

Binding Offer from the Robe River Joint Venture Determined Superior and Fenix Matching Right Process Commenced

Overview

CZR Resources Ltd (ASX: CZR) (**CZR**) refers to its announcements on 21 March 2025 and 24 March 2025 in relation to the revised unsolicited, confidential, non-binding and conditional proposal from the participants in the Robe River Iron Associates Joint Venture (between various subsidiaries of Rio Tinto Limited (53%), Mitsui & Co Ltd (33%) and Nippon Steel Corporation (14%) relating to the acquisition of CZR's interest in the tenements M08/519, M08/533, E08/1060, E08/1686 and E08/2137 which comprise its Robe Mesa Iron Ore project (**Tenements**) for cash consideration of A\$75 million.

CZR has received a binding offer from North Mining Limited (an indirect wholly-owned subsidiary of Rio Tinto Limited), Robe River Mining Co Pty Ltd (an indirectly 60% owned subsidiary of Rio Tinto Limited and 40% owned by Mitsui Iron Ore Development) and Mitsui Iron Ore Development Pty Ltd (a wholly-owned subsidiary of Mitsui & Co Ltd) (together, the **RRJV**) to acquire CZR's interest in the Tenements for cash consideration of \$75 million (**Robe River JV Offer**).

The Robe River JV Offer comprises of the following:

- (a) a sale and purchase agreement (**Sale Agreement**) between CZR, Zanthus Resources Pty Ltd (a wholly owned subsidiary of CZR) (**Zanthus**) and RRJV pursuant to which the Zanthus agrees to sell and RRJV agree to purchase, Zanthus' interests in the Tenements, together with the plant and equipment located on the Tenements and mining information (together, the **Sale Assets**) for A\$75 million (**Proposed Transaction**). The Proposed Transaction also includes RRJV paying an upfront non-refundable exclusivity fee of \$650,000. A summary of the Sale Agreement is set out in Annexure A;
- (b) a loan agreement (**Zanthus Loan Agreement**) between Robe River Mining Co Pty Ltd (**RRMC**) and Zanthus pursuant to which RRMC agrees to provide Zanthus with a working capital loan facility of \$3,850,000 (**Zanthus Loan**) secured by a specific security deed (**Specific Security Deed**), pursuant to which the Zanthus Loan is secured against all of Zanthus' interest in the exploration licence E08/1686 (**E08/1686**) and a featherweight security over all other assets of Zanthus to enable the enforcement of the security against E08/1686. A summary of the terms of the Zanthus Loan Agreement is set out in Annexure B; and
- (c) in addition, to facilitate the Robe River JV Offer, there is a release deed (**Release Deed**) between Zanthus, ZanF Pty Ltd (**ZanF**) and Mr Mark Creasy pursuant to which ZanF and Mr Mark Creasy agree to waive all relevant rights in respect of the Sale Assets under the Yarraloola Joint Venture to enable the Sale Assets to be transferred to RRJV, including any rights or pre-emption, any prospecting rights and rights to receive a royalty over the Tenements. A summary of the terms of the Release Deed is set out in Annexure C.

The Robe River JV Offer is irrevocable and open for acceptance by CZR until 8:00pm (AWST) on Thursday, 17 April 2025.

Superior Proposal Determination

The CZR Board has carefully reviewed the terms of the Robe River JV Offer and has determined that it is a Superior Proposal under the terms of the bid implementation agreement between Fenix Resources Ltd and CZR (**Fenix BIA**) because it:

- is reasonably capable of being valued and completed in a timely basis in accordance with its terms; and
- is more favourable to CZR shareholders than the transaction contemplated by the Fenix takeover offer (**Fenix Transaction**), taking into account all terms and conditions of the Proposed Transaction.

The CZR Board determined that the terms of the Robe River JV Offer constitute a Superior Proposal for reasons including (but not limited to):

(a) Offer Price

The consideration of \$75 million represents a significant premium to the all-scrip Fenix Transaction (0.85 FEX shares for every 1 CZR share).

(b) Cash versus FEX Scrip

CZR has assessed that the post-tax cash available will be c. \$68m, which will enable CZR to develop its Retained Projects (defined below) without the need for dilutive capital raisings. The cash consideration also reduces CZR's exposure to capital and commodity markets in a highly volatile period, while allowing it to assess new business opportunities and/or consider a return of capital to shareholders.

(c) Retain Project Value

CZR will retain its non-Robe Mesa project portfolio (**Retained Projects**), including the:

- 50% interest in Ashburton Link and the proposed Port of Ashburton export facility, plus extensive iron ore prospects located on the retained Yarraloola project;
- highly prospective Croydon Gold Project, with high grade gold drill intersections and located in a similar geological setting to De Grey Mining's 11.2 Moz Hemi gold discovery (refer to DEG's ASX announcement dated 14 November 2024);
- Buddadoo project, where the company is targeting the large-scale Buddadoo titanium-vanadium magnetite project, plus several copper-gold prospects; and
- Shepherd's Well and Yarrie exploration projects.

Matching right – Fenix Resources Ltd

CZR has provided notice to Fenix of its determination that the Robe River JV Offer is a Superior Proposal and has commenced the matching right process with Fenix in accordance with the terms of the Fenix BIA. Fenix has a right to submit a proposal to amend the terms of the Fenix Transaction, including by increasing the amount of consideration offered under the Fenix Transaction or proposing any other form of transaction (each a **Counter Proposal**). The matching period is due to expire at 5.00pm (AWST) on Thursday, 17 April 2025.

Next steps

If Fenix provides a Counter Proposal, the CZR Board must review the Counter Proposal in good faith to determine whether that Counter Proposal would be demonstrably more favourable to CZR and the CZR Shareholders than the Robe River JV Offer. CZR will keep Shareholders informed of any Counter Proposal received from Fenix.

CZR Board Recommendation

In accordance with the process outlined in the Fenix BIA, the formal recommendation of the CZR Directors in relation to the Fenix Transaction will not change until the completion of the matching right process.

Shareholder support

CZR's largest shareholder, Mark Creasy (together with his associates) (the **Creasy Group**) has provided a voting intention statement confirming that if the Robe River JV Offer proceeds, the Creasy Group intends to attend (either in person, by proxy, power of attorney or body corporate representative) the CZR shareholder meeting to approve the Proposed Transaction for the purposes of ASX Listing Rule 11.2 (**Asset Sale Meeting**) and at such Asset Sale Meeting, intends to vote or cause to be voted, by proxy or otherwise all of the Creasy Group's CZR shares then held in favour of the resolution to approve the Proposed Transaction (**Asset Sale Resolution**), in the absence of a superior proposal (at the Creasy Group's absolute discretion).

This announcement has been authorised for release by the Board of directors of CZR.

Stefan Murphy
Managing Director
CZR Resources Ltd
+61 8 9468 2050

Media
Paul Armstrong
Read Corporate
+61 8 9388 1474

Annexure A – Summary of the Sale Agreement

- 1 **(Transaction)** RRJV will acquire, in their respective acquiring interests, Zanthus' interests in the Tenements and the plant and equipment located on the Tenements and associated mining information (**Sale Assets**) from Zanthus for cash consideration of A\$75,000,000 (as adjusted in accordance with the Sale Agreement) (**Purchase Price**) payable at completion.
- 2 **(Conditions Precedent)** The Proposed Transaction is conditional upon:
 - (a) RRJV obtaining approval for the Foreign Investment Review Board in relation to the Proposed Transaction;
 - (b) the Minister consenting to the transfer of Zanthus' interests in the Tenements to RRJV (if and to the extent that the Minister's consent is required under the *Mining Act 1978* (WA));
 - (c) CZR obtaining the consents and approvals from third parties required for the transfer of the Sale Assets pursuant to the Proposed Transaction;
 - (d) CZR obtaining shareholder approval for the Proposed Transaction on or by 30 May 2025 (unless adjourned by CZR due to a Superior Proposal), or such later date that CZR and RRJV agree in writing; and
 - (e) RRJV obtaining approval from relevant foreign government agencies in relation to restrictive trade practices, anti-trust, national interest or similar approvals (or equivalent) which are mandatory for RRJV to obtain for the Proposed Transaction either on an unconditional basis or on conditions acceptable to the relevant RRJV participant.
- 3 **(Exclusivity obligations)** For the period commencing on the date of the Sale Agreement and ending on the later of completion or termination of the Sale Agreement (**Exclusivity Period**), CZR must not, and must procure that each of its representatives does not, directly or indirectly:
 - (a) **(No existing discussions)**
 - (i) engage in any discussions with any third party in relation to a Competing Proposal;
 - (ii) provide due diligence access or make available any non-public information to third parties and to the extent that such non-public information has been provided to third parties, CZR must, and must procure that each of its representatives, procure the return or destruction of such non-public information by the third parties; and
 - (iii) terminate, waive, amend or modify any provision of any existing confidentiality and standstill agreements and must use reasonable endeavours to enforce all standstill and confidentiality agreements;
 - (b) **(No shop)** solicit, invite, encourage or initiate any Competing Proposal or any Potential Competing Proposal with any third party or assist, encourage procure or induce any person to do any of those things on its behalf;
 - (c) **(No talk)** subject to the fiduciary exception (described below):
 - (i) enter into or continue negotiations or discussions with any third party in relation to a Competing Proposal or Potential Competing Proposal, or that may reasonably be expected to encourage or lead to a Competing Proposal 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 a Competing Proposal or Potential Competing Proposal;

- (iii) communicate to any person an intention to do any of those things; or
 - (iv) assist, encourage, procure or induce any person to do any of those things on its behalf,
- even if the Competing Proposal or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by CZR or any of its representatives or has been publicly announced; and

- (d) **(No due diligence)** subject to the fiduciary exception (described below), make available to any third party, or cause or permit any third party (other than a government agency) to receive, any non-public information relating to CZR or Zanthus (and its related bodies corporate) that may reasonably be expected to assist such third party in formulating, developing or finalising a Competing Proposal or a Potential Competing Proposal or assist, encourage, procure or induce any person to do any of those things on its behalf.

4 **(Notification)** subject to the fiduciary exception (described below):

- (a) during the Exclusivity Period, CZR must promptly and without undue delay (and in any event within one business day) notify RRJV in writing of the fact of:
 - (i) any approach, inquiry or proposal made by any third party to CZR or any of its representatives, to initiate any discussions or negotiations that concern a Competing Proposal or Potential Competing Proposal; and
 - (ii) any request made by any third party to CZR or any of its representatives, for any non-public information relating to it, Zanthus and its related bodies corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal, whether oral or in writing,

with such notice accompanied by the material terms and conditions (including price, conditions precedent, timetable and break fee (if any)) of any Competing Proposal or Potential Competing Proposal (to the extent then known), and the identity of the proponent of the Competing Proposal or Potential Competing Proposal; and

- (b) during the Exclusivity Period, CZR must immediately provide RRJV with a copy of (in the case of written materials) or a written statement (in any other case) of, any material non-public information regarding the operations of the Zanthus, CZR and their related bodies corporate made available by it to any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal and which has not previously been provided to RRJV.

5 **(Matching right)** CZR may only enter into any agreement, commitment, arrangement or understanding relating to the Competing Proposal (other than a confidentiality agreement) during the Exclusivity Period if:

- (a) the Directors have made the determination contemplated by paragraph 6(b)(iii) in respect of that Competing Proposal;
- (b) it has given RRJV written notice of the proposal to enter into the relevant agreement, commitment, arrangement or understanding;
- (c) it has given RRJV all information that would be required under the notification obligations together with the identity of the proponent of the Competing Proposal or Potential Competing Proposal); and
- (d) RRJV's matching rights (described below) have been exhausted.

If CZR gives a notice to RRJV, RRJV will have the right, but not the obligation, at any time during the period of 5 business days after the day on which RRJV receive the notice, to propose to amend the terms of the Proposed

Transaction including by increasing the amount of consideration offered under the Proposed Transaction or proposing any other form of Proposed Transaction (each a **RRJV Counter Proposal**), and if RRJV provide a RRJV Counter Proposal to CZR, the CZR Directors must review the RRJV Counter Proposal in good faith and if the CZR Directors determine that the RRJV Counter Proposal would be demonstrably more favourable to CZR and CZR shareholders than the Competing Proposal (having regard to the matters required to satisfy the fiduciary exception), then RRJV and CZR must use their best endeavours to agree the amendments to the Sale Agreement that are reasonably necessary to reflect the RRJV Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and CZR must recommend the RRJV Counter Proposal to the CZR shareholders and not recommend the applicable Competing Proposal.

6 (Fiduciary exception)

- (a) If the fiduciary exception applies, CZR must enter into a confidentiality agreement with the third party who has made the applicable Competing Proposal or Potential Competing Proposal.
- (b) The no-talk, no-due diligence restrictions and notification obligations do not apply to the extent they restrict CZR or any CZR Board member from taking or refusing to take any action with respect to a Competing Proposal or Potential Competing Proposal (in relation to which there has been no contravention of the no shop restriction), in each case, provided that:
 - (i) the condition relating to CZR shareholder approval for the Asset Sale Resolution has not been satisfied;
 - (ii) the Competing Proposal or Potential Competing Proposal is bona fide and is made by or on behalf of a person that the Directors consider is of sufficient commercial standing to implement the Competing Proposal; and
 - (iii) the CZR Directors have determined in good faith after consultation with its external legal and (if applicable) financial advisors that:
 - (A) the Competing Proposal is, or could reasonably be expected to lead to, a Superior Proposal; or
 - (B) the Potential Competing Proposal could reasonably be expected to lead to, a Superior Proposal if it were to be proposed; or
 - (C) failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal or Potential Competing Proposal would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of any CZR Board member.

RRJV acknowledges that the existence of a standstill obligation between CZR and Zanthus (and their related bodies corporate) and the person making Competing Proposal and that any requirement to waive a standstill obligation as part of a Competing Proposal will not impact on or preclude the determination by the CZR Board as to whether such Competing Proposal is a Superior Proposal.

7 (CZR Directors recommendation) CZR represents and warrants to RRJV that:

- (a) the CZR Directors will announce to ASX that they unanimously recommend that CZR shareholders vote in favour of the Asset Sale Resolution, in the absence of a Superior Proposal;
- (b) each CZR Director has given his or her consent to the inclusion of a statement in the announcement of the Proposed Transaction and the notice of meeting, that they will:

- (i) unanimously vote in favour of, or procure the voting in favour of, the Asset Sale Resolution in respect of all CZR shares held or controlled by them, in the absence of a Superior Proposal; and
- (ii) unanimously recommends, or will procure the unanimous recommendation of the CZR Board, that CZR shareholders vote in favour of the Asset Sale Resolution in the absence of a Superior Proposal; and
- (c) it will use its best endeavours to procure that each CZR Director will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with the above recommendations unless a Superior Proposal emerges (other than as a result of a breach of the exclusivity obligations under the Sale Agreement) and the matching right procedure has been fully complied with by CZR.

8 **(Break fee)** CZR must pay RRJV a break fee of A\$650,000 (without set-off, counterclaim or withholding) if, during the Exclusivity Period:

- (a) a Competing Proposal is announced or made by a third party, the Sale Agreement is terminated and within 12 months after the announcement the third party announcing or making the Competing Proposal:
 - (i) directly or indirectly acquires control of CZR or any of its subsidiaries;
 - (ii) directly or indirectly acquires or becomes the holder of any interest in all or a substantial part of the business or assets of CZR or any of its subsidiaries; or
 - (iii) otherwise acquires or merges with CZR;
- (b) any CZR Director withdraws or adversely modifies his or her support of the Proposed Transaction or his or her recommendation that CZR shareholders vote in favour of the Asset Sale Resolution, or makes a public statement indicating that they no longer support the Proposed Transaction and the Sale Agreement is terminated;
- (c) any CZR Director accepts or supports (including by way of voting for) or publicly states an intention to accept or support, or recommends that CZR shareholders accept or support, a Competing Proposal and the Sale Agreement is terminated; or
- (d) RRJV are entitled to terminate the Sale Agreement:
 - (i) due to the conditions precedent not being satisfied or waived on or before 1 October 2025 (or such later date that Zanthus and RRJV agree in writing), and CZR and Zanthus have not complied with their obligations in relation to the conditions precedent to, amongst others, use all reasonable endeavours to procure the satisfaction of the conditions precedent; or
 - (ii) pursuant to the termination rights described in paragraph 12(b).

9 **(Exclusivity Fee)** RRJV agrees to pay A\$650,000 (excluding GST) within one (1) business day of the execution of the Sale Agreement **(Exclusivity Fee)**. The Exclusivity Fee is a non-refundable fee paid by RRJV as consideration for CZR entering into and granting the exclusivity rights in favour of RRJV and is not repayable to RRJV under any circumstances. However, if completion of the Proposed Transaction occurs **(Completion)**, the Exclusivity Fee forms part of the Purchase Price and will be applied as part payment of the Purchase Price at Completion.

10 **(Budget Expenditure)** CZR and RRJV have agreed a work program and budget for the exploration activities and for any planned heritage survey to be conducted on the Tenements by Zanthus in the period leading up to Completion. Subject to RRJV confirming that the expenses incurred by Zanthus on exploration activities on the Tenements complies with the approved work program and budget, such expenses incurred by Zanthus will be reimbursed by RRJV. The remaining outstanding amount payable by Zanthus under the Zanthus Loan will be offset against the Purchase Price (A\$75 million) if Completion occurs or will be repayable in accordance with the terms of the Zanthus Loan as summarised in Annexure B.

11 **(Termination)** The Sale Agreement may be terminated by:

- (a) either party, if that party has complied with its obligations in relation to the conditions precedent and the conditions precedent are not satisfied on or before 1 October 2025 (unless extended by mutual agreement between the parties) or a condition is or becomes incapable of being satisfied;
- (b) RRJV, any time before Completion by notice in writing to Zanthus if:
 - (i) an Insolvency Event occurs in respect of Zanthus or CZR;
 - (ii) a Material Adverse Change occurs;
 - (iii) any CZR Board member withdraws or adversely modifies his or her support of the Proposed Transaction or his or her recommendation that CZR shareholders vote in favour of the Asset Sale Resolution, or makes a public statement indicating that they no longer support the Proposed Transaction; or
 - (iv) any CZR Board member accepts or supports (including by way of voting for) or publicly states an intention to accept or support, or recommends that CZR shareholders accept or support, a Competing Proposal; and
- (c) Zanthus:
 - (i) any time before Completion by notice in writing to RRJV if an Insolvency Event occurs in respect of RRJV; or
 - (ii) prior to the Asset Sale Meeting, by notice in writing to RRJV if the CZR Board has determined that a Competing Proposal is a Superior Proposal, subject to the CZR Board having complied with the matching rights obligation.

12 **(Other)** The Sale Agreement contains other clauses customary for a transaction of this nature including, but not limited to pre-Completion conduct obligations, warranties, limitations of claims and indemnities.

13 **(Definitions)**

"Competing Proposal" means any expression of interest, proposal, offer, agreement, arrangement or transaction (other than the Proposed Transaction) 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 (other than as custodian, nominee or bare trustee) will:
 - (i) acquire a relevant interest in, become the holder of, or otherwise have a right to acquire a legal, beneficial or economic interest in 20% or more of the share capital of CZR;
 - (ii) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material part of the business or assets of CZR;
 - (iii) acquire control of CZR or Zanthus (or their related bodies corporate); or
 - (iv) otherwise directly or indirectly acquire, merge or amalgamate with CZR;
- (b) will require Zanthus to abandon, or otherwise fail to proceed with the Proposed Transaction,

whether by way of takeover bid, shareholder approved acquisition, members' or creditors' scheme of arrangement, capital reduction, share buy-back or repurchase, sale of assets, sale or purchase of securities or assets, assignment of assets and liabilities, strategic alliance, dual listed company structure or joint venture or synthetic merger, deed of company arrangement, any debt for equity arrangement or other transaction or

arrangement. Notwithstanding the above, the acquisition of a relevant interest in CZR shares by Mark Creasy (and his associates) in accordance with item 9 of section 611 of the *Corporations Act 2001* (Cth) (**Corporations Act**) will not constitute a Competing Proposal.

"Insolvency Event" means an event that occurs in respect of a party if:

- (a) the party stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
- (b) the party is insolvent within the meaning of section 95A of the Corporations Act;
- (c) a court is required by reason of section 459C(2) of the Corporations Act to presume that the party is insolvent;
- (d) the party fails to comply with statutory demand (as defined in the Corporations Act);
- (e) an administrator is appointed over all or any of the party's assets or undertaking or any step preliminary to the appointment of an administrator is taken;
- (f) a controller (as defined in the Corporations Act) or similar officer is appointed to all or any of the party's assets or undertakings; or
- (g) an application or order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting or an application to a court or other steps are taken (other than frivolous or vexatious applications, proceedings, notices or steps) for the party's winding up or dissolution or for the party to enter an arrangement, compromise or composition with or assignment for the benefit of its creditors, a class of them or any of them; or
- (h) the equivalent to one or more of the circumstances above.

"Material Adverse Change" means the occurrence, after the date of the Sale Agreement but prior to Completion, of an event or series of related events which:

- (a) directly causes physical loss, or damage to, or destruction of the mining lease 08/533, where such directly caused physical loss, damage or destruction would result, or be likely to result, in aggregate remediation, repair or replacement costs exceeding A\$2,500,000;
- (b) gives rise to the suspension, revocation, invalidity, unenforceability, materially adverse variation, premature lapse or premature termination of all or any material rights under any mining lease 08/533,

but does not include any event or series of related events:

- (c) arising as a direct result of RRJV accessing the Tenements;
- (d) required or expressly permitted by the Sale Agreement or the Zanthus Loan Agreement;
- (e) done with the prior written consent of RRJV;
- (f) fairly disclosed in the disclosure materials provided to RRJV;
- (g) fairly disclosed in public filings of CZR on the ASX in the 24 months before the date of the Sale Agreement;
- (h) arising as a result of any changes in general economic, industry, regulatory or political conditions, commodity prices (including the iron ore price) or the securities or other capital markets (including changes in interest rates), which impact on Zanthus and its related bodies corporate and their competitors in substantially the same way;
- (i) arising as a result of any generally applicable change in law or governmental policy in Western Australia;

- (j) arising as a result of any war, act of terrorism, civil unrest or similar event occurring or any act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, adverse weather conditions.

"Potential Competing Proposal" means any offer, proposal or expression of interest which is not, but which could reasonably be expected to become, a Competing Proposal.

"Superior Proposal" means a bona fide, written Competing Proposal (and not resulting from a breach of the exclusivity obligations under the Sale Agreement), which the CZR Board, acting in good faith and in order to satisfy what the CZR Board considers to be its fiduciary or statutory duties, and after having obtained written advice from CZR's legal and (if applicable) financial advisors:

- (a) is reasonably capable of being valued and completed in a timely basis, taking into account all aspects of the Competing Proposal and the person making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedent; and
- (b) is more favourable to CZR shareholders (as a whole) than the Proposed Transaction, taking into account all terms and conditions of the Competing Proposal.

Annexure B – Summary of the Zanthus Loan Agreement

- 1 **(Zanthus Loan)** RRMCM has agreed to provide Zanthus with a cash advance of up to A\$3,850,000 (**Zanthus Loan**) for working capital purposes of Zanthus and CZR, as well as refinancing any other finance debt of Zanthus and CZR.
- 2 **(Draw Down)** subject to the satisfaction of the conditions precedent (detailed below), Zanthus can draw down amounts of not less than A\$500,000 per advance or aggregating more than the Zanthus Loan on two business days' notice.
- 3 **(Interest)** interest accrues daily based on the 3-month BBR reference rate plus a margin of 3% per annum.
- 4 **(Security)** the Zanthus Loan is secured against all of Zanthus' interest in E08/1686 and a featherweight security over all other assets of Zanthus to enable the enforcement of the security against E08/1686, pursuant to the Specific Security Deed.
- 5 **(Conditions precedent)** the obligations of RRMCM to make a loan available are subject to the following conditions precedent:
 - (a) the Sale Agreement having been duly executed by all parties and remains in full force and effect;
 - (b) evidence that the security in respect of any of the secured money has been registered or RRMCM has been provided with necessary documents to effect its registration;
 - (c) evidence that ZanF has provided:
 - (i) consent to the granting of and enforcement of the security in respect of any of the secured money; and
 - (ii) its agreement to the access deed term sheet in relation to exploration licence E08/1686;
 - (d) the representations and warranties by Zanthus in the finance documents are true in all material respects and not misleading as though they had been made at each date in respect of the facts and circumstances then subsisting; and
 - (e) no Event of Default continues or will result from the provision of the financial accommodation.
- 6 **(Repayment)** Zanthus shall repay the advances on the earliest to occur of the following:
 - (a) 60 days after receipt by Zanthus of a written demand by RRMCM following the occurrence of:
 - (i) the CZR Board recommending a Superior Proposal;
 - (ii) an entity, or entities acting in concert (other than the entity or entities that currently Control), acquiring Control of Zanthus or CZR;
 - (iii) the Sale Agreement being validly terminated under paragraphs of 11(a), 11(b) and 11(c)(ii) of Annexure A;
 - (b) 90 days after receipt by Zanthus of a written demand by RRMCM following the Sale Agreement being validly terminated other than under paragraphs 11(a), 11(b) and 11(c)(ii) of Annexure A; and
 - (c) Completion occurs (in which case the secured money will be satisfied by set-off against the Purchase Price).
- 7 **(Prepayment)** Zanthus may, if it gives RRMCM at least 5 business days' notice (or such shorter period as RRMCM may agree), prepay all but not part of an advance (including any interest accrued), without penalty or break costs.

8 **(Event of Default)** if an Event of Default (whether or not it is in Zanthus' control) occurs and is continuing, RRM C may by notice to Zanthus:

- (a) declare the secured money due and payable:
 - (i) in relation to an Event of Default in relation to an administration, winding up, arrangements or insolvency, on a date no earlier than 5 business days from the date of notice; and
 - (ii) in all other cases, on a date no earlier than 10 business days from the date of the notice; and/or
- (b) cancel further drawdowns under the Zanthus Loan.

An "**Event of Default**" includes an event where:

- (a) Zanthus fails to pay an amount owed to RRM C when due or comply with any of its other obligations unless capable of remedy within 14 days;
- (b) a representation, warranty or statement by or on behalf of Zanthus is not true in a material respect or is misleading when made or repeated (unless capable of remedy within 14 days);
- (c) an administrator is appointed to Zanthus;
- (d) other than a solvent reconstruction approved by RRM C, an application or order is made, proceedings commenced or a resolution is passed or a notice of meeting or application to court is made for the winding up, dissolution or administration of Zanthus or Zanthus entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them;
- (e) Zanthus is insolvent, presumed insolvent or stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
- (f) all or any material part of the Zanthus Loan Agreement or associated financing documents is terminated or is or becomes void, illegal, invalid, unenforceable or of limited force and effect; or
- (g) an authorisation material to Zanthus' performance under the Zanthus Loan Agreement or associated financing documents is repealed, revoked or terminated or expires.

Annexure C – Summary of the Release Deed

- 1 **(Zanthus, ZanF and Mark Creasy acknowledgements)** the parties acknowledge and agree that:
- (a) with effect immediately before Completion, each Tenement and any other Sale Assets which are part of the joint venture agreement between Zanthus, ZanF and Mark Creasy (**JVA**) will cease to be a part of the JVA upon being transferred to RRJV under the Sale Agreement and shall no longer form part of the Yarraloola Joint Venture; and
 - (b) on and from the date that Zanthus fails to pay secured money under the Zanthus Loan Agreement, the terms of the access arrangement in relation to exploration licence E08/1686 prescribed Release Deed (**Access Deed Terms**) become binding on the parties, and the parties must use reasonable endeavours to agree the terms of an access deed with RRMC to govern access to exploration licence E08/1686 that are consistent with the Access Deed Terms and otherwise contain commercially standard terms for access arrangements of the nature contemplated in the Access Deed Terms.
- 2 **(ZanF and Mark Creasy acknowledgements)** ZanF and Mark Creasy:
- (a) acknowledge and agree that, they would not amend the JVA, and would not exercise any rights or take any actions under the JVA that would have the effect of frustrating or otherwise delaying Completion for the transfer of Zanthus' interests in the Tenements to RRJV;
 - (b) waive all pre-emptive rights under the JVA in relation to the Tenements;
 - (c) will release all security interest in favour of them under the JVA in relation to the Tenements; and
 - (d) consent to Zanthus granting security to RRMC in connection with the Zanthus Loan Agreement.
- 3 **(Mark Creasy acknowledgement)** Mark Creasy acknowledges and agrees that all prospecting rights under the JVA in relation to the Tenements cease on completion of the Sale Agreement.
- 4 **(New Joint Venture Agreement)**
- (a) ZanF and Mark Creasy acknowledge and agree that, for a period of 120 days after Completion (or such longer period as may be agreed in writing with RRJV) (**Negotiation Period**), they must use reasonable endeavours to agree the terms of a new joint venture agreement with RRJV (or their related bodies) on terms consistent with the JVA which incorporates the arrangement contemplated in paragraph 4(b) of this Annexure C and will govern their respective interests in the Tenements through to a decision to mine and development and operation (the terms relating to development and operation of a mine will not apply until there has been a valid decision to mine) (**New JVA**). The New JVA would commence on and from the date the New JVA is agreed (or such other date as agreed between the parties).
 - (b) The terms of the New JVA shall be consistent with the requirements of the JVA, other than:
 - (i) Mark Creasy will not be a party to any such arrangement and will not have any prospecting rights which currently exist under the JVA;
 - (ii) no royalty of any kind shall be payable to ZanF or Mark Creasy in connection with the Tenements;
 - (iii) such arrangement shall also govern all exploration activities, pre-development activities, and the decision to mine, and any decisions in relation to such matters shall be made by majority vote;
 - (iv) the minimum interest for a joint venture participant shall be 4% (which may trigger a buy out right); and

- (v) the manager of the joint venture will be nominated by RRJV.

If a joint venture agreement is not able to be agreed with RRJV during the Negotiation Period, then the terms of the existing JVA will apply to the Tenements other for the matters identified in paragraphs 4(b)(i), 4(b)(ii), 4(b)(iv) and 4(b)(v).

For personal use only