



4 January 2022

ASX ANNOUNCEMENT

FOCUS MINERALS LTD TAKEOVER OFFER – REPLACEMENT BIDDER'S STATEMENT

Theta Gold Mines Limited (**Theta Gold, TGM or Company**) (ASX: TGM | OTCQB: TGMGF | FSE: 3LM) refers to its takeover bid to acquire fully paid ordinary shares in Focus Minerals Ltd (**Focus**) that exist on the Register Date of 21 December 2021 made under the Bidder's Statement dated 20 December 2021 (**Original Bidder's Statement**).

Further to the announcement made earlier today, a clean version of the Replacement Bidder's Statement (which replaces the Original Bidder's Statement as amended by the First Supplementary Bidder's Statement dated 4 January 2022) is attached in accordance with section 633A(2)(c) of the Corporations Act (as inserted by ASIC Class Order [CO 13/528]).

This announcement was authorised for release by Mr Bill Guy, Chairman.

For more information:

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<https://twitter.com/ThetaGoldMines>



<https://www.linkedin.com/company/thetagoldmines/>

ABOUT THETA GOLD MINES LIMITED

Theta Gold Mines Limited (ASX: TGM | OTCQB: TGMGF | FSE: 3LM) is a gold development company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects which provide cost advantages relative to other gold producers in the region.

Theta Gold's core project is located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km northeast of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province). Following small scale production from 2011 – 2015, the Company is currently focussing on the construction of a new gold processing plant within its approved footprint at the TGME plant, and for the processing of the initial ore reserves.

The Company aims to build a solid production platform to over 160kozpa based primarily around shallow, open-pit or adit-entry shallow underground hard rock mining sources. Theta Gold has access to over 43 historical mines and prospect areas that can be accessed and explored, with over 6.7Moz of historical production recorded.

Theta Gold holds 100% issued capital of its South African subsidiary, Theta Gold (SA) Pty Ltd ("TGSA"). TGSA holds a 74% shareholding in both Transvaal Gold Mining Estates Limited ("TGME") and Sabie Mines (Pty) Ltd ("Sabie Mines"). The balance of shareholding is held by Black Economic Empowerment ("BEE") entities as part of the country's ESG initiatives. The BEE shareholding in TGME and Sabie Mines is comprised of a combination of local community trusts, an employee trust and a strategic entrepreneurial partner.



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser as soon as possible

Bidder's Statement

containing an Offer by

Theta Gold Mines Limited

ABN 30 131 758 177

**to purchase all of your shares that exist on the
Register Date in:**

Focus Minerals Ltd

ABN 56 005 470 799

**You will receive 2 New TGM Shares for every 1 of
your Focus Shares as at the Register Date**

The Offer is dated **[insert]** and will close at 7.00 pm (Sydney Time) on **[insert]**, unless extended or withdrawn. For the sake of clarity, this Offer does not extend to any Focus Shares issued after the Register Date, including under the Focus Entitlement Offer.

This Bidder's Statement is a replacement Bidder's Statement and was lodged with ASIC on 4 January 2022. This Bidder's Statement replaces the original Bidder's Statement lodged with ASIC on 20 December 2021. See 'Important Information' on the next page for further details.

Please call the Offer Information Line on 1300 737 760 (toll-free within Australia) or +61 2 9290 9600 (from outside Australia), Monday to Friday between 8.30am and 5.00pm (Sydney time) if you require assistance.

Legal adviser

Corporate and Financial adviser

JOHNSON WINTER & SLATTERY

 **KAMARA GROUP**

Key Dates

Announcement of Offer	9 December 2021
Original Bidder's Statement lodged with ASIC	20 December 2021
Replacement Bidder's Statement (this document) lodged with ASIC	4 January 2022
Date of Offer	<i>[insert]</i>
Date Offer closes (unless extended or withdrawn)	7.00 pm (Sydney Time) on <i>[insert]</i>

Important Information

Nature of this document

This Bidder's Statement is a replacement Bidder's Statement issued by Theta Gold Mines Limited (ABN 30 131 758 177) (**TGM**) under Part 6.5 of the Corporations Act (as modified by ASIC Class Order [CO 13/528]) and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your Focus Shares.

This Bidder's Statement is dated 4 January 2022 and replaces the original Bidder's Statement lodged with ASIC on 20 December 2021 (**Original Bidder's Statement**). References in this Bidder's Statement to 'the date of this Bidder's Statement' (or similar) should be read as references to 4 January 2022.

This Bidder's Statement includes an Offer dated *[insert]* on the terms and conditions set out in Appendix 1 and Appendix 2 to this Bidder's Statement. The Offer is made for all Focus Shares that existed on the Register Date of 21 December 2021.

A copy of this Bidder's Statement was lodged with ASIC and given to Focus Minerals Ltd (ABN 56 005 470 799) (**Focus**) on 4 January 2022. ASIC takes no responsibility for the content of this Bidder's Statement.

Defined Terms

Terms used in this Bidder's Statement are defined in the Glossary in section 10 of this Bidder's Statement.

Ore reserves and mineral resources

The information in this announcement that relates to TGM's Mineral Resources is extracted from TGM's ASX announcement dated 8 April 2021 (Initial Maiden Underground Mining Reserve) available to view at www.asx.com.au, and was prepared in accordance with the guidelines of the JORC Code (2012). TGM confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the relevant market announcement continue to apply and have not materially changed other than as disclosed in TGM's ASX announcement dated 25 October 2021 regarding the TGME Project Permitting Update. TGM confirms that the form and content in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to TGM's Ore Reserves is extracted from TGM's ASX announcement dated 8 April 2021 (Initial Maiden Underground Mining Reserve) available to view at www.asx.com.au, and was prepared in accordance with the guidelines of the JORC Code (2012). TGM confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed other than as disclosed in TGM's ASX announcement dated 25 October 2021 regarding the TGME Project Permitting Update. TGM confirms that the form and content in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Production Targets and Forecast Financial Information

The information in this Bidder's Statement that relates to TGM's production targets and forecast financial information is extracted from TGM's ASX announcement dated 13 April 2021 (Pre-Feasibility Study for Initial Underground Projects). TGM confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target set out in TGM's ASX announcement dated 13 April 2021, continue to apply and have not materially changed.

Investment decisions

You should read this Bidder's Statement in its entirety before deciding whether to accept the Offer. This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of individual Focus Shareholders. Accordingly, before making a decision whether or not to accept the Offer, you should consider seeking independent financial, tax or other professional advice.

Disclaimer as to forward looking statements

This Bidder's Statement contains certain forward looking statements which have not been based solely on historical facts, but are rather based on TGM's current expectations about future events and results. These forward looking statements are, however, subject to risks, uncertainties and assumptions, in that they may be affected by a variety of known and unknown risks, variables and other factors which are beyond the control of TGM and, if relevant, the Controlled Group (to the extent it incorporates or reflects information on Focus) which could cause actual events or results to differ materially from the expectations described in such forward looking statements. These factors include, amongst other things, the risks identified in section 8, as well as other matters not yet known to TGM or not currently considered material by TGM. None of the TGM Group and its respective officers, employees, agents or advisors, nor any persons named in this Bidder's Statement, make any representation or warranty (express or implied), assurance or guarantee (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Focus information

The information on Focus, Focus Shares and the Focus Group's business and assets contained in this Bidder's Statement has been prepared by TGM using publicly available information and should not be considered comprehensive.

Information in this Bidder's Statement concerning Focus, Focus Shares and the Focus Group and the assets and liabilities, financial position and performance, profits and losses and prospects of the Focus Group has not been independently verified by TGM. Accordingly, none of TGM, the Board, nor any member of the TGM Group or their respective officers, employees, agents or advisors, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Focus' business may be included in Focus' target statement which Focus must provide to Focus Shareholders in response to this Bidder's Statement.

Investment decisions

You should read this Bidder's Statement in its entirety before deciding whether to accept the Offer. This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of individual Focus Shareholders. Accordingly, before making a decision whether or not to accept the Offer, you should consider seeking independent financial, tax or other professional advice.

Notice to Focus Shareholders resident outside Australia

The distribution of the Bidder's Statement in jurisdictions outside of Australia may be restricted by law, and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify TGM or to otherwise permit a public offering of TGM Shares outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

You should note that the Offer has been conducted in accordance with the laws enforced in Australia and the ASX Listing Rules. The disclosure requirements in relation to the Offer applicable in Australia may differ from those applying in your jurisdiction. Focus Shareholders outside Australia may have difficulties in enforcing their rights and any claims they may have arising under the laws of their jurisdiction. It may also be difficult to compel TGM to subject itself to a foreign court's judgment.

The financial statements included in this Bidder's Statement have been prepared in accordance with generally accepted accounting principles in Australia that will differ from those in other jurisdictions.

This Bidder's Statement does not constitute an offer of New TGM Shares in any jurisdiction in which it would be unlawful. In particular, this Bidder's Statement may not be distributed to any person, and the New TGM Shares may not be offered or sold, in any country outside Australia except to existing Focus Shareholders as permitted by section 9.3.

Notice to Focus Shareholders in Hong Kong

This Bidder's Statement is confidential in Hong Kong and for the sole use by shareholders of Focus. The contents of this Bidder's Statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

This Bidder's Statement also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering

any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which is or contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Bidder's Statement or any advertisement, invitation or document relating to the Offer, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

Copies of this Bidder's Statement may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Bidder's Statement, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Bidder's Statement is for the exclusive use of Focus Shareholders in connection with the Offer, and no steps have been taken to register or seek authorisation for the issue of this Bidder's Statement in Hong Kong. Only the person to whom a copy of this Bidder's Statement has been issued may take action in response to this Bidder's Statement. The Offer is personal to the person to whom this Bidder's Statement has been delivered, and an acquisition or subscription for securities under the Offer will only be accepted from such person.

This Bidder's Statement is confidential to the person to whom it is addressed and no person to whom a copy of this Bidder's Statement is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Bidder's Statement to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Offer by the person to whom this Bidder's Statement is addressed.

Notice to Focus Shareholders in New Zealand

This Bidder's Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority.

The offer of New TGM Shares is being made to existing shareholders of Focus in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

United States

This Bidder's Statement has not been filed with, or reviewed by, the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Offer of New TGM Shares or the accuracy, adequacy or completeness of this document. Any representation to the contrary is a criminal offence.

The New TGM Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The New TGM Shares are not being offered in any US state or other jurisdiction where it is not legally permitted to do so.

Focus Shareholders should note that the Offer is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Offer is subject to the disclosure requirements of Australia that are different from those of the United States. Any financial statements included in the Bidder's Statement have been prepared in accordance with Australian accounting standards and may not be comparable to the financial statements of US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since TGM is incorporated in Australia and some of its officers and directors are residents of Australia. You may not be able to sue TGM or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel TGM and its affiliates to subject themselves to a US court's judgment.

You should be aware that TGM may purchase securities other than under the Offer, such as in privately negotiated purchases.

Any pro forma historical financial information included in this Bidder's Statement does not purport to be in compliance with Article 11 of the SEC's Regulation S-X. The pro forma adjustments made in arriving at the pro forma historical financial information included in this Bidder's Statement may not be permissible under the SEC's rules and regulations on pro forma financial presentations.

To receive New TGM Shares under the Offer, US shareholders of Focus must sign and return a customary US investor certificate that is available from TGM.

Privacy

TGM has collected your information from the register of Focus Shareholders for the purposes of making this Offer and, if accepted, administering acceptances over your holding of Focus Shares and accounting to you for the consideration for the Offer. The type of information TGM has collected about you includes your name, contact details and information on your shareholding in Focus. Without this information, TGM would be hindered in its ability to carry out the Offer. The Corporations Act requires the names and addresses of Focus Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to TGM's Related Bodies Corporate, external service providers, and may be required to be disclosed to regulators, such as ASIC. The registered office of TGM is Level 35 (ServCorp), Intl Tower One, 100 Barangaroo Avenue, Sydney NSW 2000 Australia.

Diagrams

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

Websites

Both TGM and Focus maintain internet sites. The TGM internet site is at <https://thetagoldmines.com/>. The Focus internet site is at <http://www.focusminerals.com.au/>. Information contained in, or otherwise accessible through, these internet sites is not a part of this Bidder's Statement. All references in this Bidder's Statement to these internet sites are inactive textual references to these sites and are for your information only.

Updated Information

Information contained in this Bidder's Statement is subject to change from time to time. This information may be updated and made available to you on the Bidder's website at <https://thetagoldmines.com/>. Alternatively, please refer to any ASX announcements of Focus regarding the offer.

Enquiries

If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your professional adviser.

How to accept the Offer

The Offer may only be accepted for all of your Focus Shares that existed at the Register Date. You may accept the Offer during the Offer Period in the manner specified below. How you accept the Offer depends on whether your Focus Shares are in a CHESS Holding or an Issuer Sponsored Holding. Your personalised Acceptance Form outlines which type of holding you have.

If you hold your Focus Shares in an Issuer Sponsored Holding (your SRN starts with an "I"), to accept the Offer you must complete, sign and return the enclosed personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the Offer Period.

If you hold your Focus Shares in a CHESS Holding (your HIN starts with an "X"), to accept the Offer you must comply with the ASX Settlement Operating Rules by doing one of the following:

- (a) instruct your Controlling Participant (usually your broker) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for the Offer to be accepted before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the last day of the Offer Period, unless the Offer Period is extended; or
- (b) complete and sign the accompanying personalised Acceptance Form and send it (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the last day of the Offer Period, unless the Offer Period is extended; or
- (c) complete, sign and return your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it to the address indicated on the Application Form (and set out below) in sufficient time so that your acceptance is received before 7pm Sydney time) on the second last day of the Offer Period, unless the Offer Period is extended. This will authorise the Bidder to instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf.

If you are a Broker or an ASX Settlement Participant, to accept the Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptances must be received by 7pm (Sydney time) on the Closing Date, unless the Offer Period is extended.

If some of your Focus Shares are held in an Issuer Sponsored Holding and some in a CHESS Holding, and you wish to accept the Offer you will need to accept the Offer separately for each holding. Paragraph 5.2 of the Offer Terms in Appendix 1 contains further information on how to accept the Offer.

The postal and delivery addresses for your completed personalised Acceptance Form are as follows.

By post

Boardroom Pty Limited
TGM Offer
GPO Box 3993
Sydney NSW 2001
Australia

Delivery in person

Boardroom Pty Limited
TGM Offer
Level 12, 225 George Street
Sydney NSW 2000
Australia

A reply paid envelope (for use by Focus Shareholders within Australia) is enclosed for your convenience. The transmission of your personalised Acceptance Form and other documents is at your own risk. For full details see section 5 of the Offer Terms in Appendix 1.

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Chairman's Letter

Dear Focus Shareholder,

On behalf of TGM, I am pleased to make you an offer for all of your Focus Shares that exist on the Register Date of 21 December 2021. This Offer does not extend to any Focus Shares issued after the Register Date, so does not extend to Focus Shares issued under the Focus Entitlement Offer.

TGM believes that the Offer presents a compelling opportunity for Focus Shareholders to realise value for their shareholding while continuing to have an indirect interest in the Focus assets (the size of which indirect interest will depend on the outcome of the Offer).

If TGM is able to acquire control of Focus pursuant to the Offer, the combination of TGM and Focus would create a Controlled Group with a significant presence on the ASX, with bases in South Africa and WA, and over 12Moz of gold resources under management (on a 100% basis, ignoring outside equity interests). Focus also has numerous old mine sites in the Eastern Goldfields with good grades and potential at depth and TGM believes its experienced underground mining management team could add value to any consideration of these assets.

As originally announced, TGM's Offer was subject to a condition that Focus not proceed with the Focus Entitlement Offer. Notwithstanding the concerns expressed by TGM (including that the Focus Entitlement Offer would likely entrench control for Shandong Gold at a significant discount and require Focus Shareholders to subscribe for further shares or risk being substantially diluted) Focus proceeded with the Focus Entitlement Offer which closed on 23 December 2021. As a consequence (and as disclosed by Focus in its announcement of 31 December 2021), Shandong Gold now has an interest in 63.18% of Focus Shares following the issue of Focus Shares under the Focus Entitlement Offer.

While this Offer only relates to Focus Shares in existence on 21 December 2021 (so does not relate to Focus Shares issued under the Focus Entitlement Offer), so as to permit this Offer to proceed, TGM will formally waive the Focus Entitlement Offer Condition and will not rely on any other Condition (including the prescribed occurrence conditions at paragraph (b)(iv) or paragraph (c)(iv) of Appendix 2) to the extent that those Conditions would be triggered by the completion of (or the issue of Focus Shares under) the Focus Entitlement Offer.

TGM did not extend its Offer to new Focus Shares issued under the Focus Entitlement Offer for a number of reasons. These include that it did not wish to encourage Focus to proceed with the Focus Entitlement Offer (and remained hopeful that Focus would withdraw the Focus Entitlement Offer); and because an Offer for all Focus Shares (including the substantial number of new Focus Shares issued under the Focus Entitlement Offer) would have constituted a 'reverse takeover' for the purposes of the ASX Listing Rules - requiring prior TGM shareholder approval. TGM wished to make a timely offer to Focus Shareholders (and, in particular, minority Focus Shareholders) without the delay of a prior shareholder approval.

Focus has indicated that it may seek to issue the residual shortfall shares not taken up under the Focus Entitlement Offer by way of placement at the discretion of the Focus directors. The waiver above does not extend to (and TGM has not agreed to waive any Condition that may be triggered by) any issue of residual shortfall shares following completion of the Focus Entitlement Offer (or any other issue of Focus Shares other than pursuant to the Focus Entitlement Offer) which would result in further dilution for Focus Shareholders.

Accepting the Offer

Please carefully read this Bidder's Statement. Full terms and all conditions of the Offer are set out in Appendix 1 and Appendix 2 of this Bidder's Statement.

I strongly encourage you to accept the Offer as soon as possible. The Offer is scheduled to close at 7.00 pm (Sydney Time) on **[insert]**, unless extended or withdrawn. To accept the Offer, you must follow the instructions in the attached Acceptance Form.

If you require any assistance, please contact the Offer Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (normal charges apply) between 9.00 am and 5.00 pm (Sydney Time) Monday to Friday.

I look forward to receiving your acceptance and welcoming you as a shareholder in TGM.

Yours sincerely,



Bill Guy
Chairman
Theta Gold Mines Limited

Summary of reasons to accept the Offer

The TGM Board believes that there are a number of compelling reasons why you, as a Focus Shareholder, should accept the Offer, namely:

1. The Offer may provide a premium for your Focus Shares.
2. The ability for Focus Shareholders to exit a minority position in an illiquid company now overwhelmingly controlled by Shandong Gold – who, Focus says, may have interests that do not align with your own.
3. You will potentially benefit from greater diversification.
4. The Offer represents a logical combination of complementary assets.
5. You will have the opportunity to share in the potential upside of TGM's business.
6. TGM has an experienced management team.

These reasons are explained in further detail in this Bidder's Statement.

Frequently Asked Questions

You may have questions in relation to the Offer. The following set of questions and answers is intended to assist in your understanding of the Offer. They are qualified by, and should be read in conjunction with, the detailed information contained in Appendix 1 of this Bidder's Statement. You should read the Bidder's Statement in full before deciding whether or not to accept the Offer.

Part A of these Frequently Asked Questions deals with the Offer. Part B deals with TGM, its business and assets and TGM securities. Part C deals with risks relating to TGM, the Offer and the Controlled Group. Part D deals with other relevant questions.

PART A - OVERVIEW OF THE OFFER

No.	Question	Answer	Further information
1.	What is the Offer?	<p>TGM is offering to buy ALL of your Focus Shares that exist on the Register Date (of 21 December 2021) by way of an off-market takeover bid.</p> <p>The Offer does not extend to any Focus Shares issued after the Register Date (of 21 December 2021). It therefore does not extend to Focus Shares issued under the Focus Entitlement Offer.</p>	<i>Appendix 1 contains the full terms of the Offer. The answers to questions 2 to 4 and 14 to 27 explain other aspects of the Offer.</i>
2.	What will I receive if I accept the Offer?	<p>If you are not an Ineligible Foreign Shareholder, and you accept the Offer then, subject to satisfaction or waiver of the Conditions, you will receive 2 New TGM Shares for every 1 Focus Share (that existed on the Register Date) that you own.</p> <p>If you are an Ineligible Foreign Shareholder and you accept the Offer then, subject to satisfaction or waiver of the Conditions, you will receive the net proceeds of the sale of the New TGM Shares that you would have received from the Nominee.</p>	<p><i>Appendix 1 contains full terms of the Offer. Appendix 2 contains full terms of the Conditions. The answer to question 25 summarises the Conditions.</i></p> <p><i>Clauses 2 and 6.3 of the Offer Terms in Appendix 1 contain more information regarding Ineligible Foreign Shareholders and how their consideration will be provided. See also question 17 below.</i></p>
3.	What is the value of the Offer?	<p>If you are not an Ineligible Foreign Shareholder, then, because you are being offered New TGM Shares for the Focus Shares to which this Offer relates, the "value" of the Offer depends on the value or price of TGM Shares from time to time. By way of example, using the closing price of A\$0.180 for TGM Shares traded on ASX on the last day before the Announcement Date (being 8 December 2021), the Offer results in an implied value of A\$0.36 for each Focus Share.</p>	<p><i>Questions 5 to 12 and sections 1, 2 and 8 of this Bidder's Statement contain more information regarding TGM, its business and assets and the risks that apply to TGM.</i></p> <p><i>The section of this Bidder's Statement entitled "Reasons to</i></p>

No.	Question	Answer	Further information
		<p>TGM believes that its Offer represents an attractive premium to the price at which Focus Shares were trading prior to the Announcement Date. However, the implied value of the Offer may change as a consequence of changes in the market price of TGM Shares after the Announcement Date. For example:</p> <ul style="list-style-type: none"> • using the closing price of A\$0.16 for TGM Shares traded on ASX on 17 December 2021 (the last trading day before the Original Bidder's Statement was lodged with ASIC) results in an implied value of the Offer of A\$0.32 for each Focus Share; and • using the closing price of A\$0.16 for TGM Shares traded on ASX on 4 January 2022 (the date this Bidder's Statement was lodged with ASIC) results in an implied value of the Offer of A\$0.32 for each Focus Share. <p>If you are an Ineligible Foreign Shareholder, then because the New TGM Shares that you would have received will be sold, the amount of cash that you receive will depend on the price received for those New TGM Shares on the day that they are sold less selling expenses. There is no certainty as to what that price may be and this will affect the amount of cash that you might receive.</p>	<p><i>accept the Offer" contains the view of the TGM Board as to why they think you should accept the Offer.</i></p> <p><i>See clauses 2 and 6.3 of the Offer Terms in Appendix 1 for more information regarding Ineligible Foreign Shareholders and how their consideration will be provided.</i></p>
4.	When does the Offer close?	The Offer is currently scheduled to close at 7.00 pm (Sydney Time) on, [insert] , unless extended or withdrawn.	

PART B - OVERVIEW OF TGM

No.	Question	Answer	Further information
5.	Who is TGM?	TGM is a gold exploration and development company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects which provide cost advantages relative to other gold producers in the region.	<i>Sections 1 and 2 of the Bidder's Statement contain further information regarding TGM's assets, financial position and details of TGM's securities currently on issue.</i>

No.	Question	Answer	Further information
6.	Will my New TGM Shares be listed on ASX?	TGM has applied to ASX for quotation of the New TGM Shares on the official list of ASX. Quotation of the New TGM Shares will depend on ASX exercising its discretion to admit them to the Official List. TGM is already admitted to the official list of ASX and shares in TGM in the same class as the New TGM Shares are already quoted.	<i>See clause 4 of the Offer Terms in Appendix 1 for more information regarding quotation of the New TGM Shares.</i>
7.	What rights and liabilities will attach to my New TGM Shares?	The New TGM Shares issued under this Offer will be issued fully paid and will from the time of issue rank equally with existing TGM Shares.	<i>See section 2.4 of the Bidder's Statement and clause 2 of the Offer Terms in Appendix 1.</i>
8.	Who are the TGM directors and what experience do they have?	<p>The directors of TGM are:</p> <ul style="list-style-type: none"> • Mr Charles William Guy, Executive Chairman; • Mr Bill Richie Yang, Independent Non-Executive Director; • Mr Finn Stuart Behnken, Independent Non-Executive Director; • Mr Byron Dumpleton, Independent Non-Executive Director; • Mr Yang (Simon) Liu, Independent Non-Executive Director; and • Mr Guyang (Brett) Tang, Non-Independent Non-Executive Director. <p>The directors of TGM, together with the TGM management team, have significant experience in the mining sector, in particular across the top tier mining jurisdictions of Australia and South Africa.</p>	<i>See sections 1.3 and 1.4 of the Bidder's Statement.</i>
9.	Do the TGM directors have any securities, or potential conflicts of interest, in relation to Focus?	No, none of the TGM directors hold any Focus Shares nor do they have any interests in relation to Focus that could be seen to conflict with their duties as directors of TGM.	

No.	Question	Answer	Further information
10.	Do the TGM directors have any interest in TGM Shares?	Yes, the TGM directors have various interests in TGM Shares. Those interests are disclosed in section 9.4 of this Bidder's Statement.	See section 9.4 of the Bidder's Statement.
11.	What relevant interest does TGM have in Focus?	As of the date of this Bidder's Statement, TGM has a relevant interest of 1.11% in Focus Shares.	
12.	How will TGM fund the Offer Consideration?	<p>The consideration for the acquisition of the Focus Shares (to which this Offer relates) will be satisfied by the issue of TGM Shares.</p> <p>TGM has the capacity to issue the maximum number of TGM Shares which it may be required to issue under the Offer.</p>	

PART C - OVERVIEW OF RISKS

No.	Question	Answer	Further information
13.	Are there risks if I accept the Offer?	<p>Yes, if you accept the Offer, and it becomes unconditional, you will be issued New TGM Shares and TGM will acquire an interest in Focus. There are risks in holding TGM Shares. You are already exposed to some of these risks, to varying degrees, as a result of your holding of Focus Shares.</p> <p>The financial and operational performance of TGM's business, the value and trading prices for TGM Shares and the amount and timing of any dividends that TGM pays in the future (if any) will be influenced by a range of risks. Many of these risks are beyond the control of the TGM Board and management.</p> <p>Section 8 of this Bidder's Statement provides a detailed explanation of some of these risks. Specifically, it deals with:</p> <ul style="list-style-type: none"> risks related to the Offer and TGM (or the Controlled Group, in circumstances where TGM acquires control of Focus); industry risks; and 	See section 8 of this Bidder's Statement for full details of each of the risks.

No.	Question	Answer	Further information
		<ul style="list-style-type: none"> general risks. 	

PART D – OTHER RELEVANT QUESTIONS

No.	Question	Answer	Further information
14.	Are there any circumstances in which I will not be entitled to elect to receive the Offer Consideration?	<p>Generally speaking, if your address on the Register is in a jurisdiction other than Australia, New Zealand, Hong Kong or the United States (unless you are not an accredited investor), you will be considered an Ineligible Foreign Shareholder. If you are an Ineligible Foreign Shareholder, and you accept the Offer, you will not be entitled to receive TGM Shares.</p> <p>Instead, the number of TGM Shares you would otherwise be entitled to will be issued to the Nominee who will sell those shares on your behalf. You will then be paid by the nominee the net proceeds of the sale of the TGM Shares to which you would have been entitled.</p>	<i>Please refer to section 6.3 of the Offer Terms in Appendix 1 for further details.</i>
15.	Can TGM extend the time at which the Offer is to close?	<p>Yes, the Offer Period can be extended at TGM's election or otherwise in accordance with the Corporations Act.</p> <p>TGM will give written notice of any extension of the Offer Period in accordance with the Corporations Act.</p>	
16.	What choices do I have as a Focus Shareholder?	<p>As a Focus Shareholder, you have the following choices in respect of your Focus Shares (to which this Offer relates):</p> <ul style="list-style-type: none"> accept the Offer; sell your Focus Shares on the ASX (unless you have already accepted the Offer for your Focus Shares); or do nothing. <p>As noted above, the Offer does not extend to any Focus Shares issued after 21 December 2021 (including under the Focus Entitlement Offer).</p>	
17.	If I decide to accept the	To accept the Offer, you should follow the instructions set out in clause 5 of Appendix 1	<i>See your Acceptance Form enclosed with this</i>

No.	Question	Answer	Further information
	Offer how do I do so?	and on your personalised Acceptance Form which accompanies this Bidder's Statement.	<i>Bidder's Statement and clause 5 of Appendix 1.</i>
18.	Can I accept the Offer for part of my holding as at the Register Date?	No, you cannot accept the Offer for part of your holding as at the Register Date. Note that the Offer only relates to any Focus Shares that existed on the Register Date (of 21 December 2021). It does not extend to any Focus Shares issued after that date (including pursuant to the Focus Entitlement Offer).	
19.	If I accept the Offer, can I withdraw my acceptance?	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer TGM varies the Offer in a way that postpones for more than 1 month the time that TGM has to meet its obligations under the Offer (for example, if TGM extends the Offer for more than 1 month while the Offer remains subject to any of the Conditions).	<i>Clause 8.1 of the Offer Terms set out in Appendix 1 contains more information as to the limited circumstances in which you may be able to revoke or withdraw your acceptance.</i>
20.	If I accept the Offer, when will I receive my TGM Shares?	<p>This depends on whether you are an Eligible Shareholder or an Ineligible Foreign Shareholder. If you accept the Offer and you are not an Ineligible Foreign Shareholder, and all necessary documents are provided by you to TGM, then TGM will issue to you the New TGM Shares that you are entitled to on or before the earlier of:</p> <ul style="list-style-type: none"> • one month after the later of the Offer being validly accepted by you and the Offer (or the contract resulting from acceptance of the Offer) becoming unconditional; and • 21 days after the end of the Offer Period, provided that the Offer has become unconditional. <p>If you are an Ineligible Foreign Shareholder, then you will receive the net cash proceeds from the sale of the New TGM Shares that you would have otherwise received.</p>	<p><i>Clauses 6.2 and 6.3 of the Offer Terms set out in Appendix 1 contains more information as to when your New TGM Shares will be issued to you.</i></p> <p><i>See clauses 2 and 6.3 of the Offer Terms in Appendix 1 and questions 3 and 4 for more information regarding Ineligible Foreign Shareholders and how their consideration will be provided.</i></p>
21.	Can I trade my Focus Shares after I have accepted the Offer?	No, once you have accepted the Offer in respect of your Focus Shares (that existed as at the Register Date of 21 December 2021), you agree not to sell those Focus Shares to anyone other than TGM, and you will not be able to sell any of those Focus Shares on-market after the date on which you accept the Offer. As the Offer does not extend to any	<i>See clause 8 of the Offer Terms in Appendix 1</i>

No.	Question	Answer	Further information
		Focus Shares issued after the Register Date (including Focus Shares issued pursuant to the Focus Entitlement Offer) you are free to sell those Focus Shares (if any) on the ASX even if you have accepted the Offer.	
22.	Will I need to pay brokerage if I accept the Offer?	<p>If your Focus Shares are registered in an Issuer Sponsored Holding in your name and you deliver them in accordance with the instructions set out on the Acceptance Form, you will not incur any brokerage connected with you accepting the Offer.</p> <p>If your Focus Shares are in a CHESS Holding or you hold your Focus Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.</p> <p>If you are an Ineligible Foreign Shareholder, the cash proceeds that you will be sent (following the sale of the New TGM Shares that you would otherwise have been entitled to receive under the Offer) will be net of transaction costs and will be paid by cheque in Australian dollars.</p>	<i>Appendix 1 contains the full terms of the Offer and Appendix 2 sets out the Conditions in full. See also the instructions on the Acceptance Form.</i>
23.	What happens if I do not accept the Offer?	<p>Subject to the explanation below, if you do not accept the Offer you will remain the holder of those Focus Shares to which the Offer relates.</p> <p>If you do not accept the Offer and TGM acquires control of Focus, then unless you sell your Focus Shares, you will remain a shareholder in Focus. In this case, TGM would be able to solely determine the outcome of ordinary shareholder resolutions that it is permitted to vote on and would have effective control over (amongst other things) the appointment and removal of directors of Focus and, consequently, the financial and operating policies and strategic direction of Focus.</p> <p>In these circumstances and, depending on the number of Focus Shares acquired by TGM, you may be a minority shareholder in what may be a less liquid stock.</p> <p>Given that Focus has proceeded with the Focus Entitlement Offer and that the Offer</p>	<p>Section 5.3 of the Bidder's Statement provides more information regarding TGM's intentions if it acquires control of Focus.</p> <p>See section 5.4 regarding TGM's intentions if it remains a minority holder of Focus Shares.</p>

No.	Question	Answer	Further information
		only relates to Focus Shares that existed on 21 December 2021 (so does not extend to Focus Shares issued under the Focus Entitlement Offer), TGM will not be able to acquire a relevant interest in 90% or more of all Focus Shares. This means that TGM will not be able to proceed to compulsory acquisition of the outstanding Focus Shares pursuant to Part 6A.1 of the Corporations Act. TGM may be able to acquire control of Focus under the Offer, but only if Shandong Gold accepts the Offer in respect of those of its Focus Shares to which the Offer relates and a large proportion of minority Focus Shareholders also accept the Offer. If a significant proportion of Focus Shareholders do not accept the Offer in respect of the Focus Shares to which this Offer relates, TGM cannot acquire control of Focus and will remain a minority shareholder.	
24.	If I do not accept the Offer (for those Focus Shares to which the Offer relates), can I sell my Focus Shares on the market?	Yes, but you may incur brokerage costs if you do. The cash proceeds from a sale may be more or less than the value of the Offer Consideration.	
25.	What are the Conditions to the Offer?	<p>The Offer is subject to certain conditions. By way of summary, these conditions include that:</p> <ul style="list-style-type: none"> • there are no prescribed occurrences; • there is no Focus Material Adverse Change; • there is no new material litigation relating to Focus; • there are no material acquisitions, disposals or new commitments by Focus; • there are no undisclosed third party rights triggered by the Offer (or any acquisition of Focus Shares under it); and 	<i>Appendix 2 sets out the Conditions in full.</i>

No.	Question	Answer	Further information
		<ul style="list-style-type: none"> there is no regulatory action that may restrain, impede or prohibit the Offer. <p>As originally announced, the Offer was subject to a condition that Focus not proceed with the Focus Entitlement Offer. Notwithstanding the concerns expressed by TGM (including that the Focus Entitlement Offer would likely entrench control for Shandong Gold at a significant discount and require Focus Shareholders to subscribe for further shares or risk being substantially diluted) Focus proceeded with the Focus Entitlement Offer which closed on 23 December 2021 and which resulted in the issue of a further 103,810,080 Focus Shares (to which this Offer does not relate). So as to permit its Offer to proceed, TGM gives notice that it:</p> <ul style="list-style-type: none"> will formally waive the Focus Entitlement Offer Condition (set out at paragraph (a) of Appendix 2); and will not rely on any other Condition set out in Appendix 2 (including the prescribed occurrence conditions at paragraph (b)(iv) or paragraph (c)(iv) of Appendix 2) to the extent that such Condition would be triggered by the completion of (or the issue of Focus Shares under) the Focus Entitlement Offer. <p>TGM notes that Focus has indicated that it may seek to issue the residual shortfall shares not taken up under the Focus Entitlement Offer by way of placement at the discretion of the Focus directors. The waiver above does not extend to (and TGM has not agreed to waive any Condition that may be triggered by) any issue of residual shortfall shares following completion of the Focus Entitlement Offer (or any other issue of Focus Shares other than pursuant to the Focus Entitlement Offer).</p> <p>TGM will give formal notice under section 650F of the Corporations Act that its Offer has been freed from the Focus Entitlement Offer Condition following dispatch of its Bidder's Statement (and the opening of the Offer).</p> <p>The Offer is not subject to a minimum acceptance condition. Also, TGM does not</p>	

No.	Question	Answer	Further information
		<p>require foreign investment (FIRB) approval in respect of the Offer.</p> <p>Further information on all the Offer conditions can be found in Appendix 2.</p>	
26.	What happens if the Conditions to the Offer are not satisfied?	<p>If the Conditions are not satisfied or waived by the end of the Offer Period, then the Offer will lapse and your acceptance will be void. You will continue to hold your Focus Shares and be free to deal with your Focus Shares as if the Offer had not been made.</p> <p>See question 25 above in respect of TGM's intention to waive the Focus Entitlement Offer Condition.</p>	<i>See clause 7.3 of the Offer Terms in Appendix 1.</i>
27.	What are the taxation implications of accepting the Offer?	<p>Section 7 of this Bidder's Statement contains an overview of the Australian taxation implications of accepting this Offer.</p> <p>You should not rely on this overview as advice, and TGM recommends you seek independent professional advice in relation to your own particular circumstances.</p> <p>Non-resident Focus Shareholders are urged to seek their own advice as to their tax consequences of accepting the Offer.</p>	<i>See section 7 of this Bidder's Statement.</i>

Reasons to accept the Offer

1. The Offer may provide a premium for your Focus Shares

The Offer may provide Focus Shareholders with an opportunity to receive a premium for those shares the subject of the Offer, particularly when compared to the price for the recent Focus Entitlement Offer (announced on 3 December 2021) of A\$0.25. The Focus Entitlement Offer entrenched control for Shandong Gold (the largest Focus Shareholder) at a significant discount and resulted in substantial dilution for minority Focus Shareholders who did not participate.

If, under the Offer, TGM acquires control of Focus (which can only occur if Shandong Gold accepts the Offer for those Focus Shares to which the Offer relates and a large proportion of minority Focus Shareholders also accept the Offer), accepting Focus Shareholders will become members of a larger and more geographically diverse group with a combined exploration portfolio of over 1,000km²¹ spread across the West Australian goldfields and South Africa. Should Shandong Gold not accept the Offer (for those Focus Shares to which the Offer relates), the Offer seeks to aggregate minority holdings in Focus and (with an increased holding and substantial management experience) may (depending on the Focus shareholding acquired) allow TGM to exercise influence to encourage the prompt development of the Focus assets.

The Offer also provides Focus Shareholders with the ability to retain indirect exposure (as shareholders of TGM) to Focus' portfolio of assets while potentially capturing a premium for their shareholding. The extent of this ongoing indirect exposure to Focus' assets will depend on the outcome of the Offer.

TGM is offering you 2 New TGM Shares for every 1 Focus Share (that existed as at 21 December 2021), which implies a value for the Focus Shares to which the Offer relates (as at 8 December 2021, the last trading day prior to the announcement of the Offer) of A\$0.36 per share.²

This represents attractive premiums of:

- (a) 41.2% to the closing price of Focus Shares on ASX of A\$0.255 on 8 December 2021;
- (b) 44.0% to the Focus Entitlement Offer price of A\$0.25;
- (c) 28.6% to the 30 day VWAP of Focus Shares on ASX of A\$0.280 to 8 December 2021;³ and
- (d) 31.1% to the 90 day VWAP of Focus Shares on ASX of A\$0.275 to 8 December 2021.⁴

¹ ~450km² per Focus' Website – Coolgardie Gold Project (as at 8 December 2021); and ~620km² per TGM 19 October 2021 Investor Presentation – IMARC Mines & Money 2021.

² TGM closing price on ASX of A\$0.18 on 8 December 2021. The implied value of the Offer will change as a consequence of changes in the market price of TGM Shares from time to time.

³ VWAP of A\$0.2799 for the 30 days up to and including 8 December 2021.

⁴ VWAP of A\$0.2745 for the 90 days up to and including 8 December 2021.



As at the date this Bidder's Statement was lodged with ASIC (4 January 2022), the Offer implies a value for your Focus Shares of A\$0.32 per share.⁵

This represents:

- (a) a discount of 1.5% to the closing price of Focus Shares on ASX of A\$0.325 on 4 January 2022;
- (b) a premium of 28.0% to the Focus Entitlement Offer price of A\$0.25;
- (c) a premium of 5.6% to the 30 day VWAP of Focus Shares on ASX of A\$0.3031 to 4 January 2022;⁶ and
- (d) a premium of 9.1% to the 90 day VWAP of Focus Shares on ASX of A\$0.2933 to 4 January 2022.⁷

2. **The ability for Focus Shareholders to exit a minority position in an illiquid company now overwhelmingly controlled by Shandong Gold – who, Focus says, may have interests that do not align with your own**

The Offer provides Focus Shareholders with an opportunity to exit their shareholding in Focus (other than any Focus Shares issued to them in connection with the Focus Entitlement Offer) and to become shareholders of an ASX-listed company with a strong management team and a greater free-float. Accepting Focus Shareholders will continue to have indirect exposure (as shareholders of TGM) to Focus' portfolio of assets, the extent of which will depend on the outcome of the Offer.

Following the close of the Focus Entitlement Offer, Shandong Gold's interest in Focus has increased from 49.53% to 63.18%. It acquired this increased control without paying a premium. Instead, it acquired the Focus Shares that entrenched its control at a significant discount of **15.4%** (to the 5 day VWAP of Focus Shares up to the close of trading on 2 December 2021). The price paid by Shandong Gold to move from 49.53% to 63.18% represents a discount of **23.1%** to the closing price of Focus Shares of \$0.325 on 4 January 2022, the date of this Bidder's Statement.

Focus itself has acknowledged a number of the implications of this, including that:

⁵ TGM closing price on ASX of A\$0.16 on 4 January 2022. The implied value of the Offer will change as a consequence of changes in the market price of TGM Shares from time to time.

⁶ VWAP of A\$0.3031 for the 30 days up to and including 4 January 2022.

⁷ VWAP of A\$0.2933 for the 90 days up to and including 4 January 2022.

- “If Shandong Gold’s voting power were to increase above 50%, it would be able to **solely determine** the outcome of ordinary shareholder resolutions that it is permitted to vote on, including **the issue of new shares beyond the limit set under the ASX Listing Rules**, and would have greater influence over the outcome of any special shareholder resolutions, including amendments to the Constitution of the Company”⁸;
- “there is ... a risk that Shareholders will be **further diluted as a result of future capital raisings required** in order to fund working capital and development requirements of the Company”⁹; and
- “Shandong Gold’s interests **may not always be aligned with the interests of the Company’s other shareholders**”¹⁰ (emphasis added).

Shandong Gold’s control of Focus is now entrenched. Shandong Gold is now in (and minority shareholders are subject to) the position foreshadowed above. Notwithstanding this, and contrary to TGM’s public request that it do so¹¹, Focus has not announced to ASX that it has put in place an independent board committee (excluding the Shandong Gold nominee directors) to consider and respond to the Offer. Nor did it announce that it had put in place an independent board committee to consider whether the Focus Entitlement Offer should have been withdrawn in light of the announcement of TGM’s takeover bid for Focus, notwithstanding the clear control effect of the Focus Entitlement Offer on Shandong Gold which has resulted in its level of control being entrenched at a significant discount.

Set against this backdrop (with the prospect of yet further dilution and the divergence of interests outlined by Focus) the Offer presents minority Focus Shareholders with an exit in a manner that will still give them some indirect exposure (as shareholders of TGM) to Focus’ portfolio of assets, the extent of which will depend on the outcome of the Offer. TGM believes that by aggregating the minority interests in Focus under TGM’s ownership, TGM would be able to exert more influence on Focus than minorities would otherwise be able to exert.

The Offer is not subject to a minimum acceptance condition and (despite Shandong Gold’s entrenched control) TGM would very much welcome an acceptance of the Offer by Shandong Gold (noting that as the Offer does not extend to Focus Shares issued under the Focus Entitlement Offer, the Offer can only be accepted by Shandong Gold in respect of half of its holding). If Shandong Gold were to accept the Offer, it would obtain a substantial interest in TGM of up to approximately 20.4% (if all Focus Shareholders accept the Offer) or 25.6% (if Shandong Gold is the only Focus Shareholder to accept the Offer). However, as noted above, the Offer is not subject to any minimum acceptance condition so will proceed even if Shandong Gold does not accept.

3. **You will potentially benefit from greater diversification.**

In TGM’s opinion, Focus’ current ownership structure discourages independent investors from acquiring shares. Focus has itself noted that “*there are low levels of institutional ownership on [Focus] current register*”; that “*[Focus] shares are considered to have low levels of stock liquidity*”; and that these and other factors have prevented Focus from securing any broker who could secure a sufficient level of sub-underwriting commitments from investors to effect

⁸ Focus Notice under Section 708AA(2)(f) of the Corporations Act of 3 December 2021 at page 4.

⁹ Focus Entitlement Offer Booklet of 3 December 2021 at section 5.3.

¹⁰ Focus Entitlement Offer Booklet of 3 December 2021 at section 5.5.

¹¹ See page 3 of TGM’s announcement of the takeover bid for Focus, as released to ASX on 9 December 2021.

an underwriting of the Focus Entitlement Offer.¹² The Focus Entitlement Offer will not, in TGM's opinion, cure these issues, and may make them worse.

These factors all potentially result in the market value of Focus not reflecting its underlying resource base. In TGM's opinion, a combination of TGM and Focus would (if TGM secured sufficient acceptances and obtained control of Focus pursuant to the Offer) result in a larger group with a significant resource base and a less concentrated ownership structure (see further detail below). This in turn would likely lead to a more open share register – which should itself attract greater interest from third party investors, analysts and financiers.

TGM believes that if it obtains control of Focus (and subject to the outcome of the review referred to in section 5.3(c)) it may be able to develop Focus' assets (and in particular Focus' Coolgardie project) with less dilution to shareholders (such as that caused by the Focus Entitlement Offer).

Even in circumstances where Shandong Gold does not accept TGM's Offer, acceptance by minority shareholders of Focus could result in TGM acquiring a significant stake in Focus, which would (depending on the Focus shareholding acquired) give TGM greater influence in relation to Focus than individual minority shareholders are likely to have at present. This would, again, allow TGM to seek to exercise influence over Focus in a manner which seeks to enhance value for all shareholders of Focus and of TGM.

In summary, Focus Shareholders who accept TGM's Offer will maintain an indirect exposure to Focus' assets (the extent of which will depend on the outcome of the Offer) but also gain exposure to TGM's portfolio of gold assets.

4. **The Offer represents a logical combination of complementary assets**

The Controlled Group¹³ would have a combined holding of complementary assets (diversified across both the Western Australian goldfields and South Africa) at a similar pre-definitive feasibility study stage and the opportunity to benefit from the capabilities and experience of a combined management team. It may also have an opportunity for cost synergies resulting from the sharing of resources including personnel and corporate functions.

The combination of TGM and Focus (that would result if TGM acquired control of Focus pursuant to the Offer) is logical and would create a combined group with a JORC compliant Mineral Resource under management of approximately 12.3Moz (reported on a 100% basis).¹⁴ TGM's Mineral Resources are reported as total Mineral Resources (on a 100% project basis). As TGM's projects are located in South Africa, 26% of the equity in the project holding subsidiary companies is held by local shareholders to comply with South African Black Economic Empowerment (BEE) requirements. TGM holds the remaining 74% interest in those project holding subsidiary companies. Notwithstanding this, as TGM has funded the development of the projects, there are significant loan balances owing from the project holding

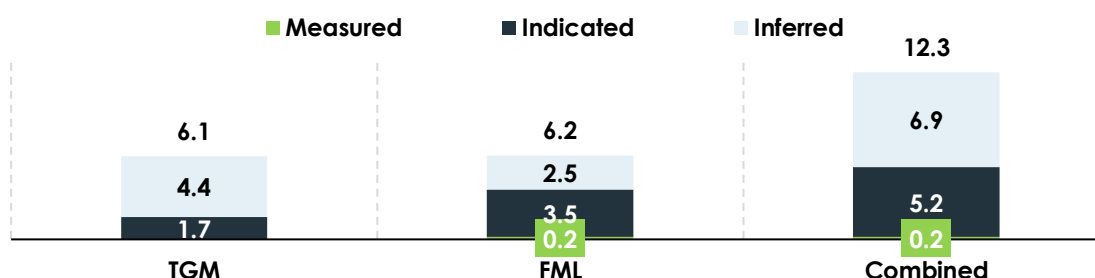
¹² See generally the Focus Offer Booklet of 3 December 2021 at paragraph 1.6.

¹³ References to the Controlled Group are to a situation where TGM acquires control of Focus pursuant to the Offer which will only be possible if Shandong Gold accepts the Offer (in respect of those of its Focus Shares to which the Offer relates) and a large proportion of minority Focus Shareholders also accept the Offer.

¹⁴ Focus Mineral Resource estimate extracted from Focus' 2020 Annual Report announced to ASX on 31 March 2021 and Focus ASX announcement dated 6 December 2021 "Maiden 45,600oz Mineral Resource for Green Light". TGM Mineral Resource estimate extracted from TGM's ASX announcement dated 8 April 2021 "Initial Maiden Underground Mining Reserve", page 4 (reported on a 100% project basis). Note, however, TGM's ASX announcement dated 25 October 2021 "TGME Project Permitting Update" regarding the declaration of a forest nature reserve over 607 hectares (out of some 62,000 hectares) in tenement areas.

subsidiary companies to TGM. These loan balances (plus interest) may, at TGM's discretion, be paid in priority to any dividends or distributions from the project holding subsidiary companies to their shareholders. As a result, up to 100% of the free cashflows generated by the projects may be paid to TGM until those loan balances (including interest) are satisfied. As at 30 November 2021, the value of these loan balances (including interest) was approximately A\$79 million.

TGM, Focus and combined Pro Forma Mineral Resource Estimates (Moz)¹⁵



More specifically, the JORC compliant Mineral Resource estimates for TGM (on a standalone basis) is set out below.

TGM – JORC compliant Mineral Resource Estimate (reported on a 100% project basis)¹⁶

Measured			Indicated			Inferred			Total		
Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold	Tonnes	Grade	Gold
Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
0.1	5.37	0.02	18.1	2.84	1.65	27.3	5.06	4.44	45.5	4.17	6.11

In addition to Mineral Resources, TGM has reported total Proved Ore Reserves of 8.16koz and total Probable Ore Reserves of 571.29koz across its projects (each reported on a 100% project basis).¹⁷

Focus has reported:

- for its Coolgardie project, total Ore Reserves of 422koz (comprising Proved Ore Reserves of 65.5koz and Probable Ore Reserves of 356.5koz)¹⁸; and
- for its Laverton project, total Probable Ore Reserves of 546koz.¹⁹

¹⁵ See footnote 14 above.

¹⁶ TGM Mineral Resource estimate extracted from TGM's ASX announcement dated 8 April 2021 "Initial Maiden Underground Mining Reserve", page 4 (reported on a 100% project basis).

¹⁷ TGM Ore Reserve estimates extracted from TGM's ASX announcement dated 8 April 2021 "Initial Maiden Underground Mining Reserve" (reported on a 100% project basis). Note, however, TGM's ASX announcement dated 25 October 2021 "TGME Project Permitting Update" regarding the declaration of a forest nature reserve over 607 hectares (out of some 62,000 hectares) in tenement areas. See further detail above regarding 26% interest in project holding companies held by BEE interests.

¹⁸ Focus Ore Reserve estimates extracted from Focus' 2020 Annual Report announced to ASX on 31 March 2021.

¹⁹ Focus Ore Reserve estimates extracted from Focus announcement dated 16 April 2021 "Updated Laverton Stage 1 Open Pit PFS Progressive Results".

In terms of potential production, both TGM and Focus have released extensive pre-feasibility studies in relation to their respective projects.²⁰ Each of these is detailed and contains a number of assumptions (including, importantly as to funding and capital expenditure requirements to progress these projects to development). However, drawing on information disclosed in these pre-feasibility studies:

- (1) TGM estimates (on the basis of its pre-feasibility study) that its TGME underground project could produce an average of 51.038koz of gold per annum over a life of mine of 7.67 years.²¹ TGM's estimates are reported on a 100% project basis. See further detail above regarding 26% interest in project holding companies held by BEE interests.
- (2) Focus estimates (on the basis of its pre-feasibility study) that its Coolgardie project could produce an average of 63koz of gold per annum (mostly from open pit production) over 6 years.²²
- (3) Focus estimates (on the basis of its pre-feasibility study for Stage 1) that its Laverton project could produce an average of 51.3koz of gold per annum over 10 years.²³

If TGM were to acquire control of Focus pursuant to the Offer, aggregating these figures would result in a potential aggregate production estimate for the Controlled Group of approximately 165koz of gold per annum under management (reported on a 100% project basis).²⁴ Of this, TGM would only be entitled to such proportion of Focus' potential aggregate production as equated to its percentage interest in Focus at the time, and see further detail above regarding 26% interest in project holding companies held by BEE interests.

Given that the Offer does not extend to any shares issued under the Focus Entitlement Offer, even if TGM were able to acquire control of Focus pursuant to the Offer, it could not acquire a relevant interest of 90% or more of the Focus Shares on issue (so will not be able to proceed to compulsory acquisition). Accordingly, Focus would have ongoing minority shareholder interests. As noted above, TGM would not have a full entitlement to all economic benefits attributable to the Focus Mineral Resource or any potential Focus production (and would obviously need to manage the Focus assets in the interests of all Focus Shareholders, including any remaining minority).

²⁰ TGM announcement of 13 April 2021 "Pre-Feasibility Study for Initial Underground Projects"; Focus announcement of 16 April 2021 "Updated Laverton Stage 1 Open Pit PFS Progressive Results"; and Focus announcement of 22 September 2020 "Outstanding Coolgardie 2020 PFS Results".

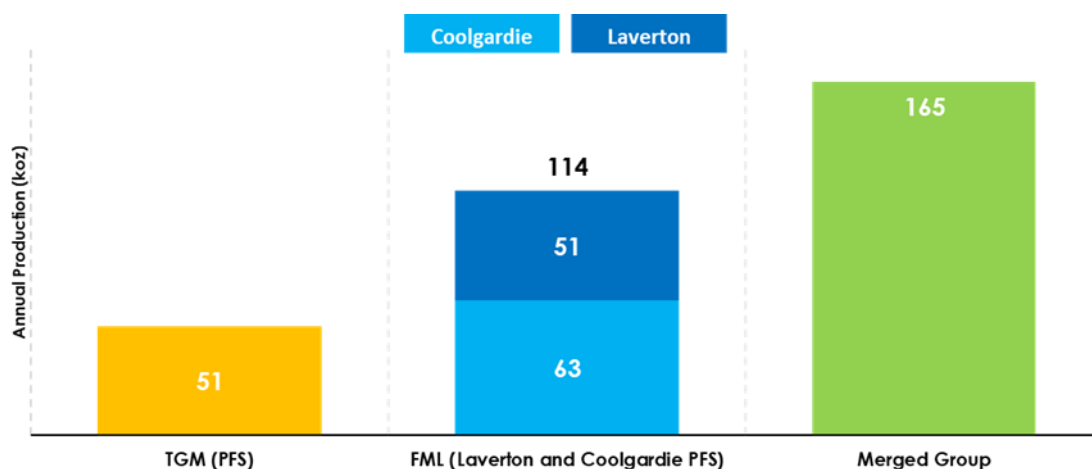
²¹ TGM announcement of 13 April 2021 "Pre-Feasibility Study for Initial Underground Projects", at pages 1 and 10.

²² Focus announcement of 22 September 2020 "Outstanding Coolgardie 2020 PFS Results", page 1.

²³ Focus announcement of 16 April 2021 "Updated Laverton Stage 1 Open Pit PFS Progressive Results", pages 1 and 17. The Focus announcement notes that production will vary from year to year over the life of mine and this figure has been derived by dividing the total estimated gold production over the stated 10 year period.

²⁴ Based on a simple addition of the previously reported figures derived from the TGM and Focus pre-feasibility studies (on a 100% project basis). As noted above, this figure is subject to a number of assumptions (including, importantly as to funding and capital expenditure requirements to progress to development) and is based on annualised average figures which may not reflect the actual production profile in a given year. The above figures also assume that development can occur at the same time. Any development of these projects will be subject to a number of risks. See further information in section 8.

Potential aggregate annual production estimate (koz) under management for the Controlled Group based on reported pre-feasibility study figures (reported on a 100% project basis)²⁵



5. Opportunity to share in the potential upside of TGM's business

By accepting TGM's Offer, Focus Shareholders will gain exposure to the potential upside from TGM's growth prospects. These include the potential development of TGM's Sabie-Pilgrims Rest Goldfields Project in north-east South Africa.²⁶

TGM is well serviced by existing plant and infrastructure (situated at its TGME underground project) that is easily accessible by road and has connection to grid power and water. Further, TGM has office buildings, machinery sheds and a tailings storage facility.

6. TGM has an experienced management team

TGM has a highly skilled and credentialed management team with experience gained in the top tier mining jurisdictions of Australia and South Africa. This team has a proven history of successfully taking projects from exploration through to production. TGM believes that this team could provide additional project execution skills and modern day exploration and operating techniques to assist with the restart of Focus' projects in a timely and cost-efficient manner. Such assistance could be provided in circumstances where TGM is able to acquire control of Focus pursuant to the Offer.²⁷ It could, however, also be offered to Focus in circumstances where the Offer results in TGM holding a minority, but substantial, interest in Focus.

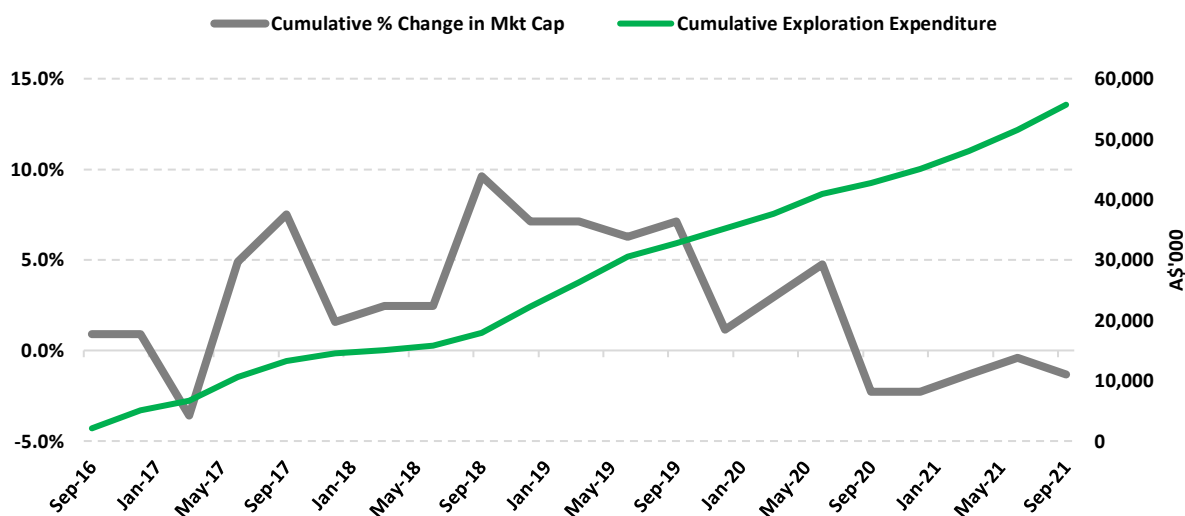
As indicated in the diagram below, Focus' historical capital expenditure on exploration over the five-year period to September 2021 has resulted in limited returns to Focus Shareholders on their investment - TGM considers that if it is able to provide management input and assistance it is well placed to address this and bridge the opportunity gap.

²⁵ See footnotes 20 - 24 above. Refer also to statements above regarding TGM and Focus minority interests.

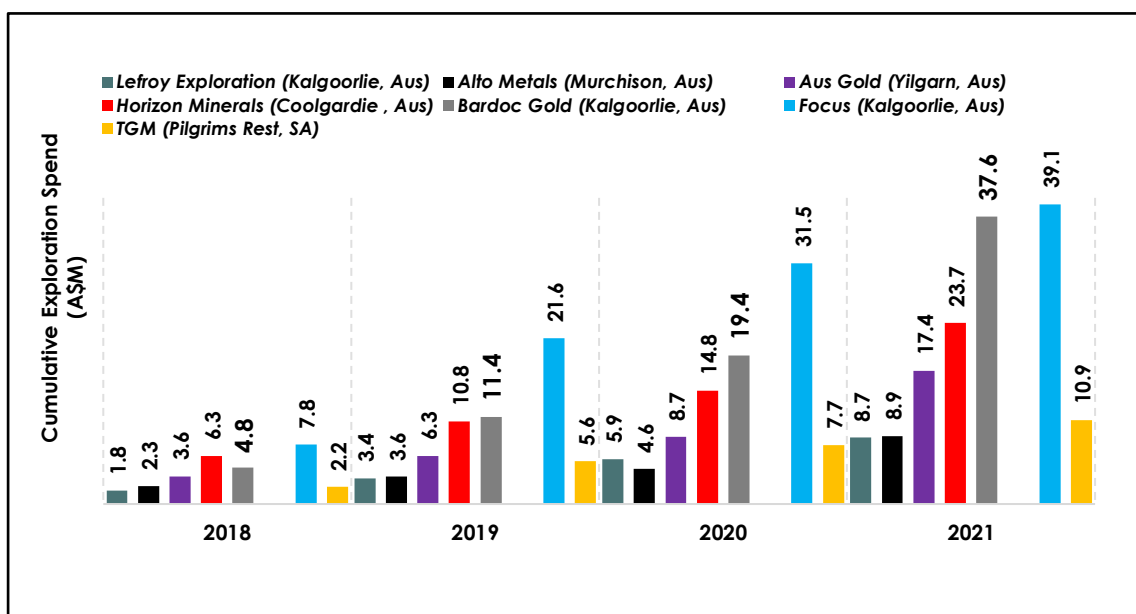
²⁶ See further information contained in TGM's 2021 Annual Report released to ASX on 1 November 2021. See also the risks described in sections 8.2 to 8.4 of this Bidder's Statement.

²⁷ This can only occur where Shandong Gold accepts the Offer (in respect of those Focus Shares to which the Offer relates) and a large proportion of minority Focus Shareholders also accept the Offer.

Comparison of Focus' Cumulative Exploration Expenditure (A\$'000) to Cumulative Change in Market Cap²⁸



A comparison between Focus and its ASX-listed peer companies (with core projects in proximity to the Laverton and Coolgardie areas) shows that Focus has incurred the highest exploration expenditure. This is demonstrated in the diagram below.²⁹ TGM considers that there are inefficiencies inherent in this approach and that Focus' large cash outlay has not rewarded shareholders with a value uplift or brought any of the underlying projects into production. This can be contrasted with the demonstrated returns that have been experienced by shareholders in Focus' ASX-listed peer companies.



²⁸ Exploration expenditure sourced from Focus Quarterly Cashflow Reports (the aggregate value of "exploration and evaluation" in both operating and investing activities) over the period from September 2016 to September 2021. Market capitalisation sourced from ASX and Focus Annual Reports from 2017 – 2021.

²⁹ Based on information publicly released on ASX, company websites and other publicly sourced material.

ASX Listed Peer Gold Explorers	Region	2018	2019	2020	2021	CAGR (2018 - 2021)
Market Capitalisation (as at reporting date)		A\$M	A\$M	A\$M	A\$M	%
Lefroy Exploration	(Kalgoorlie, Aus)	9.7	16.6	20.4	112.7	286%
Alto Metals	(Murchison, Aus)	7.8	8.5	25.2	31.2	34%
Aus Gold	(Yilgarn, Aus)	18.4	10.5	47.6	71.3	29%
Horizon Minerals	(Coolgardie, Aus)	34.7	23.1	47.9	66.7	-36%
Bardoc Gold	(Kalgoorlie, Aus)	261.8	412.0	753.7	708.0	-10%
Focus	(Kalgoorlie, Aus)	45.7	45.7	43.9	47.5	-65%
TGM	(Pilgrims Rest, SA)	24.9	52.5	112.4	118.2	58%

If TGM is not able to acquire control of Focus pursuant to the Offer (which will occur if Shandong Gold does not accept the Offer), TGM considers that it can add value as a Focus Shareholder. This would be via a combination of its Focus shareholding (which, as noted above, may give it more influence than any existing minority shareholder in Focus, assuming a strong level of acceptances from minority Focus Shareholders) and the management and project development experience of its senior team. TGM could also offer to provide operational resources to Focus (which may assist in a tight labour market).

See sections 1.3 and 1.4 of this Bidder's Statement for more detail about the TGM Board and management team.

1 INFORMATION ON TGM

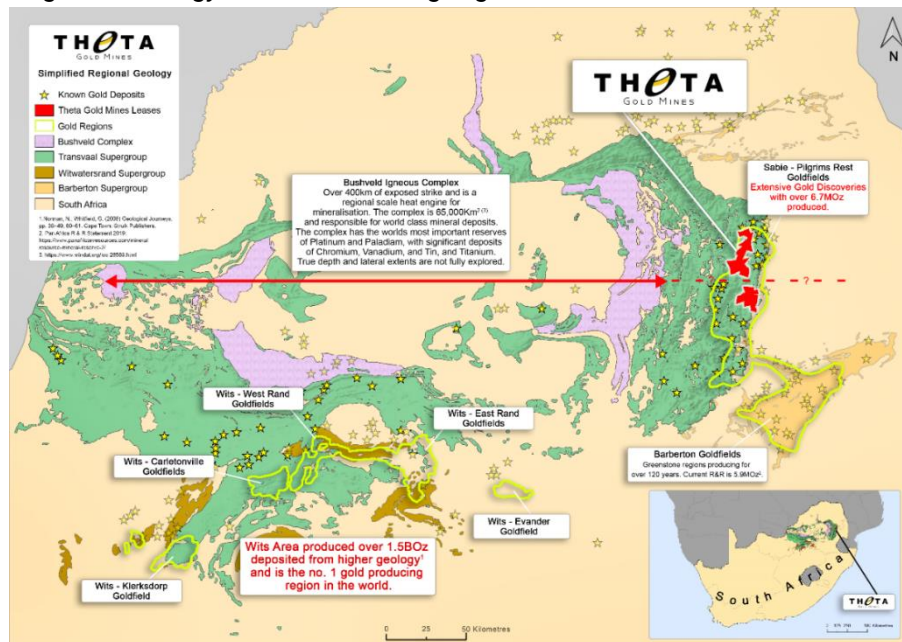
1.1 OVERVIEW OF TGM

TGM is a gold exploration and development company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects which provide cost advantages relative to other gold producers in the region. TGM's shares are listed on the Australian Securities Exchange (ASX: TGM).

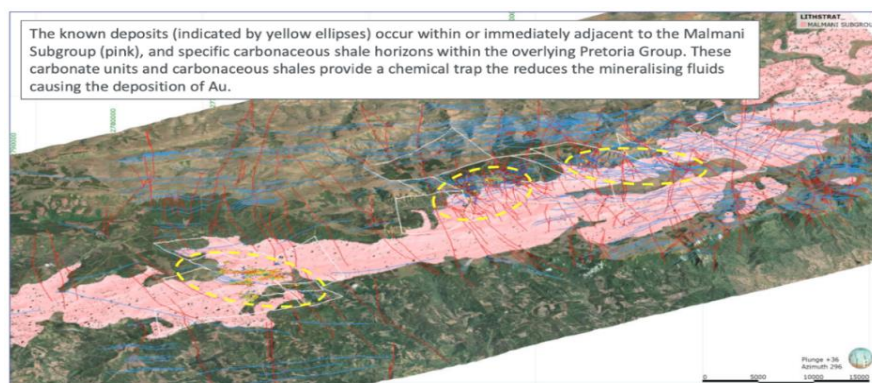
Through its controlling subsidiaries (74% equity interest) in South Africa, TGM's gold assets include:

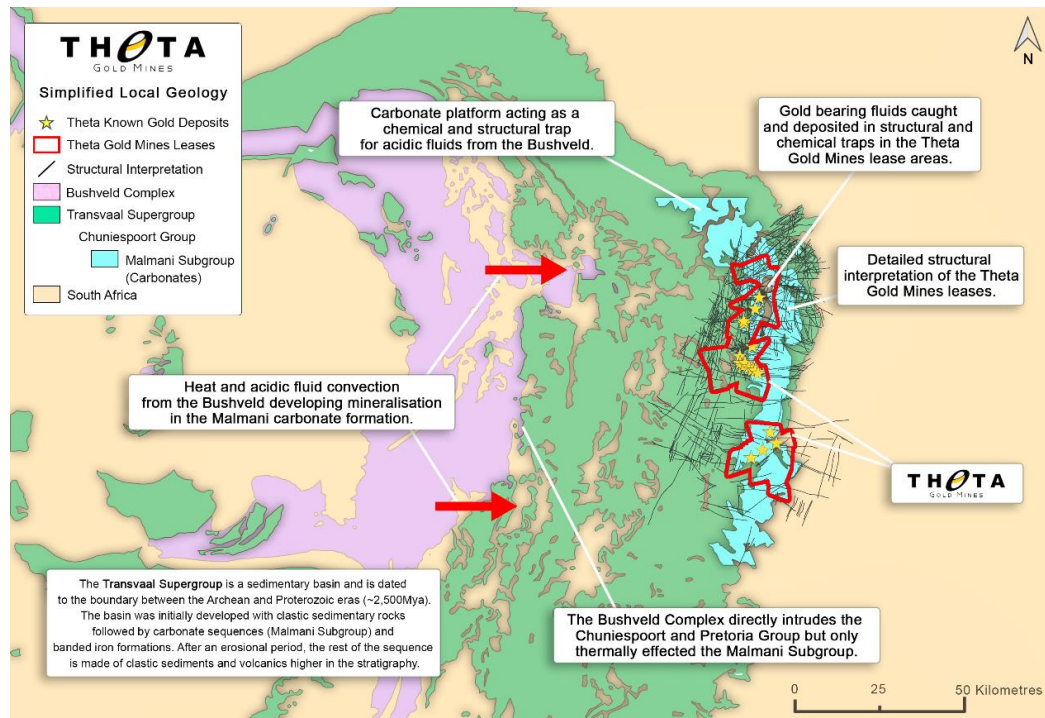
- over 62,000 hectares of gold mining rights which covers the majority of the Eastern Transvaal Gold Fields approximately 350km East of Johannesburg;
- over 6.1Moz Au of a shallow underground and open-pit resources (on a 100% project basis – see further detail above regarding 26% interest in project holding companies held by BEE interests); and
- a plant and Tailings-Storage-Facility on-site, ready to be expanded for production.

Below: Regional Geology and TGME Mining Rights



Below: Regional Target Lithology Map – Malmani carbonaceous sediments (Pink) host of the known gold deposits





1.2 OVERVIEW OF TGM'S OPERATIONS

TGM's core project is located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km northeast of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province). Following small scale production from 2011 – 2015, TGM is currently focussing on the construction of a new gold processing plant within its approved footprint at the Transvaal Gold Mining Estates (TGME) plant, and for the processing of the initial ore reserves.

TGM's TGME Underground Project capitalizes on 130 years of mining history and underground development. Phase-1 of the project includes 3 mines – Frankfort, CDM, and Beta. TGM's goal is to simply extend the ore drives and stopes of existing mine's complex to extract high-grade gold ore for processing at its gold plant.

TGM's total Mining Reserve is 580,000oz³⁰ including 419,000oz³¹ of Probable Ore Reserves which was included in the mine schedule for the TGME Underground Project. Currently, there are 3.5 Moz of global underground inferred mineral resource across the ground holdings that have potential to be converted into Proven/Probable Ore Reserves as exploration sampling, drilling, and underground development is extended into new zones of gold reefs. These figures are reported on a 100% project basis – see further detail above regarding 26% interest in project holding companies held by BEE interests.

TGM has completed a Prefeasibility Study (PFS)³² on the first three mines as a demonstration that these large, narrow, tabular reefs systems can be mined with modern mechanized mining. The findings in the PFS have been further validated by trial mining to support a Definitive

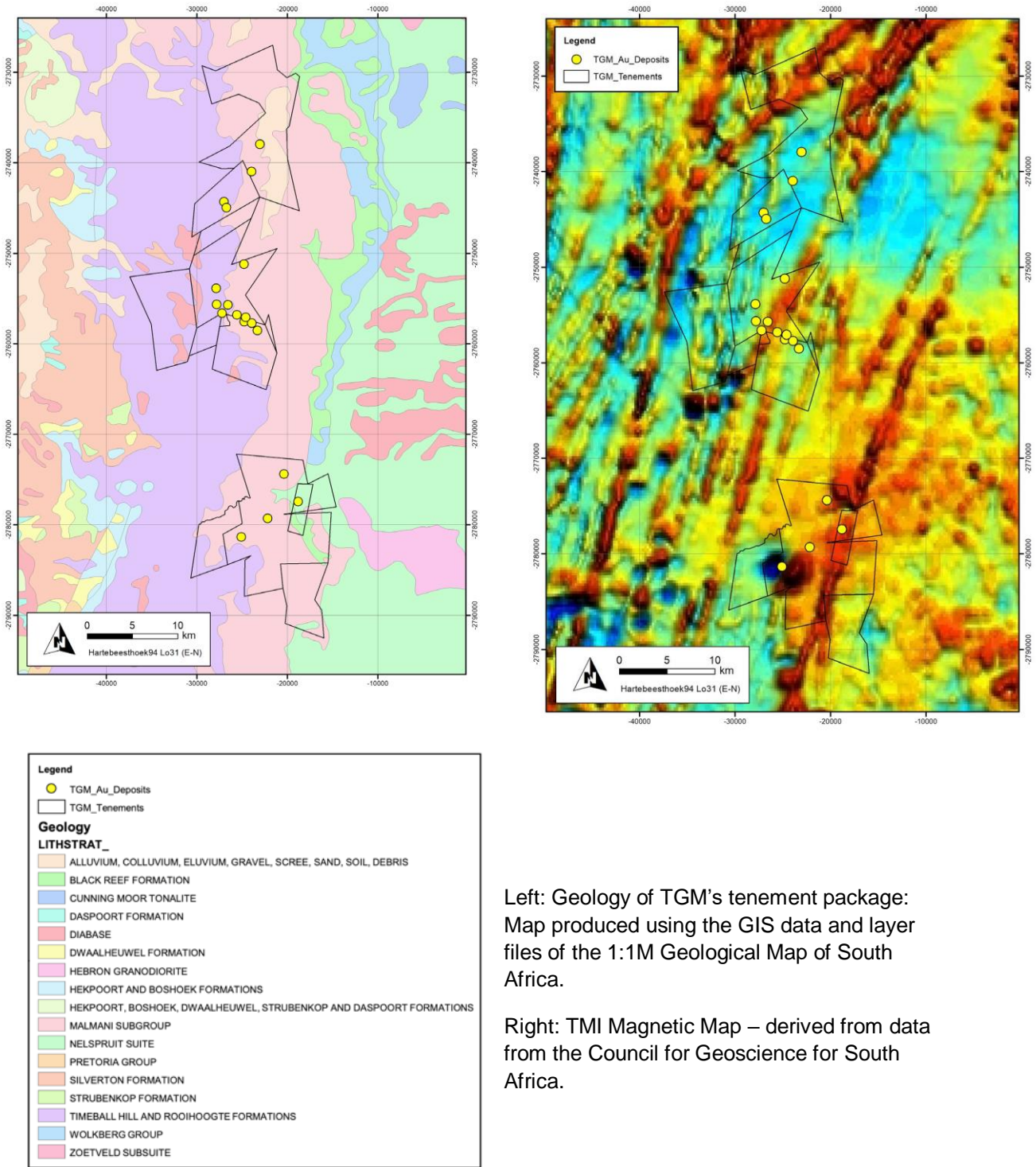
³⁰ TGM announcement of 8 April 2021 "Initial Maiden Underground Mining Reserve 419,000 oz Gold".

³¹ TGM announcement of 8 April 2021 "Initial Maiden Underground Mining Reserve 419,000 oz Gold".

³² TGM announcement of 13 April 2021 "Pre-Feasibility Study for Initial Underground Projects".

Feasibility Study intended for finalisation in Q1 2022.³³ The PFS showed strong project economics with a short payback period of 13 months from first gold and AISC of US\$905/oz at a modest gold price assumption of just US\$1570/oz.

Below: Interpreted Structural and Gold Mineralisation Diagram



³³ TGM announcement of 7 December 2021 "Trial Mining Successfully Completed at TGME Gold Project".

An assessment of regional targeting priorities has been carried out by CSA Global for TGM with the intention of assisting in exploration strategies with regard to tenement acquisition and exploration priorities. Based on the reviewed mineral systems model, conceptual target areas have also been defined to focus future exploration efforts.

TGM is currently focused on the big picture strategy to deliver long term organic growth, with projects focusing on the evaluation and permitting of six mines, targeting 160,000 ounces per annum (on a 100% project basis), with the TGME Underground Project (Phase 1) incorporating the first three mines. In April 2021 TGM declared a maiden underground mining reserve of 419,000 oz @ 5.49 g/t gold (on a 100% project basis). This first Maiden Underground Prefeasibility Study and Mining Reserve is based on only 16% of the 4.5m oz Au underground gold resource and incorporates only three mines out of a total of 43 historical mines across the project area.

TGM's Phase 1 project Definitive Feasibility Study is scheduled to be delivered during Q1 2022, and all environmental licensing requirements are scheduled to be concluded during 2022, with targeted project commissioning in 2023, producing up to 70,000 oz per annum (on a 100% project basis).³⁴ Project commissioning is subject to a number of factors and assumptions as set out in the PFS, including TGM obtaining the necessary funding to develop the project.³⁵ TGM aims to build a solid production platform to over 160,000 oz per annum (on a 100% project basis) by systematically developing TGM's Phase 2 and Phase 3 projects, incorporating other mines across TGM's mining rights, which provide build-up flexibility and further growth potential.

Following finalisation of its Definitive Feasibility Study, TGM will assess the further funding requirements for the commissioning of its TGME Underground Project. It is anticipated that such funding would be by way of a mix of debt and equity (with the proportions yet to be determined). To the extent that equity capital is required, this will necessarily dilute existing TGM shareholders (with the level of dilution depending upon the size of the equity issue).

1.3 DIRECTORS OF TGM

Brief profiles of the TGM Board, as at the date of this Bidder's Statement, are as follows:

(a) **Mr Charles (Bill) William Guy**

Executive Chairman

Mr Guy was appointed as a director of the company in March 2018 and is a professional mining executive and geologist with over 30 years' experience in exploration and resource development in Asia, Australia and Europe. In previous executive and geology roles he was involved in all aspects of the mining industry inclusive of project acquisitions, project development (Cockatoo Island Fe WA), project discovery (Mt Ida Fe WA), and large scale JV (Newcrest JV WA), in both the corporate and technical roles.

³⁴ TGM announcement of 13 April 2021 "Pre-Feasibility Study for Initial Underground Projects", page 3.

³⁵ See generally TGM announcement of 13 April 2021 "Pre-Feasibility Study for Initial Underground Projects".

(b) **Mr Bill Richie Yang**

Independent Non-Executive Director

Mr Yang is a corporate financier and business executive, with more than 16 years in the mining resources sector focused on business development, corporate strategies, M&A and financing.

Mr Yang has held numerous executive directorships and management roles in junior mining development companies, including as Executive Director of ASX-listed Bligh Resources Limited between 2015 and 2017. He is also Managing Director of Sydney/Hong Kong based Vs Capital Group, a corporate finance advisory firm and Family Office investor.

(c) **Mr Finn Stuart Behnken**

Independent Non-Executive Director

Mr Behnken is a mining engineer and has South African mining management experience as the CEO of Tshipi é Ntle Manganese Mining (Pty) Limited (during the construction and initial production phase of the major Tshipi Borwa Manganese Mine). Prior to this, he was an investment banker with South African based Nedbank and has served as non-executive director of various mining companies including, most recently, as a director of the then AIM listed Gemfields plc. Mr Behnken is currently the South African representative of Auramet International, a United States domiciled precious metals merchant and mine financier.

(d) **Mr Byron Dumpleton**

Independent Non-Executive Director

Mr Dumpleton has a very strong background in geology, mining operations, ore resources, and the corporate funding process. He worked at all levels in the mining industry at some of Australia's most high-profile mines in Western Australia including Nifty Copper Mine, St Ives Gold Mine, Telfer Gold Mine, Kalgoorlie Super Pit, and across Asia-Pacific regions.

Mr Dumpleton currently holds a Chief Geologist position with ASX listed Red5 Ltd, a half-billion-dollar WA-based gold producer.

(e) **Mr Yang (Simon) Liu**

Independent Non-Executive Director

Simon is currently a senior partner to Rose Rock Capital, a wholly-owned Rockefeller family investment arm in Asia Pacific. He was previously founding partner and president of Hanhong Private Equity Investment Company based in Beijing.

Simon graduated from the school of Journalism and Communication at Renmin University in China. He has more than 20 years of experience in consulting where he was highly acknowledged for his skills in petroleum and mining projects.

(f) **Mr Guyang (Brett) Tang**

Non-Independent Non-Executive Director

Mr Tang is a qualified lawyer in China and is also registered as a Fund Manager with the Asset Management Association of China. He is a professional investor and fund manager, experienced in mining and mining investments. From 2007-2013, he was

Executive Director at Yunnan Gold Mountain Ltd, a joint venture gold/copper mining company with a Chinese state-owned mining enterprise. The company grew to a 20,000oz per annum gold producer from horizontal aditentry type mines. Between 2013 and 2015 he was a Director of Ao-zhong Mining Pty Ltd, a Chinese specialised mining and exploration corporation with a history of mining investments in Australian listed resource companies.

Mr Tang is a director at Tasman Funds Management Ltd and a director and founding partner of China Nanjing Venture Capital Ltd, a China-based VC Fund.

1.4 MANAGEMENT OF TGM

Brief profiles of the TGM management team, as at the date of this Bidder's Statement, are as follows:

(a) **Mr Mitford Mundell**

Chief Executive Officer (Africa)

Mr Mundell has extensive experience in the mining sector and specialises in asset optimisation, strategic planning, stakeholder management, project building, and management in open pit and underground mining contexts.

He has worked for some of Africa's largest mining companies including Harmony, De Beers Mining Corporation, Namakwa Diamonds and Anglo American. At Harmony, Africa's largest gold miner, Mr Mundell gained extensive hands-on experience beginning as a miner and rising through to Shift Boss, Mine Captain, Mine Manager, General Manager and Business Coach. Among others, Mr Mundell was Mine Manager at the Kalgold Project, Harmony's open-pit gold operation in South Africa. He was responsible for commissioning multiple mines and establishing one of Harmony's mines as the lowest cost producer in the group.

Prior to joining TGM, Mr Mundell was CEO of Namakwa Diamonds, where he led the commissioning and expansion of its Kao Diamond Mine. His team delivered a new plant and turned Namakwa from losses to profitability, increased plant throughput and extended the initial 3-year mine life to +20 years, and boosted the company's valuation.

(b) **Mr Jacques Du Triou**

Chief Operating Officer (Africa)

Mr Du Triou has over 28 years' experience in the South African mining industry across all stages of a mine's lifecycle. He specialises in project and financial evaluations, construction, mine expansion, risk assessments, due diligence, execution and commissioning to full nameplate capacity.

Mr Du Triou began his career with Harmony and progressed to General Manager (2009-2015). During this time, he led the Doornkop South Reed deepening project which had an estimated capital cost of ZAR1.2 billion (~US\$700 million) from feasibility to peak production. He also worked extensively on Harmony's Kalgold open-pit project.

Prior to joining TGM, Jacques founded and led Qmotion Mining, where he developed and implemented business strategies that established the company as a successful contracting services provider. Qmotion Mining has successfully delivered contracts for the Evander Gold Mine, Sibanye Stillwater, Anglo Platinum, Royal Bafokeng Platinum and Murray & Roberts Holdings.

(c) **Mr Terrence Mokale**

RSA Director – Social Corporate Services

Mr Mokale is an admitted Attorney of the High Court of South Africa. He holds B Juris and LLB degrees and specialises in Socio-Economic development and Municipal governance.

Mr Mokale has been working in the mining environment as a Social Facilitation Consultant and has to date assisted numerous mining companies to develop solid community relationships and to secure support and licenses for their mining operations.

Recently Mr Mokale's clients include Glencore, Sibanyi-Stillwater and Gold One, where he successfully engaged community stakeholders and representatives to work constructively with the mining operators, creating a win-win platform for all parties involved.

In his government career, he spent time in local governments including as Administrator of Thaba Chweu Local Municipality.

(d) **Mr Brent Hofman**

Company Secretary and Financial Controller

Mr Hofman has over 20 years' experience in financial reporting and corporate management, with a focus on the mining, energy and natural resources sectors. Mr Hofman was previously CFO and company secretary for several publicly listed mining companies including 10 years for a dual listed (NASDAQ/ASX) oil and gas production company. Mr Hofman spent his early career at PricewaterhouseCoopers in the business services and corporate division.

Mr Hofman holds a Bachelor of Laws, Bachelor of Commerce, is a member of Chartered Accountants Australia and New Zealand and is a qualified Justice of the Peace.

1.5 TGM FINANCIAL INFORMATION

On 1 November 2021, TGM released its full-year financial results for the financial year ended 30 June 2021.³⁶

Set out below is historical financial information for TGM limited to the last two years of audited consolidated statements of financial position and profit and loss for the financial years ending 30 June 2020 (FY2020) and 30 June 2021 (FY2021) (being the last two audited financial statements prior to the date of this Bidder's Statement). Also set out is information from the unaudited consolidated statement of financial position as at 31 December 2020 (HY2021) which was reviewed by TGM's auditors at half-year.³⁷ TGM prepares and reports its consolidated statements of financial position and profit and loss in USD and has converted those statements to AUD using the closing USD/AUD spot rate³⁸ for conversion of statements

³⁶ TGM announcement of 1 November 2021 "Annual Report to shareholders".

³⁷ TGM announcement of 15 March 2021 "Half Year Accounts 31 December 2020".

³⁸ TGM has converted its statements of financial position for the years ended 30 June 2021, 30 June 2020 and half-year ended 31 December 2020 using the closing USD/AUD spot rate provided by the RBA of 0.7518 as at 30 June 2021, 0.6863 as at 30 June 2020 and 0.7702 as at 31 December 2020.

of financial position and the average USD/AUD exchange rate³⁹ for statements of profit and loss. Further historical information can be found on TGM's webpage at www.thetagoldmines.com.

Basis of Presentation of Historical Financial Information

The TGM historical information presented in this section does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act and should therefore be read in connection with the financial statements of TGM for the respective periods, including the descriptions of the significant accounting policies contained in those financial statements and the notes to those financial statements. The TGM historical financial information is extracted from the TGM audited financial statements for the year ended 30 June 2020 and 30 June 2021, and from the un-audited statement of financial position as at 31 December 2020 (which were reviewed by TGM's auditors at half-year) which have been lodged with ASIC and are available from www.asx.com.au and TGM's website www.thetagoldmines.com.

The significant accounting policies used in the preparation of the TGM historical financial information are consistent with those set out in TGM's annual report for the years ended 30 June 2020 and 30 June 2021 and half-year statements of financial position as at 31 December 2020. The TGM historical financial information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (AAS) (including Australian Accounting Interpretations) adopted by the AASB, which comply with the recognition and measurement principles of the International Accounting Standards Board and interpretations adopted by the International Accounting Standards Board.

³⁹ TGM has converted its statements of profit and loss for the full-years ended 30 June 2021 and 30 June 2020 and its half-year ended 31 December 2020 using the average USD/AUD exchange rates as recorded by the RBA of 0.7468 over the period from 1 July 2020 to 30 June 2021, 0.6714 over the period from 1 July 2019 to 30 June 2020 and 0.7227 over the period from 1 January 2020 to 31 December 2020.

Consolidated Statement of Financial Position - TGM

	30-June-2021	31 Dec. 2020	30-June-2020
	\$A'000	\$A'000	\$A'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	266	504	214
Receivables	239	218	251
TOTAL CURRENT ASSETS	505	722	465
NON-CURRENT ASSETS			
Receivables	57	52	50
Other receivable	2,079	1,942	1,800
Property, plant and equipment	1,462	1,415	1,335
Exploration expenditure	20,964	18,815	16,580
Financial assets	698	-	-
TOTAL NON-CURRENT ASSETS	25,260	22,224	19,764
TOTAL ASSETS	25,765	22,946	20,229
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,266	1,480	2,183
Provisions	1,115	1,197	1,206
Borrowings	9,649	9,403	8,415
TOTAL CURRENT LIABILITIES	12,030	12,080	11,804
NON-CURRENT LIABILITIES			
Provisions	2,067	2,468	2,299
Borrowings	112	135	154
TOTAL NON-CURRENT LIABILITIES	2,179	2,603	2,454
TOTAL LIABILITIES	14,209	14,683	14,258
NET ASSETS	11,556	8,263	5,971
EQUITY			
Issued capital	116,894	109,482	118,533
Reserves	10,366	9,605	7,829
Accumulated losses	(115,704)	(110,824)	(120,390)
TOTAL EQUITY	11,556	8,263	5,971

Consolidated Statement of Profit or Loss - TGM

30-June-2021 31 Dec. 2020 30-June-2020

	\$A'000	\$A'000	\$A'000
Interest income	-	43	-
Other income	206	98	344
Finance costs	(1,299)	(634)	(1,057)
Exploration expenses	(1,460)	(628)	(1,253)
Operating expenses	(3,364)	(1,331)	(5,907)
Other Expenses	68	(1,330)	(304)
Loss before tax	(5,848)	(3,782)	(8,177)
Income tax expense	-	-	-
Loss for the year	(5,848)	(3,782)	(8,177)
Other comprehensive income, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translating foreign operations	2,532	1,737	(3,406)
Other comprehensive (loss) / income for the year, net of income tax	2,532	1,737	(3,406)
Total comprehensive loss for the year	(3,315)	(2,045)	(11,583)
Loss attributable to:			
Equity holders of the parent	(5,845)	(3,782)	(8,177)
Non-controlling interest	-	-	-
	(5,845)	(3,782)	8,177
Total comprehensive income attributable to:			
Equity holders of the parent	(3,315)	(2,045)	(11,583)
Non-controlling interest	-	-	-
	(3,313)	(2,045)	(11,583)

1.6 CORPORATE GOVERNANCE

The TGM Board seeks, where appropriate, to provide accountability levels that meet the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Details on TGM's corporate governance procedures, policies and practices can be obtained from <https://thetagoldmines.com/>.

1.7 PUBLICLY AVAILABLE INFORMATION ABOUT TGM

TGM is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, TGM is subject to the ASX Listing Rules which require continuous disclosure of any information that TGM has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

The ASX maintains files containing publicly disclosed information about all listed companies. TGM's file is available for inspection at the ASX during normal business hours.

In addition, TGM is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by TGM may be obtained from, or inspected at, an ASIC office.

On request to TGM and free of charge, Focus Shareholders may obtain a copy of:

- (a) the annual financial report of TGM for the year ended 30 June 2021 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- (b) any continuous disclosure notice given to the ASX by TGM since the lodgement with ASIC of the 30 June 2021 annual report for TGM referred to above and before lodgement of this Bidder's Statement with ASIC.

A substantial amount of information about TGM is available in electronic form from: <https://thetagoldmines.com/>. A list of ASX Announcements made by TGM since 30 June 2021 is set out in Annexure A.

Focus Shareholders should take into account the information set out in TGM's continuous and periodic disclosure notices as referred to above, and also the risks in relation to TGM as set out in section 8 of this Bidder's Statement.

2 INFORMATION ABOUT TGM SECURITIES

2.1 TGM SECURITIES

As at the date of this Bidder's Statement, TGM's issued and granted securities consisted of:

- 525,432,336 TGM Shares;
- 5,000,000 options expiring 30 June 2022 with an exercise price of \$0.50;
- 3,158,353 options expiring 27 April 2022 with an exercise price of \$0.40;
- 7,500,000 options expiring 31 July 2023 with an exercise price of \$0.275;
- 18,571,433 options expiring 30 September 2023 with an exercise price of \$0.40;
- 400,000 options expiring 31 December 2022 with an exercise price of \$0.30;
- 1,900,000 options expiring 31 December 2025 with an exercise price of \$0.50;
- 3,200,000 options expiring 30 September 2025 with an exercise price of \$0.40;
- 640,000 options expiring 30 September 2025 with an exercise price of \$0.50;
- 800,000 options expiring 30 September 2022 with an exercise price of \$0.30;
- 16,220,000 performance rights; and
- 15 Bearer Bond Notes 2021/2023 with a face value of \$400,000 each and an aggregate value of \$6,000,000 (being, secured bonds to be redeemed no later than 31 January 2023, carrying a 20% per annum coupon rate, payable in cash semi-annually in arrears).

None of these securities will be varied or accelerated as a consequence of the Offer. To the extent any TGM Shares are issued on any subsequent exercise or vesting of the above options and performance rights, such issues will dilute all existing holders of TGM Shares (including any holders of New TGM Shares received pursuant to the Offer).

TGM also has an undrawn A\$15 million 'at-the-market' facility with Acuity Capital with an expiry date of 31 July 2023.⁴⁰ TGM can draw down funds by way of share issue at up to a 10% discount to the then TGM share price. TGM has already placed 24 million TGM Shares with Acuity Capital as security for this arrangement (that have not yet been paid for). Any draw down of funds that required an issue of TGM shares in excess of 24 million shares would cause dilution to existing holders of TGM Shares (including any holders of New TGM Shares received pursuant to the Offer). There is no requirement for TGM to use this facility and TGM may terminate it at any time, without cost or penalty.

TGM anticipates that it can meet any obligations to repay financing (including Bearer Bond) interest and principal charges out of existing cash reserves, the undrawn Acuity Capital facility referred to above, the proceeds any of future debt or equity financings, and/or potential early cash flows from the development of TGM's TGME Underground Project.

⁴⁰ See TGM ASX announcement of 25 March 2021 "\$15 Million At-The-Market-Facility".

2.2 RECENT TRADING OF TGM SHARES

The latest recorded sale price of TGM Shares on ASX before the Announcement Date was A\$0.18 as at the close of trading on ASX on 8 December 2021.

The 30 day VWAP of TGM Shares on the ASX before the Announcement Date was A\$0.180709.

The 90 day VWAP of TGM Shares on the ASX before the Announcement Date was A\$0.178862.

The latest recorded sale price of TGM Shares on ASX before the Original Bidder's Statement was lodged with ASIC was A\$0.16 as at the close of trading on ASX on 17 December 2021.

The latest recorded sale price of TGM Shares on ASX before this Bidder's Statement was lodged with ASIC was A\$0.16 as at the close of trading on ASX on 4 January 2022.

The highest recorded sale price of TGM Shares on the ASX before the date on which this Bidder's Statement was lodged with ASIC and after the Announcement Date was A\$0.180.

2.3 DIVIDEND POLICY

TGM does not currently pay dividends.

The payment of a dividend by TGM is at the discretion of the TGM Board and will be a function of a number of factors, including the general business environment, the operating results, cash flows, the financial condition of TGM, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by TGM, and any other factors the Board may consider relevant. TGM's directors are therefore unable to give any assurance regarding the payments of dividends in the future.

2.4 RIGHTS AND LIABILITIES ATTACHING TO NEW TGM SHARES

(a) Introduction

The rights and liabilities attaching to the New TGM Shares which will be issued as consideration under the Offer are set out in the TGM Constitution and, in certain circumstances, are also regulated by the Corporations Act, ASX Listing Rules and general law.

A summary of the main rights and liabilities attaching to TGM Shares is set out below. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities attaching to the New TGM Shares. Such rights and liabilities involve complex questions of law arising from the interaction of the constitution and statutory and common law requirements. Focus Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

The rights and liabilities attaching to currently issued TGM Shares and the New TGM Shares will be the same.

(b) The TGM Constitution

Under section 140(1) of the Corporations Act, the constitution of TGM has effect as a contract between TGM and each member and between a member of TGM and each other member. Accordingly, if you accept the Offer and receive New TGM Shares as consideration, you will become contractually bound to comply with the TGM Constitution. However, since the New TGM Shares that will be provided as

consideration under the Offer will be issued as fully paid, ordinary shares, no monetary liability attaches to them.

(c) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or corporate representative to attend and vote at general meetings of TGM.

Notice of a general meeting must be given to shareholders in the manner provided in the TGM Constitution and the Corporations Act. Two shareholders, each being entitled to vote at the meeting, present in person or by proxy, attorney or corporate representative constitute a quorum for the meeting.

If a quorum is not present within 30 minutes after the time appointed for the meeting, any meeting convened by a director or at the request of shareholders is dissolved and any other meeting stands adjourned to the same day in the next week at the same time and place (or to such other day time and place as the TGM Board advises by notice to shareholders and others entitled to notice of the meeting). At an adjourned meeting, two shareholders present in person or by proxy, attorney or corporate representative constitute a quorum.

The TGM Board may convene a general meeting of TGM whenever it deems fit and must do so if required to do so under the Corporations Act.

(d) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders each shareholder entitled to vote may vote in person or by proxy, attorney or corporate representative.

Subject to the TGM Constitution, every shareholder is entitled, on a show of hands, to one vote and on a poll, to one vote for each fully paid share held by that shareholder (and a fraction of a vote for each partly paid share).

(e) **Dividends**

The TGM Board may pay any interim and final dividends that, in its judgement, the financial position of TGM justifies. Subject to any rights or restrictions attached to any shares or class of shares, all dividends must be paid equally on all shares, except that a partly paid share confers an entitlement only to the proportion of the dividend which the amount paid (not credited) on the share is of the total amounts paid and payable (excluding amounts credited). When resolving to pay a dividend, the TGM Board may direct payment of the dividend from any available sources permitted by law.

The TGM Board may establish share reinvestment and dividend selection plans on terms that it decides.

As noted above, TGM does not currently pay dividends.

(f) **Winding up**

If TGM is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders the whole or any part of the property of TGM and how the division is to be carried out as between the shareholders or different classes of shareholders.

(g) **Transfer of shares**

Generally, TGM Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a breach of the laws of Australia or a court order and the transfer not being in breach of the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules.

(h) **Alteration of capital**

The issue of shares, options to acquire shares and other securities with rights of conversion to shares to any person is under the control of the TGM Board.

(i) **Variation of rights**

Subject to the terms of issue of shares in a particular class, TGM may vary or cancel rights attached to shares in that class by a special resolution passed at a meeting of the shareholders holding shares in that class or with the written consent of shareholders who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

(j) **Remuneration of directors**

The remuneration of directors is determined by the TGM Board and must not include a commission on, or percentage of, operating revenue. The total amount of director's fees payable by TGM to non-executive directors must not exceed the maximum amount determined by shareholders at a general meeting.

(k) **Directors – appointment and removal**

The number of directors of TGM (not counting alternate directors) must not be less than three and not more than nine (or such lesser number as determined by the Board in accordance with the Corporations Act and the TGM Constitution).

A director must retire from office no later than the longer of the third annual general meeting or three years following their last appointment.

A retiring director is eligible for re-election. The TGM Board may appoint a person as a director to fill a casual vacancy who then must retire at the next annual general meeting following their appointment. The company may appoint a director by a resolution passed at a general meeting.

(l) **Amendments**

In accordance with the Corporations Act, the TGM Constitution can only be varied by a special resolution of shareholders.

2.5 SUBSTANTIAL HOLDERS OF TGM SHARES

As at 4 January 2022, the date of this Bidder's Statement, based on the substantial holder notices lodged with TGM and ASX, the substantial holders of TGM are:

Substantial Holder	Disclosed voting power
Fineway Creation Limited	15.36%
Zenith (HK) Holding Limited	10.68%
Tasman Funds Management Pty Ltd	6.23%*

Substantial Holder	Disclosed voting power
--------------------	------------------------

Golden Asia Investment Group Limited

6.03%

Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.

*Updated with information received from shareholder.

The above substantial holdings will be diluted by any New TGM Shares issued pursuant to the Offer (assuming the above holders are not also holders of Focus Shares who accept the Offer). The level of dilution will depend upon the total number of New TGM Shares issued under the Offer. If the maximum number of 361,812,258 New TGM Shares is issued under the Offer (assuming acceptance by all Focus Shareholders), the above substantial holders will be diluted to approximately 59.22% of their current percentage holding.

3 INFORMATION ON THE FOCUS GROUP

3.1 DISCLAIMER

The information on the Focus Group in this section 3 and elsewhere in this Bidder's Statement has been prepared by TGM using publicly available information and information provided by Focus management.

The information in this Bidder's Statement concerning Focus has not been independently verified. TGM and the Board do not, subject to applicable law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Focus is not considered comprehensive. For more details regarding Focus, you should refer to the Target's Statement, which Focus will send to Focus Shareholders as required by the Corporations Act.

3.2 OVERVIEW OF THE FOCUS GROUP

Focus is an Australian gold explorer based in Western Australia with tenure in Laverton and Coolgardie, two established regions in WA.

During the first half of 2013, Focus suspended mining across all its operations.

On 3 December 2021⁴¹, Focus announced to ASX that it had adopted a resumption plan to pursue the resumption of mining at the Coolgardie gold project. This targets recommencing operations during 2022 but acknowledges that this timeframe may change.

On 30 December 2021 and 31 December 2021, Focus announced to ASX that it had completed an issue of shares pursuant to the Focus Entitlement Offer resulting in an issue of 103,810,080 additional Focus Shares. Pursuant to the Focus Entitlement Offer, Shandong Gold has been issued 90,519,954 Focus Shares and now holds a total of 181,039,908 Focus Shares, representing 63.18% of Focus' expanded issued share capital.

3.3 PRINCIPAL ACTIVITIES OF THE FOCUS GROUP

The principal activity of Focus is gold exploration in Western Australia.

(a) Coolgardie Gold Project

Project Status: Exploration and development

The Coolgardie Gold Project covers 138km² of tenements on the outskirts of the Coolgardie township in the Goldfields region.

The assets include a 1.4Mtpa processing plant at Three Mile Hill and the Tindals Mining Centre.⁴² The Tindals Mining Centre comprises a large underground operation with a stated gold endowment of approximately 2,500 ounces per vertical metre.⁴³

⁴¹ Focus announcement of 3 December 2021 "Plan to Resume Gold Mining at Coolgardie".

⁴² 1.2Mtpa per Focus' Website – Coolgardie Gold Project (as at 9 December 2021); and 1.4Mtpa per Focus announcement of 3 December 2021 "Focus Minerals Announces \$45.69M Non-Renounceable Entitlement Offer", page 4.

⁴³ Per Focus' Website – Coolgardie Gold Project (as at 9 December 2021).

In 2013 Focus suspended production in Coolgardie in response to lower gold prices. It thereafter undertook exploration of the wider Coolgardie area within the Focus tenements while looking to expand near mill mineable reserves. The Tindals Mining Centre was placed on care and maintenance in preparation for the resumption of operations.

Focus completed a Pre-Feasibility Study into a potential resumption of gold mining operations at Coolgardie in 2020, and (as noted above) has developed a resumption plan targeted at recommencing operations at Coolgardie in 2022. The resumption plan contemplated a number of actions, including an additional loan facility from Shandong Gold. Simultaneously with the announcement of the resumption plan, Focus announced the Entitlement Offer. However, Focus also noted that it may require additional funding (over and above the Entitlement Offer) depending on the progress of the resumption plan.⁴⁴

In December 2021, Focus announced a maiden mineral resource of 45,600 ounces of Green Light Gold Deposit.⁴⁵

(b) **Laverton Gold Project**

Project Status: Exploration and development

The Laverton Gold Project covers 362km² of tenements, including the historic Lancefield and Chatterbox Trend mines, on the outskirts of the Laverton township in the Goldfields region. Focus' priority target is to confirm sufficient gold mineralisation at the Beasley Shear Zone, Lancefield-Wedge Thrust, Karridale and Burtville to support a Stage 1 production restart at Laverton.

As part of its acquisition of Crescent Gold in 2011, Focus acquired the 1.45Mtpa Barnicoat plant which sits central to the majority of the Laverton operations.⁴⁶ Barnicoat was refurbished in 2008 and has been kept on care and maintenance. Focus has undertaken a number of scoping studies to assess the opportunities for recommissioning and or expanding the mill.

3.4 DIRECTORS

As at the date of this Bidder's Statement, the directors of Focus are:

(a) **Mr Wanghong Yang**

Executive Chairman

Mr Yang was an executive director and interim CEO of Focus from July 2013 to December 2017. Following his retirement from Focus, Mr Yang was appointed Vice President Business Development Unit of Shandong Gold Co., Ltd.

(Reappointed to the board in October 2021.)

(b) **Mr Zhaoya Wang**

Executive Director

⁴⁴ Focus announcement of 3 December 2021 "Plan to resume gold mining at Coolgardie".

⁴⁵ Focus announcement of 6 December 2021 "Maiden 45,600oz Mineral Resource for Green Light", page 1.

⁴⁶ Focus' Website – Laverton Gold Project (as at 9 December 2021).

Mr Wang is a mining engineer who began his career at Shandong Gold in 1994. He has served various management positions in three of Shandong Gold's mine sites.

(Appointed to the board in November 2017.)

(c) **Mr Lingquan Kong**

Executive Director

Mr Kong joined Focus in September 2019 as the Company's Principal Mining Engineer. Mr Kong also held a directorship with Cardinal Resources from 1 February 2021 (Cardinal de-listed from the ASX on 8 February 2021).

(Appointed to the board in January 2021.)

(d) **Mr Gerry Fahey**

Independent Director

Mr Fahey is a geologist with over 40 years' experience. He was Chief Geologist for Delta Gold between 1992-2002 where he gained extensive resource, mine development and feasibility study experience on projects including Kanowna Belle, Sunrise and Wallaby in Australia and Ngezi Platinum in Zimbabwe.

(Appointed to the board in April 2011.)

(e) **Richard O'Shannassy**

Independent Non-Executive Director

Mr O'Shannassy has more than 35 years of experience as a commercial lawyer. He served on mining industry committees over a number of years is a member of Energy & Resources law Association. Mr O'Shannassy was general counsel and company secretary at Hardman Resource, a non-executive director of Avenira (formerly Minemakers) for 8 years.

(Appointed to the board in November 2021.)

3.5 STRUCTURE AND OWNERSHIP OF THE FOCUS GROUP

(a) **Structure**

The Focus Group is comprised of Focus and the following wholly owned subsidiaries:

- (i) Focus Operations Pty Ltd; and
- (ii) Focus Minerals (Laverton) Pty Ltd.

(b) **Ownership**

As at 4 January 2022, the date of this Bidder's Statement, based on substantial shareholder notices lodged with the ASX and registry data, the substantial shareholders of Focus were:

Name of Focus Substantial Shareholder	Disclosed voting power
Shandong Gold International Mining Corporation Limited	63.18%

Name of Focus Substantial Shareholder	Disclosed voting power
Neil S. Subin, Estate of Lloyd I. Miller and related entities	8.45% This will reduce to 5.39% to take account of dilution resulting from the Focus Entitlement Offer assuming no participation by this shareholder

Note: Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.

(c) **Details of TGM Relevant Interest**

As of the date of this Bidder's Statement, TGM has a relevant interest of 1.11% in Focus Shares.

3.6 OVERVIEW OF FOCUS' FINANCE ARRANGEMENTS

As at the date of this Bidder's Statement Focus has the following debt facilities in place, all of which have been provided by Shandong Gold.

Lender	Loan Amount	Maturity Date
Shandong Gold Group Co. Ltd.	\$20 million	October 2023
Shandong Gold Group Co. Ltd.	US\$10 million loan facility, however no amounts have been drawn down as at 3 December 2021	3 years from draw down

See section 5.3 of this Bidder's Statement for further information regarding TGM's intentions with respect to debt facilities.

3.7 HISTORICAL FINANCIAL INFORMATION

Focus' last published audited financial statements for a full financial year are for its financial year ended 31 December 2020. Focus has subsequently released an interim financial report for the half-year ended 30 June 2021. Those statements (as extracted from Focus' accounts), together with information from Focus' interim financial report for the half-year ended 30 June 2020, follow. These are extracts of the accounts only and do not include all information or notes required to be included. Focus Shareholders should refer to the full financial statements lodged with ASX for further information via www.asx.com.au.

Consolidated Income Statement

Consolidated Statement of Profit or Loss and Other Comprehensive Income - FML

	30-June-2021	31 Dec. 2020	30-June-2020
	\$A'000	\$A'000	\$A'000
Revenue from continuing operations	49	199	142
Other income	10	234	151
Employee expenses	(775)	(1,400)	(650)
Depreciation	(165)	(371)	(199)
Finance costs	(648)	(752)	(303)
Loss on disposal of tenements and plant and equipment	(38)	(2,916)	(2,434)
Care and maintenance costs	(701)	(934)	(760)
Corporate and other expenses	(932)	(1,918)	(1,325)
Loss before tax	(3,200)	(7,858)	(5,378)
Income tax expense	-	-	-
Loss for the year	(3,200)	(7,858)	(5,378)
Other comprehensive income, net of tax	-	-	-
Total Comprehensive Loss For the Year	(3,200)	(7,858)	(5,378)
Total Comprehensive Loss Attributable to:			
Owners of the Parent	(3,200)	(7,858)	(5,378)
Total Comprehensive Loss For the Year	(3,200)	(7,858)	(5,378)

Consolidated Balance Sheet

Consolidated Statement of Financial Position - FML

	30-June-2021	31 Dec. 2020	30-June-2020
	\$A'000	\$A'000	\$A'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10,817	7,795	196
Short-term Deposits	96	12,096	-
Trade and Other Receivables	196	252	229
Inventories	4	-	-
TOTAL CURRENT ASSETS	11,113	20,143	425
NON-CURRENT ASSETS			
Cash and cash equivalents-Restricted Cash	13,746	13,803	-
Inventories	851	1,291	45
Plant and Equipment	1,286	804	1,643
Right-of-use Assets	249	30	1,218
Exploration and Evaluation Assets	101,235	94,377	15,136
TOTAL NON-CURRENT ASSETS	117,367	110,305	18,042
TOTAL ASSETS	128,480	130,448	18,467
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,549	749	1,993
Provisions	228	250	1,101
Lease Liabilities	87	25	-
Other Current Liabilities	-	101	-
TOTAL CURRENT LIABILITIES	1,864	1,125	10,775
NON-CURRENT LIABILITIES			
Provisions	29,339	29,012	2,099
Borrowings	20,000	20,000	141
Lease Liabilities	166	-	-
TOTAL NON-CURRENT LIABILITIES	49,505	49,012	2,240
TOTAL LIABILITIES	51,369	50,137	13,015
NET ASSETS	77,111	80,311	5,452
EQUITY			
Issued capital	427,167	427,167	108,206
Reserves	(7,178)	(7,178)	7,147
(Accumulated losses)	(342,878)	(339,678)	(109,901)
TOTAL EQUITY	77,111	80,311	5,452

3.8 PUBLICLY AVAILABLE INFORMATION ABOUT THE FOCUS GROUP

Focus is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Focus is subject to the ASX Listing Rules which require continuous disclosure of any information Focus has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

In addition, Focus is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Focus may be obtained from or inspected at an ASIC office. A substantial amount of information about Focus, including its ASX filings are available in electronic form from its website <http://www.focusminerals.com.au/>.

The most recent audited financial statements of Focus for a full financial year are for the year ended 31 December 2020, which were lodged with the ASX on 31 March 2021. Since 31 March 2021, Focus has made a number of announcements to the ASX that may be relevant to its financial position (including its half-year interim financial report for the year ended 30 June 2021 which was lodged with the ASX on 13 September 2021). A copy of each of these announcements, including Focus' full-year financial report for the years ended 31 December 2020 and 31 December 2019 along with its interim financial reports for the half-years ended 30 June 2021 and 30 June 2020, may be obtained from the ASX.

In addition, the Corporations Act requires the Focus Directors to provide a Target's Statement to TGM Shareholders, setting out certain material information regarding Focus.

4 INFORMATION ON FOCUS' SECURITIES

4.1 FOCUS' ISSUED SECURITIES

According to documents provided by Focus to the ASX, Focus' issued securities consisted of 182,748,565 Focus Shares as at the Register Date. This does not include any Focus Shares issued after the Register Date (including under the Focus Entitlement Offer).

On 30 December 2021 and 31 December 2021, Focus announced that it had completed the Focus Entitlement Offer. All 103,810,080 Focus Shares allocated under the Focus Entitlement Offer were issued on 31 December 2021, increasing the number of Focus Shares on issue to 286,558,645. This Offer does not extend to Focus Shares issued under the Focus Entitlement Offer.

Focus Shares are quoted on the ASX.

4.2 DEALINGS IN FOCUS SHARES

(a) Previous four months

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, TGM or any associate of TGM has provided, or agreed to provide, consideration for Focus Shares under any purchase or agreement as follows:

- (i) TGM has purchased Focus Shares on-market between 12 November 2021 and 8 December 2021. A total of 1,842,436 Focus Shares have been acquired at an average price of \$0.2783501.
- (ii) The highest price paid for Focus Shares was \$0.31 on 22 November 2021.

Given that Focus did not withdraw the Focus Entitlement Offer, TGM also subscribed for 1,343,395 Focus Shares under the Focus Entitlement Offer (being TGM's full entitlement). This was on the basis that the Focus Entitlement Offer price of A\$0.25 was lower than the Offer Price and that participation by TGM would assist in minimising the control effect of Shandong Gold's participation in the Focus Entitlement Offer.

(b) Period before Offer

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, neither TGM nor any of its associates has provided, or agreed to provide, consideration for Focus Shares under any purchase or agreement.

(c) No escalation agreements

Neither TGM nor any associate of TGM has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

(d) Valuation date – Reliance on ASIC Instrument

TGM may rely on the provisions of ASIC Corporations (Minimum Bid Price) Instrument 2015/1068 (**ASIC Instrument**). The ASIC Instrument provides relief from section 621(3) of the Corporations Act and allows a bidder up to 5 business days before the date of the offer to value the quoted securities being offered as part of the bid consideration, for the purposes of determining whether the value of its bid consideration at least equals the maximum value of consideration paid by the bidder

for bid class securities in the four months prior to the date of the offer. Relying on that relief, TGM may value the New TGM Shares to be provided under the Offer at any date nominated by TGM (the **Valuation Date**) within the 5 business days before the date of the Offer. The valuation is determined by calculating the VWAP of the TGM Shares in the ordinary course of trading on ASX during two trading days before the Valuation Date.

Under section 621(4A) of the Corporations Act (as inserted by the ASIC Instrument) the following information is provided:

- (i) the value of TGM Shares under section 621(4A): **[\$insert];** and
- (ii) the trading days on which the valuation is based: **[insert]** and **[insert]**.

The value of the Offer per New TGM Share for the purposes of section 621 of the Corporations Act, using the valuation methodology under the ASIC Instrument, is therefore **[\$insert]**. This value equals or exceeds the maximum value of consideration paid by TGM for Focus Shares in the 4 months prior to the date of the Offer. As TGM Shares are listed on the ASX, the market price can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, as Focus Shareholders will receive a specified number of New TGM Shares, the implied value of the Offer may fluctuate depending on the market value of TGM Shares.

4.3 TRADING OF FOCUS SHARES

The latest recorded sale price of Focus Shares on ASX before the Announcement Date was A\$0.255 as at the close of trading on ASX on 8 December 2021.

The 30 day VWAP of Focus Shares on ASX before the Announcement Date was A\$0.280.⁴⁷

The 90 day VWAP of Focus Shares on ASX before the Announcement Date was A\$0.275.⁴⁸

The latest recorded sale price of Focus Shares on ASX before the Original Bidder's Statement was lodged with ASIC was A\$0.27 as at the close of trading on ASX on 17 December 2021.

The latest recorded sale price of Focus Shares on ASX before this Bidder's Statement was lodged with ASIC was A\$0.325 as at the close of trading on ASX on 4 January 2022.

The highest recorded sale price of Focus Shares on the ASX before the date on which this Bidder's Statement was lodged with ASIC and after the Announcement Date was A\$0.39.

4.4 DIVIDENDS

As far as TGM is aware, no dividends have been paid to Focus Shareholders.

4.5 NO PRE-OFFER BENEFITS

(a) Previous four months

Other than as set out in this Bidder's Statement, during the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither TGM nor any of its associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

⁴⁷ VWAP of A\$0.2799 for the 30 days up to and including 8 December 2021.

⁴⁸ VWAP of A\$0.2745 for the 90 days up to and including 8 December 2021.

- accept the Offer; or
- dispose of Focus Shares,

and which is not offered to all holders of Focus Shareholders under the Offer.

(b) **Period before Offer**

Other than as set out in this Bidder's Statement, during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, neither TGM nor any of its associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Focus Shares,

and which is not offered to all holders of Focus Shareholders under the Offer.

5 TGM'S INTENTIONS

5.1 INTRODUCTION

This section sets out TGM's intentions in relation to the following:

- the continuation of the business of Focus;
- any major changes to be made to the business of Focus, including any redeployment of the fixed assets of Focus; and
- the future employment of the present employees of Focus.

Those intentions have been formed on the basis of the facts and information regarding Focus, and the general business environment, which are known to TGM at the time of preparation of this Bidder's Statement. This information is limited to publicly available information. Final decisions on these matters have not been made and will only be reached in the light of all material facts and circumstances at the relevant time, including once TGM has had an opportunity to conduct a review of Focus' operations and assets as referred to below. Accordingly, the statements set out in this section are statements of current intentions only, which may vary as new information becomes available or circumstances change.

5.2 TGM CANNOT ACQUIRE 100% OF FOCUS UNDER THE OFFER

Given that:

- Focus has proceeded with the Focus Entitlement Offer (and TGM will waive the Focus Entitlement Offer Condition set out at paragraph (a) of Appendix 2);
- Focus has issued 103,810,080 new Focus Shares pursuant to the Focus Entitlement Offer; and
- this Offer only relates to Focus Shares that existed on the Register Date of 21 December 2021 (and therefore does not extend to new Focus Shares issued under the Focus Entitlement Offer),

TGM will not be able to acquire a relevant interest in 90% or more of the Focus Shares under this Offer. This means that TGM will not be able to proceed to compulsory acquisition of the outstanding Focus Shares pursuant to Part 6A.1 of the Corporations Act. Rather:

- if all Focus Shareholders to whom the Offer is made (including Shandong Gold in respect of those Focus Shares to which this Offer relates) were to accept the Offer, TGM could acquire an interest in Focus of approximately 64.24%; and
- if fewer Focus Shareholders to whom the Offer is made were to accept the Offer (including in circumstances where Shandong Gold does not accept the Offer), TGM will end up with a minority interest in Focus. See section 6.3 for further detail.

While TGM would very much welcome an acceptance of the Offer by Shandong Gold, it does not know Shandong Gold's current intentions. TGM emphasises that the Offer is **not** subject to a minimum acceptance condition.

5.3 INTENTIONS UPON GAINING CONTROL OF FOCUS

This section describes TGM's intentions if, by the end of the Offer Period, TGM holds a sufficient number of Focus Shares to exercise control over operations and management of Focus such that Focus becomes a controlled entity of TGM (noting, as described at section 5.2 above, that TGM will not be able to acquire a relevant interest in 90% of Focus Shares or to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act pursuant to the Offer). TGM will only be able to acquire control of Focus if Shandong Gold accepts the Offer (in respect of its Focus Shares to which the Offer relates) and a large proportion of minority Focus Shareholders also accept the Offer. While TGM would very much welcome an acceptance of the Offer by Shandong Gold, it does not know Shandong Gold's current intentions. TGM emphasises that the Offer is **not** subject to a minimum acceptance condition.

If TGM acquires control of Focus, then TGM would be able to solely determine the outcome of ordinary shareholder resolutions that it is permitted to vote on and would have effective control over (amongst other things) the appointment and removal of directors of Focus and, consequently, the financial and operating policies and strategic direction of Focus.

In these circumstances, TGM's current intentions are as follows:

(a) **ASX Listing**

Subject to continued compliance by Focus with the ASX listing rules (including Focus maintaining a sufficient spread of shareholders), TGM intends to maintain Focus' listing on the ASX (although Focus Shareholders should be aware that in this circumstance the liquidity of Focus Shares on the ASX may be materially diminished).

(b) **Directors**

Subject to the Corporations Act and Focus' constitution, TGM intends to change the make-up of the Focus Board by appointing nominees of TGM. TGM will consider the recommendations in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations when determining the composition of the Focus Board.

Replacement Focus Board members have not yet been finally identified by TGM and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement Focus Board members will be members of the TGM management team with operational and/or Western Australia Goldfields experience.

At this time, TGM has not determined whether any current Focus directors would be removed and anticipates that it would not make such a determination without prior discussion with the Focus Board.

(c) **General operational review**

Given that TGM has only had access to publicly available information in respect of Focus, it is not in a position to form firm intentions in respect of the business of Focus and any changes to be made to that business. After the end of the Offer Period, TGM intends to propose to the Focus Board that an immediate, thorough broad-based review of Focus' assets, business, personnel and operations be conducted on both a strategic and financial level. TGM will seek to formalise this process following completion of the Offer.

TGM intends, subject to the approval of the Focus Board, to participate in this review.

(d) **Intentions in relation to conduct of business**

Currently, but subject to completion of the review referred to above (and after reviewing Focus' geological (and other) data that is not publicly available), TGM intends to:

- (i) continue with (and expedite to the extent possible) the planned resumption of operations at Focus' Coolgardie project, including by utilising Focus' existing cash reserves (including proceeds of the Focus Entitlement Offer) and, subject to paragraph 5.3(d)(vi) below, undrawn loan facilities (to the extent still available to Focus) as efficiently as possible for this purpose;
- (ii) carry out an independent review of Focus' pre-feasibility study for Coolgardie and Laverton with a view to progressing a definitive feasibility study, which includes an assessment of the 3 Mile Mill located at Coolgardie;
- (iii) undertake a geological review of Focus' other projects in the Eastern Goldfields;
- (iv) seek further de-risking of resource, mine evaluation and mill optimisation to target potential increases in the gold production rate, and potential increases in mine life for, Coolgardie and Laverton;
- (v) honour all of Focus' existing debt and service contracts known and Disclosed by Focus at the date of this Bidder's Statement; and
- (vi) consider the appropriate level of funding required to progress each project in, and the terms on which such funding can be obtained for, the Controlled Group.

(e) **Intentions in relation to current Focus employees**

Following the review undertaken by TGM referred to above, certain positions of the current Focus employees may become redundant, and employees may be redeployed or terminated to the extent that roles are duplicated and it is economically efficient to do so. If any employee is made redundant, they will receive, as a minimum, payment and other benefits in accordance with their legal and contractual entitlements. However, TGM notes the current high demand for employees in the mining industry and as such is committed to retaining as many employees as possible.

(f) **Dividends**

Focus does not currently pay dividends. The discretion to pay dividends is at the discretion of the Focus Board. TGM has not formed an intention about the current dividend policy of Focus. However given the likely anticipated funding requirements of the Controlled Group (including as contemplated by the pre-feasibility study that has been released by Focus) TGM does not anticipate that Focus would be paying dividends in the foreseeable future.

(g) **Further acquisitions or compulsory acquisition at a later time**

Following completion of the Offer, TGM will not be in a position to obtain 100% control of Focus. Accordingly, there will remain other shares in Focus not held by TGM. This will include all Focus Shares issued pursuant to the Focus Entitlement Offer. TGM may continue acquiring Focus Shares as a result of, for example, acquisitions of Focus Shares in reliance on the "3% creep" exception in item 9 of

section 611 of the Corporations Act or through participation in future Focus capital raisings including in reliance on the “rights issue” exception in item 10 of section 611 of the Corporations Act. It is possible that, even though TGM will not be entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of compulsory acquisition under Part 6A.2 of the Corporations Act following acquisitions of further Focus Shares or, if applicable, under Part 6A.1 if any further offer is made. If so, it may exercise those rights.

(h) **Limitations on intentions**

The ability of TGM to implement the intentions set out in this section 5.3, will be subject to the legal obligation of the TGM Board to have regard to the interests of Focus and all Focus shareholders, and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. TGM will only make a decision on the above-mentioned courses of action following legal advice in relation to those requirements.

5.4 INTENTIONS IF TGM DOES NOT ACQUIRE EFFECTIVE CONTROL OF FOCUS

This section sets out TGM's intentions if it acquires a minority shareholding in Focus, but does not gain effective control of Focus. This will occur if a significant proportion of Focus Shareholders do not accept the Offer in respect of the Focus Shares to which this Offer relates. TGM repeats that the Offer is **not** subject to a minimum acceptance condition.

In the circumstance contemplated by this section 5.4:

- TGM does not expect to be in a position to implement the intentions set out in section 5.3 of the Bidder's Statement, but would seek to exercise any influence it has; and
- TGM would have regard to the circumstances at the time and consider the appropriate courses of action that are in the best interests of TGM Shareholders. Such courses of action might include, but not be limited to, acquiring further Focus Shares as permitted by law, seeking representation on the Focus Board and exercising its voting rights as it deems fit. This would be done with a view to seeking to use its holding in Focus (and its substantial management expertise) to encourage the prompt development of the Focus assets.

5.5 OTHER INTENTIONS

Other than as set out in this section 5, it is the present intention of TGM:

- to continue the businesses of Focus as at the date of the Bidder's Statement;
- not to redeploy any of the fixed assets necessarily required to perform the business of Focus; and
- subject to the completion of its review referred to above, to maintain employment of Focus' existing operational employees.

6 EFFECT OF OFFER ON TGM AND PROFILE OF TGM FOLLOWING THE OFFER

6.1 INTRODUCTION

The profile of TGM (and, if TGM is able to acquire control of Focus pursuant to the Offer, the Controlled Group) will vary depending on the outcome of the Offer. A description of the Controlled Group in this section 6 assumes that Focus is controlled by (but not a wholly-owned subsidiary of) TGM.⁴⁹ If this is not the case, some of the benefits that would otherwise accrue to TGM if Focus were to become a controlled entity may not be realised.

Except as set out below, TGM does not anticipate that the Offer will have any significant effect on TGM or its board and management.

6.2 PROFILE OF TGM FOLLOWING THE OFFER

Following the completion of the Offer:

- (a) if TGM is able to acquire control of Focus pursuant to the Offer, the Controlled Group will have an expanded portfolio of diversified growth opportunities, across various stages of exploration and development under management on the basis of a combination of the assets held by both Focus and TGM; or
- (b) if TGM does not acquire control of Focus pursuant to the Offer, TGM will hold a minority interest in Focus.

6.3 EFFECT ON CAPITAL STRUCTURE

The actual number of TGM Shares on issue at completion of the Offer will depend upon the number of acceptances of the Offer. There are many potential scenarios, depending on the above factors, which will result in different effects on the capital structure of TGM.

If the Offer is accepted by all holders of Focus Shares to which this Offer relates (other than Focus Shares already held by or on behalf of TGM), TGM would have approximately 887.24 million fully paid ordinary shares on issue of which approximately 361.81 million (or 40.78%) would represent shares issued pursuant to the Offer. In this scenario (that all holders of Focus Shares to which the Offer relates accept):

- (a) Shandong Gold would obtain a substantial interest in TGM of up to approximately 20.4%; and
- (b) TGM would hold an interest in 64.24% of Focus Shares with Shandong Gold continuing to hold an interest in 31.59% of Focus Shares (and minority Focus Shareholders holding the remaining balance of 4.17% of Focus Shares).

If the Offer is accepted by all holders of Focus Shares to which this Offer relates other than Shandong Gold (and other than Focus Shares already held by or on behalf of TGM), TGM would have approximately 706.20 million fully paid ordinary shares on issue of which approximately 180.77 million (or 25.60%) would represent shares issued pursuant to the Offer. In this scenario (that all holders of Focus Shares to which the Offer relates other than Shandong Gold accept) TGM would hold an interest in 32.65% of Focus Shares with

⁴⁹ This will only be possible if Shandong Gold accepts the Offer in respect of those Focus Shares held by it to which the Offer relates and a large proportion of minority Focus Shareholders also accept the Offer. While TGM would very much welcome an acceptance of the Offer by Shandong Gold, it does not know Shandong Gold's current intentions. TGM emphasises that the Offer is **not** subject to a minimum acceptance condition.

Shandong Gold continuing to hold an interest in 63.18% of Focus Shares (and minority Focus Shareholders holding the remaining balance of 4.17% of Focus Shares).

If the Offer is not accepted by Shandong Gold but is accepted by minority Focus Shareholders representing 50% of the holdings of minority Focus Shareholders to which this Offer relates other than Focus Shares already held by or on behalf of TGM (that is, 45,193,088 Focus Shares), TGM would have approximately 615.82 million fully paid ordinary shares on issue of which approximately 90.39 million (or 14.68%) would represent shares issued pursuant to the Offer. In this scenario (that minority Focus Shareholders representing 50% of the holdings of minority Focus Shareholders to which this Offer relates accept) TGM would hold an interest in 16.88% of Focus Shares with Shandong Gold continuing to hold an interest in 63.18% of Focus Shares (and minority Focus Shareholders holding the remaining balance of 19.94% of Focus Shares).

The above scenarios are not the only scenarios which may apply.

In all potential scenarios, the number of TGM securities other than its fully paid ordinary shares on issue (such as TGM's options, performance rights and bonds on issue as set out in section 2.1) will not change as a result of the Offer. To the extent any TGM Shares are issued on exercise or vesting of these options and performance rights, such issues will dilute all existing holders of TGM Shares (including any holders of New TGM Shares received pursuant to the Offer).

6.4 PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

(a) Basis of presentation of pro forma financial information

This section 6.4 provides an overview of the effects of the transaction on TGM in two scenarios. These assume:

- (i) (**Controlled Group**) TGM has an interest in 50.1% of Focus Shares on completion of the Offer; and
- (ii) (**minority interest**) TGM has an interest in 25% of Focus Shares on completion of the Offer.

In scenario (i), the pro forma consolidated financial information has been prepared on the basis that the pro forma balance sheet of the Controlled Group represents the pro forma consolidation of the balance sheets of TGM and Focus using the assumptions outlined in part (c) below. For the TGM Group, this represents the audited consolidated balance sheet as at 30 June 2021. For Focus, this represents the unaudited (but audit reviewed) interim consolidated balance sheet as at 30 June 2021.

In scenario (ii), the pro-forma financial information has been prepared on the basis of the balance sheet of TGM (representing a substantial but minority investment in Focus) and using the assumptions outlined in part (e) below. This is based on the audited consolidated balance sheet for the TGM Group as at 30 June 2021.

This section 6.4 should be read in conjunction with the underlying financial information from which it is derived, the risk factors set out in section 8, the accounting policies of TGM and Focus as contained in their financial statements and the notes to those financial statements, and other information contained within this Bidder's Statement.

Other than the pro forma balance sheets, the pro forma financial information presented in this section includes only information that has otherwise been publicly disclosed by TGM and the financial reports of Focus. The pro forma financial

information should be considered as indicative only and does not include the impact of any potential cost synergies available to the Controlled Group relating to the sharing of resources including personnel and corporate functions.

(b) **Scenario (i) - Controlled Group pro forma consolidated financial statements**

BALANCE SHEET

Unaudited Pro-Forma Consolidated Statement of Financial Position - (assuming 50.1% of FML Shares are acquired in a Controlled Group)

	TGM	FML	TGM	FML	Scenario (i)	Pro forma Balance Sheet Post Completion - 50.1% Controlled Group
	30/06/2021 Balance Sheet	30/06/2021 Balance Sheet	30/09/2021 Appendix 5B	30/09/2021 Appendix 5B	50.1% Controlled Group	
	(audited)	(reviewed)	Pro forma Adjustments (un-audited)	Pro forma Adjustments (un-audited)	Pro forma Eliminations / Adjustments (un-audited)	(un-audited)
	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	266	10,817	7,183	(5,821)	24,634	37,079
Short-term Deposits	-	96	-	-	-	96
Trade and Other Receivables	239	196	-	-	-	435
Inventories	-	4	-	-	-	4
TOTAL CURRENT ASSETS	505	11,113	7,183	(5,821)	24,634	37,614
NON-CURRENT ASSETS						
Cash and cash equivalents-Restricted Cash	-	13,746	-	-	-	13,746
Receivables	57	-	-	-	-	57
Other receivables	2,079	-	-	-	-	2,079
Inventories	-	851	-	-	-	851
Plant and Equipment	1,462	1,286	(7)	121	-	2,862
Right-of-use Assets	-	249	-	-	-	249
Exploration and Evaluation Assets	20,964	101,235	1,439	4,773	1,205	129,616
Financial Assets	698	-	-	-	-	698
TOTAL NON-CURRENT ASSETS	25,260	117,367	1,432	4,894	1,205	150,158
TOTAL ASSETS	25,765	128,480	8,615	(927)	25,839	187,772
LIABILITIES						
CURRENT LIABILITIES						
Trade and other payables	1,266	1,549	-	-	-	2,815
Provisions	1,115	228	-	-	-	1,343
Lease Liabilities	-	87	-	-	-	87
Borrowings	9,649	-	6,318	-	-	15,967
TOTAL CURRENT LIABILITIES	12,030	1,864	6,318	-	-	20,212
NON-CURRENT LIABILITIES						
Provisions	2,067	29,339	-	-	-	31,406
Borrowings	112	20,000	-	(21)	-	20,091
Lease Liabilities	-	166	-	-	-	166
TOTAL NON-CURRENT LIABILITIES	2,179	49,505	-	(21)	-	51,663
TOTAL LIABILITIES	14,209	51,369	6,318	(21)	-	71,875
NET ASSETS	11,556	77,111	2,297	(906)	25,839	115,897
EQUITY						
Issued capital	116,894	427,167	3,933	-	(376,600)	171,394
Non-controlling interest	-	-	-	-	51,477	51,477
Reserves	10,366	(7,178)	-	-	7,178	10,366
(Accumulated losses)	(115,704)	(342,878)	(1,636)	(906)	343,784	(117,340)
TOTAL EQUITY	11,556	77,111	2,297	(906)	25,839	115,897

(c) **Scenario (i) - Pro forma adjustments and assumptions**

The pro forma balance sheet has been prepared on the basis of the following assumptions which contemplate the acquisition by TGM of a 50.1% controlling interest in Focus:

1. TGM would be required to issue 280,760,100 New TGM Shares to existing Focus Shareholders to acquire a 50.1% controlling interest in Focus (taking into account that it already held 3,185,831 Focus Shares at a cost value of \$848,691) at an implied price of \$0.36 per Focus Share in a scrip transaction with each TGM Share valued at \$0.18 (being the closing price on 8 December 2021, the last trading day before the Announcement Date). The total purchase price to acquire 50.1% of Focus Shares on issue at the date of this Bidder's Statement is therefore approximately \$50.54m using TGM's closing price on 8 December 2021 (the last trading day before the Announcement Date) of \$0.18.⁵⁰
2. Scenario (i) assumes 50.1% of Focus Shares are acquired and that TGM has formally waived the Focus Entitlement Offer Condition and will not rely on any other Condition (including the prescribed occurrence conditions at paragraph (b)(iv) or paragraph (c)(iv) of Appendix 2) to the extent that those Conditions would be triggered by the completion of (or the issue of Focus Shares under) the Focus Entitlement Offer.
3. In this scenario, the non-controlling interest holders' share of 49.9% of Focus of \$51.48m has been calculated on the same basis as in paragraph 1 above and is reflected in the pro forma balance sheet adjustments for scenario (i). The non-controlling interest holding has been calculated using TGM's closing price on 8 December 2021 of \$0.18.
4. Estimated costs of the Offer are \$500,000 which include legal fees, audit fees, financial advisory costs, consultants' fees, corporate compliance fees and regulatory and printing costs have been capitalised to exploration and evaluation assets in adjustments/eliminations.
5. A capital raising completed by TGM, raising \$10.37m (net of transaction costs) occurred in the period subsequent to 30 June 2021 and resulted in 21,266,870 TGM Shares being issued at \$0.21 per share and debt funding of A\$6m (by way of Bonds) being raised and is reflected in the 30 September 2021 Appendix 5B for TGM.
6. During the December 2021 quarter and included in adjustments/eliminations, TGM purchased 1,842,436 Focus Shares on market at a cost of \$512,842 and applied for and was allotted 1,343,395 Focus Shares under the Focus Entitlement Offer at a cost of \$335,849. TGM also received \$30,000 in proceeds net of fees, as part of remaining balance of its Share Purchase Plan resulting in TGM Shares issued at \$0.21.
7. Appendix 5B Cashflow entries as at 30 September 2021 for TGM and Focus are adjusted in the merged statement of financial position to include unaudited net cash inflows/(outflows) of \$7,183 and (\$5,821) for TGM and Focus respectively. TGM has converted its cashflow entries using the closing USD/AUD spot rate provided by the RBA of 0.7206 as at 30 September 2021.

⁵⁰ The Offer consideration is subject to change as the price of TGM Shares changes between the Announcement Date and the expiration of the Offer Period.

8. Fair value adjustment attributed to exploration and evaluation assuming TGM acquires 50.1% controlling interest of Focus under the Offer, based on the issue of 2 TGM Shares for each 1 Focus Share on issue as at the Register Date (being 280,760,100 New TGM Shares valued at \$50.54m taking into account that TGM already holds 3,185,831 Focus Shares).
9. Focus has noted in its offer booklet for the Focus Entitlement Offer (released to ASX on 3 December 2021) that the Shandong Loan Facility for US\$10m (A\$14m) may be drawn down and used to fund exploration and development. This is in addition to the \$20m Shandong Loan included in Focus' Balance Sheet as at 30 June 2021.
10. Tax effect accounting has not been adjusted in the pro-forma balance sheet.
11. TGM presentational reporting currency is in USD which has been converted to AUD in financial statements presented in this Bidder's Statement.
12. The pro-forma balance sheet is indicative only and will vary in aggregate as well as asset and liability classes following the comprehensive fair value assessment of Focus' assets and liabilities upon completion of the Offer including fair purchase price allocations and related tax effect accounting. Furthermore, the actual number of New TGM Shares on issue at completion of the Offer and the price paid to acquire shares in Focus will depend upon the number of acceptances of the Offer.

(d) **Scenario (ii) - Minority Interest pro forma consolidated financial statements**

BALANCE SHEET

Unaudited Pro-Forma Consolidated Statement of Financial Position - (assuming 25% of FML Shares are acquired as a minority interest)

	TGM 30/06/2021 Balance Sheet	TGM 30/09/2021 Appendix 5B	TGM Scenario (ii)	TGM Pro forma Balance Sheet Post Completion - 25% Minority Interest
	(audited) \$A'000	(un-audited) \$A'000	25% Minority Interest in FML / Adjustments (un-audited) \$A'000	(un-audited) \$A'000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	266	7,183	(1,319)	6,130
Trade and Other Receivables	239	-	-	239
TOTAL CURRENT ASSETS	505	7,183	(1,319)	6,369
NON-CURRENT ASSETS				
Receivables	57	-	-	57
Other receivables	2,079	-	-	2,079
Plant and Equipment	1,462	(7)	-	1,455
Exploration and Evaluation Assets	20,964	1,439	500	22,903
Investment in Focus Minerals Limited	-	-	25,492	25,492
Financial Assets	698	-	-	698
TOTAL NON-CURRENT ASSETS	25,260	1,432	25,992	52,684
TOTAL ASSETS	25,765	8,615	24,673	59,053
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	1,266	-	-	1,266
Provisions	1,115	-	-	1,115
Borrowings	9,649	6,318	-	15,967
TOTAL CURRENT LIABILITIES	12,030	6,318	-	18,348
NON-CURRENT LIABILITIES				
Provisions	2,067	-	-	2,067
Borrowings	112	-	-	112
TOTAL NON-CURRENT LIABILITIES	2,179	-	-	2,179
TOTAL LIABILITIES	14,209	6,318	-	20,527
NET ASSETS	11,556	2,297	24,673	38,526
EQUITY				
Issued capital	116,894	3,933	24,673	145,500
Reserves	10,366	-	-	10,366
(Accumulated losses)	(115,704)	(1,636)	-	(117,340)
TOTAL EQUITY	11,556	2,297	24,673	38,526

(e) **Scenario (ii) - Pro forma adjustments and assumptions**

The pro forma balance sheet has been prepared on the basis of the following assumptions which contemplate the acquisition of a minority interest of 25% in Focus by TGM:

1. The purchase price to obtain 25% of Focus of approximately \$24.6m, is included in adjustments for scenario (ii) and has been calculated using TGM's closing price on 8 December 2021 (the last trading day before the Announcement Date) of \$0.18.⁵¹ The purchase price will be satisfied by the issue of 136,907,661⁵² New TGM Shares at a ratio of 2 TGM Shares for every 1 Focus Share (in

⁵¹ The Offer consideration is subject to change as the price of TGM Shares changes between the Announcement Date and the expiration of the Offer Period.

⁵² The number of New TGM Shares has been calculated by taking the total number of Focus Shares on issue of 286,558,645 multiplied by 25% less the 3,185,831 Focus Shares already owned by TGM, multiplied by the implied offer price of \$0.36 per share and then divided by the price of TGM Shares on the date the offer was made, \$0.18 per share (286,558,645 x 25% - 3,185,831 x \$0.36 / \$0.18) = 136,907,661 New TGM Shares.

calculating the purchase price, 3,185,831 Focus Shares already held by TGM have also been taken into account at a cost of approximately \$848,691).

2. Assumes 25% of Focus Shares are acquired and that TGM has formally waived the Focus Entitlement Offer Condition and will not rely on any other Condition (including the prescribed occurrence conditions at paragraph (b)(iv) or paragraph (c)(iv) of Appendix 2) to the extent that those Conditions would be triggered by the completion of (or the issue of Focus Shares under) the Focus Entitlement Offer.
3. The 25% minority interest in Focus will be treated as an investment in an associate and equity accounted as shown in the pro-forma balance sheet adjustments for scenario (ii). All other assumptions are the same as those shown above at items 4 to 12 in scenario (i).

(f) **Focus financial information**

In preparing pro forma financial information, financial information regarding Focus was required. For the purposes of this Bidder's Statement, that information has been prepared based on publicly available financial information released by Focus and included in the financial reports for the year ended 31 December 2020, and interim financial statements for the 6 months to 30 June 2021.

TGM does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information. Focus may release updated financial information in any target's statement which is sent to Focus Shareholders.

7 AUSTRALIAN TAXATION CONSIDERATIONS

7.1 INTRODUCTION

The following is an outline of the principal Australian income tax consequences applicable to a Focus Shareholder who disposes of their Focus Shares under the Offer. This outline reflects the current provisions of the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) and the regulations made under those Acts, taking into account TGM's understanding of the current administrative practices of the Australian Taxation Office. The outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

The following outline is not exhaustive of all possible Australian income tax considerations that could apply to Focus Shareholders. In particular, the summary is only relevant to those Focus Shareholders who hold their shares on capital account and it does not address all tax considerations applicable to Focus Shareholders that may be subject to special tax rules, such as banks, insurance companies, tax exempt organisations, superannuation funds, dealers in securities, Focus Shareholders who do not hold the Focus Shares on capital account or Focus Shareholders who hold the Focus Shares on behalf of another person. For Focus Shareholders who are non-residents of Australia for tax purposes, it is assumed that the Focus Shares are not held and have never been held, as an asset of a permanent establishment of that Focus Shareholder in Australia. This outline does not constitute tax advice, is not intended to and should not be used or relied upon by anyone, and we accept no duty of care to any other person or entity. Each Focus Shareholder should consult their own tax adviser regarding the consequences of acquiring, holding or disposing of their Focus Shares.

7.2 TAXATION ON THE DISPOSAL OF FOCUS SHARES

If you accept the Offer, you will be treated as having disposed of your Focus Shares for Australian income tax purposes. The disposal of a Focus Share will constitute a capital gains tax (CGT) event A1.

7.3 AUSTRALIAN RESIDENT FOCUS SHAREHOLDERS

You will realise a capital gain in connection with the disposal of a Focus Share to the extent that the amount you receive (or will receive) for the disposal of that Focus Share as determined in accordance with the tax law is more than the CGT cost base of that Focus Share. You will realise a capital loss to the extent that the amount you receive (or will receive) is less than the CGT reduced cost base of the Focus Share. Capital losses can usually only be offset against capital gains you realise in the same income year or in later income years.

Generally, the cost base of a Focus Share should be the total amount you paid for the Focus Share, your acquisition costs and other costs relating to the holding and disposal of the Focus Share, to the extent to which you have not claimed an income tax deduction for such costs. The reduced cost base of a Focus Share is usually determined in a similar, but not identical, manner.

There are a number of circumstances which may result in your cost base or reduced cost base being calculated in a different manner to that outlined above. We recommend that you consult your tax adviser to confirm the cost base or reduced cost base of your Focus Shares.

Any net capital gain should be included in your assessable income for that income year. Broadly, your net capital gain in respect of an income year will be calculated by aggregating all of your capital gains realised in that income year and reducing that amount by your capital losses realised in that income year and any available net capital losses from prior years.

Focus Shareholders who are individuals, trusts or complying superannuation funds may be eligible for discount capital gains treatment in respect of a Focus Share if they have held that Focus Share for at least 12 months. Companies are not eligible for discount capital gains treatment.

If you realise a capital gain in connection with the disposal of your Focus Shares pursuant to the Offer, tax may be payable by you in respect of that disposal even though you receive TGM Shares (and not cash) under the Offer.

The above comments will not apply to you if you do not hold your Focus Shares on capital account. We recommend that those Focus Shareholders seek their own independent professional tax advice.

7.4 CGT ROLL-OVER RELIEF NOT AVAILABLE

CGT roll-over relief is only available where (amongst other things) a bidder acquires 80% or more of the original voting shares in the target company pursuant to the offer. Following the completion of the Focus Entitlement Offer, and as the Offer only relates to Focus Shares that existed on 21 December 2021 (so does not extend to any Focus Shares issued pursuant to the Focus Entitlement Offer) TGM will not be able to acquire 80% or more of the Focus Shares under the Offer. Accordingly, CGT roll-over relief will **not** be available to accepting Focus Shareholders.

As CGT Roll-Over Relief will no longer be applicable, Focus Shareholders who accept the TGM Offer will crystallise a CGT event in relation to the Offer where the value of the New TGM Shares accepted as a result of the Offer exceeds the cost base of the Focus Shares disposed of. Focus Shareholders will therefore be required to include in their taxable income any relevant capital gain in their income tax returns for the year of disposal. Focus Shareholders will be required to calculate their capital gain or capital loss on the basis that their capital proceeds will be the market value of the New TGM Shares received under the Offer at the time of disposal of the Focus Shares. The Focus Shareholder will be required to fund the taxation payable on the gain so included in their assessable income, if any, without any cash being realised as a result of the sale of their Focus Shares, unless the New TGM Shares received as consideration are subsequently sold.

Focus Shareholders will have a cost base for their New TGM Shares equivalent to the market value of the New TGM Shares received under the Offer at the time of disposal of the Focus Shares. The date of acquisition of the New TGM Shares received is the date when you enter into the contract to acquire the New TGM Shares for an unconditional offer or the latter of the date that the conditions of the Offer are satisfied or accepted for a conditional offer. Any capital gain or loss on the subsequent sale of the New TGM Shares will be determined based upon the difference of the consideration received from the sale of the New TGM Shares compared against the cost base of the New TGM Shares acquired under the Offer. New TGM Shares will need to be held for a minimum period of 12 months from the date of acquiring the New TGM Shares for CGT discount to apply, where applicable.

7.5 NON-RESIDENT FOCUS SHAREHOLDERS

If you are not a resident of Australia and accept this Offer, you may not be entitled to receive TGM Shares in exchange for your Focus Shares and may instead have the TGM Shares that you would otherwise be entitled to sold by a nominee in accordance with the procedure described in section 9.3.

If you are not a resident of Australia for income tax purposes, you will generally not have to pay Australian tax on any capital gain when you dispose of your Focus Shares, unless Focus Shares are deemed to be "taxable Australian property" where you, on ceasing to be an

Australian resident, make an election under s104-165 or both of the following requirements are satisfied:

- you hold a “non-portfolio interest” in Focus; and
- the Focus Shares pass the principle asset test.

If either element is absent, any capital gain made on the disposal of your Focus Shares should not be subject to income tax in Australia.

You will hold a “non-portfolio interest” in Focus if you (together with your associates) own at the time of disposal, or have owned, throughout a 12-month period during the two years preceding the sale of your Focus Shares, 10% or more of (broadly) all of the shares in Focus.

Broadly, the Focus Shares would pass the principle asset test to be an indirect Australian real property interest if the market value of Focus’ assets that are taxable Australian real property (i.e real property situated in Australia, a lease of Australian land and mining, quarrying or prospecting rights where the materials are situated in Australia) is more than the market value of its other assets (including direct and indirect interests in overseas assets) at the time you accept the Offer. Detailed calculations are necessary to determine whether shares are “taxable Australian property”.

If you hold a “non-portfolio interest” in Focus, you should contact Focus to determine if the Focus Shares would be considered “taxable Australian property”.

If you are an individual and choose to disregard making a capital gain or a capital loss when ceasing to be an Australian resident, Focus Shares are taken to be taxable Australian property until the earlier of:

- a CGT event happening in relation to the asset (i.e. when you accept the offer), if the CGT event involves you ceasing to own the asset;
- you again become an Australian resident.

Taxation of any gain on the sale of the Focus Shares may also be subject to any Double Taxation Agreements entered into between Australia and your country of residence.

Pursuant to the foreign resident CGT withholding tax rules, unless an exemption applies, TGM is required to withhold 12.5% of the capital proceeds paid for the acquisition of Focus Shares from foreign shareholders and pay such amount withheld to the ATO. The Focus Shareholder would then only receive the net proceeds after deduction of this withheld amount and payment of the net proceeds will be taken to be full payment for the purposes of this Offer. In order to avoid any withholding, foreign residents that consider their Focus Shares to not be indirect Australian real property interests (and therefore not subject to CGT) should complete a Foreign resident capital gains withholding – vendor declaration form and provide this to TGM prior to the applicable payment date.

This should apply to the proceeds distributed to non-Australian resident Focus Shareholders in accordance with the process referred to in section 9.3. Non-Australian resident Focus Shareholders should seek their own advice in relation to the vendor declaration and the application of an exemption from CGT withholding in respect of the transaction.

The above comments will not apply to you if you do not hold your Focus Shares on capital account. We recommend that those Focus Shareholders seek their own independent professional tax advice.

You should seek advice from your tax adviser as to the taxation implications of accepting the Offer in your country of residence.

7.6 STAMP DUTY

Any stamp duty payable on the transfer of Focus Shares to TGM pursuant to the Offer will be paid by TGM (noting that the transfer of Focus Shares is not expected to give rise to any stamp duty liability). In addition, there should be no stamp duty payable by Focus Shareholders upon the issue to them of the New TGM Shares.

7.7 GST

The provision, acquisition or disposal of shares for non-monetary consideration will not be subject to GST. Accordingly, no GST should be payable on:

- the disposal of the Focus Shares to TGM;
- the issue of New TGM Shares; or
- the future disposal of New TGM Shares.

The ability to claim input tax credits on related acquisitions (if any) may be restricted. This is a complex area of the GST law and GST registered entities should seek their own professional tax advice in this regard.

8 RISKS

8.1 INTRODUCTION

The future performance of TGM and the future investment performance of the Shares may be influenced by a range of factors, many of which are outside the control of TGM. TGM is subject to risks that are both of a general nature and risks which are specific to its business activities.

This section describes what TGM considers to be some of the key risks associated with TGM's business, the industry in which it operates, and the risks associated with an investment in TGM. If the Offer becomes unconditional, Focus Shareholders who accept the Offer will become TGM Shareholders. In that event, Focus Shareholders will continue to be indirectly exposed to risks associated with having an interest in Focus' assets as well as general economic, share market and industry risks. There are also additional risks relating to TGM and, where relevant, the Controlled Group to which Focus Shareholders will be exposed through their holding of TGM Shares.

The risks listed in this section should not be considered to be an exhaustive list of every possible risk associated with accepting the Offer, the industry in which TGM operates, or the risks associated with an investment in TGM now or in the future. The types of risks to which TGM is exposed can change over time and vary with changes in economic, technological, environmental and regulatory conditions. The occurrence or consequences of some of these risks are partially or completely outside of the control of TGM, the Directors and TGM's senior management team.

The selection of risks is based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. They are not listed in order of likelihood of occurrence or impact. The assessment is based on the knowledge of the Directors and management as at the date of this Bidder's Statement, but there is no guarantee or assurance that the importance of these or other risks will not change or that no other new risks will emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the operations, performance and position of TGM. There can be no guarantee that TGM will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate.

Before accepting the Offer, you should read the entire Bidder's Statement carefully and satisfy yourself that you have a sufficient understanding of the risks described in this section 8, together with the other information set out in this Bidder's Statement. You should also consider whether accepting the Offer is suitable for you in light of your investment objectives, financial situation, taxation position and particular needs. If you do not understand any part of this Bidder's Statement or have any questions about whether to accept the Offer, you should consult your accountant, financial adviser, stockbroker, solicitor or other independent and qualified professional adviser before deciding whether to accept the Offer.

This section deals with:

- risks related to the Offer and TGM (or the Controlled Group in circumstances where TGM acquires control of Focus);
- industry risks; and
- general risks.

8.2 RISKS RELATING TO THE OFFER AND TGM (OR THE CONTROLLED GROUP)

(a) **Limited withdrawal rights**

Once you have accepted the Offer for your Focus Shares, you have the right to withdraw your acceptance of the Offer only in limited circumstances. This means that a decision to accept the Offer may be irrevocable. Under Australian law, if after you have accepted the Offer and while it remains subject to conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month the time when TGM must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even if the market value of TGM Shares varies significantly from their value on the date of your acceptance of the Offer.

(b) **Issue of New TGM Shares as consideration**

Focus Shareholders are being offered consideration under the Offer in the form of a specified number of New TGM Shares (rather than a number of shares with a specified market value). As a result, the value of the consideration will fluctuate depending upon the market value of TGM Shares.

Furthermore, under the Offer, TGM will issue a significant number of New TGM Shares. Some Focus Shareholders may not intend to continue to hold their New TGM Shares and may wish to sell them on ASX. There is a risk that if a significant number of Focus Shareholders seek to sell their New TGM Shares, this may adversely impact the price of TGM Shares. Any New TGM Shares received by accepting Focus Shareholders under the Offer will have a cost base for capital gains tax purposes equivalent to the implied Offer Price. Any disposal of those New TGM Shares could have tax consequences for the selling shareholder. Focus Shareholders are recommended to seek independent professional advice in respect of their own particular circumstances.

(c) **Shandong Gold's acceptance of the Offer**

TGM understands that Shandong Gold is a 'foreign government investor' for the purposes of the *Foreign Acquisitions and Takeovers Act 1975* (Cth). Accordingly, the Commonwealth Treasurer has a broad range of powers to make orders regarding Shandong Gold's shareholding (including its receipt of New TGM Shares under the Offer) if the Treasurer considers that this is contrary to Australia's national interest or Australia's national security interests. These could, potentially, include prohibiting Shandong Gold from accepting New TGM Shares. If Shandong Gold accepts the Offer, this could result in TGM being deemed a 'foreign government investor' and this may affect TGM's ability to undertake future transactions without the Commonwealth Treasurer's approval.

(d) **Accounting for the Offer**

If TGM acquires control of Focus (which can only occur if Shandong Gold accepts the Offer in respect of its Focus Shares to which the Offer relates and a large proportion of minority Focus Shareholders also accept the Offer), then depending on the level of control it acquires, TGM may be required to perform a fair value assessment of all Focus' assets and liabilities if the Offer is successful. This assessment may result in increased non-cash depreciation and amortisation

charges. There is a risk that these charges may be substantially greater than those that would exist in TGM and Focus as separate businesses.

(e) **Integration risks**

If required, integrating two companies such as TGM and Focus may produce some risks, including integrating management, information systems and work practices. Any integration may take longer than expected and the anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

(f) **Synergy risks**

Whilst the directors of TGM anticipate that synergy benefits relating to the sharing of resources including personnel and corporate functions may potentially be realised in circumstances where TGM acquires control of Focus (which can only occur if Shandong Gold accepts the Offer in respect of its Focus Shares to which the Offer relates and a large proportion of minority Focus Shareholders also accept the Offer), achievement of these synergies is never certain. Synergies may not be realised to their full extent or may be realised over a longer period of time than the directors of TGM expect.

(g) **Change of control**

Focus may be a party to agreements that contain pre-emptive rights or change of control provisions that may be triggered if TGM acquires Focus Shares representing a majority of the voting rights in Focus. The operation of these change of control provisions, if triggered, could have negative consequences. These provisions may be waived with the consent of the other party and TGM would consider seeking such waivers if it discovered that pre-emptive rights or change of control provisions affecting Focus' assets or agreements may be triggered. In the absence of these waivers, the operation of any of these provisions could have an adverse effect on operations.

(h) **Change in risk and investment profile**

Focus Shareholders who accept the Offer will be exposed to risk factors relating to TGM, and in circumstances where TGM acquires control of Focus (which can only occur if Shandong Gold accepts the Offer in respect of its Focus Shares to which the Offer relates and a large proportion of minority Focus Shareholders also accept the Offer), to certain additional risks relating to the Controlled Group and the integration of the two companies. These include risks relating to the broader suite of assets held by both TGM and Focus.

(i) **Risks associated with minority stake**

As noted in section 5.2, TGM will not be able to acquire 100% of Focus Shares under the Offer.

If TGM acquires more than 50% of the Focus Shares (which, can only occur if Shandong Gold accepts the Offer in respect of its Focus Shares to which the Offer relates and a large proportion of minority Focus Shareholders also accept the Offer), TGM will hold a controlling interest in Focus. The remaining Focus Shareholders may be in a minority position in a company with a controlling shareholder whose objectives for the company may differ from their own. Focus would also have Shandong Gold as a continuing substantial shareholder (in respect of those Focus

Shares subscribed for by it under the Focus Entitlement Offer). Focus Shareholders could therefore also experience lower levels of liquidity in Focus Shares, which could result in a lower price for those Focus Shares should they wish to sell them in the future.

If TGM does not acquire more than 50% of the Focus Shares (which will be the case if a significant proportion of Focus Shareholders do not accept the Offer in respect of the Focus Shares to which this Offer relates) it will hold a non-controlling interest. This could have an impact on TGM's ability to realise its intentions regarding Focus (refer to section 5).

(j) **Unavailability of CGT scrip for scrip rollover relief**

TGM will not, pursuant to the Offer, be able to hold 80% or more of the Focus Shares. Focus Shareholders who sold their Focus Shares into the Offer will therefore be unable to elect scrip for scrip rollover. This means that for those Australian resident shareholders, for income tax purposes, who hold their Focus Shares on capital account and who would make a gain on disposal of their Focus Shares will be unable to disregard the gain and a capital gain would crystallise at the time of sale of their Focus Shares, even though the Offer Consideration is received entirely in New TGM Shares. A general summary of the tax consequences to Australia resident holders of Focus Shares as a result of accepting the Offer is set out in section 7.

(k) **Financing risks and capital requirements**

TGM is in an exploration phase and currently has no producing assets and does not generate any revenue. Focus' Coolgardie project is currently in care and maintenance and Focus has suspended all mining operations. TGM believes it may be able to develop Focus' assets (and in particular Focus' Coolgardie project) with less dilution to shareholders than the current Focus proposal (which gave rise to the Focus Entitlement Offer).

However, TGM's ability to effectively implement its business strategy over time, will depend in part on its ability to obtain sufficient capital. In particular, the resumption of mining operations at Focus' Coolgardie project would require further capital including for the purposes of re-testing and reconsidering the assumptions on which Focus' previous pre-feasibility studies for the Coolgardie were based.

Any additional financing that TGM (or, where relevant, the Controlled Group) undertakes in the future may dilute TGM Shareholders. The terms of any additional debt financing, if available, may impose further restrictions on TGM's (or, where relevant, the Controlled Group's) financing and operating activities. The ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to TGM, will vary according to a number of factors, including stock market and industry conditions, results of exploration, and the outcome of feasibility studies. There can be no assurance that TGM (or, where relevant, the Controlled Group) will be able to obtain capital when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to TGM. This may have an adverse effect on TGM's financial position, prospects and the proposed development of its projects.

Failure to obtain additional funding may also cause TGM to postpone any development plans, forfeit rights to some or all of its projects or reduce its operating structures, including staff and overhead levels, which may delay or suspend TGM's (or, where relevant, the Controlled Group's) business strategy and could have a

material adverse effect on activities or require TGM to sell down an interest in its projects or assets.

Failure to obtain additional funding (through capital raisings or otherwise) may also cause TGM (or, where relevant, the Controlled Group) to default in its payment obligations, including under the loan facilities Focus has in place with Shandong Gold (referred to in section 3.6 above) and the 2Invest AG Secured Bond (as described in paragraph (l) below). Any failure to meet payment obligations may heighten risks of insolvency or entry into voluntary administration.

One of Focus' loan facilities with Shandong Gold is denominated in United States dollars. TGM does not have any foreign exchange hedging and it is assumed that Focus does not either. As such, net asset positions may be negatively impacted if the Australian dollar weakens compared to the US dollar. Conversely, net asset positions may be positively impacted if the Australian dollar strengthens against the US dollar.

(l) **TGM's Repayment of 2Invest AG Secured Bond**

On 27 July 2021 TGM entered into a \$6,000,000 Secured Bond with 2Invest AG, which comprise of fifteen (15) 'bearer partial bonds', each with a face value of \$400,000. The full principal repayment of the bond is due by 31 January 2023 and is secured:

- (i) over all present and future dividends, distributions, sale proceeds, liquidation proceeds and other payments received by the Company's South African subsidiary, Transvaal Gold Mining Estates Limited (South Africa) (**Transvaal**); and
- (ii) by way of a grant of an option right to 2Invest AG to acquire all present and future shares in Transvaal.

The Secured Bond carries a cash coupon rate of 20% per annum payable half yearly in arrears.

Focus Shareholders should be aware of this borrowing by TGM and the obligation to pay interest of \$600,000 half yearly in arrears (total interest payable of \$1,800,000) as well as a principal repayment of \$6,000,000 on 31 January 2023. Any default of the terms of the Secured Bond will have material adverse consequences for TGM and the value of TGM Shares. TGM may mitigate this risk by prepaying the Secured Bond.

(m) **TGM going concern risk**

TGM's last financial statements contained a note regarding a going concern risk. Since the balance date for those financial statements, TGM has raised equity capital (pursuant to a capital raising) and issued Bonds to raise further debt funding.

However, it is always recognised that there is significant uncertainty to the realisation of any production revenue stream, both timing and quantum. To that extent any cash

forecast has been reviewed independently of production with recognition that further shortfalls in cash may be experienced before ongoing positive cashflow is achieved.

TGM takes comfort from ongoing shareholder and institutional investor support and the introduction of a new strategic bond investor as evidenced by the successful completion of its recent capital raising initiatives.

8.3 INDUSTRY RISKS

(a) **Regulatory and permitting risks**

Exploration, development and mining activities (including in relation to TGM's mining rights in South Africa) require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on acceptable terms. Failure to obtain any approvals would mean that the ability of TGM (or, where relevant, the Controlled Group) to develop or operate any project, or possibly acquire any project, may be limited or restricted either in part or absolutely. In relation to TGM's mining rights in South Africa, while TGM has no reason to believe that all requisite approvals will not be forthcoming and while TGM's obligations for expenditure will be predicated on any requisite approvals being obtained, investors should be aware that TGM cannot guarantee that any requisite approvals will be obtained.

(b) **Resource and Reserve Estimates**

There is a risk that stated Mineral Resources and Ore Reserves, which are estimates only, are incorrect. If those estimates are materially in excess of the recoverable mineral content of the tenements, the forecast production and financial performance of TGM, or Focus, or, where relevant, the Controlled Group would be adversely affected.

Mineral Resources which are not Ore Reserves may not have demonstrated economic viability. These estimates are prepared in accordance with the JORC Code 2012 and are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect mining plans and ultimately financial performance and value. Estimates that are valid when made may change significantly when new information becomes available. In addition, gold price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render Reserves and Resources uneconomic and so may materially affect the estimates.

(c) **TGM's Maintenance of Black Economic Empowerment (BEE) in South Africa**

TGM must comply and remain compliant with certain black economic empowerment requirements in South Africa in order to retain its prospecting and mining rights. Any failure by TGM to satisfy and to continue to satisfy the black economic empowerment requirements could jeopardise the prospecting and mining rights in which the TGM Group holds an interest and impede its ability to acquire, develop or maintain any additional mining or prospecting rights.

(d) **Sovereign risk (South Africa)**

TGM carries out exploration activities in South Africa. As a result, TGM will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in the country. The TGM Board believes that the Government of South Africa supports the development of natural resources by

foreign investors. However there are no assurances that political and economic conditions will not result in the Government adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy may result in legislative changes affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return on capital all of which may affect TGM's ability to develop its business.

Potential risk to TGM's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of TGM's interests in South Africa. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes

(e) **External factors that may impede operational activities**

TGM's, Focus' and, where relevant, the Controlled Group's activities are subject to numerous operational risks, many of which are beyond the control of those entities. Activities may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages or increases in the costs of consumables, spare parts, plant and equipment, external services failure, industrial disputes and action, IT system failures, mechanical failures and compliance with governmental requirements. Industrial and environmental accidents could lead to substantial claims against these entities for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, penalties and the suspension of operations. The occurrence of any one or a combination of these events may have a material adverse effect on TGM's, or Focus' or, where relevant, the Controlled Group's performance and the value of its assets.

(f) **Exploration risk**

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project, there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude TGM or, where relevant, the Controlled Group from successfully exploiting the resource.

(g) **Development and Mining Risk**

TGM's, Focus' and, where relevant, the Controlled Group's projects are at various stages of exploration and development. Ultimate and continuous success of activities is dependent on a number of factors including:

- (i) the discovery and/or acquisition of economically recoverable Ore Reserves;
- (ii) access to adequate capital to fund and develop its projects;
- (iii) construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining regulatory consents and approvals necessary for the conduct of mineral exploration, development and production; and

- (vi) retention of appropriately skilled and experienced employees, contractors and consultants.

Operations may be delayed or prevented as a result of factors including weather conditions, mechanical difficulties or a shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third-party.

(h) **Environmental Regulation**

TGM's, Focus' and, where relevant, the Controlled Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is TGM's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making TGM's or, where relevant, the Controlled Group's operations more expensive.

(i) **Tenure and access**

Tenements are subject to the applicable mining acts and regulations. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister or government body. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising TGM's, Focus' or, where relevant, the Controlled Group's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect operations, financial position and/or performance. In addition, as Focus' Coolgardie project is currently in care and maintenance, approvals will be required prior to the commencement of any future mining operations on that project. There is no certainty that all of the necessary approvals will be granted.

(j) **Aboriginal Heritage and Native Title**

As Focus holds tenements in Western Australia, tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**). The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site. The existence of Aboriginal heritage sites within Focus' projects may lead to restrictions on the areas that TGM or, where relevant, the Controlled Group will be able to explore and mine.

In relation to tenements which Focus (or, where relevant, the Controlled Group) has an interest in or may in the future acquire an interest in, there may be areas over

which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of an entity to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

(k) **Reliance on key personnel**

TGM's or, where relevant, the Controlled Group's ability to remain productive, profitable and competitive and to effect its planned growth initiatives, depends on its ability to attract and retain skilled labour. Tightening of the labour market in key regions due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may inhibit an ability to hire and retain employees.

TGM is exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour could limit TGM's (or, where relevant, the Controlled Group's) ability to grow its business or lead to a decline in productivity and an increase in training costs and adversely affect its safety record. Each of these factors could materially adversely impact its revenue and, if costs increase or productivity declines, its operating margins.

(l) **Fluctuation in commodity prices and foreign currency exchange rates**

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on gold prices, particularly in the current global economic market. As TGM and Focus are currently not in production, future revenue that may come from the sale of gold and future profits are related to and influenced by the market price of gold.

If the price of gold declines significantly in the future, this may materially impact TGM's or Focus' or, where relevant, the Controlled Group's ability to continue with projects. TGM gives no assurance that fluctuations in commodity prices and foreign currency exchange rates will not affect timing and viability of projects.

(m) **Competition Risk**

TGM (or, where relevant, the Controlled Group) will compete with other companies, including major gold companies in Australia and internationally. Some of these companies will have greater financial and other resources and, as a result, may be in a better position to compete for future business opportunities.

8.4 GENERAL RISKS

(a) **Investment and share market risk**

Focus Shareholders should be aware that there are risks associated with any investment in financial products quoted on a stock exchange.

Share market conditions may affect the value of TGM's quoted securities regardless of the TGM's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Share price movements could affect the value of consideration paid under the Offer and the value of any investment in TGM regardless of TGM's performance. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. The past performance of TGM is not necessarily an indication as to future performance. Neither TGM nor the TGM Board warrant the future performance of TGM or any return on an investment in TGM.

In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of TGM's quoted securities.

(b) **Tax risk**

Changes to income tax (including capital gains tax), GST, stamp duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities may change following the date of this Bidder's Statement or adversely affect the Controlled Group's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

(c) **Economic conditions risk**

Operating and financial performance is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on operating and financial performance and financial position.

TGM is exposed to the impact of economic cycles and, in particular, how these cycles increase or decrease future capital expenditure by local governments and by energy and resources companies. These economic cycles are in turn impacted by a number of factors including: the fiscal conditions of the economy; government policies on capital expenditure; and commodity prices.

Future possible revenues and share prices can be affected by any and all of these factors, which are beyond the control of TGM and Focus.

(d) **Dividends**

Any future determination as to the payment of dividends by TGM will be at the discretion of the TGM Board and will depend on the financial condition of TGM, future capital requirements and general business and other factors considered relevant by the TGM Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by TGM. However given the likely

anticipated funding requirements of TGM or, where relevant, the Controlled Group, TGM does not anticipate paying dividends in the foreseeable future.

(e) **Changes in Legislation and Government Regulation**

Government legislation, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in marketable securities. Changes in government policy (such as in relation to taxation or media and entertainment) or statutory changes may affect the attractiveness of an investment in securities.

(f) **Force majeure events risk**

Events may occur within or outside Australia that could impact upon the Australian economy, TGM's operations and the price of TGM Shares. These events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, uranium concentrate risk or other natural or man-made events or occurrences that can have an adverse effect on the demand for TGM's products and its ability to operate its assets. TGM has only a limited ability to insure against some of these risks.

(g) **Cyber security**

Increased cyber-security threats and computer crime also pose a potential risk to the security of information technology systems, including those of contracted third-party service providers, as well as confidentiality, integrity and availability of data stored on those systems. Any breach in information technology security systems could result in the disclosure or misuse of confidential proprietary information, including sensitive employer, employee or investor information maintained in the ordinary course of business.

Any such event could cause damage to reputation, loss of valuable information or loss of revenue and could result in large expenditures to investigate or remediate, to recover data, to repair or replace networks or information systems, or to protect against future events.

(h) **Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities. The climate change risks particularly attributable to TGM (or, where relevant, the Controlled Group) include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. TGM (or, where relevant, the Controlled Group) may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact profitability. While TGM will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that TGM (or, where relevant, the Controlled Group) will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by TGM, including events such as increased severity

of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which TGM (or, where relevant, the Controlled Group) operates.

(i) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on performance remains unknown. The price of TGM Shares may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact TGM's (or, where relevant, the Controlled Group's) operations and are likely to be beyond their control.

In addition, TGM's South African projects may be impacted by international supply issues and the inability for TGM's workforce to move between locations. As a result of sudden and unpredictable border travel changes, freight of interstate supply items may be impacted which in turn may cause delays in the delivery of projects.

TGM has been monitoring the situation closely and has considered the impact of COVID-19 on business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

(j) **Litigation risks**

Any listed mining entity is exposed to possible litigation risks (or disputes that may give rise to litigation) including contractual disputes, occupational health and safety claims and employee claims. Any such claim or dispute if proven, may impact adversely on operations, financial performance and financial position.

(k) **Insurance**

Insurance against all risks associated with mineral exploration is not always available or affordable. TGM will maintain insurance where it is considered appropriate for its needs, however it will not be insured against all risks - either because appropriate cover is not available or because the directors consider the required premiums to be excessive having regard to the benefits that would accrue.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on business, financial condition and results. There is no assurance that TGM (or, where relevant, the Controlled Group) will be able to maintain adequate insurance in the future at rates that it considers is reasonable.

8.5 RISKS NOT EXHAUSTIVE

The risks set out in this section 8 are not exhaustive of all the risks faced or that may be faced by Focus Shareholders. Accordingly, no assurances or guarantees of future performance or profitability are given by TGM or any of its officers or employees.

9 ADDITIONAL INFORMATION

9.1 DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date. This Offer extends to Focus Shares that existed at the Register Date. It does not extend to any Focus Shares that may be issued after the Register Date (including those Focus Shares issued under the Focus Entitlement Offer).

9.2 ASIC MODIFICATIONS AND EXEMPTIONS, ASX WAIVERS

ASIC has published various “Class Order” instruments providing for modifications and exemptions that apply generally to all persons, including TGM, in relation to the operation of Chapter 6 of the Corporations Act. TGM may rely on this “Class Order” relief.

9.3 INELIGIBLE FOREIGN SHAREHOLDERS

This Bidder’s Statement does not constitute an offer of TGM Shares in any jurisdiction in which it would be unlawful. In particular, this Bidder’s Statement may not be distributed to any person, and the TGM Shares may not be offered or sold, in any country outside Australia except to existing Focus Shareholders to the extent permitted below.

For the purposes of the Offer an “**Ineligible Foreign Shareholder**” means a Focus Shareholder whose address shown in the Register is a place outside Australia and its external territories, New Zealand, Hong Kong or the United States (unless such person is not an accredited investor (as defined in Rule 501(a) under the US Securities Act of 1933) or any other person whom TGM may otherwise determine may participate in the Offer in compliance with applicable securities laws) unless TGM determines that:

- (a) it is lawful and not unduly onerous or unduly impracticable to issue that Focus Shareholder with New TGM Shares on completion of the Offer; and
- (b) it is lawful for that Focus Shareholder to participate in the Offer by the law of the relevant place outside Australia and its external territories.

Notwithstanding anything else in this Bidder’s Statement, TGM is not under any obligation to spend any money, or undertake any action, in order to satisfy itself that a person is not an Ineligible Foreign Shareholder and is therefore eligible to receive New TGM Shares under the Offer.

Focus Shareholders outside of Australia should refer to the specific offering and cautionary language below.

The New TGM Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to a nominee approved by ASIC, who will sell the shares. The net proceeds of the sale of such shares will then be remitted to the relevant Ineligible Foreign Shareholders. See clause 6.3 of Appendix 1 of this Bidder’s Statement for further details.

New Zealand

This Bidder’s Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority.

The offer of New TGM Shares is being made to existing shareholders of Focus in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and,

accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law

Hong Kong

This Bidder's Statement is confidential in Hong Kong and for the sole use by shareholders of Focus. The contents of this Bidder's Statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

This Bidder's Statement also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which is or contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Bidder's Statement or any advertisement, invitation or document relating to the Offer, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

Copies of this Bidder's Statement may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Bidder's Statement, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Bidder's Statement is for the exclusive use of Focus Shareholders in connection with the Offer, and no steps have been taken to register or seek authorisation for the issue of this Bidder's Statement in Hong Kong. Only the person to whom a copy of this Bidder's Statement has been issued may take action in response to this Bidder's Statement. The Offer is personal to the person to whom this Bidder's Statement has been delivered, and an acquisition or subscription for securities under the Offer will only be accepted from such person.

This Bidder's Statement is confidential to the person to whom it is addressed and no person to whom a copy of this Bidder's Statement is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Bidder's Statement to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Offer by the person to whom this Bidder's Statement is addressed.

United States

This Bidder's Statement has not been filed with, or reviewed by, the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Offer of New TGM Shares or the accuracy, adequacy or completeness of this document. Any representation to the contrary is a criminal offence.

The New TGM Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The New TGM Shares are not being offered in any US state or other jurisdiction where it is not legally permitted to do so.

Focus Shareholders should note that the Offer is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Offer is subject to the disclosure requirements of Australia that are different from those of the United States. Any financial statements included in the Bidder's

Statement have been prepared in accordance with Australian accounting standards and may not be comparable to the financial statements of US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since TGM is incorporated in Australia and some of its officers and directors are residents of Australia. You may not be able to sue TGM or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel TGM and its affiliates to subject themselves to a US court's judgment.

You should be aware that TGM may purchase securities other than under the Offer, such as in privately negotiated purchases.

Any pro forma historical financial information included in this Bidder's Statement does not purport to be in compliance with Article 11 of the SEC's Regulation S-X. The pro forma adjustments made in arriving at the pro forma historical financial information included in this Bidder's Statement may not be permissible under the SEC's rules and regulations on pro forma financial presentations.

To receive New TGM Shares under the Offer, US shareholders of Focus must sign and return a customary US investor certificate that is available from TGM.

9.4 DISCLOSURE OF INTERESTS AND BENEFITS

(a) **Interests of the TGM Board**

No interests in Focus Shares

As at the date of this Bidder's Statement, the directors of TGM had no interests in Focus securities.

Indemnity and insurance

The TGM Constitution permits the grant of an indemnity (to the extent permitted by law) in favour of any current or former director, secretary, officer or senior manager. TGM has entered into deeds of indemnity and access with all current directors. This indemnity is against liability to third parties by such officers unless excluded by law. The indemnity also covers costs or expenses incurred by an officer in defence proceedings relating to that person's position.

TGM maintains an insurance policy in respect of certain present and future officers against certain liability incurred in that capacity.

Interests of the TGM Board in TGM securities

As at the date of this Bidder's Statement, the directors of TGM have the following beneficial interests in TGM securities.

Director	Number of securities held (including indirectly)
Charles William Guy	1,843,923 TGM Shares 3,200,000 performance rights expiring on 27 June 2024 (various performance hurdles)
Bill Richie Yang	2,611,168 TGM Shares 4,000,000 performance rights expiring on 27 June 2024 (various performance hurdles)
Finn Stuart Behnken	200,000 TGM Shares

Director	Number of securities held (including indirectly)
	1,000,000 performance rights expiring on 27 June 2024 (various performance hurdles)
Byron Dumbleton	Nil
Yang (Simon) Liu	7,972,103 TGM Shares
Guyang (Brett) Tang	33,325,334 TGM Shares 2,000,000 performance rights expiring on 27 June 2024 (various performance hurdles)

(b) **Interested Person**

For the purposes of this section 9.4 an “**Interested Person**” is:

- (i) a director or proposed director of TGM;
- (ii) a person named in this Bidder’s Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder’s Statement;
- (iii) a promoter of TGM; or
- (iv) a Broker or underwriter to the issue of TGM Shares.

(c) **Interests**

Except as disclosed below or elsewhere in this Bidder’s Statement, no Interested Person holds or held at any time during the two years before the date of this Bidder’s Statement any interest in:

- (i) forming or promoting TGM;
- (ii) property acquired or proposed to be acquired by TGM in connection with:
 - (A) forming or promoting TGM; or
 - (B) the offer of TGM Shares, or
- (iii) the offer of New TGM Shares.

(d) **Benefits**

Except as disclosed in this Bidder’s Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to:

- (i) a director or proposed director of TGM to induce that person to become or to qualify as a director of TGM; or
- (ii) any Interested Person for services provided by that person in connection with:
 - (A) forming or promoting TGM; or
 - (B) the offer of TGM Shares under the Offer.

Johnson Winter & Slattery has acted as legal adviser to TGM in relation to the Offer (except in relation to taxation advice). The fee for professional services paid or

payable to Johnson Winter & Slattery to the date of the Original Bidder's Statement in connection with the Offer is approximately \$160,000.

Kamara Group has acted as corporate and financial adviser to TGM in relation to the Offer. The fee for professional services paid or payable to Kamara Group in connection with the Offer is approximately \$60,000.

Boardroom Pty Limited has acted as TGM's share registrar in relation to the Offer. The fee for professional services paid or payable to Boardroom Pty Limited in connection with the Offer is approximately \$35,000.

The amounts disclosed above are exclusive of any amount of goods and services tax that may be payable by TGM in respect of those amounts.

9.5 CONSENTS

(a) Consents to be named

Each of the following parties has given and has not, before the date of this Bidder's Statement withdrawn its consent to be named in this Bidder's Statement in the form and context in which it is named:

- (i) Johnson Winter & Slattery as legal adviser to TGM;
- (ii) Kamara Group as corporate and financial adviser;
- (iii) Hall Chadwick as tax advisor; and
- (iv) Boardroom Pty Limited as share registry.

(b) Consents given

Each person named in this section 9.5 of the Bidder's Statement as having given its consent to be named or to the inclusion of a statement in this Bidder's Statement:

- (i) has not authorised or caused the issue of the Bidder's Statement;
- (ii) does not make, nor does it purport to make, any statement in the Bidder's Statement or any statement on which a statement in the Bidder's Statement is based other than those statements which have been included with the express consent of that person; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of the Bidder's Statement other than the references to its name and any statements which have been included with the express consent of that person.

(c) Other statements

This Bidder's Statement also includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of any of these documents, or the relevant parts of the documents containing the statements, please contact the TGM Offer Information Line on 1300 737 760 (toll free within Australia or on +61 2 9290 9600 (normal

charges apply) between 9.00 am to 5.00 pm (Sydney Time) Monday to Friday and you will be sent copies free of charge.

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

- (i) which fairly represent what purports to be a statement by an official person; or
- (ii) which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (iii) which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

9.6 EXPIRY DATE

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

9.7 SOCIAL SECURITY AND SUPERANNUATION IMPLICATIONS OF THE OFFER

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

9.8 NO OTHER MATERIAL INFORMATION

Except as disclosed in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Focus Shareholder whether or not to accept the Offer; and
- (b) known to TGM,

and has not previously been disclosed to Focus Shareholders.

10 GLOSSARY

10.1 DEFINITIONS

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

Acceptance Form means the form of acceptance and transfer accompanying the Offer or any replacement or substitute acceptance form provided by or on behalf of TGM.

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

Announcement Date means 9 December 2021 being the date of announcement of TGM's intention to make the Offer.

ASIC means Australian Securities and Investments Commission.

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

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

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

Bidder's Statement means this document, being the statement of TGM under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Broker means a person who is a share broker and a participant in CHESS.

Business Day means a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place).

CGT means the tax arising as a result of a CGT event as defined in the *Income Tax Assessment Act 1997* (Cth).

CHESS means the Clearing House Electronic Sub register System, operated by ASX Settlement which provides for electronic share transfer, settlement and registration of securities in Australia.

CHESS Holding means a holding of Focus Shares on the CHESS sub register of Focus, being a register administered by ASX Settlement and which records uncertificated holdings of shares.

Conditions means each and all of the conditions of the Offer which are set out in Appendix 2 of this Bidder's Statement.

Controlled Group means the group of companies that would result from the acquisition by TGM of control (within the meaning of section 50AA of the Corporations Act) of Focus pursuant to the Offer (noting that the Offer will never result in Focus becoming a wholly-owned subsidiary of TGM).

Controlling Participant means a Broker or Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

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

Disclosed means Fairly Disclosed in any announcement made by the Company on ASX prior to the Announcement Date.

Eligible Shareholder means all Focus Shareholders who are not Ineligible Foreign Shareholders.

Encumbrances means any:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, option, right of pre-emption, power, title retention, or flawed deposit arrangement; or
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or
- (d) third-party right or interest or any right arising as a consequence of the enforcement of a judgment; or
- (e) any agreement to create any of them or allow them to exist.

Fairly Disclosed means disclosed in sufficient detail so as to enable a reasonable and sophisticated person to identify the nature and scope of the relevant matter, event or circumstance.

Focus means Focus Minerals Ltd (ABN 56 005 470 799), a company incorporated in Australia.

Focus Board means the Board of directors of Focus.

Focus Entitlement Offer means the 1 for 1 non-renounceable entitlement offer announced by Focus on 3 December 2021 which closed on 23 December 2021 and which resulted in the issue of 103,810,080 Focus Shares on 31 December 2021.

Focus Group means Focus and each of its Subsidiaries.

Focus Material Adverse Change means any event or circumstance occurring, or being discovered or becoming public which has or could reasonably be expected to have, either individually or when aggregated with any events of a similar kind or category, the effect of a diminution in the consolidated net assets of the Focus Group (taken as a whole) by \$5,000,000 or more, but does not include an event, matter or change in circumstance:

- (a) relating to any change in taxation, interest rates or general economic conditions which impact on Focus and TGM in a similar manner;
- (b) in or relating to any change in accounting policy required by law;
- (c) that was Disclosed by Focus;
- (d) directly or indirectly as a result of any adoption, implementation or change in applicable law or any interpretation of applicable law by a Regulatory Authority;
- (e) occurring directly or indirectly as a result of any act of God, lightning, storm, flood, earthquake, cyclone, tidal wave or landslide; or
- (f) in respect of which a member of the Focus Group is entitled to recover under any applicable insurance contract.

Focus Shares means fully paid ordinary shares in the capital of Focus.

Focus Shareholders means holders of Focus Shares.

HIN means a Holder Identification Number, which is the number that starts with an "X", to identify a Focus Shareholder with a CHES Holding and has the same meaning as in the ASX Settlement Operating Rules.

Ineligible Foreign Shareholder has the meaning given in section 9.3 of this Bidder's Statement.

Interested Person has the meaning given to that term in section 9.4 of this Bidder's Statement.

Issuer Sponsored Holding means a holding of Focus Shares on Focus' issuer sponsored sub register.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.

Mineral Resources has the meaning given in the JORC Code.

New TGM Shares means the TGM Shares to be issued as Offer Consideration.

Nominee means a nominee appointed by TGM and approved by ASIC.

Nominee Shares is defined in clause 6.3(a) of Appendix 1.

Offer means the offer by TGM on the Offer Terms to acquire Focus Shares (and for the avoidance of doubt includes each such offer made to an individual Focus Shareholder pursuant to that offer).

Offer Consideration is defined in clause 2 of Appendix 1.

Offer Period means the period commencing on **[insert]** and ending on **[insert]**, or such later date to which the Offer has been extended.

Offer Terms means the terms and conditions of the Offer set out in Appendix 1 of this Bidder's Statement.

Ore Reserve has the meaning given in the JORC Code.

Participant means a non-broker participant under the ASX Settlement Operating Rules.

Public Authority means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Register means the Focus Share register.

Register Date means the date set by TGM pursuant to section 633(2) of the Corporations Act, being 21 December 2021.

Regulatory Authority includes:

- (a) ASX and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and

- (d) any regulatory organisation established under statute.

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

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from Focus Shares directly or indirectly after the date of this Bidder's Statement, including, but not limited to, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by Focus or any of its subsidiaries, excluding any applicable franking credits.

Shandong Gold means Shandong Gold International Mining Corporation Limited, the largest shareholder in Focus.

SRN means a Security holder Reference Number, which is the number which starts with an "I", allocated by Focus to identify a Focus Shareholder with an Issuer Sponsored Holding, and has the same meaning as in the ASX Settlement Operating Rules.

Subsidiary means a subsidiary as that term is defined in the Corporations Act.

Sydney Time means the time in Sydney, New South Wales, Australia.

TGM means Theta Gold Mines Limited (ABN 30 131 758 177), a company incorporated in Australia.

TGM Board means the Board of directors of TGM.

TGM Constitution means the constitution of TGM, as amended from time to time.

TGM Group means TGM and each of its Subsidiaries.

TGM Share means a fully paid ordinary share in the capital of TGM and, where relevant, includes New TGM Shares.

TGM Shareholders means the holders of TGM Shares.

VWAP means the volume weighted average price for Focus Shares or TGM Shares, as the case may be, traded on the ASX over a specified period.

10.2 REFERENCES TO CERTAIN GENERAL TERMS

Unless the contrary intention appears, a reference in this Bidder's Statement to:

- (a) **(variations or replacement)** a document includes any variation or replacement of it;
- (b) **(sections, clauses, paragraphs, appendices and annexures)** a section, clause, paragraph, appendix or annexure is a reference to a section, clause, paragraph, appendix or annexure to this Bidder's Statement or any appendix to this Bidder's Statement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Public Authority;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (h) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (i) **(dollars)** Australian dollars, dollars, AUD, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (m) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, are not to be read as words of limitation;
- (n) **(time of day)** time is a reference to Sydney Time; and
- (o) **(headings)** headings are for convenience only and do not affect interpretation.

11 APPROVAL OF BIDDER'S STATEMENT

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the directors of TGM on 4 January 2022.

Signed in accordance with section 351 of the Corporations Act.



.....
Charles William Guy, Chairman

4 January 2022

Appendix 1 - Offer Terms

1 OFFER

TGM offers to acquire all of your Focus Shares, together with all Rights attaching to them, on the following terms and conditions.

This Offer relates to Focus Shares that exist or will exist as at the Register Date. It does not extend to any Focus Shares that are issued between that date and the end of the Offer Period. In particular, the Offer does not extend to any Focus Shares that may be issued under the Focus Entitlement Offer (if it proceeds).

You may only accept this Offer for all of your Focus Shares (that exist on the Register Date). The Offer extends to any person who is able during the Offer Period to give good title to a parcel of your Focus Shares (see clause 11 ("Acceptances by Transferees and Nominees")).

By accepting this Offer, you undertake to transfer to TGM not only the Focus Shares to which this Offer relates but also all Rights attached to those Focus Shares (see clauses 6.5 and 6.6).

2 CONSIDERATION

The consideration offered is 2 New TGM Shares for every 1 Focus Share (**Offer Consideration**).

If you are an Ineligible Foreign Shareholder, you will not receive New TGM Shares and will only be entitled to receive a cash amount in Australian dollars for your Focus Shares determined in accordance with clause 6.3.

If the number of New TGM Shares you become entitled to is not a whole number, that fraction shall be rounded up to the nearest whole number of New TGM Shares.

If TGM reasonably believes that a Focus Shareholder's holdings have been manipulated to take advantage of this rounding up, then any fractional entitlement will be rounded down.

The New TGM Shares to be issued under the Offer will be issued fully paid and will rank equally in all respects with all other TGM Shares currently on issue.

3 OFFER PERIOD

This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer, being **[insert]**, and ending at 7.00 pm (Sydney Time) on:

- (a) **[insert]**; or
- (b) any date to which the period of this Offer is extended in accordance with the Corporations Act,

whichever is the later.

4 OFFICIAL QUOTATION OF NEW TGM SHARES

- (a) TGM has been admitted to the official list of ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by ASX.
- (b) This Offer and any contract that results from your acceptance of this Offer are subject to a condition that:

- (i) TGM applies to ASX within 7 days after this Bidder's Statement is given to Focus, for the admission of the New TGM Shares to official quotation; and
 - (ii) permission for admission to official quotation by ASX of the New TGM Shares to be issued under the Offers which are accepted, is granted no later than 7 days after the end of the Offer Period.
- (c) The condition in clause 4(b) is required by section 625(3) of the Corporations Act, is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in Appendix 2 of this Bidder's Statement. Section 625(3) of the Corporations Act provides that this Offer cannot be freed of the condition prescribed in that section, and consequently no statement made by TGM can be taken to be a waiver of that condition. If this condition is not fulfilled all contracts resulting from acceptance of the Offer will be void automatically.
- (d) Official quotation of securities by the ASX is not granted automatically on application. However, TGM has no reason to believe that the New TGM Shares to be issued under the Offer will not be admitted to quotation by the ASX.

5 HOW TO ACCEPT THIS OFFER

5.1 ACCEPTANCES

Acceptances must be received in the manner specified below prior to the close of the Offer Period at 7.00 pm (Sydney Time) on **[insert]**, unless extended and, in the case of any acceptance in respect of a CHESS Holding, lodged at or sent to the address as indicated under clause 5.2(e) before 7.00 pm (Sydney Time) on the second last business day of the Offer Period in accordance with clause 5.2(e).

5.2 ACCEPTANCE PROCEDURE FOR FOCUS SHAREHOLDERS

How you accept this Offer depends on whether your Focus Shares are held in a CHESS Holding or an Issuer Sponsored Holding (the Acceptance Form outlines which type of holding you have):

- (a) **If you hold your Focus Shares in a CHESS Holding** (your HIN starts with an "X") you must comply with the ASX Settlement Operating Rules.

If you hold your Focus Shares in a CHESS Holding, to accept this Offer you must either:

- (i) instruct your Controlling Participant (usually your broker) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period; or
- (ii) complete and sign your personalised Acceptance Form and send the completed Acceptance Form (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your broker) in sufficient time for this Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (iii) complete and sign your personalised Acceptance Form and lodge it by returning it to the address as indicated under clause 5.2(e) so that your acceptance is received before 7.00 pm (Sydney Time) on the second last business day of the Offer Period. This will authorise TGM to request your

Controlling Participant (usually your broker) to initiate acceptance of this Offer on your behalf.

(b) **If you hold your Focus Shares in an Issuer Sponsored Holding (your SRN starts with an "I")**

If your Focus Shares are in an Issuer Sponsored Holding, to accept this Offer you must complete and sign your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on the Acceptance Form) to the address indicated under clause 5.2(e) so that your acceptance is received before the end of the Offer Period.

(c) **If some of your Focus Shares are held in a number of forms**

If some of your Focus Shares are in different holdings your acceptance of this Offer may require action under clauses 5.2(a) and 5.2(b) in relation to the separate portions of your Focus Shares.

(d) **If you are a Broker or a Participant**, to accept this Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

(e) **Postal and delivery addresses**

Completed Acceptance Forms should be sent or delivered to:

By post

Boardroom Pty Limited
TGM Offer
GPO Box 3993
Sydney NSW 2001
Australia

Delivery in person

Boardroom Pty Limited
TGM Offer
Level 12, 225 George Street
Sydney NSW 2000
Australia

A reply paid envelope (not able to be used by Focus Shareholders outside Australia) is enclosed for your convenience.

The transmission of the Acceptance Form and other documents is at your own risk.

(f) **Acceptance Form**

The Acceptance Form which accompanies this Offer forms part of it. Subject to clause 5.4, the requirements on the Acceptance Form must be observed in accepting this Offer in respect of your Focus Shares.

(g) **Beneficial owners**

Beneficial owners whose Focus Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in accepting this Offer.

5.3 POWER OF ATTORNEY, DECEASED ESTATE

When accepting this Offer, you should also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Focus Shareholder, a certified copy of the relevant grant of probate or letters of administration.

5.4 WHEN ACCEPTANCE IS COMPLETE

Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at the address set out in clause 5.2(e) and the requirements of this clause 5 have otherwise been met, provided that:

- (a) TGM may in its sole discretion and without notice to you waive any or all of those requirements at any time (including but not limited to requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under clause 5.2); and
- (b) where such requirements have been complied with in respect of some but not all of your Focus Shares, TGM may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Focus Shares for which the requirements have been complied with but not in respect of the remainder (unless TGM waives those requirements in accordance with clause 5.4).

Where TGM elects to waive any requirement of this clause 5, your acceptance of this Offer will be complete regardless of any failure by you to comply with the waived requirement.

6 CONSIDERATION FOR YOUR FOCUS SHARES

6.1 HOW THE OFFER CONSIDERATION FOR YOUR FOCUS SHARES WILL BE PROVIDED

If you are an Eligible Shareholder, the obligation of TGM to issue and allot any New TGM Shares to which you are entitled as Offer Consideration under the Offer will be satisfied by TGM:

- (a) entering your name in the TGM share register; and
- (b) dispatching or procuring the dispatch to you an uncertificated holding statement in your name (for Issuer Sponsored Holdings) or a confirmation of issue (for CHES Holdings) by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the Register (or such other address as you may notify in writing to TGM).

If your Focus Shares are held in a joint name, an uncertificated holding statement or a confirmation of issue will be issued in the name of the joint holders.

6.2 WHEN OFFER CONSIDERATION IS PROVIDED

Subject to clause 6.4 and the Corporations Act, if the contract resulting from your acceptance of this Offer becomes unconditional, TGM will provide the Offer Consideration to which you are entitled on acceptance of this Offer on or before the earlier of:

- (a) one month after the date this Offer is validly accepted by you or, if this Offer is subject to a defeating condition when accepted, within one month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and

- (b) 21 days after the end of the Offer Period.

6.3 PAYMENTS TO INELIGIBLE FOREIGN SHAREHOLDERS

- (a) If you accept the Offer and you are an Ineligible Foreign Shareholder, then in respect of any New TGM Shares which you would have become entitled to receive under clause 2, TGM will:
- (i) arrange for the issue to the Nominee of the number of New TGM Shares to which you and all other Ineligible Foreign Shareholders would have become entitled to receive as part of the Offer Consideration as a result of acceptance of the Offer (**Nominee Shares**);
 - (ii) cause the Nominee to offer for sale on ASX the Nominee Shares as soon as practicable or otherwise in such manner, at such price and on such other terms and conditions as are determined by the Nominee;
 - (iii) cause the Nominee to pay to you the amount calculated in accordance with the following formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{Your New TGM Shares}}{\text{Total Nominees Shares}}$$

Where:

“**Net Proceeds of Sale**” is the amount the Nominee receives on sale of all Nominee Shares less brokerage and other sale expenses;

“**Your New TGM Shares**” is the number of New TGM Shares which TGM would otherwise be required to issue to you as part of the Offer Consideration; and

“**Total Nominee Shares**” is the total number of Nominee Shares issued to the Nominee under clause 6.3(a)(i).

- (b) Payment will be made by cheque drawn on an Australian branch of an Australian deposit taking institution and payable in Australian dollars. The cheque will be posted to you at your risk by pre-paid airmail to your address as shown on the Register as soon as practicable and in any event within the period required by the Corporations Act. If your Focus Shares are held in a joint name, the cheque will be issued in the name of the joint holders; and
- (c) Under no circumstances will interest be paid on your share of the proceeds of the sale of the Nominee Shares, regardless of any delay in remitting these proceeds to you.

Residents of certain places are not entitled to receive their share of the Net Proceeds of Sale unless and until all requisite authorities or clearances have been obtained from the Reserve Bank of Australia and/or the Australian Taxation Office. Refer to clause 6.7 for further information.

Notwithstanding anything else in the Bidder's Statement, TGM is under no obligation to spend any money, or undertake any action, in order to satisfy itself that a person is not an Ineligible Foreign Shareholders and is therefore eligible to receive TGM Shares under the Offer or their share of the Net Proceeds of Sale as set out in this clause 6.3.

6.4 WHERE ADDITIONAL DOCUMENTS ARE REQUIRED

Where the Acceptance Form or any subsequent request from TGM requires additional documents to be given with your acceptance (such as a certified copy of any of a power of attorney, grant of probate or letters of administration, or any other document reasonably requested by TGM to give better effect to your acceptance):

- (a) if the documents are given with your acceptance, TGM will provide the consideration in accordance with clauses 6.2 or 6.3; or
- (b) if the documents are given after acceptance and before the end of the Offer Period and this Offer is subject to a defeating condition at the time that TGM is given the documents, TGM will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) one month after the contract resulting from your acceptance of this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period; or
- (c) if the documents are given after acceptance and before the end of the Offer Period and this Offer is unconditional at the time that TGM is given the documents, TGM will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) one month after TGM is given the documents; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period, TGM will provide the consideration within 21 days after the documents are given; but if at the time TGM is given the documents, the contract resulting from your acceptance of this Offer is still subject to one or more of the conditions referred to in paragraph (b) of Appendix 2, TGM will provide the consideration within 21 days after that contract becomes unconditional.

If you do not provide TGM with the required additional documents within one month after the end of the Offer Period, TGM may, in its sole discretion, rescind the contract resulting from your acceptance of this Offer.

6.5 WHERE TGM IS ENTITLED TO ANY RIGHTS

If TGM becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give TGM all documents necessary to vest those Rights in TGM or otherwise to give TGM the benefit or value of those Rights. If you do not give those documents to TGM, or if you have received the benefit of those Rights, then TGM may deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by TGM) of those Rights in accordance with clause 6.6.

6.6 RIGHTS GENERALLY

If:

- (a) you have (or any previous holder of your Focus Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) you are (or any previous holder of your Focus Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous

holder of your Focus Shares is) the registered holder of the share at the specified time for determining those entitled to the dividend); or

- (c) your Focus Shares were issued (or otherwise came into existence) on or after the specified time for determining entitlements in respect of any Rights to Focus Shareholders,

then TGM may deduct the value (as reasonably assessed by TGM) of such Rights from any Offer Consideration otherwise payable to you.

If TGM does not, or cannot, make such a deduction, you must pay such value or amount to TGM.

6.7 CLEARANCES FOR CERTAIN FOCUS SHAREHOLDERS

If, at the time of acceptance of this Offer, any consent, authority or clearance of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:

- (a) the Banking (Foreign Exchange) Regulations 1959 (Cth);
- (b) Part 4 of the Charter of the United Nations Act 1945 (Cth);
- (c) the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
- (d) Part 9 of the Anti-Money Laundering And Counter-Terrorism Financing Act 2006 (Cth);
- (e) any other regulations made under Part 4 of the Charter of the United Nations Act 1945 (Cth); or
- (f) any other law of Australia that would make it unlawful for TGM to provide the Offer Consideration for your Focus Shares,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive (and you will not be entitled to receive) the Offer Consideration under this Offer unless and until all requisite consents, authorities or clearances have been obtained by TGM.

If TGM is required by law to retain or withhold (and pay to a Public Authority) any amount of the Offer Consideration you are entitled to under this Offer, the retention or payment by TGM of that amount in conjunction with providing the remaining Offer Consideration to be provided to you in accordance with clause 6 will constitute full and proper provision of the Offer Consideration to you under this Offer.

7 CONDITIONS OF THIS OFFER

7.1 CONDITIONS

This Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the Conditions set out in Appendix 2.

7.2 NATURE OF CONDITIONS

Each of the Conditions:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and

- (c) until the expiration of the Offer Period (or in the case of the Conditions referred to in paragraph (b) of Appendix 2, until three Business Days after the end of the Offer Period) will be for the benefit of TGM alone and may be relied upon only by TGM.

7.3 EFFECT OF BREACH OR NON-FULFILMENT

The breach or non-fulfilment of any of the Conditions does not, until the end of the Offer Period, prevent a contract arising to acquire your Focus Shares resulting from your acceptance of this Offer but, if at the end of the Offer Period (or, in the case of the Conditions in paragraph (b) of Appendix 2 at the end of three Business Days after the end of the Offer Period), in respect of any Condition:

- (a) TGM has not declared this Offer (and it has not become) free from that Condition; and
- (b) that Condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, TGM will notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

7.4 TGM MAY DECIDE THE OFFER IS FREE FROM ALL OR ANY OF THE CONDITIONS

TGM may at any time at its sole discretion, but in compliance with the Corporations Act, declare the Offer free from all or any of the Conditions by notice in writing to Focus:

- (a) in the case of the Conditions referred to in paragraph (b) of Appendix 2 - not later than three Business Days after the end of the Offer Period; or
- (b) in any other case - not later than seven days before the end of the Offer Period.

7.5 DATE FOR GIVING NOTICE ON STATUS OF CONDITIONS

The date for giving a notice on the status of the Conditions as required by section 630(1) of the Corporations Act is *[insert]*, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

8 EFFECT OF ACCEPTANCE

8.1 REVOCATION OF ACCEPTANCE

Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of this Offer or otherwise dispose of your Focus Shares, except as follows:

- (a) if, by the times specified in clause 8.2, the Conditions have not all been fulfilled or waived, then this Offer will automatically terminate and your Focus Shares will be returned to you; or
- (b) if the Offer Period is varied in a way that postpones for more than one month the time when TGM has to meet its obligations under the Offer and, at that time, this Offer is subject to one or more of the Conditions, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

8.2 TIMES

The relevant times for the purposes of clause 8.1(a) are:

- (a) in the case of the defeating conditions referred to in paragraph (b) of Appendix 2 - three Business Days after the end of the Offer Period; and
- (b) in the case of all other defeating conditions in Appendix 2 - the end of the Offer Period.

8.3 YOUR AGREEMENT

By signing and returning the Acceptance Form, or otherwise accepting this Offer, you will be deemed to have:

- (a) irrevocably authorised TGM to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your Focus Shares (including details of a parcel of Focus Shares required by clause 11.4(b));
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your Focus Shares to TGM, and agreed to provide any document reasonably requested by TGM to make the Acceptance Form a valid acceptance of this Offer or to otherwise give better effect to your acceptance; and
- (b) if any of your Focus Shares are in a CHESS Holding, irrevocably authorised TGM to:
 - (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Focus Shares in accordance with the ASX Settlement Operating Rules; and
 - (ii) give any other instructions in relation to those Focus Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
- (c) agreed to indemnify TGM in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your Focus Shares to TGM being registered by Focus without production of your HIN or SRN; and
- (d) irrevocably accepted this Offer in respect of all your Focus Shares (that exist or will exist on the Register Date) despite any difference between that number and the number of Focus Shares shown on the Acceptance Form; and
- (e) agreed to the terms and conditions of this Offer and, subject to the Conditions being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to TGM of your Focus Shares; and
- (f) represented and warranted to TGM, as a fundamental condition which goes to the root of the contract resulting from your acceptance of this Offer, that at the time of acceptance and at the time of transfer of your Focus Shares to TGM:

- (i) you have paid to Focus all amounts which are due for payment in respect of your Focus Shares; and
 - (ii) all of your Focus Shares are fully paid and free from all Encumbrances and restrictions on transfer of any nature; and
 - (iii) you have full power and capacity to sell and transfer those Focus Shares; and
- (g) on this Offer, or any contract resulting from acceptance of this Offer, becoming unconditional:
 - (i) irrevocably appointed TGM and each of its directors from time to time individually as your agent and attorney on your behalf to:
 - (A) attend and vote in respect of your Focus Shares at all general meetings of Focus;
 - (B) receive from Focus or any other party, and retain, any share certificates which were held by Focus, or any other party, whether pursuant to the terms of any employee incentive scheme (including, without limitation, any employee share scheme) or otherwise; and
 - (C) sign all documents (including an instrument appointing one of TGM's directors as a proxy in respect of any or all of your Focus Shares and any application to Focus for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Focus Shares, and generally to exercise all powers and rights which you may have as a Focus Shareholder and perform such actions as may be appropriate in order to vest good title in your Focus Shares in TGM, and to have agreed that, in exercising such powers, any such director is entitled to act in TGM's interests as the beneficial owner and intended registered holder of your Focus Shares; and
 - (ii) agreed not to vote in person at any general meeting of Focus or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on the TGM Board by clause 8.3(g)(i); and
 - (iii) unless you are an Ineligible Foreign Shareholder, irrevocably authorised TGM to apply for the issue to your account of that number of New TGM Shares corresponding to your entitlement under this Offer at the date of application; and
 - (iv) unless you are an Ineligible Foreign Shareholder, agreed to accept the New TGM Shares to which you have become entitled by acceptance of this Offer subject to the terms of this Offer and the TGM Constitution, agreed that you will be bound by the TGM Constitution, and authorised TGM to place your name on its share register in respect of those New TGM Shares; and
 - (v) irrevocably authorised and directed TGM to direct Focus to pay to TGM, or to account to TGM for, all Rights in respect of your Focus Shares, subject to TGM accounting to you for any such Rights received by TGM if this Offer is withdrawn or any contract resulting from your acceptance to this Offer is rescinded or rendered void; and

- (vi) except where Rights have been accounted for under clause 8.3(g)(v), in accordance with clause 6.6, irrevocably authorised TGM to reduce the number of New TGM Shares you are entitled to by a value, as reasonably assessed by TGM of all Rights in respect of your Focus Shares; and
- (vii) irrevocably authorised TGM to notify Focus on your behalf that your place of address for the purposes of serving notices upon you in respect of your Focus Shares is the address specified by TGM in the notification; and
- (viii) acknowledged and agreed that, except as permitted by and in accordance with applicable law, you will not knowingly offer or resell in, or to persons in, the United States of America any New TGM Shares which you acquire at any time; and
- (ix) represented and warranted to TGM that you are not an Ineligible Foreign Shareholder, unless otherwise indicated on the Acceptance Form; and
- (x) acknowledged and agreed that if you are unable to make the representation in clause 8.3(g)(ix) above or if TGM believes that you are an Ineligible Foreign Shareholder, the Nominee will sell the New TGM Shares which would otherwise be issued to you, as described in clause 6.3; and
- (xi) if you are an Ineligible Foreign Shareholder:
 - (A) acknowledged and agreed to TGM undertaking the process set out in clause 6.3 in respect of any New TGM Shares which you would have become entitled to receive under clause 2; and
 - (B) irrevocably authorised TGM to apply for the issue to the account of the Nominee of that number of New TGM Shares which you would have become entitled to receive under clause 2; and
- (xii) where, at that time, you have a right to be registered as a holder of the Focus Shares the subject of your acceptance as the result of an on-market purchase (but are not a Focus Shareholder):
 - (A) agreed to use best endeavours to procure the delivery of the Focus Shares the subject of your acceptance to TGM in accordance with your acceptance (including giving TGM all documents necessary to vest those Focus Shares in TGM or otherwise to give TGM the benefit or value of those Focus Shares);
 - (B) agreed not do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the Focus Shares the subject of your acceptance to TGM;
 - (C) irrevocably assigned to TGM all contractual rights and recourse against the vendor in respect of your on-market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
 - (D) agreed to assign to TGM (without any further action being required) all rights in respect of your on-market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to TGM the right to (at TGM's

ultimate discretion) complete that trade on your behalf, and agreed that TGM may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of this Offer and the delivery of the Focus Shares the subject of that acceptance) any amount paid by TGM in order to settle that on-market purchase on your behalf. If TGM does not, or cannot, make such a deduction, you must pay such amount to TGM; and

- (E) agreed that if you are unable to assign to TGM any of the rights and recourse specified under clause 8.3(g)(xii)(C) and (D), you will assign such rights and recourse as soon as you are legally able to; and
- (h) authorised, with effect from the date that this Offer or any contract resulting from acceptance of this Offer is declared free from all its Conditions or those Conditions are satisfied, TGM to cause a message to be transmitted to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer all of your Focus Shares (that exist or will exist on the Register Date) to TGM's Takeover Transferee Holding. TGM will be so authorised even though at the time of such transfer it has not provided the Offer Consideration due to you under this Offer.

By accepting this Offer you will be deemed to have agreed to the matters set out in clauses 8.3(a) to 8.3(h) above, notwithstanding where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

Except in relation to Focus Shares in a CHESS Holding, TGM may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is non-compliance with any one or more of the other requirements for acceptance but, if TGM does so, TGM is not obliged to make the Offer Consideration available to you until all of the requirements for acceptance have been met.

9 WITHDRAWAL

TGM may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

10 VARIATION

TGM may vary this Offer in accordance with the Corporations Act.

11 ACCEPTANCES BY TRANSFEREES AND NOMINEES

11.1 WHO MAY ACCEPT THIS OFFER

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Focus Shares may accept this Offer (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more parcels of Focus Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - (i) each of those parcels; and

- (ii) any parcel they hold in their own right.

11.2 HOLDING SHARES

A person is taken to hold Focus Shares if the person is, or has a right to be registered as, the holder of those Focus Shares.

A person who has a right to be registered as a holder of Focus Shares may accept this Offer by completing and signing the Acceptance Form in accordance with the instructions on it and lodging it by returning it (together with all other documents required by the instructions on the Acceptance Form) to the address indicated under clause 5.2(e) so that the acceptance is received before the end of the Offer Period.

11.3 HOLDING SHARES ON TRUST OR AS A NOMINEE

A person is taken to hold Focus Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Focus Shares; and
- (b) hold their interest in the Focus Shares on trust for, as nominee for, or on account of, that other person.

11.4 EFFECTIVE ACCEPTANCE

An acceptance of an offer under clause 11.1(b) is ineffective unless:

- (a) the person who holds on account of another person, gives TGM a notice stating that the Focus Shares consist of a separate parcel; and
- (b) the acceptance specifies the distinct number of Focus Shares in that parcel.

References in this Offer to your Focus Shares will be treated to relate to that separate distinct parcel.

11.5 NOTICE OF ACCEPTANCE

A notice under clause 11.4(a) of these terms must be made:

- (a) if it relates to Focus Shares entered on a CHESS subregister - in an electronic form approved by the ASX Settlement Operating Rules; or
- (b) otherwise - in writing.

A person may, at the one time, accept for two or more parcels under this clause as if there had been a single offer for a separate parcel consisting of those parcels.

12 OTHER MATTERS

12.1 NOTICES AND OTHER COMMUNICATIONS

Subject to the Corporations Act, a notice or other communication given by TGM to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the register of members of Focus or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

12.2 RETURN OF DOCUMENTS

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to TGM, but before it has been received; or
- (b) for any other reason TGM does not acquire the Focus Shares to which your Acceptance Form relates,
- (c) you may request TGM by notice in writing to return to you all documents (other than the Acceptance Forms) to such address as you nominate. Where such address is inside Australia, those documents will be sent to you by pre-paid ordinary mail. Where such address is outside Australia, those documents will be sent to you by pre-paid airmail. TGM intends to destroy the Acceptance Forms in the above circumstances.

12.3 COSTS AND EXPENSES

All costs and expenses of the preparation, despatch and circulation of the Bidder's Statement and this Offer and all stamp duty payable in respect of a transfer of Focus Shares in respect of which Offers are accepted, will be paid by TGM.

12.4 FOREIGN LAWS

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and to receive New TGM Shares (if any) as Offer Consideration.

12.5 GOVERNING LAW

This Offer and any contract resulting from acceptance of it is governed by the law in force in Western Australia.

Appendix 2 - Conditions of the Offer

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

- (a) **(Focus Entitlement Offer does not proceed)** prior to the end of the Offer Period, Focus announces that the Focus Entitlement Offer will not proceed (and the Focus Entitlement Offer does not proceed)⁵³;
- (b) **(no prescribed occurrences)** during the Offer Period, none of the following events occur:
 - (i) Focus converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
 - (ii) Focus or a Subsidiary of Focus resolves to reduce its share capital in any way;
 - (iii) Focus or a Subsidiary of Focus enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (iv) Focus or a Subsidiary of Focus issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) Focus or a Subsidiary of Focus issues, or agrees to issue, convertible notes;
 - (vi) Focus or a Subsidiary of Focus disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) Focus or a Subsidiary of Focus charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (viii) Focus or a Subsidiary of Focus resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of Focus or of a Subsidiary of Focus is appointed;
 - (x) a court makes an order for the winding up of Focus or of a Subsidiary of Focus;
 - (xi) an administrator of Focus or of a Subsidiary of Focus is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) Focus or a Subsidiary of Focus executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Focus or a Subsidiary of Focus,provided that a prescribed occurrence will not include any matter, the undertaking of which, TGM has previously approved in writing;

⁵³ As noted in this Bidder's Statement, including at question 25 of the Frequently Asked Questions, this Condition will be waived by TGM following the opening of the Offer.

- (c) **(no prescribed occurrences between the Announcement Date and date of the Bidder's Statement)** during the period from the Announcement Date to the date that is the day before the start of the Offer Period (each inclusive), none of the events listed in subparagraphs (i) to (xiii) of paragraph (b) happen;
- (d) **(no Focus Material Adverse Change)** between the Announcement Date and the end of the Offer Period, no Focus Material Adverse Change occurs;
- (e) **(no litigation)** between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any member of the Focus Group, which may reasonably result in judgment of \$2,500,000 or more is commenced, threatened to be commenced, announced or made known to TGM;
- (f) **(no material acquisitions, disposals or new commitments)** except with the prior written consent of TGM, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:
- (i) a member of the Focus Group acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$5,000,000 or makes an announcement in relation to such an acquisition, offer or agreement;
 - (ii) a member of the Focus Group disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than \$5,000,000 or makes an announcement in relation to such a disposition, offer or agreement;
 - (iii) a member of the Focus Group enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by a member of the Focus Group of an amount which is, in aggregate, more than \$2,500,000, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement;
- (g) **(non-existence of certain rights)** that no person has any right (whether subject to conditions or not) as a result of TGM acquiring Focus Shares to:
- (i) acquire, or require Focus or a Subsidiary of Focus to dispose of, or offer to dispose of, any material asset of Focus or a Subsidiary of Focus; or
 - (ii) terminate or vary or exercise any right under any material agreement with Focus or a Subsidiary of Focus,
- other than a right in respect of which a written, enforceable, irrevocable and unconditional waiver has been obtained and disclosed to the ASX; and
- (h) **(no restraints)** that between the Announcement Date and the end of the Offer Period:
- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and

- (ii) no application is made to any Public Authority, or action or investigation is announced, threatened or commenced by a Public Authority in consequence of or in connection with the Offer,

(other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act), which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of TGM in respect of Focus and the Focus Shares to be acquired under the Offer or requires the divestiture by TGM of any Focus Shares, or the divestiture of any assets of the Focus Group, the TGM Group, or otherwise.

Corporate Directory

ABN:	30 131 758 177
Directors:	Charles William Guy (Executive Chairman) Bill Richie Yang (Non-Executive Director) Finn Stuart Behnken (Non-Executive Director) Byron Dumbleton (Non-Executive Director) Yang (Simon) Liu (Non-Executive Director) Guyang (Brett) Tang (Non-Executive Director)
Chief Financial Officer and Company Secretary:	Brent Hofman
Registered and principal office:	Level 35 (ServCorp), International Tower One 100 Barangaroo Avenue Sydney NSW 2000
Corporate and Financial Advisers:	Kamara Group Suite 15.01 Bligh Chambers Level 15, 25 Bligh Street Sydney 2000 NSW
Legal Advisers:	Johnson Winter & Slattery Level 4, 167 St Georges Terrace Perth WA 6000
Auditors:*	Ernst & Young Australia 200 George Street Sydney NSW 2000
Tax Advisors:*	Hall Chadwick (Sydney) 2 Park Street Sydney, NSW 2000
Share Registry:*	Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney NSW 2000
ASX CODE:	TGM

* For information purposes only. These parties have not been involved in the preparation of this Bidder's Statement

Annexure A – List of TGM's ASX Announcements

A list of ASX Announcements made by TGM since 30 June 2021 are set out below.

Date	Announcement
23 December 2021	Application for quotation of securities - TGM
21 December 2021	Form 603 Notice of Initial Substantial Holder for FML
20 December 2021	Proposed issue of securities - TGM
20 December 2021	Theta Gold Mines Bidder Statement for Focus Minerals Ltd
17 December 2021	Form 605 Notice of Ceasing to be a Substantial Holder
17 December 2021	Notification of cessation of securities
14 December 2021	Updated Results of 2021 Annual General Meeting
13 December 2021	Results of TGM 2021 Annual General Meeting
9 December 2021	Theta Announces Intention to Make Takeover Bid for Focus Minerals Limited
9 December 2021	Market Release – Pause in Trading
7 December 2021	Trial Mining Successfully Completed at TGME Gold Project
18 November 2021	Expansion of Disclosure on Corporate Governance Recommendation 4.3
16 November 2021	Company Secretary Appointment/Retirement
12 November 2021	Notice of 2021 Annual General meeting
10 November 2021	New Board Appointments
4 November 2021	Quarterly Report 1 July to 30 September 2021 (revised)
4 November 2021	Appendix 5B (revised) – Mining exploration entity or oil and gas exploration entity quarterly cash flow report
1 November 2021	Appendix 4G – Key to Disclosures Corporate Governance Council Principles and Recommendations
1 November 2021	Annual Report 2021
1 November 2021	Appendix 5B – Mining exploration entity or oil and gas exploration entity quarterly cash flow report
31 October 2021	Quarterly Report – 1 July to 30 September 2021
25 October 2021	TGME Project Permitting Update
19 October 2021	IMARC Investor Presentation
6 October 2021	Appendix 3G - Notification Regarding Unquoted Securities
5 October 2021	Appendix 3G - Notification Regarding Unquoted Securities

Date	Announcement
5 October 2021	Appendix 2A - Application for Quotation of Securities
5 October 2021	Appendix 3H - Notification of Cessation of Securities
5 October 2021	Appendix 3G - Notification Regarding Unquoted Securities
5 October 2021	Appendix 2A - Application for Quotation of Securities
5 October 2021	Cleansing Notice under section 708A(5)(e) of the Corporations Act (the Act)
30 September 2021	30 June 2021 Annual Financial Statements – Extended Reporting and Lodgement Deadlines
30 September 2021	Investor Presentation – Spark Plus Webinar
29 September 2021	Spark Plus Webinar Invitation
28 September 2021	Starting Underground Mine Development Work and Funding Update
27 September 2021	Results of EGM 27 September 2021
24 September 2021	Close of Share Purchase Plan
10 September 2021	Chairman's Letter to Shareholders
10 September 2021	Share Purchase Plan Application Form
10 September 2021	Theta Gold Mines Limited – Share Purchase Plan Prospectus
26 August 2021	Appendix 3Y – Change of Director's Interest Notice
26 August 2021	Letter to Shareholders – Impact of COVID-19 Restrictions on the Company's Extraordinary General Meeting
26 August 2021	Proxy Form
26 August 2021	Notice of Extraordinary General Meeting
23 August 2021	Cleansing Notice under section 708A(5)(e) of the Corporations Act (the Act)
23 August 2021	Form 604 – Notice of change of interests of substantial holder
20 August 2021	Appendix 2A - Application for Quotation of Securities
20 August 2021	Appendix 3H - Notification of Cessation of Securities
13 August 2021	Resignation of Director
11 August 2021	TGME Project Development Update
11 August 2021	Appendix 3G – Notification of issue, conversion or payment up of unquoted equity + securities
10 August 2021	Appendix 3B – Proposed Issue of Securities
6 August 2021	Cleansing Notice under section 708A(5)(e) of the Corporations Act (the Act)
6 August 2021	Appendix 2A - Application for Quotation of Securities

Date	Announcement
2 August 2021	Quarterly Report 1 April to 30 June 2021
2 August 2021	Market Announcement – Theta Gold Mines Limited (ASX:TGM) – Reinstatement to Official Quotation
2 August 2021	Appendix 3B – Proposed Issue of Securities
2 August 2021	Appendix 3B – Proposed Issue of Securities
2 August 2021	Appendix 3B – Proposed Issue of Securities
2 August 2021	Appendix 3B – Proposed Issue of Securities
30 July 2021	Over \$10M New Funding Package Secured, Led by a German Investor to Accelerate the TGME Gold Project Development
29 July 2021	Extension of Voluntary Suspension
28 July 2021	Market Announcement – Theta Gold Mines Limited (ASX:TGM) – Suspension from Official Quotation
26 July 2021	Market Announcement – Theta Gold Mines Limited (ASX:TGM) – Trading Halt
1 July 2021	Development Update – TGME Underground Projects
30 June 2021	Company Secretary Appointment/Retirement