

10 November 2021

Andromeda and Minotaur to Combine

Creating a Leading Australian Industrial Minerals and Technology Company Minotaur's Shareholders to Participate in New Minerals IPO

- **Andromeda and Minotaur to create a leading Australian kaolin/halloysite and technology company by consolidating 100% ownership of the Great White kaolin project and Natural Nanotech into Andromeda**
- **Andromeda to acquire Minotaur via a unanimously recommended off-market takeover offer with 1.15 new Andromeda shares offered for every 1 Minotaur share**
- **The offer values Minotaur at 20.8 cents per share¹ representing a:**
 - 59.8% premium to last close of Minotaur shares on 8 November 2021
 - 55.1% premium to 5-day VWAP
 - 67.6% premium to 30-day VWAP
- **An accretive transaction for Andromeda that unlocks significant strategic and financial benefits by:**
 - Increasing Andromeda shareholders' effective equity interest in Great White and Natural Nanotech
 - Consolidating 100% ownership of Great White and Natural Nanotech into a single entity to provide Andromeda full development optionality
 - Simplifying ownership and streamlining management of Great White ahead of DFS completion, financing and construction
 - Enhancing project finance and development alternatives that are expected to optimise the funding and development of Great White
 - Creating a company with increased scale, market relevance and trading liquidity
 - Providing an enhanced investment proposition for existing and new shareholders with potential for market re-rating of Andromeda's share price post Offer completion
- **Minotaur shareholders will hold ~19.5% interest in the enlarged Andromeda thereby:**
 - Retaining significant exposure to the upside of Great White and Natural Nanotech
 - Gaining exposure to Andromeda's broader kaolin projects and other initiatives
 - Benefiting from Andromeda's strong market knowledge, development team and the combined company's enhanced scale and financial strength
 - Mitigating the risk associated with funding and development risks associated with developing Great White as a minority joint venture partner
- **In addition, Minotaur to separately demerge its copper and gold assets into Minotaur subsidiary, Breakaway, which it intends to list on the ASX:**
 - Minotaur shareholders to retain full exposure to the potential upside of these assets via a pro-rata distribution of shares in Breakaway
 - Continuing to benefit from Minotaur's strong exploration and project generation expertise

¹ Based on 5 day volume weighted average price (VWAP) of Andromeda shares on ASX of 18.1 cents prior to and including 8 November 2021

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Transaction Overview

Andromeda Metals Limited (“**Andromeda**”) (ASX: ADN) and Minotaur Exploration Limited (“**Minotaur**”) (ASX: MEP) are pleased to announce that they have entered into a Bid Implementation Agreement (“**BIA**”), pursuant to which Andromeda will offer to acquire all the issued ordinary shares of Minotaur by way of an off-market takeover offer (“**Offer**”).

The Offer, once fully implemented, will result in Andromeda consolidating 100% ownership of both the Great White Kaolin Project (“**Great White**”) and Natural Nanotech Pty Ltd (“**Natural Nanotech**”) via the acquisition of Minotaur’s current 25% and 50% respective joint venture interests in Great White and Natural Nanotech.

The Offer is accretive for Andromeda, provides Andromeda shareholders with an increased effective interest in Great White and Natural Nanotech, whilst delivering significant strategic and financial benefits. 100% ownership of Great White will deliver a simplified and streamlined ownership and will enable the design, funding mix and timetable for development of Great White to be optimised. Similarly, 100% ownership of Natural Nanotech will enable enhanced development and commercialisation of any future intellectual property in relation to new technology created for halloysite applications and uses, including battery technology, water purification and carbon capture.

The Offer delivers a compelling premium for Minotaur shareholders and implies a Minotaur equity valuation of \$108 million². Minotaur shareholders will own approximately 19.5% of Andromeda post the Offer being fully implemented.

Andromeda, post the Offer being fully implemented, will become a company with enhanced scale and market relevance, with an implied market capitalisation of \$552 million (prior to any re-rate) and where the all-scrip consideration of the Offer will preserve Andromeda’s strong balance sheet which has current cash of \$46 million and nil debt (as at 30 September 2021).

In addition, Minotaur intends to demerge its existing copper and gold exploration assets through its subsidiary, Breakaway Resources Pty Ltd (“**Breakaway**”), via a pro-rata in specie distribution of Breakaway shares (the “**Demerger**”) to Minotaur shareholders. The Demerger enables Minotaur shareholders to retain full exposure to the value and the potential upside of these assets and the benefit of Minotaur’s highly credentialled board and management team in a clearly focused exploration company which is intended to be listed on the Australian Securities Exchange (“**ASX**”).

The Offer and Demerger will be undertaken in parallel, with the Demerger completed by way of an equal capital reduction. The Demerger is subject to Minotaur shareholder approval.

Details of the Offer

Under the Offer, Minotaur shareholders will receive 1.15 Andromeda shares for every one Minotaur share held (“**Offer Ratio**”).

Based on the 5-day VWAP of Andromeda’s shares of \$0.181 on 8 November 2021, being the last trading day before the announcement of the Offer (“**Announcement Date**”), the Offer Ratio values

² Using the Implied Offer Price.

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Minotaur at \$108 million and implies a value of \$0.208 per Minotaur share (the “**Implied Offer Price**”).

The Implied Offer Price represents a premium of:

- 59.8% to Minotaur’s last close price of \$0.130 prior to the Announcement Date;
- 55.1% to Minotaur’s 5-day volume weighted average price (“**VWAP**”) of \$0.134 up to the Announcement Date; and
- 67.6% to Minotaur’s 30-day VWAP of \$0.124 up to the Announcement Date;

The Offer is subject to certain conditions customary for a transaction of this nature, including a 90% minimum acceptance condition, deal protection mechanisms including “no shop, no talk” restrictions, a market-standard break fee payable in certain circumstances and Minotaur Shareholder approval for the Demerger.

The Offer will extend to all Minotaur shares, including those issued as a result of the exercise of options during the Offer period. Separate offers are being made for unlisted options in Minotaur, on terms that are consistent with the Offer.

The Offer terms will provide that Minotaur shareholders who accept their Minotaur shares into the Offer will retain the rights to vote those shares on the resolutions to approve the Demerger and participate in the Demerger.

Further details of the Offer, including its material terms and conditions, can be found in the attached BIA.

The Andromeda’s Bidder’s Statement and Minotaur’s Target’s Statement are expected to be despatched to Minotaur shareholders by the end of November 2021. The Bidder’s Statement and Target’s Statement will set out important information, including how to accept the Offer, information about Andromeda and the key reasons as to why Minotaur shareholders should accept the Offer.

Minotaur Board Recommendation and Shareholder Support

The Minotaur Board of Directors unanimously recommend that Minotaur shareholders accept the Offer, in the absence of a superior proposal.

Minotaur’s Directors have advised they will accept the Offer in respect of all Minotaur shares they own or control (representing 1.8% of Minotaur’s issued shares) within 5 days after the Offer has opened, in the absence of a superior proposal.

In addition, several of Minotaur’s largest shareholders (representing 12.9% of Minotaur’s issued shares) have indicated to Minotaur their intention to accept the Offer for all the shares they currently own or control, in the absence of a superior proposal. Those shareholders have consented to the inclusion of this intention statement in this announcement.

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Management Commentary

Andromeda's Managing Director, James Marsh, commented that the transaction and combination with Minotaur was logical and an exciting opportunity to unlock and create value:

"The acquisition of Minotaur and consolidation of the Great White Kaolin Project represents a significant step towards optimising value for both Andromeda and Minotaur shareholders. We view this acquisition and resultant consolidation of Great White and Natural Nanotech ownership as a logical positive next step in the evolution of the project, unlocking value for all Andromeda and Minotaur shareholders.

Great White is an exciting, low-cost project capable of supplying premium grade refined kaolin minerals into growing market demand for high value bright-white halloysite-kaolin in ceramic/paint sectors and other applications. Consolidating ownership of Great White provides for increased future funding flexibility and development optionality.

We will welcome Minotaur shareholders to Andromeda's register and for them to continue to benefit from further progress at Great White as we optimise the project and progress towards production in 2022."

Minotaur's Managing Director, Andrew Woskett, provided Minotaur's directors' view on the clear rationale of the transaction for Minotaur shareholders:

"It is an opportune time for Minotaur shareholders to crystallise value for Great White and Natural Nanotech, whilst retaining their exposure to Minotaur's copper and gold projects.

By accepting the Offer, Minotaur shareholders will realise immediate value for their stake in the Great White Project and maintain exposure to the project, via their new Andromeda shares. In addition, we are excited to be packaging up Minotaur's base metal and gold assets into subsidiary Breakaway and apply for its listing on the ASX, in which Minotaur shareholders will receive pro-rata shares. Breakaway will focus primarily on its gold, copper and base metals projects in Queensland and South Australia, continuing the quality work which has brought discovery recognition."

Details of the Demerger and Breakaway

Under the proposed Demerger, eligible Minotaur shareholders will receive shares in Breakaway on a pro-rata basis for Minotaur shares they hold at the record date for the Demerger.

Key details of Breakaway are summarised below:

- A copper and gold exploration focused company
- Ownership of Minotaur's existing copper gold exploration projects and joint venture interests located in Queensland and South Australia
- Minotaur current board, management and staff will transfer to Breakaway
- Cash of \$2 million (pre-costs of the IPO) on completion of the Demerger

The Demerger will entail a capital reduction and in specie distribution of shares in Breakaway to eligible Minotaur shareholders to effect the Demerger. The Demerger will require Minotaur shareholder approval.

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Breakaway intends to apply for listing on the ASX (subject to receipt of necessary approvals) raising new equity through issue of a Prospectus.

Further information in relation to the Demerger will be provided to Minotaur shareholders through separate announcements and Minotaur's Notice of Meeting.

Interim Funding

Andromeda and Minotaur have agreed on a budget for Minotaur for the period from the date of the BIA to the expected completion of the takeover ("**Approved Budget**").

Andromeda is making available to Minotaur an amount of up to \$4.0 million by way of short term funding for the purpose of funding expenditure within the Approved Budget and to seed Breakaway with up to \$2 million (pre-costs of the IPO) on completion of the Demerger.

Further detail on the interim funding arrangements, including triggers for maturity and methods of repayment, are set out in the funding deeds annexed to the BIA (available with this announcement) and will also be provided in the Bidder's and Target's Statements.

Timetables

Detailed information relating to the Offer and timetable will be set out in the Bidder's Statement and Target's Statement, which are expected to be dispatched to Minotaur shareholders in late November 2021.

The Demerger timetable will be set out in Minotaur's Notice of Meeting.

Great White DFS Update

In conjunction with this transaction announcement, Andromeda has released a separate announcement providing an update on its Definitive Feasibility Study ("**DFS**") at Great White. The DFS update outlines the strong progress made on the DFS, the significant work being completed on scenario analysis and optimisation, the potential inclusion of low start-up cost DSO and the benefits of project ownership consolidation. In order to optimise the DFS, further time is required to incorporate all of the advantages of 100% ownership and to complete further scenario and optimisation analysis. As such, Andromeda has deferred the release of the DFS to Q1 2022. For further detail on the DFS, refer ASX announcement "Definitive Feasibility Study Update" released 10 November 2021.

Advisors

Andromeda has appointed Taylor Collison as financial advisor and MinterEllison as legal advisor.

Minotaur has appointed Argonaut PCF as financial advisor and Steinepreis Paganin as legal advisor.

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For further information, please contact:

ANDROMEDA METALS

James Marsh

Managing Director

T: +61 8 8271 0600

E: james.marsh@andromet.com.au

Michael Zannes

Chief Financial Officer

T: +61 8 8271 0600

E: michael.zannes@andromet.com.au

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Andrew Woskett

Managing Director

T: +61 8 8132 3400

E: AWoskett@MinotaurExploration.com.au

Varis Lidums

Commercial Manager & Company Secretary

T: +61 8 8132 3400

E: VLidums@MinotaurExploration.com.au

Authorised for release to the ASX on behalf of Andromeda Metals by James Marsh, Managing Director.

Authorised for release to the ASX on behalf of Minotaur Exploration by Andrew Woskett, Managing Director.

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Bid implementation agreement

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Andromeda Metals Limited (**Andromeda**)

Minotaur Exploration Limited (**Minotaur**)

Breakaway Resources Pty Ltd (**Breakaway**)

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Bid implementation agreement

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Details

Date

10 November

2021

Parties

Name **Andromeda Metals Limited**
ABN 061 503 375
Short form name **Andromeda**
Notice details 69 King William Road, Unley SA 5061
Email: Michael.zannes@andromet.com.au
Attention: Michael Zannes

Name **Minotaur Exploration Limited**
ACN 108 483 601
Short form name **Minotaur**
Notice details Level 1, 8 Beulah Road, Norwood SA 5067
Email: admin@minotaurexploration.com.au
Attention: Company Secretary

Name **Breakaway Resources Pty Ltd**
ACN 061 595 051
Short form name **Breakaway**
Notice details Level 1, 8 Beulah Road, Norwood SA 5067
Email: admin@minotaurexploration.com.au
Attention: Company Secretary

Background

- A Andromeda is proposing to make a takeover bid to acquire all of the Shares on the terms set out in this agreement.
- B The Minotaur Directors have indicated that they intend to recommend the Offer in the absence of a Superior Proposal.
- C Minotaur has proposed to demerge the precious and base metals assets (as listed in Schedule 3) of the Minotaur Group by way of return of capital and distribution in specie of shares in Breakaway.
- D The parties have agreed to implement the Proposed Transaction and Demerger on, and subject to, the terms and conditions set out in this agreement.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement:

Adviser means, in relation to an entity, its legal financial and other expert advisers and agents.

Affiliate means, with respect to a particular entity, a Related Body Corporate of that entity as defined in the Corporations Act.

Agreed Announcement means the announcement set out in Schedule 2.

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

Andromeda Group means Andromeda and each of its Related Entities.

Andromeda Information means the information relating to the Andromeda Group, including the Andromeda Group's assets or liabilities, financial or trading position, profitability or prospectus.

Andromeda Indemnified Parties means Andromeda, its Related Entities and each of their respective shareholders, directors, company secretaries, employees and the Minotaur Group after the implementation of the Demerger.

Andromeda Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Andromeda Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph (a), which occurred before the date of this agreement but was not reasonably apparent from public filings by Andromeda before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Andromeda Group is likely, in Minotaur's opinion, to exceed \$20,000,000, but does not include:

- (c) an event, matter, change or circumstance caused, or materially contributed to, by Minotaur;
- (d) anything which has arisen solely as a result of any actions taken by any member of the Andromeda Group in the ordinary course of its business;
- (e) those events or circumstances required or permitted to be done or procured or not done or procured by Andromeda pursuant to this agreement;
- (f) an event, circumstance, matter or information that is Fairly Disclosed by Andromeda to Minotaur or known to Minotaur or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Andromeda with ASIC or provided to ASX on or prior to 3 Business Days before the date of this agreement (unless such event, circumstance, matter or information was not reasonably apparent from such filings with ASIC or ASX);
- (g) any event or matter which affects the mineral resources industry generally and which impacts on Andromeda and its competitors in a similar manner;
- (h) an event, matter, change or circumstance in or relating to:
 - (i) economic, business, regulatory or political conditions in general;
 - (ii) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (iii) any change to commodity market conditions in Australia, including kaolin prices; or
- (i) any change in accounting policy required by law;

- (j) costs and expenses associated with the Proposed Transaction or the Demerger to the extent that the amounts or estimates of the amounts are Fairly Disclosed to Minotaur;
- (k) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which Andromeda's insurers have agreed to pay; or
- (l) anything done with the prior written consent of Minotaur.

Andromeda Shares means fully paid ordinary shares in Andromeda.

Announcement Date means the date on which Andromeda and Minotaur announce publicly that Andromeda proposes to make the Offer.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given to that term in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) included a reference to this agreement.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

ASX Listing Rules means the official listing rules of ASX, as they may be waived or modified by ASX from time to time.

Authority means any government department, local government council, government or statutory authority or agency or any other person or entity under a law which has a right to impose a requirement on, or whose consent is required to carry out, operations.

Beneficiary means a present or former director or officer of Minotaur in respect of whom the Insurance Policy applies.

Bidder's Statement means the bidder's statement to be issued by Andromeda in relation to the Offer in accordance with the Corporations Act.

Business Day means a day on which:

- (a) ASX is open for trading in securities; and
- (b) banks are open for general banking business in Sydney, Australia.

Claim includes any claim, notice, demand, action, proceeding, litigation, investigation, judgment or Liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute and whether involving a third party or a party to this agreement.

Competing Transaction means any expression of interest, proposal, offer or transaction notified to the Minotaur Board which, if completed substantially in accordance with its terms, would mean a person (other than Andromeda or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in, or become the holder of:
 - (i) 20% or more of all Shares;
 - (ii) voting power of more than 20% in Minotaur; or
 - (iii) all (or a substantial part) of the business conducted by the Minotaur Group (excluding the Demerger Assets);
- (b) acquire Control of Minotaur; or
- (c) otherwise (directly or indirectly) acquire or merge with Minotaur or acquire an economic interest in the whole (or a substantial part) of Minotaur or its businesses or assets (excluding the Demerger Assets) (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

Conditions means the conditions to the Offer which are set out in paragraph 3 of Schedule 1.

Control has the meaning given to it in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth), as it may be modified by ASIC, including in respect of Andromeda, Minotaur and / or the Offer.

Counterproposal has the meaning given to that term in clause 7.5.

Costs means any costs, fees, charges, expenses or disbursements.

Date of this agreement means the date the last party to sign this agreement does so.

Demerger means the transaction to spin off the Demerger Assets to Minotaur Shareholders in accordance with the Demerger Terms.

Demerger Assets means the assets as set out in Schedule 3.

Demerger Terms means the terms and conditions set out in Schedule 4

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

End Date means the earlier of the:

- (a) expiration of the Offer Period, or any earlier date on which the Offer otherwise lapses or is withdrawn; and
- (b) termination of this agreement in accordance with clause 14.

Exclusivity Period means the period from and including the date of this agreement until the earliest of the:

- (a) date of termination of this agreement in accordance with its terms;
- (b) end of the Offer Period; and
- (c) date that is six months after the date of this agreement.

Fairly Disclosed means sufficient information has been disclosed in writing to a Party or any of its Advisers so as to enable a sophisticated investor with experience in transactions of the nature of the Proposed Transaction and familiar with a business similar to that of the business carried on by Minotaur and Andromeda (as applicable), would be aware of the substance and significance of the relevant information.

Foreign Minotaur Holder means a holder of Shares whose address in the Register is in a place outside of Australia or New Zealand, unless Andromeda determines (in its sole and absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Offer to a holder of Shares in the relevant jurisdiction and to issue to that holder of Shares Andromeda Shares on completion of the Offer and that it is lawful for that holder of Shares to participate in the Offer by the law of the relevant jurisdiction.

GST means a goods and services or similar tax imposed in Australia.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Exclusive Consideration has the meaning given to that term in clause 15.1.

GST Law has the meaning given to that term in the GST Act.

Input Tax Credit has the meaning it has in the GST Act.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it or its Subsidiaries is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property;
- (c) it or its Subsidiaries enters into a deed of company arrangement;
- (d) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement);
- (e) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;

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- (f) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
 - (g) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this agreement reasonably deduces it is so subject);
 - (h) it is otherwise unable to pay its debts when they fall due; or
 - (i) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Insurance Policy means the Minotaur directors and officers insurance policy in effect as at the date of this agreement.

Insurance Run Off Period means the period expiring on the date 7 years after the Retirement Date.

Liabilities means claims, debts, obligations, Losses, liabilities, costs and damages of any kind and however arising, including penalties, fines and interests and including those which are prospective or contingent and those the amount of which for the time being is not ascertained or ascertainable.

Loss means any damage, claim, action, liability, cost, expense, outgoing, payment, fine or penalty or other loss of whatever nature.

Material Contract means a contract or commitment requiring total payments by, or providing revenue to, a party in excess of \$200,000, but excluding any contract or commitment relating to the Great White Joint Venture or Great White Kaolin Project.

Minotaur Board means the board of directors of Minotaur.

Minotaur Director means a director of Minotaur as at the date of this agreement.

Minotaur Group means Minotaur and each of its Related Entities.

Minotaur Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which in the reasonable opinion of Andromeda:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Retained Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph (a), which occurred before the date of this agreement but was not reasonably apparent from public filings by Minotaur before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Retained Group is likely, in Andromeda's opinion, to exceed \$4,000,000, but does not include:

- (c) an event, matter, change or circumstance caused, or materially contributed to, by Andromeda;
- (d) anything which has arisen solely as a result of any actions taken by any member of the Minotaur Group in the ordinary course of its business;
- (e) those events or circumstances required or permitted to be done or procured or not done or procured by Minotaur pursuant to this agreement (including the Demerger);
- (f) an event, circumstance, matter or information that is Fairly Disclosed by Minotaur to Andromeda or known to Andromeda or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Minotaur with ASIC or provided to ASX on or prior to 3 Business Days before the date of this agreement (unless such event, circumstance, matter or information was not reasonably apparent from such filings with ASIC or ASX);
- (g) any event or matter which affects the mineral resources industry generally and which impacts on Minotaur and its competitors in a similar manner;
- (h) an event, matter, change or circumstance in or relating to:
 - (i) economic, business, regulatory or political conditions in general;

- (ii) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
- (iii) any change to commodity market conditions in Australia, including kaolin prices; or
- (i) any change in accounting policy required by law;
- (j) costs and expenses associated with the Proposed Transaction or the Demerger to the extent that the amounts or estimates of the amounts are Fairly Disclosed to Andromeda or any Related Person of Andromeda;
- (k) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which Minotaur's insurers have agreed to pay; or
- (l) anything done with the prior written consent of Andromeda.

Minotaur Prescribed Occurrence means any of the following (being the occurrences listed in section 652C of the Corporations Act):

- (a) Minotaur converts all or any of its shares into a larger or smaller number of shares;
- (b) Minotaur or a Retained Subsidiary resolves to reduce its share capital in anyway (other than as contemplated as part of the Demerger);
- (c) Minotaur or a Retained Subsidiary:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Minotaur or a Retained Subsidiary:
 - (i) issues shares or agrees to issue shares; or
 - (ii) grants an option over its shares or agrees to grant an option over its shares;
- (e) Minotaur or a Retained Subsidiary issues, or agrees to issue, convertible notes;
- (f) Minotaur or a Retained Subsidiary disposes, or agrees to dispose, of the whole (or a substantial part) of its business or property;
- (g) Minotaur or a Retained Subsidiary charges (or agrees to charge) the whole (or a substantial part) of its business or property;
- (h) Minotaur or a Subsidiary of Minotaur is Insolvent; or
- (i) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Minotaur or of a Subsidiary of Minotaur.

Notice of Meeting means a notice of meeting and accompanying explanatory memorandum to seek all necessary Minotaur shareholder approvals required to implement the Demerger.

Offer means the offer by Andromeda to Shareholders by way of the Proposed Transaction on terms no less favourable than the Agreed Terms in respect of the Shares on issue as at the date of the Offer.

Offer Period means the period during which the Offer will remain open for acceptance as specified in the Bidder's Statement, as extended in accordance with the Corporations Act.

Officer has the meaning given to that term in the Corporations Act.

Option means an option, issued by Minotaur prior to the date of this agreement, to acquire by way of issue an ordinary share in Minotaur.

Payee means a party who is reimbursed for Costs.

Proposed Transaction means the takeover bid or bids to be made by Andromeda for all of the issued Shares that it does not own as at the date of this agreement under Chapter 6 of the Corporations Act.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity (including a court), commission, tribunal, agency or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere, including any self-

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regulating organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange and the Takeovers Panel, the Foreign Investment Review Board, ASIC and any other securities regulator.

Register means the official register of Shares maintained by the Registry on Minotaur's behalf.

Registry means Boardroom Pty Limited or any other registry that Minotaur appoints to maintain the Register.

Reimbursement Fee means \$1,000,000.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Related Entity means an entity which:

- (a) is a Related Body Corporate of the first entity; and
- (b) is any consolidated entity (as defined in section 9 of the Corporations Act) which contains the entity;
- (c) is controlled by the first entity.

Related Person in respect of a party or its Related Bodies Corporate, each director, officer, employee, Adviser (and each director, officer, employee or contractor of that Adviser), agent or representative of that party or Related Body Corporate.

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

Representative means, in relation to a party:

- (a) each of the party's Related Entities;
- (b) each of the Officers, employees and Advisers of the party or of any of its Adviser's Related Entities.

Restriction Period means the period commencing on the date of this agreement and ending on the End Date.

Retained Asset means any asset of the Retained Group which is not a Demerger Asset.

Retained Group means Minotaur and each Retained Subsidiary

Retained Mineral Tenement means the mineral tenements owned by the Retained Subsidiaries, plus application ELA 2019/73.

Retained Subsidiary means Minotaur Industrial Minerals Pty Ltd ACN 133 514 566, Great Southern Kaolin Pty Ltd ACN 133 520 180, and Natural Nanotech Pty Ltd ACN 633 808 689.

Retirement Date means the date on which the last of the Minotaur Directors at the date of this agreement ceases to be a Minotaur Director.

Run off Cover has the meaning given to that term in clause 6.3(a).

Share means a fully paid ordinary share in Minotaur.

Shareholder means a holder of Shares as recorded on the Register.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a Competing Transaction which is, in the determination of the Minotaur Board acting in good faith and in order to satisfy what the Minotaur Board consider to be its fiduciary and statutory duties (having taken written advice from its external legal and financial advisers):

- (a) reasonably capable of being completed, taking into account all aspects of the Competing Transaction; and
- (b) more (or is likely to become more) favourable to Shareholders than the Offer, taking into account all terms and conditions of the Competing Transaction.

Supplier has the meaning given to that term in clause 15.2.

Takeovers Panel means the body of that name continued in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) as the primary forum for resolving disputes about takeovers.

Target's Statement means the target's statement issued or to be issued by Minotaur under Chapter 6 of the Corporations Act in response to the Offer.

Third Party means a person other than Minotaur, Andromeda or their respective Related Bodies Corporate or Associates.

Timetable means the indicative timetable for the Proposed Transaction as described in clause 4.7.

1.2 Interpretation

Unless the contrary intention appears, a reference in this agreement to:

- (a) **(variations or replacement)** a document or agreement (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in, or annexure or schedule to, this agreement;
- (c) **(legislation)** statute, ordinance, code or other law includes regulations and other instruments under it, and consolidations, amendments, re-enactments or replacements of, any of them;
- (d) **(singular includes plural)** the singular includes the plural and vice versa;
- (e) **(person)** the word 'person' includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body, an association or any Public Authority;
- (f) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, permitted substitutes (including persons taking by novating) and assigns;
- (g) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (h) **(group of persons)** an agreement on the part of two or more persons binds them jointly and severally;
- (i) **(dollars)** a reference to Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(time of day)** a time of the day is a reference to the time in Adelaide, Australia unless otherwise indicated;
- (m) **(action date)** a day on which a person must do something under this agreement which is not a Business Day, then the person must do it on the next Business Day;
- (n) **(meaning not limited)** the meaning of general words is not limited by specific examples introduced by 'including', 'for example' or 'such as' or similar expressions; and
- (o) **(applicable law)** references to 'applicable law' include all laws of jurisdictions applicable to the Offer, Andromeda or Minotaur within or outside Australia including the ASX Listing Rules and policies, guidelines, official directives or requests of, or by, any Public Authority, whether or not having the force of law, except to the extent compliance is duly modified, waived or exempted in favour of a person in the relevant circumstances.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

2. The Offer

2.1 Andromeda agrees to make Offer

Andromeda agrees to make the Offer.

2.2 Agreed Announcement

Andromeda and Minotaur agree to make the Agreed Announcement to the ASX as soon as practicable after the parties have executed this agreement.

2.3 Andromeda may use Subsidiary

Andromeda may satisfy its obligations under clause 2.1 by causing a Subsidiary of Andromeda to do the things referred to in clause 2.1. If Andromeda does that, references in this agreement to:

- (a) the Offer is a reference to the Offer by the Subsidiary (except that any shares to be issued as consideration under the Offer are to be Andromeda Shares);
- (b) Andromeda making the Offer is a reference to Andromeda causing the Subsidiary to make the Offer;
- (c) Andromeda must procure that the Subsidiary performs and observes Andromeda's obligations under this agreement;
- (d) Andromeda unconditionally and irrevocably guarantees to Minotaur the due performance and observance by the Subsidiary of all of Minotaur's obligations under this agreement; and
- (e) Andromeda remains liable to Minotaur for the due performance of those obligations by the Subsidiary.

2.4 Conditions

- (a) The Offer, and any contract which results from its acceptance, will be subject to the Conditions.
- (b) The terms of Offer will allow shareholders of Minotaur to retain rights to vote on the Demerger and participate in the Demerger after accepting the Offer.
- (c) Each party must:
 - (i) use its best endeavours to satisfy the Conditions which the party is capable of satisfying as soon as practicable after the date of this agreement or to ensure that those Conditions continue to be satisfied at all times until the last time they are to be satisfied (as the case may require); and
 - (ii) not do or omit to do anything within its control which will, or is likely to, result in any of the Conditions being breached, or not being capable of being satisfied.
- (d) Minotaur must use all reasonable endeavours to ensure that the Conditions in paragraphs 3.5 and 3.6 of Schedule 1 are not breached prior to the end of the Offer Period, provided that nothing in this clause requires the directors of Minotaur to take any action which would result in a breach of a statutory or fiduciary duty.
- (e) Andromeda may waive the satisfaction of any Condition in its sole and absolute discretion, other than the Condition set out in paragraph 3.12 of Schedule 1 which may only be waived with Minotaur's written consent (in its sole and absolute discretion).
- (f) Nothing in clause 2.4(a) prevents Minotaur or the Minotaur Board from taking, or failing to take, action where to do otherwise would, in the opinion of the Minotaur Board (determined in good faith and acting reasonably after receiving written legal advice from external lawyers), constitute a breach of any of the duties of the Minotaur Directors or of applicable law.

2.5 Options

Minotaur will:

- (a) procure that all Options will vest on the Offer becoming unconditional;
- (b) within five (5) Business Days after the date of this agreement, if requested to do so by Andromeda, apply to ASX for a waiver of Listing Rule 6.23.2 in a form satisfactory to Andromeda

(acting reasonably), to permit cancellation of the Options without obtaining shareholder approval; and

- (c) use reasonable endeavours to assist Andromeda to procure that each holder of one or more Options enters into a binding agreement with Andromeda for the transfer or cancellation of the Options held by that holder (which have not been exercised) subject to the Offer becoming unconditional, for the following consideration:

Option class	Quantity	Exercise Price	Expiry Date	ADN share per option
MEPAI	1,450,000	\$0.0525	31-Dec-21	0.875
MEPAJ	13,300,000	\$0.10	28-Nov-22	0.626
MEPAK	9,500,000	\$0.12	28-Nov-22	0.521
MEPAL	12,000,000	\$0.20	31-Jan-24	0.102
Options to be issued to Sandfire Resources	1,000,000	\$0.20	29-Mar-24	0.102

with the consideration to be satisfied by the issue of fully paid ordinary shares in Andromeda as set out in the above table; and

- (d) procure that each Minotaur Director that holds Options enters into a binding agreement with Andromeda for the transfer or cancellation of the Options held by that holder (which have not been exercised) for the consideration set out in clause 2.5(c).

2.6 Notification of certain events

Each party must:

- (a) on request from the other party at reasonable intervals, promptly inform the other party of the steps it has taken and of its progress towards satisfaction of the Conditions which it is capable of or primarily responsible for satisfying;
- (b) promptly notify the other if it becomes aware that any Condition has been satisfied; and
- (c) if any event occurs or becomes apparent which would cause any of the Conditions to be breached or prevent them from being able to be satisfied or cause satisfaction of them to be materially delayed, to the extent the party is aware of such information, immediately notify the other party in writing of the event.

2.7 Variation, waiver of Conditions and extension

Subject to the Corporations Act, Andromeda may:

- (a) vary the terms of the Offer in any manner permitted by the Corporations Act provided the varied terms are no less favourable to Shareholders than the Agreed Terms; and
- (b) declare the Offer to be free from any Condition or extend the Offer at any time.

3. Demerger

3.1 Minotaur to undertake Demerger

Minotaur intends to spin-out and demerge the Demerger Assets by undertaking the Demerger on the Demerger Terms.

3.2 Best Endeavours

Minotaur and Breakaway shall use their best endeavours to give effect to the Demerger and implement the Demerger Terms.

3.3 Costs

Breakaway shall bear all legal, tax advisory and consultant fees, registration and lodgement fees and all other transaction costs associated with the preliminary steps set out in clause 2 of Schedule 4 and the Demerger generally (excluding any tax and duty payable in relation to the Demerger, which shall be borne by Minotaur or the relevant Retained Subsidiary).

4. Facilitating the Offer and Demerger

4.1 General obligations

Minotaur, Breakaway and Andromeda must each:

- (a) use all reasonable endeavours and commit the necessary resources; and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party and its Representatives (including by attending meetings and by providing such records and information as the other party reasonably requires),

to implement the Proposed Transaction and Demerger in accordance with the terms and conditions set out in this agreement.

4.2 Promoting the Offer

- (a) During the Offer Period, in the absence of a Superior Proposal, the Minotaur Board will support the Offer and will use its best endeavours to participate in efforts reasonably required by Andromeda to promote the merits of the Offer (at Andromeda's cost), including attending meetings with key Shareholders, analysts, management, customers and press if requested to do so by Andromeda.
- (b) Minotaur must:
 - (i) include in all material public statements relating to the Offer following the execution of this agreement (including the Target's Statement), a statement to the effect that:
 - (A) the Minotaur Directors unanimously recommend that Shareholders accept the Offer made to them;
 - (B) each Minotaur Director intends to accept, or procure the acceptances of, the Offer in respect of all Shares controlled or held by, or on behalf of, them within 5 Business Days of the first date that the Offer can be accepted (or in the case of Shares resulting from the exercise of Options, within 5 Business Days of the issue of those Shares),in each case in the absence of a Superior Proposal;
 - (ii) not make any public statement or take any other public action which would suggest that the Offer is not unanimously recommended by the Minotaur Directors unless a Superior Proposal emerges; and
 - (iii) procure that no Minotaur Director subsequently withdraws their recommendation unless a Superior Proposal emerges.

4.3 Access to people and information

- (a) Between the date of this agreement and the earlier of the end of the Offer Period and the date this agreement is terminated, Minotaur must, to the extent reasonably required to implement the Proposed Transaction and Demerger:
 - (i) as soon as reasonably practicable provide to Andromeda and its Representatives with any documents, records and other information (subject to any existing confidentiality obligations owed to third parties or applicable privacy laws) reasonably requested by them; and
 - (ii) provide Andromeda and its Officers and Advisers with reasonable access (within normal business hours) to Minotaur's Officers and Advisers (provided that such access does not impose an undue burden) which Andromeda reasonably requires for the purposes of:

- (A) further understanding Minotaur's financial position (including its working capital position), trading performance and management control systems;
- (B) implementing the Proposed Transaction;
- (C) identifying and confirming the Demerger Assets;
- (D) assessing the impact of the Demerger;
- (E) preparing for carrying on the business of Minotaur and Andromeda following implementation of the Proposed Transaction; and
- (F) any other purpose which is agreed in writing between the parties.
- (b) From the date of this agreement, Minotaur must promptly provide Andromeda with any information that is being withheld from disclosure under ASX Listing Rule 3.1 in reliance on ASX Listing Rule 3.1A; and
- (c) The obligations in clause 4.3(a) do not apply to the extent that the access or information is connected to Minotaur Board's or its management's deliberations in relation to the transactions contemplated by this agreement, or information connected to a potential Competing Transaction.
- (d) Andromeda must:
- (i) keep all information obtained by it under this clause 4.3 confidential (except to the extent that disclosure of that information is required to be made by applicable law, including in the Bidder's Statement or Target's Statement);
 - (ii) provide Minotaur with reasonable notice of any request for information or access; and
 - (iii) comply with the reasonable requirements of Minotaur in relation to any access granted.
- (e) Nothing in this clause 4.2:
- (i) gives Andromeda any rights as to the decision making of any member of the Minotaur Group or its business; or
 - (ii) will require Minotaur to provide, or procure the provision of, information if to do so would or would be reasonably likely to result, in the opinion of experienced senior counsel, in a waiver of legal professional privilege.

4.4 Implementation obligations of Minotaur

Minotaur must:

- (a) provide all necessary information about the Register to Andromeda which Andromeda reasonably requires;
- (b) provide all necessary directions to the Registry to promptly provide any information that Andromeda reasonably requests in relation to the Register, including any sub-register and, where requested by Andromeda, procure such information is provided to Andromeda in such electronic form as is reasonably requested by Andromeda; and
- (c) at Andromeda's expense undertake regular beneficial shareholder analysis and promptly exercise its powers under section 672A of the Corporations Act if requested to do so by Andromeda, acting reasonably,

in each case in order to assist Andromeda to solicit acceptances under the Offer.

4.5 Minotaur Board changes

- (a) Subject to clause 4.5(b), as soon as practicable after the later to occur of:
 - (i) completion of the Demerger; and
 - (ii) Andromeda has a Relevant Interest in more than 50% of the Shares and the Offer becomes unconditional or is declared by Andromeda to be free of all Conditions,

Minotaur must take all actions necessary to ensure the resignation and appointment of directors of Minotaur (subject to those persons having provided a consent to act as directors of Minotaur) such that a majority of the Minotaur Board are directors nominated by Andromeda in writing.

- (b) Clause 4.5(a) is subject always to:
- (i) a proper board being constituted at all times; and
 - (ii) Andromeda procuring that its appointees to the Minotaur Board do not participate in decisions of Minotaur in relation to the Proposed Transaction until after the End Date and a quorum remains for that purpose.

4.6 Minotaur Board recommendation and acceptances

Minotaur represents and warrants that all of the Minotaur Directors have informed Minotaur that, if Andromeda makes the Agreed Announcement, they:

- (a) will each recommend that all Shareholders accept the Offer, subject to there being no Superior Proposal;
- (b) will each make a statement that they intend to accept the Offer in respect of all Shares owned or controlled by that director within 7 days of the Offer opening, subject to there being no Superior Proposal; and
- (c) will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with, the recommendation in clause 4.6(a), unless a Superior Proposal emerges.

4.7 Indicative timetable

- (a) Without prejudice to the remainder of the obligations contained in this clause 3, each party agrees to use its best endeavours to implement the Proposed Transaction and Demerger as quickly as is reasonably permitted in the circumstances, having regard to the following indicative timetable:

	Date	Action
1.	10 November 2021	Release of Agreed Announcements to ASX (Announcement Date)
2.	30 November 2021	Andromeda lodges Bidder's Statement with ASIC and ASX, and serves it on Minotaur.
3.	30 November 2021	Minotaur lodges Target's Statement with ASIC and ASX, and serves it on Andromeda.
4.	3 December 2021	The Bidder's Statement and Target's Statement are jointly despatched to Shareholders by Andromeda and Minotaur (with consent of Minotaur to abridgement of time)
5.	3 December 2021	Offer Period commences.
6.	16 December 2021	Minotaur dispatches Notice of Meeting to shareholders for Demerger
7.	20 January 2022	Minotaur shareholders meeting to approve Demerger
8.	The next business day after item 7	Effective date for Demerger per ASX timetable
9.	3 business days after item 8	Record Date for Demerger
10.	No earlier than the next business day after item 9	Offer Conditions satisfied or waived
11.	TBA	Offer Period closes (at least 30 days) (unless extended) and to be no earlier than 7 days after item 10.

- (b) If the dates in the timetable in clause 4.7(a) become unachievable, the parties will consult in good faith to agree necessary amendments to the indicative timetable.
- (c) Andromeda reserves the right to despatch the Bidder's Statement without the Target's Statement if the Target's Statement is not ready for despatch by the date specified in item 4 in the timetable in clause 4.7(a).

5. Offer and Demerger documentation

5.1 Bidder's Statement

- (a) Andromeda must prepare a Bidder's Statement and acceptance form for the Offer that are consistent with this agreement and the Agreed Terms and which comply with the Corporations Act and relevant ASIC regulatory guides.
- (b) Andromeda agrees to do, and to procure its Officers to do, such things as are reasonably necessary to prepare the Bidder's Statement and to facilitate its lodgement with ASIC and despatch to Shareholders in accordance with the Timetable, subject to Minotaur granting any necessary consents and ASIC granting any necessary modifications.
- (c) Andromeda must, to the extent practicable, give Minotaur a reasonable opportunity to review an advanced draft of the Bidder's Statement and will consult in good faith with Minotaur with respect to any comments Minotaur or its Representatives have on the Bidder's Statement.
- (d) Minotaur must provide Andromeda with its comments on the Minotaur Information contained in the advanced draft of the Bidder's Statement provided to Minotaur in accordance with this clause 5.1 (or otherwise confirm that it has no comments) by marking up any required changes in that document as soon as reasonably practicable, and in any event no later than three Business Days, after receipt of that advanced draft from Andromeda.
- (e) Minotaur must provide any assistance or information reasonably requested by Andromeda in connection with the preparation of the Bidder's Statement and any other document to be sent by Andromeda to Shareholders in connection with the Offer.
- (f) Minotaur takes responsibility for the Minotaur Information set out in the Bidder's Statement provided by Minotaur to Andromeda in accordance with clause 5.1(b). Minotaur acknowledges that the Bidder's Statement will include a statement to that effect.
- (g) On and from the date that the Bidder's Statement is lodged with ASIC until the end of the Offer Period, Minotaur must provide Andromeda with any further or new information which may arise which is necessary to ensure that the Bidder's Statement, insofar as it discloses Minotaur Information, is not misleading or deceptive in any material respect (whether by omission or otherwise).

5.2 Target's Statement

- (a) Minotaur must prepare a Target's Statement in response to the Offer that is consistent with this agreement and the Agreed Terms and in accordance with the Corporations Act and relevant ASIC regulatory guides.
- (b) Minotaur agrees to do, and to procure its Officers to do, such things as are reasonably necessary to prepare the Target's Statement and to facilitate its lodgement with ASIC and despatch to Shareholders in accordance with the Timetable, subject to Andromeda granting any necessary consents and ASIC granting any necessary modifications.
- (c) Minotaur must, to the extent practicable, give Andromeda a reasonable opportunity to review an advanced draft of the Target's Statement and consult in good faith with Andromeda with respect to any comments Andromeda or its Representatives have on the Target's Statement.
- (d) Andromeda must provide Minotaur with its comments on the Andromeda Information contained in the advanced draft of the Target's Statement provided to Andromeda in accordance with this clause 5.2 (or otherwise confirm that it has no comments) by marking up any required changes in that document as soon as reasonably practicable, and in any event no later than three Business Days, after receipt of that advanced draft from Minotaur.
- (e) Minotaur must ensure that, in the absence of a Superior Proposal, the Target's Statement includes:
 - (i) a recommendation from the Minotaur Directors unanimously recommending that Shareholders accept the Offer made to them; and
 - (ii) a statement by each Minotaur Director that that director will accept or procure the acceptance of the Offer in respect of all Shares controlled or held by, or on behalf of, that director within 5 Business Days of the first date that the Offer can be accepted.

- (f) The parties agree an expert report is not required to be included in the Target's Statement.
- (g) Andromeda must provide any assistance or information reasonably requested by Minotaur in connection with the preparation of the Target's Statement and any other document to be sent by Minotaur to Shareholders in connection with the Offer.
- (h) Andromeda takes responsibility for the Andromeda Information set out in the Target's Statement provided by Andromeda to Minotaur in accordance with clause 5.2(b). Andromeda acknowledges that the Target's Statement will include a statement to that effect.
- (i) On and from the date that the Target's Statement is lodged with ASIC until the end of the Offer Period, Andromeda must provide Minotaur with any further or new information which may arise which is necessary to ensure that the Target's Statement, insofar as it discloses Andromeda Information, is not misleading or deceptive in any material respect (whether by omission or otherwise).

5.3 Notice of Meeting - Demerger

- (a) Minotaur must prepare a Notice of Meeting that is consistent with this agreement and the Demerger Terms and which comply with the Corporations Act and relevant ASIC regulatory guides.
- (b) Minotaur agrees to do, and to procure its Officers to do, such things as are reasonably necessary to prepare the Notice of Meeting and to facilitate its lodgement with ASIC and despatch to Shareholders in accordance with the Timetable.
- (c) Minotaur must, to the extent practicable, give Andromeda a reasonable opportunity to review an advanced draft of the Notice of Meeting and consult in good faith with Andromeda with respect to any comments Andromeda or its Representatives have on the Notice of Meeting and in particular to any values ascribed to Demerger Assets.
- (d) The parties agree an expert report is not required to be included in the Notice of Meeting unless required by ASIC or ASX.
- (e) Andromeda must provide any assistance or information reasonably requested by Minotaur in connection with the preparation of the Notice of Meeting and any other document to be sent by Minotaur to Shareholders in connection with the Demerger.

5.4 Despatch of documents

- (a) Minotaur agrees that the Bidder's Statement in respect of the Offer and accompanying documents to be sent by Andromeda under item 6 of section 633(1) of the Corporations Act may be sent on any date nominated by Andromeda that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act.
- (b) Minotaur undertakes to direct its Registry to:
- (i) co-operate with Andromeda for the purposes of satisfying its obligations under the Corporations Act and allowing it to dispatch the Bidder's Statement in accordance with clause 5.3(a); and
 - (ii) provide Andromeda (at Andromeda's cost) with:
 - (A) a copy of the register of Shareholders of Minotaur as at the date nominated by Andromeda in the electronic form requested by Andromeda within two Business Days after such request; and
 - (B) during the Offer Period, a copy of the register of Shareholders in the electronic form requested by Andromeda within two Business Days after receipt of a written request by Andromeda to provide a copy of such register.

Further, during the Offer Period, Minotaur undertakes to provide Andromeda with a copy of the register kept by Minotaur under section 672DA of the Corporations Act within two Business Days after receipt of a written request from Andromeda to provide such register.

- (c) Minotaur must co-operate with and support any application to ASIC by Andromeda for a modification of the Corporations Act to allow for the electronic dispatch of the Bidder's Statement to Minotaur shareholders.

- For personal use only
- (d) Minotaur agrees to use its best endeavours to arrange despatch of the Target's Statement to Shareholders together with the Bidder's Statement to be sent by Andromeda under the Proposed Transaction.
 - (e) If for any reason the Target's Statement is not despatched together with the Bidder's Statement, then Minotaur undertakes to despatch the Target's Statement to Shareholders as soon as practicable (and in any event no later than 14 days) after the date that the Bidder's Statement in respect of the Offer was dispatched to Shareholders.
 - (f) Andromeda must co-operate with and support any application to ASIC by Minotaur for a modification of the Corporations Act to allow for the electronic dispatch of the Target's Statement to Minotaur shareholders.

6. Conduct of business

6.1 Overview

- (a) From the date of this agreement until the expiry of the Restriction Period, each party must:
 - (i) conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted or as may be required in order to satisfy a specific requirement of a Public Authority;
 - (ii) takes reasonable steps to preserve and maintain the value of its business;
 - (iii) comply with all applicable laws; and
 - (iv) regularly consult with the other party on the manner of conduct of its business, including on any matters that may have an adverse impact on the integration of the businesses of Andromeda and Minotaur following implementation of the Proposed Transaction.
- (b) For the purpose of clause 6.1(a) and subject to the terms of this agreement:
 - (i) Andromeda making the Offer and responding to any Competing Transaction (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be Andromeda conducting its business in the ordinary and proper course; and
 - (ii) Minotaur progressing the Demerger, responding to the Offer and responding to any potential Competing Transaction (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be Minotaur conducting its business in the ordinary and proper course.
- (c) Nothing in clause 6.1(a) restricts the ability of any party to take any action which:
 - (i) is required, permitted or contemplated by this agreement (including progressing the Demerger);
 - (ii) has been Fairly Disclosed by the party prior to execution of this agreement, including in public filings to the ASX;
 - (iii) is required by any applicable law or Public Authority;
 - (iv) is required by any legal or contractual obligation arising before, and which has been Fairly Disclosed to the other party prior to, the date of this agreement;
 - (v) 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);
 - (vi) has been agreed to in writing by the other party;
 - (vii) involves the incurring of reasonable costs in relation to the transactions contemplated by the Proposed Transaction or Demerger; or
 - (viii) is an action of Breakaway or any other Demerger Subsidiary, which occurs after completion of the Demerger or which occurs prior to completion of the Demerger but without any recourse to or impact on any Retained Group Company or Retained Asset.
- (d) Without limiting clause 6.1(a), until the End Date, Minotaur must inform and consult in good faith with Andromeda in relation to all material business decisions of Minotaur (other than Minotaur's

consideration of the Offer or any Third Party Proposal in accordance with Minotaur's obligations under this agreement).

6.2 Prohibited actions – Minotaur

Other than with Andromeda's prior written approval (which approval must not be unreasonably withheld or delayed), as Fairly Disclosed to Andromeda in writing before the date of this agreement or as required to progress the Demerger or as permitted under clause 6.1(c)(i) or 6.1(c)(viii), Minotaur must not during the Restriction Period:

- (a) **(Material Contracts)** enter into, terminate or materially vary, amend or modify a Material Contract other than a contract entered into in the ordinary course of business;
- (b) **(employment agreements)** increase the remuneration of or pay any bonus (including under any existing or proposed employee performance bonus policy or retention bonus policy) or issue or agree to issue any securities or options or vary the redundancy terms of, or otherwise vary or amend the employment, services or consultancy agreements with, any of its directors or employees, except that this clause shall not preclude Minotaur from making any payments under an existing employment contract which are not prohibited by the Corporations Act and is in place as at the date of this agreement and a copy of which has previously been provided to Andromeda;
- (c) **(accelerate rights)** accelerate the rights of any of its directors or employees to benefits of any kind;
- (d) **(termination payments)** pay a director or executive a termination payment, other than as provided for in an existing employment contract in place as at the date of this agreement and a copy of which has previously been provided to Andromeda;
- (e) **(arrangements with financial advisers)** amend in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this agreement;
- (f) **(financial accommodation)** obtain or agree to obtain any financial accommodation from any party other than in the ordinary course of business;
- (g) **(Minotaur Prescribed Occurrence)** take any action which would be reasonably expected to give rise to a Minotaur Prescribed Occurrence;
- (h) **(disposals)** offer to dispose or agree to dispose of, or create, or offer to create an equity interest in, any asset or an interest in any such asset valued at more than \$200,000, without the prior written consent of Andromeda;
- (i) **(directors)** appoint any person as a director of Minotaur (other than as contemplated in this agreement); or
- (j) **(agreement)** agree to do any of the matters set out above,

provided always that nothing in this clause 6.2 restricts Minotaur's ability in any way to conduct its existing business in the ordinary course or restricts Breakaway or any other Demerger Subsidiary from taking any action after completion of the Demerger.

6.3 Directors and officers insurance

- (a) Minotaur must, and Andromeda must procure Minotaur to, ensure that each Beneficiary is at all times covered under run off directors' and officers' liability insurance cover (**Run Off Cover**) on terms not less favourable than the terms of the Insurance Policy. The costs of the Run Off Cover are to be borne by Andromeda.
- (b) The Run Off Cover will cover claims for the Insurance Run Off Period.
- (c) The undertakings contained in this clause 6.3 are subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.

6.4 Short Term Funding Facility

- (a) With effect on and from the Announcement Date, by the parties procuring the execution of the Short Term Funding Facility Deed as set in Annexure A on or about the date of this agreement, Andromeda will make available to Minotaur a short term funding facility capped at \$2 million.

- (b) For the avoidance of doubt, the Short Term Funding Facility Deed as set in Annexure A is in addition to the Breakaway Funding Facility Deed set out in Annexure B.

7. Exclusivity

7.1 No existing discussions

Minotaur represents and warrants that, other than the discussions with Andromeda in respect of the Proposed Transaction, it is not currently in negotiations or discussions in respect of any Competing Transaction with any person.

7.2 No-shop and no talk

During the Exclusivity Period, Minotaur must not, and must ensure that each of its Related Persons do not, directly or indirectly:

- (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 Transaction or communicate to any person an intention to do anything referred to in this clause 7.2(a); or
- (b) **(no talk and no due diligence)** subject to clause 7.3:
- (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 Transaction or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Transaction;
 - (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 Transaction;
 - (iii) disclose or otherwise provide any non-public information about the business or affairs of the Minotaur Group to a Third Party (other than a Public Authority) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Transaction (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Minotaur Group whether by that Third Party or another person); or
- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 7.2(a), provided that nothing in this clause 7.2 shall prevent Minotaur from carrying on its business in the ordinary course, including by making normal presentations to brokers, portfolio managers and analysts in the ordinary course of business, or promoting the merits of the Proposed Transaction.

7.3 Fiduciary exception

Clauses 7.2(b) and 7.4 (only to the extent it requires disclosure of the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Transaction) do not prohibit any action or inaction by Minotaur or any of its Related Persons in relation to any actual, proposed or potential Competing Transaction, which the Minotaur Board acting in good faith determines, having taken written advice from its external legal and financial Advisers, is a Superior Proposal (or which may reasonably be expected to result in the Competing Transaction becoming a Superior Proposal) and the failure to take or not take such action would constitute, or would be likely to constitute, a breach of the fiduciary or statutory duties of the directors of Minotaur, provided that the actual, proposed or potential Competing Transaction was not directly or indirectly brought about by, or facilitated by, a breach of clause 7.2(a).

7.4 Notice of approach

- (a) During the Exclusivity Period, Minotaur must as soon as possible (and in any event within 24 hours) notify Andromeda in writing if it or any of its Related Persons 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 Transaction;
 - (ii) proposal made to Minotaur or any of its Related Persons, in connection with, or in respect of any exploration or completion of, an actual, proposed, or potential Competing Transaction; or
 - (iii) provision by Minotaur or any of its Related Persons of any non-public information concerning the business or operations of Minotaur or the Minotaur Group to any a Third Party (other than a Public Authority) in connection with an actual, proposed or potential Competing Transaction,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise unless (and only to the extent that) the Minotaur Board, acting in good faith and having regard to external legal advice, determines that it would be a breach of their fiduciary or statutory duties to notify Andromeda.

- (b) A notification given under clause 7.4(a) must include the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Transaction, together with all terms and conditions of the actual, proposed or potential Competing Transaction.
- (c) Commencing upon the provision of any notice referred to in clause 7.4(a), Minotaur must as soon as possible advise Andromeda of any material developments in relation to an actual, proposed or potential Competing Transaction, including material amendments or proposed amendments to the terms of such actual, proposed or potential Competing Transaction, and advise Andromeda of the timing of any board meeting to consider that proposal unless (and only to the extent that) the Minotaur Board, acting in good faith and having regard to external legal advice, determines that it would be a breach of their fiduciary or statutory duties to notify Andromeda.

7.5 Matching right

- (a) Without limiting clause 7.2, during the Exclusivity Period, Minotaur:
- (i) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, Minotaur or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Transaction; and
 - (ii) must use reasonable endeavours to procure that none of its directors change their recommendation of the Offer or publicly recommend an actual, proposed or potential Competing Transaction or recommend against the Offer (provided that a statement that no action should be taken by Shareholders pending the assessment of a Competing Transaction by the Minotaur Board and its Advisers shall not contravene this clause),
- unless:
- (iii) the Minotaur Board acting in good faith and in order to satisfy what the members of the Minotaur Board consider to be their statutory or fiduciary duties (having taken written advice from its external legal Adviser) determines that the Competing Transaction would be or would be likely to be an actual, proposed or potential Superior Proposal;
 - (iv) Minotaur has provided Andromeda with all material terms and conditions of the actual, proposed or potential Competing Transaction, including price and the identity of the Third Party making the actual, proposed or potential Competing Transaction;
 - (v) Minotaur has given Andromeda at least five Business Days after the date of the provision of the information referred to in clause 7.5(a)(iv) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction; and

- (vi) Andromeda has not announced or otherwise formally proposed to Minotaur a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction by the expiry of the five Business Day period in clause 7.5(a)(v) above.
- (b) If Andromeda proposes to Minotaur, or announces, amendments to the terms of the Offer including increasing the amount of consideration offered under the Offers or a new proposal that constitutes a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction (**Counterproposal**) by the expiry of the five Business Day period in clause 7.5(a)(v) above, Minotaur must procure that the Minotaur Board considers the Andromeda Counterproposal and if the Minotaur Board, acting reasonably and in good faith, determines that the Counterproposal (as completed) would provide an equivalent or superior outcome for Shareholders as a whole (other than Andromeda and those who are Associates of Andromeda) compared with the Competing Transaction, taking into account all of the terms and conditions of the Counterproposal, then Minotaur and Andromeda must use their best endeavours to agree the amendments to this agreement and the Offer (as applicable) that are reasonably necessary to reflect the Counterproposal and to implement the Counterproposal, in each case as soon as reasonably practicable, and Minotaur must use reasonable endeavours to procure that each of the directors of Minotaur continues to recommend the Proposed Transaction (as modified by the Counterproposal) to Shareholders.

7.6 Provision of information by Minotaur

During the Exclusivity Period, Minotaur must as soon as reasonably possible provide Andromeda with:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, a written statement of,

any material non-public information about the business or affairs of Minotaur or the Minotaur Group disclosed or otherwise provided to any Third Party in connection with an actual, proposed or potential Competing Transaction that has not previously been provided to Andromeda.

7.7 Compliance with law

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this clause 7 or any part of it:
- (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Minotaur Board;
 - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (iii) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) Minotaur will not be obliged to comply with that provision of clause 7.
- (b) The parties must not make or cause to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 7.7.

8. Reimbursement Fee

8.1 Overview

- (a) Each party acknowledges that, if they enter into this agreement and the Proposed Transaction is subsequently not implemented, the parties will incur significant costs, including those set out in clause 8.5.
- (b) In these circumstances, the parties have agreed that provision be made for the payment outlined in this clause 8, without which the parties would not have entered into this agreement or otherwise agreed to implement the Proposed Transaction.
- (c) Minotaur and the Minotaur Board believe, having taken advice from its external legal adviser, that the implementation of the Proposed Transaction will provide benefits to it and its Shareholders, and that it is reasonable and appropriate that Minotaur agree to the payments

referred to in clause 8.2 in order to secure Andromeda's participation in the Proposed Transaction.

- (d) Andromeda and the Andromeda Board believe, having taken advice from its external legal adviser, that the implementation of the Proposed Transaction will provide benefits to it and its shareholders, and that it is reasonable and appropriate that Andromeda agree to the payments referred to in clause 8.3 in order to secure Minotaur's participation in the Proposed Transaction.

8.2 Triggers for payment of Reimbursement Fee by Minotaur

Subject to clauses 8.6 and 8.8, Minotaur must pay the Reimbursement Fee to Andromeda without set-off or withholding, if, other than where Minotaur has terminated this agreement pursuant to clause 14.3:

- (a) during the Exclusivity Period, any one or more members of the Minotaur Board fails to recommend that Shareholders accept the Offer in the manner described in clause 4.6, or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason;
- (b) during the Exclusivity Period, any one or more members of the Minotaur Board recommends that Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Minotaur securities held or controlled by them or held on their behalf), a Competing Transaction of any kind that is announced (whether or not such proposal is stated to be subject to any preconditions) during the Exclusivity Period;
- (c) a Competing Transaction of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any preconditions) and, within 12 months of the date of such announcement, a Third Party completes a Competing Transaction; or
- (d) Andromeda has terminated this agreement pursuant to clauses 14.1(a), 14.1(e), 14.2(b) or 14.2(e).

8.3 Triggers for payment of Reimbursement Fee by Andromeda

Subject to clauses 8.6 and 8.8, Andromeda must pay the Reimbursement Fee to Minotaur without set-off or withholding, if Minotaur has terminated this agreement pursuant to clause 14.1(a).

8.4 Timing of payment of Reimbursement Fee

- (a) A demand by either party for payment of the Reimbursement Fee under clause 8.2 or 8.3 (as applicable) must:
 - (i) be in writing;
 - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (iii) state the circumstances which give rise to the demand; and
 - (iv) nominate an account into which the other party is to pay the Reimbursement Fee, and may only be made after the End Date and (for a claim by Andromeda only) provided that Andromeda has not become the registered legal and beneficial holder of any Shares between the date of this agreement and the End Date.
- (b) Subject to clause 8.8, Minotaur must pay the Reimbursement Fee into the account nominated by Andromeda, without set-off or withholding, within 5 Business Days after receiving a demand for payment where Andromeda is entitled under clause 8.2 to the Reimbursement Fee.
- (c) Subject to clause 8.8, Andromeda must pay the Reimbursement Fee into the account nominated by Minotaur, without set-off or withholding, within 5 Business Days after receiving a demand for payment where Minotaur is entitled under clause 8.3 to the Reimbursement Fee.

8.5 Basis of Reimbursement Fee

The amount payable by Minotaur pursuant to clause 8.2 and Andromeda pursuant to clause 8.3 is purely and strictly compensatory in nature and has been calculated to reimburse the receiving party for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Proposed Transaction;
- (b) reasonable opportunity costs incurred in engaging in the Proposed Transaction or in not engaging in other alternative or strategic initiatives;
- (c) costs of management and directors' time in planning, considering and implementing the Proposed Transaction; and
- (d) out of pocket expenses incurred by a party's employees, advisers and agents in planning, considering and implementing the Proposed Transaction,

and the parties agree that:

- (e) the costs actually incurred will be of such a nature that they cannot all be accurately ascertained; and
- (f) the amount payable is a genuine and reasonable pre-estimate of those costs,

and each party represents and warrants that it has received advice from its external legal adviser on the operation of this clause 8.

8.6 Compliance with law

This clause 8 does not impose an obligation on a party to pay the Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee:

- (a) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or
- (b) is determined to be unenforceable or unlawful by a court,

provided that, in either case, all lawful avenues of appeal and review, judicial and otherwise, have been exhausted. For the avoidance of doubt, any part of the Reimbursement Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid by the relevant party. To the extent that the Reimbursement Fee has already been paid, the recipient of the Reimbursement Fee must refund the relevant portion of the Reimbursement Fee paid under this agreement within 5 Business Days of receipt of a demand for refund.

8.7 Reimbursement Fee payable only once

Where the Reimbursement Fee becomes payable to Andromeda under clause 8.2 or Minotaur under clause 8.3 and is actually paid, the recipient of the Reimbursement Fee cannot make any claim against the other party for payment of any subsequent Reimbursement Fee.

8.8 Limitation of liability

Notwithstanding any other provision of this agreement:

- (a) the maximum liability of a party to all other parties under or in connection with this agreement including in respect of any breach of this agreement will be the Reimbursement Fee;
- (b) a payment by a party in accordance with this clause 8 represents the sole and absolute liability of that party under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by that party in connection with this agreement; and
- (c) the amount of the Reimbursement Fee paid to the recipient under this clause 8 shall be reduced by the amount of any loss or damage recovered by any other party in relation to a breach of this agreement.

9. Representations and warranties

9.1 Andromeda warranties

Andromeda represents and warrants to Minotaur that, subject to the matters Fairly Disclosed in public filings of Andromeda, Fairly Disclosed by Andromeda to Minotaur in writing prior to the date of this agreement, are within the actual knowledge of Minotaur or are otherwise in the public domain:

- For personal use only
- (a) each member of the Andromeda Group is a validly existing corporation registered under the laws of its place of incorporation;
 - (b) the execution and delivery of this agreement by Andromeda has been properly authorised by all necessary corporate action and Andromeda has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
 - (c) subject to the laws generally affecting creditors' rights and the principles of equity, this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Andromeda's constitution or any agreement or agreement or writ, order or injunction, rule or regulation to which Andromeda or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency;
 - (d) the Andromeda Shares to be offered as consideration under the Offer will be duly authorised and validly issued, not liable to the imposition of any duty and be free of all Encumbrances, security interests and third party rights, will be fully paid and will rank equally with all other Andromeda Shares and will be freely tradeable upon their issue, including with respect to the requirements of section 707 of the Corporations Act;
 - (e) the Andromeda Information contained in the Target's Statement lodged with ASIC is in substantially the same form as that provided by Andromeda to Minotaur under clause 5.2(b), the Target's Statement will in respect of the Andromeda Information not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel;
 - (f) the Bidder's Statement will:
 - (i) as at the date it is lodged with ASIC, and excluding any Minotaur Information contained in the Bidder's Statement for which Minotaur takes responsibility for, not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel; and
 - (ii) subject always to Minotaur's compliance with clause 5.1(g), be updated by all such further or new information which may arise after the Bidder's Statement has been lodged with ASIC until the end of the Offer Period which is necessary to ensure that the Bidder's Statement is not misleading or deceptive in any material respect (whether by omission or otherwise);
 - (g) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and is not relying on ASX Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to Minotaur or its Representatives on or before the date of this agreement;
 - (h) its accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of Australian Accounting Standards requires a change to past practices) and in accordance with all relevant accounting standards;
 - (i) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
 - (j) there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Andromeda Group that does or is reasonably likely to constitute a Andromeda Material Adverse Change;
 - (k) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement;

- (l) it is not aware of any act, omission, event or fact that would result in one or more of the Conditions being breached, except as disclosed by the Andromeda to Minotaur in writing prior to the date of this agreement;
- (m) is not prohibited from making the Offer or issuing the Andromeda Shares pursuant to the terms of the Offer;
- (n) no approvals are required to be obtained by Andromeda under any applicable law, rule or regulation (including under the ASX Listing Rules) to perform and observe its obligations under this agreement and to consummate the transactions contemplated by this agreement; and
- (o) as at the date of this agreement, Andromeda has the following securities on issue (as set out in the table below) and there are no other shares, options, notes or other securities of Andromeda and no rights to be issued such shares, options, notes or other securities other than as a result of the conversion or exercise of convertible securities or as envisaged by this agreement:

Security type	Number on issue
Fully paid ordinary shares	2,461,552,046
ADNAB: Performance Rights	25,389,475
ADNAA: Options, various ex, various prices.	85,495,000
Total	2,572,436,521

9.2 Minotaur Warranties

Minotaur represents and warrants to Andromeda that, subject to the matters Fairly Disclosed in public filings of Minotaur, Fairly Disclosed by Minotaur to Andromeda in writing prior to the date of this agreement, are within the actual knowledge of Andromeda or are otherwise in the public domain:

- (a) each member of the Minotaur Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Minotaur has been properly authorised by all necessary corporate action and Minotaur has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) subject to the laws generally affecting creditors' rights and the principles of equity, this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Minotaur's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which Minotaur or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency;
- (d) Minotaur Group's accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of Australian Accounting Standards requires a change to past practices) and in accordance with all relevant accounting standards;
- (e) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (f) provided the Minotaur Information contained in the Bidder's Statement lodged with ASIC is in substantially the same form as that provided by Minotaur to Andromeda under clause 5.1(b), the Bidder's Statement will in respect of the Minotaur Information not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel;
- (g) the Target's Statement will:
 - (i) as at the date it is lodged with ASIC and excluding any Andromeda Information contained in the Target Statement for which Andromeda takes responsibility for, not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply

with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel; and

- (ii) subject always to Andromeda's compliance with clause 5.2(i), be updated by all such further or new information which may arise after the Target's Statement has been lodged with ASIC until the end of the Offer Period which is necessary to ensure that the Target's Statement is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (h) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and is not relying on ASX Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to Andromeda or its Representatives on or before the date of this agreement;
- (i) it or one of the Retained Subsidiaries is the beneficial owner of all the issued share capital in each of the Retained Subsidiaries and there is no obligation to transfer shares in any of those companies to any third party;
- (j) as at the date of this agreement, it has no arrangements in place with any financial advisor in respect of the Proposed Transaction, other than as Fairly Disclosed to Andromeda prior to the date of this agreement;
- (k) there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Minotaur Group that does or is reasonably likely to constitute an Minotaur Material Adverse Change;
- (l) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement;
- (m) as at the date of the shareholders' meeting to approve the Demerger all employees of the Minotaur Group have been offered employment with Breakaway (subject only to the Demerger proceeding) on terms no less favourable than their current employment terms and conditions;
- (n) no employee of the Minotaur Group will be entitled to or paid redundancy or other payments or entitlements on termination of employment and all accrued leave entitlements will be assumed by Breakaway;
- (o) it is not aware of any act, omission, event or fact that would result in one or more of the Conditions being breached, except as disclosed by Minotaur to Andromeda in writing prior to the date of this agreement; and
- (p) as at the date of this agreement, Minotaur has the following securities on issue (as set out in the table below) and there are no other shares, options, notes or other securities of Minotaur and no rights to be issued such shares, options, notes or other securities other than as a result of the conversion or exercise of convertible securities or as envisaged by this agreement and save for the potential issue of up to 18 million ordinary shares and 1 million options (exercisable at \$0.20 each and expiring on 29 March 2024) to Sandfire Resources Ltd as consideration for the acquisition of the interests in the Altia Project as announced to the ASX on 24 August 2021:

Security type	Number on issue
Fully paid ordinary shares	501,339,148
MEPAI Options ex 31/12/21 at 5c	1,450,000
MEPAJ Options ex 28/11/22 at 10c	13,300,000
MEPAK Options ex 28/11/22 at 12c	9,500,000
MEPAL Options ex 31/01/24 at 20c	12,000,000
Total	537,589,148

9.3 Breakaway Warranties

Breakaway represent and warrant to Andromeda, subject to the matters Fairly Disclosed in public filings of Minotaur, Fairly Disclosed by Minotaur to Andromeda in writing prior to the date of this agreement, are within the actual knowledge of Andromeda or are otherwise in the public domain:

For personal use only

- For personal use only
- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
 - (b) the execution and delivery of this agreement by it has been properly authorised by all necessary corporate action and it has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
 - (c) subject to the laws generally affecting creditors' rights and the principles of equity, this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under its constitution or any agreement or deed or writ, order or injunction, rule or regulation to which it is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency;
 - (d) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
 - (e) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement;
 - (f) as at the date of the shareholders' meeting to approve the Demerger all employees of the Minotaur Group have been offered employment with Breakaway (subject only to the Demerger proceeding) on terms no less favourable than their current employment terms and conditions; and
 - (g) no employee of the Minotaur Group will be entitled to or paid redundancy or other payments or entitlements on termination of employment and all accrued leave entitlements will be assumed by Breakaway.

9.4 Timing of representations and warranties

Each representation and warranty made or given under clauses 9.1, 9.2 and 9.3 is given:

- (a) at the date of the agreement and every day during the Restriction Period; or
- (b) where expressed, at the time at which the representation or warranty is expressed to be given.

9.5 Reliance by parties

Each party acknowledges that in entering into this agreement the other party has relied on the representations and warranties provided by that party under this clause 9.

9.6 Survival of representations

The representations and warranties provided by each party under this clause 9:

- (a) are severable;
- (b) will survive the termination of this agreement; and
- (c) are given with the intent that liability under them will not be confined to breaches of them discovered prior to the date of termination of this agreement.

9.7 Notification of breach

Each of Andromeda and Minotaur must promptly advise each other in writing as soon as they become aware of:

- (a) a representation or warranty provided in this agreement by either party becoming false; or
- (b) a breach of this agreement by it.

10. Indemnity by Breakaway

10.1 Indemnity

- (a) Subject to clause 10.1(b), Breakaway indemnifies Minotaur, Andromeda and the other Andromeda Indemnified Parties from and against all Claims which any of the Andromeda Indemnified Parties may suffer or incur by reason of:

- (i) any breach by Breakaway of its obligations under this agreement including the Demerger Terms; and
 - (ii) any liability, guarantee or obligation (including for environmental or rehabilitation obligations) arising directly or indirectly from or associated with any Demerger Asset and arising either before or after completion of the Demerger but excluding any tax and duty payable arising solely as a result of the Demerger.
- (b) Breakaway has no liability under this clause 10 unless and until the Demerger has been completed.

10.2 Nature of indemnities

The indemnity in clause 10.1 is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination or completion of this agreement. It is not necessary for a person to incur expense or make any payment before enforcing a right of indemnity in this clause 10. The making of a claim by a person under an indemnity in this clause 10 in respect of a particular event does not preclude that person from subsequently making further claims under that indemnity in respect of any further loss arising out of the same event for which it has not previously been indemnified.

10.3 Benefit

The indemnities given and made by Breakaway in this clause 10 are given to Andromeda on its own behalf and separately as trustee for each of the Andromeda Indemnified Parties.

11. Indemnity by Minotaur and Andromeda

11.1 Indemnity

- (a) Subject to clause 11.1(b), Andromeda and Minotaur jointly and severally indemnify Breakaway and the other Breakaway Indemnified Parties from and against all Claims which any of the Breakaway Indemnified Parties may suffer or incur by reason of:
- (i) any breach by Andromeda or Minotaur of its obligations in favour of Breakaway under this agreement including the Demerger Terms; and
 - (ii) any liability, guarantee or obligation (including for environmental or rehabilitation obligations) arising directly or indirectly from or associated with any Retained Asset and arising either before or after completion of the Demerger and any tax and duty payable arising solely as a result of the Demerger.
- (b) Andromeda has no liability under this clause 11 unless and until both of the following are satisfied:
- (i) the Demerger has been completed; and
 - (ii) Andromeda has a Relevant Interest in more than 50% of the Shares and the Offer becomes unconditional or is declared by Andromeda to be free of all Conditions.

11.2 Nature of indemnities

The indemnity in clause 11.1 is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination or completion of this agreement. It is not necessary for a person to incur expense or make any payment before enforcing a right of indemnity in this clause 11. The making of a claim by a person under an indemnity in this clause 11 in respect of a particular event does not preclude that person from subsequently making further claims under that indemnity in respect of any further loss arising out of the same event for which it has not previously been indemnified.

11.3 Benefit

The indemnities given and made by Minotaur and Breakaway in this clause 11 are given to Breakaway on its own behalf and separately as trustee for each of the Breakaway Indemnified Parties.

12. Confidentiality

- (a) Each party acknowledges and agrees that:
- (i) information provided by either party to the other, or obtained by either party from the other, in the course of proposing, negotiating or implementing the Proposed Transaction (including information provided before or after the date of this agreement); and
 - (ii) all copies of information, agreements and those parts of the notes and other records referred to above,
- is strictly confidential (**Confidential Information**) and may not be disclosed to any third party (except as permitted by this deed).
- (b) For the avoidance of doubt, information that is known by a party before the date of this deed and that was not obtained on a confidential basis from another party in the course of proposing, negotiating or implementing the Transaction is not Confidential Information.
- (c) Confidential Information may only be used for the purposes of implementing the Proposed Transaction or disclosed by a party:
- (i) to a Representative of that party or any of its Related Bodies Corporate for the purpose of implementing the Transaction, provided that the disclosing party ensures that the recipient only uses it for the purposes of implementing the Proposed Transaction and otherwise complies with these terms of confidentiality; and
 - (ii) if disclosure is required by law, the rules of a stock exchange, or any requirement of a court or Government Agency.
- (d) The rights and obligations of the parties under this clause survive termination of this agreement.

13. Public announcements

13.1 Public announcements

Subject to clauses 2.3(b), 13.2 and 13.3, no public announcement or disclosure (including any presentations or briefings to analysts, the media or shareholders) of the Offer or any other transaction the subject of this agreement (other than the Demerger after the Minotaur shareholder meeting to approve the Demerger) may be made other than in a form approved by each party (acting reasonably), but each party must use its best endeavours to provide such approval as soon as practicable.

13.2 Required disclosure

Where a party is required by law, the ASX Listing Rules to make any announcement or to make any disclosure in connection with the Offer or any other transaction the subject of this agreement (other than the Demerger after the Minotaur shareholder meeting to approve the Demerger), it may do so only after it has given at least one Business Days' notice, or such lesser period as may be required or permitted to comply with its legal or regulatory responsibilities, but in any event prior notice, to the other party and has taken all reasonable steps to consult with the other party and its legal advisers and to take account of all reasonable comments received from the other party.

13.3 Statements on termination

The parties must act in good faith and use their best endeavours to issue an agreed statement or statements in respect of any termination provided for in this agreement and will make no statements or disclosure in respect of the termination of this agreement except in accordance with clauses 13.1 and 13.2.

14. Termination

14.1 Termination by either party

This agreement may be terminated with immediate effect at any time before the End Date by either Andromeda or Minotaur giving notice in writing to the other if:

- For personal use only
- (a) the other party is in material breach of its obligations under this agreement, or there is a material breach of any representation or warranty given by that other party, and (if capable of remedy) has failed to remedy the breach within five Business Days of receipt by it of written notice from the first party notifying the other party of the breach;
 - (b) Andromeda withdraws the Offer as permitted by the Corporations Act for any reason including non-satisfaction of a Condition or if the Offer lapses;
 - (c) the other party becomes Insolvent;
 - (d) any Public Authority has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Offer, or has refused to do anything necessary to permit the Offer, and the action is final and cannot be appealed or reviewed or the party reasonably believes (after receiving external legal advice) that any appeal or review is unlikely to succeed; or
 - (e) the Minotaur Board or a majority of the Minotaur Board changes its recommendation in respect of the Proposed Transaction as a result of the Minotaur Board or a majority of the Minotaur Board determining that a Competing Proposal (provided always that Minotaur has complied with its obligations in clause 5) is a Superior Proposal.

14.2 Termination by Andromeda

Andromeda may, by notice in writing to Minotaur, terminate this agreement with immediate effect if at any time before the End Date:

- (a) a Superior Proposal is made or publicly announced for Minotaur by a Third Party;
- (b) a Minotaur Director fails to recommend the Offer in accordance with clause 4.6 or, having recommended the Offer, withdraws or adversely changes his recommendation of the Offer;
- (c) a person (other than Andromeda or its Associates) has a Relevant Interest in more than 20% of the Shares on issue (other than existing Shareholders who at the date of this agreement hold a Relevant Interest in more than 20% of the Shares on issue);
- (d) a Minotaur Material Adverse Change occurs; or
- (e) a Minotaur Prescribed Occurrence occurs.

14.3 Termination by Minotaur

Minotaur may, by notice in writing to Andromeda, terminate this agreement with immediate effect if at any time before the End Date, an Andromeda Material Adverse Change occurs.

14.4 Effect of termination

If this agreement is terminated by a party under this clause 14:

- (a) each party will be released from its obligations under this agreement except its obligations under clauses 9, 10, 13.3, 14, 15 and 17 which will survive termination;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Offer.

14.5 No other termination

Neither party may terminate or rescind this agreement except as permitted under this clause 14.

15. Goods and services tax

15.1 Consideration GST exclusive

Unless expressly stated otherwise in this agreement, all amounts payable or consideration to be provided for a supply made under or in connection with this agreement are exclusive of GST (**GST Exclusive Consideration**).

15.2 Gross up for GST

If any supply made by a party under this agreement is subject to GST, the party who makes the supply (**Supplier**) may recover from the recipient an additional amount calculated under clause 15.3 in addition to any GST Exclusive Consideration for the supply.

15.3 GST amount

The additional amount referred to in clause 15.2 is:

- (a) equal to the GST Exclusive Consideration for the supply multiplied by the prevailing GST rate; and
- (b) payable by the recipient to the Supplier at the same time as the recipient is required to pay or provide the consideration for the supply to which the additional amount relates.

15.4 Input tax credit

If any party is required to reimburse the Payee for any Costs, the amount of the Costs are:

- (a) reduced by the amount of any input tax credit to which the Payee is entitled; and
- (b) increased in accordance with clause 15.2 as required.

15.5 Tax invoice

Before claiming an additional amount under clause 15.3, the Supplier must provide a tax invoice to the recipient in respect of the relevant supply.

15.6 GST Groups

If a party is, or becomes a member of, a GST Group, references in this clause 15 to GST payable or Input Tax Credits, includes GST which the representative member of the GST Group must pay in respect of supplies made by that party and Input Tax Credits to which the representative member of the GST Group is entitled.

15.7 Variation of GST payable

If, for any reason, the GST payable in relation to a supply made under this agreement varies from the additional amount paid by the recipient under clause 15.3, the Supplier:

- (a) will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the recipient; and
- (b) must provide the recipient with an adjustment note or tax invoice (as the case may be) no later than 14 days after becoming aware of the variation.

15.8 Interpretation

Any reference in this clause 3 to a term defined or used in the GST Law is, unless the context indicates otherwise, a reference to that term as defined or used in the GST Law.

16. Notices and other communications

16.1 Form – all communications

Unless expressly stated otherwise in this agreement, all notices, certificates, consents, approvals, waivers and other communications in connection with this agreement must be:

- (a) in writing;

- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

16.2 Form – communications sent by email

Communications sent by email need not be marked for attention in the way stated in clause 16.1. However, the email must state the first and last name of the sender. Communications sent by email are taken to be signed by the named sender.

16.3 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by email to the address set out or referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

16.4 When effective

Communications take effect from the time they are received or taken to be received under clause 16.5 (whichever happens first) unless a later time is specified.

16.5 When taken to be received

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from 1 country to another);
- (b) if sent by email, the first to occur of:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

16.6 Receipt outside business hours

Despite clauses 16.4 and 16.5, if communications are received or taken to be received under clause 16.5 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

16.7 COVID-19 notices

During the period that Australia is on any alert level notified by the Australian federal government in relation to COVID-19, any notice given under this agreement must be given by email (except to the extent that the notice is required by law to be given by another means, in which case it must also be provided by email).

17. General

17.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

17.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

17.3 Failure to exercise rights

Except as otherwise set out in this agreement, any partial exercise, failure to exercise, or delay in exercising, a right or remedy provided under this agreement or by law does not operate as a waiver or prevent or restrict any further or other exercise of that or any other right or remedy in accordance with this agreement.

17.4 Duty

Andromeda must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this agreement or the Offer or the steps to be taken under this agreement or the Offer.

17.5 No liability for Loss

Except as otherwise set out in this agreement, a party is not liable for Loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy that is available to it under this agreement.

17.6 Legal costs

Except as expressly stated otherwise in this agreement, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this agreement.

17.7 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if this involves a conflict of duty or a party has a personal interest in their exercise.

17.8 Consents

Except as expressly stated otherwise in this agreement, a party may conditionally or unconditionally give or withhold any consent to be given under this agreement and is not obliged to give its reasons for doing so.

17.9 Remedies cumulative

The rights and remedies provided in this agreement are in addition to other rights and remedies given by law independently of this agreement.

17.10 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

17.11 Time is of the essence

Time is of the essence in this agreement.

17.12 Further assurances

Each party agrees, at its own expense, on the request of the other parties, to do everything reasonably necessary to give effect to this agreement and the transactions contemplated by it, including, but not limited to, the execution of documents.

17.13 Amendment

This agreement may only be varied or replaced by a document executed by the parties.

17.14 Severability

If the whole or any part of a provision of this agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

17.15 Assignment

The rights and obligations of each party under this agreement cannot be assigned without the prior written consent of the other, which consent cannot be unreasonably withheld or delayed.

17.16 Counterparts

This agreement may be executed in any number of counterparts or copies, with signatures appearing on different counterparts or copies, and this has the same effect as if the signatures on the counterparts or copies were on a single copy of this agreement. Without limiting the foregoing, if any of the signatures on behalf of one party are on different counterparts or copies of this agreement, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this agreement. A party who has executed a counterpart of this agreement may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party.

17.17 Entire agreement

Other than in relation to the Confidentiality Agreement, this agreement, including its schedules, exhibits and annexures:

- (a) constitute the entire agreement between the parties in connection with its subject matter; and
- (b) in relation to that subject matter, supersedes all previous agreements or understandings between the parties and all prior conditions, warranties, indemnities or representations imposed, given or made by a party.

17.18 Governing law

This agreement and the transactions contemplated by this agreement are governed by the law in force in South Australia. Each party submits to the non-exclusive jurisdiction of the courts of South Australia.

17.19 Knowledge and belief

Any statement made by a party on the basis of its knowledge, information, belief or awareness, is made on the basis that the party has, in order to establish that the statement is accurate and not misleading in any material respect, made all reasonable enquiries of its officers, managers and employees who could reasonably be expected to have information relevant to matters to which the statement relates.

Schedule 1 – Agreed Terms

1. Offer Price

In relation to the Offer, the consideration to be provided by Andromeda under the Offer is 1.15 Andromeda Shares for every 1 Share held.

If the number of Shares held by a Shareholder means that their aggregate entitlement to Andromeda Shares is not a whole number, then any fractional entitlement will be rounded down to the nearest whole number.

Subject to the Corporations Act, Andromeda will issue the Andromeda Shares to which a Foreign Minotaur Holder would otherwise be entitled to a nominee appointed by Andromeda who will sell those Andromeda Shares and pay to that Foreign Minotaur Holder the net proceeds received (after deducting applicable brokerage (applied at standard market rates), taxes and charges) in accordance with the Offer, calculated on an average basis per Andromeda Share so that all Foreign Minotaur Holders receive the same price per Andromeda Share (subject to rounding), unless Andromeda is satisfied (in its absolute discretion) that the laws of a Foreign Minotaur Holder's country of residence (as shown in the Register) permit the issue of Andromeda Shares to the Foreign Minotaur Holder either unconditionally or after compliance with conditions which Andromeda regards as not unduly onerous or unduly impracticable.

2. Offer Period

The Offer Period shall initially last for at least one month and, subject always to clause 2.7(b) of this agreement, shall be subject to Andromeda's right to extend the period in its absolute discretion in accordance with the Corporations Act.

3. Conditions of the Offer

The Offer, and any contract resulting from the acceptance of the Offer, is subject to the fulfilment of the following conditions.

3.1 Minimum acceptance condition

At the end of the Offer Period, Andromeda has a Relevant Interest in 90% or more of Minotaur Shares then on issue.

3.2 Regulatory Approvals

During the Offer Period, all Regulatory Approvals which are required in order to permit the Offer to be made to and accepted by Minotaur Shareholders and the lawful completion of the Offer if it is accepted and becomes unconditional are granted, given, made or obtained in each case on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

3.3 No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority;
- (b) no action or investigation is announced, commenced or threatened by any Regulatory Authority with respect to Minotaur or a Controlled Entity of Minotaur; and
- (c) no application is made to any Regulatory Authority (other than by Andromeda), in consequence of or otherwise relating to the Offer (other than an application or determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act or if the Regulatory Action results from action or inaction of Andromeda),

which is reasonably likely to or purports or threatens to:

- (d) restrain, prohibit or impede, or otherwise materially adversely impact on, the making of the Offer or the completion of any transaction contemplated by this agreement in connection with the Offer (including the acquisition of Minotaur Shares) or the continued ownership and operation of the business of the Retained Group; or
- (e) require the variation of the terms of the Offer; or
- (f) require or approve the divestiture of any Minotaur Shares or the divestiture of any assets of any Retained Group Company or of any Andromeda Group Member.

3.4 No material adverse event

No act, omission, event, condition, action, proceeding, circumstance or change in circumstance has happened or happens, is announced, disclosed or otherwise becomes known to Andromeda (whether it becomes public or not), during the period from and including the Announcement Date to the end of the Offer Period, that (individually or with others) has or is reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading positions or prospects of the Retained Group (taken as a whole) including but not limited to any one or more of the following effects:

- (a) diminishing the net assets of the Retained Group by \$4,000,000 or more, compared to the value of the net assets of Minotaur set out in its balance sheet as at 30 September 2021;
- (b) the Retained Group being unable to carry on its operations or business, or to exercise its rights or perform its obligations under any Retained Mineral Tenement or any Material Contract, in substantially the same manner as carried on, exercised or performed (as applicable) as at the Announcement Date, including as a result of a material regulatory approval or licence being varied, cancelled, revoked or terminated by a Regulatory Authority;
- (c) any material rights under any Retained Mineral Tenement or any Material Contract in which a Retained Group Company (or management company associated with a joint venture in which a Retained Group Company has an interest) has an interest being (or being capable of being) suspended, revoked, invalidated, varied, terminated or otherwise brought to an end, other than on the expiration of its term in the ordinary course;
- (d) a material restraint on or hindrance to the development, timely completion, feasibility, operation or profitability of the material projects in which the Retained Group has an interest; or
- (e) any change in any applicable laws or regulations which would result in a material impairment of the costs structure of the Retained Group.

However, this condition does not apply to:

- (a) an event, matter, change or circumstance caused, or materially contributed to, by Andromeda;
- (b) anything which has arisen solely as a result of any actions taken by any member of the Minotaur Group in the ordinary course of its business;
- (c) those events or circumstances required or permitted to be done or procured or not done or procured by Minotaur pursuant to this agreement (including the Demerger);
- (d) an event, circumstance, matter or information that is Fairly Disclosed by Minotaur to Andromeda or known to Andromeda or its Representatives on or prior to the Announcement Date or otherwise disclosed in public filings by Minotaur with ASIC or provided to ASX on or prior to the date of this agreement (unless such event, circumstance, matter or information was not reasonably apparent from such filings with ASIC or ASX);
- (e) any event or matter which affects the mineral resources industry generally and which impacts on Minotaur and its competitors in a similar manner;
- (f) an event, matter, change or circumstance in or relating to:
 - (i) economic, business, regulatory or political conditions in general;
 - (ii) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (iii) any change to commodity market conditions in Australia, including kaolin prices; or
- (g) any change in accounting policy required by law;

- (h) costs and expenses associated with the Proposed Transaction or the Demerger to the extent that the amounts or estimates of the amounts are Fairly Disclosed to Andromeda or any Related Person of Andromeda;
- (i) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which Minotaur's insurers have agreed to pay; or
- (j) anything done with the prior written consent of Andromeda.

3.5 No material acquisitions, disposals, commitments etc.

Between the Announcement Date and the end of the Offer Period (each inclusive), other than as fully disclosed in a public announcement to the ASX before the Announcement Date or required to give effect to the Demerger, no Retained Group Company:

- (a) acquires, offers to acquire, agrees to acquire or announces an intention to acquire, one or more companies, businesses, properties or assets (or shares or any other interest in one or more companies, businesses, properties or assets):
 - (i) if the total amount of:
 - (A) the consideration provided or to be provided; and
 - (B) any other expenditure, work or other commitments assumed,
 by the Retained Group Companies (or any of them) in respect of any or all such acquisitions exceeds or could exceed \$200,000 (and for this purpose, non-cash consideration or other commitments will be converted into an equivalent Australian dollar amount at fair market value or (where no fair market value is readily obtainable) at a reasonable estimation of the arm's length value or cost of the relevant consideration or other commitment); or
 - (ii) if the acquisition results or would result in a Retained Group Company having a Relevant Interest of greater than 5% in the shares or other securities of an entity that is listed, or in any securities which are quoted, on the ASX or a Recognised Stock Exchange;
- (b) disposes of, offers to dispose of, agrees to dispose of or announces an intention to dispose of any legal, beneficial or economic interest in:
 - (i) any Retained Mineral Tenement; or
 - (ii) any entity which, or a Controlled Entity of which, holds or is entitled to any legal, beneficial or economic interest in any Retained Mineral Tenement; or
 - (iii) (without limitation to sub-paragraphs (b)(i) and (ii) above) any one or more entities, businesses, properties or assets (or shares or any other interest in one or more entities, businesses, properties or assets), for an amount, or in respect of which the book value (as recorded in Minotaur's statement of financial position as at 30 June 2021) is, in aggregate with all other such disposals, greater than \$200,000);
- (c) enters into, offers to enter into, agrees to enter into or announces an intention to enter into, any agreement, lease, joint venture, partnership, farm-in agreement, management agreement, arrangement or commitment (including a commitment to contribute to exploration, appraisal, development or other costs and expenditure if a call or other demand is made upon it) which would require the members of the Retained Group (or any of the them) to incur or otherwise be responsible (directly or indirectly) for costs and expenditure:
 - (i) of a capital nature exceeds \$200,000; or
 - (ii) of any kind outside the ordinary course of business of the Retained Group, if the aggregate of all costs and expenses incurred by Minotaur Group Companies on or after the Announcement Date outside the ordinary course of business of the Retained Group exceeds or could reasonably be expected to exceed \$200,000,

other than pursuant to a budget or other expenditure proposal submitted on or after the Announcement Date to a Retained Group Company by Andromeda;

- (d) enters into or terminates, or, in any material respect, amends or waives, any of the terms applicable to, or rights (including any rights of pre-emption or first or last refusal) under, a Material Contract, other than:
- (i) where entering into the relevant Material Contract would be contrary to any of the conditions in paragraphs 3.5(a), (b), (c), (e), (f), (g), (h) or (i) but for an express financial threshold in or exception to the relevant condition; or
 - (ii) an extension of the term of an agreement that is expressly permitted by subparagraph (vi)(B) below;
- (e) enters into, offers to enter into, agrees to enter into or announces an intention to enter into, any transaction, or is otherwise affected by any transaction or proposal, under which:
- (i) any third party would, or on the satisfaction of any conditions would be entitled to, acquire any legal, beneficial or economic interest in, or an overriding royalty interest, net profit interest or other right to payment calculated on or by reference to production, revenue, earnings or profit of or attributable to; or
 - (ii) there would be any diminution in the rights granted under or held by any Retained Group Company in respect of,
any Retained Mineral Tenement in which any Retained Group Company holds a legal, beneficial or economic interest;
- (f) enters into, offers to enter into, agrees to enter into or announces an intention to enter into:
- (i) any transaction, or is otherwise affected by any transaction or proposal, under which any third party would, or on the satisfaction of any conditions would be entitled to, acquire any legal, beneficial or economic interest in production from Minotaur's current or future operations or right to sell or market production (other than an agreement with Andromeda);
 - (ii) any agreement (including by way of amendment to any existing agreement) for the sale, lending, exchange or disposal by other means of minerals of any kind, or under which a Retained Group Company commits to utilise, or to pay for the right to utilise, (by way of tolling or otherwise) any third party facility or other infrastructure for the processing, treatment, transportation or storage of minerals of any kind, other than:
 - (A) any agreement that extends the term of an agreement in effect immediately prior to the Announcement Date or that replaces such an agreement and is with the same counterparty(ies), provided that the term of the relevant extension or replacement agreement ends no later than 31 December 2022 and the terms and conditions of the extended or replacement agreement are otherwise substantially the same as or more favourable to the Retained Group than those in effect under the relevant agreement immediately prior to the Announcement Date;
 - (B) any swap, option, hedge, forward, futures or similar transaction (whether relating to any mineral, foreign exchange rates, securities or any other commodity, interest or index);
- (g) incurs or enters into any arrangement to incur borrowings or similar indebtedness owing to any entity other than Minotaur or a Retained Subsidiary, other than borrowings under the Minotaur Group's existing non recourse Eloise and Jericho project loan carry amount arrangement on terms approved by Andromeda;
- (h) enters into any arrangement under which Minotaur or a Retained Subsidiary may be required to advance or provide financial accommodation to another party;

- (i) exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any shares, assets or property held by another person prior to the final date on which those rights may be exercised; or
- (j) announces an intention to do any of the matters referred to in sub-paragraphs (a) to (i) above.

3.6 Corporate matters

Between the Announcement Date and the end of the Offer Period (each inclusive), other than as fully disclosed in a public announcement to the ASX before the Announcement Date, no Retained Group Company:

- (a) declares, pays or distributes any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise, other than as part of or in connection with the Demerger or the declaration and/or payment of a dividend by a subsidiary of Minotaur where the only recipient of that dividend is Minotaur or a wholly-owned subsidiary of Minotaur;
- (b) amends its constitution;
- (c) except as required by law:
 - (i) increases the remuneration of, pays any bonus to, or varies the redundancy terms of any of its directors, employees, contractors or consultants, except as expressly required under the terms of any employment agreement existing as at the Announcement Date; or
 - (ii) varies the terms applicable to any Minotaur Options or the terms of the employments agreements with any of its directors or employees; or
 - (iii) issues to any of its directors, contractors or employees any securities, options or rights entitling the holder or its nominee to be issued Minotaur Shares, other than the issue of Minotaur Shares pursuant to Minotaur Options issued before the Announcement Date; or
 - (iv) accelerates the rights of any of its directors, contractors or employees to benefits of any kind, other than the exercise of Minotaur Options which (in each case) were on issue, and in accordance with the terms applicable, immediately before the Announcement Date; or
 - (v) pays a director, contractor or employee a termination payment, other than as provided for in an existing employment contract and approved by shareholders for the purposes of the Corporations Act or ASX Listing Rules (as appropriate) before the Announcement Date;
- (d) gives or agrees to give a financial benefit to a related party of Minotaur within the meaning of Chapter 2E of the Corporations Act; or
- (e) announces an intention to do any of the matters referred to in sub-paragraphs (i) to (iv) above.

3.7 No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no claim, litigation, arbitration proceedings, prosecution or other legal proceedings against any Retained Group Company is commenced, threatened to be commenced, announced or made known to Andromeda (whether or not becoming public) or Minotaur, which involves a claim:

- (a) of more than \$100,000; or
- (b) the amount of which, when aggregated with the amount of all other such claims, exceeds \$1,000,000,

other than where such claim, litigation or proceedings has been disclosed in a public announcement to the ASX before the Announcement Date and there has been no material adverse change from the position as described in such disclosure.

3.8 Non-existence or exercise of certain rights

No person (other than Andromeda or any of its Subsidiaries) having any rights, being entitled to or exercising any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person), and in all cases whether subject to conditions or not, as a result of any change of control event in respect of Minotaur (including but not limited to Andromeda acquiring shares in Minotaur) or any of the Retained Subsidiaries or Retained Assets, to:

- (a) acquire, or require the termination, modification or disposal or offer to dispose of, any material interest or asset, corporate body, other entity, partnership or joint venture (incorporated or unincorporated); or
- (b) accelerate or adversely modify the nature or performance of any material obligations of Minotaur or any of the Retained Subsidiaries, other than in accordance with the terms of the Minotaur Options issued before the Announcement Date.

3.9 No Prescribed Occurrences

Between the period beginning on the Announcement Date and ending at the end of the Offer Period (each inclusive), none of the following events occur (each a **Prescribed Occurrence**):

- (a) Minotaur converts all or any of its shares into larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Minotaur or a Retained Subsidiary resolves to reduce its share capital in any way (other than as part of or in connection with the Demerger);
- (c) Minotaur or a Retained Subsidiary:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Minotaur or a Retained Subsidiary issues shares or grants an option over its shares or agrees to make such an issue or grant such an option, other than:
 - (i) the issue of Minotaur Shares upon the exercise of Minotaur Options in each case where those Minotaur Options were issued before the Announcement Date; or
 - (ii) the issue of 18 million Shares and 1 million options (exercisable at \$0.20 each and expiring on 29 March 2024) to Sandfire Resources Limited in respect of the previously publicly announced transaction by Minotaur in respect of the acquisition of interests in the Altia mineral projects;
- (e) Minotaur or a Retained Subsidiary issues, or agrees to issue, convertible notes;
- (f) Minotaur or a Retained Subsidiary disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property (other than as part of or in connection with the Demerger);
- (g) Minotaur or a Retained Subsidiary grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (h) Minotaur or a subsidiary of Minotaur resolves to be wound up;
- (i) a liquidator or provisional liquidator of Minotaur or a subsidiary of Minotaur is appointed;
- (j) a court makes an order for the winding up of Minotaur or a subsidiary of Minotaur;
- (k) an administrator of Minotaur, or a subsidiary of Minotaur, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Minotaur or a subsidiary of Minotaur executes a deed of company arrangement;

- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Minotaur or a subsidiary of Minotaur.

3.10 No untrue statements

Between the Announcement Date and the end of the Offer Period (each inclusive), Andromeda does not become aware of:

- (a) any statement that is untrue or misleading in any material respect; or
- (b) any fact that is required to be stated to make a statement not misleading in any material respect,

in any document filed by or on behalf of Minotaur with ASX, other than changes, events or conditions fully and publicly announced or fully and publicly disclosed by Minotaur prior to the Announcement Date.

3.11 No break fees

Between the Announcement Date and the end of the Offer Period (each inclusive), no Minotaur Group Company agrees (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person or forego any amount to which it would otherwise be entitled, in connection with a proposal by that person or any of its associates to undertake:

- (a) a takeover bid for, or scheme of arrangement in respect of, Minotaur;
- (b) an acquisition of all, or a material part, of the assets and operations of the Minotaur Group; or
- (c) any other transaction having a similar economic effect.

This condition does not apply to a payment by way of remuneration for professional services or to directors of Minotaur for the discharge of their duties in connection with the Offer.

3.12 Demerger

Minotaur shareholders pass all necessary resolutions to implement the Demerger, and the record date for the Demerger has occurred.

Schedule 2 – Agreed Announcement

Andromeda and Minotaur to Combine

Creating a Leading Australian Industrial Minerals and Technology Company Minotaur's Shareholders to Participate in New Minerals IPO

- **Andromeda and Minotaur to create a leading Australian kaolin/halloysite and technology company by consolidating 100% ownership of the Great White kaolin project and Natural Nanotech into Andromeda**
- **Andromeda to acquire Minotaur via a unanimously recommended off-market takeover offer with 1.15 new Andromeda shares offered for every 1 Minotaur share**
- **The offer values Minotaur at 20.8 cents per share¹ representing a:**
 - 59.8% premium to last close of Minotaur shares on 8 November 2021
 - 55.1% premium to 5-day VWAP
 - 67.6% premium to 30-day VWAP
- **An accretive transaction for Andromeda that unlocks significant strategic and financial benefits by:**
 - Increasing Andromeda shareholders' effective equity interest in Great White and Natural Nanotech
 - Consolidating 100% ownership of Great White and Natural Nanotech into a single entity to provide Andromeda full development optionality
 - Simplifying ownership and streamlining management of Great White ahead of DFS completion, financing and construction
 - Enhancing project finance and development alternatives that are expected to optimise the funding and development of Great White
 - Creating a company with increased scale, market relevance and trading liquidity
 - Providing an enhanced investment proposition for existing and new shareholders with potential for market re-rating of Andromeda's share price post Offer completion
- **Minotaur shareholders will hold ~19.5% interest in the enlarged Andromeda thereby:**
 - Retaining significant exposure to the upside of Great White and Natural Nanotech
 - Gaining exposure to Andromeda's broader kaolin projects and other initiatives
 - Benefiting from Andromeda's strong market knowledge, development team and the combined company's enhanced scale and financial strength
 - Mitigating the risk associated with funding and development risks associated with developing Great White as a minority joint venture partner
- **In addition, Minotaur to separately demerge its copper and gold assets into Minotaur subsidiary, Breakaway, which it intends to list on the ASX:**
 - Minotaur shareholders to retain full exposure to the potential upside of these assets via a pro-rata distribution of shares in Breakaway
 - Continuing to benefit from Minotaur's strong exploration and project generation expertise

¹ Based on 5 day volume weighted average price (VWAP) of Andromeda shares on ASX of 18.1 cents prior to and including 8 November 2021

Transaction Overview

Andromeda Metals Limited (“**Andromeda**”) (ASX: ADN) and Minotaur Exploration Limited (“**Minotaur**”) (ASX: MEP) are pleased to announce that they have entered into a Bid Implementation Agreement (“**BIA**”), pursuant to which Andromeda will offer to acquire all the issued ordinary shares of Minotaur by way of an off-market takeover offer (“**Offer**”).

The Offer, once fully implemented, will result in Andromeda consolidating 100% ownership of both the Great White Kaolin Project (“**Great White**”) and Natural Nanotech Pty Ltd (“**Natural Nanotech**”) via the acquisition of Minotaur’s current 25% and 50% respective joint venture interests in Great White and Natural Nanotech.

The Offer is accretive for Andromeda, provides Andromeda shareholders with an increased effective interest in Great White and Natural Nanotech, whilst delivering significant strategic and financial benefits. 100% ownership of Great White will deliver a simplified and streamlined ownership and will enable the design, funding mix and timetable for development of Great White to be optimised. Similarly, 100% ownership of Natural Nanotech will enable enhanced development and commercialisation of any future intellectual property in relation to new technology created for halloysite applications and uses, including battery technology, water purification and carbon capture.

The Offer delivers a compelling premium for Minotaur shareholders and implies a Minotaur equity valuation of \$108 million². Minotaur shareholders will own approximately 19.5% of Andromeda post the Offer being fully implemented.

Andromeda, post the Offer being fully implemented, will become a company with enhanced scale and market relevance, with an implied market capitalisation of \$552 million (prior to any re-rate) and where the all-scrip consideration of the Offer will preserve Andromeda’s strong balance sheet which has current cash of \$46 million and nil debt (as at 30 September 2021).

In addition, Minotaur intends to demerge its existing copper and gold exploration assets through its subsidiary, Breakaway Resources Pty Ltd (“**Breakaway**”), via a pro-rata in specie distribution of Breakaway shares (the “**Demerger**”) to Minotaur shareholders. The Demerger enables Minotaur shareholders to retain full exposure to the value and the potential upside of these assets and the benefit of Minotaur’s highly credentialed board and management team in a clearly focused exploration company which is intended to be listed on the Australian Securities Exchange (“**ASX**”).

The Offer and Demerger will be undertaken in parallel, with the Demerger completed by way of an equal capital reduction. The Demerger is subject to Minotaur shareholder approval.

Details of the Offer

Under the Offer, Minotaur shareholders will receive 1.15 Andromeda shares for every one Minotaur share held (“**Offer Ratio**”).

Based on the 5-day VWAP of Andromeda’s shares of \$0.181 on 8 November 2021, being the last trading day before the announcement of the Offer (“**Announcement Date**”), the Offer Ratio values Minotaur at \$108 million and implies a value of \$0.208 per Minotaur share (the “**Implied Offer Price**”). The Implied Offer Price represents a premium of:

- 59.8% to Minotaur’s last close price of \$0.130 prior to the Announcement Date;
- 55.1% to Minotaur’s 5-day volume weighted average price (“**VWAP**”) of \$0.134 up to the Announcement Date; and
- 67.6% to Minotaur’s 30-day VWAP of \$0.124 up to the Announcement Date;

The Offer is subject to certain conditions customary for a transaction of this nature, including a 90% minimum acceptance condition, deal protection mechanisms including “no shop, no talk” restrictions, a

² Using the Implied Offer Price.

market-standard break fee payable in certain circumstances and Minotaur Shareholder approval for the Demerger.

The Offer will extend to all Minotaur shares, including those issued as a result of the exercise of options during the Offer period. Separate offers are being made for unlisted options in Minotaur, on terms that are consistent with the Offer.

The Offer terms will provide that Minotaur shareholders who accept their Minotaur shares into the Offer will retain the rights to vote those shares on the resolutions to approve the Demerger and participate in the Demerger.

Further details of the Offer, including its material terms and conditions, can be found in the attached BIA.

The Andromeda's Bidder's Statement and Minotaur's Target's Statement are expected to be despatched to Minotaur shareholders by the end of November 2021. The Bidder's Statement and Target's Statement will set out important information, including how to accept the Offer, information about Andromeda and the key reasons as to why Minotaur shareholders should accept the Offer.

Minotaur Board Recommendation and Shareholder Support

The Minotaur Board of Directors unanimously recommend that Minotaur shareholders accept the Offer, in the absence of a superior proposal.

Minotaur's Directors have advised they will accept the Offer in respect of all Minotaur shares they own or control (representing 1.8% of Minotaur's issued shares) within 5 days after the Offer has opened, in the absence of a superior proposal.

In addition, several of Minotaur's largest shareholders (representing 12.9% of Minotaur's issued shares) have indicated to Minotaur their intention to accept the Offer for all the shares they currently own or control, in the absence of a superior proposal. Those shareholders have consented to the inclusion of this intention statement in this announcement.

Management Commentary

Andromeda's Managing Director, James Marsh, commented that the transaction and combination with Minotaur was logical and an exciting opportunity to unlock and create value:

"The acquisition of Minotaur and consolidation of the Great White Kaolin Project represents a significant step towards optimising value for both Andromeda and Minotaur shareholders.

We view this acquisition and resultant consolidation of Great White and Natural Nanotech ownership as a logical positive next step in the evolution of the project, unlocking value for all Andromeda and Minotaur shareholders.

Great White is an exciting, low-cost project capable of supplying premium grade refined kaolin minerals into growing market demand for high value bright-white halloysite-kaolin in ceramic/paint sectors and other applications. Consolidating ownership of Great White provides for increased future funding flexibility and development optionality.

We will welcome Minotaur shareholders to Andromeda's register and for them to continue to benefit from further progress at Great White as we optimise the project and progress towards production in 2022."

Minotaur's Managing Director, Andrew Woskett, provided Minotaur's directors' view on the clear rationale of the transaction for Minotaur shareholders:

"It is an opportune time for Minotaur shareholders to crystallise value for Great White and Natural Nanotech, whilst retaining their exposure to Minotaur's copper and gold projects.

By accepting the Offer, Minotaur shareholders will realise immediate value for their stake in the Great White Project and maintain exposure to the project, via their new Andromeda shares. In addition, we are excited to be packaging up Minotaur's base metal and gold assets into subsidiary Breakaway and apply for its listing on the ASX, in which Minotaur shareholders will receive pro-rata shares. Breakaway will focus primarily on its gold, copper and base metals projects in Queensland and South Australia, continuing the quality work which has brought discovery recognition."

Details of the Demerger and Breakaway

Under the proposed Demerger, eligible Minotaur shareholders will receive shares in Breakaway on a pro-rata basis for Minotaur shares they hold at the record date for the Demerger.

Key details of Breakaway are summarised below:

- A copper and gold exploration focused company
- Ownership of Minotaur's existing copper gold exploration projects and joint venture interests located in Queensland and South Australia
- Minotaur current board, management and staff will transfer to Breakaway
- Cash of \$2 million (pre-costs of the IPO) on completion of the Demerger

The Demerger will entail a capital reduction and in specie distribution of shares in Breakaway to eligible Minotaur shareholders to effect the Demerger. The Demerger will require Minotaur shareholder approval.

Breakaway intends to apply for listing on the ASX (subject to receipt of necessary approvals) raising new equity through issue of a Prospectus.

Further information in relation to the Demerger will be provided to Minotaur shareholders through separate announcements and Minotaur's Notice of Meeting.

Interim Funding

Andromeda and Minotaur have agreed on a budget for Minotaur for the period from the date of the BIA to the expected completion of the takeover ("**Approved Budget**").

Andromeda is making available to Minotaur an amount of up to \$4.0 million by way of short term funding for the purpose of funding expenditure within the Approved Budget and to seed Breakaway with up to \$2 million (pre-costs of the IPO) on completion of the Demerger.

Further detail on the interim funding arrangements, including triggers for maturity and methods of repayment, are set out in the funding deeds annexed to the BIA (available with this announcement) and will also be provided in the Bidder's and Target's Statements.

Timetables

Detailed information relating to the Offer and timetable will be set out in the Bidder's Statement and Target's Statement, which are expected to be dispatched to Minotaur shareholders in late November 2021.

The Demerger timetable will be set out in Minotaur's Notice of Meeting.

Great White DFS Update

In conjunction with this transaction announcement, Andromeda has released a separate announcement providing an update on its Definitive Feasibility Study ("**DFS**") at Great White. The DFS update outlines the strong progress made on the DFS, the significant work being completed on scenario analysis and optimisation, the potential inclusion of low start-up cost DSO and the benefits of project ownership consolidation. In order to optimise the DFS, further time is required to incorporate all of the advantages of 100% ownership and to complete further scenario and optimisation analysis. As such, Andromeda has deferred the release of the DFS to Q1 2022. For further detail on the DFS, refer ASX announcement "Definitive Feasibility Study Update" released 10 November 2021.

Advisors

Andromeda has appointed Taylor Collison as financial advisor and MinterEllison as legal advisor.

Minotaur has appointed Argonaut PCF as financial advisor and Steinepreis Paganin as legal advisor.

For further information, please contact:

ANDROMEDA METALS

James Marsh

Managing Director

T: +61 8 8271 0600

E: james.marsh@andromet.com.au

Michael Zannes

Chief Financial Officer

T: +61 8 8271 0600

E: michael.zannes@andromet.com.au

MINOTAUR EXPLORATION

Andrew Woskett

Managing Director

T: +61 8 8132 3400

E: AWoskett@MinotaurExploration.com.au

Varis Lidums

Commercial Manager & Company Secretary

T: +61 8 8132 3400

E: VLidums@MinotaurExploration.com.au

Authorised for release to the ASX on behalf of Andromeda Metals by James Marsh, Managing Director.

Authorised for release to the ASX on behalf of Minotaur Exploration by Andrew Woskett, Managing Director.

Schedule 3 – Demerger Assets

- All of the assets, rights, titles and obligations of Breakaway.
- All of the issued share capital in and the assets, rights, titles and obligations of the following companies:
 - Minotaur Gold Mines Pty Ltd ACN 645 850 228,
 - Minotaur Operations Pty Ltd ACN 108 925 284, but excluding application ELA 2019/73
 - Levuka Resources Pty Ltd ACN 112 095 440,
 - Minotaur Resources Investments Pty Ltd ACN 108 483 683.
- The residential property located at 18 Payne Street, Cloncurry QLD 4824 (**Cloncurry Residence**), subject to the existing mortgage over the Cloncurry Residence being discharged in full by Minotaur and the current guarantee granted by Retained Group Companies is discharged prior to Record Date for the Demerger otherwise it will be a Retained Asset.
- All other assets, contracts, rights and privileges and associated liabilities and obligations held by Minotaur Group, relating to the above assets including rented office accommodation.

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Schedule 4 – Demerger Terms

The Demerger is to be undertaken on the following terms and steps:

1. Demerger Vehicle

Once the preliminary steps set out in clause 2 below (other than clause 2(g)) have been completed, the Demerger will be undertaken by an equal capital reduction of Minotaur by a distribution in specie on a pro rata basis of all of the issued shares in Breakaway to Minotaur shareholders as at the Record Date. The amount of the return of capital and any values ascribed to the assets of Breakaway shall be agreed with Andromeda acting reasonably.

2. Preliminary Steps

The Minotaur Group will undertake such transactions and do such acts as required to ensure that Breakaway:

- (a) holds only the Demerger Assets and all liabilities and obligations associated with the Demerger Assets and that Minotaur and the Retained Subsidiaries following the Demerger, are released and indemnified from all Claims, directly or indirectly arising from or connected with, the Demerger Assets whether arising before or after the Demerger is completed;
- (b) and its Subsidiaries following the Demerger, are released and indemnified from all Claims, directly or indirectly arising from or connected with, the Retained Group and the Retained Mineral Tenements (including forgiveness of any intercompany loans owing to Minotaur or any Retained Subsidiary by Breakaway or any of its subsidiaries prior to the Demerger as approved by Andromeda);
- (c) holds cash or cash equivalent assets of no more than \$2 million (excluding, for the avoidance of doubt, any contributions or payments made in lieu of earn-in or expenditure obligations of joint venture partners). To the extent Minotaur has insufficient cash resources to achieve this, then Andromeda shall provide to Minotaur, the additional cash required in accordance with the Breakaway Funding Facility Deed set out in **Annexure B** save that Andromeda shall have no obligation to provide the additional cash if all or substantially all of the Demerger Assets are sold or agreed to be sold to a third party prior to completion of the Demerger;
- (d) converts to a public company (including adoption of a new constitution appropriate for a public company);
- (e) accepts a novation of all remaining rights and obligations of the Minotaur Group in respect of the Altia transaction with Sandfire Resources Limited to ensure Andromeda and the Retained Group Companies have no ongoing obligations in respect of this transaction once the Demerger has been implemented on terms approved by Andromeda acting reasonably;
- (f) makes offers of employment to all employees of Minotaur Group on terms no less favourable than they currently enjoy, subject only to the Demerger proceeding and their employment with the Minotaur Group being terminated;
- (g) for a period of 6 months following the implementation of the Demerger, does not employ or engage as a contractor any employee of the Minotaur Group that did not accept the offer of employment referred to in paragraph (f) above; and
- (h) to the extent required to Andromeda's reasonable satisfaction, accepts a novation of all remaining rights and obligations of the Minotaur Group in respect of the Eloise Joint Venture and Jericho Joint Venture to ensure Andromeda and the Retained Group Companies have no ongoing obligations in respect of Eloise Joint Venture and Jericho Joint Venture and in respect of the associated loans provided by OZ Minerals Limited (as lender) and related securities and guarantees once the Demerger has been implemented on terms approved by Andromeda acting reasonably.

3. Cloncurry Residence

In the event the Cloncurry Residence is a Retained Asset, then Andromeda agrees to lease the Cloncurry Residence to Breakaway on commercial terms to be agreed with a first right of refusal to buy the property.

4. Conditions

The Demerger is subject to the fulfilment of the following conditions and shall only take effect if:

- (a) the Conditions are either satisfied or waived; and
- (b) Sandfire Resources Limited agrees and consents to the arrangements in clause 2(e) above;
- (c) OZ Minerals Limited agrees and consents to the arrangements in clause 2(h) above.

and such conditions may only be waived with the consent of Andromeda in its absolute discretion.

5. Intergroup Loans

Minotaur shall procure that all intergroup loans between members of the Minotaur Group arising before the Record Date for the Demerger are fully discharged or forgiven before the Demerger Group ceases to be part of the Minotaur Group and the Demerger is completed.

6. Review

Minotaur and Breakaway must provide Andromeda with a reasonable opportunity to review and consider the terms of any arrangements to give effect to the preliminary steps set out in clause 2 above and must implement any comments or changes reasonably required by Andromeda.

7. Wrong pockets

The detailed demerger documents will include a wrong pockets clause so that following completion of the Demerger, if it is identified that:

- (a) any asset or liability whether current, non current or contingent held by a member of the Retained Group; or
- (b) any asset or liability whether current, non current or contingent held by a member of the Demerger Group,

should be held by the other group, the relevant parties will as soon as practicable and on terms that no additional consideration is provided by any person for such transfer:

- (c) execute all such deeds or documents as may be necessary for the purpose of transferring all rights, title and interest in the asset to the correct party; and
- (d) do or procure to be done all such further acts or things and procure the execution of all such other documents as necessary or desirable for the purpose of vesting all right, title and interest in the asset in the correct party,

with any taxes or duty payable in respect of the transfer of any such asset to be borne by the Retained Group.

Notwithstanding the above, for the avoidance of doubt, all Minotaur Group tax losses remain with the Retained Group.

Signing page

EXECUTED as an agreement.

Executed by Andromeda Metals Limited in accordance with Section 127 of the *Corporations Act 2001*

(redacted)
Signature of director

James Marsh
Name of director (print)

(redacted)
Signature of ~~director~~/company secretary
(Please delete as applicable)

Andrea Betti
Name of ~~director~~/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

Executed by Minotaur Exploration Limited in accordance with Section 127 of the *Corporations Act 2001*

(redacted)
Signature of director

Andrew Woskett
Name of director (print)

(redacted)
Signature of ~~director~~/company secretary
(Please delete as applicable)

Varis Lidums
Name of ~~director~~/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

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Executed by Breakaway Resources Pty Ltd in accordance with Section 127 of the Corporations Act 2001

(redacted)

Signature of director

(redacted)

Signature of director/company secretary
(Please delete as applicable)

Andrew Woskett

Name of director (print)

Varis Lidums

Name of director/company secretary (print)

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Annexure A - Short Term Funding Facility Deed

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Execution Version

Short Term Funding Facility Deed

Minotaur Exploration Limited (**Borrower**)

Great Southern Kaolin Pty Ltd (**GSK**)

Andromeda Metals Limited (**Lender**)

Andromeda Industrial Minerals Pty Ltd (**AIM**)

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Short Term Funding Facility Deed

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Details

Date

Parties

Name **Minotaur Exploration Limited ACN 108 483 601**
Short form name **Borrower**
Notice details Level 1, 8 Beulah Road
Norwood SA 5067
email: admin@minotaurexploration.com.au
Attention: Company Secretary

Name **Great Southern Kaolin Pty Ltd ACN 133 520 180**
Short form name **GSK**
Notice details Level 1, 8 Beulah Road
Norwood SA 5067
email: admin@minotaurexploration.com.au
Attention: Company Secretary

Name **Andromeda Metals Limited ACN 061 503 375**
Short form name **Lender**
Notice details PO Box 1210
Unley BC SA 5061
email: Michael.zannes@andromet.com.au
Attention: Michael Zannes

Name **Andromeda Industrial Minerals Pty Ltd ACN 628 055 925**
Short form name **AIM**
Notice details PO Box 1210
Unley BC SA 5061
email: Michael.zannes@andromet.com.au
Attention: Michael Zannes

Background

This document sets out the terms on which the Lender agrees to provide a short-term funding facility to the Borrower to fund corporate activities and to fund GSK's share of a cash call for the Great White Kaolin Joint Venture.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Advance means a provision of financial accommodation under this document up to but not exceeding the Facility Amount.

Approved Budget means the budget of the Borrower approved by the Lender on or about the date of this deed for expenses to be incurred by or in relation to the Borrower including to fund GSK's share of a cash call for the Great White Kaolin Joint Venture.

Authorised Representative means, in respect of a party, a director or company secretary, or a person it notifies to the other party as being authorised to act as its authorised representative for the purposes of the Finance Documents.

Base Rate means, on a day, the rate percent per year (expressed as a yield to maturity and rounded upwards if necessary to 4 decimal places) being:

- (a) the average bid rate for bank accepted bills of exchange having a term equal or approximately equal to three months displayed on Reuters screen page BBSY (or its replacement page) at around 10.15am on that day; or
- (b) if that screen rate is not displayed by 10.30am on that day, the rate set on that day by the Lender in good faith for a period of three months having regard to the Lender's cost of funding and comparable indices then available in current markets.

Bid Implementation Agreement means the bid implementation agreement between the Borrower and the Lender entered into, or to be entered into, on or about the date of this deed.

Business Day means:

- (a) for receiving a Notice under clause 11, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the Notice is received; and
- (b) for all other purposes, a Saturday, Sunday, public holiday or bank holiday in Adelaide.

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

Default means an event or circumstance specified in clause 6.1.

Dollars and **A\$** mean the lawful currency of Australia.

End Date has the same meaning as in the Bid Implementation Agreement.

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Facility Amount means \$2,000,000.

Finance Document means:

- (a) this document;
- (b) a document that the Borrower and the Lender agree is a 'Finance Document'; and
- (c) a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a paragraph above.

Funding Facility means short term funding for a sum not exceeding the Facility Amount on the terms set out in this document.

Government Agency means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

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Great White JVA means the joint venture agreement between AIM and GSK in relation to the Great White Kaolin Project dated 22 December 2020.

GST has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Insolvency Event means, in respect of a person, any of the following occurring:

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;
- (b) except with the Lender's consent:
 - (i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or
 - (ii) an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation;
- (c) an External Administrator is appointed to it or any of its assets or a step is taken to do so;
- (d) if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;
- (e) if a trustee of a trust, it is unable to satisfy out of the assets of the trust the liabilities incurred by it for which it has a right to be indemnified from the assets of the trust as and when those liabilities fall due;
- (f) an analogous or equivalent event to any listed above occurs in any jurisdiction; or
- (g) it stops or suspends payment to creditors generally.

Interest Rate means the Base Rate on the day the Advance is provided to the Borrower plus 2% per annum.

Liquidation means:

- (a) a winding up, deregistration, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them.

Loss means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

Maturity Date means the earlier of:

- (a) the date agreed by the Borrower and Lender after the Borrower becomes a wholly-owned subsidiary of the Lender as a result of the Offer;
- (b) the date that is 3 months after the date Bid Implementation Agreement is terminated; and
- (c) the date that is 3 months after the Offer closes,

or any earlier date on which the Money Owning becomes due and payable under this document.

Money Owning means all money that the Borrower is or may become liable at any time (presently, prospectively or contingently) to pay to or for the account of the Lender (whether alone or not and in any capacity) under or in connection with a Finance Document including by way of principal, interest, fees, costs, charges, expenses and duties.

Notice means a notice given in accordance with clause 11.

Offer has the meaning given to it in the Bid Implementation Agreement.

Outstanding Amount means, at any time, the principal amount of the Advance together with any Money Owning then outstanding.

Power means any right, power, discretion or remedy of the Lender under any Finance Document or applicable law.

Purpose has the meaning in clause 2.1.

Tax means any tax, levy, duty, rate, impost or charge imposed, levied or assessed by a Government Agency, and any related penalty, fine, fee or interest. It includes stamp duty, GST and transaction taxes and duties.

1.2 Interpretation

In this document:

- (a) headings are for reference only and do not affect interpretation;
- (b) unless stated otherwise, all interest, amounts in the nature of interest (including discount amounts) and fees are to be calculated on a daily basis and a year of 365 days;
- (c) the singular includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;
- (d) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day;
- (e) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting; and
- (f) examples and use of the word **including** and similar expressions do not limit what else may be included.

Unless the context requires otherwise, a reference in this document to:

- (g) a party to any document includes that person's successors and permitted substitutes and assigns;
- (h) an agreement includes any legally enforceable arrangement, understanding, undertaking or representation whether or not in writing;
- (i) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;
- (j) any thing includes any part of it and a reference to a group of things or persons includes each thing or person in that group;
- (k) clauses, schedules and annexures are to those in this document, and a reference to this document includes any schedule and annexure;
- (l) a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;
- (m) time is to Adelaide time unless stated otherwise; and
- (n) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement.

2. Loan

2.1 Purpose

The Borrower must use the Advances for the sole purpose of the Borrower's short-term funding requirements as set out in the Approved Budget, including for GSK to meet its share of the December 2021 cash call for the Great White Kaolin Project joint venture as set out in the cash call notice previously provided to GSK (**Cash Call Notice**).

2.2 Commitment

Subject to this document and until the End Date, the Lender agrees to make available the Funding Facility and provide Advances to the Borrower for amounts which in aggregate do not exceed the Facility Amount.

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2.3 Payment

The parties acknowledge and agree that to the extent that an Advance is made in respect of GSK's share of the December 2021 cash call for the Great White Kaolin Project, that Advance shall be deemed to have been provided by the Lender by way of set off against the Borrower's share of the cash call as set out in the Cash Call Notice.

2.4 Draw Down

- (a) Prior to the End Date, the Borrower may request a draw down on the Funding Facility for use in accordance with the Purpose by providing to the Lender a draw down notice for the requested amount.
- (b) A request for a draw down pursuant to clause 2.4(a) must be made in writing, specifying the item or items to which the funds will be applied together with copies of invoices or other information substantiating that the drawn down amount will be used for the Purpose.
- (c) Any draw down request pursuant to clause 2.4(a) must be approved by the Lender such approval not to be unreasonably withheld if the draw down request is for the Purpose. For clarity, the Lender's approval will not be given to a draw down request for expenditure that is not for the Purpose.
- (d) The Borrower may make multiple requests under this clause 2.4(a), but not so as, in aggregate, to exceed the Facility Amount.
- (e) Subject to the drawn down request being approved by the Lender in accordance with clause 2.4(c), the Lender will provide the requested drawn down amount within 5 Business Days of receipt of the drawn down request and all supporting information.

3. Repayment

3.1 Cash repayment

The Borrower must pay the Outstanding Amount to the Lender on the Maturity Date.

3.2 Dilution

If the Borrower does not pay the Outstanding Amount to the Lender on the Maturity Date, then:

- (a) the Lender may, by written notice to the Borrower, elect to treat the non-payment of the Outstanding Amount as if GSK had elected to dilute and not contribute funds in accordance with clause 11 of the Great White JVA; and
- (b) the Outstanding Amount shall be deemed repaid under this deed on the application of the dilution calculation and reduction in GSK's Joint Venture Interest in accordance with clause 11.2 of the Great White JVA.

3.3 Capacity of AIM

The parties to this deed acknowledge and agree that AIM is party to this document to receive the benefit of:

- (a) any action taken in respect of repayment of the Outstanding Amount in the event that under clause 3.2 applies; and
- (b) the representations and warranties in clause 5.

4. Interest

Interest accrues daily at the Interest Rate on the principal amount of the Advance. The Borrower must pay accrued interest in arrears on the Maturity Date.

5. Representations and warranties

5.1 Representations and warranties

The Borrower and GSK represent and warrant to the Lender and AIM that:

- (a) **(status)** it is:
 - (i) properly registered and incorporated as a corporation and validly exists in its jurisdiction of incorporation; and
 - (ii) not a trustee of any trust other than as specified in this document;
- (b) **(power and authority)** it has the power, right and necessary corporate authority to carry on its current and contemplated business, and to enter into, and exercise its rights and observe and perform its obligations under, each Finance Document to which it is expressed to be a party;
- (c) **(no immunity)** neither it nor any of its assets is immune from suit or execution;
- (d) **(Finance Documents)** each Finance Document to which it is expressed to be a party is (subject to equitable principles generally affecting creditors' rights and applicable stamping and registration) valid, binding and enforceable against it in accordance with the terms of those documents, and the transactions contemplated by those documents are for its commercial benefit;
- (e) **(no conflicts)** its execution and performance of each Finance Document to which it is expressed to be a party do not and will not:
 - (i) conflict with or contravene any other law or a judgment, ruling, order, document or agreement applying to it or its assets or its constituent documents; or
 - (ii) result in a default under any agreement relating to any actual or contingent debt or other monetary liability in respect of money borrowed or raised or any financial accommodation; and
- (f) **(solvency)** it is solvent and there are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable.

5.2 Representations and warranties repeated

The Borrower and GSK each repeat each representation and warranty in this clause 5 with reference to the facts and circumstances at the time, on each day until the Outstanding Amount has been finally paid in full.

6. Default

6.1 Default

A Default occurs if any one or more of the following occurs:

- (a) **(non-payment)** the Borrower fails to pay any of the Money Owing payable by it, in the way and in the currency required, when due;
- (b) **(other obligation not complied with)** the Borrower fails to comply with any of its obligations under a Finance Document (other than an obligation referred to in paragraph (a)) and, if in the Lender's opinion the failure is capable of remedy, it continues unremedied for 5 Business Days after the earlier of receipt by the Borrower of a notice from the Lender identifying the failure to comply or the Borrower becoming aware of the failure to comply;
- (c) **(incorrect statement or representation)** a statement, representation or warranty made by or on behalf of the Borrower in a Finance Document, or in a document provided in connection with this document, is untrue, incorrect or misleading in a material respect when made or repeated; or
- (d) **(Insolvency Event)** an Insolvency Event occurs with respect to the Borrower.

6.2 Effect of Default

If a Default subsists, the Lender may by Notice to the Borrower declare that the Money Owing is immediately due and payable, in which case the Borrower must immediately pay to the Lender the Money Owing.

7. Costs, Taxes and general indemnity

7.1 Costs and expenses

The Borrower must pay or reimburse on demand all costs and expenses of the Lender (and any of its respective officers, employees and agents) in connection with:

- (a) enforcing a Finance Document, or exercising, enforcing or protecting a Power, or preparing or attempting to do so; or
- (b) a Default;

This includes legal costs and expenses (on a full indemnity basis).

7.2 Taxes, fees and charges

The Borrower must pay, or reimburse the Lender on demand for, all:

- (a) Taxes, fees and charges in connection with any Finance Document or any payment, receipt, supply or other transaction carried out pursuant to, or contemplated by, this document, including Taxes passed onto the Lender by a financial institution or supplier of goods and services; and
- (b) fines and penalties for late payment or non-payment of those amounts, except where the Borrower places the Lender in cleared funds to make the payment not less than 5 Business Days before the due date and the Lender fails to make the payment.

The Borrower must pay or reimburse the Lender on demand for all such amounts which are payable or which the Lender determines in good faith to be payable.

7.3 General indemnity

The Borrower indemnifies the Lender (and its officers, employees and agents) against, and must pay to the Lender on demand amounts equal to, any Loss arising as a result of or in connection with:

- (a) a Default;
- (b) any payment required under a Finance Document not being made on its due date;
- (c) the exercise or attempted exercise of any Power; and
- (d) the Lender acting or relying in good faith on any Notice or other communication from, or genuinely believed to be from, the Borrower,

including any legal costs and expenses (on a full indemnity basis).

8. Interest on overdue amounts

8.1 Accrual and calculation

The Borrower must pay to the Lender on demand interest on any of the Money Owing which is due and payable by the Borrower (including on unpaid interest under this clause) but unpaid:

- (a) from and including the due date (or, for an amount payable by reimbursement or indemnity, any earlier date the amount was incurred), up to but excluding the date of actual payment; and
- (b) subject to clause 8.2, at the rate determined by the Lender as the sum of 2% per year plus the rate applicable to the overdue amount immediately before the due date (or if no such rate applied, to the Lender's cost of funding the overdue amount).

8.2 Judgment or order

If the Borrower's liability under a Finance Document is the subject of a judgment or order:

- (a) its obligation to pay interest under clause 8.1 is separate from, and continues despite, the judgment or order; and
- (b) the interest accrues both before and after judgment at the higher of the rate determined under clause 8.1 and the rate payable under that judgment or order.

9. Payments

9.1 Payment requirements

All payments by the Borrower under a Finance Document must be made by 12.00 noon on the due date (or, if not a Business Day, on the next Business Day) to an account nominated by the Lender. Payments must be made in Dollars, in immediately available funds, and in full without set-off, counterclaim or, subject to clause 9.3, deduction or withholding.

9.2 Amounts payable on demand

Any amount which is not expressed by a Finance Document to be payable on a specified date is payable immediately on demand by the Lender.

9.3 Deduction or withholding required

If the Borrower is required by law to deduct or withhold Taxes from a payment to the Lender, it must:

- (a) make that deduction and/or withholding, pay to the appropriate Government Agency the full amount deducted and/or withheld as required by law and give the Lender a receipt for the payment; and
- (b) unless the Tax is a Tax on the net income of the Lender, pay additional amounts to the Lender which will result in the Lender receiving (after deduction or withholding of any Taxes in respect of any additional amount) the full amount which it would have received if no deduction or withholding had been required.

9.4 GST

The amounts set out in the Finance Documents have been calculated without regard to GST. If GST is or becomes payable in respect of any supply made by the Lender under or in connection with the Advance or the Finance Documents, the payment for that supply shall be increased by the amount necessary so that the Lender actually receives what it would have been entitled to receive if there had not been GST in respect of that supply. The Borrower indemnifies the Lender against any Loss due to it failing to receive the amount of the increase in the payment.

9.5 Insufficient payments

The Lender may apply all money received from the Borrower under the Finance Documents (even if insufficient to discharge all of the Borrower's obligations at that time) to reduce the Money Owing in the order, and to satisfy any part of the Money Owing, as the Lender sees fit. An application or appropriation by the Lender will override any appropriation made by the Borrower.

10. Assignment

10.1 By Borrower and GSK

Neither the Borrower or GSK may assign, transfer or otherwise deal with its rights, interests or obligations under the Finance Documents without the Lender's prior written consent.

10.2 By Lender

The Lender or AIM may assign, transfer, novate or otherwise deal with all or any of its rights or obligations under the Finance Documents without the consent of any person.

11. Notices, demands and communications

11.1 Form – all communications

Unless expressly stated otherwise in this deed, all notices, certificates, consents, approvals, waivers and other communications in connection with this deed must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

11.2 Form – communications sent by email

Communications sent by email need not be marked for attention in the way stated in clause 11.1. However, the email must state the first and last name of the sender. Communications sent by email are taken to be signed by the named sender.

11.3 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by email to the address set out or referred to in the Details; or
- (d) given in any other way permitted by law.
- (e) However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

11.4 When effective

Communications take effect from the time they are received or taken to be received under clause 11.5 (whichever happens first) unless a later time is specified.

11.5 When taken to be received

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from 1 country to another);
- (b) if sent by email, the first to occur of:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

11.6 Receipt outside business hours

Despite clauses 11.4 and 11.5, if communications are received or taken to be received under clause 11.5 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

11.7 COVID-19 notices

During the period that Australia is on any alert level notified by the Australian federal government in relation to COVID-19, any notice given under this deed must be given by email (except to the extent that the notice is required by law to be given by another means, in which case it must also be provided by email).

12. Protection of Lender

12.1 Lender may set off

At any time while a Default subsists, the Lender may, without any demand or notice, set off and apply indebtedness it owes to the Borrower (whatever the currency) against any money owing to it by the Borrower under any Finance Document, whether or not the amount owed by the Lender or the Borrower is immediately payable or is owed alone or with any other person. The Borrower irrevocably authorises the Lender to do anything necessary (including to sign any document and effect appropriate currency exchanges) for that purpose.

12.2 Borrower may not set off

The Borrower may not (either directly or indirectly) claim, exercise or attempt to exercise a right of set-off or counterclaim against the Lender (whether the right is the Borrower's or any other person's) or any other right which might have the effect of reducing the Money Owing.

13. Other provisions

13.1 Term of obligations

The Borrower agrees that its obligations in the Finance Documents continue from the date of the relevant document until, the Money Owing is fully and finally repaid.

13.2 Waivers

No failure or delay in exercising a Power operates as a waiver or representation. A waiver by the Lender in relation to a Finance Document is effective only if in writing.

13.3 Severability

A provision of a Finance Document that is illegal or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of that Finance Document in any jurisdiction.

13.4 Variation

A variation of this document must be in writing and signed by or on behalf of each party to it.

13.5 Governing law, jurisdiction and service of process

- (a) This document is governed by the laws of South Australia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.
- (b) Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this document.

13.6 Counterparts

This deed may be executed in any number of counterparts or copies, with signatures appearing on different counterparts or copies, and this has the same effect as if the signatures on the counterparts or copies were on a single copy of this deed. Without limiting the foregoing, if any of the signatures on behalf of one party are on different counterparts or copies of this deed, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this deed. A party who has executed a counterpart of this deed may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party.

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Signing page

EXECUTED as a deed.

**Executed by Andromeda Metals Limited
ACN 061 503 375** in accordance with
section 127 of the Corporations Act

Signature of director



Signature of director/company secretary
(Please delete as applicable)



Name of director (print)

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

**Executed by Andromeda Industrial
Minerals Pty Ltd ACN 628 055 925** in
accordance with section 127 of the
Corporations Act

Signature of director



Signature of director/company secretary
(Please delete as applicable)



Name of director (print)

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

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**Executed by Minotaur Exploration
Limited ACN 108 483 601** in accordance
with section 127 of the Corporations Act

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

**Executed by Great Southern Kaolin Pty
Ltd ACN 133 520 180** in accordance with
section 127 of the Corporations Act

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

Annexure B - Breakaway Funding Facility Deed

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Execution Version

Breakaway Funding Facility Deed

—
Minotaur Exploration Limited (**Borrower**)

Great Southern Kaolin Pty Ltd (**GSK**)

Andromeda Metals Limited (**Lender**)

Andromeda Industrial Minerals Pty Ltd (**AIM**)

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Breakaway Funding Facility Deed

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Details

Date

Parties

Name **Minotaur Exploration Limited** ACN 108 483 601
Short form name **Borrower**
Notice details Level 1, 8 Beulah Road
Norwood SA 5067
email: admin@minotaurexploration.com.au
Attention: Company Secretary

Name **Great Southern Kaolin Pty Ltd** ACN 133 520 180
Short form name **GSK**
Notice details Level 1, 8 Beulah Road
Norwood SA 5067
email: admin@minotaurexploration.com.au
Attention: Company Secretary

Name **Andromeda Metals Limited** ACN 061 503 375
Short form name **Lender**
Notice details PO Box 1210
Unley BC SA 5061
email: Michael.zannes@andromet.com.au
Attention: Michael Zannes

Name **Andromeda Industrial Minerals Pty Ltd** ACN 628 055 925
Short form name **AIM**
Notice details PO Box 1210
Unley BC SA 5061
email: Michael.zannes@andromet.com.au
Attention: Michael Zannes

Background

This document sets out the terms on which the Lender agrees to provide a loan to the Borrower to provide funding to Breakaway in the event that Breakaway ceases to be a wholly-owned subsidiary of the Borrower by way of a demerger as contemplated in the Bid Implementation Agreement.

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Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Advance means a provision of financial accommodation under this document up to but not exceeding the Facility Amount.

Approved Budget means the budget of the Borrower approved by the Lender on or about the date of this deed for providing funding to Breakaway in the event that Breakaway ceases to be a wholly-owned subsidiary of the Borrower by way of a demerger as contemplated in the Bid Implementation Agreement and for costs incurred in anticipation of, and in preparation for the demerger.

Authorised Representative means, in respect of a party, a director or company secretary, or a person it notifies to the other party as being authorised to act as its authorised representative for the purposes of the Finance Documents.

Base Rate means, on a day, the rate percent per year (expressed as a yield to maturity and rounded upwards if necessary to 4 decimal places) being:

- (a) the average bid rate for bank accepted bills of exchange having a term equal or approximately equal to three months displayed on Reuters screen page BBSY (or its replacement page) at around 10.15am on that day; or
- (b) if that screen rate is not displayed by 10.30am on that day, the rate set on that day by the Lender in good faith for a period of three months having regard to the Lender's cost of funding and comparable indices then available in current markets.

Bid Implementation Agreement means the bid implementation agreement between the Borrower and the Lender entered into, or to be entered into, on or about the date of this deed.

Breakaway means Breakaway Resources Pty Ltd ACN 061 595 051 (which at the date of this deed and the Advance is a wholly-owned subsidiary of the Borrower).

Business Day means:

- (a) for receiving a Notice under clause 11, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the Notice is received; and
- (b) for all other purposes, a Saturday, Sunday, public holiday or bank holiday in Adelaide.

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

Default means an event or circumstance specified in clause 6.1.

Dollars and **A\$** mean the lawful currency of Australia.

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Facility Amount means \$2,000,000.

Finance Document means:

- (a) this document;
- (b) a document that the Borrower and the Lender agree is a 'Finance Document'; and

- (c) a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a paragraph above.

Funding Facility means short term funding for a sum not exceeding the Facility Amount on the terms set out in this document.

Government Agency means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

Great White JVA means the joint venture agreement between AIM and GSK in relation to the Great White Kaolin Project dated 22 December 2020.

GST has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Insolvency Event means, in respect of a person, any of the following occurring:

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;
- (b) except with the Lender's consent:
 - (i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or
 - (ii) an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation;
- (c) an External Administrator is appointed to it or any of its assets or a step is taken to do so;
- (d) if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;
- (e) if a trustee of a trust, it is unable to satisfy out of the assets of the trust the liabilities incurred by it for which it has a right to be indemnified from the assets of the trust as and when those liabilities fall due;
- (f) an analogous or equivalent event to any listed above occurs in any jurisdiction; or
- (g) it stops or suspends payment to creditors generally.

Interest Rate means the Base Rate on the day the Advance is provided to the Borrower plus 2% per annum.

Liquidation means:

- (a) a winding up, deregistration, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them.

Loss means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

Maturity Date means the earlier of:

- (a) the date agreed by the Borrower and Lender after the Borrower becomes a wholly-owned subsidiary of the Lender as a result of the Offer;
- (b) the date that is 3 months after the date Bid Implementation Agreement is terminated;
- (c) if the Offer does not become unconditional prior to the Offer closing, the date that is 3 months after the Offer closes; and

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- (d) if the Offer becomes unconditional prior to the Offer closing and the Lender is entitled to less than 90% of the voting shares in the Borrower when the Offer closes, the date that is 6 months after the Offer closes,

or any earlier date on which the Money Owing becomes due and payable under this document.

Money Owing means all money that the Borrower is or may become liable at any time (presently, prospectively or contingently) to pay to or for the account of the Lender (whether alone or not and in any capacity) under or in connection with a Finance Document including by way of principal, interest, fees, costs, charges, expenses and duties.

Notice means a notice given in accordance with clause 11.

Offer has the meaning given to it in the Bid Implementation Agreement.

Outstanding Amount means, at any time, the principal amount of the Advance together with any Money Owing then outstanding.

Power means any right, power, discretion or remedy of the Lender under any Finance Document or applicable law.

Purpose has the meaning in clause 2.1.

Record Date means the date referred to in item 9 of the table in clause 4.7(a) of the Bid Implementation Agreement.

Tax means any tax, levy, duty, rate, impost or charge imposed, levied or assessed by a Government Agency, and any related penalty, fine, fee or interest. It includes stamp duty, GST and transaction taxes and duties.

1.2 Interpretation

In this document:

- (a) headings are for reference only and do not affect interpretation;
- (b) unless stated otherwise, all interest, amounts in the nature of interest (including discount amounts) and fees are to be calculated on a daily basis and a year of 365 days;
- (c) the singular includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;
- (d) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day;
- (e) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting; and
- (f) examples and use of the word **including** and similar expressions do not limit what else may be included.

Unless the context requires otherwise, a reference in this document to:

- (g) a party to any document includes that person's successors and permitted substitutes and assigns;
- (h) an agreement includes any legally enforceable arrangement, understanding, undertaking or representation whether or not in writing;
- (i) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;
- (j) any thing includes any part of it and a reference to a group of things or persons includes each thing or person in that group;
- (k) clauses, schedules and annexures are to those in this document, and a reference to this document includes any schedule and annexure;
- (l) a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;
- (m) time is to Adelaide time unless stated otherwise; and

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- (n) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement.

2. Loan

2.1 Purpose

The Borrower must use the Advance for the sole purpose of providing funding to Breakaway in the event that Breakaway ceases to be a wholly-owned subsidiary of the Borrower by way of a demerger as contemplated in the Bid Implementation Agreement and for costs incurred in anticipation of, and in preparation for the demerger as set out in the Approved Budget (**Purpose**).

2.2 Commitment

Subject to this document, on the Record Date or such earlier date as the parties may agree, the Lender agrees to provide the Advance to the Borrower in a principal amount not exceeding \$2,000,000 (**Facility Amount**), less any amounts provided by the Lender to the Borrower prior to the Record Date pursuant to clause 2.3.

2.3 Early Draw Down

- (a) Prior to the Record Date, the Borrower may request a draw down on the Funding Facility for use in accordance with the Purpose by providing to the Lender a draw down notice for the requested amount.
- (b) A request for a draw down pursuant to clause 2.3(a) must be made in writing, specifying the item or items to which the funds will be applied together with copies of invoices or other information substantiating that the drawn down amount will be used for the Purpose.
- (c) Any draw down request pursuant to clause 2.3(a) must be approved by the Lender such approval not to be unreasonably withheld if the draw down request is for the Purpose. For clarity, the Lender's approval will not be given to a draw down request for expenditure that is not for the Purpose.
- (d) The Borrower may make multiple requests under this clause 2.3(a), but not so as, in aggregate, to exceed the Facility Amount.
- (e) Subject to the drawn down request being approved by the Lender in accordance with clause 2.3(c), the Lender will provide the requested draw down amount by no later than the earlier of:
 - (i) the date which is 5 Business Days of receipt of the drawn down request and all supporting information; and
 - (ii) the Record Date.

3. Repayment

3.1 Cash repayment

The Borrower must pay the Outstanding Amount to the Lender on the Maturity Date.

3.2 Dilution

Subject to clause 3.3 if the Borrower does not pay the Outstanding Amount to the Lender on the Maturity Date, then:

- (a) the Lender may, by written notice to the Borrower, elect to treat the non-payment of the Outstanding Amount as if GSK had elected to dilute and not contribute funds in accordance with clause 11 of the Great White JVA; and
- (b) the Outstanding Amount shall be deemed repaid under this deed on the application of the dilution calculation and reduction in GSK's Joint Venture Interest in accordance with clause 11.2 of the Great White JVA.

3.3 Conversion to Equity

- (a) If the Maturity Date is the date specified in paragraph (d) of the definition of Maturity Date, then the Borrower may elect to pay the Outstanding Amount by issuing to the Lender such number of fully paid ordinary shares in the Borrower (**MEP Shares**) as determined as follows:

$$\text{MEP Shares} = \text{Outstanding Amount} / \text{SP}$$

Where **SP** means the volume weighted average share price of ordinary shares in the Lender over the 5 trading days ending immediately before the issue of the MEP Shares.

- (b) If the Borrower elects to repay the Outstanding Amount pursuant to clause 3.3(a) then the Borrower must do all things reasonably necessary to obtain by no later than the Maturity Date, all necessary shareholder approvals for the issue of the MEP Shares to the Lender.
- (c) For the avoidance of doubt, if shareholder approval for the issue of the MEP Shares is not obtained by the Maturity Date, then the Outstanding Amount must be paid in cash on the Maturity Date to a bank account nominated by the Lender.

3.4 Capacity of AIM

The parties to this deed acknowledge and agree that AIM is party to this document to receive the benefit of:

- (a) any action taken in respect of repayment of the Outstanding Amount in the event that under clause 3.2 applies; and
- (b) the representations and warranties in clause 5.

4. Interest

Interest accrues daily at the Interest Rate on the principal amount of the Advance. The Borrower must pay accrued interest in arrears on the Maturity Date.

5. Representations and warranties

5.1 Representations and warranties

The Borrower and GSK each represent and warrant to the Lender and AIM that:

- (a) (**status**) it is:
- (i) properly registered and incorporated as a corporation and validly exists in its jurisdiction of incorporation; and
 - (ii) not a trustee of any trust other than as specified in this document;
- (b) (**power and authority**) it has the power, right and necessary corporate authority to carry on its current and contemplated business, and to enter into, and exercise its rights and observe and perform its obligations under, each Finance Document to which it is expressed to be a party;
- (c) (**no immunity**) neither it nor any of its assets is immune from suit or execution;
- (d) (**Finance Documents**) each Finance Document to which it is expressed to be a party is (subject to equitable principles generally affecting creditors' rights and applicable stamping and registration) valid, binding and enforceable against it in accordance with the terms of those documents, and the transactions contemplated by those documents are for its commercial benefit;
- (e) (**no conflicts**) its execution and performance of each Finance Document to which it is expressed to be a party do not and will not:
- (i) conflict with or contravene any other law or a judgment, ruling, order, document or agreement applying to it or its assets or its constituent documents; or

- (ii) result in a default under any agreement relating to any actual or contingent debt or other monetary liability in respect of money borrowed or raised or any financial accommodation; and
- (f) **(solvency)** it is solvent and there are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable.

5.2 Representations and warranties repeated

The Borrower and GSK each repeat each representation and warranty in this clause 5 with reference to the facts and circumstances at the time, on each day until the Outstanding Amount has been finally paid in full.

6. Default

6.1 Default

A Default occurs if any one or more of the following occurs:

- (a) **(non-payment)** the Borrower fails to pay any of the Money Owing payable by it, in the way and in the currency required, when due;
- (b) **(other obligation not complied with)** the Borrower fails to comply with any of its obligations under a Finance Document (other than an obligation referred to in paragraph (a)) and, if in the Lender's opinion the failure is capable of remedy, it continues unremedied for 5 Business Days after the earlier of receipt by the Borrower of a notice from the Lender identifying the failure to comply or the Borrower becoming aware of the failure to comply;
- (c) **(incorrect statement or representation)** a statement, representation or warranty made by or on behalf of the Borrower in a Finance Document, or in a document provided in connection with this document, is untrue, incorrect or misleading in a material respect when made or repeated; or
- (d) **(Insolvency Event)** an Insolvency Event occurs with respect to the Borrower.

6.2 Effect of Default

If a Default subsists, the Lender may by Notice to the Borrower declare that the Money Owing is immediately due and payable, in which case the Borrower must immediately pay to the Lender the Money Owing.

7. Costs, Taxes and general indemnity

7.1 Costs and expenses

The Borrower must pay or reimburse on demand all costs and expenses of the Lender (and any of its respective officers, employees and agents) in connection with:

- (a) enforcing a Finance Document, or exercising, enforcing or protecting a Power, or preparing or attempting to do so; or
- (b) a Default;

This includes legal costs and expenses (on a full indemnity basis).

7.2 Taxes, fees and charges

The Borrower must pay, or reimburse the Lender on demand for, all:

- (a) Taxes, fees and charges in connection with any Finance Document or any payment, receipt, supply or other transaction carried out pursuant to, or contemplated by, this document, including Taxes passed onto the Lender by a financial institution or supplier of goods and services; and

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- (b) fines and penalties for late payment or non-payment of those amounts, except where the Borrower places the Lender in cleared funds to make the payment not less than 5 Business Days before the due date and the Lender fails to make the payment.

The Borrower must pay or reimburse the Lender on demand for all such amounts which are payable or which the Lender determines in good faith to be payable.

7.3 General indemnity

The Borrower indemnifies the Lender (and its officers, employees and agents) against, and must pay to the Lender on demand amounts equal to, any Loss arising as a result of or in connection with:

- (a) a Default;
- (b) any payment required under a Finance Document not being made on its due date;
- (c) the exercise or attempted exercise of any Power; and
- (d) the Lender acting or relying in good faith on any Notice or other communication from, or genuinely believed to be from, the Borrower,

including any legal costs and expenses (on a full indemnity basis).

8. Interest on overdue amounts

8.1 Accrual and calculation

The Borrower must pay to the Lender on demand interest on any of the Money Owing which is due and payable by the Borrower (including on unpaid interest under this clause) but unpaid:

- (a) from and including the due date (or, for an amount payable by reimbursement or indemnity, any earlier date the amount was incurred), up to but excluding the date of actual payment; and
- (b) subject to clause 8.2, at the rate determined by the Lender as the sum of 2% per year plus the rate applicable to the overdue amount immediately before the due date (or if no such rate applied, to the Lender's cost of funding the overdue amount).

8.2 Judgment or order

If the Borrower's liability under a Finance Document is the subject of a judgment or order:

- (a) its obligation to pay interest under clause 8.1 is separate from, and continues despite, the judgment or order; and
- (b) the interest accrues both before and after judgment at the higher of the rate determined under clause 8.1 and the rate payable under that judgment or order.

9. Payments

9.1 Payment requirements

All payments by the Borrower under a Finance Document must be made by 12.00 noon on the due date (or, if not a Business Day, on the next Business Day) to an account nominated by the Lender. Payments must be made in Dollars, in immediately available funds, and in full without set-off, counterclaim or, subject to clause 9.3, deduction or withholding.

9.2 Amounts payable on demand

Any amount which is not expressed by a Finance Document to be payable on a specified date is payable immediately on demand by the Lender.

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9.3 Deduction or withholding required

If the Borrower is required by law to deduct or withhold Taxes from a payment to the Lender, it must:

- (a) make that deduction and/or withholding, pay to the appropriate Government Agency the full amount deducted and/or withheld as required by law and give the Lender a receipt for the payment; and
- (b) unless the Tax is a Tax on the net income of the Lender, pay additional amounts to the Lender which will result in the Lender receiving (after deduction or withholding of any Taxes in respect of any additional amount) the full amount which it would have received if no deduction or withholding had been required.

9.4 GST

The amounts set out in the Finance Documents have been calculated without regard to GST. If GST is or becomes payable in respect of any supply made by the Lender under or in connection with the Advance or the Finance Documents, the payment for that supply shall be increased by the amount necessary so that the Lender actually receives what it would have been entitled to receive if there had not been GST in respect of that supply. The Borrower indemnifies the Lender against any Loss due to it failing to receive the amount of the increase in the payment.

9.5 Insufficient payments

The Lender may apply all money received from the Borrower under the Finance Documents (even if insufficient to discharge all of the Borrower's obligations at that time) to reduce the Money Owing in the order, and to satisfy any part of the Money Owing, as the Lender sees fit. An application or appropriation by the Lender will override any appropriation made by the Borrower.

10. Assignment

10.1 By Borrower and GSK

Neither the Borrower or GSK may assign, transfer or otherwise deal with its rights, interests or obligations under the Finance Documents without the Lender's prior written consent.

10.2 By Lender

The Lender or AIM may assign, transfer, novate or otherwise deal with all or any of its rights or obligations under the Finance Documents without the consent of any person.

11. Notices, demands and communications

11.1 Form – all communications

Unless expressly stated otherwise in this deed, all notices, certificates, consents, approvals, waivers and other communications in connection with this deed must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

11.2 Form – communications sent by email

Communications sent by email need not be marked for attention in the way stated in clause 11.1. However, the email must state the first and last name of the sender. Communications sent by email are taken to be signed by the named sender.

11.3 Delivery

Communications must be:

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- (a) left at the address set out or referred to in the Details;
 - (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
 - (c) sent by email to the address set out or referred to in the Details; or
 - (d) given in any other way permitted by law.
 - (e) However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

11.4 When effective

Communications take effect from the time they are received or taken to be received under clause 11.5 (whichever happens first) unless a later time is specified.

11.5 When taken to be received

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from 1 country to another);
- (b) if sent by email, the first to occur of:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

11.6 Receipt outside business hours

Despite clauses 11.4 and 11.5, if communications are received or taken to be received under clause 11.5 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

11.7 COVID-19 notices

During the period that Australia is on any alert level notified by the Australian federal government in relation to COVID-19, any notice given under this deed must be given by email (except to the extent that the notice is required by law to be given by another means, in which case it must also be provided by email).

12. Protection of Lender

12.1 Lender may set off

At any time while a Default subsists, the Lender may, without any demand or notice, set off and apply indebtedness it owes to the Borrower (whatever the currency) against any money owing to it by the Borrower under any Finance Document, whether or not the amount owed by the Lender or the Borrower is immediately payable or is owed alone or with any other person. The Borrower irrevocably authorises the Lender to do anything necessary (including to sign any document and effect appropriate currency exchanges) for that purpose.

12.2 Borrower may not set off

The Borrower may not (either directly or indirectly) claim, exercise or attempt to exercise a right of set-off or counterclaim against the Lender (whether the right is the Borrower's or any other person's) or any other right which might have the effect of reducing the Money Owing.

13. Other provisions

13.1 Term of obligations

The Borrower agrees that its obligations in the Finance Documents continue from the date of the relevant document until, the Money Owing is fully and finally repaid.

13.2 Waivers

No failure or delay in exercising a Power operates as a waiver or representation. A waiver by the Lender in relation to a Finance Document is effective only if in writing.

13.3 Severability

A provision of a Finance Document that is illegal or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of that Finance Document in any jurisdiction.

13.4 Variation

A variation of this document must be in writing and signed by or on behalf of each party to it.

13.5 Governing law, jurisdiction and service of process

- (a) This document is governed by the laws of South Australia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.
- (b) Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this document.

13.6 Counterparts

This deed may be executed in any number of counterparts or copies, with signatures appearing on different counterparts or copies, and this has the same effect as if the signatures on the counterparts or copies were on a single copy of this deed. Without limiting the foregoing, if any of the signatures on behalf of one party are on different counterparts or copies of this deed, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this deed. A party who has executed a counterpart of this deed may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party.

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Signing page

EXECUTED as a deed.

Executed by Andromeda Metals Limited
ACN 061 503 375 in accordance with
section 127 of the Corporations Act

Signature of director ←

Signature of director/company secretary
(Please delete as applicable) ←

Name of director (print)

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

**Executed by Andromeda Industrial
Minerals Pty Ltd ACN 628 055 925** in
accordance with section 127 of the
Corporations Act

Signature of director ←

Signature of director/company secretary
(Please delete as applicable) ←

Name of director (print)

Name of director/company secretary (print)

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**Executed by Minotaur Exploration
Limited ACN 108 483 601** in accordance
with section 127 of the Corporations Act

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

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**Executed by Great Southern Kaolin Pty
Ltd ACN 133 520 180** in accordance with
section 127 of the Corporations Act

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

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