

30 April 2024

**TAKEOVER OFFER UPDATE**

**Change in Tietto Director recommendation to consider ACCEPTING the Zhaojin Offer, or selling Tietto shares on-market if the prevailing market price is not materially different to the Offer price, without delay**

- The Tietto Directors continue to believe that Zhaojin's Offer was opportunistically timed and materially undervalues Tietto.
- However, as at 29 April 2024, Zhaojin held 42.51% of Tietto's issued share capital. Based on these acceptances, it appears clear that certain of Tietto's key shareholders have accepted into Zhaojin's Offer such that there is now a real risk that Zhaojin can control the composition of Tietto's Board.
- Zhaojin's has now declared its increased Offer price of \$0.68 per Tietto share to be best and final. Zhaojin has also declared its takeover offer to be unconditional.
- Zhaojin's Offer is scheduled to close at 7.00pm (Sydney time) on Thursday, 2 May 2024 (unless extended or withdrawn).
- In light of these developments, the Tietto Directors now unanimously urge Tietto shareholders to consider ACCEPTING into Zhaojin's Offer, or selling their Tietto shares on-market if the prevailing market price is not materially different to the Offer price, without delay.

Dear Fellow Shareholder,

On behalf of the Tietto Board, I wish to provide you with an important update regarding the unsolicited off-market takeover offer made by Zhaojin Capital (Hong Kong) Limited (**Zhaojin**) for all of the issued shares in Tietto Minerals Limited (**Tietto** or the **Company**) that Zhaojin does not already own (the **Offer**), and the Tietto Directors' recommendation as to what you should do in relation to the Offer.

As you may be aware:

- **The Offer price was recently increased to \$0.68 per Tietto share and declared best and final:** On 15 April 2024, the Offer price was increased from \$0.58 per Tietto share to \$0.68 per Tietto share, and Zhaojin declared this increased Offer price to be best and final and that it will not be increased.

- **The Offer was recently declared unconditional:** On 24 April 2024, the Offer was declared free of all remaining defeating conditions. Accordingly, Tietto shareholders who have already accepted into the Offer are now unable to withdraw their acceptance of that Offer. Further, Zhaojin now has the right to vote any Tietto shares that have been accepted into the Offer.
- **Zhaojin's voting power in Tietto now in excess of 42%:** Zhaojin has notified Tietto that as at 29 April 2024, it held voting power in Tietto of 42.51%. Tietto's Directors understand that two of Tietto's major shareholders who had previously indicated that they did not intend to accept Zhaojin's original Offer price of \$0.58 per Tietto share may now have accepted into the increased Offer.
- **Tietto's Directors believe that Zhaojin's voting power may be sufficient to control the composition of Tietto's Board:** Based on the historical levels of Tietto shareholder participation in general meetings, the Tietto Directors believe that Zhaojin may now have sufficient voting power to control the outcome of an ordinary resolution that may be put to Tietto shareholders. As such, the Tietto Directors are concerned that Zhaojin may now be in a position to control the composition of Tietto's Board, and therefore effectively control the Company's future financial and operating policies.

The Tietto Directors note that the Offer price of \$0.68 per Tietto share is below the value assessed by Grant Thornton Limited, the independent expert appointed by Tietto to opine on the Offer, (**Independent Expert**) to be fair and reasonable to Tietto shareholders not associated with Zhaojin.

However, as a result of the above developments, the Tietto Directors now consider that the risks associated with continuing to hold Tietto shares outweigh the advantages of continuing to hold Tietto shares, and now urge Tietto shareholders to consider either **ACCEPTING** into the Offer, or otherwise selling their Tietto shares on the ASX if the prevailing market price is not materially different to the Offer price, without delay.

The Tietto Directors note that the closing price of a Tietto share on ASX as at 29 April 2024 was \$0.675, being only a small discount to the Offer price of \$0.68 per Tietto share. The Tietto Directors note that the proceeds of an on-market sale of Tietto shares on ASX are likely to be received sooner than the likely timing for receipt of the Offer consideration under the Offer<sup>1</sup>, such that some Tietto shareholders may prefer to sell their Tietto shares on ASX at prevailing market prices, if those prices are not materially different to the Offer price. As the price of Tietto shares on ASX will fluctuate, Tietto

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<sup>1</sup> Settlement of the sale of Tietto shares on-market on the ASX occurs on a T+2 basis. Tietto shareholders who accept the Offer will receive the Offer consideration for their Tietto shares on or before the earlier of (i) one month after the date of their acceptance of the Offer; and (ii) 21 days after the close of the Offer.

shareholders who wish to consider selling their Tietto shares on-market on ASX should closely monitor the trading prices for Tietto shares before making any decision, and if in doubt, should speak with their broker or other financial adviser.

As set out above, the Tietto Directors are concerned that Zhaojin may have already acquired effective control of Tietto, enabling Zhaojin to control the composition of the Tietto Board and the senior management of Tietto, and consequently control the outcome of decisions by the Tietto Board regarding Tietto's dividend policy and future strategic direction.

By accepting the Offer or otherwise selling Tietto shares on-market at prevailing prices, the Tietto Directors note that Tietto shareholders will receive a certain cash price for their Tietto shares and avoid the risks associated with being a minority shareholder in Tietto that may be controlled by Zhaojin. Other risks of remaining a shareholder of Tietto include reduced liquidity of Tietto shares and the risk that Tietto shares trade lower than the Offer price of \$0.68 per Tietto share after the Offer closes.

The Tietto Directors note that since the announcement of the Offer on 30 October 2023, no superior proposal for Tietto has emerged, and the Tietto Directors are not aware of any competing takeover proposal that is likely to emerge for Tietto.

**As a result of the above developments, all of the Tietto Directors that own or control Tietto shares now intend to either accept into the Offer, or otherwise sell their Tietto shares on the ASX if the prevailing market price is not materially different to the Offer price.**

In particular, of the Tietto Directors that own or control Tietto shares:

- Mr Matthew Wilcox and Mr Francis Harper have advised Tietto that they intend to sell all of the Tietto shares they own or control on the ASX if the prevailing market price is not materially different to the Offer price, or otherwise accept the Offer in respect of those Tietto shares before the Offer closes;
- Mr Hanjing Xu has advised Tietto that he intends to accept the Offer in respect to all of the Tietto shares he holds or controls before the Offer closes; and
- Mr Paul Kitto has advised Tietto that he intends to accept the Offer in respect to approximately half of the Tietto shares he holds or controls before the Offer closes, and to sell the balance of those Tietto shares on the ASX if the prevailing market price is not materially different to the Offer price.

Details of the interests that Tietto Directors have in Tietto shares are set out in Tietto's Third Supplementary Target's Statement dated 18 April 2024.

Tietto shareholders should be aware that by accepting the Offer or otherwise selling their Tietto shares on-market at prevailing prices, they may pay tax in the current financial year on any gain that is crystallised as a result of the disposal of their Tietto

shares to Zhaojin. For further information about the tax considerations of accepting the Offer, please refer to section 7 of Zhaojin's Bidder's Statement dated 30 October 2023 (**Zhaojin Bidder's Statement**).

For further information about the advantages and disadvantages of the Zhaojin Offer and the risks associated with remaining a minority shareholder of Tietto, see sections 1, 4.5, 4.6, 4.7 and 7.3 of the Target's Statement dated 27 November 2023.

The Offer is due to close at 7.00pm (Sydney time) on Thursday, 2 May 2024 unless extended or withdrawn, so Tietto shareholders who wish to accept the Offer should **act now without delay**.

Tietto shareholders who wish to **ACCEPT** the Offer:

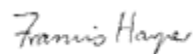
- who are issuer sponsored shareholders, must accept the Offer by completing a physical acceptance form and returning it in accordance with the instructions provided in Zhaojin's bidder's statement; or
- whose shares are registered in a CHESS holding, may accept the Zhaojin Offer by completing a physical acceptance form or by contacting their 'controlling participant', in each case in accordance with the instructions provided in Zhaojin's bidder's statement.

For further information about how to accept the Offer, please refer to section 9.3 of Zhaojin's Bidder's Statement. You can also call the Offer Information Line on 1300 918 419 (within Australia) or +61 3 9946 4423 (from outside of Australia), Monday to Friday (excluding public holidays) between 8.30am and 5.00pm (Sydney time).

If you are in any doubt about what you should do, the Tietto Directors encourage you to seek urgent advice from your broker, financial adviser or legal adviser.

On behalf of my fellow Directors, we thank all Tietto shareholders for their longstanding support and remain incredibly proud of the significant achievements of the management team, including successfully bringing the Abujar Gold Project into production and the strong progress made with ramp up to date.

Yours faithfully,



Francis Harper  
Chairman  
Tietto Minerals Limited