target's statement of financial position in the FY24 Accounts) is in excess of $500,000 for any individual item or in excess of $1,000,000 in aggregate;

(d) any entity within the Target Group enters into, agrees to enter into or amend or offers to enter into or amend:

(i) the JVCo SHA or any other joint venture (whether incorporated or unincorporated) which relates to the Kharmagtai Project; or

(ii) any other agreement, joint venture or partnership that requires or is reasonably likely to involve payments, expenditure, or the foregoing of revenue, by the Target Group in excess of $500,000 in aggregate;

(e) the commitment by the Target Group to capital expenditure in excess of $1,000,000 in aggregate;

(f) any entity within the Target Group incurs, agrees to incur or bring forward the time for incurring, or granting to a third party a right the exercise of which would involve a Target Group entity incurring or agreeing to incur an amount of capital expenditure in excess of $1,000,000 in aggregate;

(g) any entity within the Target Group settles any legal proceedings, claim, investigation, arbitration or other like proceeding;

(h) any entity within the Target Group incurs any indebtedness or issues any debt securities, where doing so would result in the value of the indebtedness incurred or debt issued by the Target Group following the Announcement Date, other than:

(i) any draw down within existing limits of any existing debt facility in the ordinary course of business;

(ii) trade credit in the ordinary course of business; or

(iii) indebtedness to an entity within the Target Group;

(i) any entity within the Target Group gives or agrees to give any encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;

(j) any entity within the Target Group incurs or otherwise become exposed to a liability or contingent liability;

(k) any entity within the Target Group enters into, terminates, extends, renews or varies any commitment (including any non-contractual commitment or undertaking) which has a value or involves a liability, expenditure or revenue, as the case may be, of $1,000,000 or more when aggregated with related transactions;

(l) any entity within the Target Group exercises a contractual right or other option which has a value or involves a liability or expenditure, as the case may be, in excess of $1,000,000 when aggregated with related transactions;

(m) any entity within the Target Group enters into any long-term commitment (including any non-contractual commitment or undertaking) with any customers which:

(i) has a duration of more than 12 months; or

(ii) is inconsistent in a material respect with typical arrangements;

(n) any entity within the Target Group enters into a new employment contract or increases the remuneration of, or otherwise varies the existing employment arrangements with, any of its directors or executives or any other employees which employee's total annual employment cost is in excess of $200,000;

(o) any entity within the Target Group pays or agrees to pay any bonus to any of its directors or executives or any other employees (provided that any bonus already accrued as at the Announcement Date shall be excluded for the purposes of this sub-paragraph);

(p) any entity within the Target Group accelerates the rights of any of its directors or executives or any employee to benefits of any kind (other than under any executive or employee share plans) or enters into a commitment to pay a director or executive a termination payment (including a 'golden parachute'), other than in respect of the Target Options;

(q) any entity within the Target Group enters into any guarantee or indemnity on behalf of any entity within the Target Group or provides security for the obligations of any entity within the Target Group;

(r) any entity within the Target Group provides financial accommodation to any Target Director or any employee or officer of any entity within the Target Group;

(s) any entity within the Target Group enters into, amends, or agrees to enter into or amend any contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of Target;

(t) any entity within the Target Group:

(i) enters into, offers to enter into, agrees to enter into or announces any agreement for any transaction; or

(ii) is otherwise affected by any transaction or proposal,

under which any third party would acquire any legal or economic interest in, or there would be any diminution in, the rights granted under any Project Title held by any entity within the Target Group; or

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(u) the constitution of any entity within the Target Group is amended or replaced or any entity within the Target Group states its intention to or makes any change to its constitution; or

(v) any entity within the Target Group announces an intention to do any of the matters referred to in the sub-paragraphs above, or brings forward the time for performance of or releases any rights it has against third parties in respect of any obligations or commitments relating to such matters in existence at the Announcement Date;

(w) any entity within the Target Group enters into or agrees to enter into a new contract, engagement or other arrangement with an Adviser or amends or agrees to amend any existing contract, engagement or other arrangement with an Adviser;

(x) any entity within the Target Group amends, varies or restates or agrees to amend, vary or restate the JVCo SHA; and

(y) the Target Group assuming or incurring an aggregate liability in excess of $1,000,000 when aggregating the liabilities assumed or incurred by the Target Group in respect of any two or more of the matters in paragraphs (a) to (x) above,

other than as:

(z) required or permitted by a Transaction Document, the JVCo SHA or the Bid or the transactions contemplated by any of them (provided that in the case of the JVCo SHA, the Target must not propose, initiate or undertake any action under the JVCo SHA which would have the effect of (i) disposing or materially diminishing the value of its legal or economic interest in any of the JVCo Shares or (ii) ProjectCo disposing or materially diminishing the value of its legal or beneficial interest in the Project Title);

(aa) that are Fairly Disclosed in the Disclosure Materials;

(bb) disclosed by the Target in an announcement made by the Target to ASX or TSX, or a publicly available document lodged by it with ASIC, in the 12 month period prior to the Agreement Date;

(cc) a result of any action taken by the Government of Mongolia, including passing legislation or making any public announcements, to designate the Kharmagtai Project as a 'Strategic Deposit' under the *Minerals Law* (2006) or to otherwise seek or require there to be any state ownership interest in the Kharmagtai Project; or

(dd) agreed to in writing by the Bidder.

Target Share means a fully paid ordinary share in Target.

Target Shareholder means a person who is registered in the Target Register as a holder of Bid Securities from time to time.

Target's Statement means the target's statement relating to the Bid to be prepared by Target in accordance with clauses 3.2(b), 5.1(b)(ii) and 5.2(b), and in accordance with section 638 and other applicable provisions of the Corporations Act and all ASIC Regulatory Guides and Takeovers Panel Guidance Notes applicable to takeover bids under Chapter 6 of the Corporations Act.

Target Warranties means the representation and warranties in Schedule 4.

Terminating Party has the meaning given in clause 13.1.

Third Party means any of the following:

(a) a person other than any the Bid Sponsors Group Member; or

(b) a consortium, partnership, limited partnership, syndicate or other group in which no Bidder Group Member has agreed in writing to be a participant.

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THR Mongolia means Mongolia Development Inc.

THR Mongolia Royalty Agreement means the Royalty Option Agreement dated 30 May 2014 between THR Mongolia and the Target.

Trading Day has the meaning given in the ASX Listing Rules.

Transaction Document means this Agreement and the Subscription Agreement.

Transaction Timetable means the indicative timetable for the implementation of the Bid set out in Schedule 6.

TSX means the Toronto Stock Exchange.

TSX Company Manual means the TSX Company Manual, as amended from time to time.

Unacceptable Circumstances has the meaning given in section 657A of the Corporations Act.

Voting Power has the meaning given in section 610 of the Corporations Act.

Wholly Owned Subsidiary means, in relation to a party, a body corporate, all of the issued shares of which are or will be directly or indirectly owned by that party.

Zijin means Zijin Mining Group Co., Ltd.

Zijin Party means Zijin, Jinping and their Related Bodies Corporate and Officers.

Zijin Funding Loan means the proposed loan from Jinping or a Related Entity to the Target in respect of funding requirements relating to the Kharmagtai Project, as set out in Schedule 1 of the explanatory memorandum of the Notice of Meeting.

1.2 Interpretation

(a) Headings are for convenience only and do not affect interpretation.

(b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.

(c) Nothing in this Agreement is to be interpreted against a party solely on the ground that the party put forward this Agreement or a relevant part of it.

(d) The following rules apply unless the context requires otherwise:

(i) The singular includes the plural, and the converse also applies.

(ii) A gender includes all genders.

(iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.

(v) A reference to a clause, or Schedule or Annexure is a reference to a clause of, or Schedule or Annexure to, this Agreement.

(vi) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.

(vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.

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(viii) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).

(ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(x) A reference to *dollars* or *$* is to Australian currency.

(xi) Words and phrases not specifically defined in this Agreement have the same meanings (if any) given to them in the Corporations Act.

(xii) A reference to time is to Sydney, Australia time.

(xiii) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.

(xiv) A reference to a liability incurred by any person includes any liability of that person arising from or in connection with any obligation (including indemnities and all other obligations owed as principal or guarantor) whether liquidated or not, whether present, prospective or contingent and whether owed, incurred or imposed by or to or on account of or for the account of that person alone, severally or jointly or jointly and severally with any other person.

(xv) A reference to a *loss* incurred by any person includes any loss, liability, damage, cost, charge or expense that the person pays, incurs or is liable for and any other diminution of value of any description that the person suffers, including all liabilities on account of taxes or duties, all interest, penalties, fines and other amounts payable to third parties and all reasonable legal expenses and other expenses in connection with investigating or defending any claim, action, demand or proceeding, whether or not resulting in any liability, and all amounts paid in settlement of any such claims.

1.3 Consents and approvals

(a) If the doing of any act, matter or thing under this Agreement is dependent on the consent or approval of a party or is within the discretion of a party, such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion (unless this Agreement expressly specifies otherwise).

(b) Where this Agreement confers a right on the Bid Sponsors, that right must be exercised by the Bid Sponsors jointly.

2 The Bid

2.1 Offers by Bidder

The Bidder agrees to make the Offers on terms and conditions that are not less favourable to Target Shareholders than the Agreed Bid Terms, and otherwise in accordance with all applicable provisions of the Corporations Act.

2.2 Conditions of Offers

Without prejudice to any other obligations of the parties under this Agreement:

(a) the Bidder and the Bid Sponsors must use their best endeavours to satisfy, or procure the satisfaction of, the Condition in paragraph (a) (*Minimum relevant interest*) of Schedule 2 as soon as practicable after the Agreement Date, to the extent that it is within their respective control;

(b) the Target must use its best endeavours to satisfy, or procure the satisfaction of, the Conditions as soon as practicable after the Agreement Date, to the extent that it is within its control;

(c) the Target will not (and must procure that each Target Controlled Subsidiary does not) take any action that will or is likely to hinder or prevent the satisfaction of any Condition, except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, this Agreement, or is required by law; and

(d) the Bidder may, but is not obliged to, waive the satisfaction of any Condition in its sole discretion.

For the purposes of paragraphs (a) and (b), the 'best endeavours' of a party will require that party to (among other things), co-operate with the other party or a Governmental Agency or third party in good faith with a view to satisfying the Conditions, including providing all information reasonably required by the other party in relation to the Bidder Group or Target Group (as applicable) in order to satisfy the Conditions and providing all information reasonably required by any Governmental Agency or other third party to such Governmental Agency or third party as appropriate. However, for the avoidance of doubt, Bidder is not obliged to waive (and the Bid Sponsors are not obliged to procure that Bidder waives) any Condition.

2.3 Notifications

Each party must, promptly after becoming aware of the relevant matter, notify the other party in writing of any fact or circumstance that results in a Condition becoming incapable of being satisfied or that may result in that Condition not being satisfied in accordance with its terms (having regard to the obligations of the parties under clause 2.2).

2.4 Variation of Offers

(a) Subject to clause 2.4(b), the Target acknowledges that the Bidder may, subject to the Corporations Act:

(i) vary the terms and conditions of the Offers, provided that the varied terms and conditions are no less favourable to Target Shareholders than the Agreed Bid Terms; and

(ii) waive any Condition, declare the Offers unconditional or extend the Offer Period at any time.

(b) The Bidder agrees that once it (together with its Associates) has a Relevant Interest in at least 50.1% of the Target Shares, that it will declare the Offers unconditional as soon as practicable and in any event no later than 2 Business Days after the date upon which it achieves such a Relevant Interest in the Target Shares.

2.5 Public Announcement

After the execution of this Agreement, the Target must promptly issue the Agreed Public Announcement on the Announcement Date.

3 Documentation and Facilitation of Bid

3.1 Bid Timetable

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Each party agrees to use reasonable endeavours to implement the Bid in accordance with the Transaction Timetable.

3.2 Bidder's Statement and Target's Statement

On the next Business Day after completion of the Concurrent Financing:

(a) the Bidder will use all reasonable endeavours to lodge with ASIC the Bidder's Statement; and

(b) the Target will use all reasonable endeavours to lodge with ASIC the Target's Statement.

3.3 Despatch of documents

(a) The Target agrees, and represents and warrants that all of the Independent Target Directors have agreed, for the purpose of item 6 of section 633(1) of the Corporations Act, that the Offers and accompanying documents to be sent by Bidder to Target Shareholders and Target Optionholders in respect of the Bid (including the Bidder's Statement and acceptance form or forms) may be sent to Target Shareholders and Target Optionholders at any time after the Bidder's Statement is sent to Target under item 3 of section 633(1) of the Corporations Act, even if such date is earlier than the date otherwise prescribed by item 6 of section 633(1) of the Corporations Act (***Earliest Dispatch Date***).

(b) Each party must use all reasonable endeavours to ensure that the Bidder's Statement and the Target's Statement are dispatched in the same mail-out to Target Shareholders and Target Optionholders as one document pack and in accordance with the Transaction Timetable.

(c) Each of the Bidder and Target covenants and agrees that any materials relating to the Bid that are to be dispatched to the Target Shareholders shall be dispatched to all Target Shareholders simultaneously and without preferential treatment to any individual Target Shareholder or group of Target Shareholders.

(d) Despite clause 3.3(b), the Bidder may, in its absolute discretion, elect to dispatch the Bidder's Statement (and accompanying documents to be sent by the Bidder under item 6 of section 633(1) of the Corporations Act) to the Target Shareholders as at the relevant date separately from the dispatch of the Target's Statement if the Bidder is not satisfied as at the Earliest Dispatch Date or any time thereafter that the Target will be able to achieve a contemporaneous dispatch of those documents in an fashion acceptable to the Bidder and upon exercise of such discretion, the Bidder shall be deemed to have released the Target from any obligation or liability in respect of the combined despatch of the Bidder's Statement and the Target's Statement pursuant to this clause 3.3.

3.4 Confidential Information in Takeover Statements and consultation

(a) Each party acknowledges and agrees that:

(i) in order for Bidder to be able to implement the Bid and to acquire (and to offer to acquire) the Bid Securities under the Offers (or otherwise as permitted by the Corporations Act), and for the Target to respond to and facilitate the Bid, it may be necessary or appropriate (in the reasonable opinion of the relevant Primary Party) for a Takeover Statement to include Confidential Information;

(ii) nothing in the Confidentiality Agreement will prevent or restrict the inclusion of such Confidential Information in a Takeover Statement; and

(iii) to the extent a Primary Party contemplates the disclosure of the Confidential Information in a Takeover Statement, that Primary Party will use its reasonable

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endeavours to provide the Secondary Party with advance notice of such disclosure.

(b) The Target must provide the Bid Sponsors and the Bidder, its Advisers and the Bidder Board a reasonable opportunity to review the references to the Bidder (including any such information which may constitute Confidential Information) in the Target's Statement, including for the purposes of clause 3.4(a)(iii) and will consider in good faith any comments from the Bidder, Bid Sponsors and their Advisers.

(c) The Bidder must provide the Target, its Advisers and the Independent Target Board a reasonable opportunity to review the references to the Target (including any such information which may constitute Confidential Information) in the Bidder's Statement, including for the purposes of clause 3.4(a)(iii) and will consider in good faith any comments from the Target and its Advisers.

3.5 Co-operation by parties in relation to documentation

(a) The Bidder must give the Target a reasonable opportunity to review any material amendment to the Bidder's Statement and any Supplementary Bidder's Statement, and will consider in good faith any comments from the Target and its Advisers.

(b) The Target must give the Bidder and the Bid Sponsors a reasonable opportunity to review any material amendment to the Target's Statement and any Supplementary Target's Statement, and will consider in good faith any comments from the Bidder, Bid Sponsors and their Advisers.

(c) The Target must provide all information and all reasonable assistance necessary to the Bid Sponsors and the Bidder to facilitate the preparation and verification of any material amendment to the Bidder's Statement or any Supplementary Bidder's Statement, having regard to the fact that upon a Change of Control, the majority of the assets of the Bidder will be Target Shares and that, accordingly, much of the information required under section 636 of the Corporations Act to be included in a Bidder's Statement will be information relating to the assets and liabilities, financial position and performance, profits and losses and prospects of the Target Group.

3.6 Provision of register information

In addition to the Target's obligations under the Corporations Act, during the period from the Agreement Date to the end of the Offer Period, the Target must provide all necessary information, or have the share registry of the Target provide all necessary information, to the Bid Sponsors about the Target Shareholders and Target Optionholders (including the results of directions by the Target to the Target Shareholders under Part 6C.2 of the Corporations Act), in each case in a form reasonably requested by the Bid Sponsors and at least on a weekly basis, which the Bid Sponsors reasonably requires in order to send Offers and accompanying documents to solicit acceptances of Offers by, or discuss the Bid with, the Target Shareholders and Target Optionholders or to facilitate the provision by the Bidder of the consideration under the Bid.

3.7 Guarantee

(a) Subject to clause 3.7(b), each Bid Sponsor hereby:

(i) unconditionally and irrevocably guarantees in favour of the Target, as principal and not as surety, the due and punctual performance (and, where applicable, payment) by the Bidder, including its successors and permitted assigns, of:

(A) its obligation to pay the Offer Price under an Offer, as and when the Offer Price becomes due and payable to the Target Shareholder in accordance with the terms of the Offer; and

(B) its other financial obligations arising under this Agreement from time to time,

as the same may be amended, changed, replaced, settled, compromised or otherwise modified from time to time, and irrespective of any Insolvency Event or similar matter whatsoever in respect of the Bidder or any successors and permitted assignee, including payment of all other fees and expenses for which the Bidder is responsible under the terms of this Agreement;

(ii) agrees that the Target shall not have to proceed first against the Bidder, following a default or delay of the Bidder's performance of any such matter, before exercising its rights under this guarantee against the Bid Sponsors and the Bid Sponsors agree to be liable for all guaranteed obligations as if it were the principal obligor of such obligations; and

(iii) acknowledges that the Target is acting in reliance on the Bid Sponsors incurring the obligations and giving the rights under this guarantee, and that the Bid Sponsors benefit from the guarantee given under this Agreement and has entered this Agreement for valuable consideration.

(b) Notwithstanding anything to the contrary in clause 3.7(a), the liability of each Bid Sponsor:

(i) is several, and not joint or joint and several with the other Bid Sponsor; and

(ii) is limited to an amount equal to its Respective Proportion of the relevant loss or liability incurred by the Target.

3.8 Independent Expert's Report

(a) The Bidder and the Target agrees that the Target will commission the preparation of an Independent Expert's Report for the Target's Statement.

(b) The Bidder must provide any assistance or information reasonably requested by the Target or the Independent Expert in connection with the preparation of the Independent Expert's Report to be sent together with the Target's Statement.

(c) Subject to compliance with the Corporations Act, the Target must give the Bidder, the Bid Sponsors and its Advisers a reasonable opportunity to review a draft of the Independent Expert's Report and must consult in good faith with the Bidder and Bid Sponsors with respect to any comments on that draft, prior to lodgement of the Target Statement with ASIC.

4 Conduct of Business and Other Obligations

4.1 Withdrawal of Put Option Resolutions

The Target shall:

(a) in the Agreed Public Announcement, state its intention to withdraw the Put Option Resolutions from the agenda of the General Meeting or otherwise withdraw the General Meeting in its entirety on and from the date on which the Concurrent Financing settles in accordance with the Subscription Agreement (***Settlement Date***);

(b) on the Settlement Date, withdraw the Put Option Resolutions from the agenda of the General Meeting or otherwise withdraw the General Meeting in its entirety; and

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(c) on and from the Settlement Date until Completion, not exercise or seek Target Shareholder approval to exercise a Put Option, or otherwise solicit, procure or promote the foregoing.

4.2 Conduct of Target business

(a) Subject to clause 4.2(c), during the period from the Agreement Date up to Completion, the Target must:

(i) procure that the Target Group conducts its business and operations in the ordinary course and substantially consistent (subject to any applicable laws, regulations and Regulatory Approvals) with the manner in which each such business and operation has been conducted in the 6 months prior to the Agreement Date and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals; and

(ii) keep the Bid Sponsors and the Bidder informed of the conduct of the Target Group's businesses including in relation to the status and positions of parties in negotiations on key enterprise agreements;

(iii) provide regular reports to the Bid Sponsors and the Bidder on the financial affairs of the Target Group, in a timely manner;

(iv) provide all correspondence and notices received by the Target or JVCo from Jinping, Zijin or their Related Entities, any Governmental Agency or regulator, to the extent such correspondence or notices relates to JVCo, the JVCo SHA, the Kharmagtai Project, the Project Titles or a Put Option, to the extent permitted by law;

(v) use all reasonable endeavours, and procure that each other Target Group Member makes all reasonable endeavours to:

(A) preserve intact the value of the respective businesses and assets;

(B) keep available the services of the current Officers; and

(C) maintain and preserve their relationships with Governmental Agencies, ratings agencies, Zijin, Jinping, customers, suppliers, licensors, licensees and others having business dealings with any Target Group Member (including using reasonable endeavours to obtain consents from third parties to any change of control provisions in contracts and in any other contracts or arrangements to which a Target Group Member is a party and which the Bid Sponsors reasonably request); and

(vi) in respect of any Relevant Material Contract to which a Target Group Member is a party and which the Bidder and the Bid Sponsors nominate by written notice to the Target, procure and take all necessary steps to ensure that each relevant counterparty to the Relevant Material Contract provides the Target in writing a binding, irrevocable and unconditional waiver, consent or release of its rights which make that Material Contract a Relevant Material Contract;

(vii) notify the Bidder of any Material Contract of which the Target becomes aware has not already been Fairly Disclosed to the Bidder in the Disclosure Material and provide the Bidder with a copy of the same;

(viii) use all reasonable endeavours to ensure that the Target is not removed from the official list of ASX nor delisted from the TSX and not to request for removal from

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the official list of ASX nor request to delist from the TSX, including making appropriate applications to ASX, ASIC and the TSX.

(b) From the Agreement Date up to and including the date of Completion, the Target must ensure that no Target Prescribed Occurrence and no Target Regulated Event occurs.

(c) Nothing in clause 4.2(a) restricts the ability of the Target to take any action:

(i) which has been agreed to in writing by the Bidder;

(ii) which is required, permitted or contemplated by any Transaction Document (provided that in the case of the JVCo SHA, the Target must not propose, initiate or undertake any action under the JVCo SHA which would have the effect of (i) disposing or materially diminishing the value of its legal or economic interest in any of the JVCo Shares or (ii) ProjectCo disposing or materially diminishing the value of its legal or beneficial interest in the Project Title);

(iii) which is Fairly Disclosed by the Target in the Disclosure Materials as being an action that the Target will carry out between (and including) the Agreement Date and the date of Completion;

(iv) which is required by any applicable law;

(v) in good faith, which is required to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property); or

(vi) in response to a Competing Proposal to the extent permitted in accordance with clause 11.

(d) From the Agreement Date up to and including the date of Completion, the Target will promptly notify the Bid Sponsors and the Bidder of anything of which the Target becomes aware that:

(i) makes any material information publicly filed by it (either on its own account in respect of any other Target Group Member) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;

(ii) makes any of the representations and warranties given by the Target under this Agreement false, inaccurate, misleading or deceptive in any material respect; or

(iii) may, or may with time, constitute a Target Material Adverse Change, Target Regulated Event or Target Prescribed Occurrence.

4.3 Access to information and co-operation

(a) During the period from the Agreement Date to the end of the Offer Period, Target must, and must procure each Target Controlled Subsidiaries to, respond to reasonable requests from the Bid Sponsors and Bidder and their respective Representatives for information concerning the Target Group businesses and operations, and give the Bid Sponsors and its Representatives reasonable access to its Officers and records, and otherwise provide reasonable co-operation to the Bid Sponsors and its Representatives, in each case for the purposes of:

(i) the implementation of the Bid;

(ii) the integration of the Target Group and the Bid Sponsors Group following the implementation of the Bid; and

(iii) any other purpose that is agreed in writing between the parties,

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subject to the proper performance by the directors and officers of Target Group Members of their fiduciary duties.

(b) The Target must use all reasonable endeavours to procure that JVCo responds to reasonable requests from the Bid Sponsors and Bidder and their respective Representatives for information concerning the Target Group businesses and operations, and give the Bid Sponsors and its Representatives reasonable access to its Officers and records, and otherwise provide reasonable co-operation to the Bid Sponsors and its Representatives, in each case for the purposes of:

(i) the implementation of the Bid;

(ii) the integration of the Target Group and the Bid Sponsors Group following the implementation of the Bid; and

(iii) any other purpose that is agreed in writing between the parties,

subject to the proper performance by the directors and officers of JVCo of their fiduciary duties.

(c) The Bidder and Bid Sponsors each acknowledge that some of the Subsidiaries of the Target are not Wholly Owned Subsidiaries or Predominantly Controlled Subsidiaries of the Target and, accordingly provided that the Target has complied with its obligations pursuant to clause 4.3(b), any failure by the Target to procure or prevent a particular action or decision by such Subsidiary of the Target will not amount to a breach of this Agreement.

(d) Without limiting clause 4.3(a) or clause 4.3(b), during the period from the Agreement Date, Target must consult with the Bid Sponsors, on a regular and ongoing basis, in relation to the conduct of material aspects of the Target Group businesses and operations, and consider in good faith the Bid Sponsors' views in relation to the same, and:

(i) subject to any restrictions under the terms of the JVCo SHA, promptly provide to the Bid Sponsors copies of any material correspondence between a Target Group Member and a Zijin Party in relation to:

(A) the Q1 Project Budget or any current or proposed Project Budget (whether subsequent or supplementary to, or in replacement of, the Q1 Project Budget),

(B) any current or proposed Development Plan or strategic plan for the Kharmagtai Project (including as to scope work or delivery schedule); and

(C) the operation of the Kharmagtai Project, JVCo or the ProjectCo and standing of the Project Titles,

as well as notice of any material developments regarding the foregoing, as and when that information becomes available to senior executives of Target and to the extent permitted by law;

(ii) consult with the Bid Sponsors in relation to any proposed extension, renewal, replacement, revocation, amendment or surrender of any Regulatory Approval of a type referred to in paragraph (a) of the definition of Regulatory Approval that is material to the business or operations of any Target Group Member, and promptly take, or refrain from taking, such action in relation to that proposal as may be reasonably requested by the Bid Sponsors (such reasonableness to be determined having regard to the interests of the Target Group); and

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(iii) consult with the Bid Sponsors in relation to any material dealings with any Governmental Agency in connection with the business or operations of any Target Group Member.

(e) During the period from the Agreement Date, the parties will do all things reasonably necessary, and provide each other with all information reasonably necessary, to enable the Bid Sponsors to prepare any necessary tax calculations required to be made by the Bid Sponsors in connection with the Bid or Completion, as may be notified by the Bid Sponsors in writing (including any necessary tax consolidation calculations), subject to the proper performance by the directors and officers of the parties of their fiduciary duties.

(f) Without limiting clauses 2(k) and 2(m) of Schedule 4, the obligations in clauses 4.3(a) to (e) (inclusive) do not require the Target to:

(i) provide information to the Bidder or the Bid Sponsors concerning the Target Directors' and Target's management's consideration of, or advice received in relation to, the Bid or any Competing Proposal;

(ii) provide any commercially sensitive or competitive information; or

(iii) breach an obligation of confidentiality to any person.

(g) The parties acknowledge that their investigations and obligations under this clause 4.3 are subject to the Confidentiality Agreement.

4.4 Board changes upon Change of Control

(a) Subject to clause 4.4(b), as soon as practicable after a Change of Control occurs, the Target must take all action necessary to:

(i) ensure that each Target Director and each director of any other Target Group Member designated by the Bid Sponsors in writing:

(A) resigns; and

(B) unconditionally and irrevocably releases the Target (in the case of a resigning Target Director) and/or the relevant Target Group Member (in the case of a director of that Target Group Member) from any claims they may have against the Target or other Target Group member (as applicable) (without limitation to any accrued rights they may have relating to unpaid fee director fees or entitlements or under any deed of access and indemnity or policy of directors and officers insurance) ; and

(ii) cause the appointment to the Target Board and, subject to the terms of the JVCo SHA, to the boards of each Subsidiary of Target of such persons as nominated by the Bid Sponsors in writing (***Director Appointees***), subject to those persons:

(A) having provided consent to act as directors of the relevant company or companies (to the extent applicable);

(B) having applied for, or obtained, director identification numbers prior to their appointment (if applicable); and

(C) otherwise being eligible for appointment under the Corporations Act or other applicable law.

(b) The Bidder agrees that:

(i) after appointments are made under clause 4.4(a), it will procure that no such appointee acts in a manner which deprives Target Shareholders from receiving independent guidance from the Target in respect of the Bid; and

(ii) until the end of the Offer Period, it will ensure that an independent quorum of Target Directors (whether existing directors or new independent nominees) remains appointed to the Target Board in order to provide Target Shareholders with independent guidance from the Target in respect of the Bid.

5 Independent Target Board Recommendations, Intentions and Promotion

5.1 Independent Target Board recommendations and acceptance

(a) The Target represents and warrants that:

(i) the Independent Target Board has:

(A) met and considered the possibility of the Bidder making the Bid;

(B) received advice from the Target's legal and financial Advisers in relation to the Bid and this Agreement; and

(C) approved the terms of this Agreement;

(ii) all of the Independent Target Directors have informed the Target that, if the Bidder complies with clause 2.1, they:

(A) will unanimously recommend that Target Shareholders accept the Offers to be made to them under the Bid; and

(B) intend to accept, or procure the acceptance of, the Offers in respect of any Bid Securities that they hold or have control over disposal of,

in each case, in the absence of a Superior Proposal (other than as received by a breach of this Agreement) and subject to the Independent Expert concluding (and continuing to conclude) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder.

(b) The Target must use its best endeavours to procure that the Independent Target Board:

(i) does not change or withdraw the recommendations regarding the acceptance of the Offers as set out in the Agreed Public Announcement;

(ii) in the Target's Statement, states that the Independent Target Board unanimously recommends the Bid to Target Shareholders and that Target Shareholders accept the Offers in respect of all of their Bid Securities, in the absence of a Superior Proposal (other than as received by a breach of this Agreement) and subject to the Independent Expert concluding (and continuing to conclude) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder, and does not change or withdraw those recommendations once made; and

(iii) does not make any public statement or any statement to brokers, analysts, journalists, Target Shareholders or professional or institutional investors to the effect, or take any other action that suggests, that the Bid is no longer so considered or recommended,

unless either:

(iv) there is a Superior Proposal (other than as received by a breach of this Agreement) and the Target has complied with clause 12; or

(v) the Independent Expert does not conclude or ceases to conclude (including by withdrawing or modifying its previous conclusion) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder.

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5.2 Independent Target Director intentions

The Target must use its best endeavours to procure that:

(a) each Independent Target Director who holds Bid Securities, or who has control over disposal of Bid Securities, announces their intention to accept (or to procure the acceptance of, as the case may be) the Offers in respect of all of those Bid Securities pursuant to the Agreed Public Announcement, and each such Independent Target Director does not change or withdraw their intention, unless:

(i) there is a Superior Proposal (other than as received by a breach of this Agreement) and the applicable Independent Target Director, after considering the matter in good faith, no longer holds that intention; or

(ii) the Independent Expert does not conclude or ceases to conclude (including by withdrawing or modifying its previous conclusion) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder; and

(b) the Target's Statement includes a prominent statement that each Independent Target Director who holds Bid Securities intends to accept (or to procure the acceptance of, as the case may be) the Offers in respect of all of those Bid Securities, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder.

5.3 No action statements

Notwithstanding anything else in this agreement, the parties acknowledge that the obligations under clause 5.1(b) and clause 5.2:

(a) do not prevent the Independent Target Board from issuing a statement to the effect that Target Shareholders take no action pending assessment of a Competing Proposal by the Independent Target Board; and

(b) apply only to the extent that the Independent Target Board has not determined, in good faith, that it cannot comply with clause 5.1(b) or clause 5.2 (as applicable) without breaching (or being likely to breach) its fiduciary or statutory duties, after having received written legal advice from its external legal advisers that compliance with clause 5.1(b) or clause 5.2 (as applicable) would, or would be reasonably likely to, constitute such a breach of the Independent Target Board's fiduciary or statutory duties.

5.4 Other promotion of Bid

During the period from the Agreement Date to the end of the Offer Period, the Target will procure that the Independent Target Directors and such other senior executives of the Target Group, as reasonably requested by the Bid Sponsors, will support the Bid and participate in efforts reasonably required by the Bid Sponsors to promote the merits of the Bid, including:

(a) meeting with key Target Shareholders if requested to do so by the Bid Sponsors; and

(b) communicating with the employees, customers and suppliers of the Target Group,

in the absence of a Superior Proposal (other than as received by a breach of this Agreement) and subject to the Independent Expert concluding (and continuing to conclude) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder.

6 Public Announcements and Confidentiality

6.1 Required announcements

(a) Subject to clause 6.1(b), where a party is required by applicable law, the ASX Listing Rules, the TSX Company Manual or any other applicable stock exchange regulation to make any announcement or to make any disclosure in connection with this Agreement (including its termination), the Bid or any other transaction contemplated by this Agreement, it may do so only after it has given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by law or the applicable requirement, but in any event prior notice, and has consulted with the other party as to (and has given the other party a reasonable opportunity to comment on) the form and content of that announcement or disclosure and taken all reasonable steps to restrict that disclosure to the greatest extent possible.

(b) Nothing in this clause 6.1 requires the giving of prior notice or the taking of any action:

(i) in relation to any announcements by the Target which relate to a Competing Proposal to the extent in excess of the Target's obligations under clause 9; or

(ii) if doing so would lead to a party breaching an applicable law or the ASX Listing Rules, the TSX Company Manual or any other applicable stock exchange regulation.

6.2 Confidentiality Agreement

Except as set out in clauses 3.4(a) and 6.1(a), the parties acknowledge and agree that:

(a) they continue to be bound by the Confidentiality Agreement after the Agreement Date; and

(b) the rights and obligations of the parties under the Confidentiality Agreement survive termination of this Agreement.

7 Target Options

(a) The Bidder must extend its Offer to all Target Shares that are issued during the Offer Period as a result of the exercise of Target Options that exist as at the date to be set by Bidder under section 633(2) of the Corporations Act in relation to the Bid.

(b) In respect of those Target Options in existence as at the date set by the Bidder under section 633(2) of the Corporations Act, the Target agrees that, notwithstanding any previous resolution of the Target Board to the contrary, it will procure that:

(i) upon the Condition in paragraph (a) (*Minimum relevant interest*) of Schedule 2 being satisfied or the Bid otherwise becoming unconditional, all such Target Options are vested (to the extent unvested) and exercised into Target Shares;

(ii) the Independent Target Board and each Independent Target Director exercises all discretions so as to ensure that such Target Options are vested (to the extent unvested) and exercised into Target Shares in accordance with clause 7(b)(i); and

(iii) each Independent Target Director who holds, or has control over the disposal of, Target Shares resulting from the vesting (to the extent unvested) and exercise of such Target Options, accepts the Offers for those Target Shares, subject to clause 5.2.

8 Representations and Warranties

8.1 Bidder representations and warranties

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The Bidder represents and warrants to the Target (in its own right and separately as trustee or nominee for each other Target Indemnified Party) each of the Bidder Warranties.

8.2 Bidder indemnity

The Bidder agrees with the Target (in its own right and separately as trustee or nominee for each other Target Indemnified Party) to indemnify each Target Indemnified Party against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that the Target Indemnified Party suffers, incurs or is liable for arising out of any breach of any of the Bidder Warranties given by the Bidder in this Agreement.

8.3 Bid Sponsor representations and warranties

Each Bid Sponsor severally represents and warrants to the Target (in its own right and separately as trustee or nominee for each other Target Indemnified Party) their respective Bid Sponsor Warranties.

8.4 Bid Sponsor indemnity

Each Bid Sponsor severally agrees with the Target (in its own right and separately as trustee or nominee for each other Target Indemnified Party) to indemnify each Target Indemnified Party against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that the Target Indemnified Party suffers, incurs or is liable for arising out of any breach of any of the Bid Sponsor Warranties given by that Bid Sponsor in this Agreement.

8.5 Target representations and warranties

The Target represents and warrants to each Bid Sponsor and to the Bidder (each in their own right and separately as trustee or nominee for each other Bidder Indemnified Party) that, other than as Fairly Disclosed to the Bidder and the Bid Sponsors in the Disclosure Material, each Target Warranty is true and correct and not misleading or deceptive in any material respect.

8.6 Target indemnity

The Target agrees with each Bid Sponsor and the Bidder (each in their own right and separately as trustee or nominee for each other Bidder Indemnified Party) to indemnify each Bidder Indemnified Party against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that the Bidder Indemnified Party suffers, incurs or is liable for arising out of any breach of any of the Target Warranties given by the Target in this Agreement.

8.7 Reliance by parties

Each party (***Representor***) acknowledges that:

(a) in entering into this Agreement the other party has relied on the representations and warranties provided by the Representor under this clause 8; and

(b) it has not entered into this Agreement in reliance on any warranty or representation made by or on behalf of the other party except those warranties and representations set out in this Agreement. This acknowledgment does not prejudice the rights any party may have in relation to the Disclosure Materials or any information filed by the other party with ASX, ASIC or the TSX.

8.8 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 8.

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8.9 Status and timing of representations and warranties

Each representation and warranty in this clause 8:

(a) is severable;

(b) will survive the termination of this Agreement;

(c) is given with the intent that liability under it will not be confined to breaches that are discovered prior to the date of termination of this Agreement; and

(d) is given at the Agreement Date and repeated continuously thereafter until the close of the Offer Period, unless that representation or warranty is expressed to be given at a particular time, in which case it is given at that time.

8.10 Survival of indemnities

Each indemnity in this Agreement (including those in clauses 8.2, 8.4 and 8.6):

(a) is severable;

(b) is a continuing obligation;

(c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Agreement; and

(d) survives the termination of this Agreement.

9 Releases

9.1 Target Directors and Officers

(a) The Bid Sponsors and the Bidder each waive and release, and must procure that each Related Body Corporate of the Bid Sponsors and the Bidder waives and releases, their respective rights, and agree with the Target that they will not make a claim, against any Target Indemnified Party (other than the Target and its Subsidiaries) as at the Agreement Date and from time to time in connection with:

(i) any breach of any Target Warranty; or

(ii) any disclosures or advice containing any statement which is false, inaccurate or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where such Target Indemnified Party has not acted in good faith or has engaged in fraud or wilful misconduct. For the avoidance of doubt, nothing in this clause 9.1(a) limits the Bid Sponsors' and the Bidder's rights to terminate this Agreement under clause 13.

(b) This clause 9.1 is subject to any restriction or limitation in the Corporations Act and will be read down accordingly.

(c) The Target receives and holds the benefit of this clause 9.1 to the extent it relates to each Target Indemnified Party as trustee for each of them and may enforce the provisions of clause 9.1(a) on behalf of any Target Indemnified Party.

(d) The parties acknowledge that any Target Indemnified Party may plead clause 9.1(a) in response to any claim made by the Bidder or the Bid Sponsors, or any of their Related Bodies Corporate, against them.

9.2 Bid Sponsor and Bidder directors and Officers

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(a) The Target waives and releases, and must procure that each Related Body Corporate of the Target waives and releases, its respective rights, and agrees with each of the Bid Sponsors and the Bidder that it will not make a claim, against any Bidder Indemnified Party (other than the Bid Sponsors and the Bidder) as at the Agreement Date and from time to time in connection with:

(i) any breach of any Bid Sponsor Warranty or Bidder Warranty (as applicable); or

(ii) any disclosure or advice containing any statement which is false, inaccurate or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where such Bidder Indemnified Party has not acted in good faith or has engaged in fraud or wilful misconduct. For the avoidance of doubt, nothing in this clause 9.2(a) limits the Target's rights to terminate this Agreement under clause 13.

(b) This clause 9.2 is subject to any restriction or limitation in the Corporations Act and will be read down accordingly.

(c) Each of the Bid Sponsors and the Bidder receive and hold the benefit of this clause 9.2 to the extent it relates to each Bidder Indemnified Party as trustee for each of them and may enforce the provisions of clause 9.2(a) on behalf of any Bidder Indemnified Party.

(d) The parties acknowledge that any Bidder Indemnified Party may plead clause 9.2(a) in response to any claim made by the Target, or any of its Related Bodies Corporate, against them.

10 Insurance

10.1 Target Directors and Officers

(a) Despite any other provision of this agreement, and subject to a Change of Control occurring, the Bidder and the Bid Sponsors each undertake in favour of the Target and each of the current and former directors and officers of each Target Group Member that the Bidder will (and the Bid Sponsors will procure that the Bidder will), to the extent permitted by law:

(i) for a period of 7 years from the date of retirement or resignation (as the case may be) of the directors, former directors, officers and former officers of each Target Group Member, ensure that the constitution of the Target and each other member of the Target Group continue to contain such rules as are contained in those constitutions as at the Agreement Date that provide for each Target Group Member to indemnify each of its directors and officers against any liability incurred by hat person in their capacity as a director or officer of the relevant Target Group Member to any person other than the Bidder or the Bid Sponsors; and

(ii) procure that the Target and each of the Target Group Members complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that the directors' and officers' run-off insurance cover for those directors and officers is maintained, for a period set out in clause 10.1(a)(i).

(b) At or prior to the date of the Change of Control, the Target may purchase a 7-year pre-paid directors' and officers' "run-off" insurance policy on terms and conditions providing coverage retentions, limits and other material terms (including in relation to deductibles) substantially equivalent to the current policies of directors' and officers' liability insurance

maintained by Target Group Members with respect to matters arising at or prior to the date of the Change of Control, including in connection with the Bid or this Agreement (***D&O Policy***). Before entering into the D&O Policy, the Target must consult in good faith with the Bidder and the Bid Sponsors regarding the proposed terms of the D&P Policy, and the Target must not purchase the D&) Policy unless the policy is on commercially reasonable terms.

11 Exclusivity

11.1 No shop and no talk

During the Exclusivity Period, the Target must not, and must ensure that each of its Representatives does not, directly or indirectly, without the prior written consent of the Bid Sponsors and the Bidder:

(a) (**no shop**) solicit, invite, encourage or initiate (including by the provision of non- public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause 11.1(a); or

(b) (**no talk**) subject to clause 11.2:

(i) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;

(ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;

(iii) disclose or otherwise provide any non-public information about the business or affairs of the Target Group to a Third Party (other than a Governmental Agency that has a right to obtain that information and has sought it) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Target Group); or

(iv) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.1(b),

but nothing in this clause 11.1 prevents the Target from:

(c) making normal presentations to, and to respond to enquiries from, brokers, portfolio investors, institutional lenders and analysts in the ordinary course of business;

(d) promoting the merits of the Bid;

(e) engaging with Target Shareholders, provided such engagement does not relate to the Target soliciting, inviting, encouraging or initiating a Competing Proposal; or

(f) fulfilling its continuous disclosure requirements.

11.2 Fiduciary exception

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Clause 11.1(b) does not prohibit any action or inaction by the Target or any of its Representatives in relation to an actual, proposed or potential Competing Proposal (including, for the avoidance of any doubt, conduct required to determine whether a Competing Proposal could reasonably be expected to become a Superior Proposal) if compliance with that clause would, in the opinion of the Independent Target Board, formed in good faith after receiving written advice from its external legal advisers, constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the Target Directors, provided that any actual, proposed or potential Competing Proposal in question was not directly or indirectly brought about by, or facilitated by, a breach of clause 11.1(a).

11.3 Notification of approaches

(a) During the Exclusivity Period, the Target must as soon as possible notify the Bid Sponsors and the Bidder in writing if it, or any of its Representatives, becomes aware of any:

(i) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;

(ii) proposal made to the Target or any of its Representatives, in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or

(iii) provision by the Target or any of its Representatives of any non-public information concerning the business or operations of the Target or the Target Group to any Third Party in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise. For the avoidance of doubt, any of the acts described in clauses 11.3(a)(i) to 11.3(a)(iii) may only be taken by the Target if not proscribed by clause 11.1 or if permitted by clause 11.2.

(b) A notification given under clause 11.3(a) must include the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Proposal, together with all material terms and conditions of the actual, proposed or potential Competing Proposal, except where communication of such details (or part of such details) would constitute a breach by the Target Directors of their fiduciary or statutory duties.

11.4 Matching right

(a) Without limiting clause 11.1, during the Exclusivity Period, the Target:

(i) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, the Target or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Proposal; and

(ii) must use its best endeavours to procure that none of the Independent Target Directors change their recommendation in favour of the Bid to publicly recommend an actual, proposed or potential Competing Proposal (or recommend against the Bid),

unless:

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(iii) the Independent Target Board acting in good faith and in order to satisfy what the Independent Target Board members consider to be their statutory or fiduciary duties (having received written advice from its external legal advisers) determines that the Competing Proposal would be or would be likely to be an actual, proposed or potential Superior Proposal;

(iv) the Target has provided the Bid Sponsors and the Bidder with the material terms and conditions of the actual, proposed or potential Competing Proposal, including price and the identity of the Third Party making the actual, proposed or potential Competing Proposal, except where communication of such details (or part of such details) would constitute a breach by the Target Directors of their fiduciary or statutory duties;

(v) the Target has given the Bid Sponsors and the Bidder at least 2 Business Days after the date of the provision of the information referred to in clause 11.4(a)(iv) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal; and

(vi) the Bid Sponsors and the Bidder have not announced a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the 2 Business Day period in clause 11.4(a)(v).

(b) If the Bid Sponsors and the Bidder propose to the Target, or announces, amendments to the Bid or a new proposal that constitute a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (***Bidder Counterproposal***) by the expiry of the 5 Business Day period in clause 11.4(a)(v), the Target must procure that the Independent Target Board considers the Bidder Counterproposal and if the Independent Target Board, acting reasonably and in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for Target Shareholders as a whole compared with the Competing Proposal, taking into account all of the terms and conditions of the Bidder Counterproposal, then the Target and the Bid Sponsors and the Bidder must use their best endeavours to agree the amendments to this Agreement that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable, and the Target must use its best endeavours to procure that each Independent Target Director continues to recommend the Bid (as modified by the Bidder Counterproposal) to Target Shareholders.

11.5 Cease discussions

The Target must cease any discussions or negotiations existing as at the Agreement Date relating to:

(a) any actual, proposed or potential Competing Proposal; or

(b) any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Bid.

11.6 Provision of information

During the Exclusivity Period, the Target must as soon as possible provide the Bid Sponsors and the Bidder with:

(a) in the case of written materials, a copy of; and

(b) in any other case, a written statement of,

any non-public information about the business or affairs of the Target or the Target Group disclosed or otherwise provided to any Third Party in connection with an actual, proposed or potential Competing Proposal that has not previously been provided to the Bid Sponsors and the Bidder. For the avoidance of doubt, any such provision of information to a Third Party may only be undertaken if permitted by clause 11.2.

11.7 Legal advice and acknowledgement

The Target represents and warrants to the Bid Sponsors and the Bidder that:

(a) prior to entering into this Agreement, it has received legal advice on this Agreement and the operation of this clause 11; and

(b) it and the Independent Target Board consider this clause 11 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 11 in order to secure the significant benefits to it, and Target Shareholders, resulting from the transactions contemplated hereby;

(c) it and the Independent Target Board acknowledge Bid Sponsors have required Target to agree to the obligations set out in this clause 11 in consideration of it proceeding with the Bid and incurring significant costs in doing so. In the absence of obtaining these obligations from Target, the Bid Sponsors would not have entered into this Agreement.

12 Break Fees

12.1 Background

(a) The Target believes that the Bid will provide benefits to Target and the Target Shareholders, and the parties all acknowledge that if the parties enter into this Agreement and the Bid is subsequently not successfully implemented, the Bidder Group Members and the Target Group Members will incur significant costs.

(b) In the circumstances referred to in clause 12.2(a):

(i) the Bidder has requested that provision be made for the payment referred to in clause 12.2, without which they would not have entered into this Agreement; and

(ii) the Independent Target Board believes that it is appropriate that it agrees to the payment referred to in clause 12.2, in order to secure the Bidder's execution of this Agreement and its agreement to implement (or to procure the implementation of) the Bid.

(c) In the circumstances referred to in clause 12.3(a):

(i) the Target has requested that provision be made for the payment referred to in clause 12.3, without which it would not have entered into this Agreement; and

(ii) the Bid Sponsors believes that it is appropriate that it agrees to the payment referred to in clause 12.3, in order to secure the Target's execution of this Agreement.

(d) Each of the Bid Sponsors and the Target acknowledge that the respective Break Fees are purely and strictly compensatory in nature, and represent a reasonable amount to compensate the Bidder or the Target (as applicable) for the following:

(i) all advisory costs (including costs of Advisers other than success fees);

(ii) costs of management and directors' time;

(iii) all out of pocket expenses;

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(iv) all commitment fees and other financing costs (whether associated with debt or equity finance);

(v) reasonable opportunity costs in pursuing the Bid or not pursuing other alternative acquisitions or strategic initiatives; and

(vi) in the case of the Bidder Break Fee specifically, the loss also that the Target would suffer as a result of withdrawing the Put Option Resolutions pursuant to clause 4.1 in the event that the Bid is subsequently not successfully implemented.

(e) The parties agree that this clause 12 does not limit the rights of the Target or a Bid Sponsor in respect of any other claims that they may have against each other, whether under this Agreement or otherwise.

12.2 Target Break Fee

(a) Subject to clauses 12.2(b), 12.2(c) and 12.4(a), the Target must pay the Bidder the Break Fee in accordance with clause 12.5, without withholding or set off, if:

(i) any Independent Target Director fails to recommend the Bid to Target Shareholders or that Target Shareholders accept the Offers in respect of all of their Bid Securities, or publicly adversely modifies (including by attaching qualifications to) or withdraws those recommendations once made, unless the Independent Expert does not conclude that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder in its first reported opinion of the Offers;

(ii) a Competing Proposal is announced by the Independent Target Board, or is made and is publicly recommended, promoted or otherwise endorsed by the Independent Target Board or by any of the Independent Target Directors (but excluding a statement that no action should be taken by Target Shareholders pending the assessment of a Competing Proposal by the Independent Target Board);

(iii) a Competing Proposal is announced or made prior to the end of the Offer Period and is completed at any time prior to the later of:

(A) the date that is 6 months from the Agreement Date; and

(B) the end of the Offer Period, and

as a result, a Third Party acquires Control of the Target or the Target Group (or acquires an equivalent shareholding or economic interest in the Target pursuant to the implementation of a dual-listed company structure or reverse takeover);

(iv) a general meeting of the Target is convened by the Target Board to consider and, if thought fit, approve the implementation or taking of any step that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied, and any of the Independent Target Directors recommend that Target Shareholders vote in favour of implementing or taking that step; or

(v) the Bid Sponsors terminate this Agreement in accordance with clause 13.1(a)(i) (*material breach*).

(b) Despite any other term of this Agreement, the Target Break Fee is only payable once.

(c) Despite any other term of this Agreement the Target Break Fee will not be payable to the Bidder if:

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(i) as at the date on which the written notice contemplated by clause 12.5 is given by the Bidder to the Target, the Target is entitled to terminate this Agreement under clause 13.1(a)(i) (*material breach*); and

(ii) and, if such payment has already been made, the Bidder must within 10 Business Days after receiving written demand from the Target refund the Target Break Fee to the Target, if a Change of Control occurs notwithstanding the occurrence of any event in clause 12.2(a).

12.3 Bidder Break Fee – reverse break fee

(a) Subject to clauses 12.3(b), 12.3(c) and 12.4(a), the Bidder must pay the Target the Bidder Break Fee in accordance with clause 12.5, without withholding or set off, if:

(i) the Target terminates this Agreement in accordance with clause 13.1(a)(i) (*material breach*); or

(ii) the Bidder fails to satisfy the Condition in paragraph (a) of Schedule 2 (*Minimum relevant interest*).

(b) Despite any other term of this Agreement, the Bidder Break Fee is only payable once.

(c) Despite any other term of this Agreement:

(i) the Bidder Break Fee will not be payable to the Target if, as at the date on which the written notice contemplated by clause 12.5 is given by the Target to the Bidder, the Bidder is entitled to terminate this Agreement under clause 13.1(a)(i) (*material breach*); and

(ii) the Bidder Break Fee will not be payable to the Target and, if such payment has already been made, the Target must within 10 Business Days after receiving written demand from the Bidder refund the Bidder Break Fee to the Bidder, if a Change of Control occurs notwithstanding the occurrence of any event in clause 12.2(a).

12.4 Compliance with law

(a) If a court or the Takeovers Panel determines that any part of the Break Fees:

(i) constitutes or would, if performed, constitute:

(A) a breach of the fiduciary or statutory duties of the Target Board; or

(B) Unacceptable Circumstances; or

(ii) is unenforceable or would, if paid, be unlawful for any reason,

then the Target or the Bidder (as applicable) (***Paying Party***) will not be obliged to pay such part of the relevant Break Fee and, if such payment has already been made, then the other party (***Recipient Party***) must within 10 Business Days after receiving written demand from the Paying Party refund that part of the relevant Break Fee to the Paying Party. To the extent reasonably possible, the Paying Party must submit in any relevant proceedings that no such determination should be made or that if any such determination is to be made, it should apply only to the extent that the relevant Break Fee is paid or to be paid in excess of the amount of the actual costs incurred, directly or indirectly, by the Recipient Party as a result of the Bid not being successfully implemented in accordance with this Agreement (including those described in clause 12.1(c) and clause 12.1(d)).

(b) If in Takeovers Panel proceedings described in clause 12.4(a), the Takeovers Panel indicates to the Target and the Bidder or either of them that in the absence of a written undertaking pursuant to section 201A of the ASIC Act it will make a declaration of

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Unacceptable Circumstances, each of the Bidder and the Target (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this clause 12 will operate in a manner consistent with the terms of such undertakings.

(c) the Bidder and the Target must not make, or cause or permit to be made, any application to a court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in clause 12.4(a).

12.5 Demand and time for payment

The Target or the Bidder (as applicable) must pay the Target Break Fee or the Bidder Break Fee (as applicable), if it is payable pursuant to this Agreement, within 5 Business Days after receiving a written notice from the other party setting out the relevant circumstances and requiring payment of the relevant Break Fee.

12.6 Limitation of liability

Despite any other provision of this Agreement:

(a) the maximum liability of the parties in relation to this Agreement, including in respect of any breach of this Agreement, will be the amount of:

(i) in the case of the Bidder, the Bidder Break Fee; and

(ii) in the case of the Target, the Target Break Fee,

and in no event will the aggregate liability of the parties under or in connection with this Agreement or any claim exceed the amount of the respective Break Fee;

(b) a payment by a party in accordance with this clause 12 represents the sole and absolute liability of that party under this Agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by that party under this Agreement;

(c) the Bidder and Bid Sponsors expressly agree that any payment of the Target Break Fee by the Target to the Bidder (if applicable) is deemed to be made in full and final satisfaction of any liability which the Target might otherwise have under this Agreement to the Bid Sponsors; and

(d) the Target expressly agrees that any payment of the Bidder Break Fee by the Bidder to the Target (if applicable) is deemed to be made in full and final satisfaction of any liability which the Bid Sponsors might otherwise have under this Agreement to the Target.

13 Termination

13.1 Termination by either party

Either party (***Terminating Party***) may terminate this Agreement by notice to the other if:

(a) either:

(i) (***material breach***) the other party is in material breach of any clause of this Agreement (including a material breach of a representation or warranty given by the other party under clause 8);

(ii) (***No-Fault Condition***) the No-Fault Condition becomes incapable of satisfaction, provided that the Terminating Party has complied with clause 2.2; and

(b) the Terminating Party has given notice to the other party setting out the relevant circumstances and stating an intention to terminate this Agreement; and

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(c) in the case of a material breach, the relevant circumstances have continued to exist for five Business Days from the time such notice is given.

13.2 Termination by the Bid Sponsors

The Bid Sponsors may terminate this Agreement by notice in writing to Target:

(a) if any of the Conditions (other than the No-Fault Condition) becomes incapable of satisfaction, provided that the Bid Sponsors have complied with clause 2.2; or

(b) if any of the Independent Target Directors publicly adversely modify (including by attaching qualifications to) or withdraw their recommendation of the Bid to Target Shareholders and that Target Shareholders accept the Offers in respect of all of their Bid Securities, or publicly recommend, promote or otherwise endorse a Competing Proposal, whether or not in accordance with clause 5.1(b) (but excluding a statement that no action should be taken by Target Shareholders pending the assessment of a Competing Proposal by the Independent Target Board).

13.3 Termination by Target

The Target may terminate this Agreement by notice in writing to the Bid Sponsors if:

(a) the Bidder or the Bid Sponsors (as applicable) are in material breach of any of their respective obligations under the Subscription Agreement;

(b) the Independent Target Board publicly recommends, promotes or otherwise endorses a Superior Proposal, and any Target Break Fee payable pursuant to clause 12.2 has been paid in full by the Target;

(c) the Independent Expert does not conclude that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder and as a result of which, any of the Independent Target Directors publicly adversely modify (including by attaching qualifications to) or withdraw their recommendation of the Bid to Target Shareholders and that Target Shareholders accept the Offers in respect of all of their Bid Securities; or

(d) the Independent Expert ceases to conclude (including by withdrawing or modifying its previous conclusion) that the Offers are fair and reasonable to Target Shareholders not associated with the Bidder and as a result of which, any of the Independent Target Directors publicly adversely modify (including by attaching qualifications to) or withdraw their recommendation of the Bid to Target Shareholders and that Target Shareholders accept the Offers in respect of all of their Bid Securities, provided that any Target Break Fee payable pursuant to clause 12.2 has been paid in full by the Target.

13.4 Automatic termination

(a) This Agreement terminates upon Completion.

(b) This Agreement automatically terminates upon the expiry of the Offer Period (as may be extended in accordance with this Agreement).

13.5 Effect of termination

In the event of termination of this Agreement by either the Bid Sponsors or the Target pursuant to clause 13.1, 13.2 or 13.3, this Agreement will have no further force or effect and the parties will have no further obligations under this Agreement, provided that:

(a) this clause 13 and clauses 1, 12, 14 and 15 will survive termination; and

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(b) each party will retain any accrued rights and remedies, including any rights and remedies it has or may have against the other party in respect of any past breach of this Agreement.

14 GST

14.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this Agreement, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the ***GST Amount***). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

14.2 Liability net of GST

Where any indemnity, reimbursement or similar payment under this Agreement is based on any cost, expense or other liability, it must be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

14.3 Adjustment events

If an adjustment event occurs in relation to a supply made under or in connection with this Agreement, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.

14.4 Cost exclusive of GST

Any reference in this Agreement to a cost, expense or other similar amount (***Cost***) is a reference to that Cost exclusive of GST.

14.5 Survival

This clause will not merge upon completion and will continue to apply after expiration or termination of this Agreement.

14.6 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) will have the same meaning in this clause.

15 Miscellaneous

15.1 Notices

Any notice, demand, consent or other communication (a ***Notice***) given or made under this Agreement:

(a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the first and last name and position or title of the sender or person duly authorised by the sender);

(b) subject to paragraph (c), must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email address most recently notified by the intended recipient to the sender. Until further notice, that recipient, address and email address is as below:

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(i)	to the Target:	Address: Liberty Place Level 41, 161 Castlereagh Street, Sydney, NSW 2000 Email: colin.moorhead@xanadumines.com Attention: Colin Moorhead **With a copy to:** HopgoodGanim Lawyers Address: Level 8, 1 Eagle Street, Brisbane, QLD 4000 Email: l.dawson@hopgoodganim.com.au and r.rutland@hopgoodganim.com.au Attention: Luke Dawson and Rebecca Rutland
(ii)	to the Bidder:	Address: 9 Straits View, #05-09, Marina One West, Tower, Singapore 018937 Email: philip.tan@boroomc.com.sg Attention: Philip Tan **With a copy to:** Allens Address: Level 11, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000 Email: Bryn.Hardcastle@allens.com.au and Jesse.Lines@allens.com.au Attention: Bryn Hardcastle and Jesse Lines
(iii)	to the Bid Sponsors:	Address: 9 Straits View, #05-09, Marina One West, Tower, Singapore 018937 Email: dulguun@boroomc.com.sg and lk.ganbayar@gmail.com Attention: Dulguun Erdenebaatar and Ganbayar Lkhagvasuren **With a copy to:** Allens Address: Level 11, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000 Email: Bryn.Hardcastle@allens.com.au and Jesse.Lines@allens.com.au Attention: Bryn Hardcastle and Jesse Lines

(c) will be taken to satisfy the obligations in paragraph (b) if:

(i) where a party changes its address and fails to notify the other parties of the new address, the Notice is delivered to the intended recipient at that new address; and

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(ii) where an individual named in paragraph (b) ceases to work in the relevant role or ceases to work for the relevant party and the relevant party fails to notify the other parties in accordance with this clause 15.1 of an alternative individual to whom Notices should be addressed (and, if relevant, an alternative email address to which Notices should be sent), the Notice is addressed to (and, if relevant, delivered to the email address of) an individual in the same or equivalent role at the intended recipient; and

(d) will be conclusively taken to be duly given or made:

(i) in the case of delivery in person, when delivered;

(ii) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;

(iii) in the case of delivery by any other method of post, six Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country); and

(iv) in the case of email, at the earliest of:

(A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;

(B) the time that the intended recipient confirms receipt of the email by reply email; and

(C) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made:

(v) in the case of delivery by hand or post, at a time that is later than 5pm;

(vi) in the case of delivery by email, at a time that is later than 7pm; or

(vii) on a day that is not a Business Day,

in the place specified by the intended recipient as its postal address under paragraph (b), it will be conclusively taken to have been duly given or made and received at the start of business on the next Business Day in that place.

15.2 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this Agreement does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing. For the avoidance of doubt, the doctrine of affirmation by election will not apply to any failure by a party to exercise, or delay by a party in exercising, any right, power or remedy under this Agreement.

15.3 Remedies cumulative

The rights, powers and remedies provided to each party in this Agreement are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

15.4 Entire agreement

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This Agreement, the other Transaction Documents, the Exclusivity Deed and the Confidentiality Agreement contain the entire agreement between the parties with respect to their subject matter. They set out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively ***Conduct***) relied on by the parties and supersede all earlier Conduct by or between the parties in connection with their subject matter. Neither party has relied on or is relying on any other Conduct in entering into this Agreement and completing the transactions contemplated by it. If there is any inconsistency between the provisions of this Agreement and the provisions of the Confidentiality Agreement, the provisions of this Agreement will prevail to the extent of any inconsistency and the provisions of the Confidentiality Agreement will be construed accordingly.

15.5 Amendment

This Agreement may be amended only by another agreement executed by both parties.

15.6 Assignment

Neither party can assign, charge, encumber or otherwise deal with any of its rights or obligations under this Agreement, or attempt or purport to do so, without the prior written consent of the other party.

15.7 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this Agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

15.8 Further assurances

Each party must do anything necessary or desirable (including executing agreements and documents) to give full effect to this Agreement and the transactions contemplated by it.

15.9 Costs and duty

Each party must bear its own costs arising out of the negotiation, preparation and execution of this Agreement. All duty (including stamp duty and any fines, penalties and interest) payable on or in connection with this Agreement and any instrument executed under or any transaction evidenced by this Agreement must be borne by the Bid Sponsors.

15.10 Severability of provisions

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

15.11 Governing law and jurisdiction

This Agreement is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

15.12 Execution and counterparts

This Agreement may be executed electronically and may be executed in counterparts.

Where a person signs this Agreement electronically, the electronic signature is an effective binding signature, and the electronic document containing it can be an effective electronic counterpart of this Agreement. In addition, the person intends that any print out of the signature

by a party, first made by that party will also constitute an effective original signature, so that the print out will also be an executed original counterpart of this Agreement.

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Schedule 1

Agreed Bid Terms

1 Offer Price

(a) The consideration under the Offers is $0.08 in cash for each Bid Security (***Offer Price***).

(b) The Bidder may deduct from the Offer Price payable to a Target Shareholder an amount up to the aggregate value of any Rights attaching to the Bid Securities, except to the extent that the Bidder receives the benefit or value of such Rights.

2 Offer Period

Subject to any extensions by the Bidder pursuant to clause 2.4 or that arise automatically under the Corporations Act, the Offer Period will be not less than one month (unless the Offers are withdrawn during that period under section 652B of the Corporations Act).

3 Offer Conditions

The Offers and each contract that results from acceptance of the Offers will be subject to the fulfilment of the Conditions. Each of the Conditions is a separate, several and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.

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Schedule 2

Conditions

(a) (**Minimum relevant interest**): Before the end of the Offer Period, the Bidder has (together with its Associates) Relevant Interests in at least 50.1% of the Target Shares.

(b) (**No Exercise of Put Option**): Between the Agreement Date and the end of the Offer Period, the Target does not exercise any Put Option.

(c) (**No Target Material Adverse Change**): No Target Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to a Bid Sponsor or the Bidder between (and including) the Agreement Date and the end of the Offer Period.

(d) (**No Target Prescribed Occurrence**): No Target Prescribed Occurrence occurs between the Agreement Date and the end of the Offer Period.

(e) (**Restraints**): Between the Agreement Date and the end of the Offer Period (each inclusive):

(i) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by a Governmental Agency; and

(ii) no action or investigation is announced, commenced or threatened by any Governmental Agency,

in consequence of, or in connection with, the Offer that:

(iii) restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of Target Shares under the Offer or any transaction contemplated by the Bidder's Statement, the Offers or the rights of Bidder or any of its Related Entities in respect of Target Shares, or requires the divestiture by any entity within the Bidder Group of any Target Shares, or requires the divestiture of any assets of the Bidder Group or Target Group; or

(e) imposes any new terms on, amends the existing terms of or otherwise affects the rights held by any entity within the Target Group under any approval, licence, tenement or permit issued by any Governmental Agency to any entity within the Target Group,

but expressly excludes any action taken by the Government of Mongolia, including passing legislation or making any public announcements, to designate the Kharmagtai Project as a 'Strategic Deposit' under the Minerals Law (2006) or to otherwise seek or require there to be any state ownership interest in the Kharmagtai Project.

(f) (**Target Warranties**): None of the Target Warranties become incorrect or untrue between the Agreement Date and the end of the Offer Period.

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Schedule 3

1 Bidder Warranties

The Bidder represents and warrants to the Target (in its own right and separately as trustee or nominee for each other Target Indemnified Party) that:

(a) (**validly existing**) it is a corporation validly existing under the laws of its place of incorporation;

(b) (**power**) it has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;

(c) (**authority**) it has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement;

(d) (**binding obligation**) this Agreement is its valid and binding obligation enforceable in accordance with its terms;

(e) (**no default**) the execution and performance by it of this Agreement and each transaction contemplated by this Agreement did not and will not violate in any respect a provision of:

(i) a law, judgment, ruling, order or decree binding on it;

(ii) its constitution; or

(iii) any other document or agreement that is binding on it; and

(f) (**Canadian security holders**) it does not have any reason to believe that the representation given by the Target in clause (u)(ii) of Schedule 4 is false, inaccurate, misleading or deceptive.

2 Bid Sponsor Warranties

(a) Boroo represents and warrants to the Target (its own right and separately as trustee or nominee for each other Target Indemnified Party) that:

(i) (**validly existing**) it is a corporation validly existing under the laws of its place of incorporation;

(ii) (**power**) it has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;

(iii) (**authority**) it has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement;

(iv) (**binding obligation**) this Agreement is its valid and binding obligation enforceable in accordance with its terms;

(v) (**no default**) the execution and performance by it of this Agreement and each transaction contemplated by this Agreement did not and will not violate in any respect a provision of:

(A) a law, judgment, ruling, order or decree binding on it or any of its Subsidiaries;

(B) its constitution; or

(C) any other document or agreement that is binding on it or any of its Subsidiaries; and

(vi) (**Canadian security holders**) it does not have any reason to believe that the representation given by the Target in clause (u)(ii) of Schedule 4 is false, inaccurate, misleading or deceptive.

(b) GBL represents and warrants to the Target (its own right and separately as trustee or nominee for each other Target Indemnified Party) that:

(i) (**power**) GBL has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;

(ii) (**binding obligation**) this Agreement constitutes a valid and binding obligation of GBL enforceable in accordance with its terms;

(iii) (**no default**) the execution and performance by it of this Agreement and each transaction contemplated by this Agreement did not and will not violate in any respect a provision of:

(A) a law, judgment, ruling, order or decree binding on GBL; or

(B) any other document or agreement that is binding on GBL; and

(iv) (**Canadian security holders**) it does not have any reason to believe that the representation given by the Target in clause (u)(ii) of Schedule 4 is false, inaccurate, misleading or deceptive.

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Schedule 4

Target Warranties

The Target represents and warrants to each Bid Sponsor and to the Bidder (each in their own right and separately as trustee or nominee for each other Bidder Indemnified Party) that:

(a) (**validly existing**) each Target Group Member is a corporation validly existing under the laws of its place of incorporation;

(b) (**power**) it has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;

(c) (**authority**) it has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement;

(d) (**binding obligation**) this Agreement is a valid and binding obligation enforceable against it in accordance with its terms; and

(e) (**no default**) the execution and performance by it of this Agreement and each transaction contemplated by this Agreement did not and will not violate in any respect a provision of:

(i) a law, judgment, ruling, order or decree binding on it or any of its Subsidiaries; or

(ii) its constitution (as applicable),

and other than as Fairly Disclosed by the Target in the Disclosure Materials, it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this Agreement.

(f) (**Takeover Statements**) the information in each Takeover Statement in respect of which the Target is the Primary Party as at the date that Takeover Statement is despatched to Target Shareholders:

(i) has been prepared and included in that Takeover Statement in good faith; and

(ii) complies in all material respects with the requirements of the Corporations Act, ASX Listing Rules and ASIC Regulatory Guides (as applicable);

(g) (**new circumstances**) it will, as a continuing obligation, ensure that the Target's Statement is updated (or, if the parties agree, the market is otherwise informed by way of announcement) to include all further or new information with arises after the Target's Statement has been dispatched to Target Shareholders until the close of the Offer Period, which is necessary to ensure that the Target's Statement is not misleading or deceptive (including by way of omission);

(h) (**Insolvency Events**) no Insolvency Event has occurred in relation to it or another Target Group Member, nor has any regulatory action of any nature of which it is aware been taken that would prevent or restrict its ability to fulfil its obligations under this Agreement;

(i) (**compliance with laws**):

(i) each Target Group Member has complied in all material respects with all Australian and foreign laws and regulations applicable to it (including, without limitation, all Mongolian and Singaporean laws and regulations) and orders of Australian and foreign Governmental Agencies having jurisdiction over it, and there is no material breach of law by any Target Group Member; and

(ii) neither of ASIC, ASX or the TSX has made a determination against any member of the Target Group for any contravention of the requirements of the Corporations Act, the ASX Listing Rules, the TSX Company Manual or any rules, regulations or regulatory guides

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under the Corporations Act, the ASX Listing Rules or the TSX Company Manual and, as far as the Target is aware, no event has occurred which reasonably could or would reasonably be likely to result in such a determination being made;

(j) (**material licences**) the Target Group has all material licences, authorisations and permits necessary for it to conduct the business of the Target Group as it is being conducted at the Agreement Date, and no Target Group Member:

(i) is in material breach of, or default under, any such licence, authorisation or permit or is in breach of the Project Title licence;

(ii) has received any notice in respect of the termination, revocation, variation or non-renewal of any such licence authorisation, permit or the Project Title; or

(iii) is aware of any reason why the Project Title licence will be or is reasonably expected to be terminated, revoked, varied or not renewed;

(k) (**continuous disclosure**) following the making by the Target of the Agreed Public Announcement, the Target is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1 and it is not relying on the carve out in ASX Listing Rule 3.1A to withhold any material information from public disclosure;

(l) (**capital structure**):

(i) as a continuing obligation, its capital structure, including all issued securities as at the Agreement Date, is as set out in Schedule 5 and no Target Group Member has issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Target Shares other than as set out in Schedule 5 and it is not under any obligation to issue or grant; and

(ii) no person has any right to call for the issue or grant of, any Target Shares, options, warrants, performance rights or other securities or instruments in the Target other than:

(A) as Fairly Disclosed in the Disclosure Materials;

(B) as disclosed by the Target in an announcement made by the Target to ASX or TSX, or a publicly available document lodged by it and in documents lodged with ASIC, in the 12 month period prior to the Agreement Date; or

(C) as required by under a Transaction Document;

(m) (**interests**) any company, partnership, trust, joint venture or other enterprise in which the Target or another Target Group Member owns, or has a material interest in, has been Fairly Disclosed in the Disclosure Materials by the Target to the Bidder and Bid Sponsors, or is otherwise publicly available as a result of disclosures made to ASX or TSX and in documents lodged with ASIC, prior to entry into this Agreement;

(n) (**Target Material Adverse Change**) it is not aware of any information relating to the Target Group or its respective businesses or operations (having made reasonable enquiries) as at the Agreement Date that has or could reasonably be expected to give rise to a Target Material Adverse Change that has not been disclosed by the Target in an announcement made by the Target to ASX or TSX, or a publicly available document lodged by it and in documents lodged with ASIC, in the 12 month period prior to the Agreement Date or Fairly Disclosed in the Disclosure Materials;

(o) (**Project Title**):

(i) the Project Title constitutes all the mining licences and titles comprising the Kharmagtai Project;

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(ii) ProjectCo is the sole legal and beneficial owner of all rights, title and interest in and to the Project Title; and

(iii) the Project Title is in good standing under applicable law and all work required to be performed and filed in respect of the Project Title has been performed and filed, all taxes, rentals fees, expenditures and other payments in respect of the Project Title has been paid or incurred, all filings in respect of the Project Title has been made and all other obligations of a Target Group Member arising from or under the Project Title has been performed or complied with;

(p) (**Security Interests**) other than any Security Interest Fairly Disclosed in the Disclosure Materials or otherwise as disclosed by the Target in an announcement made by the Target to ASX or TSX, or a publicly available document lodged by it and in documents lodged with ASIC, in the 12 month period prior to the Agreement Date, or any Permitted Security Interest, there is no Security Interest over all or any of the Target Group's present or future assets or revenues;

(q) (**Target financial statements**) as far as it is aware, there has not been any event, change, effect or development that would require the Target to restate its financial statements as disclosed to ASX, and its FY24 Accounts:

(i) comply with applicable statutory requirements and were prepared in accordance with the Corporations Act, the Accounting Standards and all other applicable laws and regulations; and

(ii) give a true and fair view of the financial position and the assets and liabilities of the Target Group;

(r) (**Subsidiary financial statements**) in respect of Target Subsidiaries whose financial statements are not prepared on a consolidated basis with the Target, as far as the Target is aware, there has not been any event, change, effect or development that would require any such Target Subsidiary to restate its issued financial statements, and the most recent audited financial statements of each such Target Subsidiary as at the Agreement Date:

(i) comply with applicable statutory requirements and were prepared in accordance with the applicable Accounting Standards and all other applicable laws and regulations; and

(ii) give a true and fair view of the financial position and the assets and liabilities of that Target Subsidiary;

(s) (**disclosure of liabilities**) except as disclosed in publicly available disclosures made on ASX or TSX, or in the Disclosure Materials before Agreement Date, since its FY23 Accounts:

(i) no Target Regulated Event has occurred; and

(ii) the business of the Target Group has been carried on in the ordinary and usual course;

(t) (**Quarterly Activities Report**):

(i) its Q4 Quarterly Activities Report was prepared in accordance with the applicable Accounting Standards applying to it at the time of preparation and in accordance with the ASX Listing Rules; and

(ii) the financial information contained in its Q4 Quarterly Activities Report and its financial prospects set out therein, are materially accurate, true and fair, having regard to the purpose and basis of preparation of the Q4 Quarterly Activities Report;

(u) (**TSX volume**) after due inquiry, to the best of the Target's knowledge, awareness and belief:

(i) security holders whose last address as shown on the books of the Target is in Canada hold less than 10% of the outstanding Target Shares at the commencement of the Bid;

(ii) security holders in Canada beneficially own less than 10% of the Target Shares at the commencement of the Bid; and

(iii) the published market on which the greatest volume of trading in securities of the Target Shares occurred during the 12 months immediately preceding the commencement of the Bid was not in Canada;

(v) (**JVCo Shares**):

(i) it is the sole legal and beneficial owner of all rights, title and interest in and to 10,000,000 JVCo Shares;

(ii) JVCo's total issued share capital consist of 20,000,000 JVCo Shares; and

(iii) other than:

(A) as Fairly Disclosed in the Disclosure Materials;

(B) as disclosed by the Target in an announcement made by the Target to ASX or TSX, or a publicly available document lodged by it and in documents lodged with ASIC, in the 12 month period prior to the Agreement Date; or

(C) any Permitted Security Interest,

no JVCo Share it holds is subject of any Security Interest.

(w) (**Material Contracts**) and other than as Fairly Disclosed by the Target in the Disclosure Materials, there are no Material Contracts or material leases to which a Target Group Member is a party which contain any change of control provisions that will be triggered by the Bid or Completion.

(x) (**Financial Advisers**) it has provided complete and accurate information regarding fee levels in all retainers and mandates with Financial Advisers in relation to the Bid, any Competing Proposals and any other transaction where such retainer or mandate is current, or under which a Target Group Member still has obligations;

(y) (**litigation**) other than as Fairly Disclosed by the Target in the Disclosure Materials, there are no current material actions, suits, arbitrations or legal or administrative proceedings against any Target Group Member and, as far as it is aware:

(i) there are no: (i) current, pending or threatened material claims, disputes or demands; or (ii) pending or threatened material actions, suits, arbitrations or legal or administrative proceedings, in each case against any Target Group Member; and

(ii) no Target Group Member is the specific focus of any material formal investigation by a Governmental Agency (not being an industry-wide investigation);

(z) (**royalties**):

(i) to the best of the knowledge of the Independent Target Directors, all the documents that the Target holds in respect of the THR Mongolia Royalty Agreement have been Fairly Disclosed;

(ii) the Disclosure Letter:

(A) contains all of the information regarding the THR Mongolia Royalty Agreement which is known to the Target; and

(B) reflects the understanding of the Target with regards to the THR Mongolia Royalty Agreement and the relationship between the Target Group Members and each of THR Mongolia and its Related Entities.

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(aa) (**Disclosure Materials**) it has collated and prepared all of the Disclosure Materials in good faith for the purposes of a due diligence process and in this context, to the best of the Target's knowledge, awareness and belief:

(i) its Disclosure Materials have been collated with all reasonable care and skill;

(ii) the information contained in the Disclosure Materials is accurate in all material respects;

(iii) the Disclosure Materials do not include information that is misleading in any material respect; and

(iv) no information has been omitted from the Disclosure Materials that would render the Disclosure Materials misleading in any material respect, or be material to a reasonable buyer's evaluation of the Target Group or decision whether to proceed with the Bid.

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Schedule 5

Target Capital Details

1 Capital Structure

Security	Total number on issue
Target Shares	1,912,197,556
Target Options	92,184,000

2 Target Options

Class	Number on Issue	Exercise Price	Vested / Unvested
2021 Exec Tranche A	2,250,000	nil	Unvested
2021 Exec Tranche B	4,500,000	nil	Unvested
2021 Exec Tranche C	6,750,000	nil	Unvested
2021 Exec Tranche D	6,750,000	nil	Unvested
2021 Exec Tranche E	18,000,000	nil	Unvested
2022 Executive Director	6,000,000	nil	Unvested
2023 Options	5,040,000	nil	Vested
2023 Exec Options	13,374,000	nil	Vested
2023 Non-Exec Options	2,520,000	nil	Vested
2024 Exec	21,000,000	nil	Unvested
2024 Non-Executive	6,000,000	nil	Unvested
Total	**92,184,000**	-	-

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Schedule 6

Indicative Transaction Timetable

Event	Date
Announcement Date and release of Agreed Public Announcement on ASX	19 May 2025 ("**T**")
Completion of Concurrent Financing in accordance with, and subject to, the terms of the Subscription Agreement	T+7 Days
Bidder lodges Bidder's Statement with ASIC, serves it on Target and gives it to ASX	T+8 Days
Target lodges Target's Statement with ASIC, serves it on Bidder and gives it to ASX	T+8 Days
Bidder and Target despatch Bidder's Statement and Target's Statement to Target Shareholders in same mail-out	T+9 Days
Open of Offer Period	T+9 Days
Close of Offer Period unless extended by Bidder	T+44 Days

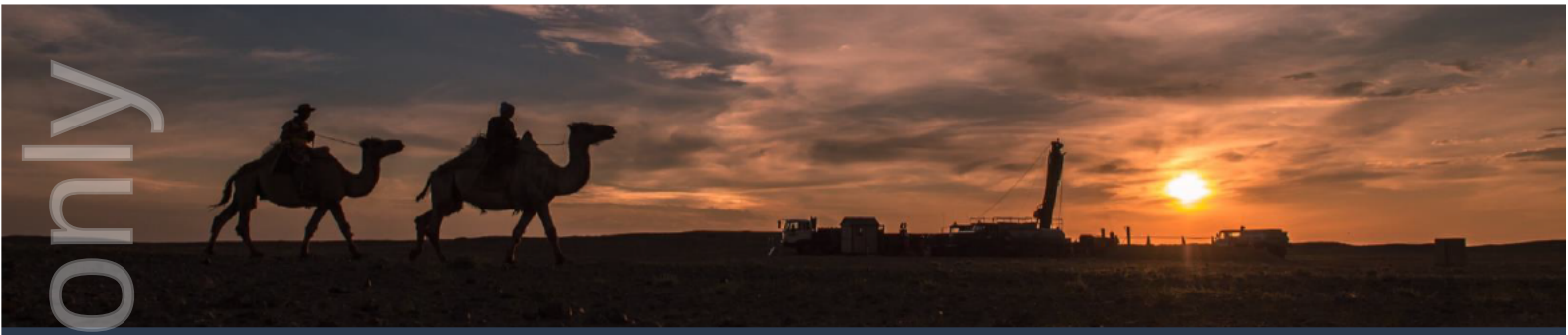
Schedule 7

Agreed Public Announcement

[*Commences on next page*]

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XANADU MINES BOROO



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Recommended A$0.08 Per Share Cash Offer

19 May 2025

Xanadu Mines Ltd (ASX:XAM, TSX:XAM) (**Xanadu** or the **Company**) and Bastion Mining Pte Ltd (**Bastion**) are pleased to announce that they have entered into a Bid Implementation Agreement on 19 May 2025 under which Bastion will make an off-market takeover offer to acquire all the fully paid, ordinary shares issued in Xanadu (**Xanadu Shares**) which Bastion does not already own, at a price of A$0.08 cash per Xanadu Share (**Offer**).

A copy of the Bid Implementation Agreement is attached as Annexure A to this announcement.

The Offer is made by Bastion, which represents a consortium of Boroo Pte Ltd (**Boroo**) and Xanadu Director Ganbayar Lkhagvasuren (together, the **Bid Sponsors**). Boroo is a private Singapore-incorporated entity which invests in major gold projects internationally. Boroo key assets include Lagunas Norte, a producing gold mine in Peru and a portfolio of development-stage projects in South America. Boroo has guaranteed Bastion's obligations as bidder under the Bid Implementation Agreement.

Xanadu's Takeover Board Committee[1], together with Xanadu's legal and financial advisers, have carefully considered the Offer. The Takeover Board Committee **Directors unanimously recommend that Xanadu shareholders ACCEPT the Offer** in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable.

Xanadu Executive Chairman and Managing Director, Mr Colin Moorhead, said:

"The proposed acquisition of Xanadu by Bastion is aligned with the Company's strategy of generating returns for shareholders and also providing a liquidity event. Bastion's Offer provides Xanadu shareholders with an attractive premium, which recognizes the Company's inherent value and considerable achievements in progressing the Kharmagtai Copper-Gold Project. The Takeover Board Committee Directors consider the Offer to be in the best interest of shareholders and unanimously recommend that shareholders accept the Offer in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable."

[1] The Takeover Board Committee comprises all Xanadu Directors as at the date of this announcement other than Ganbayar Lkhagvasuren and Zijin's representative, Shaoyang Shen.

AUSTRALIA
c/o Company Matters Pty Limited
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T: +612 8280 7497

MONGOLIA
Suite 23, Building 9B
Olympic St, Sukhbaatar District
Ulaanbaatar, Mongolia
T: +967 7012 0211

Xanadu Mines Ltd ACN 114 249 026

www.xanadumines.com

Mr. Ganbayar Lkhagvasuren, on behalf of Bastion, said:

"Together with my partners at Boroo, I am pleased to be making this supported Offer to Xanadu shareholders. The Bastion Offer provides Xanadu shareholders with the certainty of cash at a significant premium to Xanadu's share price, against a market backdrop of considerable uncertainty. Bastion is ideally positioned to advance Kharmagtai to the next stage of development with the benefit of Boroo's experience in acquiring, financing and developing mining operations in Mongolia."

Highlights

- Bastion Mining Pte. Ltd. (**Bastion**) to make an agreed cash offer of A$0.08 per share for all the shares of Xanadu Mines Limited (**Xanadu** or the **Company**) it does not currently hold, via an off-market takeover (**Offer**).
- Offer price of A$0.08 cash per share, representing a 57% premium to Xanadu's closing price of A$0.051 per share on 16 May 2025.
- The Offer implies a total equity value for Xanadu of A$160 million, excluding the proposed share issue to Bastion.
- Bastion to subscribe for 286,829,633 shares in Xanadu at A$0.06 per share, representing an initial investment of A$17.2 million to fund the Company's share of joint venture cash calls, working capital and associated corporate costs during the Offer period.
- The Offer is subject to Bastion acquiring a minimum relevant interest in Xanadu of at least 50.1%, together with limited other conditions as contained in the attached Bid Implementation Agreement. Bastion has agreed that once it acquires a relevant interest in at least 50.1% of the shares in Xanadu that it will declare the Offer unconditional.
- Xanadu's Board has formed a sub-committee of independent directors (**Takeover Board Committee**) to consider the Offer. The Takeover Board Committee **UNANIMOUSLY RECOMMENDS** that **SHAREHOLDERS ACCEPT THE OFFER**, in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable and, subject to those same qualifications, each member of the Takeover Board Committee, who together at the date of this announcement hold a relevant interest in the Company of 1.86%, intend to accept, or procure the acceptance of, the Offer in respect of all of the shares they respectively hold or control (including any shares that may be issued upon the vesting and exercise of any options during the period of the Offer).
- CAAF Ltd, Xanadu's largest independent shareholder who holds a relevant interest in the Company of 11.85%, has stated its intention to accept the Offer subject to the Bid Implementation Agreement not being terminated, in the absence of a superior proposal (as determined in their sole and absolute discretion) and subject to the Independent Expert concluding that the Offer is fair and reasonable (and such expert not changing or withdrawing that opinion).
- Xanadu will host a conference call at 12:00pm AEST on Wednesday, 21 May. To listen live, please click on the link below and register your details:

  https://us06web.zoom.us/webinar/register/WN_nyyXnFgjTRm1FG0fb3kJXw

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Details of the Offer

The Offer will be made by Bastion on behalf of the Bid Sponsors. The Offer price will be A$0.08 cash per Xanadu Share, which represents a premium of:

- 57% to Xanadu's last closing price of A$0.051 per share on 16 May 2025;
- 62% to Xanadu's 10-day volume weighted average price of A$0.049 per share up to and including 16 May 2025;
- 46% to Xanadu's 30-day volume weighted average price of A$0.055 per share up to and including 16 May 2025; and
- 52% to Xanadu's 90-day volume weighted average price of A$0.053 per share up to and including 16 May 2025.

Support from Takeover Board Committee and Major Shareholder

Xanadu is pleased to advise that its largest independent shareholder, CAAF Ltd, has confirmed its intention to accept the Offer in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable. CAAF Ltd holds a relevant interest in 11.85% of Xanadu's undiluted shares.

Xanadu's Takeover Board Committee Directors:

- Unanimously recommend that Xanadu shareholders ACCEPT the Offer; and
- Have each confirmed their intention to accept, or procure the acceptance of, the Offer in respect of all Xanadu Shares which they own or control (including any Xanadu Shares that may be issued upon the vesting and exercise of any options during the period of the Offer)[2],

in each case in the absence of a superior proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Offer is fair and reasonable.

Bid Implementation Agreement

Under a Bid Implementation Agreement dated 19 May 2025 (**BIA**), Xanadu and Bastion have given undertakings to each other to facilitate the Offer. The Offer is subject to a limited number of conditions as noted below.

- Bastion obtaining a relevant interest in Xanadu of at least 50.1%.
- Until the end of the Offer period, Xanadu must not exercise either of the put options granted under the terms of the Joint Venture Shareholders' Agreement[3] which, if exercised, would require Jinping (Singapore) Mining Pte. Ltd (**Jinping**) to acquire either 25% or 50% of Xanadu's shareholding in Khuiten Metals Pte Ltd (**Khuiten Metals**).

[2] As at the date of this announcement, Colin Moorhead owns or controls 22,920,000 Xanadu Shares (representing approximately 1.20% of the Xanadu Shares on issue), Michele Muscillo owns or controls 9,059,981 Xanadu Shares (representing approximately 0.47% of the Xanadu Shares on issue), and Tony Pearson owns or controls 3,600,555 Xanadu Shares (representing approximately 0.19% of the Xanadu Shares on issue).
[3] The Joint Venture Shareholders' Agreement dated 21 December 2022 between the Target, Jinping (Singapore) Mining Pte. Ltd and Khuiten Metals Pte Ltd establishing an incorporated joint venture in connection with the Kharmagtai Project.

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- No prescribed occurrence in relation to Xanadu.
- No material adverse change in relation to Xanadu.
- No government or regulatory action in consequence of, or in connection with, the Offer which adversely impacts the Offer (subject to certain carve outs).
- None of the warranties given by Xanadu become incorrect or untrue during the Offer period.

Bastion has committed to declare the Offer unconditional upon achieving a relevant interest in the Company of 50.1%.

The BIA also contains terms usual for a transaction of this nature, including customary exclusivity arrangements such as 'no shop', 'no talk' and 'no due diligence' restrictions as well as a right for Bastion to match any competing proposal. A break fee or a reverse break fee may also be payable in certain circumstances.

Details of the key terms and conditions of the Offer are set out in the attached BIA. Full details of the Offer will be set out in Xanadu's Target's Statement (which will enclose a copy of the Independent Expert's Report).

Equity Funding Arrangements

To assist Xanadu in meeting its corporate and joint venture funding obligations during the Offer period, Bastion and Xanadu have entered into a share subscription agreement (**Subscription Agreement**) under which Bastion has agreed to subscribe for 286,829,633 Xanadu Shares at an issue price of A$0.06 per share (**Subscription Shares**).

The issue of the Subscription Shares is expected to occur on 26 May 2025 (**Settlement Date**), unless the Subscription Agreement is terminated prior to completion. In particular, if a competing proposal is received prior to the Settlement Date and Xanadu either (1) does not confirm that the competing proposal is not a superior proposal in accordance with the BIA, or (2) fails to recommend that shareholders reject the competing proposal, Bastion may elect to terminate the Subscription Agreement in which case the subscription will not occur.

If completion of the Subscription Agreement occurs as intended:

- the Subscription Shares will be issued under Xanadu's available placement capacity pursuant to ASX Listing Rule 7.1;
- Xanadu will receive a cash injection of A$17.2 million; and
- Immediately following settlement, Bastion will hold a relevant interest in 13.04% of Xanadu Shares.

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Withdrawal of the 25% Put Option Resolution

Currently, an extraordinary general meeting of members is scheduled to be held on 4 June 2025 at which members will be asked to consider and approve a resolution authorising Xanadu to exercise the put option which requires Jinping to acquire 25% of Xanadu's shareholding in Khuiten Metals (**Put Option Resolution**).

However, in light of the Offer and the funding to be received by Xanadu upon issue of the Subscription Shares, the Takeover Board Committee has committed to withdraw the Put Option Resolution following successful completion of the equity funding arrangements under the Subscription Agreement.

Indicative Timetable

Further details regarding the Offer and Takeover Board Committee's recommendation will be outlined in Bastion's Bidder's Statement and Xanadu's Target's Statement, which are expected to be despatched to Xanadu Shareholders on or about 28 May 2025, following completion of the equity funding arrangement under the Subscription Agreement.

Once the Bidder's Statement has been despatched, the Offer will open for acceptance. The Offer will initially remain open for a minimum period of one month.

The Bidder's Statement and the Target's Statement will set out important information, including the Independent Expert's Report (with detail supporting the conclusion of the Independent Expert), how to accept the Offer, and the key reasons why Xanadu shareholders should accept the Offer.

An indicative timetable for the Offer is set out below.

Event	Date
Announcement Date and release of Agreed Public Announcement on ASX	19 May 2025 (**T**)
Completion of equity funding arrangement in accordance with, and subject to, the terms of the Subscription Agreement	T+7 Days
Bidder lodges Bidder's Statement with ASIC, serves it on Target and gives it to ASX	T+8 Days
Target lodges Target's Statement with ASIC, serves it on Bidder and gives it to ASX	T+8 Days
Bidder and Target despatch Bidder's Statement and Target's Statement to Target Shareholders in same mail-out	T+9 Days
Open of Offer Period	T+9 Days
Close of Offer Period unless extended by Bidder	T+44 Days

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Advisers

Xanadu has appointed Jefferies (Australia) as its financial adviser, HopgoodGanim Lawyers as its Australian legal adviser and Bennett Jones LLP as its Canadian legal adviser.

Bastion has appointed CIBC Capital Markets and Cormark Securities Inc. as its financial advisers, Allens as its Australian legal adviser and Stikeman Elliott as its Canadian legal adviser.

Further Information

The Xanadu Takeover Board Committee will keep shareholders informed of any material developments relating to the Offer in accordance with continuous disclosure requirements. Until then, there is no need for Xanadu shareholders to take any action.

About Xanadu Mines

Xanadu is an ASX and TSX listed Exploration company operating in Mongolia. We give investors exposure to globally significant, large-scale copper-gold discoveries and low-cost inventory growth. Xanadu maintains a portfolio of exploration projects and remains one of the few junior explorers on the ASX or TSX who jointly control a globally significant copper-gold deposit in our flagship Kharmagtai project together with our 50-50 JV partner Zijin Mining Group.

For further information on Xanadu, please visit: **www.xanadumines.com** or contact:

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This Announcement was authorised for release by Xanadu's Takeover Board Committee.

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Forward-Looking Statements

Certain statements contained in this Announcement, including information as to the future financial or operating performance of Xanadu and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward-looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Xanadu, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Xanadu disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after the date of this Announcement or to reflect the occurrence of unanticipated events, other than required by the *Corporations Act 2001* (Cth) and the Listing Rules of the Australian Securities Exchange (**ASX**) and Toronto Stock Exchange (**TSX**). The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All 'forward-looking statements' made in this Announcement are qualified by the foregoing cautionary statements. Investors are cautioned that 'forward-looking statements' are not guarantee of future performance and accordingly investors are cautioned not to put undue reliance on 'forward-looking statements' due to the inherent uncertainty therein.

For further information please visit the Xanadu Mines' Website at **www.xanadumines.com.**

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Schedule 8

Project Title

Title Type	Title Number	Title Holder and Ownership
Exploitation licence	MV-017387	ProjectCo (100%)

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Executed as an agreement

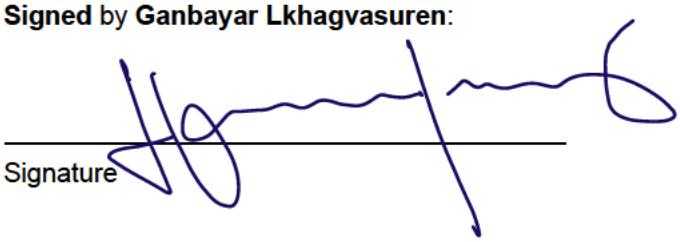
Each person executing this Agreement on behalf of a party states that they have no notice of revocation or suspension of their authority.

Executed for and behalf of **Boroo Pte. Ltd.**
by its authorised signatories:

Authorised Signatory	Authorised Signatory
DULGUUN ERDENEBAATAR	LOH ZUO YI
Print Name	Print Name

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Signed by **Ganbayar Lkhagvasuren**:



Signature

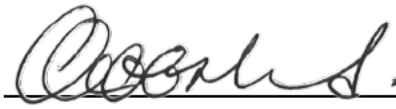
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Executed for and behalf of **Bastion Mining Pte. Ltd.** by its authorised signatories:

Authorised Signatory	Authorised Signatory
TAN LING KWOK, PHILIP (CHEN LING GUO, PHILIP)	LOH ZUO YI
Print Name	Print Name

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Executed in accordance with section 127 of the *Corporations Act 2001* by **Xanadu Mines Limited**:



Director Signature



Director/~~Secretary~~ Signature

Colin Moorhead

Print Name

Michele Muscillo

Print Name

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