

7 December 2023

By ASX Online Platform

The Manager
Market Announcements Office
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Dear Sir / Madam

Off-market takeover bid by Zhaojin Capital (Hong Kong) Limited – First Supplementary Target's Statement

We refer to the off-market takeover offer by Zhaojin Capital (Hong Kong) Limited (**Zhaojin**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the fully paid ordinary shares in Tietto Minerals Limited ACN 143 493 118 (**Tietto**) that Zhaojin does not already own (**Offer**). Tietto lodged a target's statement in connection with the Offer with the Australian Securities Exchange on 27 November 2023.

We **enclose**, in accordance with section 647(3)(b) of the Corporations Act, a copy of Tietto's first supplementary target's statement that has been prepared in connection with the Offer.

Yours sincerely



Mr. Matthew Foy
Company Secretary
Tietto Minerals Limited

For personal use only

First Supplementary Target's Statement

in connection with the off-market takeover offer by Zhaojin Capital (Hong Kong) Limited to purchase all of the ordinary fully paid shares in Tietto Minerals Limited ACN 143 493 118.

1 Introduction

This document is a supplementary target's statement under section 644 of the Corporations Act. It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued by Tietto Minerals Limited ACN 143 493 118 (**Tietto**) in relation to the unsolicited conditional off-market takeover offer by Zhaojin Capital (Hong Kong) Limited (**Zhaojin**) to purchase all of the ordinary fully paid shares in Tietto that it does not already own (**Offer**).

This First Supplementary Target's Statement supplements, and should be read together with, Tietto's target's statement dated 27 November 2023 in relation to the Offer (**Target's Statement**).

Unless the context requires otherwise, terms defined in the Target's Statement have the same meaning in this First Supplementary Target's Statement. The Annexures to this First Supplementary Target's Statement form part of this First Supplementary Target's Statement.

It is important that you read the Target's Statement and this First Supplementary Target's Statement in their entirety before making any investment decision and any decision relating to the Offer. This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

If you have any queries in relation to this First Supplementary Target's Statement, please contact Tietto on +61 (8) 6331 6182, between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

2 November Production Update

2.1 Gold production at Abujar Gold Project

Tietto produced 11,160oz gold at the Abujar Gold Project in November 2023 and achieved its highest monthly milling rate to date reaching an annualised rate of more than 4.9 Mtpa of predominately fresh material.

Milling rates continued to outperform the ability of the mining contractor to mine ore in November resulting in an inability to reach higher grade mining faces and the requirement to temporarily process lower grade stockpiles. Tietto's mining contractor has mobilised and commissioned one Liebherr R 9350 and two Komatsu PC2000 excavators in November which are expected to increase overall mining volumes with mined ore tonnes forecast to exceed the milling rate for the first time in December.

The Abujar Gold Project has produced 57,000oz over the five-month period from 1 July 2023 to November 2023. Due to a three and half day mill shutdown at the start

of December for mill re-lining, that was previously planned for 2024, there is expected to be a 10% reduction in days milled in December. Tietto now expects its production over the 6 month period to December 2023 to be between 65,000-75,000 oz Au (as opposed to the previous production guidance of between 75,000-85,000oz Au over the period).

Tietto notes that the Independent Expert Report included as Attachment A to the Target's Statement reduced the ore mined and grade (g/t) of ore mined in its valuation by 10% to 5% between October 2023 to March 2024 and April 2024 to June 2024, respectively.

The Board and Management team of Tietto remain confident that the Abujar Gold Project is on track to reach full production in H1 2024 driven by an improvement in mining rates which will enable the ability to create stockpiles and target higher grade gold.

2.2 Cash position

Abujar continues to generate strong cashflow enabling Tietto to de-lever quickly, with debt reduced to ~US\$11M (~A\$16.7M) following a ~US\$3.4M (~A\$5.2M) debt repayment during the month of November. Tietto ended November 2023 with unaudited cash, bullion and VAT receivable of ~US\$38.5M (~A\$58.5M). This figure is net of the full September quarter royalty (which amount was paid in November) as well as mining contractor expenses and other costs related to October production, following receipt of funds from gold sales late in October.

3 Extension of Offer Period

As announced on 6 December 2023, Zhaojin has extended the Offer Period to close at 7.00pm (Sydney time) on Friday, 12 January 2024, in accordance with section 650D of the Corporations Act.

As at the date of this First Supplementary Target's Statement, the Offer remains subject to the defeating conditions set out in section 4.2 of the Target's Statement and section 9.7 of the Bidder's Statement. The new date on which Zhaojin must give a notice of the status of the defeating conditions is Thursday, 4 January 2024.

The Directors continue to unanimously recommend that Tietto shareholders **REJECT** the Offer by **DOING NOTHING** and **TAKING NO ACTION** in relation to all documents sent to you by Zhaojin, for the reasons set out in section 1 of the Target's Statement (and as supplemented by this First Supplementary Target's Statement).

4 Shareholder intention statements in Target's Statement

Tietto refers to the following paragraph in section 1.3 of the Target's Statement (**Intention Statement**):

“1.3 Chifeng and Kongwell Management, two of Tietto’s major shareholders, who as at the Last Practicable Date held in aggregate approximately 18.74% of Tietto, do not presently intend to accept the Offer

Chifeng Jilong Gold Mining Co. (Chifeng), which as at the Last Practicable Date holds approximately 12.47% of Tietto Shares (indirectly through its subsidiary Chijin International (HK) Limited, and Kongwell Management Ltd (Kongwell), which as at the Last Practicable Date held approximately 6.26% of Tietto Shares, have each confirmed to Tietto that they do not intend to accept Zhaojin’s Offer at the Offer Price in respect of the Tietto Shares they respectively own or control.”

The substance of the Intention Statements is repeated elsewhere in the Target’s Statement; namely, in the Chairman’s Letter on page 1, and in section 2.

For completeness, Tietto wishes to clarify that as at the date of the Target’s Statement, each of Chifeng and Kongwell had provided their consent to Tietto disclosing the Intention Statement, or a statement based on the Intention Statement, in the Target’s Statement, and that neither Chifeng nor Kongwell have withdrawn their consent prior to Tietto lodging the Target’s Statement with ASIC on 27 November 2023 or the date of this First Supplementary Target’s Statement.

5 Capital Structure of Tietto

5.1 Corrections to amount of Tietto Performance Securities on issue

Since the Target’s Statement was released, Tietto has become aware that the number and expiry dates of certain of Tietto’s issued Performance Securities was incorrectly noted in the Target’s Statement.

Tietto wishes to confirm that as at the Last Practicable Date, Tietto had 9,550,000 Performance Securities on issue, as summarised in the following table.

Performance Security Class	Expiry Date	Number
TIEAQ Class B	22 December 2023	4,250,000
TIEAT Class E	21 May 2024	1,500,000
TIEAU Class F	21 May 2024	1,000,000
TIEAV Class G	1 August 2024	100,000
TIEAW Class H	30 November 2024	1,500,000
TIEAX Class I	17 January 2025	600,000
TIEAY Class J	17 January 2025	600,000
TOTAL		9,550,000

Except as reflected in this **section 5.1**, the information regarding Tietto's issued capital contained in the Target's Statement remains accurate.

6 Other ASX announcements

Since lodging the Target's Statement on 27 November 2023, Tietto has made the following ASX announcements:

Date	Announcement
28 November 2023	Completion of Dispatch of Target's Statement
6 December 2023	Takeover – extension of offer period

7 Consents

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683 (**ASIC Instrument 2023/683**), this First Supplementary Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the ASX Listing Rules). Pursuant to ASIC Instrument 2023/683, the consent of persons such statements are attributed to is not required for the inclusion of those statements in this First Supplementary Target's Statement.

Any Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Instrument 2023/683 may obtain a copy (free of charge) during the Offer Period by contacting Matthew Foy, Tietto's Company Secretary, between 9.00 am and 5.00 pm (Perth time) Monday to Friday on +61 (8) 6331 6182. The copy will be provided within two Business Days of the request.

8 Authorisation

A copy of this First Supplementary Target's Statement was lodged with ASIC on 7 December 2023 and provided to ASX on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this First Supplementary Target's Statement.

This First Supplementary Target's Statement has been approved by a resolution passed by your Directors. Each of your Directors voted in favour of that resolution.

Date: **7 December 2023**

Signed for and on behalf of
Tietto Minerals Limited by

A handwritten signature in black ink that reads "Francis Harper". The signature is written in a cursive, slightly slanted style.

Mr Francis Harper
Non-Executive Chairman