



Transformational \$10.1M investment to advance AGC's exploration portfolio

- Transformational \$10.1 million strategic capital investment by Delin Mining Group Cooperation Limited (Delin)
- The investment will allow AGC to accelerate exploration of its portfolio, including the five drill ready targets at the South Cobar Project
- Placement of 122,222,222 new shares at \$0.082636 per share represents a significant premium above yesterday's closing price of \$0.057
- Following completion of the Placement, and subject to shareholder approval, Delin will hold 55% of the issued share capital of AGC
- Upon signing the agreement, AGC received a \$200,000 deposit from Delin

Australian Gold and Copper Ltd (ASX: AGC) ("AGC" or the "Company") is pleased to announce it has entered into a binding Subscription Agreement with Delin Mining Group Cooperation Limited ("Delin"), whereby Delin will subscribe for 122,222,222 new fully paid ordinary shares ("Shares") at \$0.082636 per Share ("Placement Shares"). The Subscription Agreement will provide the Company a \$10.1 million capital injection ("Strategic Investment") following satisfaction of conditions including shareholder approval.

Commenting on the Strategic Investment, AGC Chairman, Mr David Richardson said:

"In the current climate where the cost of capital is high, this investment represents exceptional value for all our shareholders. The significant premium to market price is clear evidence of the attractiveness of the drill ready targets in our South Cobar Project. We look forward to this transformational Strategic Investment and welcome Delin as a new major shareholder."

Delin's Chairman, Mr Zhang Yong said:

"We are pleased to make this strategic investment in AGC and are excited about AGC's portfolio of exploration projects. We look forward to supporting AGC to further the advancement of these gold projects, and to providing a bridge between the Australian mining industry and Southeast Asia in the future together with AGC."

AGC is currently searching for gold-copper deposits in the Cobar Basin, which is host to the high-grade CSA copper mine. AGC's Board have approved a maiden drill program to test the high priority Hilltop Target. This program is now planned to commence on completion of the Strategic Investment.

The Strategic Investment also provides a pathway to aggressively explore the four other drill-ready South Cobar targets identified at Achilles and Planet. Funds raised from the issue of Placement Shares will also be applied towards advancing AGC's other NSW projects and general working capital and any other ancillary purpose.

About Delin Mining Group Cooperation Limited (Delin)

Delin is a Hong Kong registered investment company based in Hong Kong.

Delin aims to build an investment portfolio across the mining industry, and this is their first investment in Australia.

Board Appointment

Upon completion of the Strategic Investment transaction, the Company will appoint Mr Zhang Yong to the Board as Co-Chairman. Mr Zhang will be appointed to the Board of AGC as a nominee of Delin.

Completion of the Strategic Investment is subject to the following material conditions:

- (a) Delin conducting and being satisfied with the results of due diligence on the Company;
- (b) AGC obtaining any shareholder approval required for the allotment and issue of the Placement Shares;
- (c) AGC and Delin obtaining any authorisations required to give effect to the agreement; and
- (d) There being no material adverse effect taking place up until the time all other conditions have been met.

The issue of the Placement Shares is subject to AGC obtaining shareholder approval under item 7 of section 611 of the *Corporations Act 2001 (Cth)* ("Corporations Act"). The necessary shareholder approvals will be sought at a General Meeting to be held on or around 28 November 2023. A notice of meeting, accompanied by an independent expert's report, will be provided to shareholders in due course.

On completion of the Strategic Investment, and for so long as Delin (by itself or by a Wholly-owned Subsidiary) holds at least 50.0% of the fully paid Shares of the Company (Minimum Shareholding), then the Delin shall be entitled to:

- (a) nominate for appointment 50% of the members of the board of directors of the Company (Nominees); and
- (b) require one of the Nominees to be chairman of the board of directors of the Company.

Delin must use all reasonable endeavours to retain for the benefit of the Company and its shareholders:

- (a) the current members of the Board; and
- (b) the current senior management personnel,

for not less than the 18-month Standstill Period and for as long as reasonably practicable.

A summary of the material terms of the Subscription Agreement is provided in Appendix 1.

Hopgood Ganim have been appointed as legal advisors in relation to the proposal.

This announcement has been approved for release by the Board of AGC.

ENDS

For enquiries:
Glen Diemar
Managing Director
Australian Gold and Copper Limited
+61 434 827 965
gdiemar@austgoldcopper.com.au
www.austgoldcopper.com.au

Forward-Looking Statements

This announcement contains “forward-looking statements.” All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and based upon information currently available to the company and believed to have a reasonable basis. Although the company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct as actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold, and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. The forward-looking statements contain in this press release are made as of the date of this press release and except as may otherwise be required pursuant to applicable laws, the Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”.

For personal use only

APPENDIX 1: SUMMARY OF MATERIAL TERMS OF SUBSCRIPTION AGREEMENT

Subscriber	Delin Mining Group Cooperation Limited (Delin)
Share Placement	122,222,222 ordinary shares in the Company (Shares) at a subscription price of \$0.082636 per Share.
Deposit	Within 2 Business Days prior to the Subscription Agreement, Delin must pay a \$200,000 deposit to AGC. The Company has received this Deposit.
Conditions	<p>Completion is subject to the following conditions precedent being satisfied or waived:</p> <ul style="list-style-type: none"> (a) Delin conducting and being satisfied with the results of legal, financial, taxation and commercial due diligence concerning the Company and its business operations, assets and liabilities; (b) AGC obtaining any shareholder approval required for the allotment and issue of the Shares being duly passed by the Company's shareholders; (c) AGC and Delin obtaining any Authorisations required to give effect to this agreement; (d) There being no Material Adverse Effect taking place on or before the Business Day before satisfaction of the last of the conditions precedent other than this condition; and (e) AGC providing Delin with management accounts for the Company in respect of the period to 31 March 2023, and such accounts being satisfactory to Delin. <p>If any condition precedent is not satisfied or waived by 15 December 2023, then all rights and obligations under the Subscription Agreement terminate with the exception of any rights that accrue before that date.</p>
Board Nominee Right	<p>AGC will seek shareholder approval for the appointment of Mr Zhang Yong to the Board of the Company as Co-Chairman, alongside Mr David Richardson.</p> <p>In addition, for as long as Delin holds at least 50.0% of the fully paid shares of the Company, Delin will also be entitled to nominate for appointment 50% of the members of the board of directors of AGC (one of whom shall be chairman). Delin must however, use all reasonable endeavors to retain for the benefit of the Company and its shareholders, the current members of the Board and the current senior management personnel, for not less than 18 months from 20 September 2023.</p>
Standstill	Delin has agreed to not acquire a relevant interest in the Company for a period of 18 months from the date of execution, other than in accordance with a permitted acquisition (i.e. a control transaction or in reliance on other standard exceptions)
Warranties	Customary representations and warranties are provided by both AGC and Delin.

For personal use only