

TARGET'S STATEMENT

prepared by

Minotaur Exploration Limited

ACN 108 483 601

in relation to the off-market takeover bid by

Andromeda Metals Limited

ACN 061 503 375

to acquire all of your ordinary fully paid shares in Minotaur.

The Directors of Minotaur unanimously recommend, in the absence of a Superior Proposal, that you

ACCEPT

the Offer from Andromeda.

The Offer of 1.15 Andromeda Shares for each of your Minotaur Shares.

This is an important document and requires your immediate attention. If you do not understand it or are in doubt as to how to act, you should consult your legal, financial or other professional adviser immediately. If you have recently sold all your Minotaur Shares, please disregard this document.

Minotaur Shareholders who require assistance may call the Company Secretary on +61 8 8132 3400 at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday.



Financial Adviser



Legal Adviser

IMPORTANT NOTICES

Nature of this document

This Target's Statement is dated 3 December 2021 and is given by Minotaur Exploration Limited (**Minotaur**) under Part 6.5 Division 3 of the Corporations Act in response to the Bidder's Statement by Andromeda Metals Limited (**Andromeda**) dated 3 December 2021.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and ASX. Neither the ASIC or ASX, nor any of their respective officers, takes any responsibility for the contents of this Target's Statement.

No account of personal circumstances

This Target's Statement should not be taken as personal financial, investment or tax advice as each Shareholder's deliberations and decision will depend upon their own financial situation, tax position, investment objectives and particular needs.

Your Minotaur Directors encourage you to read this Target's Statement in its entirety and obtain independent advice from your investment, financial, tax or other professional adviser before making a decision whether or not to accept the Offer.

Defined terms

Capitalised terms used in this Target's Statement are defined in section 12 of this Target's Statement.

Further information

Minotaur Shareholders who require assistance may call the Company Secretary on +61 8 8132 3400 at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday.

Further information relating to the Offer can be obtained from Minotaur's website at **www.minotaurexploration.com.au**. Information contained in, or otherwise accessible through, this internet site is not a part of this Target's Statement. All references in this Target's Statement to

this internet site are inactive textual references and are for your information only.

Forward looking statements

This Target's Statement contains various forward looking statements. Statements other than statements of historical fact may be forward looking statements. Minotaur believes that it has reasonable grounds for making all statements relating to future matters attributed to it in this Target's Statement. Minotaur Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Minotaur. Shareholders should note that any reference to past performance is not intended to be, nor should it be relied upon as, a guide to any future performance. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward looking statement. None of Minotaur, its officers nor any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements expressed or implied in any forward looking statement, except to the extent required by law. Shareholders should not place undue reliance on any such statement. The forward looking statements in this Target's Statement only reflect views held as at the date of this Target's Statement. Any forward looking statement in this Target's Statement is qualified by this cautionary statement.

Information on Andromeda

All of the information concerning Andromeda contained in this Target's Statement has been obtained from publicly available sources including

public documents filed by Andromeda and the Bidder's Statement. None of the information in this Target's Statement relating to Andromeda has been verified by Minotaur or its Directors for the purposes of this Target's Statement. Accordingly, to the extent permitted by law, Minotaur makes no representation or warranty (either express or implied) as to the accuracy or completeness of this information. The information on Andromeda in this Target's Statement should not be considered comprehensive.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law, and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Charts and diagrams

Any diagrams, charts, graphs, maps and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs, maps and tables is based on information available at the date of this Target's Statement.

Privacy

Minotaur has collected your information from the register of Minotaur Shareholders

for the purpose of providing you with this Target's Statement. The type of information Minotaur has collected about you includes your name, contact details and information on your shareholding (as applicable) in Minotaur. Without this information, Minotaur would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including the Minotaur Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC.

If you would like details of information about you held by Minotaur, please contact the Minotaur Share Registry, Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street, Adelaide South Australia 5000 or on 1300 787 272 (within Australia).

Risk Factors

Shareholders should note that there are a number of risks associated with the Offer and with remaining a Minotaur Shareholder if they reject the Offer.

Please refer to section 8 of this Target's Statement for further information on those risks.

Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

KEY POINTS OF THE OFFER

- **Andromeda is offering 1.15 Andromeda Shares for every one of your Minotaur Shares**

See section 3.2 of this Target's Statement and sections 1, 2 and 14.2 of the Bidder's Statement.
- **If you accept the Offer, you will retain the right to vote on and participate in the demerger of Minotaur's existing copper and gold exploration assets**

See section 1 of this Target's Statement and section 2.5 of the Bidder's Statement.
- **The Offer expires at 7:00pm (AEDT) on 31 January 2022, unless extended by Andromeda**

See section 3.11 of this Target's Statement and section 1 of the Bidder's Statement.
- **You can accept the Offer by following the instructions in the Bidder's Statement and completing the Acceptance Form accompanying the Bidder's Statement prior to the close of the Offer**

See section 5 of this Target's Statement and the summary on page 4 of the Bidder's Statement as well as section 14.3 of the Bidder's Statement.
- **All Minotaur Directors unanimously recommend, in the absence of a Superior Proposal, that you ACCEPT the Offer**

See section 2 of this Target's Statement.
- **Minotaur's Directors and several of Minotaur's largest shareholders have committed to accept the Offer in respect of 14.5% of Minotaur Shares on issue**

See section 2 of this Target's Statement.

KEY DATES

Event	Key Date
Announcement of the Offer	10 November 2021
Date of Bidder's Statement	3 December 2021
Date of this Target's Statement	3 December 2021
Indicative date of despatch of Bidder's Statement to Minotaur Shareholders, and opening date of the Offer	8 December 2021
Close of Offer Period (unless extended)	7:00pm (AEDT) on 31 January 2022

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LETTER FROM THE CHAIRMAN OF MINOTAUR

3 December 2021

Dear fellow Minotaur Shareholder,

On behalf of the Board of Minotaur Exploration Limited (**Minotaur**), I am pleased to present you with this Target's Statement and the opportunity to combine with Andromeda Metals Limited (**Andromeda**) via Andromeda's takeover offer to acquire all the shares of Minotaur (**Minotaur Shares** or **Shares**) (the **Offer**).

The Offer will create a leading Australian kaolin/halloysite and technology company by Andromeda consolidating 100% ownership of 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.

Attractive Offer Value & Ongoing Exposure

Under the Offer, Minotaur Shareholders are being offered 1.15 Andromeda Shares for every 1 Minotaur Share they hold.

On 10 November 2021, when the Offer was jointly announced by Minotaur and Andromeda, the Offer based on 5 day volume weighted price (**VWAP**) of Andromeda prior to the announcement of \$0.181 per share valued Minotaur at \$0.208 per Share, which represented a 68% premium to the 30 day VWAP of Minotaur Shares and implied a Minotaur equity value of approximately \$108 million. Upon successful completion of the Offer, Minotaur Shareholders will own approximately 19.4% of Andromeda.

Additional Copper & Gold Demerger

In addition to the Offer, Minotaur intends to demerge its existing copper and gold exploration assets through its wholly owned subsidiary, Demetallica (formerly Breakaway Resources Pty Ltd), via a pro-rata in specie distribution of Demetallica shares to Minotaur Shareholders (**Demerger**).

The Demerger is attractive as it enables Minotaur Shareholders to retain full exposure to the value and upside of these assets under the continued stewardship of your highly credentialled board and management team. Demetallica is a clearly focussed metals exploration company intending to list on the Australian Securities Exchange (**ASX**).

The Offer and Demerger will be undertaken in parallel, with the Demerger subject to Minotaur Shareholder approval and the Offer subject to Minotaur Shareholders approving the Demerger.

Strong Rationale to ACCEPT

After careful consideration of the Offer, Minotaur's Board considers the opportunity to combine with Andromeda to be compelling for Minotaur Shareholders and we unanimously recommend that you **ACCEPT** the Offer, in the absence of a Superior Proposal, for the following reasons:

- (a) Logical consolidation of Great White and Natural Nanotech into Andromeda which will create a leading, Australian industrial minerals and technology company with enhanced development and growth prospects;
- (b) The Offer represents an attractive premium to Minotaur's pre-announcement trading prices;

- (c) You will retain significant exposure to Great White and Natural Nanotech and will hold shares in Andromeda which will have enhanced scale, market relevance, trading liquidity, a strong balance sheet, improved funding capability and significant market re-rating prospects;
- (d) The Offer removes the challenges faced by Minotaur, as minority joint venture partner, in funding its proportional cost for development of Great White and the attendant project implementation risks;
- (e) Minotaur's Directors and several of Minotaur's largest Shareholders have committed to accept the Offer in respect of 14.5% of Minotaur Shares on issue;
- (f) The Offer allows Minotaur Shareholders who **ACCEPT** the Offer to retain the right to vote their Minotaur Shares to approve the Demerger and participate in the Demerger;
- (g) As at the date of this Target's Statement no Superior Proposal has emerged; and
- (h) The value of Minotaur Shares may fall if the Offer is not successful.

A detailed explanation of the reasons why you should **ACCEPT** the Offer is set out in section 2 of the Bidder's Statement. In addition, this Target's Statement sets out other matters that may be relevant to your decision whether to **ACCEPT** the Offer. I encourage you to read both the Bidder's Statement and this Target's Statement and to seek independent advice if required.

The Offer is scheduled to close at 7.00pm (AEDT) on 31 January 2022, unless extended by Andromeda. To **ACCEPT** the Offer, follow the instructions set out in the summary on page 4 of the Bidder's Statement as well as section 14.3 of the Bidder's Statement.

Should you have any questions in relation to the Offer or this Target's Statement, please call the Company Secretary on +61 8 8132 3400, Monday to Friday between 8.00am and 5.00pm (AEDT).

Yours sincerely



Roger Higgins
Non-Executive Chairman

1. DIRECTORS' RECOMMENDATION & REASONS TO ACCEPT THE OFFER

The Minotaur Directors have considered the advantages and disadvantages of the Offer and unanimously recommend that you **ACCEPT** the Offer, unless a Superior Proposal emerges.

The Minotaur Directors further recommend that you accept the Offer promptly to ensure that your acceptance is received before the closing date of the Offer at **7:00pm (AEDT) on 31 January 2022** (unless extended). You should not assume that the Offer Period will be extended.

Each of the Minotaur Directors and management who holds a Relevant Interest in Minotaur Shares has indicated their intention to accept, or procure the acceptance of, the Offer in respect of the Minotaur Shares that they, or their Associates, own or control or otherwise have a Relevant Interest in, within five days after the Offer has opened, subject to there being no Superior Proposal.

The reasons for the recommendation of the Minotaur Directors are as follows:

- **LOGICAL CONSOLIDATION OF GREAT WHITE AND NATURAL NANOTECH INTO ANDROMEDA**

The Offer will create a leading Australian kaolin/halloysite and technology company by Andromeda consolidating 100% ownership of 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.

Great White is a significant high purity kaolin/halloysite project located in South Australia with 12.5Mt of Reserves and 17.4Mt of Resources, making it one of Australia's largest kaolin/halloysite projects. Andromeda currently owns 75% of Great White and, as operator of the joint venture, is undertaking a Definitive Feasibility Study it expects to complete in Q1 of 2022.

Consolidating ownership of Great White will deliver simplified and streamlined ownership and will enable the design, funding mix and timetable for development of Great White to be optimised.

Similarly, consolidating 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.

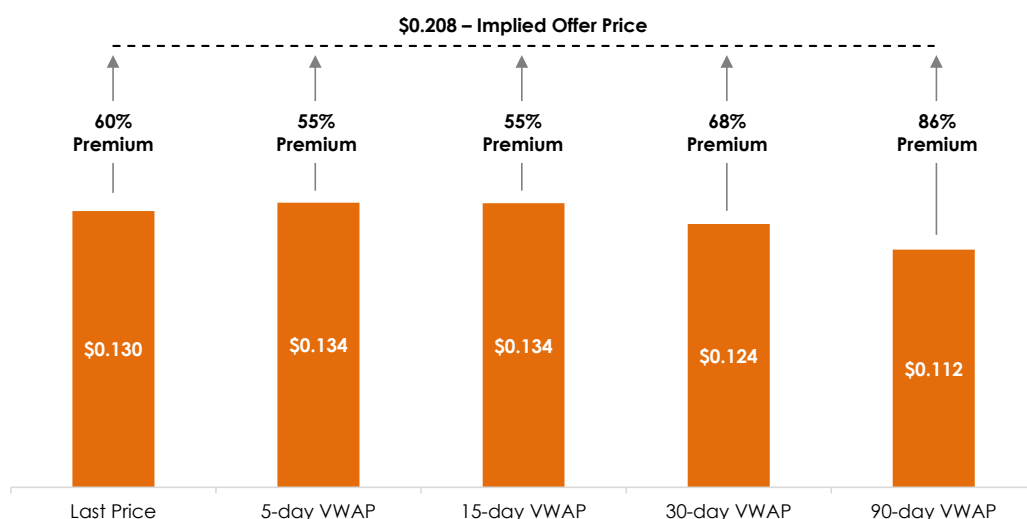
In addition, Andromeda's other South Australian kaolin/halloysite projects and initiatives further complement and support the creation of a leading Australian industrial minerals and technology company with enhanced growth prospects.

To support Minotaur's contribution to the creation of a leading Australian kaolin/halloysite and technology company on ASX you should **ACCEPT** the Offer.

- **THE OFFER REPRESENTS AN ATTRACTIVE PREMIUM TO MINOTAUR'S PRE-ANNOUNCEMENT TRADING PRICES**

Based on the 5-day VWAP of Andromeda Shares of \$0.181 per share up to and including 8 November 2021, being the last trading day before the announcement of the Offer, the Offer values Minotaur at \$0.208 per share (**Offer Price**).

As shown below, the Offer represents an attractive premium of between 55% and 86% over selected market trading prices of Minotaur Shares prior to announcement of the Offer.



The actual market value of the consideration you will receive will depend on the price at which the Andromeda Shares trade on the ASX after they are issued to you.

To realise this premium for your Minotaur Shares you should **ACCEPT** the Offer.

- SIGNIFICANT ONGOING EXPOSURE TO GREAT WHITE AND NATURAL NANOTECH AND OWNERSHIP IN AN ATTRACTIVE COMPANY WITH STRONG ATTRIBUTES AND PROSPECTS**

Andromeda is a far more liquid stock than Minotaur, providing enhanced investment flexibility. Over the 30 trading days on ASX up to and including the last trading day prior to announcement of the Offer, an average of \$1.7 million of Andromeda Shares traded per day, compared to \$0.1 million of Minotaur Shares per day in the same period.

On successful completion of the Offer, Minotaur Shareholders will hold approximately 19.4% of Andromeda, ensuring that Minotaur Shareholders will retain significant exposure to Great White and Natural Nanotech as well as the potential upside that can be unlocked by consolidated ownership of these assets within Andromeda. Andromeda Shares are likely to continue to exhibit high liquidity levels.

In addition, on completion of the Offer Minotaur Shareholders will become shareholders in a leading Australian industrial minerals and technology company listed on ASX which is expected to have the following key attributes:

- attractive 100% owned portfolio of complementary kaolin/halloysite development and exploration projects strategically located in South Australia;
- full development optionality in relation to Great White and Natural Nanotech;

- (c) simplified ownership and streamlined management of Great White ahead of DFS completion, financing and construction;
- (d) a board and management team with strong market knowledge and a proven development track record;
- (e) a strong balance sheet and enhanced financing flexibility to optimise the funding and the development of Great White;
- (f) improved access to debt and equity capital markets; and
- (g) increased scale, market relevance and trading liquidity.

Your Directors believe these attributes are likely to appeal to the investment community which therefore could lead to a market re-rating of Andromeda post completion of the Offer.

To gain the significant benefits of ownership of an enlarged company with strong attributes you should **ACCEPT** the Offer.

- **DECREASE IN FUNDING AND DEVELOPMENT RISKS FACED BY MINOTAUR**

On successful completion of the Offer, Minotaur Shareholders will be part of an enlarged and well-capitalised Andromeda which, amongst other attributes, will have a pro-forma market capitalisation of \$556 million (based on the 5-day VWAP of Andromeda Shares of \$0.181 per share prior to the announcement of the Offer and prior to any share price market re-rating) and a strong balance sheet with cash of \$46 million and nil debt as at 30 September 2021.¹

Andromeda's meaningful market valuation and strong balance sheet attributes are expected to facilitate Andromeda's funding for the development of Great White. By comparison, Minotaur faces significant funding challenges associated with being the minority joint venture partner and Minotaur's significantly lower market capitalisation and balance sheet.

Minotaur's Directors consider that equity dilution to fund project contributions will be avoided for Minotaur Shareholders should the Offer complete. As a result, the Offer represents an attractive opportunity for Minotaur Shareholders to realise the value of their investment whilst decreasing project participation risks ahead for Minotaur. You should **ACCEPT** the Offer to realise this opportunity.

- **MINOTAUR'S DIRECTORS AND LARGEST SHAREHOLDERS HAVE COMMITTED TO ACCEPT THE OFFER**

Minotaur's Directors and several of Minotaur's largest Shareholders, including the largest and second largest Minotaur Shareholders, who collectively represent 14.5% of Minotaur's issued Shares, have each committed to accept the Offer for all the Shares they currently own or control. Minotaur's Directors have each committed to accept the Offer for all the Shares they currently own or control within 5 days after the Offer has opened, in the absence of a Superior Proposal.

¹ Based on Andromeda's Quarterly Report released on Andromeda's ASX platform on 25 October 2021, not taking into account any cash that may be retained in Minotaur post-transaction.

The Minotaur Shareholders listed below have consented to the inclusion of this intention statement in this Target's Statement.

- (a) Yarraandoo Pty Ltd, Minotaur's largest Shareholder, with a holding of 26,441,569 Minotaur Shares, representing 5.3% of Minotaur Shares on issue;
- (b) Mr Craig Alex Barrett, Minotaur's second largest Shareholder, with a holding of 10,433,368 Minotaur Shares, representing 2.1% of Minotaur Shares on issue;
- (c) Chetan Enterprises Pty Ltd and related entities with a combined holding of 8,479,000 Minotaur Shares, representing 1.7% of Minotaur Shares on issue;
- (d) Surpion Pty Ltd and related entities, with a combined holding of 8,250,000 Minotaur Shares, representing 1.6% of Minotaur Shares on issue;
- (e) Mr William McArthur with a holding of 5,137,400 Minotaur Shares, representing 1.0% of Minotaur Shares on issue; and
- (f) Mr Peter Francis Hasenkam with a holding of 4,780,496 Minotaur Shares, representing 1.0% of Minotaur Shares on issue.

This commitment by several of Minotaur's largest Shareholders clearly supports the assessment by your Directors of the merits of Andromeda's Offer. These commitments also improve the prospects of the Offer being consummated in a timely manner.

To align yourself with your Directors and several of Minotaur's largest Shareholders who have already committed to accept the Offer you should also **ACCEPT** the Offer.

• **YOU WILL RETAIN YOUR RIGHTS AND EXPOSURE TO THE DEMETALLICA DEMERGER**

To deliver future value for Shareholders, Minotaur intends to demerge its existing copper and gold exploration assets through its subsidiary, Demetallica, via a pro-rata in specie distribution of Demetallica shares to Minotaur Shareholders (**Demerger**) and then undertake a listing of Demetallica on ASX.

Demetallica will have the following key features and attributes:

- (a) focused copper and gold exploration company to be listed on ASX;
- (b) ownership of Minotaur's existing copper gold exploration projects and joint venture interests located in Queensland and South Australia;
- (c) ongoing involvement of Minotaur current board, management and staff; and
- (d) cash of \$2 million available (pre-costs of the IPO) on completion of the Demerger, not including approximately \$700,000 restricted cash preserved in tenement bonds and joint venture provided funds.

The Demerger is subject to Minotaur shareholder approval after which eligible Minotaur shareholders will receive shares in Demetallica on a pro-rata basis for Minotaur shares they hold at the record date for the Demerger.

Further information on the proposed Demerger will be provided in the Demerger Notice of Meeting to be despatched to Shareholders on or about 16 December 2021.

The Offer is subject to Minotaur Shareholders approving the Demerger and the Offer has been structured so that Minotaur Shareholders who accept the Offer can still vote their Minotaur Shares to approve the Demerger and participate in the Demerger.

You can therefore **ACCEPT** the Offer to realise the Offer's benefits whilst retaining your rights to vote your Shares to approve the Demerger and then participate in the Demerger.

- **NO SUPERIOR PROPOSAL**

Prior to recommending the Offer, your Directors assessed a range of strategic alternatives to advance the development of Minotaur's assets and to maximise Shareholder value.

After careful consideration of these potential alternatives and in view of the fact that the Offer currently comprises the only corporate control proposal capable of being put to Minotaur Shareholders, the Directors have concluded that the Offer in conjunction with the Demerger represents the best way to maximise Shareholder value.

As at the date of this Target's Statement, no Superior Proposal has emerged that would cause the Directors to reconsider their current recommendation. The Bid Implementation Agreement prohibits Minotaur from soliciting Third Party Proposals during the term of the Bid Implementation Agreement. Andromeda also has a right under the Bid Implementation Agreement to match any unsolicited Third Party Proposal if one is received by Minotaur.

If a Third Party Proposal for Minotaur emerges, your Directors will carefully consider the proposal to determine whether it is a Superior Proposal and will inform you of any material developments which may affect your Directors' view that the Offer is presently the most favourable proposal for all your Minotaur Shares. Any change of your Directors' current recommendation in response to an unsolicited Third Party Proposal that is announced may result in Minotaur being obliged to pay a break fee of \$1.0 million (the reimbursement fee) to Andromeda, as well as repay any amounts drawn under the Funding Facilities made available by Andromeda.

See sections 13.1 and 13.2 of the Bidder's Statement and sections 9.8 and 9.9 of this Target's Statement for further information in relation to the terms of the Bid Implementation Agreement and the Funding Facilities.

- **THE VALUE OF MINOTAUR SHARES MAY FALL IF THE OFFER IS NOT SUCCESSFUL**

There are many factors that affect the price of Minotaur Shares, however since the Offer was announced, Minotaur Shares have traded at a level that closely reflects the terms of the Offer.

As such, your Directors consider that in the absence of the Offer or an alternative Third Party Proposal emerging, the price of Minotaur Shares may fall below current levels, at least in the short term.

A reduced Minotaur share price is likely to make it challenging for Minotaur to successfully raise equity on attractive terms to continue to advance and fund the

development Great White as a minority joint venture partner on a stand-alone basis. Any such equity raising would be likely to be dilutive to existing Minotaur Securityholders that do not participate in that raising.

Further, in the event the Offer is unsuccessful, Minotaur will need to repay any amounts drawn down under the \$4.0 million of Funding Facilities which Andromeda has made available to support Minotaur's ongoing activities during the Offer Period and provide seed funding to Demetallica pre and post Demerger (see section 9.9 of this Target's Statement for further details). No amounts have been drawn down as at the date of this Target's Statement.

To avoid the risk of the price of Minotaur Shares falling you should accept the Offer.

If you do not accept the Offer and the Offer becomes Unconditional:

- (a) liquidity in Minotaur Shares may be significantly reduced and Andromeda may seek ASX approval to remove Minotaur from the official list of the ASX; and
- (b) Andromeda may become entitled to acquire your Minotaur Shares through compulsory acquisition (see section 3.17 of this Target's Statement).

Further details on the risks associated with not accepting the Offer are set out in section 8.3 of this Target's Statement.

If you retain your Minotaur Shares, you will continue to be exposed to the risks associated with being a Minotaur Shareholder. A non-exhaustive summary of such risks is set out in section 8.4 of this Target's Statement.

Minotaur Shareholders should note that there are also risks associated with accepting the Offer. Details on the risks associated with accepting the Offer are contained in section 11 of the Bidder's Statement and sections 8.1 and 8.2 of this Target's Statement.

In considering whether to **ACCEPT** the Offer, the Minotaur Directors encourage you to:

- (a) read and carefully consider the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (c) obtain independent advice from your investment, financial, tax or other professional adviser on the effect of accepting the Offer.

2. FREQUENTLY ASKED QUESTIONS

In this section answers are provided to some commonly asked questions about the Offer. This section should be read together with the rest of this Target's Statement. This section is not intended to comprehensively answer all questions that may arise in relation to the Offer nor address all issues that are relevant to Minotaur Shareholders.

The Offer	
What is the Bidder's Statement?	The Bidder's Statement is the document setting out the terms of the Offer. Andromeda lodged the Bidder's Statement with ASIC on 3 December 2021 and has indicated that it intends to complete despatch of the Bidder's Statement to Minotaur Shareholders so that the Offer will open 8 December 2021.
What is the Target's Statement?	This Target's Statement has been prepared by Minotaur and provides Minotaur's response to the Offer, including the recommendation of your Directors.
Who is offering to purchase my Minotaur Shares?	<p>Andromeda Metals Limited (ACN 061 503 375) (Andromeda).</p> <p>Andromeda is a company incorporated in Australia and listed on the Australian Securities Exchange (ASX) under ASX code ADN.</p> <p>Andromeda is a South Australian industrial metals company that listed on the ASX in 1998 as Adelaide Resources NL.</p> <p>Andromeda currently operates the Great White Kaolin JV (which includes the Camel Lake Halloysite prospect) and the Mount Hope Kaolin Project and is involved in several copper and gold prospects across Australia. Andromeda's kaolin deposits, located in regional areas of South Australia, contain some of the highest purity kaolin presently defined within Australia. Information in relation to Andromeda can be obtained from section 4 of the Bidder's Statement and Andromeda's website at www.andromet.com.au.</p>
What is being offered to me?	<p>Andromeda is offering 1.15 Andromeda Shares for each Minotaur Share held by you.</p> <p>You may only accept the Offer in respect of all of the Minotaur Shares you hold.</p> <p>If you are an Ineligible Foreign Shareholder, you will not be provided Andromeda Shares. Instead you will be paid the net proceeds of the sale of the Andromeda Shares you would have been entitled to. See section 3.14 of this Target's Statement for more details.</p>
What are the Minotaur Directors recommending?	<p>The Minotaur Directors unanimously recommend that you ACCEPT the Offer, subject to there being no Superior Proposal.</p> <p>If there is any change to this recommendation the Minotaur Directors will inform you.</p>

The Offer	
	<p>The reasons for your Directors' recommendation are set out in section 1 of this Target's Statement.</p> <p>You are encouraged to read the Bidder's Statement and Target's Statement in full and to consider the Offer having regard to your personal circumstances. The Minotaur Directors encourage you to seek your own independent financial and taxation advice prior to deciding whether to accept the Offer.</p>
<i>What do the Directors intend to do with their Minotaur Shares?</i>	<p>Each Director who holds or controls Shares intends to accept or procure the acceptance of the Offer in respect of the Shares they own or control within 5 days after the Offer has opened, in the absence of a Superior Proposal.</p>
<i>What do the largest shareholders of Minotaur intend to do with their Minotaur Shares?</i>	<p>Several of Minotaur's largest Shareholders, representing 12.7% 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 and the conditions of the Offer being fulfilled.</p> <p>Refer to section 1 of this Target's Statement and section 2.6 of the Bidder's Statement for further details.</p>
<i>What does the Offer mean for Minotaur's Projects?</i>	<p>The purpose of the Offer is to consolidate the ownership of the Great White Kaolin Project and Natural Nanotech into one enlarged single entity, better positioned to optimise, fund and develop those assets.</p> <p>In addition to Andromeda's takeover Offer, Minotaur is seeking to separately demerge its copper and gold assets into Demetallica. Minotaur Shareholders will retain an interest in the demerged assets through receiving shares in Demetallica on a pro-rata basis for the Minotaur Shares they hold at the record date of the Demerger.</p> <p>By accepting the Offer, Minotaur Shareholders will no longer be exposed to the funding risks and challenges Minotaur faces as a minority joint venture partner and standalone entity. It will also allow for your investment to be separated between the kaolin assets (Andromeda Shares) and copper and gold assets (Demetallica shares).</p> <p>Refer to section 2.5 of the Bidder's Statement for more details.</p>
<i>What will be the role of Minotaur Directors in the Combined Entity?</i>	<p>No Minotaur Director has been offered a position on the Andromeda board.</p> <p>The Combined Entity will be managed by the existing board and management of Andromeda.</p>
<i>When will I receive payment if I accept the Offer?</i>	<p>Provided you have validly accepted the Offer, and subject to the Conditions being fulfilled or waived by Andromeda, you will receive the consideration to</p>

The Offer	
	<p>which you are entitled on acceptance of the Offer on the earlier of:</p> <ul style="list-style-type: none"> (a) one month after the Offer is accepted by you, or if the Offer is subject to the Conditions at the time the Offer has been validly accepted by you, one month after the Offer becomes Unconditional; and (b) 21 days after the end of the Offer Period. <p>Ineligible Foreign Shareholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time.</p>
<i>What happens if Andromeda increases the Offer?</i>	<p>If Andromeda improves the Offer Price during the Offer Period, any Shareholder who had previously accepted the Offer will be entitled to receive the improved Offer Price.</p>
<i>What are the conditions to the Offer?</i>	<p>The Offer is subject to the following conditions:</p> <ul style="list-style-type: none"> (a) Andromeda acquiring a relevant interest in excess of 90% of all Minotaur Shares; (b) the Demerger being approved by Minotaur Shareholders; (c) no regulatory action with respect to the Offer, Minotaur or a controlled entity of Minotaur; (d) no material adverse event in relation to Minotaur; (e) no material acquisitions, disposals or commitments by Minotaur; (f) no material litigation on foot or pending; (g) no prescribed occurrences; and (h) no untrue statements or no break fees. <p>This is a summary only. The Conditions to which the Offer is subject are set out in full in section 14.7 of the Bidder's Statement and section 3.8 of this Target's Statement.</p>
<i>When does the Offer close?</i>	<p>The Offer is presently scheduled to close at 7:00pm (AEDT) on 31 January 2022 (unless extended).</p> <p>Section 3.11 of this Target's Statement provides further details regarding the circumstances in which the Offer Period may be extended.</p>
<i>What happens if the conditions are not satisfied or waived?</i>	<p>If the Conditions are not satisfied or waived before the end of the Offer Period, then the Offer will lapse and any acceptances of the Offer will be void. You will continue to hold your Minotaur Shares and be free to deal with your Minotaur Shares as if the Offer had not been made.</p>
<i>What happens if I accept the Offer now?</i>	<p>If you accept the Offer now, while it is conditional, you will give up your rights to sell your Minotaur Shares on market or otherwise deal with them (for example, by accepting a Superior Proposal if one was to emerge)</p>

The Offer	
	<p>unless the limited withdrawal rights apply at the applicable time and you validly withdraw your acceptance.</p> <p>The Offer has been structured so that Minotaur Shareholders who accept the Offer can still vote their Minotaur shares to approve the Demerger and participate in the Demerger.</p>
<i>When will Andromeda advise as to the status of the conditions?</i>	Section 14.13 of the Bidder's Statement indicates that the Bidder will give a Notice of Status of Conditions in accordance with section 630(1) of the Corporations Act.
<i>Can Andromeda extend the Offer?</i>	<p>Andromeda may extend the Offer Period at any time before the end of the Offer Period.</p> <p>In addition, there will be an automatic extension of the Offer Period, if within the last 7 days of the Offer Period:</p> <ul style="list-style-type: none"> (a) Andromeda improves the consideration offered under the Offer; or (b) Andromeda voting power in Minotaur increases to more than 50%. <p>If either of these two events occurs, the Offer Period will be automatically extended so that it ends 14 days after the relevant event occurs.</p>
<i>Does the Offer include my Minotaur Options?</i>	<p>As they are a separate class of securities, the Offer does not include Minotaur Options. However, the Offer does extend to Minotaur Shares that are issued on the exercise of Minotaur Options during the period from the Register Date to the end of the Offer Period.</p> <p>Prior to the Offer becoming Unconditional, and subject to any required waiver of the ASX Listing Rules, Andromeda will make a separate offer to the holders of Minotaur Options, under which their Minotaur Options will be cancelled.</p> <p>In order to vote on and participate in the Demerger in relation to their Minotaur Options, the holders of Minotaur Options will need to exercise those options so that the relevant Minotaur Shares are issued prior to the record date for voting and the record date for participation in the Demerger.</p> <p>Refer to section 3.22 of this Target's Statement and section 14.1 of the Bidder's Statement for further information.</p>
<i>Does Minotaur expect a competing offer?</i>	<p>The Board unanimously recommends the Offer (in the absence of a Superior Proposal).</p> <p>It is not the role of Minotaur's Board to speculate on the likelihood of a competing offer.</p> <p>The Bid Implementation Agreement contains customary "no shop" and "no talk" provisions in relation to competing offers.</p>

The Offer	
	If a competing offer emerges, the Minotaur Board will deal with it at the time and update Shareholders accordingly.
Options for Minotaur Shareholders	
What choices do I have as a Shareholder?	<p>As a Shareholder, you have the following choices in respect of your Shares:</p> <ul style="list-style-type: none"> (a) accept the Offer in respect of all of your Minotaur Shares; (b) sell your Minotaur Shares on ASX (unless you have previously accepted the Offer); or (c) do nothing in relation to the Offer. <p>If you sell your Minotaur Shares before the applicable record date, you will not be able to vote on or participate in the Demerger.</p> <p>If you have already sold all your Minotaur Shares, no action is required.</p> <p>YOUR MINOTAUR DIRECTORS UNANIMOUSLY RECOMMEND, IN THE ABSENCE OF A SUPERIOR PROPOSAL, THAT YOU <u>ACCEPT</u> THE OFFER.</p>
When do I have to decide?	<p>If you wish to accept the Offer you need to do so before its scheduled closing date. Andromeda has stated that its Offer is scheduled to close at 7:00pm (AEDT) on 31 January 2022, unless it is extended.</p> <p>If you wish to reject the Offer, you do not need to do anything.</p>
How to respond to the Offer	
How do I accept the Offer?	<p>To accept the Offer, you should follow the instructions set out on the Acceptance Form that accompanies the Bidder's Statement.</p> <p>You may only accept the Offer in respect of all of the Minotaur Shares you hold.</p>
What should I do if I did not receive or have misplaced my Acceptance Form?	<p>If you have not received your Acceptance Form or have misplaced it, please call Computershare Investor Services Pty Limited on:</p> <ul style="list-style-type: none"> (a) 1300 395 837 (if calling within Australia); or (b) +61 (3) 9415 4064 (if calling from outside Australia). <p>Calls to the above numbers will be recorded. Enquiries in relation to the Offer will not be received on any other telephone numbers of Andromeda or its advisers.</p>
How do I reject the Offer?	<p>To reject the Offer, you should do nothing.</p> <p>If you decide to do nothing, you should be aware of the rights of Andromeda to compulsorily acquire your Minotaur Shares in certain circumstances.</p> <p>See section 3.17 of this Target's Statement for more details in relation to compulsory acquisition.</p>

The Offer	
<i>Can I accept the Offer for part of my shareholding?</i>	No. You cannot accept the Offer for part of your shareholding. You may only accept the Offer made to you for all of the Minotaur Shares you hold.
<i>What if I am a Foreign Shareholder?</i>	<p>Ineligible Foreign Shareholders that accept the Offer will not receive Andromeda Shares. Rather, the Andromeda Shares that Ineligible Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Ineligible Foreign Shareholder will be paid to them by cheque in Australian dollars drawn on an Australian bank account.</p> <p>Ineligible Foreign Shareholders should refer to section 13.7 of the Bidder's Statement, which provides further information on Ineligible Foreign Shareholders and the Nominee sale process. Andromeda's determination of whether a Minotaur Shareholder is an Ineligible Foreign Shareholder shall be final.</p>
<i>Can I sell my Shares on-market?</i>	<p>You can sell all or some of your Minotaur Shares on ASX unless you have accepted the Offer in respect of those Minotaur Shares.</p> <p>However, if you sell your Minotaur Shares before the applicable record date, you will not be able to vote on or participate in the Demerger.</p> <p>If you sell your Minotaur Shares on ASX:</p> <ul style="list-style-type: none"> (a) you may incur brokerage charges; (b) you will lose the ability to accept the Offer or any other offer which may eventuate; (c) you may receive more or less for your Minotaur Shares than the Offer Price; and (d) you will be paid on the second Business Day after the sale.
<i>What are the consequences of accepting the Offer?</i>	If you accept the Offer you will receive 1.15 Andromeda Shares for each Minotaur Share you hold.
<i>If I accept the Offer now, can I withdraw my acceptance?</i>	<p>You may withdraw your acceptance only if Andromeda varies the Offer in a way that postpones the time when Andromeda is required to satisfy its obligations by more than 1 month.</p> <p>Further details on your ability to withdraw your acceptance are set out in section 3.12 of this Target's Statement.</p>
<i>What happens if I do nothing?</i>	<p>You will remain a Minotaur Shareholder. However, Andromeda has stated that if it becomes entitled to compulsorily acquire Minotaur Shares, it intends to do so. See section 9.2 of the Bidder's Statement for more details.</p> <p>If you do not accept the Offer and Andromeda acquires a relevant interest in at least 90% of Minotaur</p>

The Offer	
	<p>Shares and the Conditions of the Offer are satisfied or waived, Andromeda intends to proceed to compulsorily acquire your Minotaur Shares.</p> <p>If you do not accept the Offer and:</p> <ul style="list-style-type: none"> (a) Andromeda does not acquire a relevant interest in at least 90% but above 50.1% of Minotaur Shares; (b) the Offer becomes Unconditional; and (c) you remain a Minotaur Shareholder, <p>you may be left holding Minotaur Shares with significantly reduced liquidity and with Andromeda as the controlling shareholder of Minotaur and Andromeda may be entitled to remove Minotaur from the official list of the ASX. See section 9 of the Bidder's Statement for more details.</p>
<i>Can I be forced to sell my shares?</i>	<p>You cannot be forced to sell your Minotaur Shares unless Andromeda acquires a Relevant Interest in at least 90% of all Minotaur Shares.</p> <p>Andromeda's intentions with respect to compulsory acquisition are set out in section 9.2 of the Bidder's Statement. In summary, Andromeda has indicated that if it becomes entitled to do so under the Corporations Act, it intends to give notices to compulsorily acquire any outstanding Minotaur Shares in accordance with section 661B of the Corporations Act.</p>
<i>Will Andromeda Shares issued under the Offer be listed on ASX?</i>	<p>Andromeda intends to make an application for quotation of the Andromeda Shares issued under the Offer on ASX. If the application is not successful, then all contracts resulting from acceptances of the Offer will be automatically void.</p>
<i>What if I don't want Andromeda Shares?</i>	<p>You are free to sell the Andromeda Shares you received under the Offer on market. Brokerage will be payable on any subsequent sale of Andromeda Shares.</p>
General Matters	
<i>What are the tax implications of accepting the Offer?</i>	<p>A general outline of the tax implications of accepting the Offer is set out in section 12 of the Bidder's Statement.</p> <p>If the Offer becomes Unconditional, CGT rollover relief will not be available if Andromeda acquires less than 80% of the Minotaur Shares under the Offer.</p> <p>As the outline is general in nature, you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the offer.</p>

General Matters	
<i>Do I pay brokerage if I accept?</i>	No brokerage or stamp duty will be payable as a result of your acceptance of the Offer.
<i>If I have further questions in relation to the Offer, what can I do?</i>	Please call the Company Secretary on +61 8 8132 3400 at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday, or you can speak to your financial or other professional adviser.

3. DETAILS OF THE OFFER

3.1 Background to the Offer

On 10 November 2021, Minotaur and Andromeda jointly announced that they had entered into the Bid Implementation Agreement under which Andromeda agreed to make an off-market takeover offer for all of the Minotaur Shares.

You should have recently received the Bidder's Statement from Andromeda, containing the full terms and conditions of the Offer, together with other information material to your decision whether or not to accept the Offer.

3.2 The Offer

Andromeda will offer 1.15 Andromeda Shares for each Minotaur Share held.

3.3 Offer Price

The implied value of the Offer Price will fluctuate during the Offer Period with the Andromeda Share price. Accordingly, if the Andromeda Share price falls, the implied value of the Offer Price will fall. Likewise, if the Andromeda Share price rises, the implied value of the Offer Price will rise. The table below illustrates the implied value of the Offer Price based on an Andromeda Share price range of \$0.125 to \$0.25 per share.

Andromeda Share price	Implied value of Offer	Implied total value
\$0.125	\$0.144	\$74.6m
\$0.150	\$0.173	\$89.5m
\$0.175	\$0.201	\$104.4m
\$0.200	\$0.230	\$119.4m
\$0.225	\$0.259	\$134.3m
\$0.250	\$0.288	\$149.2m

3.4 The Offer is unanimously recommended by the Minotaur Directors

The Minotaur Directors unanimously recommend that Minotaur Shareholders accept the Offer in the absence of a Superior Proposal.

3.5 Directors' intentions in relation to the Offer

Each of the Minotaur Directors who holds a Relevant Interest in Minotaur Shares have indicated their intention to accept, or procure the acceptance of, the Offer in respect of the Minotaur Shares that they own or control or otherwise have a Relevant Interest in within 5 days after the Offer has opened, subject to there being no Superior Proposal.

3.6 Andromeda intentions

See section 9 of the Bidder's Statement for a summary of Andromeda's intentions following completion of the Offer.

3.7 Intentions of major shareholders

Several of Minotaur's largest Shareholders, representing 12.7% 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 and the conditions of the Offer being fulfilled.

The Minotaur Shareholders are listed below:

- (a) Yarraandoo Pty Ltd, Minotaur's largest Shareholder, with a holding of 26,441,569 Minotaur Shares, representing 5.3% of Minotaur Shares on issue;
- (b) Mr Craig Alex Barrett, Minotaur's second largest Shareholder, with a holding of 10,433,368 Minotaur Shares, representing 2.1% of Minotaur Shares on issue;
- (c) Chetan Enterprises Pty Ltd and related entities with a combined holding of 8,479,000 Minotaur Shares, representing 1.7% of Minotaur Shares on issue;
- (d) Surpion Pty Ltd and related entities, with a combined holding of 8,250,000 Minotaur Shares, representing 1.6% of Minotaur Shares on issue;
- (e) Mr William McArthur with a holding of 5,137,400 Minotaur Shares, representing 1.0% of Minotaur Shares on issue; and
- (f) Mr Peter Francis Hasenkam with a holding of 4,780,496 Minotaur Shares, representing 1.0% of Minotaur Shares on issue.

3.8 Offer Conditions

The Offer is subject to a number of Conditions which are set out in full in section 14 of the Bidder's Statement.

In summary, the Conditions of the Offer are:

(a) **Minimum acceptance condition**

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

(b) **Regulatory approvals and consents**

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.

(c) **No regulatory action**

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

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority;
- (ii) no action or investigation is announced, commenced or threatened by any Regulatory Authority with respect to Minotaur or a Controlled Entity of Minotaur; and
- (iii) 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:
 - (A) restrain, prohibit or impede, or otherwise materially adversely impact on, the making of the Offer or the completion of any transaction contemplated by this Target's Statement in connection with the Offer (including the acquisition of Minotaur Shares) or the continued ownership and operation of the business of Minotaur or a Controlled Entity of Minotaur; or
 - (B) require the variation of the terms of the Offer; or
 - (C) require or approve the divestiture of any Minotaur Shares or the divestiture of any assets of any Minotaur Group Company or of any Andromeda Group Member.

(d) **No Material Adverse Event**

Between the Announcement Date and the end of the Offer Period (each inclusive), no material adverse event occurs. Refer to section 14.7(d) of the Bidder's Statement for full details of this Condition, including the exclusions.

(e) **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, no Minotaur Group Company may make a material acquisition, disposal, commitment or such other item set out in section 14.7(e) of the Bidder's Statement.

Refer to section 14.7(e) of the Bidder's Statement for full details of this Condition, including the exclusions.

(f) **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 Minotaur Group Company may

undertake any of the corporate matter actions set out in section 14.7(f) of the Bidder's Statement.

Refer to section 14.7(f) of the Bidder's Statement for full details of this Condition, including the exclusions.

(g) 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 Minotaur 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:

- (i) of more than A\$100,000; or
- (ii) the amount of which, when aggregated with the amount of all other such claims, exceeds A\$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.

(h) 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 its Subsidiaries or assets, to:

- (i) 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
- (ii) accelerate or adversely modify the nature or performance of any material obligations of Minotaur or any of its Controlled Entities, other than in accordance with the terms of the Minotaur Options issued before the Announcement Date.

(i) No prescribed occurrences

Between the Announcement Date and the date 3 business days after the end of the Offer Period (each inclusive), no prescribed occurrence happens. Refer to section 14.7(i) of the Bidder's Statement for full details of this Condition, including the exclusions.

(j) **No untrue statements**

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

- (i) any statement that is untrue or misleading in any material respect; or
- (ii) 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.

(k) **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:

- (i) a takeover bid for, or scheme of arrangement in respect of, Minotaur;
- (ii) an acquisition of all, or a material part, of the assets and operations of the Minotaur Group; or
- (iii) 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.

(l) **Demerger**

Minotaur Shareholders pass all necessary resolutions to implement the Demerger, and the record date for the Demerger has occurred. This Condition cannot be waived without Minotaur's consent.

3.9 Consequence of Conditions not being satisfied

The Conditions are conditions subsequent. The non-fulfilment of a condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your Minotaur Shares from arising, but it does entitle Andromeda by written notice to you to rescind the contract resulting from your acceptance of the Offer. If a Condition is not satisfied, it may be waived by Andromeda.

Therefore, if any Condition is unsatisfied, Andromeda may elect to waive the Condition and proceed with the acquisition of Minotaur Shares under its Offer or allow the Offer to lapse with unsatisfied Conditions.

Generally, Andromeda will not have to decide whether to proceed with the acquisition of Minotaur Shares under its Offer until the date that it is required to

provide its notice of status of Conditions which, as outlined in section 3.10 of this Target's Statement, can be postponed if the Offer Period is extended.

As at the date of this Target's Statement, Minotaur is not aware of any event having occurred which would cause any of the Conditions not to be fulfilled.

3.10 Notice of status of Conditions

Andromeda has indicated in section 14.13 of the Bidder's Statement that it will give a notice of the status of the Conditions on 24 January 2022. It will give this notice by making an announcement on the ASX website (ASX: ADN).

The Corporations Act requires that such notice state:

- (a) whether the Offer is free from Conditions;
- (b) whether the Conditions have been fulfilled as at the date of the notice; and
- (c) the voting power of Andromeda in Minotaur.

If the Offer Period is extended before the date the notice is required to be given, the date that Andromeda must give its notice is taken to be postponed for the same period. In this case, Andromeda is required, as soon as reasonably practicable after the extension, to notify Minotaur and ASX of the new date for giving the notice.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period but before the date on which the notice of status of conditions is required to be given, Andromeda must, as soon as practicable, give Minotaur and ASX a notice that states that the particular Condition has been fulfilled.

3.11 Offer Period and extension

Unless the Offer is extended, it is open for acceptance from 8 December 2021 until **7:00pm (AEDT) on 31 January 2022** (unless extended). You should not assume that the Offer Period will be extended.

Andromeda may extend the Offer Period at any time before giving the notice of status of conditions (referred to in section 3.10 of this Target's Statement) while the Offer is subject to conditions. There are also limited circumstances where Andromeda may extend the Offer Period after the notice of status of conditions has been given. However, if the Offer is Unconditional (that is, all the Conditions are fulfilled or freed), Andromeda may extend the Offer Period at any time before the end of the Offer Period.

In addition, if the events set out in section 624(2) of the Corporations Act occur within the last seven days of the Offer Period, the Offer Period will be automatically extended so that it ends 14 days after that event.

3.12 Effect of accepting the Offer and rights of withdrawal

Accepting the Offer would (subject to the withdrawal rights discussed below):

- (a) prevent you from accepting any higher takeover bid that may be made by a third party or any alternative transaction proposal that may be recommended by the Board;

- (b) relinquish control of your Shares to Andromeda with no guarantee of payment until the Offer becomes, or is declared, Unconditional – and as the Offer Period could be extended by Andromeda, this could result in further delays in payment; and
- (c) give Andromeda the option to keep your Minotaur Shares (if the Conditions of its Offer are not satisfied (i.e. by waiving the Conditions)) or return your Minotaur Shares.

If you accept the Offer, you will have a right to withdraw your acceptance in some circumstances. Those withdrawal rights comprise general statutory withdrawal rights under the Corporations Act. In summary:

- (a) under the Corporations Act, you may withdraw your acceptance of the Offer if Andromeda varies the Offer in a way that postpones, for more than one month, the time when Andromeda needs to meet its obligations under the Offer and the Offer is still subject to one or more Conditions. This will occur if Andromeda extends the Offer Period by more than one month while the Offer is still subject to any of the Conditions; and
- (b) in those circumstances, you will have one month after the date that notice of the extension is given to Minotaur to withdraw your acceptance. Your statutory withdrawal rights will terminate on the expiry of that one month, although if the Offer Period is then further extended you may receive further statutory withdrawal rights.

If you become entitled to withdraw your acceptance, you will be sent a notice from Andromeda, explaining your rights in this regard.

3.13 Lapse of Offer

The Offer will lapse if the Conditions are not satisfied or waived by the end of the Offer Period. In that event, all contracts resulting from acceptances of the Offer, and all acceptances that have not resulted in binding contracts, will be void and you will be free to deal with your Minotaur Shares as you see fit.

3.14 Ineligible Foreign Shareholders

Minotaur Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive Andromeda Shares as consideration for their Minotaur Shares pursuant to the Offer, unless Andromeda otherwise determines.

A Minotaur Shareholder is a Foreign Shareholder for the purposes of the Offer if their address as shown in the register of members of Minotaur is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a person will not be an Ineligible Foreign Shareholder if Andromeda is satisfied that it is not legally or practically constrained from making the Offer to a Minotaur Shareholder in the relevant jurisdiction and to issue Andromeda Shares to such a Shareholder on acceptance of the Offer, and that it is lawful for the Shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Target's Statement, Andromeda is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The Andromeda Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to a nominee approved by ASIC, who will sell these shares. The net proceeds of the sale of such shares (after the

deduction of fees, taxes and sale expenses) will then be remitted to the relevant Ineligible Foreign Shareholders. Refer to section 13.7 of the Bidder's Statement for further details.

3.15 When you will receive the Offer Price if you accept the Offer

Andromeda has set out in section 14.2 of the Bidder's Statement the timing of the provision of the consideration to Minotaur Shareholders who accept the Offer. In general terms, provided you have validly accepted the Offer, and subject to the Conditions being fulfilled or waived by Andromeda, you will receive the consideration to which you are entitled on acceptance of the Offer on the earlier of:

- (a) one month after the Offer is accepted, or if the Offer is subject to the Conditions at the time the Offer has been validly accepted by you, 1 month after the Offer becomes Unconditional; and
- (b) 21 days after the end of the Offer Period.

3.16 Increased Offer Price

If there is a competing proposal and Andromeda improves the Offer Price during the Offer Period, any Shareholder who had previously accepted the Offer will be entitled to receive the improved Offer Price.

3.17 Compulsory acquisition

Andromeda's intentions with respect to compulsory acquisition are set out in section 9.2 of the Bidder's Statement.

In summary, Andromeda has indicated that if it becomes entitled to compulsory acquire any outstanding Minotaur Shares in accordance with Part 6A.1 of the Corporations Act and any outstanding Minotaur Options in accordance with Part 6A.2 of the Corporations Act, it intends to proceed with the compulsory acquisition of these Shares and options.

An overview of Andromeda rights to compulsorily acquire Minotaur Shares is set out below.

3.18 Post-bid compulsory acquisition

Andromeda will be entitled, under section 661A of the Corporations Act, to compulsorily acquire any Minotaur Shares in respect of which it has not received an acceptance of the Offer on the same terms as the Offer if, during or at the end of the Offer Period, Andromeda (together with its Associates) has a Relevant Interest in at least 90% (by number) of the Minotaur Shares and Andromeda and its Associates have acquired at least 75% (by number) of the Minotaur Shares that Andromeda offered to acquire under the Offer (whether the acquisitions happened under the bid or otherwise).

If these thresholds are met, Andromeda will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to Minotaur Shareholders who have not accepted the Offer. Minotaur Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Minotaur Shareholder to establish to the satisfaction of a Court that the consideration offered does not represent "fair value" for their Minotaur Shares.

If compulsory acquisition occurs, Minotaur Shareholders who have their Minotaur Shares compulsorily acquired will be paid their consideration later than the Minotaur Shareholders who accept the Offer.

3.19 General compulsory acquisition provisions

Andromeda will be entitled, under section 664A of the Corporations Act, to compulsorily acquire any outstanding Minotaur Shares and Minotaur Options if Andromeda's voting power in Minotaur is at least 90% and Andromeda (either in its own right or through related bodies corporate) acquires full beneficial interests in at least 90% (by value) of the aggregate of all Minotaur Shares and Minotaur Options and:

- (a) Andromeda lodges a compulsory acquisition notice with ASIC within six months of achieving that 90% holding;
- (b) Andromeda proposes a cash sum for the compulsory acquisition of the Minotaur Shares and Minotaur Options; and
- (c) Andromeda obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value of the securities covered.

3.20 Further developments

Should there be any developments during the Offer Period (for example, the emergence of a Superior Proposal from another bidder) which would alter the Minotaur Directors' recommendations in relation to the Offer, Minotaur Shareholders will be notified through a supplementary Target's Statement.

3.21 Taxation Consequences

In making a decision whether to accept the Offer, Minotaur Shareholders should also have regard to the fact that the disposal of Minotaur Shares may have taxation consequences. Minotaur Shareholders should carefully read and consider the potential Australian taxation consequences of accepting the Offer as set out in section 12 of the Bidder's Statement. If the Offer becomes Unconditional, CGT rollover relief will not be available if Andromeda acquires less than 80% of the Minotaur Shares under the Offer.

3.22 Options Offer

Minotaur currently has 36,250,000 Options on issue as follows:

Option Class	Number of Options	Exercise Price	Expiry Date
1	1,450,000	\$0.0525	31 December 2021
2	13,300,000	\$0.10	28 November 2022
3	9,500,000	\$0.12	28 November 2022
4	12,000,000	\$0.20	31 January 2024

Under the Bid Implementation Agreement, Minotaur will, as soon as practicable after the making of the Offer by Andromeda, make an offer to each holder of Minotaur Options in the table above in a form approved by Andromeda under

which their Minotaur Options will be cancelled in exchange for shares in Andromeda in the same proportion as the Offer based on the implied value of the Minotaur Options using the Minotaur Share price as at the last trading day prior to the Announcement Date (i.e. 8 November 2021).

These offers will be conditional upon the Offer being declared Unconditional.

The above offers are subject to ASX granting a waiver from ASX Listing Rule 6.23.2 or Minotaur Shareholders approving the cancellation of the Minotaur Options.

Each of the Minotaur Directors is a holder of Minotaur Options in the proportions set out in section 9.2 of this Target's Statement.

In order to vote on and participate in the Demerger in relation to their Minotaur Options, the holders of Minotaur Options will need to exercise those options so that the relevant Minotaur Shares are issued prior to the record date for voting and the record date for participation in the Demerger.

4. OFFER CONSIDERATIONS

4.1 Possible reasons not to accept the Offer

This section 4.1 sets out key reasons why Shareholders may decline to accept the Offer.

(a) You may disagree with the recommendation of the Minotaur Directors

You may hold a different view to the Minotaur Directors and believe that the Offer Price of 1.15 Andromeda Shares per Minotaur Share is inadequate.

(b) You may wish to remain a Minotaur Shareholder

If you accept the Offer, you will no longer be entitled to participate in the future financial performance of Minotaur or exercise the rights (including voting rights) of being a Minotaur Shareholder.

(c) The tax consequences of acceptance of the Offer may not be favourable to you given your financial position

Acceptance of the Offer by Minotaur Shareholders is likely to have tax implications. You should carefully read and consider the potential Australian taxation consequences of accepting the Offer as summarised in section 12 of the Bidder's Statement. If the Offer becomes Unconditional, CGT rollover relief will not be available if Andromeda acquires less than 80% of the Minotaur Shares under the Offer.

Minotaur Shareholders should not rely on the taxation considerations set out in section 12 of the Bidder's Statement as being advice on their own affairs. Minotaur Shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their particular circumstances.

(d) You may consider that there is the potential for a proposal superior to the Offer to be made for Minotaur Shares

It is possible that a proposal superior to the Offer could materialise in the future. However, as at the date of this Target's Statement, no alternative proposal has been received.

4.2 Risks associated with accepting the Offer and being an Andromeda Shareholder

Details on the risks associated with accepting the Offer and being an Andromeda Shareholder are contained in sections 11.3 and 11.4 of the Bidder's Statement and sections 8.1 and 8.2 of this Target's Statement.

5. YOUR CHOICES AS A SHAREHOLDER

As a Minotaur Shareholder you have three choices currently available to you:

(a) ACCEPT THE OFFER

Minotaur Shareholders may elect to accept the Offer in respect of their Minotaur Shares. Minotaur Shareholders will receive 1.15 Andromeda Shares for each Minotaur Share for which a valid acceptance has been received.

The Offer is subject to Minotaur Shareholders approving the Demerger and the Offer has been structured so that Minotaur Shareholders who accept the Offer can still vote their Minotaur Shares to approve the Demerger and participate in the Demerger.

To accept the Offer, follow the instructions on the Acceptance Form which accompanies the Bidder's Statement.

(b) SELL YOUR MINOTAUR SHARES ON MARKET

Minotaur Shareholders may elect to sell some or all of their Minotaur Shares on ASX if they have not already accepted the Offer in respect of those Minotaur Shares.

The price you will receive for your Minotaur Shares will depend on the prevailing market price of the Minotaur Shares at the time of sale. You should be aware that the market price of Minotaur Shares may rise or fall throughout the Offer Period and following the close of the Offer. You should also note that:

- (i) you will need to pay any brokerage fees which may be payable on such a sale; and
- (ii) you will not benefit from any increase in the Offer Price or from any alternative offer made by another bidder for your Minotaur Shares, if such an offer is made.

If you sell your Minotaur Shares before the applicable record date, you will not be able to vote on or participate in the Demerger.

The latest price for Minotaur Shares may be obtained from the ASX website at **www.asx.com.au**.

Minotaur Shareholders who wish to sell their Minotaur Shares on ASX should contact their broker for information on how to effect that sale.

(c) DO NOTHING

Minotaur Shareholders who do not wish to accept the Offer or sell their Minotaur Shares on market can do nothing.

Minotaur Shareholders should note that if Andromeda acquires a Relevant Interest in at least 90% of the Minotaur Shares during or at the end of the Offer Period, Andromeda has indicated that it intends to compulsorily acquire the Minotaur Shares in which it has not acquired a

Relevant Interest. In that situation, you may be paid for your Minotaur Shares later than Minotaur Shareholders who accept the Offer.

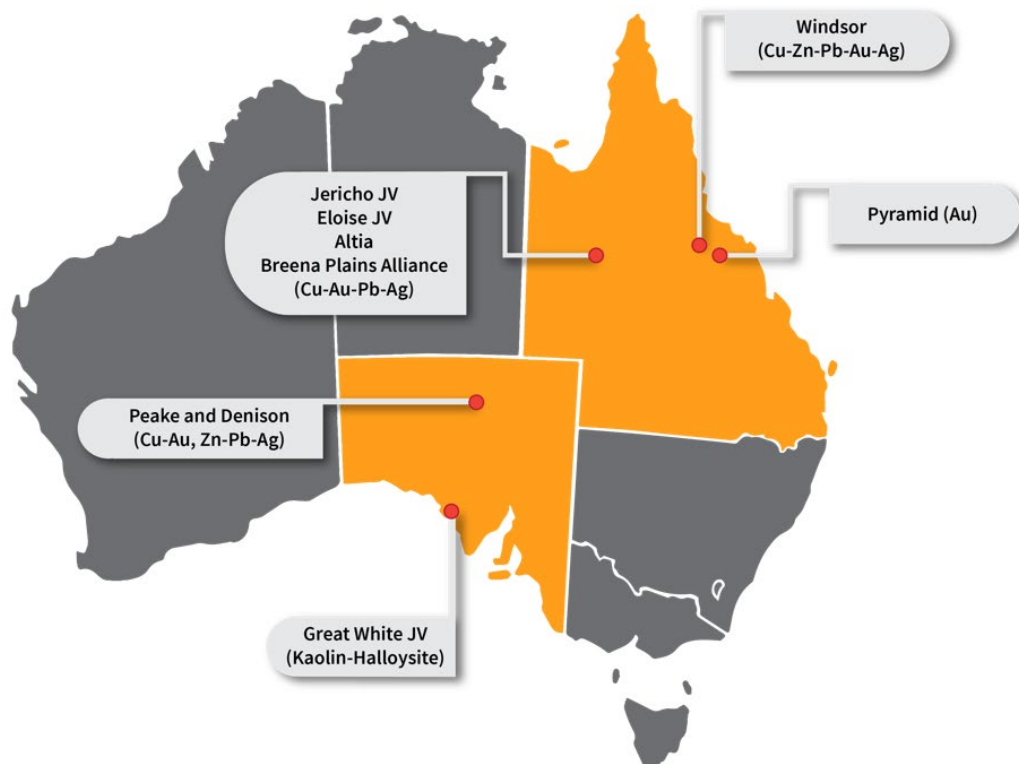
6. INFORMATION RELATING TO MINOTAUR

6.1 Overview of Minotaur

Minotaur is an Australian-domiciled ASX listed exploration company with a portfolio of mineral project assets, primarily copper, gold, other base metals and kaolin-halloysite.

The asset base is spread across South Australia and Queensland and includes key joint ventures or alliances with other ASX listed companies, Andromeda and OZ Minerals (refer project location map below).

Minotaur was incorporated in 2004 and is headquartered in South Australia.



6.2 Principal activities of Minotaur

Minotaur has established a portfolio of various projects spanning a variety of minerals. Key projects are detailed below.

(a) **Great White Kaolin Project – Joint Venture with Andromeda**

Minotaur is the minority participant in the Great White Kaolin Project, under the Great White Joint Venture (**GWJV**). The Great White Kaolin Project is located near Poochera, 65km east of Streaky Bay on western Eyre Peninsula in South Australia and features multiple high-grade, superior whiteness kaolin and hybrid kaolin-halloysite deposits that are held by the GWJV.

Under the terms of the GWJV agreement, Andromeda has a 75% interest in the Great White Kaolin Project, while Minotaur has the remaining 25%. The joint venturers are responsible for their share of Joint Venture costs on a pro-rata basis.

Within the Great White Kaolin Project, the Hammerhead and Great White deposits contain concentrations of up to 16% halloysite, a natural nanoparticle kaolin derivative. Demand is growing for halloysite at this concentration as a porcelain ceramic additive and potentially for a range of new technology applications. The GWJV partners each hold a 50% interest in Natural Nanotech, a vehicle created to pursue new-technology developments using halloysite feedstock from the GWJV. Natural Nanotech is funding research programs at the University of Newcastle, NSW Global Innovative Centre for Advanced Nanomaterials (**GICAN**).

Further detail on the Great White Kaolin Project can be found in section 4.2(a) of the Bidder's Statement.

(b) **Cloncurry agreements with OZ Minerals**

There are four key agreements between Minotaur and ASX listed OZ Minerals Limited (**OZ Minerals**) relating to various projects located near Cloncurry, Queensland.

If Minotaur Shareholders approve the Demerger, it is intended that these agreements will be novated or assigned to Demetallica with effect from implementation of the Demerger.

The agreements are as follows:

- (i) **Eloise Joint Venture (30% Minotaur):** The Eloise Joint Venture (**Eloise JV**) is a joint venture over tenements in the Cloncurry region (excluding the Jericho tenements), in which 70% of the interests are owned by OZ Minerals and 30% by Minotaur.

Under the terms of the Eloise JV, OZ Minerals committed to investing A\$3 million on exploration activity over the two year period from May 2019 to May 2021, at which time Minotaur would then have the option to co-contribute for its 30% or convert to a 20% loan carried position. For further detail on the terms of the Eloise JV, see Minotaur's ASX announcement 'Eloise JV restructured and OZ Minerals' funding increased', dated 14 May 2019.

In August 2020, a drilling program commenced on the Eloise JV's Seer and Big Foot targets and a further ground electro-magnetic geophysical survey was conducted late in 2021.

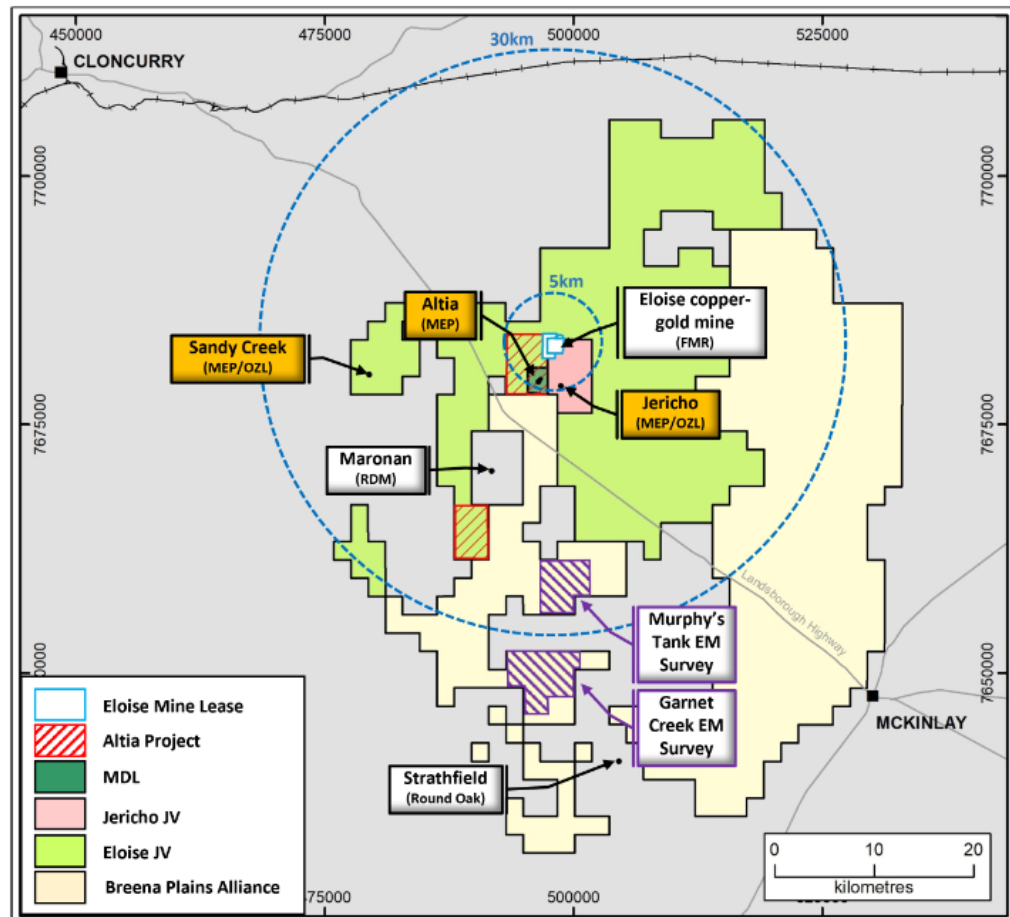


Figure 1 – Tenement map showing Breena Plains Alliance area, Eloise and Jericho JVs, Altia project area, significant deposits and EM survey areas

- (ii) **Jericho JV (20% Minotaur):** the Jericho Joint Venture (**Jericho JV**) was excised from the Eloise JV tenements following a restructure of that agreement in May 2019. OZ Minerals holds an 80% interest with Minotaur holding the remaining 20% interest.

Under the terms of the Jericho JV, OZ Minerals is obligated to loan carry Minotaur and sole fund all Jericho JV expenditure through to commercial production. The loan to Minotaur is a non-recourse loan, which is repayable only from positive cash flow which emanates from commercial production from the Jericho JV.

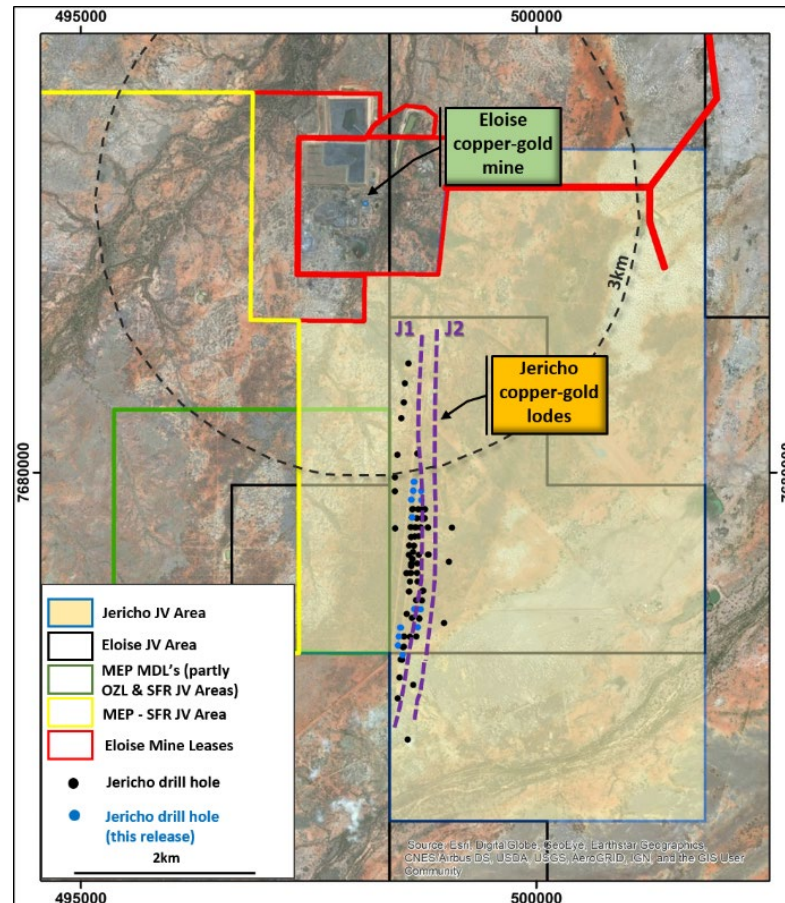


Figure 2 – Jericho JV Tenements

On 16 July 2020, Minotaur announced a maiden JORC resource at Jericho, estimating an Inferred Resource of 9.1 million tonnes grading 1.4% Cu, 0.3 g/t Au and 1.6 g/t Ag. (See Table 1 below).

Jericho Inferred Resource Estimate (JORC)	Tonnes (Mt)	Cu (%)	Au g/t	Ag g/t	Cu metal (kt)	Au metal (koz)
Mineral Resource at 0.8 percent copper constraining shell	9.1	1.4	0.30	1.6	130	88
Mineral Resource at 0.9 percent copper constraining shell	6.9	1.6	0.34	1.8	110	75
Mineral Resource at 1.0 percent copper constraining shell	5.3	1.7	0.38	1.9	89	64

Table 1 – Jericho Inferred Mineral Resource Estimate

- (iii) **The Cloncurry Alliance:** On 14 May 2019 and in addition to the Eloise JV and Jericho JV, the Cloncurry alliance was formed between OZ Minerals and Minotaur (**Cloncurry Alliance**). The Cloncurry Alliance saw OZ Minerals and Minotaur form an exclusive strategic alliance over the Cloncurry district in Queensland, with the goal to identify and acquire additional prospects around the area.

Key terms of the Cloncurry Alliance are as follows:

- OZ Minerals to fund A\$1 million for Minotaur's project generation work;
- OZ Minerals to sole fund accepted projects to A\$4 million each; and
- Minotaur to be rewarded upon milestone events per project.

Full details of the Cloncurry Alliance can be found in Minotaur's ASX announcement 'OZ Minerals and Minotaur form Cloncurry Regional Alliance', dated 14 May 2019.

The Cloncurry Alliance resulted in formation of the Breena Plains JV (discussed below).

- (iv) **Breena Plains:** On 18 February 2020, under a heads of agreement between the Cloncurry Alliance and Sandfire Resources (ASX: SFR) (**Sandfire**), it was agreed that the Cloncurry Alliance would explore and earn-in to the 'Breena Plains' tenements near Cloncurry in north-west Queensland (Breena Plains JV).

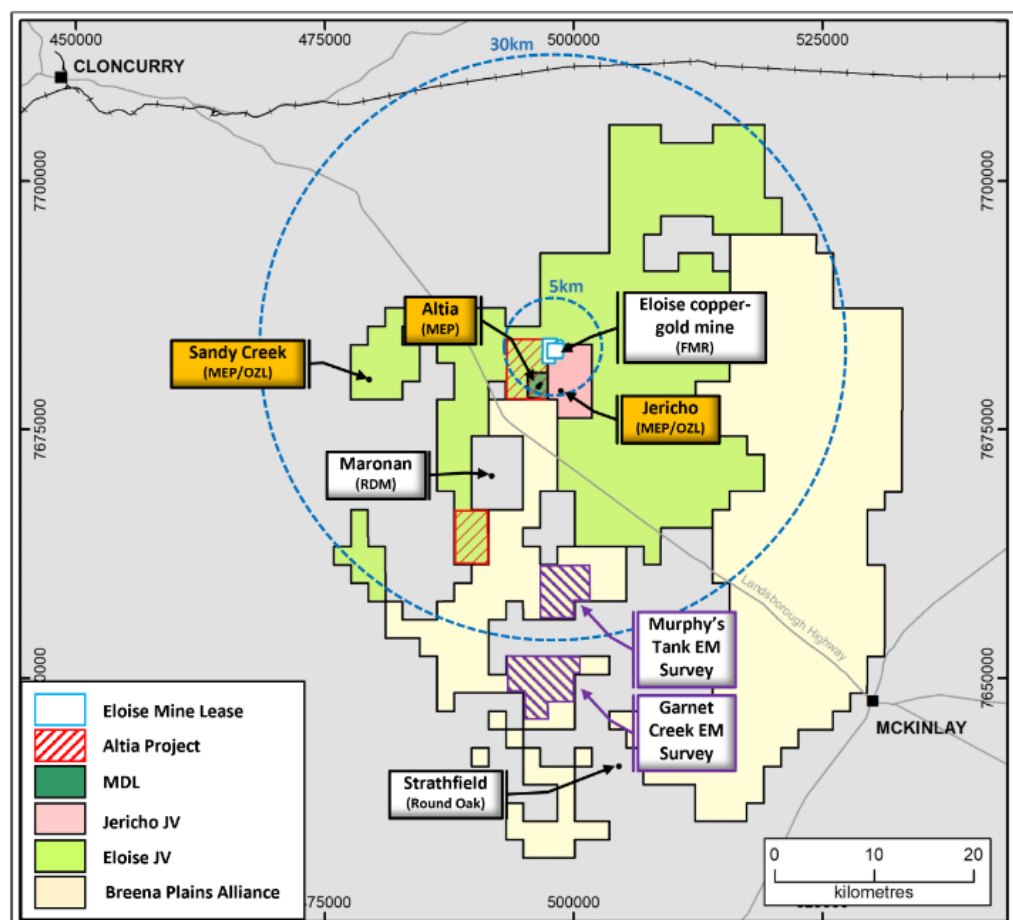


Figure 3 – Breena Plains Project Tenements

Under the terms of the Breena Plains JV, the Cloncurry Alliance was to invest A\$1 million in exploration in the first year. Thereafter, the Cloncurry Alliance may earn an initial 51% tenement interest

by sole funding a further A\$3 million through the next 2-year period. The Cloncurry Alliance may then earn an additional 24% interest for the further expenditure of A\$4 million over the subsequent 2 years. Therefore, to attain its maximum interest of 75% over 5 years, the Cloncurry Alliance must invest A\$8 million.

Full details of the Breena Plains JV agreement can be found in Minotaur's ASX announcement 'Cloncurry Alliance establishes exploration JV with Sandfire Resources', dated 18 February 2020.

Under the Cloncurry Alliance, OZ Minerals paid Minotaur a A\$225,000 success payment for securing the Breena Plains JV and announced that OZ Minerals would contribute all required exploration funding up to A\$4 million over 3 years.

- (v) As announced on 24 August 2021 and as part of a broader acquisition (discussed below), Minotaur announced that it had acquired full ownership of the Breena Plains tenement package from Sandfire. The acquisition terms are discussed under the Altia Polymetallic Project section below. In the same announcement, Minotaur indicated that the Breena Plains tenements were still the subject of the above earn-in option agreement with the Cloncurry Alliance.
- (vi) As noted in Minotaur's September 2021 quarterly report, as a consequence of Minotaur's acquisition of Breena Plains there are changes to the overall structure of the Breena Plains Alliance and relative ownership proportions. The Cloncurry Alliance can elect to earn an initial 51% tenement interest, from Minotaur, by sole funding \$4.35 million by February 2023. The Alliance may subsequently earn an additional 24% interest for the additional expenditure of \$4 million over the next 2 years. Thus, to attain its maximum interest of 75% by February 2025, the Alliance must invest \$8.35 million. To attain the Alliance's initial 51% earn-in interest, OZ Minerals will (from September 2021) fund all exploration. This will entitle OZ Minerals to 70% beneficial position in the Breena Plains JV. The relative ownership ratios at this stage will become Minotaur 64.3% and OZ Minerals 35.7%. Subsequently, OZ Minerals and Minotaur may contribute a further \$4 million on a 70/30 basis over 2 years (conceivably 2023-2024) to achieve the Cloncurry Alliance's collective and ultimate 75% interest, while Minotaur's stand-alone 25% interest is 'free-carried'. The ultimate ownership ratios at culmination of the final earn-in stage will be Minotaur 47.5% and OZ Minerals 52.5%.

(c) **Altia Polymetallic Project (100% Minotaur)**

On 24 August 2021, Minotaur announced a transaction for the acquisition of Sandfire's interest in the Altia Polymetallic deposit near Cloncurry in Queensland (previously 60% Sandfire and 40% Minotaur), as well as Sandfire's regional tenement package including the Breena Plains and Cannington tenements (see map below). Full details can be found in Minotaur's 24 August 2021 ASX announcement, 'Minotaur acquires full ownership of Altia polymetallic project'.

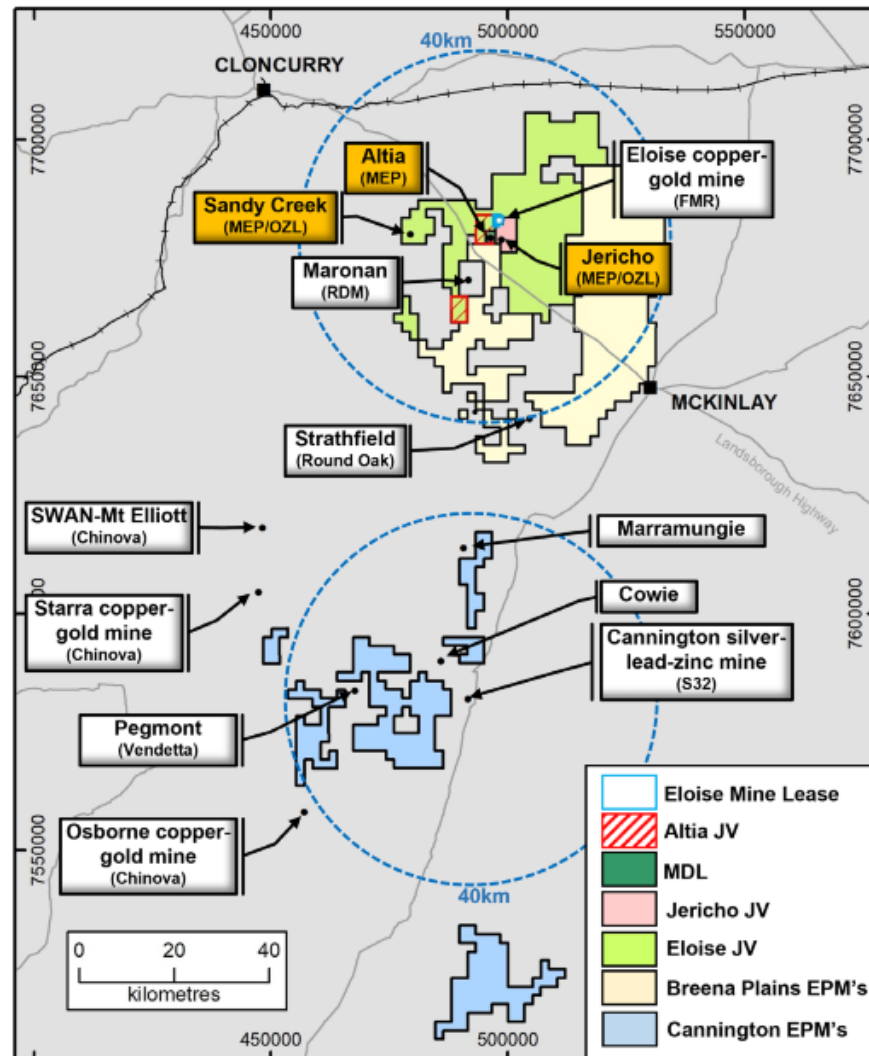


Figure 4 – Altia Polymetallic Project Tenements

Altia is a lead-silver-zinc deposit with an existing Inferred Resource inventory of 5.8Mt @ 4% Pb, 0.5% Zn and 40g/t Ag.

The Altia mineral system has ~1.2km of strike and extends to vertical depth of 800m. The published resource covers around 550m of strike where most is constrained to 200m vertical interval below top of basement.

Agreed payments to Sandfire for Altia and the regional tenement package include:

- (i) Cash deposit: A\$100,000 payable on signing
- (ii) Deferred Cash: A\$200,000 payable on conversion of the Consideration Options
- (iii) Shares: 18 million new Minotaur Shares payable on completion
- (iv) Consideration Options: 1 million new Minotaur Shares issued at A\$0.20 expiring March 2024
- (v) Deferred Shares: 9 million new Minotaur Shares issued 24 months after completion
- (vi) Royalty: 1% NSR over all tenements.

If Minotaur Shareholders approve the Demerger, this asset will be held by Demetallica following implementation of the Demerger, and the obligation to issue the Deferred Shares referred to above will be novated to Demetallica (with the final number of Demetallica Shares to be issued to be agreed between the parties prior to implementation of the Demerger).

(d) **Pyramid Gold Project (100% Minotaur)**

On 20 August 2020, Minotaur announced it had acquired the 'Pyramid' tenement package from Avira Resources Ltd (ASX: AVW) (**Avira**), located 180km south of Townsville (**Pyramid Project**). The Pyramid Project, covering 150km², embraces two main areas prospective for gold, being the West Pyramid Range and East Pyramid Range. For full detail on the terms of the acquisition see Minotaur's ASX announcement 'Minotaur to acquire under-explored gold tenements, Queensland' dated 20 August 2020.

The terms of the acquisition included Minotaur paying an option fee payment of A\$25,000 to Avira for a 60 day exclusivity period in which to complete due diligence, followed by upfront and deferred consideration totalling A\$450,000 (partly in cash and partly in Minotaur Shares) over 2 years, together with a 1.5% net smelter royalty (to apply to the first 50,000oz of gold produced).

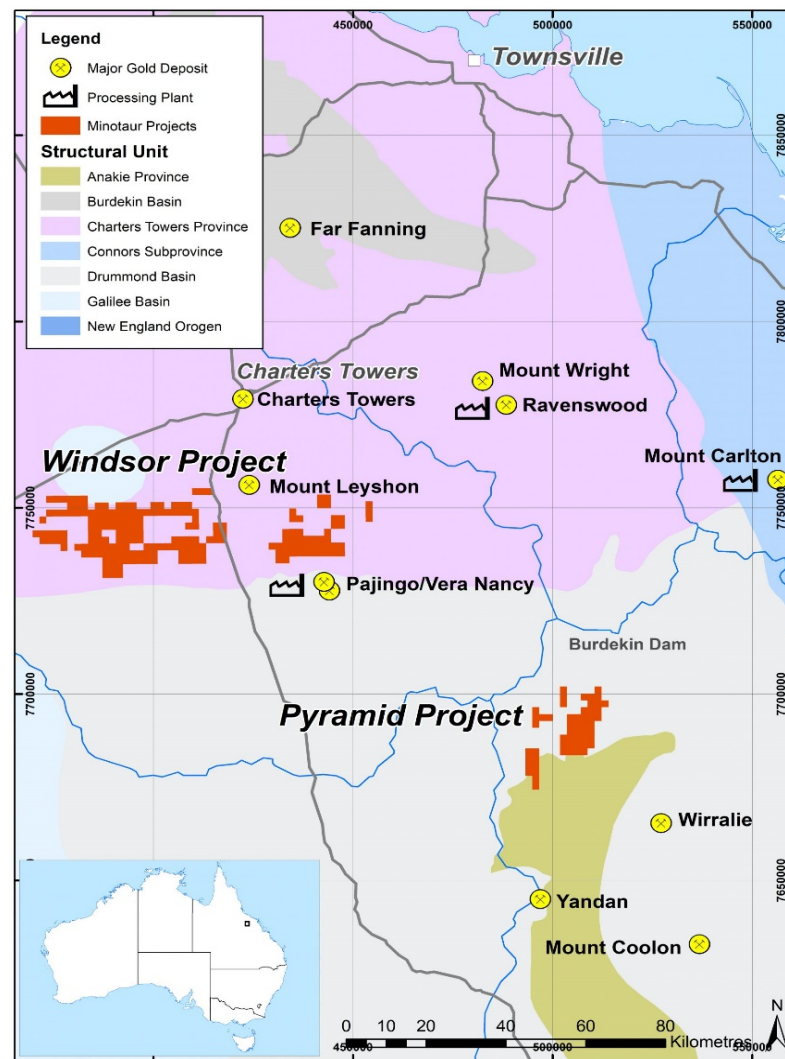


Figure 5 – Pyramid Project Tenements

The Pyramid Project features historic high-grade gold drill intercepts, such as 35m @ 4g/t, 23m @ 3.22g/t, 15m @ 4.22g/t at the Gettysberg prospect.

Minotaur's inaugural work front is focussed on the Gettysberg trend along the West Pyramid Range. Inaugural RC drilling in April 2021 successfully replicated historical drill results within the 500m strike envelope of known gold lodes. A 1,500m RC drill program is planned for Q2 of 2022 following cessation of the wet season.

If Minotaur Shareholders approve the Demerger, this asset will be held by Demetallica following implementation of the Demerger.

(e) **Windsor Project (100% Minotaur)**

The Windsor tenements are located 60km south of Charters Towers in mid north Queensland (**Windsor Project**). The seven tenements cover 629km² and offer discovery potential for multi-element deposits with similar geochemistry to nearby high-grade volcanogenic massive sulphide (VMS) style mines, such as Thalanga, Highway-Reward, Waterloo and Liontown.

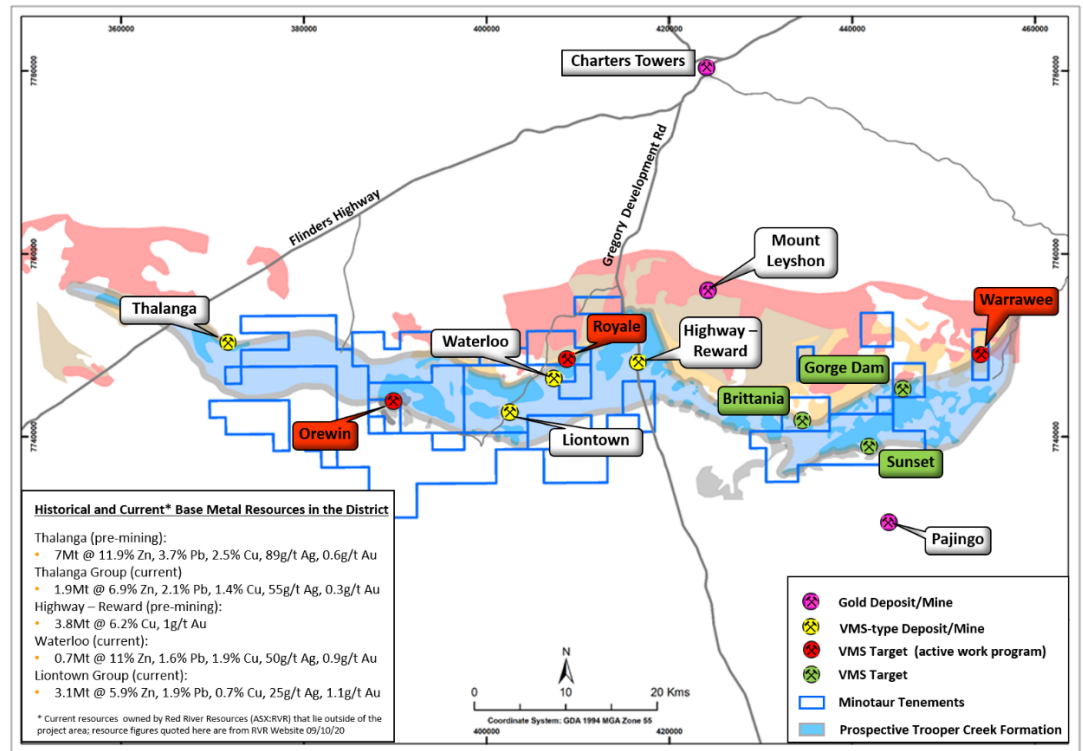


Figure 6 – Windsor Project Tenements

Details relating to Windsor tenements and their acquisition can be found in Minotaur's ASX announcement 'Minotaur to acquire Windsor Project Area, Charters Towers region, QLD', dated 15 November 2019.

If Minotaur Shareholders approve the Demerger, this asset will be held by Demetallica following implementation of the Demerger.

(f) **Peake & Denison Project (100% Minotaur)**

750km NNW of Adelaide on the NE margin of the Gawler Craton lies the Peake and Denison Inlier, a Paleoproterozoic basement terrane covered by younger sediments. The project area covering 2,547km² comprises four granted exploration licences owned 100% by Minotaur.

An aboriginal cultural heritage survey was completed during the September 2021 quarter, enabling access to 5 drill locations. Discussions continue with prospective drilling companies as delays experienced due to cross-border Covid travel restrictions are such that drilling will not begin until late in Q1 of 2022.

As announced on 1 December 2021, Minotaur and OZ Minerals have established a farm-in joint venture over Minotaur's exploration tenement group at the Peake and Denison project (**Peake and Denison JV**).

The Peake and Denison JV requires OZ Minerals to invest \$869,300 on exploration in the first year (**Minimum Commitment** for the initial period). Thereafter OZ Minerals may earn an initial 51% tenement interest by sole funding \$4 million (including the Minimum Commitment) through the next 3-year period. OZ Minerals may then earn an additional 19% interest for the further expenditure of \$6 million over the subsequent 3 years. To attain its maximum interest of 70% over 7 years, OZ Minerals must invest \$10 million.

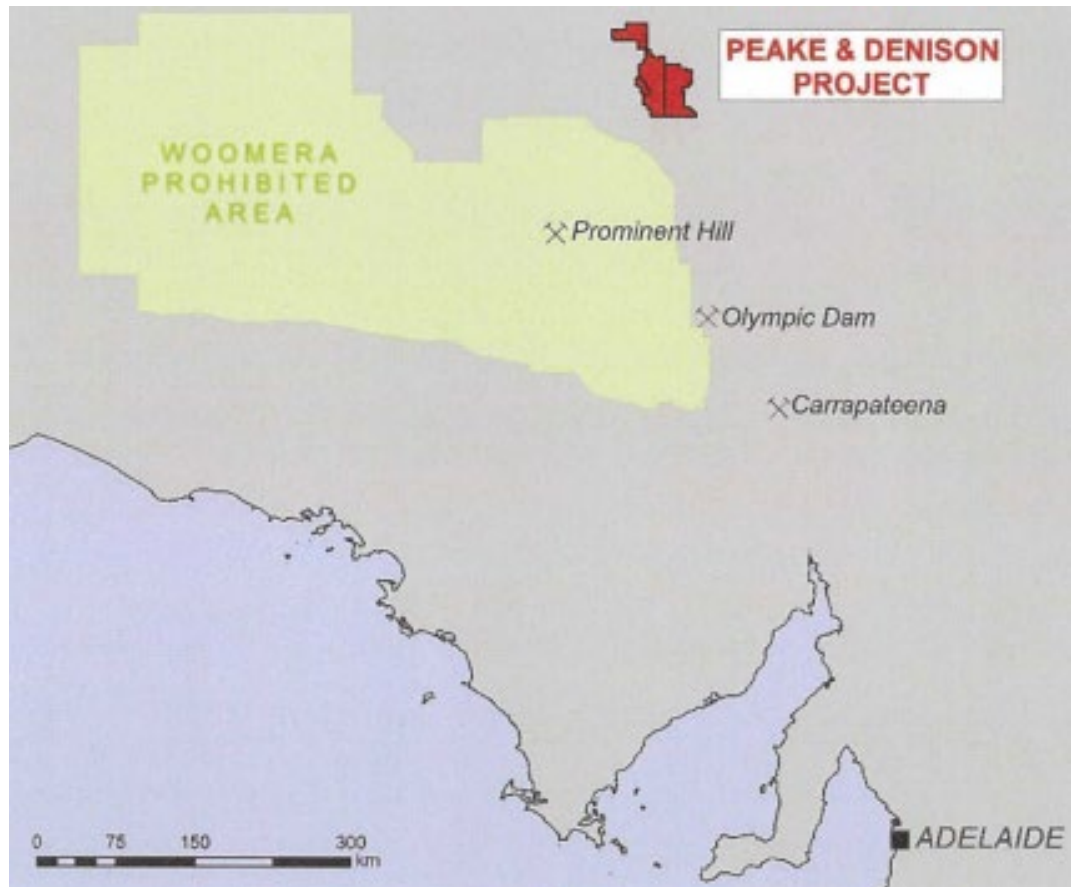


Figure 7 – Peake and Denison Project Tenements

If Minotaur Shareholders approve the Demerger, this asset will be held by Demetallica following implementation of the Demerger.

(g) **Highlands Project**

Located 50km east of Mt Isa, the Highlands Project is a major geological boundary between the Kalkadoon-Leichhardt Domain to the west and the Eastern Domain to the east, separated by the regional-scale Mt Remarkable Fault.

Copper sulphide mineralisation is known to occur in the area, most notably at the Barbara mine located adjacent to the tenement group.

Minotaur agreed to vend the tenement package into an initial public offering by Larvotto Resources Ltd, which Minotaur anticipates will list in December 2021 under market code LRV. Details can be found in Minotaur's ASX announcement 'Minotaur to vend-out Highlands Cu project', dated 15 December 2020.

If Minotaur Shareholders approve the Demerger, this asset will be held by Demetallica following implementation of the Demerger in the event the anticipated Larvotto listing does not eventuate.

Further details of Minotaur's existing holdings, including Minotaur's relevant interests in tenements not described in this section 6.2, are set out below.

Project	Tenement Reference		Holder	% Interest	Area (km²)
Queensland					
Chimera	Fullarton	EPM 25389	Minotaur Operations	100%	67.62
Chimera	Holy Joe	EPM 26703	Minotaur Operations	100%	32.2
Chimera	Levuka	EPM 17838	Levuka Resources	100%	202.86
Chimera	Matilda	EPM 27052	Minotaur Operations	100%	322
Chimera	Oorindi Park	EPM 18624	Minotaur Operations	100%	19.32
Chimera	Pink Hut	EPM 26684	Minotaur Operations	100%	45.08
Chimera	Route 66	EPM 26233	Minotaur Operations	100%	32.2
Chimera	Saxby	EPM 25238	Minotaur Operations	100%	38.64
Chimera	Swagman	EPM 27279	Levuka Resources	100%	64.4
Chimera	Sybellah	EPM 26521	Minotaur Operations	100%	64.4
Chimera	MDL A	MDL431	Levuka Resources	100%	7.9
Chimera	MDL B	MDL432	Levuka Resources	100%	0.18
Chimera	Alfia South 2	EPM 25950	Sandfire Resources	0% ¹	148.12
Chimera	Bluff Creek	EPM 26184	Sandfire Resources	0% ¹	48.3
Chimera	Breena Plains North Amalg	EPM 25921	Sandfire Resources	0% ¹	247.94
Chimera	Breena Plains South Amalg	EPM 25922	Sandfire Resources	0% ¹	241.5
Chimera	Breena Plains West	EPM 25897	Sandfire Resources	0% ¹	132.02
Chimera	Garnet Creek	EPM 26447	Sandfire Resources	0% ¹	83.72
Chimera	Kevin Downs Amalg	EPM 25920	Sandfire Resources	0% ¹	267.26
Chimera	Maronan South	EPM 26508	Sandfire Resources	0% ¹	22.54
Chimera	Taltal	EPM 26572	Sandfire Resources	0% ¹	45.08
Cannington	Wilgunya	EPM 19542	Sandfire Resources	0% ¹	247.94
Cannington	Black Rock	EPM 25782	Sandfire Resources	0% ¹	64.4
Cannington	Cannington	EPM 25854	Sandfire Resources	0% ¹	318.78
Cannington	Pegmont East	EPM 26361	Sandfire Resources	0% ¹	22.54
Cannington	Anitra	EPM 26456	Sandfire Resources	0% ¹	35.42
Cannington	White Tank	EPM 26698	Sandfire Resources	0% ¹	35.42
Cannington	Glenholme	EPM 26537	Sandfire Resources	0% ¹	32.2
Cannington	Spell Paddock	EPM 27056	Sandfire Resources	0% ¹	51.52
Pyramid	Pyramid	EPM 12887	Minotaur Gold Mines	100%	52
Pyramid	Pyramid 3	EPM 19554	Minotaur Gold Mines	100%	45

¹Subject to a tenement sale agreement. At sale completion tenements to be transferred to Levuka Resources.

Project	Tenement Reference		Holder	% Interest	Area (km ²)
Pyramid	MGT North (Pyramid 2)	EPM 25154	Minotaur Gold Mines	100%	81
Windsor	Crooked Creek	EPM 27426	Minotaur Operations	100%	10
Windsor	Liontown 3	EPM 25135	Minotaur Operations	100%	100
Windsor	Liontown 4	EPM 25134	Minotaur Operations	100%	68
Windsor	Liontown 5	EPM 25148	Minotaur Operations	100%	90
Windsor	Liontown 6	EPM 25270	Minotaur Operations	100%	10
Windsor	Liontown 7	EPM 25271	Minotaur Operations	100%	87
Windsor	Liontown 8	EPM 25437	Minotaur Operations	100%	219
Windsor	Liontown 9	EPM 25680	Minotaur Operations	100%	58
South Australia					
Peake & Denison	Big Perry	EL 6221	Minotaur Operations	100%	977
Peake & Denison	Davenport	EL 6270	Minotaur Operations	100%	115
Peake & Denison	Teemurrina	EL 6222	Minotaur Operations	100%	971
Peake & Denison	Wood Duck	EL 6223	Minotaur Operations	100%	484
Lake Purdilla	Sceales	EL 6285	Minotaur Operations	100%	148
Lake Purdilla	Yanerbie	EL 6682	Minotaur Operations	100%	71
Other Projects					
North Flinders	Blinman	EL 6465	Perilya	10% free carry to BFS completion	
North Flinders	Ediacara	EL 5117	Perilya	10% free carry to BFS completion	
North Flinders	Third Plain	ML 4386	Perilya	10% free carry to BFS completion	
North Flinders	Wilkawillina	EL 6504	Perilya	10% free carry to BFS completion	
Moonta	Moonta	EL 5984	Peninsula Resources	10% JV Interest	
West Kambalda	West Kambalda	M15 395	Maximus Resources	1.5% NSR	
West Kambalda	West Kambalda	M15 703	Maximus Resources	1.5% NSR	
West Kambalda	West Kambalda	L15 h128	Maximus Resources	1.5% NSR	
West Kambalda	West Kambalda	L15 255	Maximus Resources	1.5% NSR	
West Kambalda	West Kambalda	E15 1688	Mariner Mining	1.5% NSR	
West Kambalda	West Kambalda	E15 1689	Spargoville Minerals	1.5% NSR	

6.3 Minotaur financial information and project activities

Minotaur's Annual Report (comprising the full financial accounts) for the financial year ending 30 June 2021 (**2021 Annual Report**) was released to ASX on 12 November 2021.

As at 30 June 2021, the reported cash balance for Minotaur was \$5,089,698.

No event or item which may have a significant effect on the financial information contained in the 2021 Annual Report has occurred since 30 June 2021.

Copies of the 2021 Annual Report containing the full financial statements are available on Minotaur's website.

6.4 Minotaur issued capital

As at the date of this Target's Statement, Minotaur has the following securities on issue:

- (a) 501,339,148 Shares;
- (b) 1,450,000 Options exercisable at \$0.0525 each on or before 31 December 2021;
- (c) 13,300,000 Options exercisable at \$0.10 each on or before 28 November 2022;
- (d) 9,500,000 Options exercisable at \$0.12 each on or before 28 November 2022; and
- (e) 12,000,000 Options exercisable at \$0.20 each on or before 31 January 2024.

6.5 Substantial Shareholders

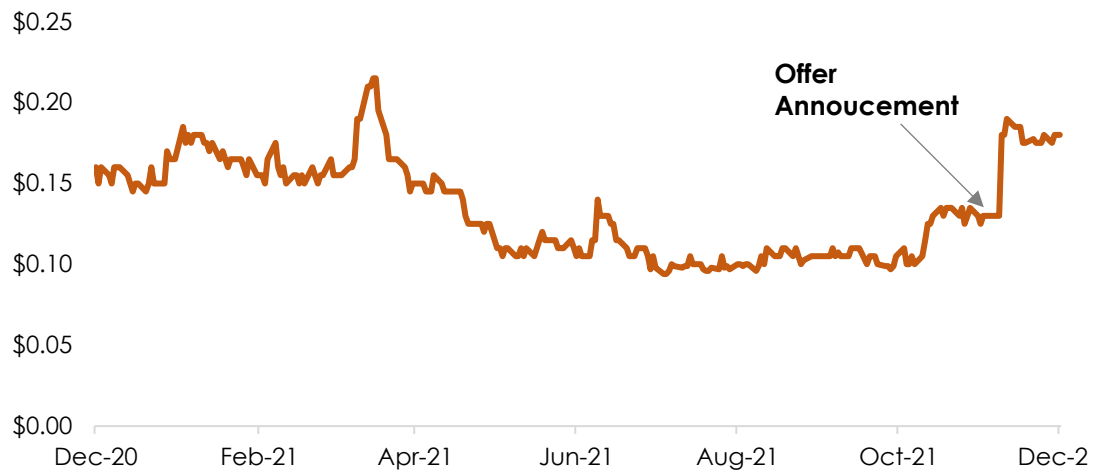
Based on publicly disclosed substantial holder notices, the substantial holders of Minotaur Shares (being persons who hold a Relevant Interest in Minotaur of 5% or more) as at 2 December 2021, being the last trading day prior to the date of this Target's Statement, are as follows:

Shareholder Name	Number of Shares	Voting Power in Minotaur
Yarraandoo Pty Ltd <Yarraandoo Super Fund A/C>	26,441,569	5.27%

6.6 Recent Share price performance

The below chart shows the Offer Price¹ relative to the price performance of Minotaur Shares on ASX during the 12-month period up to and including 2 December 2021, being the last trading day prior to the date of this Target's Statement:

¹ Implied value of the Offer Price based on Andromeda's 3-day VWAP up to and including 15 October 2021.



6.7 Minotaur Board

Dr Roger Higgins *BE (Hons), MSc, PhD, FIEAust, FAusIMM* **Non-Executive Chairman of the Board**

Dr Higgins has over 40 years' experience in mine management, project development and sustainability, and is a current Non-Executive director of both Newcrest Mining Ltd (ASX: NCM) and Worley Ltd (ASX: WOR), and a former director of Metminco Ltd (resigned 2019) and Blackthorn Resources Ltd (resigned 2014), all public companies listed on the ASX. He is also a current director and a former Managing Director of Ok Tedi Mining Limited in Papua New Guinea. As Chairman of Minotaur Exploration Ltd, he is responsible for the management of the board as well as the general strategic direction of the Company.

Mr Andrew Woskett *(BE, MCommLaw, FAusIMM)* **Managing Director**

Andrew Woskett has over 35 years' project and corporate experience in the mining industry. He held senior development responsibility roles for a variety of Australian mining landmarks in gold, copper, iron ore and coal. He has had several roles as managing director of resource development companies culminating in his tenure as managing director of Minotaur since early 2010. Andrew is a Fellow of the Australasian Institute of Mining and Metallurgy.

Dr Antonio Belperio *BSc (Hons), PhD, FAusIMM* **Non-Executive Director**

Dr Belperio has an Honours Degree in Geology from the University of Adelaide, a PhD from James Cook University, and a diverse background in a wide variety of geological disciplines, including marine geology, environmental geology and mineral exploration. He has over 35 years' experience in university, government and the mineral exploration industry.

Dr Belperio is a former director of Thomson Resources Ltd (ASX: TMZ; Resigned 2019), a public company listed on the ASX and is a current Non-Executive director of Copper Search Ltd (ASX: CUS), a public company listed on the ASX.

Mr George McKenzie *BA LLB (cum laude), FAICD, MtB (Order of Merit)* **Non-Executive Director**

George McKenzie is a commercial lawyer with over 25 years' experience representing many of South Australia's explorers and mine developers. He is an

honorary life member and was a long standing Councillor of the South Australian Chamber of Mines and Energy Inc. (SACOME), having served as Vice-President and member of the Executive Committee of the Chamber. Mr McKenzie was also a member of the Minerals and Energy Advisory Council which advised the Minister of Mineral Resources and Energy on strategic issues, from inception of the Council in 2000 until 30 June 2019.

6.8 Other material information about Minotaur

All Minotaur disclosures to ASX are available on Minotaur's website at **www.minotaurexploration.com.au** and on the ASX website at **www.asx.com.au** (under the ASX company code "MEP").

For more information on Minotaur, please visit **www.minotaurexploration.com.au**.

7. INFORMATION RELATING TO ANDROMEDA

7.1 Important notice

The following information about Andromeda is based on public information, including information in the Bidder's Statement, and has not been independently verified. Accordingly, Minotaur does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Andromeda in this Target's Statement should not be considered comprehensive.

For more information on Andromeda, please refer to:

- (a) section 4 of the Bidder's Statement;
- (b) the website of Andromeda, www.andromet.com.au; and
- (c) the ASX disclosures of Andromeda available on Andromeda's website at www.andromet.com.au and on the ASX website at www.asx.com.au (under the company code "ADN").

7.2 Overview of Andromeda

Andromeda is an ASX listed industrial minerals company based in Adelaide, South Australia, and has a vision of becoming the world's leading supplier of high grade halloysite-kaolin. Andromeda Shares trade under the ASX code ADN.

Andromeda first listed in 1996 under the name Adelaide Resources NL and up until early 2018 the focus was directed towards predominantly gold and copper exploration at projects located in South Australia, the Northern Territory, Queensland and Western Australia.

From 2018, Andromeda has directed its primary focus to the evaluation and development of halloysite-kaolin through the acquisition of a significant interest in the Great White Kaolin Project (previously the Poochera Halloysite-Kaolin Project) on the Eyre Peninsula in South Australia. The Great White Kaolin Project is a joint venture between Andromeda and Minotaur. Andromeda holds a 75% equity interest in the Great White Joint Venture and Minotaur retains a 25% interest. In addition to the Great White Kaolin Project, the Great White Joint Venture also owns the Camel Lake Halloysite prospect located within the Maralinga Tjarutja lands 60km north-east of Ooldea in South Australia's far west.

Andromeda and Minotaur are also parties to a separate 50/50 joint venture, Natural Nanotech, formed to fund research at the GICAN.

Andromeda also wholly owns the Mount Hope Kaolin Project located 80km northwest of Port Lincoln on the Eyre Peninsula in South Australia and has entered into a joint venture with Peninsula Exploration Pty Ltd (Peninsula) for the Eyre Kaolin Project, also in South Australia.

In addition to its halloysite-kaolin projects, Andromeda also hold interests in several copper and gold prospects across Australia.

Andromeda has a number of subsidiaries through which it conducts its operations. A simplified operating structure of the Andromeda Group is set out in Annexure 4 to the Bidder's Statement.

7.3 Overview of Andromeda's Projects

(a) **Great White Kaolin Project**

Andromeda currently holds a 75% equity interest in the Great White Kaolin Project (previously known as the Poochera Halloysite-Kaolin Project) under a joint venture with Minotaur. The Great White Kaolin Project is located at Poochera on the Eyre Peninsula of South Australia, approximately 635km west by road from Adelaide.

For more information on the Great White Kaolin Project, the joint venture and the summary of the Great White Kaolin Project resources and reserves, refer to section 4.2(a) of the Bidder's Statement.

(b) **Camel Lake Halloysite Project**

The Camel Lake Halloysite prospect, located approximately 350km north-west of the Great White Deposit, from which historical occurrences of near pure halloysite are reported, is part of the Great White Joint Venture with Minotaur.

Following a positive meeting held with the Maralinga Tjarutja Council in late 2020 (the Maralinga Tjarutja people being the traditional landowners on which the Camel Lake tenement is located), a helicopter-supported site inspection was conducted in January 2021 in which 24 localities across the tenement were visited by Maralinga Tjarutja representatives and an anthropologist. A report has been prepared by the anthropologist outlining areas that can be accessed for surface sampling by Andromeda. An updated Land Access Agreement is now being negotiated.

(c) **Mount Hope Kaolin Project**

The 100% owned Mount Hope Kaolin deposit is located approximately 80km northwest of Port Lincoln and 160km southeast of the Great White Kaolin Project on the west coast of South Australia's Eyre Peninsula.

An aircore drilling program comprising 50 holes for 1,988 metres was undertaken during March 2021 at the Mount Hope Kaolin Project. The objective for the drilling program was to infill drill the southern half of the Mount Hope Resource to allow a reclassification from Inferred to Indicated category and to close off the deposit to the south and to the east which remained open from previous drilling.

The average thickness of white clay intercepted from drilling was slightly over 20 metres. Significant thicknesses of white kaolin were encountered at the southern end of the deposit with holes intersecting kaolin of up to 40 metres (MH21AC024) immediately south of the 2020 Mount Hope Resource.

The Mount Hope Resource yields 7.5Mt of High Bright kaolin product (R457 >80) when applying the minus 45 micron recovery factor. The Ultra-Bright sub domain contains 1.6Mt of minus 45 micron material with an ISO

brightness (R457) of 84.1 and the halloysite sub domain contains 0.6Mt of minus 45 micron material comprised of 17.2% halloysite¹.

Refer to the summary of the Mount Hope Resources in section 4.2(c) of the Bidder's Statement.

(d) **Eyre Kaolin Project**

On 12 August 2021, Andromeda announced that it has executed a binding Heads of Agreement (**HOA**) with Peninsula to form the Eyre Kaolin Project Joint Venture (**EKJV**). Peninsula holds title to four exploration licence applications that cover 2,799 square kilometres located on the Eyre Peninsula of South Australia and which are adjacent to, or close proximity to, tenements that comprise the Great White Joint Venture.

Andromeda can earn up to an 80% interest in the EKJV tenements through sole funding expenditure of A\$2.75 million over 6 years from commencement of the EKJV.

For more information on the Eyre Kaolin Project and the summary of Eyre Kaolin Project Joint Venture terms in section refer to section 4.2(d) of the Bidder's Statement.

(e) **Other Halloysite Kaolin Applications**

(i) High Purity Alumina

In May 2021, Andromeda signed a Memorandum of Understanding (**MoU**) with AEM Technologies Inc, part of the Advanced Energy Minerals Group (**AEM**), and entered an initial 90-day exclusivity period to explore a HPA licencing transaction that includes testing Andromeda kaolin feed, process feasibility studies and potential licensing and marketing arrangements. This exclusivity period has now been extended until 31 December 2021, in order to finalise the product testing and due diligence process. AEM's Cap Chat HPA Process Plant (**Cap Chat**), located in Quebec Canada, uses its patented process to make 99.99% (**'4N'**) and 99.999% (**'5N'**) pure high purity alumina.

For more information on the MoU and high purity alumina manufacturing, refer to section 4.2(e) of the Bidder's Statement.

(ii) Concrete Applications

Andromeda is continuing work on the potential use of halloysite-kaolin as a rheology modifier product for the concrete industry, with a patent successfully lodged by Andromeda for this application. Current testing is delivering further improved results with strength testing and rheological benefits which outperform existing commercial solutions.

For more information on Andromeda's concrete applications, refer to section 4.2(f) of the Bidder's Statement.

¹ For additional information on the Mount Hope Resource, refer to ASX Announcement dated 30 April 2021 titled "Quarterly Report Period ending 31 March 2021".

(f) **Natural Nanotech Pty Ltd**

Natural Nanotech Pty Ltd is a research and commercialisation venture, owned in joint venture (50:50) by Andromeda and Minotaur, established to investigate new technology applications for halloysite-kaolin nanoparticles.

For more information on Natural Nanotech refer to section 4.2(g) of the Bidder's Statement.

(g) **Drummond Epithermal Gold Project**

The Drummond Epithermal Gold Project is comprised of five tenements securing a total area of 539 km² in the gold prospective Drummond Basin in North Queensland. The Drummond Basin is prospective for high grade epithermal gold deposits such as Pajingo, located 70km to the west which has produced approximately 3 million ounces of gold.

For more information on the Drummond Epithermal Gold Project, refer to section 4.2(h) of the Bidder's Statement.

(h) **Eyre Peninsula Gold Project**

The Eyre Peninsula Gold Project (also referred to as the Wudinna Gold Project) comprises six tenements totalling 1,928 km² in the Central Gawler Craton Gold Province of South Australia. The Eyre Peninsula Gold Project includes a cluster of deposits and earlier stage prospects including:

- (i) the Barns Deposit;
- (ii) the Baggy Green Deposit; and
- (iii) the White Tank Deposit.

These deposits have mineral resources totalling 4.43 million tonnes at 1.5g/t gold for 211,000 ounces using a 0.5 g/t gold cut-off grade, comprised of 0.41 million tonnes at 1.4g/t gold for 18,000 ounces of Indicated Resources and 4.02 million tonnes at 1.5g/t gold for 193,000 ounces of Inferred Resources.

The Eyre Peninsula Gold Project is a joint venture between Andromeda and Cobra Resources PLC (**Cobra**) under which Cobra (through its 100% owned subsidiary, Lady Alice Mines Pty Ltd) is able to earn up to a 75% interest in the project through expenditure of A\$5 million over 6 years from October 2017.

For more information on the Eyre Peninsula Gold Project, refer to section 4.2(i) of the Bidder's Statement.

(i) **Moonta Copper Gold Project**

Andromeda's Moonta Copper Gold Project is located in the 'Copper Triangle' of the Yorke Peninsula, South Australia.

The Moonta Copper Gold Project includes the Alford West (Bruce and Larwood) and Wombat deposits that have a combined Inferred Resource 114,000 tonnes of copper within 66.1Mt of ore grading 0.17% of

copper at a cut-off grade of 0.05% of copper. The Bruce and Wombat Deposits within the Moonta Copper Gold Project area are considered to have the relevant attributes suitable for the in-situ recovery of copper.

In 2018, Andromeda entered into an earn-in and joint venture agreement with EnviroCopper Ltd's subsidiary Environmental Metals Recovery Pty Ltd, to form the Alford West ISR Joint Venture, over the northern part of the Moonta Copper Gold Project tenement. The focus of the Alford West ISR Joint Venture is the evaluation and potential extraction of copper via in-situ recovery.

For more information on the Moonta Copper Gold Project, refer to section 4.2(j) of the Bidder's Statement.

7.4 Financial information

In the financial year ended 30 June 2021, Andromeda, on a consolidated basis, reported an after tax loss of \$6,443,299, total assets of \$19,619,206 and total equity of \$16,489,210.

Subsequent to the end of the financial year (and as announced on 27 July 2021), Andromeda raised \$15 million via an oversubscribed share purchase plan in addition to \$30 million raised pursuant to a placement completed on 7 July 2021.

The full financial accounts for Andromeda for the 2021 financial year, which include the notes to the accounts, can be found in the annual financial report for Andromeda for that period.

For more details on the financial information of Andromeda, refer to section 4.6 of the Bidder's Statement.

7.5 Directors of Andromeda

As at the date of this Target's Statement, the directors of Andromeda are as follows:

Director Name	Position
Rhod Grivas	Non-Executive Chairman
James Marsh	Managing Director
Joseph Ranford	Executive Operations Director
Andrew Shearer	Independent Non-Executive Director
Melissa Holzberger	Independent Non-Executive Director

For more information on the directors of Andromeda, refer to section 4.5 of the Bidder's Statement.

8. RISK FACTORS

8.1 Risks associated with accepting the Offer

Conditions of the Offer

As described in section 14 of the Bidder's Statement and section 3.8 of this Target's Statement, the Offer is subject to a number of conditions.

If the conditions of the Offer are not satisfied by the applicable date (or waived by Andromeda), the Offer will not be free of conditions and therefore will not proceed.

Limited withdrawal rights

You can only withdraw your acceptance in limited circumstances permitted under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, Andromeda varies the Offer in a way that postpones, for more than one month, the time when Andromeda has to meet its obligations under the Offer (for example, if Andromeda extends the Offer for more than one month while the Offer remains conditional).

Otherwise, you will be unable to withdraw your acceptance even if the value of Andromeda varies significantly from the date of your acceptance of the Offer.

If a Superior Proposal is announced, you will not be able to withdraw your acceptance of the Offer

If a Superior Proposal is announced, Minotaur Shareholders who accept the Offer will not be able to withdraw their acceptance of the Offer and accept a Superior Proposal.

At the date of this Target's Statement, the Minotaur Directors are not aware of any Superior Proposal.

CGT

If the Offer becomes Unconditional, CGT rollover relief will not be available if Andromeda acquires less than 80% of the Minotaur Shares under the Offer. A general overview of the tax implications of accepting the Offer for Australian resident Minotaur Shareholders is set out in section 12 of the Bidder's Statement.

Minotaur Shareholders should not rely on the taxation considerations set out in the Summary of the Offer on page 21 and section 11.4(k) of the Bidder's Statement as being advice on their own affairs. Shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their particular circumstances.

Consideration

Andromeda will offer 1.15 Andromeda Shares for each Minotaur Share held. As Andromeda is listed on ASX, the value of the Offer consideration will fluctuate depending on the market value of Andromeda Shares. There are risks associated with investing in Andromeda. These risks are discussed in section 11 of the Bidder's Statement and also in section 8.2 of this Target's Statement.

Minotaur has not independently verified Andromeda information

Minotaur has relied on publicly available information released by Andromeda which has not been independently verified by Minotaur and has assumed that Andromeda has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act. Any inaccuracy in this information could adversely affect the anticipated results of operations of the Combined Entity.

8.2 Risks associated with being an Andromeda shareholder

There are certain risks involved in holding Andromeda Shares and those risks are outlined in section 11 of the Bidder's Statement. The Minotaur Board draws your attention to the risks set out below:

Development of the Great White Kaolin Project

Andromeda's ability to successfully develop and commercialise the Great White Kaolin Project may be affected by factors including feasibility study and project construction delays or cost overruns. If Andromeda experiences project delays or cost overruns, this could result in Andromeda not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

Andromeda has endeavoured to take appropriate action to mitigate the risks of further project delays and cost overruns, but the occurrence of an event that results in project delays and/or cost overruns may have a material adverse effect on Andromeda's performance and the value of its assets.

Andromeda has prepared pre-feasibility level estimates of capital expenditure and costs. However, the DFS remains incomplete and changes to all facets of project scope, costs, revenues, and timing remain uncertain and have the ability to impact Great White Kaolin Project economics adversely.

In addition, the ability of Andromeda to construct and operate the Great White Kaolin Project on time and on budget remains inherently uncertain, and any failure to do so could impact the value of the assets.

8.3 Other risks in not accepting the offer**No Premium**

Minotaur Shareholders who do not accept the Offer may not receive the premium offered by Andromeda. Further, in the absence of the Offer, the price of Minotaur Shares on ASX may potentially reduce to the levels at which it was trading before the date of announcement of the Offer.

Minority ownership consequences

In section 11.4(d) of the Bidder's Statement, Andromeda describes its intentions in the event that it does not become entitled to at least 90% of the Minotaur Shares.

If the scenario described in section 11.4(d) of the Bidder's Statement occurs, Minotaur Shareholders who do not accept the Offer will become minority shareholders in Minotaur and those Minotaur Shareholders will no longer collectively control Minotaur.

This has a number of possible implications including the following:

- (a) Andromeda will be able to cast the majority of votes at a general meeting of Minotaur enabling it to control the Board and senior management, determine Minotaur's dividend policy and control the strategic direction of Minotaur.
- (b) Subject to the requirements of the Corporations Act and Minotaur's constitution, Andromeda may appoint nominees of Andromeda to the Board.
- (c) Your Directors believe it is reasonably likely that the liquidity of Minotaur Shares would be lower than at present if a greater proportion of Minotaur Shareholders accept the Offer.
- (d) Andromeda may apply for Minotaur's removal from the official list of ASX. If this occurs, Minotaur Shares will not be able to be bought or sold on ASX.
- (e) If Andromeda acquires 75% or more of the Minotaur Shares, it will be able to pass special resolutions of Minotaur. This will enable Andromeda to amend Minotaur's constitution.

Further, Minotaur may owe debts of up to \$4,000,000 to Andromeda under the Short-Term Funding Facility and Breakaway Funding Facility (detailed at section 13.2 of the Bidder's Statement and section 9.9 of this Target's Statement). It is likely that Minotaur will need to raise capital to fund repayment of these loans, in which case there is potential for Minotaur shareholders to be diluted if the capital raising is not a pro rata offer and they do not participate in the capital raising.

There are also risks associated with holding Minotaur Shares, these are detailed at section 8.4 of this Target's Statement.

Minotaur's Share price may fall

If the Offer is unsuccessful and no other offers emerge, Minotaur's Share price may fall below the current trading price and Minotaur Shareholders will be exposed to the ongoing risks associated with an investment in Minotaur. In particular:

- (a) Minotaur Shareholders will continue to be exposed to development and funding risks as a minority joint venture partner in the Great White Kaolin Project, without the benefits arising from consolidated ownership of Great White;
- (b) if the Demerger is not approved, Minotaur Shareholders will also continue to be exposed to development risks associated with Minotaur's other existing projects; and
- (c) there is a strong probability that Minotaur will have to raise additional funds to repay any debts owing to Andromeda under the Short Term Funding Facility and Breakaway Funding Facility (detailed at section 13.2 of the Bidder's Statement and section 9.9 of this Target's Statement), and to fund the development of its projects, potentially through an issue of equity at a discount to the trading price of Minotaur Shares, which could dilute your investment in Minotaur.

If you do not accept the Offer and the Offer becomes Unconditional

Liquidity in Minotaur Shares may be significantly reduced, or Andromeda may be entitled to remove Minotaur from the official list of the ASX and Andromeda may be entitled to acquire your Minotaur Shares through compulsory acquisition (see section 3.17 of this Target's Statement).

8.4 Risks associated with holding Minotaur Shares

If you decide not to accept the Offer and retain your Minotaur Shares, you will continue to be exposed to the risks associated with being a Minotaur Shareholder. Holding a Minotaur Share provides an economic interest in the ongoing operating activities of Minotaur. However, there is no guarantee that Minotaur will become profitable in the future as the business is exposed to many risk factors.

These may be risks that are widespread risks associated with any form of business or specific risks associated with Minotaur's business and its involvement in the exploration and mining industry.

The following summary represents some of the major risk factors which affect Minotaur. These risk factors ought not to be taken as exhaustive of the risks faced by Minotaur or by Minotaur Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance of Minotaur and the value of Minotaur Shares. Where relevant, the risk factors below assume the Offer will not be successful and Minotaur will continue to develop its projects interests.

(a) General market risks

The value of Minotaur Shares will be influenced by a number of factors that are common to most listed investments. At any point in time, these may include:

- (i) the Australian and international economic outlook;
- (ii) movements in the general level of prices on international and local stock markets;
- (iii) changes in economic conditions including commodity prices, inflation, recessions and interest rates; and
- (iv) changes in Government fiscal, monetary and regulatory policies.

(b) Company specific risks**(i) Minority joint venture partner**

If the Offer is unsuccessful, Minotaur will continue to be exposed to the risk of being a minority joint venture partner with respect to the Great White Kaolin Project, also potentially indebted to Andromeda under the Short Term Funding Facility and the Breakaway Funding Facility (detailed at section 13.2 of the Bidder's Statement and section 9.9 of this Target's Statement).

(ii) **General joint venture risk**

If the Offer is unsuccessful and the Demerger does not occur, Minotaur is subject to the risk that changes in the status of any of Minotaur's joint ventures may adversely affect the operations and performance of Minotaur.

There is also a risk of financial failure or default under joint venture arrangements by a participant in any joint venture to which Minotaur is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of Minotaur.

There is also the risk of disputes arising with joint venture partners, the resolution of which could lead to delays in Minotaur's future development activities or financial loss.

(iii) **Future Share price**

There is a risk that the Minotaur Share price may fall if the Offer is unsuccessful.

The Directors are not in a position to speculate on the future trading price of the Minotaur Shares, including if the Offer lapses. The future price of Minotaur Shares is dependent not only on Minotaur's performance, but also on external market and other factors.

(iv) **Financing and capital**

Minotaur's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds. Notwithstanding Minotaur's current financial position, Minotaur's capacity to develop projects depends on its ability to put funding solutions in place.

There can be no assurance that Minotaur will generate sufficient cash flow, or that access to sufficient investments, loans or other financing alternatives will be secured on commercially acceptable terms.

If the Offer is not successful, there is a risk that Minotaur may not be able to fund its projects or may only be able to do so on unfavourable terms. Specifically, it is likely that Minotaur will need to raise funds by way of an equity issue and there is a risk that Minotaur may not be able to complete such an equity raising, or only do so at a price that represents a significant discount to the then trading price of Minotaur Shares, which would potentially significantly dilute your interest in Minotaur.

(v) **Exploration and development risk**

Minotaur's future value will be materially dependent on the success or otherwise of Minotaur's activities which are directed towards the exploration, evaluation and development of kaolin, gold, copper and other resources. Exploration for and

development of these resources is speculative and involves a significant degree of risk. Although the rewards can be substantial, there is no guarantee that future exploration on territories for which Minotaur has exploration and development licences will lead to a commercial discovery or, if there is such discovery, that Minotaur will be able to develop it economically. If at any stage Minotaur is precluded from pursuing any of its exploration programs or from developing any resource it may identify, this may have an adverse effect on the value of Minotaur Shares.

(vi) **Resources and reserve estimates**

Resource and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Minotaur's operations.

Minotaur's projects may yield less kaolin, gold and precious metals and/or copper under actual production conditions than indicated by Minotaur's Reserves and Resources, which are estimates based on a number of assumptions.

(vii) **Operating risks**

The current and future operations of Minotaur, including exploration, appraisal, construction and production activities may be affected by a range of factors, including adverse geological conditions, limitations on activities due to seasonal weather patterns and cyclone activity, unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities, mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes, riots and other force majeure events, unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment and the inability to obtain necessary consents or approvals.

Further, mechanical or operational failures during drilling, sampling, test work construction and production could cause Minotaur substantial loss due to the cost of delay, personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Any of these events might also give rise to claims against Minotaur.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or

breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases, tailings dam failures, geotechnical failures or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against Minotaur and substantial losses to Minotaur due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against Minotaur.

(viii) **Mine development**

Possible future development of mining operations at Minotaur's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If Minotaur commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control. No assurance can be given that Minotaur will achieve commercial viability through the further development of its projects.

(ix) **Key contracts**

Planned construction, commissioning and operation of Minotaur's projects is dependent on securing key contracts and there can be no assurance that Minotaur will be able to complete these contracts in time to ensure development and operation of the project in accordance with the project schedule, that contract negotiations will achieve the estimates assumed in any of the studies prepared in relation to its projects, or that contractors will comply with their obligations under the key contracts. Any current mining contract, current offtake contracts and logistics contract may not be renewable on the same or better terms and conditions of those currently executed by Minotaur.

(x) **Production and cost estimates at Minotaur's Projects**

Production forecasts and capital and operating cost estimates are based on certain forward looking assumptions which are inherently subject to significant uncertainties including inflation and cost pressures on certain expenses, including such items as employees and foreign currency based costs. It is likely that the actual results of Minotaur's operations will differ from its current estimates and assumptions.

In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, and/or increase capital and/or operating costs above, Minotaur's current estimates. If actual results are less favourable than Minotaur currently estimates, Minotaur's business, results of operations, financial condition and liquidity could be materially adversely impacted.

(xi) **Geological and geotechnical**

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when exploring, developing and mining ore reserves. In this event, a loss of revenue may be caused due to the lower than expected production and/or higher than anticipated operation and maintenance costs and/or on-going unplanned capital expenditure in order to meet production targets.

(xii) **Potential future indebtedness of Minotaur**

If Minotaur enters into a project financing facility, the conditions imposed on Minotaur by its financing arrangements could materially and adversely affect its business and results of operations. Any failure by Minotaur to comply with the terms of a proposed project finance facility could lead to a termination of that facility or accelerate amounts due under that facility. Minotaur could be exposed to adverse interest rate and exchange rate movements as a result of entering into the proposed project finance facility.

(xiii) **Market, Commodity Price and Currency risk**

The Group is exposed to fluctuations in metal prices (principally gold and copper), fluctuations in foreign currency and interest rates, in each case in relation to its future operational cash flows and its ability to service existing and planned funding of current projects. The market prices for gold and copper fluctuate widely. These fluctuations are caused by numerous factors beyond Minotaur's control, such as: speculative positions taken by investors or gold and copper traders, changes in the demand and supply, actual or expected metal sales by central banks and The International Monetary Fund (**IMF**), global or regional economic events. A sustained period of significant gold and copper price volatility may adversely affect Minotaur's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

(xiv) **Occupational Health and Safety Risk**

The mining industry is an inherently hazardous industry and is subject to increasing occupational health and safety responsibility and liability. The potential for significant loss and liability is a constant risk. If Minotaur fails to comply with necessary occupational health and safety legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.

(xv) **Environmental Risk**

All phases of Minotaur's exploration and mining operations are subject to environmental regulation. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect Minotaur's operations, including in relation to pre-existing environmental hazards unknown to Minotaur at present. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

(xvi) **Regulatory and Political Risk**

Government regulations and political factors, including those relating to prices, taxes, royalties, land tenure, security of mineral rights tenure, land use, the environment, and community constraints, including potential land claims or restrictions on exploration or development are all key considerations in mineral projects. The effects of these factors cannot be accurately predicted and any combination of one or other of the above may impede the operation or development of a project and even render it uneconomic.

(xvii) **Reliance on key personnel**

Minotaur currently depends on a relatively small number of key employees. There can be no assurance that Minotaur will be able to attract and retain the necessary project and operations personnel to develop and operate the projects, the loss of any of whom could have a material impact on its business and results of operations.

9. ADDITIONAL INFORMATION

9.1 Details of Directors

The Directors of Minotaur as at the date of this Target's Statement are:

Director Name	Position
Dr Roger Higgins	Non-Executive Chairman
Mr Andrew Woskett	Managing Director
Mr George McKenzie	Non-Executive Director
Dr Antonio Belperio	Non-Executive Director

9.2 Directors' interests in Minotaur securities

Details of Minotaur Shares and Minotaur Options in which each Director has a Relevant Interest are as follows:

Director Name	Minotaur Shares	Minotaur Options
Dr Roger Higgins	3,464,159	4,000,000
Mr Andrew Woskett	1,640,000	7,800,000
Mr George McKenzie	1,059,100	3,200,000
Dr Antonio Belperio	3,077,036	3,200,000

9.3 Dealings in securities in Minotaur

No Director has acquired or disposed of a Relevant Interest in any Minotaur Shares or Minotaur Options during the four-month period ending on the date immediately before the date of this Target's Statement.

9.4 Directors' interests in Andromeda securities

No Director has a Relevant Interest in any securities of Andromeda as at the date of this Target's Statement.

9.5 Dealing in Andromeda securities

Neither Minotaur nor any Director acquired or disposed of a Relevant Interest in any securities in Andromeda during the four month period ending on the date immediately before the date of this Target's Statement.

9.6 Conditional agreements

Prior to the announcement of the Offer, the Minotaur Board had approved STI bonus payments to Managing Director pursuant to the terms of his Consultancy Agreement with Minotaur, which will be payable on Andromeda acquiring control of Minotaur. The final amounts are to be determined, however, the maximum amount payable is \$136,250, being 40% of Mr Woskett's base salary.

Otherwise, no Director is a party to any agreement or arrangement with any other person in connection with or conditional on the outcome of the Offer, other than as Optionholders.

9.7 Payments and benefits

Except as otherwise disclosed in this Target's Statement, other than a benefit permitted under section 200F of the Corporations Act, no benefit is proposed to be given to a Director in connection with his retirement from office at Minotaur or a related body corporate of Minotaur, or in connection with the transfer of the whole or any part of the undertaking or property of Minotaur.

To the extent permitted by law and subject to restrictions in the Corporations Act, Minotaur indemnifies each Director against any liabilities arising as a result of the Director acting as an officer of Minotaur.

9.8 Bid Implementation Agreement

On 10 November 2021, Minotaur and Andromeda entered into the Bid Implementation Agreement in relation to the Offer.

A full copy of the Bid Implementation Agreement was released by Minotaur to ASX on 10 November 2021 and is available at: www.asx.com.au.

The material terms of the Bid Implementation Agreement are summarised in section 13.1 of the Bidder's Statement.

9.9 Funding Facilities

With effect from 10 November, Andromeda and Minotaur entered into two short term funding facility deeds for the purposes of Andromeda providing funding to assist Minotaur with its corporate activities and to seed fund \$2 million to Demetallica.

Under the first facility between Andromeda, Andromeda Industrial Minerals Pty Ltd, Minotaur and Minotaur's wholly owned subsidiary Great Southern Kaolin Pty Ltd (**GSK**) (the **Short Term Funding Facility Deed**):

- (a) Andromeda has agreed to provide up to \$2 million to Minotaur, bearing interest at a commercial rate, to fund corporate activities and to fund the Minotaur group's proportionate share of a future cash call for the Great White Kaolin Project (with that funding to then be provided by Minotaur to GSK, as the relevant joint venturer in the Great White Joint Venture);
- (b) The short term funding may only be used by Minotaur in accordance with a budget approved by Andromeda, which has specifically taken into account Minotaur's short term funding needs, including its share of the Great White Kaolin Project cash call.
- (c) The facility is only available to Minotaur until the end of the Offer period or the date the Bid Implementation Agreement is terminated (whichever is earlier).

- (d) All moneys owing are repayable by Minotaur to Andromeda on the earlier of:
- (i) the date agreed by them if Minotaur becomes a wholly-owned subsidiary of Andromeda as a result of the Offer (ie; in the event the Offer is successful);
 - (ii) 3 months after the date the Bid Implementation Agreement is terminated; and
 - (iii) 3 months after the Offer closes,
- or any earlier date on which the money owing becomes repayable in accordance with the terms of the facility; ie, including on default by Minotaur).
- (e) Andromeda may elect to treat any non-payment of moneys owing (including interest) on the due date by Minotaur as if GSK had elected not to contribute funds and, consequently, to dilute its joint venture interest in the Great White Kaolin Project (in accordance with the GWJV agreement). On application of the dilution calculation, the outstanding amount will be deemed to have been repaid.

The second facility (the **Breakaway Funding Facility Deed**) is between the same parties to, and is on substantially similar terms as, the Short Term Funding Facility Deed, with the following exceptions:

- (a) Andromeda has agreed to provide \$2 million to Minotaur, bearing interest at a commercial rate, for use if the Demerger is approved, to seed fund Demetallica and cover costs incurred in and in anticipation of the Demerger.
- (b) Funding is to be made available on the record date for the Demerger under the Bid Implementation Agreement, but Minotaur has the ability to request draw downs at earlier times (but not so as to exceed the \$2 million facility limit).
- (c) All moneys owing are repayable by Minotaur to Andromeda on the same timetable as under the Short Term Funding Deed, with the addition of a further repayment trigger date being 6 months after the Offer closes if the Offer becomes unconditional and Andromeda is entitled to acquire less than 90% of the Minotaur Shares when the Offer closes.
- (d) In circumstances where the Offer has become unconditional but Andromeda is only entitled to less than 90% of the Minotaur Shares, Minotaur may elect to pay the outstanding amount by issuing Andromeda with ordinary Minotaur Shares calculated on a 5 day VWAP immediately prior to the issue of those Minotaur Shares. If however, Minotaur Shareholders do not approve that issue of Minotaur Shares to Andromeda, then the outstanding amount is repayable in cash to Andromeda.

9.10 Continuous disclosure

Minotaur is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Minotaur to notify ASX of information

about specified matters and events as they occur for the purpose of making that information available to the market. In particular, Minotaur has an obligation (subject to limited exceptions) to notify ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Minotaur Shares.

Copies of the documents filed with ASX may be obtained from the ASX website at **www.asx.com.au** and **www.minotaurexploration.com.au**.

Copies of documents lodged with ASIC in relation to Minotaur may be obtained from, or inspected at, an ASIC office.

9.11 Publicly available information

This Target's Statement contains statements which are made in or based on statements made in documents lodged by various parties (including Minotaur) with ASIC, or given to ASX, including the Bidder's Statement.

As required by ASIC Class Order 13/521, Minotaur will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to Minotaur Shareholders who request it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), Minotaur Shareholders may call the Company Secretary on +61 8 8132 3400 at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday.

9.12 Material litigation

As at the date of this Target's Statement, Minotaur is not aware of any current or proposed litigation or dispute that is material and to which it is or may be party.

9.13 ASIC declarations and ASX Listing Rules waivers

Minotaur has been granted a modification by ASIC in relation to section 648C of the Corporations Act to facilitate and conduct electronic despatch of the Target's Statement to Minotaur Shareholders as well as electronic acceptance of the Offer pursuant to ASIC Instrument 21-1000. Other than this Instrument, Minotaur has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the Offer. Further, Minotaur has not sought or been granted any waivers from ASX in relation to the Offer, but expects that it may be requested to lodge an application for waiver of Listing Rule 6.23.2 to permit Minotaur to cancel the Minotaur Options without approval by Minotaur Shareholders under private agreements to be entered into with the holders of those Minotaur Options.

9.14 Taxation considerations for Minotaur Shareholders

A general outline of the tax implications of accepting the Offer is set out in section 12 of the Bidder's Statement.

As that section provides a general overview only, Minotaur Shareholders are encouraged to seek their own personal advice on the taxation implications applicable to their circumstances.

9.15 No other material information

This Target's Statement is required to include all the information Minotaur Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any of the Minotaur Directors.

The Minotaur Directors are of the opinion that the information that Minotaur Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- (b) the information which has been previously disclosed by Minotaur as a disclosing entity in accordance with its continuous disclosure and reporting obligations to ASX and ASIC;
- (c) the information contained in Minotaur releases to ASX prior to the date of this Target's Statement; and
- (d) the information contained in this Target's Statement.

The Minotaur Directors have assumed, for the purposes of preparing this Target's Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). The Minotaur Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Minotaur Directors have had regard to:

- (a) the nature of the Minotaur Shares;
- (b) the matters Minotaur Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of Minotaur Shareholders; and
- (d) the time available to Minotaur to prepare this Target's Statement.

10. CONSENTS

Each of the persons listed below has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn their consent to the inclusion of the following information in this Target's Statement in the form and context in which it is included and to all references in this Target's Statement to that information in the form and context in which they appear:

- (a) each Director, to being named as a director;
- (b) Steinepreis Paganin, to being named in this Target's Statement as legal adviser to Minotaur; and
- (c) Argonaut, to being named in this Target's Statement as financial adviser to Minotaur.

Each person named above as having given its consent to being named in this Target's Statement:

- (a) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the ASX Listing Rules). Pursuant to this Class Order, the consent of persons to which such statements are attributed is not required for the inclusion of those statements in this Target's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or published book, journal or comparable publication.

Pursuant to ASIC Corporations (Consents to Statements) Instrument 2016/72, the consent of persons to which such statements are attributed is not required for the inclusion of those statements in this Target's Statement.

Any Minotaur Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may obtain a copy free of charge by writing to the Minotaur Company Secretary or by contacting the Company Secretary on +61 8 8132 3400 at any time between 8:30am and 5:00pm (AEDT) on Monday to Friday.

Copies of all announcements by Minotaur may also be obtained from Minotaur's website at **www.minotaurexploration.com.au**.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement contains share price trading data sourced from IRESS without its consent.

11. APPROVAL OF THE TARGET'S STATEMENT

The copy of this Target's Statement that is to be lodged with ASIC has been approved by a resolution passed by the Directors.

This Target's Statement is dated 3 December 2021, which is the date on which it was lodged with ASIC.

Signed for and on behalf of Minotaur.

Dated 3 December 2021



Dr Roger Higgins
Non-Executive Chairman

12. GLOSSARY AND INTERPRETATION

12.1 Definitions

The following definitions apply in this Target's Statement unless the context requires otherwise:

Acceptance Form means the Acceptance Form provided to you by Andromeda with its Bidder's Statement containing instructions on how to accept the Offer.

Andromeda or **Bidder** means Andromeda Metals Limited (ACN 061 503 375).

Andromeda Group means Andromeda and its Related Bodies Corporate.

Andromeda Share means a fully paid ordinary share in Andromeda.

Announcement Date means 10 November 2021, being the day on which Andromeda and Minotaur announced the Offer.

ASIC means the Australian Shares and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

ASX means ASX Limited or the market operated by it (as the context requires).

ASX Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time.

Bid Implementation Agreement means the bid implementation agreement between Minotaur and Andromeda dated 10 November 2021.

Bidder's Statement means the bidder's statement served on Minotaur by Andromeda on 10 November 2021 in relation to the Offer.

Breakaway Funding Facility Deed has the meaning given to that term in section 9.9 of this Target's Statement.

Business Day means a day which is not a Saturday, Sunday or a public holiday in Adelaide, South Australia.

Combined Entity means the Andromeda Group following the acquisition of Minotaur.

Condition means the conditions of the Offer as provided in Schedule 2 of the Bid Implementation Agreement, and summarised in section 3.8 of this Target's Statement and set out in full in section 14.7 of the Bidder's Statement.

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

Ineligible Foreign Shareholder has the meaning in the Bidder's Statement.

Minotaur or **Company** means Minotaur Exploration Limited (ACN 108 483 601).

Minotaur Board or **Board** means the board of directors of Minotaur.

Minotaur Director or **Director** means a director of Minotaur.

Minotaur Group means Minotaur and its Related Bodies Corporate.

Minotaur Optionholder or **Optionholder** means a person registered in the register of options of Minotaur as a holder of one or more Minotaur Options.

Minotaur Options or **Options** means options to subscribe for Minotaur Shares which are on issue at the Register Date.

Minotaur Share or **Share** means a fully paid ordinary share in Minotaur.

Minotaur Shareholder or **Shareholder** means a person who is registered as the holder of a Minotaur Share in the Minotaur register of members.

Minotaur Share Registry means Computershare Investor Services Pty Limited.

Offer means the takeover bid by Andromeda to acquire all of the Minotaur Shares on the terms and conditions set out in the Bidder's Statement.

Offer Price means 1.15 Andromeda Shares per Minotaur Share.

Offer Period means the period within which the Offer is open for acceptance in accordance with the Bidder's Statement and the Corporations Act.

Register Date means the date set by Andromeda under section 633(2) of the Corporations Act, being 7:00pm (AEDT) on 3 December 2021.

Related Bodies Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Short Term Funding Facility Deed has the meaning given to that term in section 9.9 of this Target's Statement.

Superior Proposal has the meaning given to that term in the Bid Implementation Agreement.

Target's Statement means this document, being the statement of Minotaur under Part 6.5 of the Corporations Act in relation to the Offer.

Tenements means the tenements held by Minotaur as at 18 October 2021.

Unconditional means that the Offer and any contracts resulting from acceptance of the Offer are no longer subject to fulfilment of the Conditions.

VWAP means volume weighted average price.

12.2 Interpretation

The following rules of interpretation apply unless the context requires otherwise:

- (a) A term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act (as is appropriate to the context).
- (b) A gender includes all genders.
- (c) The singular includes the plural, and the converse also applies.

- (d) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to legislation or to a provision of legislation includes any modification or re-enactment of it, any legislative provision substituted for it and any regulations and statutory instruments issued under it.
- (f) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (g) A reference to a right or obligation of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).
- (h) A reference to an agreement or document is to the agreement or document as amended, supplemented, novated or replaced.
- (i) Headings used in this Target's Statement are for ease of reference only and do not affect the meaning or interpretation of this Target's Statement.
- (j) A reference to a section or Annexure is to a section of, or annexure to, this Target's Statement unless otherwise specified.
- (k) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (l) \$, A\$ or AUD is a reference to the lawful currency of Australia.
- (m) A reference to time is a reference to Australian Eastern Daylight saving Time, or AEDT.

CORPORATE DIRECTORY

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